



Employment Growth in India: Some Major Dimensions

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Abstract:

A sizeable alleviation in poverty in India is possible only if employment situation is effectively taken care of over a long run. Most of other measures aiming at poverty reduction suffer from transitory nature and limited chances of success. Employment enables continuous flow of income across the different categories of people and the Income flow to an individual is influenced by employment, its nature, duration, type, wage rate on one hand, and also the size of assets, education, skill level and reference value, but employment, including its nature, type and duration, among these is the most significant. The reform period has laid a momentous emphasis on rate of growth which is considered to generate employment as an effect by producing greater opportunities in existing and novel areas which, in turn, is expected to diminish poverty as well. Hence, this paper attempts to examine the employment in India over last thirty to forty years with larger part of the concern devoted to the significant aspects of employment related developments especially during the reform period.

Most of the statistics used in the paper has been taken from several rounds of The National Sample Survey Organisation (NSSO) which conducts the quinquennial surveys to collect the data on employment and unemployment in India.

Overall situation of employment and unemployment constitutes one of the most significant aspects of problem. Since employment position is an outcome of not only demand side factors but also the supply side facets which include rate of participation of population in labour force, and the features of the labour force. The population growth may decelerate and yet labour force participation rate (LFPR) may increase as that depends on growth rate of working age population as the relationship between the rate of population growth and labour force is not essentially unidirectional. Similarly, the Worker Population Ratio (WPR) may also move in a direction other than that of population and that LFPR depending upon the demand-supply scenario on the whole. The employment/unemployment situation varies very widely on three alternative concepts of employment – Usual Principal Status, Current Weekly Status, and Current Daily Status; and the situation on these concepts is also influenced differently. The Age-Specific Worker Participation Rate have also undergone changes due to a number of reasons which may be in harmony with the chalked out plan or may offer problems to planners themselves. Category of employment, i.e., Self-employment, regular employment and casual employment is another important dimension about which the concerns have been raised by academics and so, the trends are being examined here along with the industry-wise employment shifts that have been taking place with the growth of the economy, and also changes in the contributions of these industry divisions in the GDP.

Introduction

A considerable reduction in poverty in India is feasible only when the employment situation is adequately taken care of over a long run. Most of other measures suffer from adhocism and limited chances of success. Employment enables continuous flow of income across the different categories of people - rural-urban, male-female, age groups, etc. Income flow to an individual is influenced by employment, its nature, duration, type, wage rate and also the size of assets one holds, education, skill level and reference value, but employment among these is the most pertinent to ensure the continuity

of the income flow. The poor in India predominantly belong to the category of people who suffer from very low level and lesser duration of employment and also get a low wage rate. This helps to understand that the bond between unemployment and poverty.

In the reform period there has been a significant amount of thrust laid on high rate of growth which is said to generate employment opportunities and thus, achieve the objective of welfare of people through increased income flow and greater opportunities. A high rate of growth of job opportunities or (employment) is viewed as an important aspect of growth of the economy and poverty alleviation as well. For the purpose of this paper, the employment situation in India over last thirty to forty years would be the focal issue with larger part of the attention devoted to the related developments since early 1990s.

Major Dimensions of the Employment

The National Sample Survey Organisation (NSSO) conducts the quinquennial surveys to collect the data on employment and unemployment in India. The Labour Bureau, Government of India has also collected the data on employment and unemployment situation in India for the first time for the period 2009-10. These survey reports exhibit what has happened to overall state of employment as how much job opportunities have been created, which sectors of the economy have gained from the growth story and have been able to provide more employment opportunities, for which age-group/groups or gender these opportunities have moved upward and how different sectors, primary, manufacturing and tertiary or organised and unorganised have performed with regard to employment. The economy that is still characterised as ‘agrarian’ where large proportion of the population is employed in the primary sector, mainly in agriculture is showing a kind of shift from agriculture to manufacturing and service sector and it is made evident by not only the changing composition of Gross Domestic Product but by industry-wise Worker Population Ratio (WPR) as well.

