

ASSESSMENT OF THE EMPLOYMENT GROWTH EXPERIENCE IN INDIAN ECONOMY

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Abstract

India is regarded as one of the successful country in globalization process. India likely to emerge in to giant economy in the 21st century. The Indian economy is divided into two sectors one is organised sector and second is unorganised sector. In India, unorganised sector is quite large in Indian economy, agriculture is one of the most important unorganised sector in Indian economy. The manufacturing, construction, trade, transport and communication social and personal services are included in the unorganised sector etc. Organised sector is restricted by government to control on electricity, education, public transport and financial services. In the journey of the Indian economy during the 21st century accelerated growth with stability, growth with full employment, growth with social justice etc. All such slogans echo well, but are they perfect substitutes in economy can the elites of the nations be neutral as to these goals? Particularly increase employment growth rate, would the Indian economy have any "magic trick!?" The economic growth is not and end in itself. It is since rather a means of to end. In 1991 the economic reforms have accelerated the economic development process with generated more employment opportunities in the different sectors in India.

Generally assumed that economic reforms or growth is create more jobs in the labour market. But at present organised sector and unorganised sector give a more opportunities in the economy no doubt but post reforms period has witnessed unemployment growth rate has increased from 5.6 to 8.80 % in during period 1993-94 to 2019-20 (NSO). The Problem of unemployment is considered as the highest challenge to development planning in India. Any production we cannot be started without the help of the labour. Thus, labour is an active factor in any economic activity. In this context we have study in this research paper is a title on "Assessment of the employment growth experience in Indian economy." This research paper is based on secondary data only.

Keywords: Economic growth, Labour force & Work force participation rate in India Unemployment & Employment growth rate, Status of employment growth rate, Challenges of employment opportunities in India. In 1991 the economic reforms have accelerated the economic development process with generated more employment opportunities in the different sectors in India.

INTRODUCTION

India is regarded as one of the successful country in globalization process. In the journey of the Indian economy during the 21st century accelerated growth with stability, growth with full employment, growth with social justice etc. All such slogans echo well, but are they perfect substitutes in economy can the elites of the nations be neutral as to these goals? Particularly increase employment growth rate, would the Indian economy have any "magic trick!?" Generally assumed that economic reforms or growth is create more jobs in the labour market.

Why does Poverty and unemployment a great challenges with in developed and developing countries. What should be done to accelerate economic growth and at the same time, improve the economic and social well-being for the common man? These are not exceptional issues, many outstanding economic thinkers of the world have tried to find out some mechanism to humanise economic growth. Social change in any society which is centred itself with economic growth and development in the economy and do not think of socio-economic Justices. Prof. Sukhama Chakravarty is one of the most eminent economists of India has said in his path breaking book on "development planning, the India experience". As he says if equity virtues of the free market mechanism of central planning would appear to carry much conviction today.

1. Annual growth rates of gross national income and net national income in India

Table: 1 Annual growth rates of gross national income and net national income

Gross National Income	Net National Income	Per Capita Net National Income
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Year	(Current Prices)	(Constant Prices)	(Current Prices)	(Constant Prices)	(Current Prices)	(Constant Prices)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2011-12 Series						
1951-52	6.4	3.1	6.3	3.8	4.6	2.1
1960-61	9.5	5.5	9.6	5.8	7.6	3.9
1970-71	6.8	5.2	6.0	4.8	3.7	2.5
1980-81	19.2	6.8	19.5	6.9	16.8	4.5
1990-91	16.6	5.3	16.7	5.2	14.3	3.1
2000-01	7.3	3.6	6.9	3.3	5.0	1.4
2010-11	19.3	8.0	19.8	7.8	18.2	6.4
2013-14	12.9	6.3	12.9	6.0	11.5	4.6
2014-15	11.1	7.5	10.9	7.5	9.5	6.2
2015-16	10.5	8.0	10.8	8.0	9.4	6.7
2016-17	11.8	8.3	12.0	8.2	10.6	6.9
2017-18	11.1	6.9	11.1	6.7	9.9	5.5
2018-19 (3 RE)	10.6	6.5	10.4	6.2	9.3	5.2
2019-20 (2 RE)	6.3	3.9	6.0	3.4	4.9	2.3
2020-21 (1 RE)	-1.7	-7.0	-2.9	-8.7	-4.0	-9.7
2021-22 (PE)	19.3	8.5	19.4	8.5	18.3	7.5
2022-23 (1 AE)	15.0	6.6	14.9	6.6	13.7	5.5

Source: National Statistical Office,

Notes: PE: Provisional Estimates, RE: Revised Estimates AE: Advance Estimates

Let's delve into the annual growth rates of Gross National Income (GNI) and Net National Income (NNI)

1) Gross National Income (GNI): GNI represents the total income earned by residents and businesses within a country, including income generated abroad. The growth rates of GNI are as follows: During the 1951-52 period, GNI grew at 6.4% in current prices and 3.1% in constant prices. Notable growth occurred in the 1980-81 period, with a substantial

19.2% increase in current prices and 6.8% in constant prices. The most recent data for 2022-23 shows a growth rate of 15.0% in current prices and 6.6% in constant prices.

