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CASTE: A Global Journal on Social Exclusion
Vol. 7 No. 2 pp. 310-327
October 2026
ISSN 2639-4928

DOI: 10.26812/caste.v7i2.2868

Religious Identity Matters in Access to the Labour Market in India: Challenges Experienced by Muslims in Search of Livelihood

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Abstract

This study examines labour market inequalities faced by Muslims in India, highlighting the role of structural exclusion and religious discrimination in shaping employment outcomes. The findings show that Muslims are disproportionately concentrated in self-employment and casual wage labour, with limited access to regular salaried jobs, social security, paid leave, and stable workplaces, contributing to economic vulnerability. Decomposition analysis indicates that discrimination significantly influences labour market disparities, including lower labour force participation, higher informality, and lower wages. The study emphasizes the need for targeted public policies, including anti-discrimination measures, entrepreneurship support, skill development programmes, social security expansion, and gender-sensitive employment initiatives to improve labour market inclusion.

Keywords

Social Exclusion, Labour Market Discrimination, Vulnerability, Informal Employment

Introduction

Labour markets are not neutral spaces; they stand on shifting axes of social, religious and economic identity. The economic growth of India in the past two decades has only compounded this imbalance, as headline figures have not translated into equitable income distribution. This outcome is hardly anomalous. As Harvey (2005) argues, the asymmetries between capital, land and labour are not accidental by-products of market processes, but the very crux of the political project inherent to neoliberal capitalism. The past few decades of expansion have unfolded alongside weak job

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creation, stagnant earnings and rising precarity, renewing debates on jobless and employment-poor growth. This rupture, however, is not merely a macroeconomic catch. Employment remains the principal mechanism that economic growth leverages to reduce poverty, enable social mobility and secure livelihoods. When economic growth bypasses the realities of the labour market, the promise of poverty reduction, whether expressed through national programmes or global frameworks such as the Sustainable Development Goals (SDGs), is significantly compromised.

These interactions are best elucidated in the concept of 'embeddedness', the assertion by Polanyi (1984) that economics is embedded in social relations and vice versa. By warning against the treatment of labour as a mere object commodity governed entirely by market logic, Polanyi foregrounds the social dislocations such an approach produces. A reading of the labour market in this context changes the very semantics of exclusion—framing it not as incidental to the market, but as a structural consequence of it.

India's constitutional framework formally commits to the idea of equality among citizens and prohibits discrimination on the grounds of religion and promises preservation, protection, and assurance of the rights of minorities (Articles 14, 15, 29 and 30). However, in a scenario where markets themselves exhibit, establish, and replicate hierarchies, the continued existence of fragmented labour markets exposes the confines of formal statutes. The gap between legal frameworks and the realities of material exclusion is made clear by the fact that Muslims, in particular, keep falling behind national averages on key measures of human development. Inclusive development, therefore, cannot be relegated to aggregate growth or subjected to the black box of *ceteris paribus* (all things being equal); it requires meaningful participation of all religious communities in the economic processes in order to minimise inter-religious inequalities.

Empirical scholarship corroborates these arguments; that economic distribution in market and non-market institutions, often mediated by social and religious identities, produces adverse outcomes for growth, income distribution and poverty among marginalised groups. In India, alongside caste, religion remains a decisive axis of social differentiation, shaping access to employment and livelihoods. While a corpus of literature has examined the role of caste and gender in determining economic outcomes, comparatively little attention has been paid to the impact of religion-based identity on economic outcomes in India (Thorat & Newman, 2010; Mishra 2023, 2020).

It is within this calculus of fragmented labour markets that discrimination acquires concrete forms. Employers often base hiring decisions on social identities such as caste, religion, gender, and race as opposed to productivity or qualifications alone. Consequently, labour markets frequently act as marketplaces of inequality, converting social hierarchies into economic exclusion despite the fact that they are the primary source of income and livelihoods (Papola, 2012). While a substantial body

of theoretical and empirical work is available on the economics of discrimination in the labour market, this literature is largely concentrated on caste, race and sex, with religion-based discrimination remaining relatively understudied.

Discrimination in the labour market unfolds across multiple stages of labour market participation. At the entry level, employment discrimination occurs when access to jobs is rationed out to a select few, irrespective of skill or productivity levels. This exclusion shows hiring preferences of privileged groups and the resultant filtering out of marginalised communities from formal employment at the earliest stage. An appendage to this is wage discrimination—whereby workers performing comparable tasks receive unequal remuneration, which further manifests into daily earnings, erratic payment schedules or skewed wage instalments. Beyond wages, discriminatory practices also mould terms and conditions for work, such as different hours of work, including hours, job security and environment within workplaces.