Overall Employment/Unemployment Situation in India

Employment position is an outcome of not only demand side factors but also the supply side aspects which include age structure of population, the participation rate of population in labour force, and the features of the labour force. The size of working-age population is determined by the age structure of population. The population growth may decelerate and yet labour force participation rate may increase as that depends on growth rate of working age population, which in India’s case is considered to be 15 – 59 years, and the relationship between the rate of population growth and labour force is not essentially unidirectional. Some decline in labour force growth could be due to a lower growth in population, which also implies a slower growth in working age population. In this regard, the decline in labour force growth from 2.29 per cent per annum to 1.03 per cent between the periods 1983 to 1993-94 and 1993-94 to 1999-2000 is too sharp to be explained by deceleration in population growth on its own. This deceleration in population growth during the referred period is to be seen along with the decline in Labour Force Participation Rates (LFPRs) for a more likely explanation (Planning Commission).

Rate of Growth of Population and Labour Force

Period	Rate of Growth of Population (per cent per annum)	Rate of Growth of Labour Force (per cent per annum)
1972-73 to 1977-78	2.27	2.94
1977-78 to 1983	2.19	2.04
1983 to 1987-88	2.14	1.74
1987-88 to 1993-94	2.10	2.29
1993-94 to 1999-2000	1.93	1.03
1999-2000 to 2004-05	1.69	2.54

Note: Rate of Growth of Labour Force is on UPSS basis Source: Planning Commission

Labour Force Participation Rates (LFPRs) in India (on 100 persons)

Year	Rural and Urban			Rural			Urban		
	P	M	F	P	M	F	P	M	F
1972-73	42	54.5	28.6	43.9	55.1	32.1	34.5	52.1	14.2
1977-78	43.9	56	31	45.8	56.5	34.5	37.5	54.3	18.3
1983	43	55.1	30	45.2	55.5	34.2	36.2	54	15.9
1987-88	42.2	54.5	29	44.3	54.9	33.1	35.6	53.4	16.2
1993-94	42.7	55.6	28.7	44.9	56.1	33	36.3	54.3	16.5
1999-00	40.6	54	26.3	*	54	30.2	*	54.2	14.7
2004-05	43	55.9	29.4	44.6	55.5	33.3	38.2	57	17.8
2009-10	40	55.7	23.3	41.4	55.6	26.5	36.2	55.9	14.6

*Note: Usual Status including Principal and Subsidiary Status
 Source: NSS Employment and Unemployment Survey Reports*

Worker Population Ratio (WPR) in India (on 100 persons)

Year	Rural and Urban			Rural			Urban		
	P	M	F	P	M	F	P	M	F
1972-73	41.3	53.5	28.2	43.5	54.5	31.8	33.1	50.1	13.4
1977-78	42.2	54.5	29.3	44.4	55.2	33.1	34.4	50.8	15.6
1983	42.2	53.8	29.6	44.6	54.7	43	34.3	51.2	15.1
1987-88	41.1	53.1	28.1	43.4	53.9	32.3	33.9	50.6	15.2
1993-94	42.0	54.5	28.6	44.4	55.3	32.8	34.7	52	15.4
1999-00	39.7	52.7	25.9	41.7	53.1	29.9	33.7	51.8	13.9
2004-05	42.0	54.7	28.7	43.9	54.6	32.7	36.5	54.9	16.6
2009-10	39.2	54.6	22.8	40.8	54.7	26.1	35	54.3	13.8

Note: Usual Status including Principal and Subsidiary Status Source: NSS Employment and Unemployment Survey Reports

The labour force participation rate indicates the percentage of population that is ready to offer its services. It includes both the workers who are employed and also those who are unemployed. The overall labour force participation rate (LFPRs) based on NSS usual status (include both principal and subsidiary) there has been a little decline during the last four decades from 42 % to 40 %. During this period, it has been fluctuating between 40 to 43.9 percent. However, the trends indicate that during 1977-78 the LFPR had increased to highest ever level and had begun to decline thereafter. Between 1987-88 and 1993-94, although there was a marginal increase in LFPR, there was a sharp decline of two percentage points between 1993-94 and 1999-00. But the LFPR again rose between 1999-2000 and 2004-05 with a sharp movement of 2.4 percentage points. But again during 2009-10 LFPR has declined by 3 percentage points from the level of 2004-05.

