

Wage Differentials in Northeast India with Special Reference to the Service Sector

¹Keziah Gangmei*, ²Priyanka Muchahary

¹*Department of Economics, Martin Luther Christian University, Shillong, Meghalaya*

²*Department of Economics, Basugaon College, Basugaon, Chirang, BTR, Assam*

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ABSTRACT

This paper explores disparities in wages across sectors in Northeast India during the post-liberalization period from 1993-94 to 2019-20, with special emphasis on the service sector based on the NSSO data. The results point to the uneven wage growth in the region, characterized by sectoral, gender, educational, and occupational wage segmentation. Urban workers and the ones working in secondary and service sectors earn more than those in primary sector. Even within the service sector, disparities are evident. Services such as banking, insurance, public administration & defends, education, and healthcare pay relatively higher wages, whereas trade, hotels, restaurants, and personal services remain low-paying services. A consistent gender wage gap is observed across all sectors, education levels, and occupations, including among highly educated professionals. The findings also indicate that wages increase with higher educational attainment, although it varies across occupations, with legislators, senior officials, managers, professionals, and technicians earning the highest wages. Inter-state differences further reflect uneven regional development, with states like Mizoram, Sikkim showing comparatively higher wages. To enhance inclusive and balanced wage growth in the region, the study points to the importance of promoting quality employment, reducing occupational and gender-based inequalities, addressing rural-urban and inter-state disparities.

KEYWORDS: Wage disparities, Northeast India, Service sector employment, Labour market segmentation, post-liberalization period.

INTRODUCTION

Gender wage inequality remains a persistent feature across countries, sectors, and occupations, affected by differences in education and skills, labour market structures, occupational segregation, and societal norms (Hisarcıklılar & Ercan, 2005; ILO, 2019). Although improvements in education and skill development have helped reduce the gap in gender wage, women are found facing significant discrimination, especially in informal and low-paying jobs (Das, 2012; Lee & Wie, 2015). According to the ILO (2019), globally, women's average earnings remain below those of men with disparity varying widely, reaching as high as 45 % in some

countries, while in others it is minimal or absent. Wage differences between female and male have long existed in labour markets. For instance, Hisarcıklılar & Ercan (2005) found that in Turkey, women's improved education and skills helped reduce the wage gap, but discrimination persisted. Similarly, Terada-Hagiwara, Camingue-Romance & Zveglic (2018) asserted that a higher concentration of women in industrial sectors could widen the wage gap, especially in developing countries, where women with greater number of children faced even greater disadvantages. In China and India, changes in urban labour markets during the 1990s and 2000s showed mixed outcomes: while increasing women's educational

*Author for Correspondence: Keziah Gangmei
gangmeikeziah19@gmail.com

attainment helped reduce. Rising female education levels helped narrowing the gender wage differentials in India, whereas in China the gap increased (Lee & Wie, 2015). Wage inequality has broader implications, as it contributes to disparities in income, consumption, health, and education, particularly in developing countries, hence, reducing wage disparities remains an important policy concern in countries like India (Mukherjee & Majumder, 2011). A substantial share of wage differential can be attributed to human capital determinants including education, experience, occupation, and location (Deming, 2022). However, inequalities also stem from disparities between formal and informal sectors, place of residence- rural-urban, and types of employment type where informal sector workers typically earn lower wages, face poor working conditions, and lack social security, while those in formal or semi-public sectors enjoy better pay and greater job security (Das, 2012). Das (2012), in analysing the major determinants of wage inequality as considered in the human capital theory which includes of education, experience and disparities in job availability, type and sector of employment and earnings, and other personal or household characteristics, opined that male-female differential is partly due to men having better access to high-paying jobs, while women- especially those with limited education-often struggle to secure quality employment. Even when women enter similar occupations, they are frequently paid less, reflecting both occupational segregation and discrimination. Mukherjee & Majumder (2011) further emphasise that these disparities are associated with women's limited bargaining power in the labour market. Determinants of wages significantly contribute to patterns of wage inequality. Therefore, gender wage disparities can be interpreted through multiple perspectives: neoclassical theories emphasise differences in human capital, labour market segmentation theories point to structural barriers, and feminist approaches highlight the role of patriarchy and social norms in

maintaining inequality (Hisarcıklılar & Ercan, 2005). Against this backdrop, the paper aims to examine average daily wage differentials in Northeast India focusing on the service sector during 1993-94 to 2019-20. The issue carries important economic significance, given that wage differentials form the crucial determinants of disparities in living standards. This paper explores issues of wage rates or earnings in the labour market over the last decade across sector, gender, and job types, industry and occupational categories. Hence, firstly, the paper looks at the gender wage differentials in the economy by broad sector- primary, secondary and service sector; rural-urban residence between two time points, i.e., 1993-94 and 2019-20. Secondly, the wage differentials are also analysed in the service sector by sex, rural-urban, educational level and occupational groupings in Northeast India. The paper proceeds as follows. Section 2 outlines data source and methodology used in the study. Section 3 provides the findings, whereby wage differentials for the broad sectors by rural-urban residence and sex are presented in section 3.1 and 3.2, while the wage differentials of service sector are discussed in section 3.3. Section 4 presents conclusions and implications of the paper.

