

**Labour Market Resilience in India:  
Conceptual and Policy Issues**

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## **Abstract**

This paper addresses two specific issues concerning the labour market resilience with special reference to the Indian experience. First, an effort has been made to engage in exploring theoretical foundations of the discourse on the flexibility and rigidity of labour markets; and, second, an analysis of the Indian labour market responses to policy (or, its behavior, particularly, during the post-reforms period) have been made with specific reference to the dominant phenomenon of informality that has pervaded both the production and labour processes. The first part attempts to have clarity on the concepts of flexibility and rigidity in the labour market context distinguishing between labour market specificities as between industrially matured economies and developing economies as India. The second part brings in informality as a crucial variable influencing labour market characteristics and behavior. Further, it critically reviews several important labour regulations in India in terms of their actual implementation and relevance in an informal sector driven industrial economy. Reflections on labour reforms in times of growing interface between Indian enterprises and global buyers have been made commenting on the functional dynamics of global production networks.

**Keywords:** Labour market; Flexibility; Regulations; Informality; Labour reforms; Labour agency; India

**JEL Codes:** J01, J08, J21, J23, J31, J46, J48, J78 and K31