There are rural- urban and male-female differences in labour force participation rates. The LFPR is higher for rural areas as compared to urban areas and is also higher among the male population in comparison with their female counterparts.

The Worker Population Ratio (WPR) as percentage of population has decreased from 41.3 during 1972-73 to 39.2 during 2009-10. Between these time periods, the oscillating trend of WPRs can be observed with an overall trend presenting a falling WPR. The WPR for male has increased from 53.5 during 1972-73 to 54.5 during 1993-94 and to 54.6 during 2009-10 while for females, WPR has

increased from 28.2 during 1972-73 to 28.6 during 1993-94 and then has declined to 22.8 during 2009-10.

For the rural population also, the WPR has come down from 43.5 during 1972-73 to 40.8 during 2009-10. It increased for some time period, but again it has dropped. For the rural males, WPR increased a little from 54.5 during 1972-73 to 54.7 during 2009-10. The WPR for rural females has increased from 31.8 during 1972-73 to 32.8 during 1993-94 and finally, it has declined at a high rate to reach 26.1. The WPR for urban persons had increased from 33.1 during 1972-73 to 34.7 during 1993-94 and then marginally to 35 per cent during 2009-10. Urban male participation (WPR) in workforce also increased from 50.1 during 1972-73 to 52 during 1993-94 and then to 54.3 during 2009-10. In case of urban female, the WPR has increased from 13.4 in 1972-73 to 15.4 in 1993-94 and then has fallen to 13.8 during 2009-10 in an oscillating way.

Incidence of Unemployment in India by three alternative Concepts-Usual Principal Status, Current Weekly Status, and Current Daily Status

Year	Rural and Urban			Rural			Urban		
	P	M	F	P	M	F	P	M	F
Usual Principal Status (UPS)									
1972-73	1.6	1.9	1.0	0.9	1.2	0.5	5.1	4.8	6.0
1977-78	2.6	2.2	3.3	1.5	1.3	2.0	7.1	5.4	12.4
1983	1.9	2.3	1.2	1.1	1.4	0.7	5.0	5.1	4.9
1987-88	2.7	2.6	2.9	2.0	1.8	2.4	5.4	5.2	6.2
1993-94	1.9	2.2	1.4	1.1	1.4	0.8	4.4	4.0	6.2
1999-2000	*	*	*	*	2.1	1.5	*	4.8	7.1
2004-05	2.9	*	*	2.5	2.1	3.1	5.3	4.4	9.1
2009-10	2.5	2.2	3.3	2.1	1.9	2.4	3.7	3.0	7.0
Current Weekly Status (CWS)									
1972-73	4.3	3.7	5.9	3.9	3.0	5.5	6.6	6.0	9.2
1977-78	4.5	4.4	5.0	3.7	3.6	4.0	7.8	7.1	10.9
1983	4.5	4.4	4.8	3.9	3.7	4.3	6.8	6.7	7.5
1987-88	4.5	4.8	5.0	4.2	4.2	4.3	7.0	6.6	9.2
1993-94	4.8	3.5	3.8	3.0	3.0	3.0	5.8	5.2	8.4
1999-2000	*	*	*	*	3.9	3.7	*	5.6	7.3
2004-05	4.4	4.2	5.0	3.9	3.8	4.2	6.0	5.2	9.0
2009-10	3.6	3.3	4.3	3.3	3.2	3.7	4.2	3.6	7.2
Current Daily Status (CDS)									
1972-73	8.3	7.0	11.5	8.2	6.8	11.2	9.0	8.0	13.7
1977-78	8.2	7.6	10.0	7.7	7.1	9.2	10.3	9.4	14.5
1983	8.3	8.0	9.3	7.9	7.5	9.0	9.6	9.2	11.0
1987-88	6.1	5.6	7.5	5.2	4.6	6.7	9.4	8.8	12.0
1993-94	6.0	5.9	6.3	5.6	5.6	5.6	7.4	6.7	10.5
1999-2000	*	*	*	7.2	7.2	7.0	*	7.3	9.4
2004-05	8.2	7.8	9.2	8.0	8.0	8.7	8.3	7.5	11.6
2009-10	6.6	6.1	8.2	6.8	6.4	8.0	5.8	5.1	9.1