These market-based systems in India are maintained by entrenched forms of exclusion. Access to a particular type of work continues to be governed by caste norms or occupational segregation, historically rooted in the notions of purity and pollution (Thorat, 2008).

As evidenced by the above arguments, much of the existing literature on inequality in the labour market in India has coalesced around the question of caste identities, particularly in urban contexts. In this scenario, religion-based discrimination exists in vignettes. Within this sparse body of work, Das (2012) has made a critical intervention by examining whether religious and caste minorities, specifically Dalits and Muslims, build economic 'enclaves', provided they have the requisite wherewithal. Drawing on data from the 61st round of the National Sample Survey on employment and unemployment, the study probes what happens to educated individuals from these groups who are unable to access salaried jobs; whether they transition into self-employment, withdraw from the labour force, or adopt alternative livelihood strategies.

The findings reveal a vast gulf between Dalits and Muslims. The enclave hypothesis appears to work more effectively among Muslims than it does among Dalits, largely because they lack broad access to capital and networks. As noted by Das, educated Muslims who are excluded from salaried jobs are more likely to enter self-employment, particularly in urban areas, and establish businesses in concentrated clusters. These geographical and occupational enclaves, which allow Muslims to avoid discriminatory hiring practices, typify adaptive responses to exclusion from the labour market. Additionally, some educated Muslims opt out of the labour force completely and choose to remain unemployed while awaiting opportunities that align with their qualifications.

This pattern of labour market dislocation is related to broader forms of social and spatial marginalisation. Studies document systematic discrimination against Muslims in access to public goods, including education, housing, banking, sanitation and

transport infrastructure (Pandya, 2010; Das et al., 2011). Thorat et al (2015), in their analysis of urban rental housing markets, demonstrate how Dalits and Muslims face discriminatory treatment by landlords, with Muslims experiencing more severe forms of discrimination. In many cases, Muslim households are pressured into accepting unfavourable terms and conditions, merely to secure rental housing.

Together, these findings substantiate the claim that labour markets are not abysses existing in a vacuum, but meticulously programmed structures, in which inequality is organised and sustained. Discrimination against marginalised groups, whether deprived castes, religious or gender minorities, is not episodic, but thoroughly institutionalised, often operating via extra-legal methods and informal chains of power, networks and access. The aforementioned patterns show how occupational clustering, self-employment enclaves, and systematic exclusion from formal employment and urban housing are all consequences of labour market inequalities. These connections demonstrate how social and economic institutions are intertwined and how they put people at the bottom of the social pyramid at further risk. In this context, discrimination is not just an outcome of pre-existing inequalities. It is a process, ongoing and persistent, shaping who gets access to work, on what terms and with what results.

Labour market discrimination operates through three principal modes. First, it manifests at the entry level stage, rationing access to certain occupations or segments of the labour market and effectively filtering marginalised groups out at the point of entrance. Second, it constrains occupational mobility within internal labour markets, impeding any growth even after entry has been secured. Third, discrimination unfolds through unequal returns to work, whereby individuals engaged in the same occupation receive differential wages and benefits. While wages and earnings constitute what Abraham (2012) describes as a 'premium for tastes,' social exclusion presents a direct barrier to gaining access to the labour market and simultaneously reiterates the undesirability of particular groups within specific job market segments.

This body of evidence reflects how labour markets serve as zones of social differentiation, where inequalities proliferate and morph into economic disadvantage. It underlines the shortcomings of existing research in highlighting the full range of identity-based exclusion and the regulatory structures that facilitate it.

Theoretical Framework of Exclusion and Discrimination in the Labour Market

Trapped in the absolutist logic of *ceteris paribus*, standard economic models work on the presumption that markets act independently of social identities and treat individuals as replaceable units defined only by their productivity. However, a substantial body of work contests this assumption by demonstrating that identity, shaped by class, religion, race and gender, plays a decisive role in structuring labour market outcomes.

Within this literature, two leading neo-classical theories of discrimination provide foundational explanations for identity-based exclusion.