METHODOLOGY

Micro unit datasets of Employment and Unemployment Surveys (EU) and the Periodic Labour Force Survey (PLFS) from the National Sample Survey Office (NSSO), Government of India, constitute the data source, viz., Survey of EU in the 50th round (July 1993 to June 1994) and PLFS (July 2019 to June 2020). Data used in the paper are workers, or employment, wages, industry, educational levels, occupational groups. The study follows the National Accounts Statistics classification of India, grouping economic activity into primary, secondary, and service sectors. Primary sector consists of agriculture & allied activities consisting of cultivation, forestry, fishing, mining & quarrying; secondary sector consists of manufacturing, construction, utilities such as electricity, gas & power supply; and the

remaining activities constitute the service sector (CSO, 2012). Service sector can be further categorised into trade, hotel & restaurant; transport, storage & communications; financial services, banking and services; real estate, renting & business services; public administration & defence; education, health & social work; and other personal and community services (CSO, 2012). Although official classifications have been revised over the years, data comparability is unaffected since reclassified activities remain within these broad sectoral groupings. In the NSS surveys, individuals are classified as employed if they are engaged in any economic activity or are temporarily away from work while maintaining a connection to such activity due to reasons such as illness, injury, physical disability etc., requiring short-term absence (NSSO, 2013). Individuals are assigned into various activity categories depending on the activities they pursued during specified reference periods, namely, one year (usual status), one week (current weekly status), and each day of the reference week (current daily status). In this study, employment or worker estimates use the usual principal activity status (UPS) using major time criterion, which identifies individuals who were employed for most of the year preceding the survey. Industry-specific employment statistics are calculated using the National Industrial Classification (NIC) at 2-digit level, with NIC-1987 applied for the 1993-94 survey and NIC-2008 for the 2019-20 survey. Additionally, occupational classification is carried out using the National Classification of Occupations (NCO) at 2-digit level. Following the classification of NSSO, occupations are grouped into the following categories : (i) legislators, senior officials, managers, professionals, and technicians; (ii) clerks, service workers, and sales personnel; (iii) skilled agricultural and fishery workers; (iv) craftsmen and plant and machine operators; and (v) elementary occupation workers and labourers. For this purpose, NCO-1968 is used for 1993-94 and NCO-2004 for 2019-20. As we know Consumer Price Index (CPI) numbers

are commonly used to adjust wages and salaries, calculate real wages, revise prices in business and individual contracts, deflate income and value series in national accounts, and conduct price analysis (Labour Bureau, 1989). The paper uses this CPI to deflate workers' current wages to constant 2011-12 prices. According to the Indian statistical system, earnings is defined as the wage or salary income received or receivable by wage or salaried employees and casual labourers for work performed during the reference week (NSSO, 2012). This study uses the CPI for Agricultural Labourers (CPI-AL) deflator for the rural sector and CPI for Industrial Workers (CPI-IW) deflator for the urban sector, to construct the CPI. CPI indexes are constructed using the retail prices of the total commodities or the General Index in all cases (CSO, 2012). For calculating CPI index, the items of these goods and services are categorized into six broad groups: a) food, b) Pan, supari, tobacco and intoxicants, c) Fuel and light, d) Housing, f) Clothing, Bedding and Footwear and g) Miscellaneous. The weighting diagram and the retail prices are the two essential constituents of CPI series. The weighting diagram is constructed at the start of the series, usually using a family budget survey conducted to measure the consumption behaviour of the CPI reference population. Combined with the base prices of goods and services, this weighting diagram forms the basic framework on which the index series is periodically constructed. Multiple CPI series have been introduced in India over time to support wage regulation and economic policy in a developing economy (CSO, 2010). For comparison across different periods, CPI series based on different reference years are linked using Simple Arithmetical Ratio Method. This method uses a linking factor derived from the old series for the base period of the new series, allowing the new index values to be converted into comparable estimates of the earlier series. Monthly prices data are collected from 600 villages across 20 states. CPIAL data for 1993-94 are available at the 1960-61 base, while later data are reported

at the 1986-87 base. The revised series (1986-87 = 100), introduced in November 1995, is compiled using NSSO price data following the methodology of the Technical Advisory Committee on Price Statistics. The old series weights were based on the 1956-57 Agricultural Labour Enquiry, while the new series weights use expenditure data from the 38th NSS round (1983). State-specific linking factors are applied to convert the new series to the old base. However, the conversion factor for Assam is as follows:

