

Trends and Pattern of Employment during the Post Globalisation Period in India

DISSERTATION

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DECLARATION

I hereby, declare that this Dissertation entitled “**Trends and Pattern of Employment during the Post-Globalisation Period in India**” submitted to **Babasaheb Bhimrao Ambedkar University** in partial fulfilment for the award of **Master of Philosophy in Economics** is my original work. It has not been submitted in part or full for any other diploma or degree of any other University.

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CERTIFICATE

This is to certify that the Dissertation entitled “**Trends and Pattern of Employment during the Post Globalisation Period in India**” submitted by **Ramesh Ram** is an original research work and has not been previously submitted in part or full for the award of any other degree or diploma to this or any other University.

The dissertation submitted to **Babasaheb Bhimrao Ambedkar University**, satisfies all the requirements as stipulated in the M.Phil./Ph.D. Regulation (2016) as amended in 2019 incorporating the provision of the University Grants Commission Regulations, 2016 and it is fit for submission and evaluation for the award of the degree of **Master of Philosophy in Economics** of the University.

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LIST OF ABBREVIATIONS

LFPR	Labour Force Participation Rate
WPR/WFPR	Worker Population Ratio/Work Force Population Ratio
UR	Unemployment Rate
UPSS	Usual Principal and Subsidiary Status
CWS	Current Weekly Status
CDS	Current Daily Status
GDP	Gross Domestic Product
GVA	Gross Value Addition
Q1	Quarter First
Q2	Quarter Second
Q3	Quarter Third
Q4	Quarter Fourth



CHAPTER 1
INTRODUCTION



CHAPTER - I

INTRODUCTION

1.1 Introduction

Today globalisation is one of the most frequently used words, the meaning of which is different in different fields of economic and social sciences. Meaning of globalisation in economics refers to the increasing openness of an economy to international trade, capital flows (both portfolio and foreign direct investment), transfer of technology and free movement of labour. Thus “*globalisation means the integration of the economies of the world resulting from free flows of trade, capital, labour, and technology*”. Globalisation, in general, is a process of integration of the domestic economy with the world economy and is a complex phenomenon. It is an outcome of various policies that aim at transforming the world towards greater interdependence and integration.

Globalisation is not a new concept, traders travelled vast distances in ancient times to buy commodities that were rare and expensive for sale in their homelands. The industrial revolution brought advances in transportation and communication in the 19th century that eased trade across borders. Such globalisation lasted from 1800 to almost 1930, it was interrupted by the Great Depression and the two Wars which led to retrenchment and several trade barriers were erected since early 1930s.¹

The concept of globalisation was popularised by the **Organisation of Economic Cooperation and Development** (OECD) in the mid-1980s again after the Wars. The organisation has defined globalisation in a very narrow and business-like sense “*any cross border investment by an OECD company outside its country of origin for its benefit is globalisation*”. The OECD had defined globalisation officially, (1995) to “*a shift from a world of distinct national economies to a global economy in which production is internationalised and financial capital flows freely and instantly between countries.*”² The official meaning of globalisation for the **World Trade Organisation** (WTO) is movement of the economies of the world towards

¹ Thomas L. Friedman, *The World is Flat*, (London: Penguin Books, 2006), 9. Stiglitz & Walsh, *Economics*, p.804.

² As quoted in Andrew Heywood, *Politics*, p.139.

“unrestricted cross border movements of goods and services, capital and the labour force.” It’s simple meaning that the economies who are signatories to the process of globalisation (i.e., signatories to the WTO) for them there will be nothing like foreign or indigenous goods and services, capital and labour, The world becoming a flat and level playing field emerging in the due process of time.³ In other words it is defined as *“globalisation is a process that encompasses the causes, course and consequences of transnational and trans-cultural integration of human and non-human activities”*⁴. Anthony McGrew’s elaboration of this concept illustrates this point, *“globalisation is a process which generates flow and connections, not simply across nation-states and national territorial boundaries, but between global regions, continents and civilizations”*. This invites a definition of globalisation as: *‘an historical process which engenders a significant shift in the spatial reach of networks and systems of social relations to transcontinental or interregional patterns of human organization, activity and the exercise of power’*⁵.

Globalisation is also a deeply political phenomenon. It is shaped by complex negotiations and interactions between institutions of transnational capital (such as corporations), nation states, and international institutions charged with bringing coherence and order in an increasingly interdependence of the world.

1.2 GLOBALISATION IN INDIA

India became one of the founding members of the WTO and was obliged to promote the process of globalisation, though its economic reforms started with no such obligations. It is a different thing that India started the process of globalisation right after the reforms 1991[6].

As a Prime Minister of India in 1985, Mr. Rajiv Gandhi outlined the new trends of economic policy of the Government. The recipe suggested by him was: Improvement in productivity, absorption of modern technology and fuller utilisation of capacity must acquire the status of a national campaign. The basic thrust of the New Economic Policy was a greater role for the private sector. The main aim of economic reform was

³ Ibid.1

⁴ Al-Rodhan, N. R., & Stoudmann, G. (2006). Definitions of globalization: A comprehensive overview and a proposed definition. *Program on the Geopolitical Implications of Globalization and Transnational Security*, 6(1-21).

⁵ ibid

to provide larger scope to the private sector. A number of changes in policy were introduced with regard to industrial licensing, export-import policy, technological up-gradation, fiscal policy, foreign equity capital, removal of controls and restrictions, rationalising and simplifying the system of fiscal and administrative regulation.

Economic reforms were introduced under the Rajiv Gandhi regime, though it did not yield desired results. The balance of trade deficit, instead of narrowing down, has increased. Where the average deficit of trade balance during the Sixth Plan (1980-85) increased by Rs.5,930 crores, it jumped to Rs.10,840 crores during the Seventh Five Year Plan (1985-90). During the same period there was also a decline in the receipts on invisible accounts, from Rs.19070 crores to Rs.15890 crores. As a result, the country faced a serious balance of payments crisis. Thus, India was forced to approach the World Bank and the IMF to provide a huge amount of loan of the order of about \$7 billion to take out of the crisis Indian economy. While agreeing to provide assistance to India, the World Bank and IMF insisted that the Government must put its economy back on rails.

1.3 GDP GROWTH RATE DURING THE POST-GLOBALISATION

Average growth rate of GDP before globalisation during periods of Pre-Globalisation (1981-82 to 1990-91) was recorded as 5.6 per cent in real terms (at price of 2011-12). During the Post-Globalisation in India, GDP growth rate was recorded 8.8 per cent in the year of 1999-00 at constant price (2011-12) and average GDP growth rate in India during the post-globalisation, recorded 6.3 per cent, which is higher than pre-globalisation in India. The average GDP growth rate shows that the India economy has benefited from the policy of globalisation, its GDP size in absolute number has increased significantly. At the eve of globalisation the economy size was around to \$ 266.00 billion US dollar recorded according to the World Bank data and the size of GDP in the year 2019-20 has crossed to \$ 3.0 trillion and per capita income was recorded \$ 365.00 US dollar at the eve of globalisation according to World Bank data, and in the year of 2019-20 per capita income in India has crossed to \$ 1,870.00 US dollar on the nominal basis while it is at PPP \$ 6,280.00 US dollar.

1.4 SCENARIO OF EMPLOYMENT DURING THE POST GLOBALIZATION IN INDIA

1.4.1 The Labour Force Participation Rate's (LFPRs)

Though GDP has increased significantly in the Post-Globalisation phase, there seems to be a poor performance on the aspects of employment. Many economists called it “*jobless growth*”. The declining performance of employment is judged on the basis of declining Labour Force Participation Rate (LFPR), declining Worker Participation Rate (WPR), and rising of Unemployment.

The LFPR (Labour Force Participation Rate) at all India levels shows a declining trend. On the basis of demographic region, LFPR of rural male has declined from 56.1 per cent to 55.1 per cent (1993-94 50th round NSSO to 2018-19 PLFS) on the basis of UPSS (usual principal and subsidiary status) and on the basis of CWS (current weekly status) it declined slightly from 54.7 per cent to 54.5 per cent during the same period of rural male participation in labour force. Female participation in the labour force in rural area has significantly declined during this period (1993-94 to 2018-19) from 33.1 per cent to 19.7 per cent on the basis of UPSS and on the basis of CWS declining trends also has registered from 27.6 per cent to 16.7 per cent during the same period. Urban male participation in the labour force has significantly increased from 54.3 per cent to 56.7 per cent during 1993-94 to 2018-19 on the criteria of UPSS and on the basis of CWS urban male participation in the labour force was registered 53.8 per cent to 56.7 per cent during the same period. Urban female participation in the labour force has declined very slightly, from 16.5 per cent to 16.1 per cent, during the period of 1993-94 to 2018-19 on the basis of UPSS. While on the basis of CWS urban female participation in the labour force has increased very slightly from 15.2 per cent to 15.6 per cent during the same period.

1.4.2 The Worker Population Ratio (WPR)

The WPR (Worker Population Ratio) on usual principal and subsidiary status (up+ss) has significantly declined during the post-globalisation in India. All India WPR during the post-globalisation on usual principal and subsidiary status (up+ss) has declined from 42.0 per cent to 35.3 per cent during 1993-94 to 2018-19. On the basis

of gender, male WPR was registered 54.5 per cent to 52.3 per cent during the same period on usual principal and subsidiary status, while WPR of female on usual principal and subsidiary status at all India level has declined by 11 per cent from 28.6 per cent to 17.6 per cent during same period.

Categorical distribution of employment on the basis of usual principal and subsidiaries status show that self-employed during the post-globalisation is almost stagnant or very small change has registered from 57.7 per cent to 57.4 per cent during 1993-94 to 2018-19, while employment on the basis of regular wages or salaries employees (those who getting wages on weekly or monthly basis are considered as regular employees) has increased from 8.5 per cent to 14.2 per cent during the post-globalisation in India. Employment on the basis of casual worker/labours (no social security for employees working in private or public organisation) has decreased from 33.8 per cent to 28.3 per cent during 1993-94 to 2018-19. While during the pre-globalisation casual work was recorded only 26.6 per cent during 1977-78 (27th round of NSSO), it means casual work has increased. Employment casualisation has increased even in the formal sector, for example; security staff, cleaning staff and non-teaching staff in the Universities and in the Government offices etc. nature of organisation are public but work provided by these organisations are casual in nature and there are no any social security and employment guarantee in these organisations.