Source: NSS Employment and Unemployment Survey Reports

The unemployment rate is the ratio of the unemployed persons to labour force on per 100 basis. The NSSO data indicates that unemployment rate on Usual Status has increased since 1972-73 to 2009-10. The unemployment rate was 1.67 per cent during 1977-78 and which then increased to 2.80 per cent during 2009-10. The unemployment rate had reached a high level of 3.80 per cent during 1977-78 and thereafter declined to 1.60 per cent during 1993-94. But, again it has rose to 2.0 per cent during 2009-10. The absolute number of job opportunities has increased over time in the economy, but due to rising population, the size of labour force has also increased in a manner that the gap between labour force and work force, which stands for unemployment, in the long run seems to be widening with some vacillations as the opportunities created have been lesser than the required by increasing number of labour force and the backlog of the unemployed.

Unemployment rates based on current daily status are much higher than those based on usual status, which is unemployed on an average in the reference year, and also those based on current weekly status. The estimates based on current daily status is the most inclusive rate of unemployment as it provides the average level of unemployment on a day during the survey year. It captures the days of unemployment of the acutely unemployed, the days of unemployment of usually employed who become intermittently unemployed during the reference week and also the days of unemployment of those who are classified as employed on the criterion of current weekly status.

The incidence of unemployment on usual principal status is showing an increasing tendency since 1972-73 for the rural and urban persons and male-female taken together. However, the rate increase in unemployment is greater for females than their male counterparts. Rural unemployment has been increasing at a higher rate than urban unemployment and female unemployment has been rising at much greater rate than male unemployment and in their case, urban unemployment is witnessing a much higher rate. On current weekly status basis, the data does not demonstrate much of fluctuation over time and between two time periods and male unemployment is faced with a tendency of rise at a moderate rate. It is largely because of the situation in the rural economy. Female unemployment on CWS basis has been declining to some extent. On currently daily status, the overall unemployment seems to be nearly stagnant. It has been increasing for rural male category while for urban males, it has declined marginally. The female unemployment for rural as well as urban categories has seen a drop and the rate of this drop is more than what is seen on current weekly status.

Age-wise Workforce Participation

Age-specific WPRs have declined between 1993-94 to 2009-10 in most of age groups (five-year age group, 5 to 59 years age group and 60+ age-group and also all ages combined) and remained constant or have somewhat increased for some the age-groups such as 25 to 49 years age group as distinguished in NSS Reports for each of four segments, namely, rural male, rural female, urban male, and urban female. So, the observed decline in WPRs is not merely due to shifts in age-structure of the population, but also on account of some positive factors, i.e., greater enrolment in primary, secondary and higher education, and also engagement in some training programmes for the development of skills etc.

Age-Specific WPRs by Location and Gender in India per 1,000 persons (age group wise) on Usual Status (PS+SS) Employment

Age-Group	1993-94				1999-2000				2004-05				2009-10			
	RM	RF	UM	UF	RM	RF	UM	UF	RM	RF	UM	UF	RM	RF	UM	UF
5-9	11	14	5	5	6	7	3	2	3	3	2	3	4	4	1	1
10-14	138	141	66	45	91	96	49	36	68	74	48	33	44	35	28	12
15-19	577	364	356	123	503	304	314	105	497	319	335	128	358	186	231	46
20-24	859	456	674	183	844	309	658	155	849	410	684	201	768	295	617	160
25-29	957	525	904	224	950	491	883	194	966	513	909	229	957	391	906	196