Index of Assam on old base = $5.89 \{ (0.8126 * \text{Index of Assam on new base}) + (0.0491 * \text{Index of Manipur on new base}) + (0.0645 * \text{Index of Meghalaya on new base}) + (0.0692 * \text{Index of Tripura on new base}) \}$

And the conversion factor for Punjab is:

Index of Punjab on old base = $6.36 \{ (0.6123 * \text{Index of Punjab on new base}) + (0.3677 * \text{Index of Haryana on new base}) + (0.0200 * \text{Index of Himachal Pradesh}) \}$.

CPIIW has three base series, viz., 1960, 1982, and 2001. This study uses the 1982 and 2001 series since data from the study period (1993-94 onward) are available only on the 1982 base. The 1982=100 series replaced the 1960 base in October 1988, expanding coverage to 7: factories, mines, plantations, railways, public motor transport, electricity, and ports and docks; and 55 increasing centres from 50 to 70. Weights were derived from the 1981-82 Working Class Family Income and Expenditure Survey, defining a working-class family as one earning at least half its income from manual work in these sectors. State-level urban deflators are constructed using weighted centre averages, with linking factors available only for common centres. The CPIIW 2001=100 series, released in March 2006, replaced the 1982 series and covers 78 industrial centres selected by industrial importance and employment from up to five centres per state in each sector. Indices are compiled at sub-group, group, and general levels using weights from the 1999–2000 Working-Class Family Survey. Given the unavailability of CPI-AL for some states and Union Territories, indices from neighbouring

states are used (e.g., Assam for northeastern states, Tamil Nadu for Pondicherry and Andaman & Nicobar Islands, Maharashtra for Goa and Dadra & Nagar Haveli). Delhi's CPIIW is used across rural and urban regions, with similar substitutions applied elsewhere. For analysis conducted at the national level (all-India), all Indian states and union territories are grouped into 35 units, and estimates are computed by considering them together. For estimating the North Eastern Region (NER) level, the study grouped the eight states of the region together.

RESULTS AND DISCUSSIONS

Wage differentials by broad sectors: The comparative overview of average daily wages in the primary, secondary, and service sectors, disaggregated into rural and urban regions of Northeast India relative to the national average for 1993-94 and 2019-20 at 2011-12 constant prices is shown in table 1. The findings reveal a significant rise in real wages over the study period across all sectors and states in the region. However, notable differences in wages remain across sectors, places of residence, and states. A clear sectoral pattern is visible, with the tertiary sector consistently offering the highest wages while the primary sector remains the lowest paid, despite accounting for substantial workforce. This indicates the slow structural transformation in the labour market. Similar patterns have been documented by Ghani & Kharas (2010, p.16) who note that service sector wage growth in India is higher than that of the manufacturing and agriculture. This also reflects the dual nature of the Indian economy, where rural areas tend to be subsistence-oriented while urban areas largely driven by market-based systems and capitalist tendencies (Reddy, 2015). Over time, the wage differential between primary and service sector wages has widened, indicating higher returns to non-agricultural employment. A strong rural-urban wage gap is observed in both periods. Urban workers are found consistently earning much more than rural workers with the biggest gap in the service sector, where better-paying jobs are substantially concentrated in the urban. Despite

rural wages increasing over time, their growth has been slower than in urban areas. In fact, Dutta (2005) noted that unequal wage distribution in India rose significantly during the 1990s. There are also clear inter-state differences within the region. States like Sikkim, Mizoram, and Nagaland report relatively higher wages, while Assam and Tripura lag, particularly in the primary sector. Compared to all-India levels, the region continues to fall behind in most sectors, especially in agriculture, though the gap is smaller in the service sector. Overall, the findings point to rising wages alongside continuing structural inequalities in the region. The dominance of low-paid primary sector employment in rural and the concentration of higher wages in urban secondary and service sectors indicate an incomplete process of structural transformation in Northeast India.

Wage Differentials by Sex: Table 2 highlights the clear differences in daily earnings between men and women across major sectors for both 1993-94 and 2019-20. In general, male workers receive higher wages than female workers, although the disparity is relatively lower in Nagaland and Sikkim. Over time, real wages have risen both in the region and across the country, indicating an overall improvement in earnings. However, the pace of this growth varies across sectors and gender. The wage disparity between primary and tertiary sectors has widened by 2019-20, suggesting that jobs in industry and especially in services are becoming more rewarding. Despite an increase in women's real wages there remains room for alignment between men's wage. In a certain case, particularly in the tertiary sector in Nagaland and Sikkim in 1993-94, women's wages were comparable to or slightly higher than men's, but they were limited and lacked long-term continuity. Findings further indicate that rising wages have not eliminated inequality. Male and female workers remain distributed across different job categories and occupations, which further widens the gender wage disparity. This suggests the importance of

improving female worker's access to better-paying jobs, particularly in the secondary and tertiary sectors, and addressing ongoing gender disparities in the labour market.

