



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

A REVIEW OF INDIA'S EMPLOYMENT SCENARIO

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ABSTRACT

Employment has always featured as an important element of any development policy of India since its independence. Growth of employment has emerged as an important concern in development planning around the middle of 1970s when it was realised that the economic and demographic performance of the country had fallen and as a result unemployment had been on an increase. A major part of the India's population is primarily engaged in agriculture sector for their livelihood. As per India Labour and Employment Report, 2014, labour markets have witnessed significant changes since the implementation of the economic reforms. There have been significant transfers from the agriculture sector to non-agriculture sector although the rate is very slow. Indian Labour Market is divided into two segments viz organised and unorganised sector. The recent experience, however, suggests that most of the new employment opportunities are likely to be generated in the unorganised sector. Even within the organised sector an increasing number of workers are being employed in a flexible manner or casual or contract basis, without the social security benefits. Present paper tries to make a bird's eye view description about the employment scenario of India based on the secondary data collected from the valid sources.

1. INTRODUCTION

The ability to create more employment opportunities of a country can crave the path of smooth development of the economy and the study of employment has been gaining much importance to understand the growth phenomenon of an economy (Das, 2019). In the middle 1970s, it was realised that the economic performance of India had fallen short of earlier expectations and as a result the unemployment rate had on an increase. Thus, the growth of employment has emerged as an important concern in development planning of the country (Papola & Sahu, 2012). India, being an underdeveloped country is primarily grounded in rural economy and a major part of its population is mainly engaged in agriculture for their livelihood and earn money. As per 2011 Census, 48.90% of population of India takes agriculture as their primary occupation. However, a transition from agriculture sector to non-agriculture sector is also evident. Employment sector has changed towards the non-agricultural sector with the changes in specialisation, technology, education and intersections of other economies of the globe. Education is a determining factor for such a change.

Globally Indian economy is considered as one of the fast-growing economies of the world. Studies show that majority of economies of the world are still established in traditional structures and activities. In India, the labour market is basically spread across the agriculture and urban formal and informal sector.

In 1990s, a series of economic reforms, commonly known as globalisation, were implemented that opened India's closed economy to international trade and capital flows to promote integration of India's economy into the expanding global economy. It was expected to bring about faster improvement in employment conditions. Since, India's comparative advantage was believed to lie in the unskilled-labour-intensive industries, openness to trade was expected to encourage the growth of such industries and in addition foreign capital was expected to bring with its new technologies and management methods, which would contribute to productivity growth (Ghose, 2014).

As per India Labour and Employment Report (2014) labour markets have witnessed significant changes in two decades since the economic reforms. There has been increasing informalisation of the workforce. The transfer of workers from agriculture has been slow, with some acceleration in recent years, but most of employment generated has been informal and insecure.

The recent experience, however, suggests that most of the new employment opportunities are likely to be generated in the unorganised sector. Even within the organised sector an increasing number of workers are being employed in a flexible manner on casual or contract basis, without the social security benefits available to regular workers (Papola, 2003).

2. OBJECTIVE

The main objective of present paper to make a bird's eye view description about the employment scenario of India.

3. METHODOLOGY

The present study is theoretical and descriptive in nature. The entire study is based on the secondary data collected from the secondary sources like research papers, books, journals, newspapers etc.

4. ANALYSIS

The starting point of our analysis is an examination of trends in work force participation rate (WFPR), unemployment rate and labour force participation rate (LFPR). First, the working population and the work participation rate of a country highlights the occupational distribution of the country. The analysis of total workers of India describes that the WFPR has been continuously increased from the last four decades. In India, only 36.8% of the entire population was economically active during 1981 which gets increased to 39.8% in 2011. The below describes the trend of workers and WFPR in India from 1981-2011.

Table 1: Workers and Work Participation Rate of India, 1981-2011

Year	Workers			Work Participation Rate (in percentage)		
	Total	Rural	Urban	Total	Rural	Urban
1981	244,604,986	197,308,289	47,296,697	36.8	38.9	30.0
1991	314,131,370	249,028,944	65,102,426	37.5	40.0	30.2
2001	402,234,724	309,956,070	92,278,654	39.1	41.7	32.3
2011	481,888,868	348,743,092	133,145,776	39.8	41.8	35.3

Source: Census data

From the table it has been clear that the number of total workers in the country has almost doubled in the last 30 years. It is observed that the WPR of rural population is always higher than the urban folk.