1.4.3 Unemployment Rate

Scenario of unemployment during the post-globalisation period has been categorised in four categories, rural male, rural female, urban male and urban female. The unemployment rate among rural male during pre-globalisation period on the basis of current weekly status (CWS) was 3.6 per cent has registered (32nd round of NSSO report on employment and unemployment in India 1977-78) an increased to 3.7 per cent and then 4.2 per cent in 38th round (1983) to 4.3rd round (1987-88) which was higher unemployment rate during the pre-globalisation period. The NSSO data on employment and unemployment during the post-globalisation period 50th round (1993-94), on the basis of CWS reveals that unemployment has significantly decreased among rural male from 4.2 per cent to 3.1 per cent during 1987-88 to 1993-94. There is fluctuation seen in the unemployment rate among rural male, while in the last report

published by the PLFS (Periodic Labour Force Survey) in 2018-19, unemployment was very high among rural male which was 4.8 per cent.

Unemployment rate among rural females on the basis of current weekly status (CWS) during the pre-globalisation report published by NSSO during the 32nd, 38th and 43rd round in 1977-78, 1983 and 1987-88. Shows that the unemployment rate among rural females was 4.1 per cent, 4.3 per cent and 4.4 per cent respectively. During the post-globalisation period, unemployment rate among rural female has significantly declined from 4.4 per cent to 2.9 per cent (1987-88 to 1993-94), after this unemployment has increases to 3.7 per cent (1999-2000), and it increased significantly from 3.7 per cent to 4.2 per cent, during 1999-2000 to 2004-05, Thereafter, there has been declining trends in unemployment among rural female has registered from 4.2 per cent to 3.7 per cent during 2004-05 to 2009-10. Unemployment rate among rural females has declined very significantly in the last report published by PLFS in 2018-19 it was 1.2 per cent from 3.5 per cent during 2011-12 to 2018-19.

Unemployment among urban male during the pre-globalisation period on the basis of current weekly status (CWS) was registered 7.1 per cent during 1977-78. Unemployment among urban male was recorded lowest 3.6 per cent on the CWS criteria in 2009-10, after this unemployment has increased significantly to 5.0 per cent in 2018-19.

Unemployment among urban female during the pre-globalisation period was in double digit 10.9 per cent recorded in 1977-78 (NSS 27th round report employment and unemployment in India) after this a significant decline has seen 7.5 per cent from 10.9 per cent in year of 1983 (NSS 38th round). At the eve of globalisation (LPG policy) unemployment was 9.2 per cent has recorded on the basis of CWS in 1987-88 (NSS 43rd round), during globalisation period unemployment has decreases to 7.9 per cent in 1993-94 (NSS 50th round) and last report published by PLFS, unemployment rate has declined very significantly and it was 1.9 per cent in 2018-19.

1.5 LABOUR MIGRATION AND SCENARIO OF EMPLOYMENT, UNEMPLOYMENT DURING THE COVID-19 PANDEMIC IN INDIA

1.5.1 Labour Migration

The Covid-19 pandemic has triggered a massive reverse migration during lockdown period from the destination to their source in large parts of the country. We have witnessed that hundreds of thousands of labourers march back to their native place. The available data from different sources indicates a widely different reality about migration in India. As per Population Census Data 2011, the total numbers of internal migrants would be about 450 million, which is more than 30 per cent higher than Census 2001 data. The actual number is higher than what is captured in the Census report (Working Group Report on Census 2017).

Usually the migrants are defined on the basis of their place of birth or last place of residence and a deviation from it. Hence, such characteristics definitions of migration puts severe constraint to understand the issue of migration in this form of definitional context. Another limitation is the analysis of the National Sample Survey Office (NSSO) as well as the Census report which has failed to capture the short-term seasonal migration, which is a large component of the migration process in India (Economic Survey of India 2016-17). A large-scale migration induced by greater and greener pastures of economic growth is largely a myth, as most of the migration is for subsistence and for survival and falls under the category of distress migration (Dandekar, Ghai, 2020).

1.5.2 LFPR, WPR, and UR during the Covid-19 Pandemic

The available data from the different source World Bank and CMIE indicates that the Labour Force Participation Ratio has declined very drastically during the lockdown period Covid-19 pandemic. The LFPR has declined 3.0 per cent from 49.3 per cent to 46.3 per cent during 2019 to 2020 (January 2019 to December 2020) according to World Bank Data (2021).

A drastic decline was seen in Worker Population Ratio (WPR) in India, during the lockdown period of Covid-19 Pandemic. The available data from World Bank

presents a very sharp fall in employment of 3.7 percentage points from 46.7 per cent to 43.0 per cent during 2019 to 2020 in all India. During the lockdown period in India unemployment data available from the World Bank present that unemployment has increased very significantly from 5.3 per cent to 7.1 per cent during 2019 to 2020.

1.6 REVIEW OF LITERATURE

Al-Rodhan, & Stoudmann, (2006), proposes the following definition: *“Globalisation is a process that encompasses the causes, course, and consequences of transnational and transcultural integration of human and non-human activities.”* In the development of the definition of globalisation, it was vital to utilise a broad perspective in order to be brief yet as comprehensive as possible. Globalisation is not an endpoint to be discussed and then forgotten. It is the result of the transnational and transcultural integrations that have occurred globally throughout human history. It encompasses the causes, the courses, and the consequences of these integrations.

Bhalla, (2008), concluded that the debate on ‘the impacts of globalisation on employment, poverty and inequality’ in developing countries and also underdeveloped countries reveals that the predictions of the given trade theories that will increase trade and FDI consequent to globalisation would result in higher employment in the labour surplus economies has not always proved correct. Although in the developed countries, like the US and Europe there is growing unease due to the doubling of the global labour force because of the entry of BRICS countries into the trading system. In the Indian context of post economic reforms, the rate of growth of the economy has accelerated and also the rate of growth of employment have increased, but the economy as also employment remains undiversified. Both interpersonal and inter-regional income inequalities emerged and post globalisation it remains high and seems to have increased. The quality of employment continuously remained very poor for a major portion of workers and the conditions of work seem to have deteriorated in terms of social security and other amenities.

Behera, (2012), in his paper discussion is based on the output and employment trends in India during the period of 1983-2010. Whole discussion is based on the employment data from NSS 2009-10. The finding and result indicated that despite a

high output growth, there has been a deceleration of employment growth during the post-reform period emerged. Such deceleration of employment growth resulted due to a massive fall in employment growth around 0.02 per cent during the medium-term phase, that is, 2004-05 to 2009-10. This paper also showed that agriculture and manufacturing sectors made a negative contribution to the increase in employment, whereas construction, especially real estate played a dominant role in employment creation (2009-10). In terms of the quality of employment, there has been a decline in share of employment, wherein the number of casual labours has increased significantly. The study has also found that the unorganised sector employment shows a declining trend, whereas the organised private sector shows a significant job creation in 2009-10. It also shows that the increase in productivity is well associated with a greater factor substitution of capital for labour. These results show that jobless growth has now become a serious problem in the Indian economy despite the continuous effort to fulfill the employment-led growth objectives.

Banerjee, (2018) has explained in “India’s Informal Employment in the Era of Globalisation: Trend and Challenges” that, since the post economic reform period, India has achieved an impressive growth rate, which contributed a sustained increase in per capita income, absolute poverty has declined and a modest improvement in standard of living have achieved. A significant change has also been witnessed in the Indian labour market since the inception of the New Economic Policy (1991). It is also evident in many recent research paper’s that the transfer of labours from the agriculture to non-agriculture sector is very slow and most of the employment has generated in nature of informal, a large percentage of workers (about 92 per cent) are engaged in informal employment and large numbers are low earning of them with limited or no social security. This is also true for a substantial proportion of unorganised sector workers, over half are self-employed. Many of them have very poor asset-base, and around 30 per cent are casual workers, seeking employment on a daily basis. Out of them, about 18 per cent are employed on the regular basis and out of them less than 8 per cent have regular and full-time employment with the social security protection. It is evident that rather than being absorbed into modern formal wage employment, the Indian labour force is becoming increasingly informal. Changes in employment patterns may reflect the intense competition, risk and uncertainty, which both the employers and employees face due to globalisation in the

Indian labour market; this type of trend is prevalent throughout the world, not only in India. Labour market data also reveals that the female workforce participation rate has increased, while most employment is informal in nature. This predominance of informality may be attributed to labour bargaining power being very low, immobility and higher rate of illiteracy of female workforce. Though, the general idea of informality indicates a lower job quality. In the case of the Indian scenario, the decreasing rate of unemployment occurs due to a rise in informal employment including self-employment. The Government of India has taken several initiatives to enhance employment though they are informal in nature such as MGNREGS or Micro Finance programme, all these employment are informal in nature either self-employment or they are covered under rural employment guarantee scheme. In globalisation it is evident that informal employment has increased, organised or formal employment has decreased sharply.

Dhamija, (2019), has examined the relationship between trade liberalisation and unemployment in the context of the Indian economy, using data for Indian states (separately for rural and urban areas). This study provides arguments that effects of trade liberalisation have been different for the states in India. The result shows the negative relationship between unemployment and trade openness. The relationship is significant for rural parts of the states, though for urban parts of the states, the relationship is found to be not significant. The results also show that this effect is higher and stronger for more flexible states. The results show that the theory in developing countries' trade openness leads to increase in the employment of labour. The internal migration trends in India which showed an increase in population mobility during the reform period. The data also corroborated the shift from rural agricultural to rural non-agricultural and urban sectors of the economy.

Goldar, (2014) in the working paper 'Globalisation, Growth and Employment in the Organised Sector of the India Economy' focused on the organised manufacturing and service sector in India and how globalisation has affected employment in these sectors. The analysis shows, trends in growth rate in real value added at the aggregate level there was deceleration in growth of organised manufacturing sector during the 1990s and acceleration thereafter in the 2000s. In organised services sector, it was seen that the growth rate in real value added in 1990s was exceeded that the growth

was achieved during the 1980s, growth rate during 2000 still higher. Within the service sector variation has been seen in different categories of services. Banking and insurance sector did not achieve any marked acceleration growth during the 1990s; rather the growth rate in the real value added has come down. Growth in the service sector in the 1990s was led by trade, hotels and restaurants, communication, and by business services. The acceleration in the growth rate in the services sector during the 2000s was led by railways and other transport, and communication. The rapid growth attained by the organised manufacturing and service sectors in two decades of economic reforms did not result in any significant increase in employment. Services sector dominated the growth of the organised sector and services were more skill intensive and the creation of formal sector employment for unskilled workers suffered.

The organised manufacturing sector failed to generate employment because globalisation has failed to increase the share of the labour intensive export oriented industries in the industrial output. There are several reasons for the under performance of the labour intensive manufacturing industries: NTBs (Non tax barriers) in the developed countries market has adversely affected exports, inadequacies of infrastructure and labour regulations. The change in the relative price of labour and capital inputs cost in favour of the latter encouraged substitution of labour by capital. The competitive pressures, particularly in terms of product quality, has forced the manufacturing firms to bring into use advanced technology that were often in labour saving in character.