Wage differentials in the Service Sector: Pronounced intra-sectoral and gender-based wage differentials are also visible when examining the average daily wages of service sector workers, as outlined in the subsequent tables from table 3 through 6 and figure 1. Table 3 and 4 present the gender and sectoral wage differentials across the different sub-sectors of service sector are shown. They show that wage differentials also occur due to variation of salary across service industries. Financial services, banking & insurance (FBI), real estate, renting & business activities (RRB), education, health & social work (EHS), are observed as high-wage service activities. In contrast, trade, hotels & restaurants (THR), which employ a large share of workers, and other services such as personal and community services are relatively low paying. These indicate profound segmentation within the service sector. These earnings differences are commonly linked to variations in sectoral productivity, with higher wages associated with more productive activities (Aggarwal & Kumar, 2015). Surprisingly, except for Assam and Tripura, wages of services workers in the region are found higher than all-India level. Therefore, gender disparities are observed, with male workers generally earning more than female workers across most service activities. Exceptions are found in transport, storage & communication (TSC), and FBI in some states of the region and at the all-India level in recent years, as reported in Table 4.

Among service activities, FBI followed by EHS record the largest gender wage gaps. For males, wages are particularly high in FBI and EHS in states such as Sikkim, Mizoram, and Assam, while public administration and defence (PAD) also offers relatively stable and high remuneration across the region. Female workers, although concentrated in fewer subsectors, record comparatively higher wages in PAD and EHS, especially in Mizoram,

Nagaland, and Sikkim. Nevertheless, female wages remain lower than male wages in the

corresponding subsectors, reflecting persistent gender wage gaps within services.

Table 1: Average daily wage of workers by UPS by broad sector and rural-urban residence in 1993-94 and 2019-20 at 2011-12 constant prices in Northeast India

Rural					Urban				Total			
1993-94												
State/ sector	P	S	T	Total	P	S	T	Total	P	S	T	Total
AP	84.09	102.54	181.99	133.99	263.15	161.74	222.33	205.23	97.88	125.98	197.74	156.94
ASS	85.22	116.1	222.98	110.97	385.92	203.26	226.34	244.97	91.88	142.03	224.22	127.04
MANI	145.26	120.33	223.53	182.21	122.35	212.52	263.31	233.97	140.59	149.04	242.01	201.17
MEGA	92.8	137	238.13	137.31	111.96	126.57	261.64	246.89	92.88	134.05	250.55	165.74
MIZO	105.8	193.56	312.44	172.18	114.79	187.8	298.55	249.85	107.61	189.69	303.32	207.54
NAGA	270.53	164.82	254.33	249.23	123.65	186.03	267.37	256.81	251.11	177.52	260.39	252.76
SIKK	106.33	155.65	264.19	197.18	NA	130.65	274.31	258.26	106.33	153.88	265.55	202.38
TRIP	103.81	105.56	185.67	134.28	139.74	95.4	245.99	232.5	104.32	104.14	206.67	151.99
NER	88.41	119.22	221.9	120.48	299.92	183.89	241.4	242.12	94.39	138.19	229.54	139.75
All India	66.98	114.66	195.6	90.41	140.12	220.59	279.75	245.23	70.55	169.76	247.85	134.61
2019-20												
AP	213.83	433.91	502.34	329	412.58	551.22	556.82	544.79	219.7	474.32	520.69	369.44
ASS	190.33	213.8	301.69	238.01	480.23	298.57	383.55	370.7	197.01	225.86	319.12	255.06
MANI	222.01	218.56	364.53	279.19	237.53	214.17	351.47	306.66	223.42	217.01	359.14	287.49
MEGA	163.2	206.96	270.19	198.75	261.86	273.6	445.83	412.91	163.74	218.57	338.61	235.43
MIZO	228.65	264.21	475.73	312.32	259.6	302.22	498.86	435.19	233.66	284.59	490.94	369.6
NAGA	198.00	249.61	402.58	288.6	151.64	295.79	485.62	441.27	194.48	260.42	442.71	336.77
SIKK	148.57	290.63	335.8	254.19	748.27	317.42	474.96	440.91	153.22	298.39	388.98	301.58
TRIP	176.79	191.6	245.5	200.84	147.67	216.14	330.8	291.08	175.75	196.68	276.94	219.05
NER	189.47	215.97	311.04	239.63	349.75	281.33	402.1	372.73	194.47	227.78	336.68	262.01
All India	171.87	208.35	254.4	198.56	268.54	306.69	386.74	355.14	175.88	248.09	329.17	248.4