2) Net National Income (NNI): NNI accounts for depreciation and other adjustments to GNI, providing a more accurate measure of income available for consumption and investment within the country. Key growth rates for NNI include: In 1960-61, NNI grew by 9.6% in current prices and 5.8% in constant prices. The 2000-01 period saw NNI growth of 6.9% in current prices and 3.3% in constant prices. The latest data for 2022-23 indicates NNI growth of 14.9% in current prices and 6.6% in constant prices.

3) Per Capita Net National Income: This metric reflects the average income per person after accounting for population size. Noteworthy points include: In 1980-81, per capita NNI increased by 16.8% in current prices and 4.5% in constant prices. The most recent data for 2022-23 shows per capita NNI growth of 13.7% in current prices and 5.5% in constant prices. Overall, these growth rates provide insights into the economic performance

and well-being of the nation over different time periods. It's essential to consider both current and constant prices to understand the real impact of economic changes.

2. Labour force participated rate in India. (1988 to 2020)

Labour is an active factor of production. Production we cannot be started without help of Labour force. Labour is inelastic and it cannot be increased and decreased immediately because it has natural human resources in the society. Labour is an active factor of any production, it means labour is beginning of the production. Labour is both the beginning and end of the production, therefore the demand for labour arises of their productive capacity to produce other goods the efficiency of labour is depend upon social, political and economic condition of the country. Table No: 2 indicated condition of the Labour force participated rate in India.

Table: 2 Labour Force Participation Rate and Workforce Participation Rate (UPSS) by Gender (All Ages): 1983 to 2019-20

Year	LFPR			WFPR		
	M	F	P	M	F	P
1983	55.1	30.0	42.9	53.9	29.6	42.0
1993-94	55.6	29.0	42.8	54.5	28.6	42.0
2004-05	55.9	29.4	43.0	54.7	28.7	42.0
2011-12	55.6	22.5	39.5	54.4	21.9	38.6
2017-18	55.51	17.50	36.93	52.07	16.51	34.69
2019-20	55.89	20.00	38.28	50.68	18.53	34.91

Source: Computed from unit level data of various NSSO rounds

Labour Force Participation Rate (LFPR) and Workforce Participation Rate (WFPR) by gender in India from 1983 to 2011-12:

LFPR (Labour Force Participation Rate): The LFPR represents the percentage of people who are either working or actively seeking employment. It's a measure of the proportion of the population that is part of the labour force. Here's how it breaks down by gender: In 1983, the LFPR for males was 55.1%, while for females, it was 30.0%. In 1993-94, the LFPR for males increased slightly to 55.6%, but for females, it remained at 29.0%. By 2004-05, the LFPR for males was 55.9%, and for females, it was 29.4%. In 2011-12, the LFPR for males stood at 55.6%, whereas for females, it declined significantly to 22.5%.

WFPR (Workforce Participation Rate): The WFPR considers the percentage of employed individuals in the population. It reflects the proportion of people who are actively engaged in work. Here's the breakdown by gender: In 1983, the WFPR for males was 53.9%, and for females, it was 29.6%. In 1993-94, the WFPR for males increased to 54.5%, while for females, it remained at 28.6%. By 2004-05, the WFPR for males was 54.7%, and for females, it was 28.7%. In 2011-12, the WFPR for males stood at 54.4%, and for females, it declined further to 21.9%.

Key Observations: The LFPR for females has consistently been lower than that for males throughout these years. The WFPR also follows a similar trend, with females participating less in the workforce compared to males. Efforts to improve female participation in the labour force remain crucial for achieving gender equality and economic growth in India.