Ghose, (2016) concluded that rapid economic growth since the early 1980s has registered in India the status of an emerging economic giant. The giant, unfortunately has failed to register the same in the case of employment, it still remains poor. Most of the workers are either self-employed or in the nature of casual wage employment. Many of them are underemployed and their earning incomes are inadequate to ensure levels of living for their households above the official poverty line. On the other hand, only about 8 per cent of the workers have what might be called “good” jobs. For a large part of the period since 1980, rapid economic growth had failed on the ground to make much of an impact on employment conditions in the country. There are main reasons for this failure of the organised sector of India’s dual economy to generate

employment rapidly enough to pull labour out of the unorganised sector. During 2000-10, the organised sector has pulled out labour to the unorganised sector at an impressively rapid rate. During the same time, the unorganised sector itself registered impressively rapid growth. The combined effect of these developments was due to rapid improvement in employment conditions. The organised sector has grown significantly faster during 2000-10 than during 1983-2000. The employment intensity growth was also recorded much higher in the later period. The faster economic growth is indeed attributable to the increased openness of the economy brought about by the reforms of the early 1990s. But increased employment intensity of growth cannot be attributed to the increased openness of the economy. It is evident that the increased openness did not contribute to promotion of production and export of unskilled-labour-intensive goods and services.

Goyal, (2016) in his paper titled ‘Globalisation and its Impact on Transforming India’s Economy’ has mentioned that, globalisation in India on the overall growth rate of the economy was favourable. The acceleration in GDP growth rate has helped India to improve its global position. On the basis of purchasing power parity (PPP) India’s global position has improved from 8th rank to 4th rank during 1991 to 2001. The growth rate by sector has also changed. Pre-globalisation period the maximum contribution was shared by the primary sector in GDP which has now been overtaken by the service sector. Agriculture sector still remains the backbone of the Indian economy. However by 2001 the population dependent on agriculture was 58 per cent whereas the share of agriculture in GDP was by 24 per cent and it declined to 22 per cent in 2005-10.

On the perspective of employment, globalisation has adversely affected the growth of employment. On the basis of all the three unemployment rates, namely, usual status, weekly status and daily status data released by the NSS show that during the period of economic reforms unemployment has increased. On the basis of current daily status (CDS) the rate of unemployment which was 6.1 per cent in 1993-94, rose to 7.3 per cent in 1999-2000, and further unemployment has increased by 8.3 per cent in 2004-05. Employment has increased by 2.62 per cent per annum during 1999-2000 to 2004-05, as against 1.25 per cent in 1993-94 to 1999-2000. All this employment growth was registered in the unorganised and informal sectors. The growth rate of

employment in the organised sector during the post-reform period 1994-2008 has been found to be only 0.05 per cent per annum whereas during the pre-reform period 1983-94 in organised sector employment grew at 1.2 per cent per annum. During the post-reform period a negative employment growth in the public sector has registered, employment in the organised private sector showed some acceleration in employment growth from 0.44 per cent to 1.75 per cent per annum during 1983-94 to 1994-2008. While the labour force has grown at a higher rate of 2.84 per cent per annum than the growth in employment during this period and the unemployment rate on current daily status (CDS) basis increased from 7.3 per cent to 8.3 per cent during 1999-2000 to 2004-05. Globalisation has adversely affected the growth of employment while GDP has increased.

Jha, Negre, (2007) highlighted many issues for example economic growth rate, employment generation, issue of farmer suicide, poverty and gender based gap in education and in jobs market. The author has focused also on income inequality, living standard, job security, decent work and discrimination in labour market based on regional level and gender basis. During the post-economic reform with globalisation it is true that economic growth rate has accelerated with an inflated base rate. Most of the industries located in urban area have started production with high capital intensive investment which result production has increased with less labour which means per-capita production has increased. Most of the employment in these firms has gone to urban labours. On the view of employment generation post-globalisation and economic reform period, casualisation has increased in not only private sector also in public sector self-employment has increased during 1990's. Debates on decent work has seen only on paper. On the basis of gender, participation of female in the labour market at all India level has decreases due many reasons, unsafe work place, job security, social security and discrimination in payment of salary. At the level of living standard in India there are high disparity has seen. Those who have wealth are living a luxurious life either middle class or elite class people, while on the other side those who are below from middle class are struggling for living and most of them are below poverty line, this has been widened during the post-economic reform and globalisation period. Malnutrition and infant mortality is also high, in many states it is almost equal to Saharan countries, these states are

known as BIMARU states. Overall economic reform and globalisation has benefited some on the cost of remaining peoples.

Kannan, Raveendran, (2009), in this special article author has found that, during 1981-82 to 2004-05 pre-reform and post-reform phases, the picture that emerged is one of “jobless growth”, due to the combined effect of two trends that have cancelled each other out. One set of the industries has characterised by employment-creating growth while another set of industries by employment-displacing growth. Over the period, there has been acceleration in capital intensification at the expense of creating employment in the manufacturing industry. A good part of the resultant increase in labour productivity due capital intensive investment was retained by the employers as the product wage did not increase in proportion to output growth. The workers as a class thus lost in terms of both additional employment and real wages in the organised manufacturing sector.

Kannan, Raveendran, (2019), explored the employment situation during the period of 2011-12 to 2017-18. They have found that unemployment has been linked with labour skills, social background, their residential domicile (they belong from rural or urban areas) and with education. In the present scenarios the unprecedented decline in the absolute number of workers in the Indian economy has been a subject of debate and a matter of public concern. The data from the period of 2011–12 to 2017–18 shows that it is the net result of a dynamic process of job creation and destruction. Those who have lost their jobs are all with low education, that is, less than secondary level of education. From the perspective of gender, rural women workers are the net losers.

Nayak, Chakravarti, Rajib, (2005), has examined the impact of Globalisation with reference to India. Authors found that globalisation has only a one-way process, that is foreign enterprises have found a favourable way to do business in India since Independence. Foreign companies have invested in India only when the policies of the Government of India have favoured either the market seeking or the efficiency seeking objectives of the foreign firms.

Papola, (2005) in his paper ‘Workers in a globalising world’ some perspectives from India have studied employment trends in India during the globalisation period. Whole

study and estimation was based on 58th round NSSO data. Study indicated that a significant declaration in the growth of employment over the period of economic reforms towards globalisation in the early 1990's. On the basis of the Current Daily Status (CDS) criterion, employment grew at 2.89 per cent per annum during the period of 1983-87 to 1987-88 and 2.50 per cent during the period of 1987-88 to 1993-94, after that only 1.07 per cent growth rate in employment has achieved during the 1993-94 to 1999-2000. While the growth rate of GDP for these three periods were 4.2 per cent, 5.8 per cent and 6.7 per cent respectively. It means that a higher GDP growth rate could not result in faster growth of employment, on the contrary, a faster growth led to a lower employment growth rate, particularly during the period of 1993-94 to 1999-2000. A decline in employment growth has taken place, this trend was observable in earlier periods also, when employment elasticity decline from 0.68 during 1983 to 1987-88 to 0.41 during 1987-88 to 1993-94, but decline was particularly sharp during the period of 1993-94 to 1999-2000 to 0.16.

This paper also shows that after decades of experience of globalisation it has been disappointing so far as job creation is concerned even though the growth rate of the economy has shown improvement. A poor employment growth has shown during the 1990's, while agriculture has accounted for 60 per cent of total workers and a significant decline in employment community, social and personal services, which constituted the third largest employer (among the 9 activity sectors) accounting for 11 per cent of workers in 1993-94. The manufacturing sector becomes one of the second largest sectors after agriculture in case of employment generation. It accounted for 11 per cent workers during 1993-94, and experienced an employment growth of 2.5 per cent per annum during 1994-2000. Other sectors, namely construction, trade, transport and finance also registered 5 per cent and 6 per cent employment growth per annum. Relatively high employment growth in these sectors was achieved as a result of both high GDP growth rates and employment elasticity.

In the case of 'Decent Work' and 'Social Protection' it is a matter of serious concern that the majority of Indian workers carry on employment which could hardly be termed as what ILO has propagated as 'decent work'. According to ILO (ILO, 1999), "Decent work means not only access to income earning opportunities but also adequate earnings, social protection, basic human workers rights to organise and

protest as well as participation in social dialogue on issues concerning labour”. On the standards of these criteria one will easily find a large ‘decent work deficit’ in the Indian employment scene.

Pattanaik, Nayak, (2013) has concluded that it is important that the secondary sector has grown at a faster rate and continues to remain more labour-intensive. In view of the construction sector gaining momentum, it is perhaps important to ensure more formal employment in this sector. Increasing casualisation and informalisation of labour remains the single most serious challenge in the secondary sector and more so in manufacturing and of late, construction. Unless necessary measures are taken to protect the informal labour market, India’s challenge towards ameliorating labour problems is bound to multiply with the rising number of working poor and associated eventualities. It is right that improvement in labour productivity in the secondary sector is necessary to improve the quality of employment. It may, however, undermine efforts to enhance the quantity of labour employed. Given the fact that both quality and quantity are important, there is perhaps a need to provide a policy framework that ensures expansion in employment without compromising productivity increase.

1.7 INDIAN ECONOMY DURING THE PERIOD OF COVID-19 PANDEMIC

The Covid-19 Pandemic affected across the world including India during 2020. Since March 2020, lockdown measure initiated to stop the spread of disease. This has adversely affected growth and employment worldwide. In India, this became a serious challenge to ensure live and livelihood of many. Several Scholars have worked on the impact of Covid-19 and Pandemic on employment challenge. Following sections present some literature on this aspect.

Dev, Sengupta, (2020), has discussed in research article Covid-19, Impact on the India Economy, that the outbreak of the Covid-19 pandemic is an unexpected shock to the Indian Economy. While the economy was already in parlous before the Covid-19 struck. The prolonged country-wide lockdown, its result has come out the economic activities downturn with disruption of demand and supply chain, the economy has faced a protracted period of slowdown. The Gross Domestic Product growth rate was

on a downward trend since 2015-16. GDP growth rate slowed down to 4.2 per cent in 2019-20, which is the lowest level since 2002-2003. Industry, which accounts for 30 per cent in GDP pre-covid-19, which shrank by 0.58 percentage points in Q4, 2019-20. And on the perspective of employment, formal and informal both sectors hit by Covid-19. On the share of employment the informal sector provided large numbers of employment, which was already facing problems with low wage and income without any social security in the pre-Covid-19 period. The impact of the pandemic has seen all levels of the society but informal workers including migrants are worst affected. The consumption expenditure had also fallen, for the first time in several decades. Around 77 per cent of the households are forced to consume less food than before. The livelihoods of millions of workers were affected and it would take a longer time for them to recover from this economic shock during the Covid-19.