Note: P= primary sector, S- secondary sector, T=tertiary/service sector

AP= Arunachal Pradesh, ASS=Assam, MANI=Manipur, MEGA=Meghalaya, MIZO=Mizoram, NAGA=Nagaland, SIKK=Sikkim, TRIP=Tripura, NER- Northeastern Region of India

Source: Authors' calculation from NSS Surveys on EU in the 50th round (1993- 94) and PLFS in 2019-20

Table 2: Average daily wage of worker by UPS by broad sector and sex in 1993-94 and 2019-20 at 2011-12 constant prices in Northeast India

Sector	Primary			Secondary			Tertiary		
1993-94									
State /Sex	Male	Female	Total	Male	Female	Total	Male	Female	Total
AP	112.95	67.45	97.88	134.58	57.86	125.98	201.83	156.83	197.74
ASS	96.45	77.46	91.88	142.34	138.6	142.03	232.86	177.27	224.22
MANI	144.13	128.75	140.59	185.08	77.89	149.04	249.08	205.92	242.01
MEGA	96.36	86.76	92.88	140.29	105.6	134.05	254.43	236.84	250.55
MIZO	112.91	84.37	107.61	191.46	171.9	189.69	304.92	296.55	303.38
NAGA	251.11	NA	251.11	178.16	164.86	177.52	259.39	266.04	260.39
SIKK	110.54	82.98	106.33	167.18	88.8	153.88	264.32	271.16	265.55
TRIP	117.22	52.02	104.32	110.62	61.07	104.14	219.1	145.58	206.67
NER	99.61	78.01	94.39	142.94	103.69	138.19	236.94	191.2	229.54
All India	80.27	51.55	70.55	188.01	77.88	169.78	257.84	199.58	247.85
2019-20									
AP	233.13	157.03	219.7	482.71	396.88	474.32	554.96	382.58	520.69
ASS	215.68	104.99	197.01	233.43	142.04	225.86	327.32	276.38	319.12
MANI	232.29	175.36	223.42	265.07	131.36	217.01	381.39	312.03	359.14
MEGA	184.07	106.76	163.74	226.69	163.86	218.57	380.49	259.49	338.61
MIZO	256.32	168.54	232.97	293.69	234.47	284.59	533.27	390.22	490.94
NAGA	211.33	112.31	194.48	272	152.81	260.42	430.23	480.21	442.71
SIKK	175.81	93.16	153.22	313.27	232.63	298.39	393.33	381.51	388.98
TRIP	190.23	116.23	175.75	218.07	103.25	196.68	304.09	178.02	276.94
NER	212.55	113.43	194.45	239.58	141.97	227.78	347.69	292.99	336.68
All India	194.05	114.05	175.9	269.52	132.45	248.1	340.89	281.55	329.11

Note: P= primary sector, S- secondary sector, T=tertiary/service sector

AP= Arunachal Pradesh, ASS=Assam, MANI=Manipur, MEGA=Meghalaya, MIZO=Mizoram, NAGA=Nagaland, SIKK=Sikkim, TRIP=Tripura, NER- Northeastern Region of India

Source: Authors' calculation from NSS Surveys on EU in the 50th round (1993- 94) and PLFS in 2019-20

Table 3: Average daily wages of worker in the service sector in 1993-94 at 2011-12 constant prices in Northeast India by sex

Sex	Male							
State/ sector	THR	TSC	FBI	ROB	PAD	EHS	OTH	Total SS
AP	160.89	136.04	82.86	187.53	211.81	289.15	127.18	200.03
ASS	133.93	193.75	331.28	282.12	246.19	292.11	115.8	218.51
MANI	311.01	142.05	NA	417.32	250.43	314.94	151.15	247.11
MEGA	165.1	191.81	288.07	NA	269.51	308.04	95.36	243.94
MIZO	265.86	254.25	0.82	412.16	291.02	373.82	270.25	307.17
NAGA	112.02	184.58	260.01	NA	275.39	274.7	140.37	259.39
SIKK	94.98	147.27	475.92	N A	273.57	412.19	105.9	263.27
TRIP	101.42	142.21	373.68	111.57	259.23	258.39	90.31	162.87
NER	145.7	181.29	328.18	267.88	254.03	293.44	107.4	215.99
All India	138.31	220.24	504.25	239.56	325.92	346.12	111.34	255.33
Sex	Female							
State/ sector	THR	TSC	FBI	ROB	PAD	EHS	OTH	Total SS
AP	NA	77.05	309.12	NA	125.59	267.07	64.34	156.83
ASS	84.26	163.87	239.72	185.47	223.04	249.9	65.5	163.93
MANI	73.11	89.89	NA	159.08	271.44	206	95.98	200.12
MEGA	209.08	244.05	NA	123.65	267.43	217.02	69	210.36
MIZO	202.68	NA	NA	NA	368.87	332.04	256.4	303.21
NAGA	299.65	N A	N A	N A	268.59	269.82	224.09	266.04
SIKK	NA	N A	N A	N A	268.82	354.27	23.38	271.16
TRIP	59.93	52.98	412.57	30.68	195.67	202.4	58.54	112.28
NER	112.88	148.14	257.93	161.17	242.04	244.88	66.99	171.2
All India	101.89	289.32	485.38	218.98	289.63	255.51	61.01	197.93

