

Employment and Unemployment in India



Employment

- Employment – Employed persons are those in the civilian population who do any work at all for or profit or have a job but are absent for some reason.
- Employment are people who work for a public or private employer and receive remuneration in wages salary commission tips or pay in kind.

Employment in Organized Sector

◉ Both in Public & Private Sector

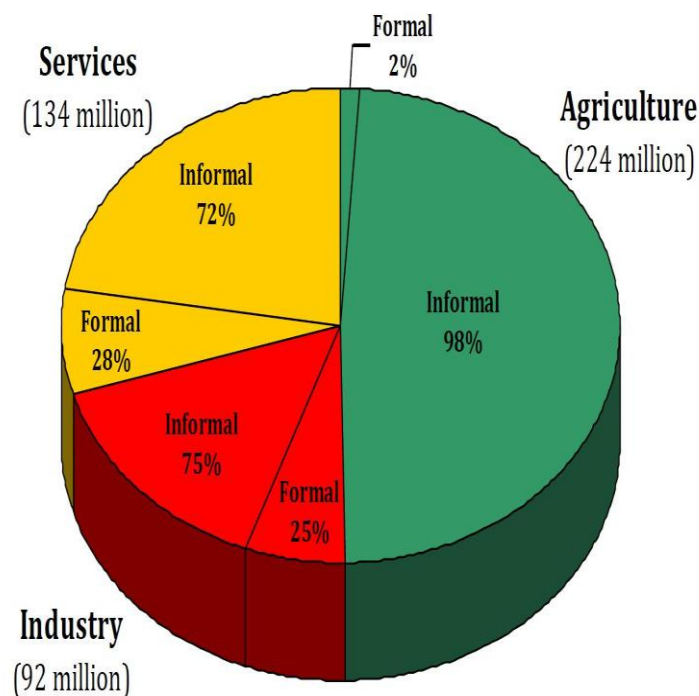
- Employment grew at 1.53% (1983-94)
- Negative Growth 0.54% (1994-2006)
- Growth in Employment 0.44% to 0.92% per annum.
- EMIS of Ministry of Labour shows per annum emp. Grew at 1.02 % (1983-94) to 0.12 % (1994-2006)

Employment in Unorganized Sector

Informal Sector Employment

NSS round/year	Total Employment	Informal Sector Workers
55 Round (1999-00)	396.5	342.6
61 Round (2004-05)	457.5	395.0

Formal and informal employment, by sector, 2008-09 estimates



Source: Table 2.7 "Modified Current Weekly Status employment estimates" in *The Challenge of Employment in India Report*, National Commission for Enterprises in the Unorganised Sector, April 2009.

Growth of Employment by Sectors

- **Primary Sector: - 64.9% (1991) in India**
 - Today 59% population
 - USA 3 %, UK 2%, France 8%, Japan 12 %, Russian 14 %
- **Secondary Sector**
 - Industrialization – SSI labour intensive
 - MSE – Employment increased 260 lakh 2002-03 to 313 lakh 2006-07.

Growth of Employment by Sectors

○ Service Sector

- The largest and fastest growing sectors in world economy
- Employment growth in this sector – **HIGHEST** in recent years..
- Particularly in trade, construction , financial services, transport and communication

SERVICE SECTOR....

Employment in Service sector in India (1993-94 to 2011-12)

Absolute Volume of Employment (in million)				
Year	1999-2000	2004-05	2009-10	2011-12
Trade	34.8	41.2	43.5	44.2
Hotels and restaurants	4.4	5.8	6.1	7.8
Transport and communication	14	17.6	20	22.9
Banking and insurance	2.1	2.9	3.8	4.3
Real estate, renting business	2.5	4.3	5.8	6.7
Public admin and defence	9.9	8.3	9.5	7.9
Education	8.2	11.1	11.8	14.1
Health	2.7	3.5	3.6	4.4
Other services	11.3	12.7	12.2	15.1
Sub-total services	89.9	107.4	116.3	127.4

Source: Authors' estimates based on NSS unit level data.

Trends in Employment During Planning

- ① 1. Early phase of economic planning
 - ② 2. Employment policy during the eighties
 - ③ 3. Recent employment strategy
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- ④ Review of Government Employment strategy

Problems of Unemployment

- What Is Unemployment?

Unemployment represents the number of people in the work force who want to work but do not have a job. It is generally stated as a percentage and calculated by dividing the number of people who are unemployed by the total work force.

- Causes of Rural Unemployment

1. Overcrowding of Agriculture
2. Lack of adequate irrigation facilities
3. Decline of Village and cottage Industries
4. Slow Economic Growth

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- Causes of Urban Unemployment
 1. Decline in employment elasticity
 2. Large scale migration from rural to urban areas
 3. Use of capital intensive technology
 4. Industrial sickness
 5. Uneven Industrial Development
 6. Defective Educational System
 7. Slow Economic Growth

● Any Question..?