Dandekar, Ghai, (2020) in this article “Migration and Reverse Migration in the Age of Covid-19” the Covid-19 pandemic has triggered a massive reverse migration during lock-down period from the “destination” to “source” in large parts of the country. We have witnessed that hundreds of thousands of labourers march back to their native place. The available data indicates a widely different reality about migration in India. As per Census data 2011, the total numbers of internal migrants would be 450 million, which is more than 30 per cent higher than 2001. The actual number is higher than what is captured by the Census. Usually the migrants are defined on the basis of place of birth or last place of residence and a deviation from it. Hence, such characteristics of migration put severe constraints on understanding the issue of migration in this form of definitional context. The other limitation is the analysis as the National Sample Survey Office (NSSO) as well as the Census report fail to capture the short-term seasonal movements, which is a large component of the migration process. A large-scale migration induced by greater and greener pastures of economic growth is largely a myth, as most of the migration is for subsistence and for survival and falls under the citatory of distress migration.

Deshpande, (2020) has examined the first order effects on gender gaps in employment during the first phase of lockdown at national level in India. The trends in employment and unemployment during the Covid-19 pandemic period based on the CMIE data. The average number of employed persons during March 2019 to March

2020 was over 403 million, in April 2020, this number has come down to roughly 282 million, its means there was a drop in total employment over 120 million, it is roughly 30 per cent drop in first month of the lockdown. On the gender basis the corresponding numbers for the average employment during March 2019-2020 were 360 million of male and 43 million of female, respectively, it is revealing the large gender gap in employment status during pre-Covid-19. During in April 2020, these numbers has declined to 256 million for men and 26 million of female or woman. In first month of lockdown in India the fall in employment for men was 104 million, while numbers of women was 17 million.

On the basis of industrial categories, the base category is agriculture and allied activities. The employment in both manufacturing, processing and construction industries (secondary sector industries) as well as in the services sector fell relative to December 2019. In terms of age group, over the period, older individuals (35 and above) were likely to be employed more than younger and they also suffered a larger fall in employment.

Dutta, Mitra, Zaman, & Mitra, (2020) has compared economic activity of Covid-19 pandemic from the Great Depression, which began in 1929 and GDP has plunged by 50 per cent from \$105 billion to \$57 billion in 1932. Nobody can predict the economic contraction to be caused by the Covid-19 and its rippling effects on employment sectors. Economy is shrinking and employment in both organised and unorganised sectors is going haywire. The International Labour Organisation has predicted the loss of more than 40 crores of jobs in India alone and it can be more than 200 crores job loss globally.

Jha, & Kumar, (2020) in his article ‘Labour in India and the Covid-19 Pandemic’ focused on labour, Covid-19, employment during the pandemic, economic crisis, slowdown and world work. This paper is based on both secondary and primary data and field studies during the lockdown period from 24th March 2020. This paper has revealed that the Central Government has announced a sudden lockdown without any preparation and the world of work has been hit very hard. Millions of workers have been affected in the context of the pandemic, particularly due to unprecedented lockdown. In terms of financial measures to deal with the challenges of the pandemic, periodic announcements have come out from the Central Government since 25th

March and the country's central bank has been forthcoming. For support of the economy, the much-talked-about mega package of a rupees 20 trillion stimulus was announced by the prime minister on 12th May, and from 13th May onwards, and the finance minister has started sharing its details in five tranches over the next few days. This mega package and periodic announcements after analysis many economists have commented. The official claims, that the 'fiscal stimulus' announcement of rupees 20 trillion amount is approx 10 per cent of GDP, while different estimates the additional fiscal stimulus barely amounted to around 1 per cent of the GDP.

The mega package had included money allocation through the budget for the fiscal year (2020-21) and through monetary policy directives. The focus of the Central Government has been almost entirely from the supply side, it has nearly neglected the demand side. As pointed out by several economists, in the wake of the pandemic and lockdown, there was a massive injection of demand, in particular focusing on the most vulnerable sections of the economy. There was limited attention paid to some of the vulnerable sections through the Pradhan Mantri Garib Kalyan Yojana (PMGKY), and for MGNREGA workers. The cash transfers was a part of the packages announced by the union government, for senior citizens, widows, and for woman has seems at best, like, the free-supplementary-ration scheme is seems quite inadequate, especially given the stocks of rice and wheat with the government being way above the requisite norms.

The additional support for MGNREGA which has seen a lifeline for a significant section of workers in rural India and much more so in the context of the pandemic for those migrant workers who have returned from urban areas. According to the MGNREGA database of the Ministry of Rural Development, the per-person day expenditure on wage under the scheme by the last week of August 2020-21 was rupees 244.82. If 100 days of guaranteed work is provided on each active job card (86.62 million), then there would be a needed amount for rupees 2.12063 trillion, and the currently allocated money covers just 48 per cent of the required amount. Here it is noted that a large number of new applications have been forthcoming, which means here require substantially a larger allocation, as per the current estimates, at present the total number of applications for the job card is 9.02 million more than the number of cards issued.

Kavish, has found in his research article ‘India’s response to covid-19 and migration challenges’ that due to unexpected lockdown by the Central Government the whole economy got affected, formal and informal sectors both have faced a significant slow down due to lack of demand and supply in the economy. Informal sector, which provides a high level of employment, has experienced significant impacts of Covid-19 and lockdown. Most impact has been faced by the migrant labourers with no employment during the lockdown period with lack of income, saving and uncertainty of employment. Migrant workers have experienced the double burden of being poor and being migrants.

Patnaik, & Sengupta, (2020) in this paper authors focused on fiscal policy amidst the economic slowdown triggered by the outbreak of the Covid-19 pandemic in India. In this paper the authors have assumed that the economy can contract by 5 per cent in real terms which results in a 14.4 per cent contraction in net tax revenue. If the Central Government wants to meet their demands there are requirements of a large fiscal stimulus to support the economy. If the economy contract by 5 per cent in the real terms in 2020-21, and nominal expenditure of the Union government is also same as stated in the 2020-21 budget estimates, for fulfilment of the Union government expenditure fiscal deficit can be widened to 6.2 per cent. Alternate scenarios, which were forecast by many agencies, range from 5.6 per cent to 8.1 per cent, depending on the extent of tax revenue contraction.

Shekar, & Mansoor, (2020) in this paper ‘Covid-19: Lockdown Impact on Informal Sector in India’ author’s focus on informal economy during the Covid-19 Pandemic and nation-wide lockdown. The informal economy is classified and defined in two parts. The first one is informal employment, which means workers are employed by formal, registered firms on the casual, daily wage basis and in subsistence sectors such as self-employed workers. There is a lack of protection for non-payment of wages, leave payment, sick payment and health insurance. The second one is informal sector enterprises, which engage in coordination with commercial activity, such as bazaar traders, restaurants, and manufacturing in small and ad hoc factories. They do not have a direct organisational structure, with operations that grow or shrink, depending upon the demand for the enterprises outputs or services. Informal

enterprises are unable to seek formal credit and they have limited access to social programs and public goods.

In the eve of Pre-Covid-19 period, the informal sector was reeling under shocks from the demonetisation and a poorly rolled out GST. There is wider evidence that demonetisation and GST has negatively affected the informal sector than the formal sector. Hundreds of millions of small and marginal businesses operating in the formal sector that depend on cash have suffered losses and closed down. Job-losses during 2012-18 were more than 6.18 million from the result of the demonetization and GST (Kannan and Raveendran, 2019). Many initiatives has taken by Union and State Government in India to support the poor, elderly, disabled, woman and the informal workers including migrants workers, such policy as in view of providing compensation to daily wage workers and construction workers respectively for loss of wage due to disruption of economic activities, for providing welfare pensions, employment guarantee program, free food distribution, and MSME loans etc. Countries around the world have tried to make rapid aid efforts to support their economies and workers during the Covid-19, many of these programs have not reached their informal economies. Since many relief provided by the Union Government they have inadvertently widened the gap between formal and informal economies. The economic assistance efforts have mainly focused on providing income replacement support and tax incentives to businesses or individuals. However, these efforts by the Government do not reach the informal economy.

1.8 SUMMARY OF LITERATURE REVIEW

Literature available focused on many issues, reveals that during the post-globalisation in India, the GDP has increased and per capita income also increases. On the other hand, income inequalities have widened, which shows unequal income distribution in India after implementation of economic reform policy (LPG). In the labour market, the decent work conditions have been neglected by entrepreneurs. Informal employment has increased after the economic reform period in India. Sectors were formal in nature but they provided work informal in nature, for example: cleaning staff, security guard, clerk etc. Labour force participation rate is declining, while the female labour force participation rate has declined significantly in rural areas.

Educated unemployment has increased significantly while in types of employment there is self-employment and casual work has increased during economic reforms.

The available literature also revealed many issues during the period of Covid-19 and lockdown. Literature shows that during the lockdown period when all economic activities stopped due to lockdown in fear of spread of Covid-19 virus. The GDP of India in Q1 of 2020-21 recorded negative growth, GDP performance in Q2 and Q3 of 2020-21 also registered with negative growth in Q4 of 2020-21 it turned into a positive figure. By sector wise performance the only primary sector has recorded growth in positive figures. In view of employment during the lockdown period all economic activities have stopped, which resulted in thousands of workers having lost their jobs without any saving, and social security. Workers in the informal sector were the main losers of their jobs, most of them migrant workers. Those who are unskilled, semi skilled working on a daily basis, casual work in informal and also in formal sector are largely affected. Informal employment contributes to total employment around 92 per cent in India without any formal contract (absent of decent work condition). During the lockdown period in Covid-19 not only employment has declined but also the labour force participation rate has declined. The Union and State Government has initiated many steps to boost the economy and for providing compensation to employees, but these steps seem not enough to cover losses.

1.9 MOTIVATION FOR RESEARCH AND RESEARCH GAP

Lots of debate has come out in favour of globalisation in India that, after globalisation the economic boundary will expand and that result will come out with great opportunity to enhance prosperity of our country (GDP, infrastructure, employment, per-capita income, goods and services will increase etc.). Under various research studies in the Past from that despite an increase in the GDP in the country, employment in real sense has not increased. Further, the Covid-19 Pandemic has put lots of stress to people increases of employment and livelihood. The present study thus looks into these aspects. On the basis of evidence available from the secondary data, the present study with try to formulate policy issues to strengthen employment situation in the country.