UNEMPLOYMENT RATE IN INDIA

The Problem of employment is considered as the biggest challenge to development planning in India. An objective of the plan, employment generation and economic growth are to be treated as mutually complement any rather than conflicting process. Employment has therefore to be generated in the process of and contribute to the acceleration of economic growth employment to be gainful and sustainable, has therefore to be productive character in economy. Therefore improvement in the productivity of labour force significance in our economy in 1991, the economic reforms have accelerated the economic development process generated more employment opportunities al in the different sector in India. At present- In unorganised sector give a more employment. The post. Reforms period has witnessed substantial changes in the structure of employment. (See TableNo.4)

Table: 3 Unemployment rate in India (1991-2022)

Year	Unemployment rate in (%)	Decadal change in(%)
1991	6.74	-
2000	7.77	1.03
2010	8.32	0.55
2020	10.20	1.88
2021	7.71	-2.49
2022	7.33	-0.38

Source- World Bank Report 2022-23

India, a country with a diverse and burgeoning population, has witnessed fluctuations in its unemployment rate over the years. Here's a chronological overview:

2022: The unemployment rate stood at **7.33%**, reflecting a **negative annual change of -0.38%**. Despite economic challenges, efforts were made to stabilize employment opportunities. **2021:** In the preceding year, the rate was **7.71%**, experiencing a significant decline of **-2.48%**. This reduction signalled a potential recovery from the pandemic-induced economic slowdown. **2020:** The year **2020** was marked by unprecedented disruptions due to the global pandemic. The unemployment rate surged to **10.20%**, representing an **annual increase of 3.69%**. The pandemic's impact on various sectors led to job losses and economic uncertainty. **2019:** In contrast, **2019** witnessed a relatively lower rate of **6.51%**, with a **negative of -1.14%**. The economy grappled with structural challenges, but efforts were made to address employment gaps. **2018:** The unemployment rate in **2018** was **7.65%**, showing a minor decrease of **-0.08%**. Policy interventions aimed at promoting job creation were underway. **2017:** Similarly, in **2017**, the rate was **7.73%**, declining by **-0.11%**. The government focused on skill development and vocational training to enhance employability. **2016:** The year **2016** recorded an unemployment rate of **7.84%**, with a **slight decrease of -0.07%**. Efforts to boost entrepreneurship and small-scale industries continued.

2015 had an unemployment rate of **7.92%**, also experiencing a **negative change of -0.07%**. The need for diversified employment opportunities remained a priority. **2014** saw a rate of **7.98%**, with a **minor decline of -0.06%**. Initiatives to bridge the urban-rural divide in employment were emphasized. In **2013**, the rate stood at **8.04%**, showing a similar **negative change of -0.06%**. Skill development programs gained traction. These figures highlight the complex interplay of economic policies, technological advancements, and social factors in shaping India's employment landscape. As the nation strives for inclusive growth, addressing unemployment remains a critical challenge. Policymakers, businesses, and citizens must collaborate to create sustainable livelihoods and foster economic resilience.

EMPLOYMENT GROWTH RATE IN INDIA (1973-2022)

Sector/Industry	Employment Growth				
	1972-73/83	1983/93-94	1993-94/2004-05	2004-05/2011-12	2017-18/2021-22
(1)	(2)	(3)	(4)	(5)	(6)
Agriculture and Allied Activities	1.7	1.4	0.7	-2.0	3.17
Mining and Quarrying	5.9	3.2	-0.1	-0.3	-0.25
Manufacturing	4.3	2.0	3.2	1.5	-4.13
Electricity, Gas and Water Supply	7.9	5.6	-1.9	7.7	0.0
Construction	4.4	5.7	7.2	9.8	5.98
Secondary Sector	4.4	2.8	4.0	4.5	3.9
Trade, Hotels and Restaurants	4.6	3.8	5.2	1.8	0.83
Transport, Storage and Communication	5.9	3.4	5.2	2.1	-5.08
Financing, Real Estate and Business Services	7.4	3.6	7.2	7.8	9.2
Community, Social and Personal Services	3.2	3.9	0.4	1.0	4.7
Total	2.4	2.0	1.8	0.4	1.7

Source: Employment and Unemployment Survey, (2021-2022) various NSS quinquennial.

Industry-wise Growth of Employment for the period from 1972-73 to 2011-12 across various sectors.

1) Agriculture and Allied Activities: From 1972-73 to 1983, employment growth was 1.7%. Between 1983 and 1993-94, it decreased to 1.4%. From 1993-94 to 2004-05, it further declined to 0.7%. However, during 2004-05 to 2011-12, there was a negative growth of -2.0%. Finally, from 2004-05 to 2017-18/2021-22, there was a positive growth of 3.17%.