Table 2: Work Participation Rate of Males and Females of India, 1981-2011

Year	Male			Female		
	Total	Rural	Urban	Total	Rural	Urban
1981	52.7	53.8	49.1	19.8	23.2	8.3
1991	51.6	52.5	48.9	22.3	26.7	9.2
2001	51.7	52.1	50.6	25.6	30.8	11.9
2011	53.3	53.0	53.8	25.5	30.0	15.4

Source:Census data

We have witnessed an upward trend of WFPR for females of the country throughout the last 30 years but the WFPR for male is always higher than that of females. Again, the WFPR for males in rural areas is higher than that of urban with an exception in 2011 where urban WFPR for males is higher than rural WFPR. One of the features of Indian labour market is the low female participation rate that is visible in its poor labour sex ratio. The female WFPR is very much low as compared to the men folk. We can see that WPR for female is much lower than even the half of male's WFPR. WPR for female in urban areas is less than one third of the male WFPR.

The analysis of main and marginal workers of the country shows a decreasing trend for main workers both in rural and urban areas. But a reverse trend is observed in case of marginal workers. This can be shown with the following table:

Table 3: Percentage of Main and Marginal Workers to Total Workers

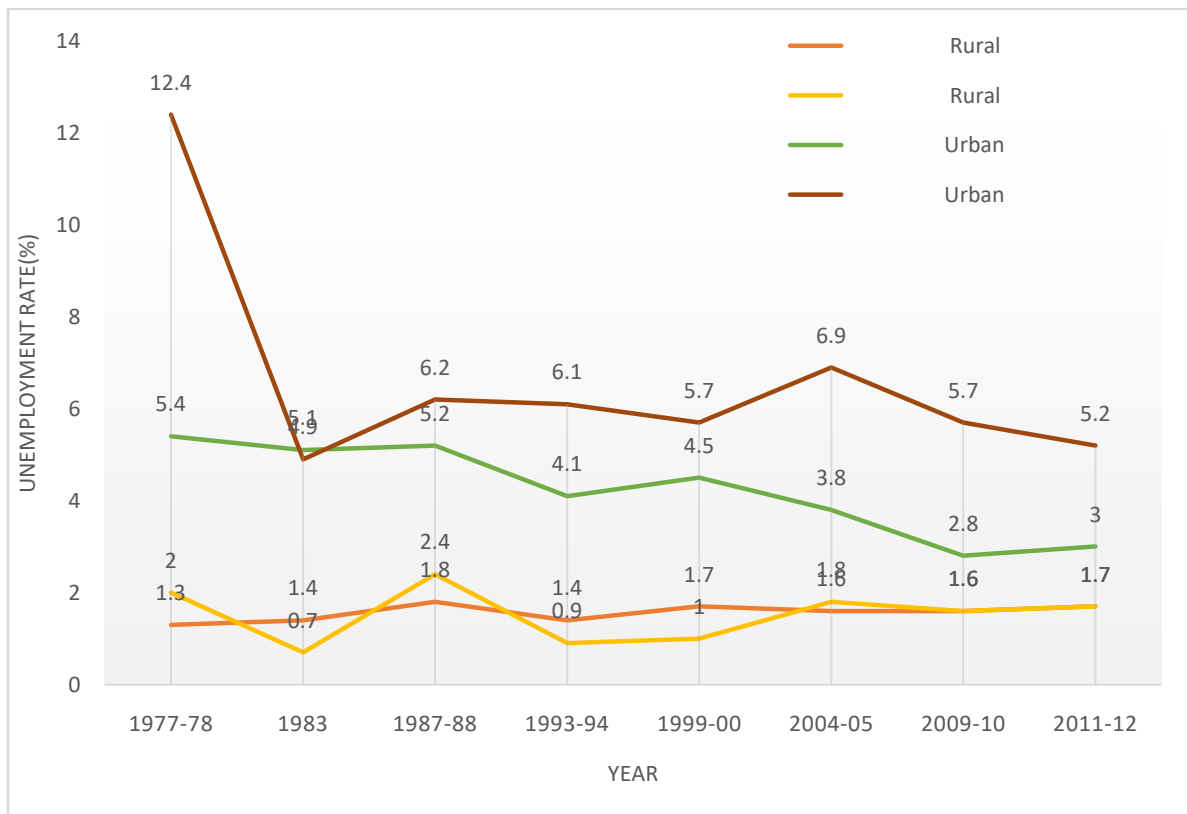
Year	Percentage of Main Workers			Percentage of Marginal Worker		
	Rural	Urban	Total	Rural	Urban	Total
1981	89.4	97.4	91.0	10.6	2.6	9.0
1991	89.3	97.8	91.0	10.7	2.2	9.0
2001	73.9	90.8	77.8	26.1	9.2	22.2
2011	70.5	87.6	75.2	29.5	12.4	24.8