Note: TSC= transport, storage & communication, THR=trade, hotel & restaurant, FBI= financial services, banking & insurance, RRB= real estate, renting, business service, PAD= public administration & defence, EHS= education, health, social work, OTH= other services community, personal & social activities etc., Total SS: Service sector

Source: Authors' calculation from NSS Surveys on EU in the 50th round (1993- 94)

Table 4: Average daily wages of worker in the service sector in 2019-20 at 2011-12 constant prices in Northeast India by sex

Sex	Male							
State/ sub- sector	THR	TSC	FBI	ROB	PAD	EHS	OTHR	Total
AP	362.29	425.01	676.88	506.96	772.56	760.32	352.25	554.96
ASS	267.93	247.23	555.29	467.83	568.23	593.32	239.76	327.32
MANI	294.04	238.32	375.64	484.35	523.62	471.95	235.17	381.39
MEGA	274.05	226.69	593.56	352.54	643.85	501.58	258.57	380.49
MIZO	407.09	351.69	688.27	613.31	656.77	682.91	435.57	533.27
NAGA	350.25	260.06	1179.5	567.98	569.26	549.47	288.85	430.23
SIKK	325.39	236.56	561.8	595.21	426.55	759.65	226.08	393.33
TRIP	244.32	205.96	303.5	392.46	578.51	501.45	285.24	304.09
NER	273.94	246.83	532.36	478.61	583.67	579.03	249.2	347.69
All India	279.26	318.83	524.83	414.98	536.29	517.39	205.73	340.89
Sex	Female							
State/ sub- sector	THR	TSC	FBI	ROB	PAD	EHS	OTHR	Total
AP	277.6	438.95	715.07	414.92	614.49	391.28	203.12	382.58
ASS	167.18	306.71	277.17	390.77	307.18	329.09	170.48	276.38
MANI	197.61	209.95	175.15	343.5	391.92	394.17	207.45	312.03
MEGA	97.86	157.06	NA	379.45	670.68	261.27	237.64	259.49
MIZO	260.29	374.98	701.73	591.92	501.51	513.86	226.51	390.22
NAGA	287.25	312.55	NA	437.39	397.46	619.79	195.49	480.21
SIKK	204.26	193.22	558.65	199.01	383.01	462.14	211.6	381.51
TRIP	114.39	45.34	129.5	354.57	414.95	181.29	58.77	178.02
NER	180.34	262.23	306.79	411.65	451.85	340.24	173.45	292.99
All India	151.12	391.13	533.37	388.27	360.73	329.15	135.96	281.55

Note: TSC= transport, storage & communication, THR=trade, hotel & restaurant, FBI= financial services, banking & insurance, RRB= real estate, renting, business service, PAD= public administration & defence, EHS= education, health, social work, OTH= other services community, personal & social activities etc.,
Total SS: Service sector

Source: Authors' calculation from NSS PLFS in 2019-20

Table 5: Average daily wages of worker in the service sector in 2019-20 at 2011-12 constant prices by sex and educational levels in Northeast India