The first theory, propounded by Becker (1957), is based on taste-based discrimination. It posits that discrimination occurs because of employers' preferences rather than productivity considerations. It elaborates that some employer's experience disutility from interacting with certain social groups and are willing to incur financial cost to avoid such interactions, despite the knowledge of reduced profits. Importantly, the model establishes that the privileged group does not assume that discriminated groups are less capable; rather, it is an aversion towards social proximity. This 'taste for discrimination' can be measured along various vectors, such as intensity, duration and levels of contact with members of the other group. Resultantly, the intensity and persistence of such discrimination may vary depending on the extent of contact between groups, perceived social hierarchies or anxieties related to demographic or occupational displacement.

Kreuger (1963) provided one of the major critiques of Becker's thesis, by arguing that exclusion can exist even when individual prejudice is absent. Sometimes employers act so as to multiply group-level advantage rather than enhance individual profit, resulting in collective forms of exclusion (Deshpande, 2011). Hence, discrimination is sustained via coordinated behaviour that preserves the hegemony of privileged groups.

Complementing this approach, Arrow's (1972) theory of statistical discrimination attributes discriminatory outcomes to imperfect information. In a scenario where employers lack precise knowledge about an individual's skill, they often act on their proclivity for group-level stereotypes and use them as proxies for gauging ability. Therefore, group identity becomes a heuristic for decision-making, increasing prejudiced hiring and wage outcomes for equally productive individuals (Chakravarty & Somanathan, 2008). While this may reduce screening costs for employers, it strengthens stereotypes that naturalise skewed metrics for assessing capability based on group identities.

For instance, some employers assume that women are less productive than men and use this criterion to offer different wages without knowing the actual productivity of female candidates. In this way, employers use the group identity of employees as a proxy for ability. This causes adverse effects on the wages of the discriminated group on one hand, while saving the economic cost of hiring. Therefore, unlike Becker's model, the statistical discrimination framework treats discrimination as a rational response to information asymmetries rather than outward prejudice.

Although assuming different metrics of analysis, both neoclassical theories converge at a critical insight: that identity matters in the market. However, a major criticism of the theories is their narrow focus on market-stage discrimination, primarily hiring and wage differentials. These frameworks bypass critical pre-market disadvantages such as unequal access to education, networks, spatial segregation and

institutional bias, which define who will enter the labour market long before individual transaction happens.

To offset this undue emphasis on the economic aspect of this discourse, there are sociological and political economy perspectives that offer a broader understanding of inter-group discrimination beyond the question of the market.

Social identity theory (Tajfel & Turner, 1985) explains discriminatory behaviour as a function of inter-group social comparison, suggesting that people classify themselves into hierarchical social identities wherein behaviour and attitude take the shape of 'us' (in-group) versus 'them' (out-group). Group favouritism and exclusion of out-groups emerge as devices of social differentiation (Vijayalakshmi et al, 2006). Thurow (1968) and Bergmann (1971), in their critical appraisal of taste-based discrimination, argue that discrimination reflects the collective power of the dominant groups. Likewise, the bargaining theory of Baran and Sweezy (1966) links discrimination to the bargaining strength of the unions (cited in Tilak, 1980).

The sociological literature on discrimination in the labour market further extends this analysis by locating it within the greater tides of institutional and social processes. Rather than treating discrimination as occurring in silos of individual prejudice, these perspectives place it within the pulls of norm, organisational practices and social structures that reproduce inequality across both micro and macro levels (Piore, 1983). However, precise identification of discrimination is empirically complex, as there is a risk of accepting symptoms as the structural causes of discrimination. Furthermore, identifying the plane of discrimination—whether at the individual level, household, community, or labour market is a lasting Achilles heel (Das, 2015).

A more recent and integrative contribution is offered by Akerlof and Kranton's (2010) framework of *Identity Economics,* which deftly bridges economic and sociological perspectives by demonstrating how norms, social categories, and identities shape economic decision making.

These theoretical perspectives highlight that labour markets are not transactional, static entities. Moreover, the inequalities that are borne of them cannot be relegated to isolated acts of bias or information failures. Rather, it is seeded within social identities, institutions, and power relations that support employment, mobility and returns. In this sense, they are whirlpool spaces that defy being straitjacketed into black-boxes—the ones which pose immense dangers, especially for marginalised identities which operate as distinct and consequential axes of labour market exclusion in India.

The constitution of India is committed to the idea of equality among citizens and prohibits discrimination on the ground of religion and promises preservation, protection, and assurance of the rights of minorities (Articles 14, 15, 29 and 30). Studies by government, policymakers and researchers have shown that Muslims lag behind in most indicators of human development. For an inclusive development it is necessary

that each religious community is benefitted and takes part in the development process so that inter-religious inequalities are minimised.