1.10 OBJECTIVES OF THE STUDY

- ❖ To explore whether employment has increased during the period of Post-Globalisation in India.
- ❖ To explore what is scenario of employment growth and elasticity of employment during the period of Post-Globalisation in India.
- ❖ To explore, the Scenario and nature of employment (formal and informal) during post globalisation period in India.
- ❖ To explore employment scenario and labour migration during the lockdown period of Covid-19 Pandemic.

1.11 HYPOTHESES

- ❖ Female LFPRs has declined significantly during the post-globalisation in India.
- ❖ Employment growth and employment elasticity has declined during the post-globalization in India.
- ❖ Informalisation and Casualisation of work and employment has increases during the post globalisation period in India.

1.12 METHODOLOGY

The complete study is based on the Secondary Data, which is in nature of panel data types (time series and cross-sectional data), has been collected from the CSO, NAS, NSSO rounds (Quinquennial Survey), PLFS, RBI, India Economic Survey, Annual Survey of Industries, ILO, World Bank, Books, Journals and Magazines. Data processing done in MS Excel, for employment growth with respect of output of economy, employment elasticity calculated.

1.13 CHAPTER PLAN

Chapter I - Introduction

This chapter includes a brief description of India's economy, its labour market, (labour force participation rate, employment, unemployment, nature of employment ect.), and previously done work related to the study.

Chapter II - Conceptual and Theoretical Framework

This chapter deals with theories, definitions and concepts related with the study to gain better and more familiarity or understanding with the background of the study and related concepts.

Chapter III – Trends and Pattern of Employment

This chapter provides details about distribution of employment during Post-Globalisation period in India, the labour force participation rate by gender, demographic regions, employment, types of employment, condition of unemployment rate and unemployment among educated.

Chapter IV – Growth of Output and Employment


This chapter in the first section deals with, growth of economy at aggregate level and after this foreign trade balance, share of sectors in GVA and employment, sectoral growth of GVA and employment, long-term growth of economy and employment, employment elasticity and employment in organised and unorganised sectors.

Chapter V - Economy and Employment during Outbreak of the Covid-19 Pandemic


This chapter describes the performance of the economy during Covid-19 Pandemic, employment, issue of labour migration, issues faced by migrants, nature of employment etc.

Chapter VI - Finding and Concluding Remarks

In the last chapter major findings of the study along with its implications, limitations and suggestions has been provided.



CHAPTER 2
THEORETICAL AND CONCEPTUAL
FRAMEWORK



CHAPTER - II

THEORETICAL AND CONCEPTUAL FRAMEWORK

2.1 INTRODUCCION

The present chapter discusses various theories and concept of employment and unemployment in the context of globalisation. The classical theory of employment largely centre on the expansion of market for increasing the rate of economic growth. The classical economist focused on full employment and minimum role of state; therefore, they are advocate of free market and free play of supply and demand. Globalisation is undoubtedly a clear cut reflection of a free market and minimum role of state or government. It believes in economic integration across the world and promotes free trade. Therefore this chapter discuss some of the theories of employment and migration; and concepts used in this study. The first section deals with the theories and second section deals with the concepts.

2.2 GLOBALISATION

Globalisation is the process of integration of various economies with the world economy without creating any hindrances in the process of free flow of goods, services, technology, capital and even labour or human capitals. The term ‘Globalisation’ has, therefore, four parameters:

- (i) Reduction of trade barriers to permit free flow of goods and services among the nation-states,
- (ii) Creation of environment, in which free flow of capital can take place among nation-states,
- (iii) Creation of environment, to permitting free flow of technology, and
- (iv) In the point of view of developing nations, the creation of an environment in which free movement of labour can take place in different countries of the world.

The advocates of globalisation limit the definition especially from the developed countries. They have defined three components in the globalizations, these three components are unhindered trade flows, capital flows and technology flows. They insist on developing countries to accept their definition of globalisation and conduct the debate on globalisation within the parameters set by them. However, several economists in the developing world believe that this definition is incomplete and in the case of the ultimate aim of globalisation is to look upon the world as a ‘global’ village, the fourth component; unrestricted movement of labour cannot be left out. But the entire issue debated at the World Bank, IMF, and World Trade Organisation (WTO) blacks out ‘labour flows’ as an essential component of globalisation. More recently, the Report of the World Commission of Social Dimension of Globalisation (WC SDC) set up by the ILO has taken note of the question of human capital flows and their role in helping developed countries.

Thus, basically globalisation signifies a process of **internationalisation plus liberalisation**. According to Joseph Stiglitz, *“Globalisation is the closer integration of the countries and peoples of the world which has been brought about by the enormous reduction of costs of transaction and communications, and the breaking down of artificial barriers to the flow of goods, services, capital, and knowledge and to a lesser extent people across border.”* Jagdish Bhagwati has defined globalisation in the following words *“Economic globalisation constitutes integration of national economies into the international economy through trade, direct foreign investment, short-term capital flows, international flows of workers and humanity generally, and flows of technology”*.

2.3 GLOBALISATION AND ITS ADVOCACY

The concept of globalisation was popularised by the **Organisation of Economic Cooperation and Development** (OECD) in the mid-1980s again after the Wars. The organisation has defined globalisation in a very narrow and business-like sense *“any cross border investment by an OECD company outside its country of origin for its benefit is globalisation”*. The OECD had defined globalisation officially, (1995) too *“a shift from a world of distinct national economies to a global economy in which production is internationalised and financial capital flows freely and instantly between*

countries. The official meaning of globalisation for the **World Trade Organisation** (WTO) is movement of the economies of the world towards “*unrestricted cross border movements of goods and services, capital and the labour force.*” It’s simple meaning that the economies who are signatories to the process of globalisation (i.e., signatories to the WTO) for them there will be nothing like foreign or indigenous goods and services, capital and labour. The world is becoming a flat and level playing field emerging in the due process of time. In other words it is defined as “*globalisation is a process that encompasses the causes, course and consequences of transnational and trans-cultural integration of human and non-human activities*”. Anthony McGrew’s elaboration of this concept illustrates this point, “*globalisation is a process which generates flow and connections, not simply across nation-states and national territorial boundaries, but between global regions, continents and civilizations*”. This invites a definition of globalisation as: ‘*an historical process which engenders a significant shift in the spatial reach of networks and systems of social relations to transcontinental or interregional patterns of human organisation, activity and the exercise of power*’.

The word Globalisation which is a more debatable word indicating the desire to integrate nation-states within the overall framework of WTO, is nothing but a modern version of the “Theory of Comparative Cost Advantage” which was propounded by the classical economist to provide the theoretical foundations of unrestricted flow of goods from the Great Britain and US to other less developed countries-at that time colonies. It was argued that international specialisation benefits both the countries which enter into trade relations. The same argument has been brought forth by the advocates of globalisation now.

2.4 GLOBALISATION IN INDIA

India became one of the founding members of the WTO and was obliged to promote the process of globalisation, though its economic reforms started with no such obligations. It is a different thing that India started the process of globalisation right after the reforms of 1991. As a Prime Minister of India in 1985, Mr. Rajiv Gandhi outlined the new trends of economic policy of the Government. The recipe suggested by him was: Improvement in productivity, absorption of modern technology and fuller

utilisation of capacity must acquire the status of a national campaign. The basic thrust of the New Economic Policy was a greater role for the private sector. The main aim of economic reform was to provide larger scope to the private sector, a number of changes in policy were introduced with regard to industrial licensing, export-import policy, technological up-gradation, fiscal policy, foreign equity capital, removal of controls and restrictions, rationalising and simplifying the system of fiscal and administrative regulation.

Although economic reforms were introduced under the Rajiv Gandhi regime, it did not yield the desired results. The balance of trade deficit, instead of narrowing down, has increased. Where, the average deficit of trade balance during the Sixth Plan (1980-85) has increased to Rs.5, 930 crores, it jumped to Rs.10, 840 crores during the Seventh Five Year Plan (1985-90). During the same period there was also a decline in the receipts on invisible accounts, from Rs.19, 070 crores to Rs.15, 890 crores. As a result, the country faced a serious balance of payments crisis. Thus, India was forced to approach the World Bank and the IMF to provide a huge amount of loan of the order of about \$7 billion to take out of the crisis Indian economy. While agreeing to provide assistance to India, the World Bank and IMF insisted that the Government must put its economy back on rails.

2.5 THEORY OF EMPLOYMENT

2.5.1 Classical and Neo-Classical Theory of Employment

The term “classical economists” was first time used by Karl Marx to describe economic thought of David Ricardo and his predecessors. According to Keynes, the terms of classical economics refers to the traditional or orthodox principles of economics, which had come to be accepted, by and large, by the well known economist. However, being the followers of Marshal, Keynes has himself accepted the thoughts of the classical principles. But he repudiated the doctrine of laissez-faire of classical economists. The two broad features of classical theory of employment are:

- a) Assumption of full employment, labour and other productive resources, and
- b) The flexibility of price and wages which bring about full employment.

a) Full Employment:

According to the classical economist, there always exists full employment in the economy, the labour and other resources which are involved in the production process of either goods or services are always fully employed. They assumed that over-production and general unemployment are impossible, if there is any diversion of the equilibrium, it is assumed to be temporary or abnormal. According to the classical economist view of employment, unemployment cannot be persisted for a long time and therefore always a tendency of full employment in the country. In the view of classical economists, the main reasons for unemployment are intervention by the government, artificial resistance and wrong calculation by the entrepreneurs and inaccurate decisions. If there is no government intervention the economy is assumed to be self-adjustable and perfectly competitive. In a perfect competitive economy, the relative values of goods and services are determined by the demand and supply, at equilibrium point, where both intersect to each other.

b) Flexibility of Prices and Wages:

The second assumption of classical economists ‘full employment theory’ the flexibility of prices and wages. According to the classical economists, it is flexibility of wages and prices, which can automatically bring about full employment. If there is any deviation from the equilibrium of full employment, the flexibility mechanism would automatically re-adjust the full employment. If there is overproduction in a depression then, the price would fall and the result of demand would increase, productive activity will be stimulated and unemployment would tend to disappear. Similarly, the unemployment could be cured by the cutting down in prevailing wages, which would increase the demand for labour and would stimulate activity. Thus, if the prices and wages are flexible and allowed to move freely, unemployment would disappear and the level of full employment would be restored.