Sex	Male								
State/ Edu	1	2	3	4	5	6	7	8	Total
AP	343.71	409.58	463.88	389.42	404.79	487.98	654.7	838.99	566.98
ASS	183.67	308.14	219.82	218.15	245.57	333.73	439.04	590.69	335.61
MANI	262.84	121.89	179.6	223.44	265.42	351.93	400.78	483.78	390.57
MEGA	245.51	201.29	216.53	222.51	314.33	351.74	514.88	540.37	383.74
MIZO	550.03	NA	236.82	223.7	386.86	462.24	546.09	647.15	535
NAGA	388.9	NA	360.82	258.23	323.09	384.06	387.05	658.12	448.42
SIKK	203.68	248.95	237	333.22	338.59	364.63	415.44	629.95	397.64
TRIP	204.87	152.75	173.85	243.87	258.29	325.62	339.77	452.22	305.58
NER	198.11	245.91	225.42	225.5	260.86	345.15	443.67	578.18	356.08
All India	206.37	233.16	217.4	234.32	241.75	299.54	349.57	566.06	352.03
Sex	Female								
AP	173.88	NA	370.96	223.4	268.46	369.85	459.66	557.02	386.3
ASS	98.19	132.68	106.34	111.8	123.5	155.11	393.81	405.54	298.64
MANI	175.77	NA	167.94	174.85	191.3	198.94	251.32	457.01	316.03
MEGA	66.21	109.5	124.23	171.88	122.39	189.19	259.12	486.57	262.1
MIZO	NA	NA	201.98	243.99	250.84	416.89	390.36	542.05	393.55
NAGA	101.84	NA	NA	130.4	263.93	425.65	553.02	624.98	491.08
SIKK	157.52	NA	149.84	160.93	236.67	488.47	343.57	531.78	386.15
TRIP	89.11	84.68	75.02	110.19	142.92	254.64	227.11	352.77	187.01
NER	129.36	104.94	121.13	141.53	156.7	226.39	368.75	447.35	309
All India	110.83	181.66	127.8	123.81	148.04	190.65	281.6	478.06	300.94

Note: 1-iliterate, 2-literate, 3-Literate without formal schooling, 3-below Primary, 4-Primary 5-Middle, 6-Secondary, 7-Higher secondary, 8-Graduate and above

Source: Authors' calculation from NSS PLFS in 2019-20

Table 6: Average daily wages of worker in the service sector in 2019-20 at 2011-12 constant prices by sex and occupation in Northeast India

Sex	Male					Female				
State/ Occu pation	1	2	3	4	5	1	2	3	4	5
AP	761.92	509.43	442.07	345.72	507.11	398.29	390.01	221.13	176.9	144.93
ASS	459.43	281.12	132.68	215	225.99	337.87	175.03	NA	221.08	389.29
MANI	476.61	402.28	203.14	257.58	239.63	394.3	216.14	NA	293.04	174.09
MEGA	433.46	438.17	705.3	248.65	295.3	246.61	338.54	640.8	64.08	236.03
MIZO	677.92	500.71	441.34	367.25	308.42	515.23	334.94	580.88	231.42	242.74
NAGA	642.97	375.77	NA	231.71	618.99	609.23	354.94	103.18	NA	172.05
SIKK	512.57	326.43	1011.52	281.39	220.77	432.22	325.6	224.36	661.93	215.4
TRIP	464.91	299.17	226.84	229.35	162.78	213.12	183.81	NA	165.15	91.49
NER	478.79	313.74	182.14	230.71	236.6	349.35	230.49	284.56	281.92	183.34
All India	480.48	291.28	349.08	256.69	213	382.26	209.35	161.64	162.71	133.4

Note: 1- Legislators, senior officials, managers, professionals and technicians,

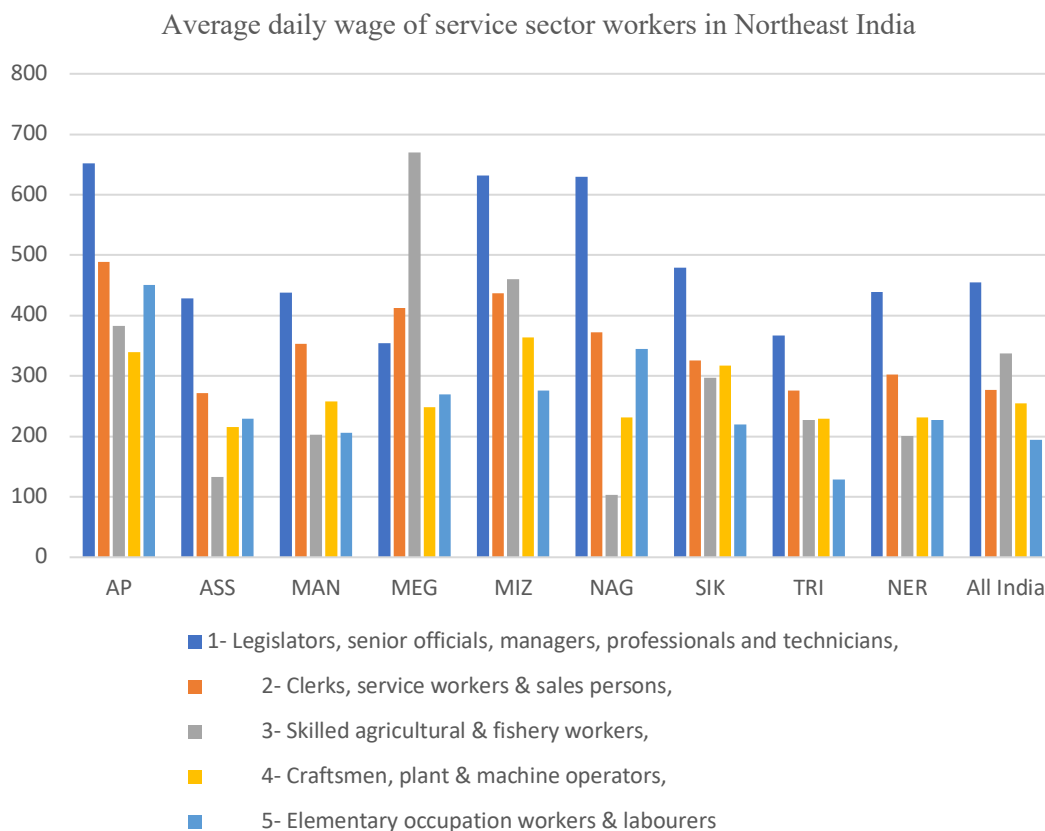
2- Clerks, service workers & salespersons