Methodology and Data Source

This article uses quantitative research methods to analyse inter-religious inequality in access to access to labour market and social security benefits to religious minority. Periodic labour force survey data has been analysed through cross-tabulation for three successive years—2021-22, 2022-23, 2023-24. Cross-tabulation analysis has helped to understand relationship with religious identity and various indicators of labour market. The study has also calculated binary logistic relationship between independent variable religious identity and dependent variables such as labour force participation, work participation, unemployment and social security indicators. The results of binary logistic regression have been discussed using odds ratio with 95 per cent confidence interval. Discrimination experienced by Muslims in accessing to labour market has been analysed using decomposition method.

Analysis

Labour Force Participation Rate by Religious Groups in India

As per periodic labour force survey, Labour Force Participation Rate is the percentage of persons in the labour force which include both working and seeking employment. The table 1 presents the labour force participation in rural India by gender for major religious groups in India for three rounds of periodic labour force surveys 2021-22 to 2023-34. Analysis of the data indicate that Muslims constantly lag behind other religious groups in labour force participation. This trend is visible for all three rounds of labour market. Gender-wise analysis also shows that labour force participation rates for Muslim women remain abysmal in comparison to other social groups. Among all major religious groups in rural India, labour force participation remains lowest for Muslims and highest for Sikhism.

Table 1: Labour Force Participation Rate (in per cent) according to usual status (ps+ss) for major religious groups in India: Rural

Religion	M	F	P	M	F	P	M	F	P
	PLFS (2023-24)			PLFS (2022-23)			PLFS (2021-22)		
Hinduism	58.4	37.0	47.8	57.8	33.6	45.9	57.2	28.4	43.0
Muslim	53.7	25.0	39.3	45.3	14.7	31.7	53.6	16.5	35.3
Christianity	57.2	42.7	49.8	57.8	38.0	47.7	57.0	36.8	46.8
Sikhism	61.8	29.3	46.1	63.1	25.7	44.6	61.5	20.4	42.2
All	57.9	35.5	46.8	55.5	30.5	43.4	56.9	27.2	42.2

Source: PLFS (2023-24), PLFS (2022-23), PLFS (2021-22)

Labour force participation rate for urban areas is slightly higher than rural areas for all religious groups. However, for urban areas also, the labour force participation rate is lowest for Muslims among all major religions in India. Similar to rural areas, urban areas also has higher gender inequality in labour participation. Despite higher availability of livelihood opportunities in urban areas, Muslims continue to have lower labour force participation.

Table 2: Labour Force Participation Rate (in per cent) according to usual status (ps+ss) for major religious groups in India: Urban

Religion	M	F	P	M	F	P	M	F	P
	PLFS (2023-24)			PLFS (2022-23)			PLFS (2021-22)		
Hinduism	59.4	23.6	41.9	58.9	21.5	40.8	58.8	19.6	39.7
Muslim	57.1	14.6	36.2	55.8	12.6	34.7	56.4	12.0	34.7
Christianity	56.7	30.3	42.8	55.4	29.2	42.0	55.8	29.6	42.3
Sikhism	60.6	19.1	39.6	61.8	16.6	39.3	58.4	17.6	38.9
All	59.0	22.3	41.0	58.3	20.2	39.8	58.3	18.8	39.0

Source: PLFS (2023-24), PLFS (2022-23), PLFS (2021-22)

Table 3: Labour Force Participation Rate (in per cent) according to usual status (ps+ss) for major religious groups in India: Total

Religion	M	F	P	M	F	P	M	F	P
	PLFS (2023-24)			PLFS (2022-23)			PLFS (2021-22)		
Hinduism	58.7	33.3	46.2	58.1	30.5	44.5	57.6	26.1	42.1
Islam	54.9	21.4	38.2	47.7	14.2	32.5	54.6	15.0	35.1
Christianity	57.1	38.3	47.4	57.0	35.1	45.8	56.6	34.2	45.2
Sikhism	61.5	26.7	44.5	62.8	23.5	43.3	60.8	19.8	41.4
All	58.2	31.7	45.1	56.2	27.8	42.4	57.3	24.8	41.3

Source: PLFS (2023-24), PLFS (2022-23), PLFS (2021-22)

Work Participation Rate by Religious Groups in India

Work Participation rate is defined as percentage of people employed in population. As far as the work participation rate is concerned, table shows that WPR also remains lower for Muslims in comparison to other religious groups in India. Gender disparity in work participation rate is also quite visible like labour force participation. From 2021-22 to 2023-34, the rural work participation rate remains lower for Muslims in comparison to other religious groups.