2.5.2 Say’s Law of Market

Say’s law is the foundation of economics. They have assumed that full employment is a normal condition of a free market economy. The classical economist thought that general over-production and general unemployment are not possible. According to

J.B. Say, 'supply creates its own demand'. According to Say, it is production which creates a market for goods, there is more production of goods means more creation for demand. There can be no problem of overproduction. J.B. Say has denied the possibility of the deficiency of aggregate demand. The Say's law describes an important fact about the working of a free exchange market and economy that the main source of demand is the sum of the incomes earned by the various factors from the process of production itself. During the production process, by paying out income to its employed factors, it generates demand at the same time that it adds to supply. Thus production which creates a market for goods, or supply creates its own demand is not only at the same time of production but also to an equal extent. According to Say's law, the aggregate supply of commodities in the economy is always exactly equal to aggregate demand. If there is any deficiency in demand, it would be temporary and it would be ultimately equal to aggregate supply. Therefore, the employment of more resources will always be profitable and will take to the point of full employment in the economy. According to Say's law, there will always be a sufficient rate of total spending that keeps all resources fully employed and most of the spent going on consumer goods. The classical economist assumed that the saving is spending automatically on investment goods, so, saving and investment are interchangeable and they are equal to each other. Since saving is another form of spending, all income is spent partly on consumer goods and partly for investment. If there is any disequilibrium in saving and investment, the rate of interest will bring about equality between them.

Assumptions of Say's Law:

- a) There is perfectly competitive market and free exchange economy,
- b) Free flow of money incomes in the economy. All saving must be immediately invested and all income also immediately spent, means there is no time lag in expenditure either investment expenditure or expenditure on consumer goods,
- c) Saving is equal to investments and there is no leakage of income,
- d) There is no intervention of the government in the market operation, means there are existence of *laissez faire economy*, and also there is no government expenditure like taxation and subsidies, and
- e) Economy is closed means there is no international trade in this economy.

2.5.3 Pigou Wage-Cut Theory:

According to Professor A.C. Pigou, unemployment which exists in the economy or country at any time is because of the changes in demand conditions are continually taking place and that of frictional resistances which prevent the appropriate wage adjustment from being made instantaneously. According to him, there could be small amounts of ‘frictional unemployment’ attendant changing from one job to another job, but there could not exist ‘involuntary unemployment’ for a long period of time in the country. If people were unemployed, wages would fall until all seeking for employment were employed. Involuntary unemployment in any country exists at times of depression, because of the fact that wages were kept too high by the actions of labour unions and the governments. Therefore, Professor A.C. Pigou’s has advocated that a general cut in money wages at a time of depression would increase employment. They have said that perfectly elastic wage policy would abolish fluctuations of employment and would ensure full employment.

2.5.4 Keynes Theory of Employment

Keynes has strongly criticised the “classical theory of employment” in his famous book “The General Theory of Employment, Interest and Money” published in 1936. His theory of employment is widely accepted by economists. J.M. Keynes has founded new tools and techniques of economic analysis such as consumption function, multiplier, marginal efficiency of capital, liquidity preference, effective demand, etc. Keynes in the short-run has assumed that the capital equipment, population, technical knowledge, and labour efficiency remain constant. That is why, in the view of Keynes, the volume of employment depends on the level of national income and output. Growth in national income would mean growth in employment. The larger growth in national income means there is larger or high growth in the employment level and vice versa.

2.5.4.1 The Effective Demand

According to Keynes, the level of employment in the short run depends on the aggregate effective demand for goods in a country. If there is greater aggregate effective demand, there will be a greater volume of employment and vice-versa.

According to Keynes, unemployment arises due to the result of deficiency of effective demand. Effective demand in any economy represents the total money spent on consumption and investment. The deficiency of effective demand represents a gap between income and consumption. The gap of effective demand can be filled up by increasing investment and hence effective demand, in order to maintain employment at a high level.

According to J.M. Keynes, the level of employment depends on two factors:

- a) Aggregate supply function, and
- b) Aggregate demand function.

a) Aggregate Supply Function

1. According to Dudley Dellard, the minimum price which will induce employment on a given scale, called the 'aggregate supply price' of that prevailing amount of employment into the economy.
2. If the output does not fetch sufficient price, which covers the cost, the producer/ entrepreneurs will employ less number of workers, which will reduce their cost of production.
3. Therefore, different numbers of workers will be employed by employers at different supply prices.
4. Thus, the aggregate supply price is a schedule of the minimum proceeds required to induce varying quantities of employment in that time by entrepreneurs.
5. Therefore, we can have a corresponding aggregate supply price curve, which slopes upward to right.

(b) Aggregate Demand Function

1. The essence of aggregate demand function is that greater the aggregate demand greater number of workers will employ and larger amount of output.

That is, the aggregate demand price will increase as the amount of employment increases, and vice versa.

2. Here, the aggregate demand is different from the demand for a product. The aggregate demand price represents the expected receipts to workers or wages, when a given volume of employment is offered to workers.
3. The aggregate demand function represents a schedule of the proceeds of the output, which is produced by different methods of employment.

In conclusion, “*total employment is equal total output and is equal to total income*”. It means that, as employment increases, output and income also increases proportionally. The volume of employment in any economy depends upon effective demand. The effective demand is determined by aggregate supply function (aggregate supply function represents costs of entrepreneurs) and aggregate demand function, represents receipts of entrepreneurs. Its equilibrium is determined at that point, where aggregate demand and aggregate supply both intersect to each other or equal. Keynes has assumed that aggregate supply functions in a short period as given and he regarded aggregate demand as the most important element in this context. The aggregate demand function is governed by consumption expenditure and investment expenditure. Consumption expenditure depends upon the size of income and marginal propensity to consume. And investment expenditure is governed by the marginal efficiency of capital and rate of interest. The marginal efficiency of capital is determined by the supply of capital assets on the one hand and the prospective yield on the other hand. Prospective yield depends upon future expectations. It explains why the marginal efficiency of capital and hence the investment expenditure fluctuates. The importance of the whole theory of employment is that employment depends upon effective demand.

2.5.5 Dualistic Theory of Employment

In the dualistic theory of employment, the economist has assumed that the economy has two sectors: Mostly in the underdeveloped countries (UDCs). One sector is called the subsistence sector, where unlimited labour supply exists, and their marginal productivity is zero. If some labour withdraws to themselves there is impact on total

and marginal productivity is zero. The other sector is called modern or capitalist sector, where wage rate is very high compared to subsistence sector or agriculture sector, and marginal productivity of labour is positive. The surplus labour are supposed to transfer to his capitalist sector.

2.5.6 Lewis Theory of Unlimited Supplies of Labour: Prof. W.A. Lewis developed a theory of economic development with unlimited supplies of labour for underdeveloped countries. He has said that, “*the development of the economy depends upon capital accumulation due to unlimited supply of labour*”. Unlimited labour supply exists in those countries where the population is so large relative to capital and natural resources. In these countries there are large sectors of the economy where marginal productivity of labour is negligible, zero or negative. The surplus population not only exists in the agriculture sector but also found among petty traders, casual workers and domestic servants. The theory of unlimited supplies of labour, deals particularly with the problem in less developed countries and explains how unlimited supply of labour can be helpful as an instrument of development. Labour is an engine of developments and this model reminds us of *Bentham’s dictum* that “*labour is the real source of wealth*”.

2.6 THEORY OF LABOUR MIGRATION

Migration is movement of people from their native place to another place (may be within a state or from one state to another or from their country to another country) for the purpose of employment or work. There are many theories developed by economists and sociologists for defining labour migration and why labourers migrate from one place to another. These theories deal with many dimensions in the views of wage differential, associated with economic and social welfare etc. These theories and definition classified as:

1. Neo-classical theory of labour migration,
2. The New Economics of Migration,
3. Segmented or dual labour market theory,
4. World system theory,
5. Network theory, and
6. Institutional Theory

2.6.1 Neo-Classical Theory of Labour Migration

Main Neoclassical economists are Lewis 1954, Ranis & Fei 1961, Harris and Todaro 1970 and Todaro 1976 has given some major propositions that why labour migrates. Their major propositions are:

- a. Migration essentially involves by individual decision-making,
- b. Migration between regions are caused due to wage differentials,
- c. Migration will not occur if wage differential do not exist between regions,
- d. Migration systems from labour market imperfections, other market imperfection do not have any influence on migration, and
- e. State or Governments can influence migration flows within state or country by regulating labour markets.

2.6.2 The New Economics of Migration

The new economics of migration theories are given by Stark 1984, Stark and Bloom 1985, Katz and Stark 1986, Taylor 1986 and Stark 1991. Main properties of these theories are that:

- a. Families or Households are the appropriate units of analysing for labour migration,
- b. Wage differential in migration is not a necessary condition for the initiation of migration,
- c. It is essentially deployed as a risk diversification strategy,
- d. Migration and employment in sending regions are not mutually exclusive,
- e. Economic development in sending region need not reduce the propensity to migrate,
- f. In the absence of wage differentials will not end migration flows as it is influenced by the imperfections in other related markets, and
- g. The Government can influence migration through the interventions in those markets which trigger migration.

2.6.3 Segmented or Dual Labour Market Theory

The dual labour market theory given by Piore in 1979 has said that:

- a. New-classical theories and New Economic of Migration Theory are fundamentally deals with supply side micro-level decision models,
- b. Migration of labour is initiated primarily with the permanent demand for labour particularly low skilled serviced by migrant workers in advanced regions,
- c. Practices of recruitment are evolved to initiate migration to meet the labour demand in the advanced regions,
- d. The wage differential is not a necessary and sufficient condition for migration to be initiated in labour market,
- e. Social and institutional factors in destination does not allow to responds to the demand-supply of labour,
- f. Such types of norms in fact hold low level of wages from rising if supply of migrant workers decrease, and
- g. Governments are unlikely to influence migration flows and migration can be influenced through changes in the economic organisations.

2.6.4 The World Systems Theory

The key exponents of the world systems theory of migration are Wallerstein 1974, Portes & Walton 1981, Castells 1989 and Sessen 1988, 1991. The major propositions of the world systems theory are that:

- a. Migration emanates due to natural consequences of penetration of capital into the peripheral regions,
- b. The penetrations of capital destroy traditional systems of tenure and it enhances the propensity of those who were fixed on land to migrate from their native place,

- c. In labour migration flows of labour, flows of capitals in the reverse or opposite direction,
- d. Labour migration results from the globalisation of markets, the Governments can influence migration only by regulating foreign investment and cross border flows of capital.

2.6.5 Network Theory of Migration

Main exponents of network theory of migration are Hugo 1981 and Massey 1989, 1990. The major propositions of these theories are:

- a. Once the migration is initiated it expands over time till the network connections diffused widely that anyone who wish to migrate can do so without any difficulties,
- b. Due to spread of the migration network results in declining migration costs and it reduces risk associated with movement. This makes factors like wage differential redundant in migration decisions,
- c. As the network expands, migration become independent of the factors that originally influence it, and
- d. As network formation expands outside the regulatory framework, the governments will find it difficult to control migration flows.

