

## **A Study on Wage Discrimination Between Young and Middle-Aged Workers in Indian Informal Sector: Evidence from Periodic Labour Force Survey**

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**Abstract :** India is currently experiencing a shift in wage discrimination from gender, caste and religion to different age groups in both formal and informal sectors. In this milieu, this study examines wage discrimination in the informal labour market between young people (15-29 years) and middle-aged people (30-59 years) among regular and casual employees in the Indian informal sector. The data was collected using periodic labour force (PLFS), and the original data was extracted from the National Sample Survey Office (NSSO) under the Ministry of Statistics and Programme Implementation (MOSPI), Government of India. The OLS regression model explores the determinants of wages for both regular and casual employees. Moreover, the Blinder Oaxaca decomposition method is used to explore the explained and unexplained components of this wage discrimination. The younger people (regular and casual employees) get lower wages as compared to middle-aged employees in the informal sector. The regression result follows the human capital theory, where education, job experience and higher occupation help to raise the wage rate of middle-aged people more than young-aged people in regular work. Furthermore, we found the rising trend of wage discrimination between the above groups over the years from 2017-18 to 2022-23. Unexplained factors (discrimination effects) contribute more to the wage differentiation between the young and middle age groups. It indicates that wage discrimination persists among regular and casual employees in the informal labour market, which is not a good sign for the economy. For the betterment of workers who face discrimination for age, the policies and programs should be implemented like other countries such as the U.S.A to stop age discrimination due to stereotypes in India.

**Keywords :** wage discrimination, young workers, middle workers, Informal sector, blinder oaxaca decomposition, PLFS.

**Conference Title :** ICEAFS 2025 : International Conference on Economic and Financial Sciences

**Conference Location :** Bengaluru, India

**Conference Dates :** January 30-31, 2025