Table 4: WPR (in per cent) according to usual status (ps+ss) for major religious groups in India: Rural

Religion	M	F	P	M	F	P	M	F	P
	PLFS (2023-24)			PLFS (2022-23)			PLFS (2021-22)		
Hinduism	56.9	36.3	46.7	56.1	33.1	44.7	55.1	27.8	41.6
Muslim	52.4	24.3	38.3	44.6	14.5	31.3	51.6	16.2	34.1
Christianity	55.3	40.7	47.9	56.0	36.4	46.0	54.4	35.0	44.6
Sikhism	58.7	27.2	43.4	60.3	24.2	42.4	58.0	19.0	39.7
All	56.3	34.8	45.6	54.0	30.0	42.3	54.7	26.6	40.8

Source: PLFS (2023-24), PLFS (2022-23), PLFS (2021-22)

For urban areas also, the work participation rate for Muslims is lower than other religious groups. The gender disparity is more acute for Muslims in urban areas in comparison to rural areas. For Muslim women, the work participation rate remains very low and lowest among all religious groups in India. The work participation rate among Muslims has slightly increased in last three rounds of PLFS. However, it remains lowest for Muslims among all religious groups in India.

Table 5: WPR (in per cent) according to usual status (ps+ss) for major religious groups in India: Urban

Religion	M	F	P	M	F	P	M	F	P
	PLFS (2023-24)			PLFS (2022-23)			PLFS (2021-22)		
Hinduism	56.8	21.9	39.7	56.1	19.9	38.5	55.4	18.2	37.3
Muslim	54.8	13.7	34.6	53.5	11.7	33.1	53.0	11.0	32.5
Christianity	53.4	27.9	40.0	52.5	26.7	39.3	51.9	26.5	38.9
Sikhism	57.7	17.1	37.2	58.6	14.8	36.8	55.1	15.4	36.1
All	56.4	20.7	38.9	55.6	18.7	37.7	55.0	17.3	36.6

Source: PLFS (2023-24), PLFS (2022-23), PLFS (2021-22)

At aggregate level also, the work participation rate remains lowest for Muslims in comparison to other social groups. Gender disparity in work participation for Muslim women also remains high. Approximately one-fifth women are in workforce among Muslims in comparison to Hinduism.

Table 6: WPR (in per cent) according to usual status (ps+ss) for major religious groups in India: Total

Religion	M	F	P	M	F	P	M	F	P
	PLFS (2023-24)			PLFS (2022-23)			PLFS (2021-22)		
Hinduism	56.9	32.3	44.7	56.1	29.6	43.1	55.2	25.2	40.5
Muslim	53.2	20.7	37.0	46.6	13.8	31.7	52.1	14.4	33.5
Christianity	54.6	36.3	45.2	54.8	33.2	43.8	53.6	32.0	42.6
Sikhism	58.5	24.6	41.9	59.9	22.0	41.1	57.4	18.2	38.9
All	56.4	30.7	43.7	54.4	27.0	41.1	54.8	24.0	39.6

Source: PLFS (2023-24), PLFS (2022-23), PLFS (2021-22)

Unemployment Rate by Religious Groups in India

As per periodic labour force survey, unemployment is defined as percentage of labour force which is not working currently but actively looking for the employment opportunities. The unemployment rate remains lower for rural areas than urban areas. Since majority of working age population gets some employment in primary activities in rural areas, the unemployment rate remains low. Unemployment rate for Muslims is higher than Hindus but remains lower than Christians and Muslims. However, gender disparity is not very high among Muslims as far as unemployment rate is concerned.

Table 7: Unemployment rate in usual status (ps+ss) for major religious groups: Rural

Religion	M	F	P	M	F	P	M	F	P
	PLFS (2023-24)			PLFS (2022-23)			PLFS (2021-22)		
Hinduism	2.6	1.9	2.4	2.9	1.8	2.5	3.7	2.0	3.2
Muslim	2.6	2.7	2.6	1.6	1.2	1.5	3.7	2.1	3.3
Christianity	3.4	4.5	3.9	3.2	4.2	3.6	4.5	4.8	4.6
Sikhism	5.1	7.2	5.7	4.5	5.6	4.8	5.7	6.9	6.0
All	2.7	2.1	2.5	2.8	1.8	2.4	3.8	2.1	3.3

Source: PLFS (2023-24), PLFS (2022-23), PLFS (2021-22)

As discussed earlier, the unemployment rate remains higher in urban areas as employment opportunities are limited in urban areas in comparison to rural areas. Among all religious groups, unemployment rate remains lowest for Muslims and highest among Christians.