2.6.6 Institutional Theory

The institutional theory of migration was given by Scott in 2001. The major proposition of this is:

- a. Once migration is initiated the institutions and agencies develop to support, sustain and promote the labour flows,
- b. As the operation of these agencies and institution expand, factors which initiated migration becomes less important in terms of its sustenance,

Like in the case of network theory, governments will have found it difficult to effectively regulate the operation of institutions and agencies.

2.7 CONCEPT USED IN THE STUDY

In ‘Theoretical Framework’ the concepts and definitions of some important terms, which are used in this Dissertation, are explained in the following paragraphs. They are relevant to report and find for understanding various estimates on employment-unemployment.

2.7.1 Economic Activity: Outcome of any activity in production of goods and services that add value in national product is considered an economic activity. Such types of activities included (i) production of all goods and services for market (market activities), for example, production for pay or profits, and, (ii) the production of primary commodities for own consumption and own account production of fixed assets, among the non-market activities. The entire activity of humans falls into two categories-economic and non-economic activities. The economic activities have categories in two parts – market activities and non-market activities. Market activities are those that earn remuneration to those who perform it, for example, activity performed for profit or pay. Non-market activities are the production for own consumption, these are primary goods or products including own account processing of primary products and own account production of fixed assets.

2.7.2 Activity Status: In the activity status a person was found during a reference period with regard to the person’s participation in economic and non-economic activities. According to activity status, a person could be fall in one or a combination of the following three broad activity statuses during a reference period:

Working or being engaged in economic activity as defined earlier (above),

- a. Being not engaged in economic activity (working) but either making tangible efforts to seek ‘work’ or being available for ‘work’ if the ‘work’ is available, and
- b. Being not engaged in any types of economic activities (work) and also she/he is not available for ‘work’.

Broad types of activity statuses mentioned in (i) and (ii) above are associated with ‘being in the labour force’ and the last (iii) with ‘not being’ counted in the labour force’. The broad activity status (i) and (ii) are associated with ‘employment’ and ‘unemployment’, respectively.

2.7.3 Workers (or employed): All persons who were engaged in any types of economic activities. All unpaid helpers who assisted in the process of an economic activity in the household farm or non-farm activities were also considered as workers. All workers are assigned one of the detailed activity statuses under the broad activity category ‘working’ or ‘being engaged in economic activity’ (or employed).

2.7.4 Unemployed (seeking or available for work): All persons, who owing to lack of work, had not worked but either sought work through employment exchanges, intermediaries, their friends or relatives or by making applications to prospective employers or expressed their willingness or availability for work under the prevailing conditions of work and remunerations, are considered as those who were ‘seeking or available for work’ or ‘unemployed’.

2.7.5 Labour force: All those persons, who were either ‘working’ (employed) or seeking or available for work’ (unemployed) constituted the labour force. All persons who were neither ‘working’ nor ‘seeking or available for work’ for various reasons during the reference period were considered as out of the labour force.

2.7.6 Self-employed: All persons who operated their own farm or non-farm enterprises or were engaged independently in a profession or trade to their own-account or with one or few partners were deemed to be self-employed in household enterprises. The main features of the self-employed is that they have autonomy (how, where and when to produce) and economic independence (market, scale of operation and money) for carrying out their operation.

2.7.6.1 Categories of self-employed persons: self-employed persons are mainly categories as follows:

2.7.6.2 Employers: those persons who self-employed on their own account or with one or a few partners and, who, by and large, ran their own enterprise by hiring labour, and

2.7.6.3 Own-account workers: all those persons are self-employed who operate their enterprises on their own account or with one or a few partners and run their own enterprise without hiring any labour.

2.7.6.4 Helpers in household enterprise: those are self-employed persons (mostly family members) who are engaged in their household enterprises, working full or part

time and did not receive any regular salary or wages in return for their work performance.

2.7.7 Regular salaried or wage employee: Those persons who work in others, farm or non-farm enterprises and, in return, they receive salary or wages on the regular basis (i.e. not on the basis of daily or periodic renewal or work contract).

2.7.8 Casual wage labour: A person who casually engaged in others, farm or non-farm enterprises (both household and non-household) and, in return, they received wages according to the terms of the daily or periodic work contract, are a casual wage labour.

2.8 DIFFERENT APPROACHES FOR DETERMINING ACTIVITY STATUS

In the surveys of the labour force, the activity status of a person is determined on the basis of the activities which were pursued by the person during the specified reference period. The activity status, which is determined on the basis of the reference period of the last 365 days preceding date of the survey, is known as the usual activity status of the person. The activity status determined on the basis of a reference period of last 7 days preceding the date of survey is known as the current weekly status (CWS) of the person and the activity status, which determined for each day of the reference week, is known as the current daily status (CDS) of the person.

In India, the employment and unemployment surveys are conducted by the National Sample Survey (NSS) Organisation. In the beginning with the 27th round in 1972-73, labour force surveys were conducted after every five years using standardised concepts and procedures based on the recommendation of the Committee of the Experts.

The concepts or procedures presently being used in India for the classification of the employment and unemployment are:

- (a) Usual Principal Status (UPS)
- (b) Usual Principal and Subsidiary Status (UPPS)
- (c) Current Weekly Status (CWS)
- (d) Current Daily Status (CDS)

- (a) **Usual Principal Status:** In this process, the labour force is typically measured through the usual principal activity status (UPS). This process of measurement of unemployment reflects the status of an individual during a reference period of one year. In this process of measuring unemployment, a person is classified as belonging to the labour force, if she/he had been either working or seeking for work during the longer part of the 365 days preceding the reference period of survey. In the UPS measure we exclude from the labour force all those persons who are employed or unemployed for a total of less than six months or 180 days.
- (b) **Usual Principal and Subsidiary Status:** The concept of the UPSS was introduced to expand the UPS concept to include even those persons who were outside the labour force on the basis of the majority time criterion but had been employed during some parts of the year on the usual principal basis. In the NSS 61st Round Survey (NSSO 2006a), all those persons who were either working or unemployed who were out of the labour force had worked at least 30 days over the reference year are treated as subsidiary status workers and hence, included in the labour force.
- (c) **Current Weekly Status:** A person is classified to be in the labour force, employed and unemployed as per CWS, if she/he has either worked or seeking jobs and are available for work at least for one hour during the period of reference of one week preceding the date of survey.
- (d) **Current Daily Status:** Employment and unemployment is computed on the basis of the information recorded for the 14 half days of the reference week. The employment and unemployment status during the seven days is recorded in terms of half or full intensities. One hours or more but less than four hours in a day is taken as half intensity and four hours or more than four hours in a day is taken as full intensity.

2.8.1 Labour Force Participation Rate (LFPR)

In LFPR we consider all those workers who are available for work during the reference period and also include those peoples who are already employed or in

working out of the total population. The LFPR is obtained by dividing the number of persons in the labour force with the total population.

On the other hand, the WFPR is obtained by the dividing the number of persons in the workforce with the total population.

The unemployment rate is obtained by the dividing the number of those unemployed with the total number of persons in the labour force.

2.8.2 Formula Used for Estimation of LFPR, Employed, Unemployment Rate and Employment Elasticity

$$LFPR: \frac{\text{no. of employed persons} + \text{no. of unemployed persons}}{\text{total population}} * 100$$

2.8.2.1 Worker Population Ratio (WPR)

In the WPR we consider only those people who are employed or in working during the reference period out of the total population.

$$WPR: \frac{\text{no. of employed persons}}{\text{total population}} * 100$$

2.8.2.2 Unemployment Rate (UR)

In the Unemployment Rate we considered those workers or population who are available for work during the reference period, but they cannot get any work and they are still unemployed.

$$UR: \frac{\text{no. of unemployed persons}}{\text{no. of employed persons} + \text{no. of unemployed persons}} * 100$$

2.8.2.3 Proportion Unemployed

$$PU: \frac{\text{no. of unemployed persons}}{\text{total population}} * 100$$

2.8.2.4 Employment Elasticity Employment elasticity measure the percentage change in employment associated with 1 per cent change in the economic growth. The employment elasticity indicates the ability of an economy to generate employment opportunities for its population.

2.8.2.5 Employment Elasticity Formula:

$$e: \frac{\Delta L/L}{\Delta Y/Y}$$

Or

$$e: \frac{dL/L}{dY/Y}$$

Where: L = denotes employment,

Y = denotes economy (Gross Domestic Product).

2.8.3 Unemployment

Unemployment is defined as a state of affairs, “*when in a country there are a large number of population at working age who are willing to do work and physically and mentally able to do work, but cannot find work at the current wage rate, all these are considered to be unemployed*”. People who are physically and mentally unfit or unable to do work and who do not want to do work, e.g., sadhu, saint, are excluded from the category of unemployment.

Merely some time engagement in some productive occupation does not necessarily mean absence of unemployment. Those people who are partially employed or are engaged in inferior jobs, which do not match the employed persons skills, though they can do better jobs, are not adequately employed. It is called a state of *underemployment*.

2.9 Types of Unemployment

Some main types of unemployment are; cyclical unemployment, structural unemployment, and frictional unemployment. There are explained below:

- a) Structural Unemployment,
- b) Frictional Unemployment,
- c) Seasonal Unemployment,
- d) Cyclical Unemployment, and
- e) Disguised Unemployment.

a). Structural Unemployment: This types of unemployment arises due to the mismatch between the unemployed persons and the demand for specific types of workers for employment occurs, because demand for one kind of labour is expanding, the demand for other kinds of labour is declining, either due to the changes in structure (i.e. composition) of demand for industrial products or due to changes in technology that take place in an economy. *The feature of structural unemployment is that the unemployed worker has a lack of skills that are required by the employers or entrepreneurs.* Structural unemployment also occurs due to mismatch between the location of job-vacancies of expanding industries and the present location of unemployed workers.

b). Frictional Unemployment: There is always some minimum amount of unemployed workers that prevails in the economy among workers who voluntarily leave their old job and seek new and better jobs for employment. They are not able to get new jobs immediately because of frictions such as due to lack of market information about availability of new jobs and lack of perfect mobility. During this process they remain unemployed for a relatively short period of time before they are able to get a new job.

c). Seasonal Unemployment: This type of unemployment is mostly visible in agrarian economy and developing economy (i.e. India, Bangladesh etc.). Seasonal unemployment arises because of the seasonal character of employment in particular activity so that people become unemployed during the slack season. Occupations relating to agriculture, sugar mills, rice mills, ice factories and tourism all are in the nature of seasonal. Those who are employed in these sectors get jobs in a year only some times and remaining time they are unemployed.

d). Cyclical Unemployment: This type of unemployment is also known as Keynesian unemployment. Cyclical unemployment arises due to deficiency of aggregate effective demand. During depression time in the economy, business activity is at low ebb and unemployment increases. Some workers are thrown out of employment and others are only partially employed due to lack of aggregate demand.

e). Disguised Unemployment: It is a situation when there are too many people employed in an activity, such that removal of a few does not affect the total productivity. In such type, the marginal productivity of labour is zero.

