

## TRENDS AND PATTERNS OF EMPLOYMENT IN INDIA

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### ABSTRACT

It is generally assumed that economic growth creates more job. At present in India unorganized sector give more employment to about 92 per cent of the work force in the country. The economic reforms implemented since 1991 have accelerated the development process and generated more employment opportunities in the different sector. As a result, the post reforms period has witnessed substantial changes in the structure of employment. According to NSSO 55<sup>th</sup> round 23 million jobs were created during a period of 1993-94 to 1999-2000 and 60 million jobs were created in the period of 1999-2000 to 2004-05 but the regular employment has not increased as expected. In this context, we have examined in the article is the trends and patterns of employment in India. The overall summary is the post reform period were a steady decline in the share of primary employment and continuous increase in the share of the secondary and tertiary employment in India.

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### Introduction:

It is generally assumed that economic growth creates more job. It is also assumed that the faster growth will be the creation at new job. But the experience of many of the developing as well as developed countries shows that the pace of job creation generally lags behind the pace of economic growth.

The economic reforms implemented since 1991 have accelerated the Development process and generated more employment opportunities in the different sectors. The post reforms period has witnessed substantial changes in the structure of employment. The primary sector comprising Agriculture and the allied activities has declined. There has been a marginal increase in the share of the secondary sector. But the tertiary sector the registered a sustained increase in the share of the employment. The other noticeable changes in the employment front are an increase in the share of self employment and fall in the casual employment. The regular employment has not increased as expected. In this context, we have examines in the article is the trends, patterns and structure of employment in India.

### What is Unemployment?

Unemployment is major problems in developing countries (Like India) unemployment means among those assessed as “employed” arise due to two factors. Firstly the labour time of a person classified as employed over the reference period may not be utilized fully. This may be called visible unemployment. The other factor for causing under employment is related to income from work. Though labour time of unemployment person may be utilized at work, uniformly over the retirement period and hence the person is classified as employed but the compensation from the time at work may not yield “adequate income ‘ such under employment is referred to as” invisible under employment. The problem of “invisible under employment has to be understood with reference to a more precise analysis of use of labour time than that which is done in classifying a person as employed or unemployed. Invisible underemployment has to be examined in the context of income from work.”

### Employment Trends in India:

The size of employment in India depends to a great extent on the level of economic development. Therefore, when a country makes economic progress its employment opportunities grow. In India, during the planning period production has expanded in all the sectors of the economy. In response to the economic development the absolute level of employment has also increased. The economic growth has made it completely oblivious to the possible conflict between economic growth and employment. Hence, in recent years economic growth in India has been mostly “jobless” and sometimes even “Job loss.”

However, details on employment trends are available from various Rounds of the NSSO. The 55<sup>th</sup> Round provided estimates for 1999-2000 and 61<sup>st</sup> round for 2004-05, 66<sup>th</sup> Round for 2009-10 and 68<sup>th</sup> round for 2011-2012. Information on employment trends for the period 1993-94 to 2011-12 is presented in table No.1

**Table No. 1**  
**Trends of employment and unemployment in India (by UPSS)**  
**1993-94, 2011-12.**

	1993-94	1999-2000	2004-05	2009-10	2011-12
Labour force	381.94	406.85	468.73	472.32	483.75
Work force	374.45	397.88	457.56	462.49	472.91
Unemployed	7.49	8.97	11.17	9.84	10.84
Unemployment rate	2.0	2.2	2.4	2.1	2.2

Note: All figures pertain to UPSS i.e. usual principal and subsidiary status.

Sources: C Rangarajan, Seema and E. M. Vibeesh, “Development in the work force between 2009-10 and 2011-12.” Economic and Political Weekly, June 7, 2014. Table 2p.118

Table No. 1 indicates that more than 23 million jobs were created during the period of 1993-94 to 1999-2000 and 60 million jobs were created in the period of 1999-2000 to 2004-05 and the labour force increased by 25 million over the period 1993-94 to 1999-2000 and by 62 million over the period 1999-2000 to 2004-05 to 2009-10 to 2011-12 recorded an increase of 11.43 million people in the labour force. As against the labour force of 381.94 million in 1993-94 and work force was 374.45 million which implies that the number of unemployed people was 7.49 million two year period 2009-10 to 2011-12 only around 11 million jobs were created.

### Structure of employment in India:

Table No. 2 indicates that the workforce in India varies across sectors. The agriculture sector, although there has been a decline in employment in India. As a result, with the share of agriculture declining over the entire five decade period 1972-73 to 2011-12. From as high as 73.9 per cent to 48.9 per cent in 2011-12. The share of industry over the period rose from 11.3 per cent to 24.4 per cent and share of services from 14.8 per cent to 26.7 per cent. However, as can be seen from Table No. 2, this structural shift has been the result of changes taking place in the economic reforms period i.e. the post 1991 period only.

**Table No. 2**  
**Estimated Number of UPSS workers across Broad Industrial Categories 1972-73 to 2011-12**

Industry	1972-73	1983	1993-94	2004-05	2011-12
1. Agriculture and activities	73.9	68.6	64.8	58.5	48.9
2. Industry	11.3	13.8	14.7	18.1	24.4
a) Mining and quarrying	0.4	0.6	0.7	0.6	0.5
b) Manufacturing	8.9	10.6	10.5	11.7	12.8

c) Electricity, Gas Water Supply	0.2	0.3	0.4	0.3	0.4
d) Construction	1.8	2.3	3.1	5.6	10.6
<b>3) Services</b>	14.8	17.8	20.5	23.4	26.7
a) Trade, Hotels and Restaurants	5.1	6.3	7.4	10.2	11.4
b) Transport, storage and communication	1.8	2.5	2.8	3.8	4.4
c) Financing Real estate, Business Services	0.5	0.7	0.9	1.5	2.6
d) Community, Social and Personal Services	7.4	8.1	9.4	7.7	8.2
Total	100.00	100.00	100.00	100.00	100.00

Source: 1) Institute for Human Development, India Labour and employment Report-2014 (Delhi, 2014), Table 3.5, p. 208

2) V.K. Puri, S.K. Mishra (2017), Indian Economy - Himalaya Publishing, Delhi, Table, 12.2, p. 145

### **Employment in Public and Private Sector in India:**

The information on employment in public sector and private sector are presented in Table No. 3. A little calculation on the table shows that the public sector's share in total employment in these two sectors was 67.7 per cent in 1981. This rose to 71.3 percent in 1991 but fell thereafter. This was the result of a conscious policy decision by the government to reduce employment in the public sector. As a result of this policy, the share of public sector in employment in the two sectors fell to 68.9 per cent in 2001, 68.1 percent in 2005 and further to 59.6 percent in 2012.

**Table No. 3**  
**Employment in Public and Private Sectors in India**

Sector	1981	1991	2001	2005	2011	2012
Public sector	154.8	190.6	191.4	180.1	175.5	176.1
Private sector	74.0	76.8	86.5	84.5	114.2	119.4
Total	228.8	267.4	277.9	264.6	289.7	295.5

Source: EPW Research Foundation, India : A Pocket Book of Bata Series, 2012 (Delhi, 2012) Table 164, p. 170.

### **Summary:**

The growth of employment was lower during the second half of the 1991, the economy achieved a higher rate of growth during the first decade of the present century. Industry, construction, transport and communication are the sub-sectors which have been witnessing higher growth in employment. The broad structural changes witnessed during the post-reform period were a steady decline in the share of the primary employment and continuous increase in the share of the secondary and the tertiary employment. The quality of Indian workers in the rural areas was very poor as compared to urban areas.

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