2) Mining and Quarrying: The growth rate from 1972-73 to 1983 was 5.9%. It decreased to 3.2% between 1983 and 1993-94. From 1993-94 to 2004-05, there was a slight decline of -0.1%. During 2004-05 to 2011-12, it further decreased to -0.3%. Lastly, from 2004-05 to 2017-18/2021-22, the growth rate was -0.25%. 3) Manufacturing: The growth rate in this sector from 1972-73 to 1983 was 4.3%. Between 1983 and 1993-94, it was 2.0%. From 1993-94 to 2004-05, it increased to 3.2%. However, during 2004-05 to 2011-12, there was a decline of 1.5%. Finally, from 2004-05 to 2017-18/2021-22, the growth rate was -4.13%.

4) Electricity, Gas, and Water Supply: The growth rate from 1972-73 to 1983 was 7.9%. It decreased to 5.6% between 1983 and 1993-94. From 1993-94 to 2004-05, there was a negative growth of -1.9%. During 2004-05 to 2011-12, it rebounded to 7.7%. Lastly, from 2004-05 to 2017-18/2021-22, the growth rate was 0.0%.

5) Construction: The growth rate in this sector from 1972-73 to 1983 was 4.4%. Between 1983 and 1993-94 it increased to 5.7%. From 1993-94 to 2004-05, it further grew to 7.2%. During 2004-05 to 2011-12, it reached 9.8%. Finally, from 2004-05 to 2017-18/2021-22, the growth rate was 5.98%. 6) Other Sectors: Similar analyses can be done for the remaining sectors, including Secondary Sector, Trade, Hotels, and Restaurants, Transport, Storage, and Communication, Financing, Real Estate, and Business Services, and Community, Social, and Personal Services. In summary, the overall employment growth across all sectors during this period was 1.7%.

Table:5 Status of Employment (UPSS), 1983 to 2011-12

Share (%) in Total Employment of:	1983	1993-94	1999-2000	2004-05	2009-10	2011-12
Organised Sector	-	-	9.3	11.1	14.0	16.4
Unorganised Sector	-	-	90.7	88.9	86.0	83.6
Regular Wage Employment	13.5	13.2	14.0	14.3	15.6	17.9
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

Source: Computed from unit level data of various NSSO rounds

Note: Formal employment includes the regular workers with social security in organized sector. IHD (2014). India: Labour and Employment Report 2014.

Status of Employment in India based on the data from various rounds of the National Sample Survey Organization (NSSO) between 1983 and 2011-12. Here's a comparative breakdown:

Organized Sector: The organized sector includes industries with structured regulations and social security. Its share increased from 9.3% in 1999-2000 to 16.4% in 2011-12. These jobs offer stability and benefits.

Unorganized Sector: The unorganized sector comprises jobs lacking formal structures. It accounted for 90.7% in 1999-2000 and decreased to 83.6% in 2011-12. These workers often face precarious conditions.

Regular Wage Employment: The share of regular wage employment has gradually increased over the years. In 1983, it stood at 13.5%, and by 2011-12, it had risen to 17.9%. This category includes workers with consistent wages and benefits.

Formal Employment: Formal employment refers to jobs in the organized sector with social security. In 1999-2000, it accounted for 5.4%, and by 2011-12, it reached 6.8%. These are stable, regulated jobs within recognized industries.

Informal Employment: Informal employment encompasses jobs without formal contracts or social security. It constituted 8.6% in 1999-2000 and grew to 11.0% in 2011-12. These workers often lack job stability and benefits.

Casual Wage Employment: Casual wage employment involves temporary or seasonal work. It was 29.0% in 1983 and 29.9% in 2011-12. These workers perform tasks like construction, agriculture, or daily labour.

Self-Employment: Self-employment includes individuals working for themselves, such as entrepreneurs or small business owners. It constituted 57.5% in 1983 and 52.2% in 2011-12. These individuals manage their own enterprises.

Casual and Self-Employment Combined: The combined share of casual and self-employment declined from 86.5% in 1983 to 82.1% in 2011-12. This indicates a shift away from traditional informal work.

Table 6.1 Growth of Employment (UPSS)

Years	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total

1983-1994	1.92	1.39	1.72	3.14	3.38	3.19	2.21	1.64	2.02
1994-2005	1.40	1.54	1.45	3.10	3.30	3.14	1.86	1.81	1.84
1983-2005	1.65	1.47	1.58	3.12	3.34	3.17	2.03	1.73	1.93
2005-2012	1.06	-2.76	-0.22	2.54	1.07	2.23	1.51	-2.04	0.44

Source: Computed from unit level data of various NSSO rounds and various decadal census reports.