Source: Census data

It is observed that the percentage of total main workers was 91.0% in 1981 which dramatically gets declined to only 75.2% in 2011. But reversely the percentage of total marginal workers was just 9% in 1981 but it has increased to 24.8% in 2011. The percentage of main workers is more in urban areas than in rural areas but inversely the percentage of marginal workers is more in rural areas.

According to usual status approach, those persons are recorded to be unemployed who had no gainful work for a major time during the 365 days preceding the date of survey are seeking or are available for work. The figure below presents the unemployment rates of India from 1977-78 to 2011-12.

Figure 1: Unemployment Rates According to Usual Status, National Sample Survey (NSS) 68th Round



Source: Women and Men in India-2018, 20th issue

We can see a continuously fluctuating trend of rural female unemployment rates from figure 1. In 1977-78 the rate was 2% which gets reduced to 0.7% in 1983 and then it increases to 1.7% in 2011-12. An upward trend is observed in case of rural male's unemployment rates. In 1977-78, the rural male's unemployment rate was 1.3% which increases to 1.4% in 1983 and then in 2011-12 it becomes 1.7%. In 2011-12, the unemployment rates for both male and female of rural areas are the same. In case of urban unemployment rates, we can see that the female unemployment rate is always higher than male unemployment rate except the year 1983 where the female unemployment rate was 4.9% and male unemployment rate was 5.1%. We can also observe a continuously fluctuating trend in both. As per NSS 68th round, we can see that the rural female unemployment rates are always lower than the urban female unemployment rate.

Now let's have a look at the labour force participation rate (LFPR) of India. The table below shows the LFPR of India.

Table 4: Labour Force Participation Rates by Age-Group, Sex and Residence

Age Group (Years)	1999-00		2004-05		2009-10		2011-12	
	Female	Male	Female	Male	Female	Male	Female	Male
Rural								
5-9	0.7	0.7	0.3	0.3	0.4	0.4	0.1	0.0
10-14	9.6	9.3	7.5	7.0	3.6	4.6	3.0	2.9
15-19	31.4	53.2	33.1	52.9	19.5	39.0	16.4	33.3
20-24	42.5	88.9	43.5	89.1	31.4	81.3	29.7	78.8
25-29	49.8	95.7	53.0	98.2	40.4	97.5	36.9	96.3
30-34	55.7	98.7	59.3	98.8	43.4	99.0	43.1	99.0
35-39	57.9	98.6	64.2	99.1	49.7	99.2	48.1	99.1
40-44	58.6	98.4	62.7	98.5	49.8	99.4	48.2	98.8
45-49	56.6	98.0	61.6	98.2	49.2	98.4	48.4	98.8
50-54	51.5	95.3	56.2	96.3	48.5	96.7	44.4	96.6
55-59	45.0	93.0	50.9	93.1	41.1	93.4	39.4	93.5
60 & above	21.8	64.0	25.4	64.5	22.6	64.7	21.3	64.9
Total	30.2	54.0	33.3	55.5	26.5	55.6	25.3	55.3
Urban								

5-9	0.2	0.3	0.3	0.3	0.1	0.1	0.1	0.1
10-14	3.7	5.2	3.5	5.3	1.2	3.0	0.9	3.5
15-19	12.1	36.6	14.4	38.1	8.5	26.3	8.9	25.6
20-24	19.1	75.5	25.0	76.9	19.7	68.2	19.7	66.4
25-29	21.4	95.1	26.1	95.7	22.2	94.7	25.3	95.1
30-34	24.5	98.0	30.8	98.7	23.9	98.5	25.9	98.9
35-39	28.9	98.6	34.0	98.4	27.8	99.1	28.4	99.0
40-44	28.5	98.8	31.7	98.3	25.6	98.7	27.6	98.8
45-49	26.9	97.4	26.9	97.6	23.1	97.9	24.5	97.9
50-54	26.4	93.9	25.9	93.9	22.8	94.8	21.9	94.6
55-59	20.8	81.1	21.8	83.2	19.1	85.5	17.7	86.9
60 & above	9.4	40.2	10.0	36.6	7.0	34.2	7.8	36.5
Total	14.7	54.2	17.8	57.0	14.6	55.9	15.5	56.3

Source: Women and Men in India-2018, 20th issue

The table shows that in 2011-12, LFPR is highest for males in the age group 35-39 years while for females the highest LFPR is for the age group 54-49 years. In urban, the highest LFPR for male is for the age group 35-39 years while for females highest LFPR is also for the same age group. We can see that female LFPR is always lower than male LFPR. The table shows a fluctuating trend of LFPR for both male and female over the years.

