

Labour and employment

10.10 Data on the labour force and unemployment are collected by the National Sample Survey Organisation (NSSO) through, quinquennial surveys. As per the results of the 55th NSSO Round (1999-2000), the rate of growth of employment, on Current Daily Status (CDS) basis, declined from 2.7 per cent per annum in 1983-1994 to 1.07 per cent per annum in 1994-2000 (Table 10.7). The decline in the rate of growth of employment during the 1990s was associated with a comparatively higher growth in GDP, indicating a decline in the labour intensity of production.

10.11 Some of the other important findings emerging from the 55th Round (1999-2000) are:

- (i) The decline in the rate of growth of employment was associated with a sharp decline in the rate of growth of the labour force.

- (ii) The absolute number of unemployed increased from 20 million in 1993-94 to 27 million in 1999-2000. Also, the incidence of unemployment, (expressed in terms of unemployed as a percentage of the labour force) increased from 5.99 per cent in 1993-94 to 7.32 per cent in 1999-2000.
- (iii) The decline in the overall growth rate of employment in 1994-2000 was largely attributable to a near stagnation of employment in agriculture. As a result, the share of agriculture in total employment dropped substantially from 60 per cent in 1993-94 to 57 per cent in 1999-2000.
- (iv) On the other hand, employment growth in all the sub-sectors within services, such as trade, hotels, restaurant, transport, storage, communication and financial and business services, (except community,

Table 10.7 : Employment and unemployment (CDS Basis)*(person years)*

	(Million)			Growth per annum (%)	
	1983	1993-94	1999-2000	1983 to 1993-94	1993-94 to 1999-2000
All India					
Population	718.20	894.01	1003.97	2.00	1.95
Labour Force	261.33	335.97	363.33	2.43	1.31
Workforce	239.57	315.84	336.75	2.70	1.07
Unemployment rate (%)	8.30	5.99	7.32		
No. of unemployed	21.76	20.13	26.58	-0.08	4.74
Rural					
Population	546.61	658.83	727.50	1.79	1.67
Labour Force	204.18	255.38	270.39	2.15	0.96
Workforce	187.92	241.04	250.89	2.40	0.67
Unemployment rate (%)	7.96	5.61	7.21		
No. of unemployed	16.26	14.34	19.50	-1.19	5.26
Urban					
Population	171.59	234.98	276.47	3.04	2.74
Labour Force	57.15	80.60	92.95	3.33	2.40
Workforce	51.64	74.80	85.84	3.59	2.32
Unemployment rate (%)	9.64	7.19	7.65		
No. of unemployed	5.51	5.80	7.11	0.49	3.45

Source : Planning Commission.

social and personal services having negative growth rate) exceeded 5 per cent per annum (Table 10.8).

- (v) As has been the trend in the past, the share of casual labour in total employment went up.

10.12 Some estimates of employment available from the Annual Rounds of NSSO for July-December 2002, indicate that on a usual status basis employment in the country increased at the rate of 2.07 per cent per annum during 2000 to 2002 (July-December) as compared to 1.07 per cent per annum during 1994-2000. During 2000 to 2002 (July-December) in absolute terms, again on usual status basis, employment increased by 84 lakh per year, on an average, as against the target of creating approximately 5 crore employment opportunities over the Tenth Plan period i.e. 1 crore employment opportunities per year. However, these estimates are based on thin samples which suffer from large sampling errors.

10.13 A Special Group constituted by the Planning Commission on targeting ten million employment opportunities per year over the Tenth Plan period had noted the decline in the rate of growth of population, labour force and workforce, but an increase in the unemployment rate during 1993-94 and 1999-2000 (Table 10.7) in spite of the improvement in the overall growth performance of the economy from the previous decade.

10.14 In view of the declining employment elasticity of growth, observed during 1994-2000, the Special Group has recommended that over and above the employment generated in the process of present structure of growth, there is a need to promote certain identified labour intensive activities. These sectors are agriculture and allied activities, small and medium industries, information technology, construction, tourism, financial sector, education and health etc. With proper policy initiatives taken in these labour intensive sectors, an additional 20 million jobs could be

Table 10.8 : Sectoral employment growth (CDS basis)