30-34	983	585	964	272	979	555	960	235	981	584	969	290	988	430	973	231
35-39	989	608	983	301	984	579	975	285	989	639	977	328	991	496	984	273
40-44	987	606	981	320	983	586	974	283	983	625	980	312	993	498	984	253
45-49	983	594	973	317	980	566	969	267	981	615	968	267	984	492	977	229
50-55	970	542	942	286	953	515	935	262	963	561	931	258	967	485	946	227
55-59	942	467	856	226	929	450	809	207	930	509	830	218	933	411	848	191
60+	699	247	442	113	639	218	402	94	644	253	366	100	646	226	341	70
All ages	553	328	521	155	531	299	518	139	546	327	549	166	547	261	543	138

Notes: RM- Rural Male; RF- Rural Female; UM- Urban Male; UF- Urban Female Source: various surveys of NSS

The rate of decline of WPRs is very high among rural and urban female across all age groups. The average WPR of rural males has remained around 550 level per 1000 of all rural males. The WPR of urban males has been increasing over larger time period and the augmented share of the age group 20-24 years has been mainly instrumental in that. The WPR of below 15 years has gone down quite sharply which explains the effect of some of welfare measures aimed at increasing literacy rate and improving skill levels of the people. People of working age groups are somehow maintaining their WPR levels which actually show a small reduction in these levels from 1993-94 to 2009-10 which is indicative of somewhat declining

Age-Specific WPRs by Location and Gender in India per 1,000 Workforce Participation Rates on Usual Status (PS+SS)

Age-Group	1993-94				1999-2000				2004-05				2009-10			
	RM	RF	UM	UF	RM	RF	UM	UF	RM	RF	UM	UF	RM	RF	UM	UF
20-24	859	456	674	183	844	309	658	155	849	410	684	201	768	295	617	160
25-29	957	525	904	224	950	491	883	194	966	513	909	229	957	391	906	196
30-34	983	585	964	272	979	555	960	235	981	584	969	290	988	430	973	231
35-39	989	608	983	301	984	579	975	285	989	639	977	328	991	496	984	273
40-44	987	606	981	320	983	586	974	283	983	625	980	312	993	498	984	253
45-49	983	594	973	317	980	566	969	267	981	615	968	267	984	492	977	229
50-55	970	542	942	286	953	515	935	262	963	561	931	258	967	485	946	227
55-59	942	467	856	226	929	450	809	207	930	509	830	218	933	411	848	191
Avg. 25-59	973	561	943	278	965	535	929	248	970	578	938	272	973	453	945	229
Avg. 20-59	959	548	909	266	950	507	894	236	955	557	906	263	947	433	904	220

Notes: RM- rural male; RF- rural female; UM- urban male; UF- urban female Source: various surveys of NSS

employment opportunities during the period, normally termed as the period of economic reforms. The continuous up-down trend over this period (1993-94 to 2009-10) gives sufficient idea about the efforts that are needed quite frequently to avoid a further drop as the WPR for three of the four categories, namely, rural male, rural female and urban female show declines, the declines for rural female and urban female categories being quite sharp. The only respite comes from urban male category.

This trend of fluctuations has continued despite the fact that a good part of this period 1993-94 to 2009-10) belongs to high growth years as the growth had started to show signs of deceleration towards 2007-08; and the overall trend of employment is inclined towards declining WPR ratio. The average of 20 – 59 years and 25 – 59 years of population also tend to support the declining trend.

Category of Employment

Among the rural males, out of one thousand usually employed males more than fifty per cent are self-employed. The proportion of self-employed males has been consistently decreasing since 1983 except for some spurt observed in the 61st round (2004-05). In 1983, 605 rural males were self-employed and during 1999-00, they have remained to 550, and to 535 during 2009-10. The share of regular rural males has also been almost regularly diminishing while the share of casual rural males in employment has been commonly going up. In case of rural females, the proportion of self-employed has come down on all occasions barring the period relating to, again, the 61st round while self-employment is the largest source of employment for rural females (55.7%). For them the ratio of regular employment has grown, in contrast with the position for rural male employment, and casualisation of employment has also increased.