Growth of Employment in India, focusing on both rural and urban areas. The table provides comparative data for different time periods:

1. 1983-1994: Rural: Total employment grew by approximately 1.92 times. Male employment increased by 1.39 times, while female employment grew by 1.72 times. Urban Total employment expanded by about 3.14 times. Male employment surged by 3.38 times, and female employment by 3.19 times. 1994-2005: Rural: Total employment saw a growth factor of around 1.40. Male employment increased by 1.54 times, while female employment grew by 1.45 times. Urban: Total employment expanded by approximately 3.10 times. Male employment surged by 3.30 times, and female employment by 3.14 times. 1983-2005 (combined period): Rural: Total employment grew by approximately 1.65 times. Male employment increased by 1.47 times, while female employment grew by 1.58 times. Urban: Total employment expanded by about 3.12 times. Male employment surged by 3.34 times, and female employment by 3.17 times. 2005-2012: Rural: Total employment saw a growth factor of approximately 1.06. Interestingly, male employment declined by 2.76 times, and female employment decreased by 0.22 times. Urban: Total employment expanded by about 2.54 times. Male employment increased by 1.07 times, while female employment grew by 2.23 times.

Key Observations: The period from 2005 to 2012 witnessed a decline in male employment in rural areas, while female employment remained relatively stable. Urban areas experienced overall growth in employment during this period. The gender disparity in employment persists, with males consistently having higher employment rates than females. Overall, we observe growth in both rural and urban employment, with the combined workforce steadily increasing over the three years. These figures reflect the dynamic labour market in India during this period.

See Table: 6.2

Number of male and female workers in rural and urban India (in million): 2017-18 to 2019-20.

1) Urban and Rural Combined (US): In 2017-18, the total number of male workers in both rural and urban areas was 349.9 million, while the female workforce totalled 106.0 million, resulting in a combined workforce of 455.8 million. By 2018-19, the male workforce slightly decreased to 353.9 million, but the female workforce increased to 114.4 million, leading to a combined workforce of 468.3 million. In 2019-20, the trend continued with 368.2 million male workers and 143.7 million female workers, resulting in a combined workforce of 511.9 million. 3) Urban Workers (US): In 2017-18, the urban male workforce was 103.8 million, the female workforce was 26.8 million, and the total urban workforce was 130.6 million. These numbers increased in 2018-19, with 109.0 million male workers, 28.5 million female workers, and a total urban workforce of 137.5 million. By 2019-20, the urban male workforce reached 112.8 million, the female workforce was 33.6 million, and the total urban workforce stood at 146.4 million.

Table: 6.2 Number of male and female workers in rural and urban India (in million): 2017-18 to 2019-20.

Year	Employment status	Rural			Urban			Rural + Urban		
		Male	Female	Person	Male	Female	Person	Male	Female	Person
2017-18	US	246.0	79.2	325.3	103.8	26.8	130.6	349.9	106.0	455.8
2018-19	US	244.9	86.0	330.8	109.0	28.5	137.5	353.9	114.4	468.3
2019-20	US	255.4	110.2	365.5	112.8	33.6	146.4	368.2	143.7	511.9
2017-18	CWS	235.4	67.1	302.4	101.2	25.2	126.3	336.6	92.3	428.8
2018-19	CWS	233.2	70.2	303.4	106.8	26.8	133.5	340.0	94.3	436.8
2019-20	CWS	239.8	91.3	331.1	106.4	30.6	137.0	346.3	121.9	468.1

Source: NITI Ayog Report 2017-2020

CHALLENGES ASSOCIATED WITH EMPLOYMENT IN INDIA

The employment challenges in India are-

1) the most important challenge is the large number of working poor and employed engaged in low productivity activities in the unorganised sector. 2) The problem of youth employment, particularly educated youth, is gradually becoming a major concern. 3) India's labour force growing a fast at a risk rate in the country. 4) The Unequal access of women to employment and discrimination in the labour market. 5) The inequalities and disparities that exist in the access employment across regions and social groups remain a huge challenges in India.

SUMMARY

Economic growth in India has led to an increase in the quantity of employment, access to quality job is still very low, and policy also needs take into account the social and regional dimensions of access to employment. A medium-to long term employment strategy should be envisaged to deal with the challenges of unemployment. There is a need of for restructuring these policy to make them supportive of an appropriate employment strategy. The effective policy requires a greater effort at mapping and documenting today's principal labour and developments. In India, opens the door for more in-depth research for unemployment growth rate.

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