Sector	Employment (in million)				Annual growth (%)			
	1983	1987-88	1993-94	1999-2000	1983 to 1987-88	1987-88 to 1993-94	1983 to 1993-94	1993-94 to 1999-2000
Agriculture	151.35	163.82	190.72	190.94	1.77	2.57	2.23	0.02
Industry								
Mining & quarrying	1.74	2.40	2.54	2.26	7.35	1.00	3.68	-1.91
Manufacturing	27.69	32.53	35.00	40.79	3.64	1.23	2.26	2.58
Electricity, gas and water supply	0.83	0.94	1.43	1.15	2.87	7.19	5.31	-3.55
Construction	7.17	11.98	11.02	14.95	12.08	-1.38	4.18	5.21
Services								
Trade, hotels and restaurant	18.17	22.53	26.88	37.54	4.89	2.99	3.80	5.72
Transport, storage and communication	6.99	8.05	9.88	13.65	3.21	3.46	3.35	5.53
Financial, insurance, real estate and business services	2.10	2.59	3.37	4.62	4.72	4.50	4.60	5.40
Community, social and personal services	23.52	27.55	34.98	30.84	3.57	4.06	3.85	-2.08
All sectors	239.57	272.39	315.84	336.75	2.89	2.50	2.67	1.07
Source : NSSO-Different rounds.								

created during the Tenth Plan. The Report also identified programs/targets for achieving the ten million employment opportunities per year. Another Task Force on Employment Strategies and Employment Monitoring at state level was set up by Planning Commission under the Chairmanship of the then Member, Planning Commission (Dr.S.P.Gupta), with representatives from states and major central Ministries/ Departments.

10.15 There are large inter-state differentials in unemployment (Table 10.9). During the period 1993-94 to 1999-2000, growth in employment was the highest in Haryana (2.43 percent) followed by Gujarat (2.31 per cent), while Kerala recorded the least growth of only .07 per cent.

Employment in the organized sector

10.16 Only a small percentage (8 to 9 percent) of the total workforce of the country is employed in the organized sector. Organized sector employment on March 31, 2002 was 27.2 million of which 69 per cent or 18.8 million was in the public sector (Appendix Table 3.3). With public sector employment

declining by 1.9 per cent in 2002 over 2001, there was a corresponding decrease of 2.1 per cent in employment in the organized sector in 2002. The decline in public sector employment, reflecting a conscious policy decision, was compounded by a decline in organized private sector employment.

10.17 The data available from the 945 employment exchanges in the country indicates that in February 2004, the number of jobseekers registered with the employment exchanges (all of whom are not necessarily unemployed), was of the order of 4.11 crore out of which, approximately 70 percent are educated (10th standard and above). The number of women job seekers registered was of the order of 1.07 crore (26 percent of total job seekers). The maximum number of job seekers awaiting employment were in West Bengal (67.5 lakh). The placement was maximum in Gujarat, whereas the registration was maximum in Maharashtra. The placement effected by the employment exchanges at all-India level during 2003 was of the order of 1.55 lakh as against 2.56 lakh vacancies notified during this period.

Table 10.9 : Employment scenario in States

(CDS basis)

Sl. No.	Selected States	Employment ('000) 1999-00	Employment growth 1993-94 to 1999-00 (% p.a.)	Unemployment rate		Employment elasticity 1993-94 to 1999-00	GDP growth (% per annum) 1993-94 to 1999-00
				1999-00 (%)	1993-94 (%)		
1.	Andhra Pradesh	30614	0.35	8.03	6.69	0.067	5.2
2.	Assam	7647	1.99	8.03	8.03	0.737	2.7
3.	Bihar	30355	1.59	7.32	6.34	0.353	4.5
4.	Gujarat	18545	2.31	4.55	5.70	0.316	7.3
5.	Haryana	5982	2.43	4.77	6.51	0.420	5.8
6.	Himachal Pradesh	2371	0.37	2.96	1.80	0.052	7.1
7.	Karnataka	20333	1.43	4.57	4.94	0.188	7.6
8.	Kerala	8902	0.07	20.97	15.51	0.013	5.5
9.	Madhya Pradesh	28725	1.28	4.45	3.56	0.272	4.7
10.	Maharashtra	34979	1.25	7.16	5.09	0.216	5.8
11.	Orissa	11928	1.05	7.34	7.30	0.262	4.0
12.	Punjab	8013	1.96	4.03	3.10	0.426	4.6
13.	Rajasthan	19930	0.73	3.13	1.31	0.104	7.0
14.	Tamil Nadu	23143	0.37	11.78	11.41	0.052	7.1
15.	Uttar Pradesh	49387	1.02	4.08	3.45	0.185	5.5
16.	West Bengal	22656	0.41	14.99	10.06	0.056	7.3
All India		336736	1.07	7.32	5.99	0.160	6.7

Source : Planning Commission.