Per 1000 distribution of usually employed by category of employment during 1983 to 2009-10

NSS Round (survey period)	Category of Employment		
	Self-employment	Regular employee	Casual labour
Rural Male			
66th(2009-10)	535	85	380
61 st (2004-05)	581	90	329
55 th (1999-00)	550	88	362
50 th (1993-94)	577	85	338
43 rd (1987-88)	586	100	314
38 th (1983)	605	103	292
Rural Female			
66th(2009-10)	557	44	399
61 st (2004-05)	637	37	326
55 th (1999-00)	573	31	396
50 th (1993-94)	586	27	387
43 rd (1987-88)	608	37	355
38 th (1983)	619	28	353
Urban Male			
66th(2009-10)	411	419	170
61 st (2004-05)	448	406	146
55 th (1999-00)	415	417	168
50 th (1993-94)	417	420	163
43 rd (1987-88)	417	437	146
38 th (1983)	409	437	154
Urban Female			
66th(2009-10)	411	393	196

61 st (2004-05)	477	356	167
55 th (1999-00)	453	333	214
50 th (1993-94)	458	284	258
43 rd (1987-88)	471	275	254
38 th (1983)	458	258	284

Source: various rounds of NSS

Urban males have lesser degree of self-employment compared to their rural counterparts (41.1 % and 53.5% respectively) and the ratio of self-employment for them has remained largely constant or in a kind of narrow range. The share of regular employment in their case has decreased at a very little rate and that of casual employment, conversely, has increased by a small amount. For urban females, the proportion of self-employment has seen a downfall and casualisation has also diminished while the fraction of regular employment has increased quite noticeably.

On the whole, the share of self-employment has descended for rural males, rural females, and urban females whereas it has remained near constant for urban males. The proportion of regular employment has decreased for both - rural as well as urban males but has increased for females in rural as well as urban areas. Casualisation of employment has been rising for rural and urban males and females.

Broad Industry Division of Employed persons

Industry-wise division explains us how every one thousand of rural males, rural females, urban males or urban females are usually (depending on kind of data used) employed are engaged in different sectors such as agriculture; mining & quarrying; manufacturing; electricity, water etc.; construction; trade, hotel and restaurant; transport, storage and communication; and other services. For rural population, agriculture continues to be the largest source of employment despite the fact that dependence of the rural population on it has diminished over time but still more than 60 per cent of the rural population depends on agriculture till date (2009-10). A greater fraction of female workers relies upon agriculture-based employment in comparison with male workers both in rural as well as in urban areas. Mining & Quarrying has been increasing in importance and also as a source of employment.

Per 1000 Distribution of Usually Employed Persons by Broad Industry Division (NIC 1998) from 1983 to 2009-10

Broad industry division	NSS Round (survey period)	Rural		Urban	
		Male	Female	Male	Female
Agriculture	66th(2009-10)	628	794	60	139
	61 st (2004-05)	665	833	61	181
	55 th (1999-00)	714	854	66	177
	50 th (1993-94)	741	862	90	247
	43 rd (1987-88)	745	847	91	294
	38 th (1983)	775	875	103	310
	32 nd (1977-78)	806	881	106	319
Mining and	66th(2009-10)	8	3	7	3