Indian Labour Market is dualistic in nature that it is divided into two segments viz unorganised or informal sector and organised or formal sector. The formal sector's workers enjoy the benefits of social security, protective benefits and other wage benefits. Whereas, the unorganised sector has temporary, casual and irregular jobs and low productivity. The workers of this sector are neither protected by government regulation nor unionized in any collective bargaining power. Let's have a look at the status of employment in India from 1983 to 2011-12.

Table 5: Employment in India from 1983 to 2011-12

Percentage Share in Total Employment	Percentage					
	1983	1993-94	1999-00	2004-05	2009-10	2011-12
Regular Wages	13.5	13.2	14.0	14.3	15.6	17.6
Formal	-	-	5.4	5.6	6.4	6.8

Informal	-	-	8.6	8.6	9.2	11.0
Casual Wage Employment	29.0	32.0	33.2	28.9	33.5	29.9
Self-employment	57.5	54.7	52.8	56.9	51.0	52.2
Casual and Self-employment	86.5	86.7	86.0	85.8	84.5	82.1
Organised Sector	-	-	9.3	11.1	14.0	16.4
Unorganised Sector	-	-	90.7	88.9	86.0	83.61

Source: Computed from Various NSSO Rounds

It is observed from the table that the regular wage constitutes about 17.6% of the total employment in 2011. We can observe a significant rise in the percentage of regular workers. Only 6.8% of total workers have decent jobs or regular formal jobs. The percentage of informal sector's worker is more than the formal sector. In case of casual workers, we can see a comparatively stable percentage of workers ranging between 30% and 33% during the period 1983 to 2011-12. More than half of the working population are self-employed and the figure has declined from the middle 2004-05. The table shows that percentage of workers in organised sector is lower than the unorganised sector. But we can see a steady and slow growth of workers in the organised sector and decreasing trend in the unorganised sector but yet the workers engaged in unorganised sector is very much greater than in organised sector. The increase in the shares of organised sector employment, regular employment and regular formal employment which indeed is healthy.

Employment Share by Sectors:

As we know that the Indian labour market is mainly comprised of Primary (Agriculture and allied activities), Secondary (Construction and manufacturing) and Tertiary sector (Financial services and other services). Agriculture has been the primary occupation for the majority of population of India. The percentage shares of these sectors to the employment in India can be presented with the following table.

Table 6: Percentage Share of Employment in India (1972-73 to 2011-12)

Sectors	1972-73	1983	1993-94	2004-05	2011-12
Primary	73.92	68.6	63.98	56.3	48.90
Secondary	11.3	13.8	14.96	18.78	24.37
Tertiary	14.78	17.6	21.07	24.92	26.73
Non-agricultural	26.08	31.4	36.02	43.7	51.10

Source: Computed from Various NSSO Rounds

The table highlights that in 1972-73 the proportion of primary sector in total employment was 73.92% which gets reduced to 48.90% in 2011-12. We can see an upward trend of shares of employment in secondary, tertiary and non-agricultural sector. In 2011-12, the highest shares in employment is from the non-agricultural sector (51.10) while the secondary sector provides the lowest shares in employment (24.37) in the same period.

5. CONCLUSION

It is known to all that the sound development of a nation requires full participation of its entire population. Enhancing women's participation in economic activities is very crucial not only for achieving poverty and economic development but it is crucial for overall social development (Women and Man in India, 2018, 20th issue). Our analysis has shown that the female participation rate in economic activities in India is very pitiable. Reducing gender gap in participation in economic activities contributes towards the benefits of the society including improvement in child survival, family health and reduction in fertility etc. Unblocking the large potential of women could work as catalyst in achieving the national development goals. Thus, necessary steps should be undertaken to unblock the high potentiality of women of India to participate in economic activities of the country. Further, it is seen that, the percentage shares of workers in organised, regular employment has been increasing in the country which is a good sign but yet a high percentage of workers are from the unorganised sector. Thus, the government should take the matter to concern.

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