Table 8: Unemployment rate in usual status (ps+ss) for major religious groups: Urban

Religion	M	F	P	M	F	P	M	F	P
	PLFS (2023-24)			PLFS (2022-23)			PLFS (2021-22)		
Hinduism	4.3	7.1	5.1	4.7	7.4	5.4	5.7	7.6	6.2
Muslim	4.0	6.5	4.5	4.1	7.3	4.7	6.0	8.2	6.4
Christianity	5.9	7.8	6.6	5.2	8.7	6.5	6.9	10.4	8.2
Sikhism	4.7	10.8	6.2	5.2	10.7	6.4	5.7	12.6	7.2
All	4.4	7.1	5.1	4.7	7.5	5.4	5.8	7.9	6.3

Source: PLFS (2023-24), PLFS (2022-23), PLFS (2021-22)

At aggregate level also, unemployment rate for Muslims has increased in 2023-24 in comparison to 2022-23. However, unemployment rent is lower than other minority religion in India.

Table 9: Unemployment rate in usual status (ps+ss) for major religious groups: Total

Religion	M	F	P	M	F	P	M	F	P
	PLFS (2023-24)			PLFS (2022-23)			PLFS (2021-22)		
Hinduism	3.1	2.9	3.1	3.4	2.8	3.2	4.3	3.1	3.9
Muslim	3.1	3.6	3.2	2.3	2.6	2.4	4.5	3.8	4.4
Christianity	4.3	5.4	4.7	3.9	5.4	4.5	5.3	6.5	5.8
Sikhism	5.0	7.9	5.8	4.7	6.5	5.1	5.7	8.0	6.2
All	3.2	3.1	3.2	3.3	2.9	3.2	4.4	3.3	4.1

Source: PLFS (2023-24), PLFS (2022-23), PLFS (2021-22)

Distribution of Workers by Broad Status in Employment

In this section, an analysis of workers by employment categories has been done. The broad categories of employment are—self-employed, regular wage salary and casual labour. Self-employed workers have been categorized into own-account workers/ employer, helper in household enterprises. In comparison to other religious groups, Muslims have lowest proportion to regular/wage salary. The proportion of casual labour is also highest among Muslims. Thus, in comparison to other religions, Muslim workers are more vulnerable as the proportion of casual labour is highest and regular wage salary workers are lowest.

Table 10: Percentage Distribution of Workers in Usual Status (ps+ss) by Broad Status in Employment: Rural

Category of Persons	Self-Employed			Regular Wage/ Salary	Casual Labour	All
	Own Account Worker, Employer	Helper in Household Enterprise	All Self Employed			
Hinduism						
Male	46.9	12.9	59.8	15.8	24.4	100.0
Female	29.0	43.7	72.7	7.6	19.7	100.0
Total	40.0	24.8	64.8	12.7	22.6	100.0
Muslim						
Male	49.3	9.7	59.0	13.5	27.5	100.0
Female	50.4	36.4	86.8	5.6	7.6	100.0
Total	49.6	18.2	67.9	11.0	21.1	100.0
Christianity						
Male	46.8	10.5	57.3	17.7	25.0	100.0
Female	34.1	32.8	66.8	15.7	17.5	100.0
Total	41.3	20.1	61.4	16.8	21.8	100.0
Sikhism						
Male	39.7	10.4	50.1	21.8	28.1	100.0
Female	44.2	13.9	58.1	20.4	21.5	100.0
Total	41.0	11.5	52.5	21.4	26.1	100.0

Category of Persons	Self-Employed			Regular Wage/ Salary	Casual Labour	All
	Own Account Worker, Employer	Helper in Household Enterprise	All Self Employed			
all Religions						
Male	47.0	12.4	59.4	15.8	24.9	100.0
Female	31.2	42.3	73.5	7.8	18.7	100.0
Total	41.0	23.7	64.7	12.7	22.5	100.0

Source: Periodic Labour Force Survey, 2023-24

In comparison to other religious groups, proportion of self-employed workers is highest among Muslims. Among self-employed workers, the proportion of own account worker is highest among Muslims. Due to lack of regular salaried employment, Muslims depends on self- employment opportunities such as small enterprises/ shops in which they sometime work alone or employ some workers.