quarrying	61 st (2004-05)	6	3	9	2
	55 th (1999-00)	6	3	9	4
	50 th (1993-94)	7	4	13	6
	43 rd (1987-88)	7	4	13	8
	38 th (1983)	6	3	12	6
	32 nd (1977-78)	5	2	9	5
Manufacturing	66 th (2009-10)	70	75	218	279
	61 st (2004-05)	79	84	235	282
	55 th (1999-00)	73	76	224	240
	50 th (1993-94)	70	70	235	241
	43 rd (1987-88)	74	69	257	270
	38 th (1983)	70	64	268	267
	32 nd (1977-78)	64	59	276	296
Electricity, water etc.	66 th (2009-10)	2	0	7	4
	61 st (2004-05)	2	0	8	2
	55 th (1999-00)	2	-	8	2
	50 th (1993-94)	3	-	12	3
	43 rd (1987-88)	3	-	12	2
	38 th (1983)	2	-	11	2
32 nd (1977-78)	2	-	11	1	
Construction	66 th (2009-10)	113	52	114	47
	61 st (2004-05)	68	15	92	38
	55 th (1999-00)	45	11	87	48
	50 th (1993-94)	32	9	69	41
	43 rd (1987-88)	37	27	58	37
	38 th (1983)	22	7	51	31
32 nd (1977-78)	17	6	42	22	
Trade, hotel and restaurant	66 th (2009-10)	82	28	270	121
	61 st (2004-05)	83	25	280	122
	55 th (1999-00)	68	20	294	169
	50 th (1993-94)	55	21	219	100
	43 rd (1987-88)	51	21	215	98
	38 th (1983)	44	19	203	95
32 nd (1977-78)	40	20	216	87	
Transport, storage and communication	66 th (2009-10)	41	2	104	14
	61 st (2004-05)	38	2	107	14
	55 th (1999-00)	32	1	104	18
	50 th (1993-94)	22	1	97	13
	43 rd (1987-88)	20	1	97	9
	38 th (1983)	17	1	99	15
32 nd (1977-78)	12	1	98	10	
Other services	66 th (2009-10)	55	46	219	393
	61 st (2004-05)	59	39	208	359
	55 th (1999-00)	61	37	210	342
	50 th (1993-94)	70	34	264	350
	43 rd (1987-88)	62	30	252	278
	38 th (1983)	61	28	248	266
32 nd (1977-78)	53	30	243	260	
<i>All</i>		<i>1000</i>	<i>1000</i>	<i>1000</i>	<i>1000</i>

Source: various rounds of NSS

The proportion of manufacturing in employment for urban males and females has seen a long-run down trend as it is consistently diminishing. Its proportion has reached about 15 per cent in 2009-10 from about 28 per cent in 1977-78. It corresponds to a declining share of manufacturing sector in GDP as well. Construction industry has grown in importance and since it has a fair degree of employment elasticity, its share in employment has been increasing for both rural and urban working population. Trade, hotel and restaurant are also contributing an increasing share in employment for rural as well as urban economies of India. The avenues for females in urban areas have increased at a good pace in this service industry. The share of transport, storage and communication in employment has grown at a moderate rate. Other services category has grown in significance as employment provider as its role is as high as 57.5 per cent for urban females, more than 20 per cent for urban males, and around 14 – 15 per cent for rural males and females. Obviously, the sectors and the industries that have greater potentials can offer more employment provided they themselves grow at a reasonable pace over a sustainable long-run.

Conclusion

The incidence of unemployment shows an increasing tendency since 1972-73 for the rural and urban male-female population taken together. However, the rate of increase in unemployment is higher in case of females than males; and rural unemployment has been increasing at a higher rate than urban unemployment.

The fluctuating trend over the period 1993-94 to 2009-10 reflects a kind of pressure on maintaining even an existing WPR for three of the four categories, namely, rural male, rural female and urban female while a good part of this period has witnessed a good growth rate, slow down starting from 2007-08.

The proportion of self-employment has declined for rural males, rural females, and urban females while remaining nearly constant for urban males. The proportion of regular employment has also decreased for rural and urban males but has increased for females in rural as well as urban areas. Increasing casualisation of employment can be noticed for rural and urban males-females.

Agriculture continues to play a dominant role in providing employment while its share is declining along with that of the manufacturing sector. The tertiary sector has gained in terms of importance measured by its proportion as employment provider. Since this sector has greater employment elasticity of growth, its own growth as also of its constituents shall matter much for the future employment scenario of India.

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