3- Skilled agricultural & fishery workers

4- Craftsmen, plant & machine operators

5-Elementary occupation workers & labourers

Source: Authors' calculation from NSS PLFS in 2019-20



Note: AP= Arunachal Pradesh, ASS=Assam, MAN=Manipur, MEG=Meghalaya, MIZ=Mizoram, NAG=Nagaland, SIK=Sikkim, TRI=Tripura, NER- Northeastern Region of India Source: Authors' calculation from NSS PLFS in 2019-20

Figure 1: Average daily wage of worker in the service sector in 2019-20 at 2011-12 constant prices by occupation in Northeast India

Considerable inter-state variation is observed in service-sector wages. Mizoram and Sikkim consistently exhibit higher wages (both gender) across most sub-sectors, whereas Tripura and Arunachal Pradesh report relatively lower wage levels, particularly in THR and OTH. Assam shows a mixed pattern, with higher wages in formal service sub-sectors such as FBI and PAD, but lower wages in THR and OTH. The total service-sector wages in the region are found below the national average although the gap is narrower for male, which indicates the relatively lower overall wages in the service sector in Northeast India, despite higher wages in a few

selected sectors. Findings reflect the segmentation of the service sector in Northeast India, which is characterized by significant wage differences across sub-sectors, states, and gender. the formal service activities such as banking, public administration, and education & health offer higher wages, a large share of services employment remains concentrated in lower-paying activities. Wage differentials are further evident when educational levels and occupational groupings are considered. These are shown in tables 5 and 6 and figure 1 (reported only for 2019-20 due to space constraint). Wages increase with higher levels of education, with the highest

earnings evidenced among workers with graduate and above qualifications, besides a gender wage gap. Differences in wages are also apparent across occupational groups, as illustrated in Figure 1, with the highest wages recorded for legislators, senior officials, managers, professionals, and technicians.

CONCLUSION

The analysis of wage patterns in Northeast India shows that despite the significant rise of the real average daily wages since the post-liberalization period, the growth has been uneven. Clear differences across sectors remains, where the primary sector offers the lowest wages, especially in rural areas, whereas the secondary and tertiary sectors (particularly in urban areas) provide better and higher pay. The continued rural-urban wage gap suggests that non-farm employment has not spread widely into rural areas. Within the service sector, wages vary widely across sub-sectors. Formal services such as banking & insurance, public administration & defence, and education & health services offer higher wages. Other trades such as hotels, restaurants, and other personal services remain under compensated. It reflects a dualistic nature of service sector growth. Moreover, gender wage disparity is also evident across sectors, education levels, and occupations. Despite improvements in women's wages, a gender wage gap persists, with women earning lower than men, even in higher-skilled and professional occupational roles that shows the existence of the structural barriers in the society. Wages are also found varying by occupation, with professionals and managers earning much more than clerical and elementary workers. Differences across states are equally evident, with Mizoram, Nagaland, and Sikkim recording higher wages, while Assam and Tripura fall behind in the same. While the expansion of higher-paying service activities has improved average wages, a large segment of the work force remains engaged in low-paid sectors and occupations, particularly women. The

findings have important economic implications, particularly since wage disparity significantly influence economic inequalities and restricting development in rural areas. Addressing these disparities is crucial for the balanced economic development covering rural and urban areas to ensure the development of the region. This draws attention to the necessity of policy makers to promote quality employment generation, reduce occupational segregation, and address gender-based wage inequality by ensuring improved access for women to high-paying service occupations, and reducing rural-urban and interstate disparities.

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ETHICAL APPROVAL

Since the study is based on publicly available secondary data from National Sample Survey Office (NSSO), MOSPI, Government of India, and not on direct surveys/ intervention, or on human or animal experiment. No direct interaction or experiment with human participants were involved.

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