Table 11: Percentage Distribution of Workers in Usual Status (ps+ss) by Broad Status in Employment: Urban

Category of Persons	Self-Employed			Regular Wage/ Salary	Casual Labour	All
	Own Account Worker, Employer	Helper in Household Enterprise	All Self Employed			
Hinduism						
Male	33.9	4.5	38.4	49.4	12.3	100.0
Female	26.0	13.8	39.9	51.6	8.6	100.0
Total	31.8	7.0	38.8	50.0	11.3	100.0
Muslim						
Male	41.6	5.7	47.3	33.6	19.1	100.0
Female	47.4	16.3	63.7	29.1	7.2	100.0
Total	42.7	7.7	50.5	32.7	16.8	100.0
Christianity						
Male	31.3	1.2	32.5	50.8	16.7	100.0
Female	28.4	8.3	36.8	55.4	7.9	100.0
Total	30.3	3.8	34.1	52.4	13.5	100.0
Sikhism						
Male	38.8	8.7	47.5	42.3	10.2	100.0
Female	31.9	9.4	41.3	56.9	1.8	100.0
Total	37.2	8.9	46.1	45.7	8.2	100.0
all Religions						
Male	35.1	4.7	39.8	46.8	13.4	100.0
Female	28.5	13.8	42.3	49.4	8.3	100.0
Total	33.4	7.0	40.4	47.5	12.1	100.0

Source: Periodic Labour Force Survey, 2023-24

Similar pattern is also observed for urban areas, proportion of regular wage salary worker is lowest for Muslims in comparison to other religious groups. For Muslims, less than one-third proportion of workers have regular wage salary. Again, for urban areas as well, the proportion of casual wage labour is highest for Muslims in comparison to other religious groups. More than half of the work force among Muslims are dependent on some form of self-employment which is highest among all religious groups in India.

Factors Determining Vulnerability of Muslims in Labour Market in India

As discussed in previous section, Muslims workers are exposed to vulnerability due to higher proportion of casual wage workers and lower proportion of regular salaried workers. Vulnerabilities experienced by Muslims have been analysed through four major indicators: unemployment, type of work location-fix-non fixed, eligibility of paid leave and access to social security benefits. Logistic regression method has been used to analyse nature of vulnerabilities.

Table 12 shows the probability of being unemployed by religious groups in India. Analysis of odds ratio shows that in comparison to Hindus, Muslims have 23 per cent higher odds of being unemployed. However, the odds of being unemployed are lower for Muslims in comparison to other minority religions in India.

Table 12: Probability of being unemployed by religious groups in India

Unemployment	Odds Ratio	Std. err.	z	P>|z|	[95% Conf. Interval]	
Religious Group						
Muslim	1.23	.0396972	6.41	0.000	1.154605	1.310319
Christianity	1.549913	.0691627	9.82	0.000	1.420116	1.691574
Sikhism	1.269196	.0962918	3.14	0.002	1.093829	1.472678
Others	1.579824	.1015135	7.12	0.000	1.39288	1.791858

Source: Periodic Labour Force Survey, 2023-24

Likelihood of Having Fixed Work Location

Table 13 shows the odds ratio of having fixed work location. Inability to have fixed work location further adds to the vulnerability of workers. The analysis shows that in comparison to Hindu workers, Muslim workers have 33 per cent lower probability of having fixed work location. This reflects the vulnerability of Muslims workers in comparison to Hindu workers.

Table 13: Likelihood of having Access to fixed Work Location

Fixed Work Location	Odds Ratio	Std. err.	z	P>z	[95% Conf. Interval]	
Muslim	.6773499	.0251392	-10.50	0.000	.6298274	.7284582
Christianity	1.274421	.0899632	3.44	0.001	1.10975	1.463526
Sikhism	.4751553	.0373955	-9.45	0.000	.4072346	.5544041
Others	.676066	.0637377	-4.15	0.000	.5620049	.8132764
_cons	19.81163	.487943	121.25	0.000	18.87799	20.79144

Source: Periodic Labour Force Survey, 2023-24

Likelihood of Having Eligibility of Paid Leave

Eligibility of availing paid leave protects the workers from wage deduction during the event of illness and other conditions when they are unable to work. This also protects the workers from economic vulnerability and ensures household well-being. The odds ratio of eligibility of paid leave shows that in comparison to Hindu workers, Muslims have 55 per cent lower probability of availing paid leave. This is lowest among all religions.

Table 14: Likelihood of Availing Paid Leave

Paid Leave	Odds Ratio	Std. err.	z	P>z	[95% Conf. Interval]	
Religion						
Muslim	.4514839	.0106394	-33.75	0.000	.4311053	.4728258
Christianity	1.518018	.0328026	19.32	0.000	1.455068	1.58369
Sikhism	1.054802	.0487544	1.15	0.248	.9634453	1.154821
Others	1.280167	.0518394	6.10	0.000	1.182491	1.385911
_cons	.0541455	.0006725	-234.77	0.000	.0528433	.0554799

Source: Periodic Labour Force Survey, 2023-24

Likelihood of Accessing any Social Benefits

Access to social security benefits such as provident fund, insurance, gratuity etc. provides social protection to workers and reduced vulnerability. The odds ration given in table 11 indicate that in comparison to Hindu workers, Muslim workers have 50 per cent lower probability of getting access to any social security benefits.

Table 15: Likelihood of Accessing any Social Benefits

Access to Social Benefits	Odds Ratio	Std. err.	z	P>z	[95% Conf. Interval]	
Muslim	.5003441	.0148984	-23.26	0.000	.4719796	.5304132
Christianity	2.44184	.0752282	28.98	0.000	2.298759	2.593827
Sikhism	.5614338	.0369688	-8.77	0.000	.493457	.6387748
Others	1.731427	.093583	10.16	0.000	1.557389	1.924914
_cons	.2270507	.0034412	-97.82	0.000	.2204054	.2338965

Source: Periodic Labour Force Survey, 2023-24

Religious-based Discrimination in Employment

Decomposition analysis is used to show whether the difference in employment indicators among various religious groups is due to identity or unequal endowments. The decomposition method in useful in exploring discrimination**.** The decomposition method disaggregate the factors explaining access to employment for various religious groups.

Table 16: Religion Based Discrimination in Employment: 2023-24

Probability of Employment: HHC	0.078
Probability of Employment: Muslims	0.020
Difference	0.058
Total explained	0.050
% Explained	86.0
% Unexplained	14.0

Source: Based on Periodic Labour Force Survey data, 2023-24

Apart from the endowment factors such as level of education, training, income level, sectors, access to social and capital assets, etc., the religious identity of labour also determines labour market outcomes. Table 16 shows the religious-based discrimination in employment for Muslims in comparison to privileged Hindu high caste**.** The decomposition analysis based on the Fairlee method (1999) explains the discrimination experienced by Muslims in the Labour Market. The result shows the gap in employment for Hindu high caste and Muslims. The analysis reflects that 86 per cent difference in employment indicators for Muslims and Hindu high caste is due to endowment factors while 14 per cent differences are due to unexplained factors. These unexplained factors are religious identity based discrimination experienced by Muslims in labour market.

Discussion and Policy Suggestions

The article highlights that minority social groups, especially Muslims, face structural exclusion and deprivation in access labour markets. Discrimination and prejudices based on religious identities minimizes opportunities for religious minorities in India. Majority of Muslim labour force is concentrated in self-employment and casual wage labour and a very low proportion of them get access to regular salaried employment which aggravates economic vulnerabilities among Muslims. Lack of benefit of eligibility to paid leave and social security benefit increases the precariousness of Muslims in the Labour Market. Due to higher proportion of casual wage labour and self-employment, fixed work location is also limited to Muslims in labour market. The analysis in this article highlights the precariousness of Muslims in the labour market. Structural inequality in access to livelihood and employment opportunities adversely affect economic and household well-being of Muslims in India. Muslims are almost similar to other marginalised social groups. Discrimination in accessing education and vocational training opportunities further reduces chances of getting good paid employment opportunities. As explained by Thorat and Newman (2010), Muslims experience religion-based discrimination in accessing labour market and at work place due to religion-based discrimination. Decomposition analysis in this article also shows that discrimination affects the labour market outcomes for Muslims in India. As discussed in this article, Muslims have lower labour force participation, higher informal workers and comparatively lower wages. This required urgent need to designing and implementing specific public policies for preventing discrimination based on social identities. Muslims should be provided special incentives for creating entrepreneurship opportunities. We need to create targeted skill development programme for Muslims. Traditional skill development should be linked to employability. As a higher proportion of Muslim workforce are in self-employment, social security should also be expended to self-employment sectors. As indicated through data analysis in this article, gender disparity is higher for Muslims in various indicators of labour market. Women specific skill and employment opportunities should be created to improve work participation of Muslim women in labour market.

Acknowledgement

Author expresses his sincere gratitude to Prof S K Thorat for his motivation and guidance in writing this article.

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