2.10 COVID-19 PANDEMIC

COVID-19 is a disease caused by a new virus strain of coronavirus. 'CO' stands for corona, 'VI' for virus, and 'D' for disease. This disease came to light in 2019 in China and WHO declared it is pandemic, it is referred to as '2019 novel coronavirus' or '2019-nCoV.' The first case of COVID-19 infection in India was reported in Kerala. On 27th January 2020, a 20 year old female was admitted to the Emergency Department in General Hospital, Thrissur, Kerala, with a one-day history of dry cough and sore throat.

2.11 CONCLUSION

The present chapter reviews various theories and concepts of employment. The employment theory of classical deals with supply side and it assumes that there always exists full employment in the economy. There is no unemployment at any time, if some factors of production get unemployed, they will get employed through market mechanism itself. The Keynesian theory of employment deals with supply side “effective demand”. According to Keynes the level of employment in the short run in any economy depends on the aggregate effective demand for goods and services in a country. If there is greater aggregate effective demand, there will be a greater volume of employment and vice-versa. According to Keynes, unemployment arises in any economy due to the result of deficiency of effective demand. Effective demand in any economy represents the total money spent on consumption and investment. The deficiency of effective demand represents a gap between income and consumption.

The gap of effective demand can be filled up by increasing investment and hence effective demand, in order to maintain employment at a high level.

Keynesian theory of employment is more relevant in that economy where the government or public sector exist and its focus on growth of GDP like India. Other employment theories developed for the underdeveloped countries UDCs “dualistic theory of employment” In the dualistic theory of employment, the economist has assumed that the economy has two sectors in the underdeveloped countries (UDCs). One sector is called subsistence sector, where unlimited supply of labour exists, and their marginal productivity is zero and if some labour withdraws to themselves there is no impact on total output. Other sector is called the modern or capitalist sector, where the wage rate is very high compared to the subsistence sector or agriculture sector, and marginal productivity of labour is positive.

Labour migration in India can be classified in two groups: (1) long run migration, and (2) Short run migration. Long run migration in India deals with prosperity of migrant labour while short-run migration or circular migration take place in India in seasonal and it is existent in survival nature. In India circular migration is more important, millions of casual workers travel across regions and countries every year for finding employment and for their livelihood and for survival.

The analysis on employment and globalisation, there are both negative and positive views on globalisation in the front of GDP and employment. There are questions that post the 30th year of this policy: what have we achieved from globalisation? This has been dealt with in the next chapter.



CHAPTER 3

TRENDS AND PATTERN OF EMPLOYMENT



CHAPTER-III

TRENDS AND PATTERN OF EMPLOYMENT

3.1 INTRODUCTION

The creation of employment is one of the main objectives in the nation-building process. It can be seen in the economic policy and in government documents. Since the 'Second Five Year Plan' employment creator has been the main principal objective. A reasonably high rate of economic growth, with an emphasis on the labour-intensive sectors, was expected for the achievement of this goal. During the post-globalisation, the rate and structure of growth rather than technology were seen as the main instrument of employment generation (Papola.2007). In an economy which relatively has abundance of labour, a bias in favour of comparatively labour-intensive technique is naturally and desirable. It is also recognised that considerations of size and technology should not be set aside while emphasising employment (Planning Commission, 1956). A targeted 5 per cent of economic growth with some emphasis on the labour-intensive consumer's goods sector was expected to generate sufficient employment. This expectations and assumptions are continued from first five year plan to another five year plan. During this period, the magnitude and the rate of employment has increased significantly along with the population.

The standard development model has assumed that the modern sector (secondary sector or manufacturing and service sector) would finally absorb all the surplus labour from the primary sector or traditional sector, for those who were unemployed. If so, there is faster growth of employment in the modern sector consisting with the industry and service sector. However, in India, though relatively a high rates of growth of the industrial sector and service sector have achieved but share of agriculture has recorded a sharp decline in the Gross Domestic Product (GDP) from *about to 55 per cent in 1951 to around 15.96 per cent at the present (2019-20)*. It has not been witness to a commensurate increase in the employment, while leading to a worsening in the employment situation in the economy. There are many reasons for this outcome, such as the nature of technology, which is used by the modern sectors, nature of demand and demand constraints, investment, huge population belonging

from backlog, and the environment constraint and some other factors. Employment generation has increased in the informal sector but simultaneously employment is shrinking in the formal sector. There is other matter of anxiety from the point of view that the quality of employment as the dominant share of workers in this sector has increased self-employment and casual labourers, who are suffering from poor conditions of work, low rate of wage earning, and lack of employment and social security.

The employment growth in the Indian economy during the post-globalisation and post-economic reform period has been a subject of intense debate and controversy. In various research papers, journal, articles in newspapers, magazines and in the public policy documents have reported differently and often finding was conflicting, interpretations and opinions on employment during the past decades.

The literature received from the various researchers and from the economist revealed that the introduction of economic reforms and globalisation (LPG policy) leads to the application of flexible norms in the labour markets through the implementation of several *de facto* measures such as contractual labours, outsourcing, and the intentional ignorance of the labour standards. By allowing the influx of in very huge numbers of capital goods that, has displaced labour in very large numbers from the modern sector especially in the manufacturing and from the service sector. This has led to massive change in the structure of industries in the favour of capital intensive in the manufacturing and service sectors. Efficiency and competition was key words in the favour of globalisation.

The voluntary retirement schemes (VRS) was introduced in the name of rationalisation in the time of economic reforms and globalisation. The appointment of casual and part-time employees has taken place in very large numbers due to the privatisation policy. The public sector has begun to withdraw from several areas of the economy in favour and promotion to the LPG policy through the disinvestment policy and selling its public sector units to private hands, which result employment in the public sector has declined by more than one and half million jobs since 1991. The economy has faced with the process of internal liberalisation and globalisation even in the private sector. In the industrial units has started to shed out excess labour, as they are introducing new technology to compete with the multi-national corporations or

foreign players, which is also resulting to loss of jobs. In this process, in new liberal economic policy regime, which is marked by increasing competition, has greatly improved access to foreign technology and imported capital goods for industrial firms, motivated them to adopt and use new and advanced technology, which result has led to increasing capital intensity in the production and reduction in employment growth. The economic reform and liberalisation has, therefore, led to a decline in employment growth on a large scale. On the basis of data and reports published by the Government ministry, RBI, NSS round and Economic Survey of India since 1991, one may find that reform process has resulted in the acceleration of GDP growth without generating or increasing in employment.

In this context, it would be interesting to examine the trends and patterns of employment at the both label aggregate and disaggregate levels from 1983 to 2019-20 by considering the Employment-Unemployment data and from 1977-78 to 2018-19 using data from NSSO and PLFS.

3.2 METHODOLOGY AND SOURCES OF DATA

In the order to examine the above objectives, the present chapter uses data sets covering period from the 1980-81 to 2019-20. The data period is divided into three sub-periods. The period from 1980-81 to 1993-94 is considered to be the pre-globalisation (LPG) period, and period from 1993-94 to 2019-20 is considered to be the post-globalisation period, and the period from 1980-81 to 2019-20 is considered the aggregate period of this chapter. The data have been collected from the major sources, with the output and its components coming from the National Sample Survey Organisation (NSSO), ILO and others Organization and from research articles published in journals. For study of employment figures, the usual status approach (composition of UPS and UPSS) has used in the best suited as a measure of the level of economic activity in an economy for study seasonal fluctuation in the employment. The methodology entails in this chapter the use of compound annual growth rates to show the temporal and spatial trends in employment figures.

This chapter is planned as follows: After introduction and data source in first section, second section deals with trend of LFPR and WPR. The third section deals with distribution of employment by broad categories. The fourth section discusses

employment patterns by industrial categories. Fifth section deals with unemployment and final section deals with employment and unemployment by educational categories.

3.3 DISTRIBUTION OF EMPLOYMENT

The employment situation has significantly changed in response to the accelerated growth of various sectors of the economy. The NSS has released the recently PLFS (Periodic Labour Force Survey) report data on employment and unemployment for the year 2018-2019 in June 2020. The trends and patterns in Labour Force Participation Rate (LFPR) and Work Force Participation Rate (WPR) and structure of employment and growth in the economy for the period of 1983 to 2018-19 are discussed as below:

3.3.1 Labour Force Participation Rates (LFPRs)

The labour force participation rate (LFPRs) is defined as the percentage of the persons in the labour force among the persons in the population. In Table 1 the LFPRs data based on different approaches for the different categories of persons for all-India as estimated in NSSO rounds and PLFS for estimation of 'Employment and Unemployment Situation in India'.

Table 1
Labour Force Participation Rate

(All-India, in per cent %)

Round (Years)	Rural male		Rural female		Urban male		Urban Female	
	usual (ps+ss)	(CWS)	usual (ps+ss)	(CWS)	usual (ps+ss)	(CWS)	usual (ps+ss)	(CWS)
1977-78 (32 nd)	*	*	*	*	*	*	*	*
1983 (38 th)	*	*	*	*	*	*	*	*
1987-88 (43 rd)	54.9	52.6	33.1	22.9	53.4	52.9	16.2	13.1
1993-94 (50 th)	56.1	54.7	33.1	27.6	54.3	53.8	16.5	15.2
1999-00 (55 th)	54.0	53.1	30.2	26.3	54.2	53.9	14.7	13.8
2004-05 (61 st)	55.5	54.5	33.3	28.7	57.0	56.6	17.8	16.8
2009-10 (66 th)	55.6	54.8	26.5	23.1	55.9	55.6	14.6	14.1
2011-12 (68 th)	55.3	54.5	25.3	21.5	56.3	56.1	15.5	14.8
2017-18 (PLFS)	54.9	54.4	18.2	16.1	57.0	56.7	15.9	15.3
2018-19 (PLFS)	55.1	54.5	19.7	16.7	56.7	56.7	16.1	15.6

Source: Annual Report, PLFS, 2017-18 & 2018-19, and NSSO various round report on Employment and Unemployment Situation in India

Note: * (star) indicates that data not available.

The labour force participation rates (LFPRs) presented in Table 1, based on the different approaches, such as *usual status (ps+ss)* and in *current weekly status (CWS)* data has been obtained from NSS and PLFS reports are presented at the all-India level.

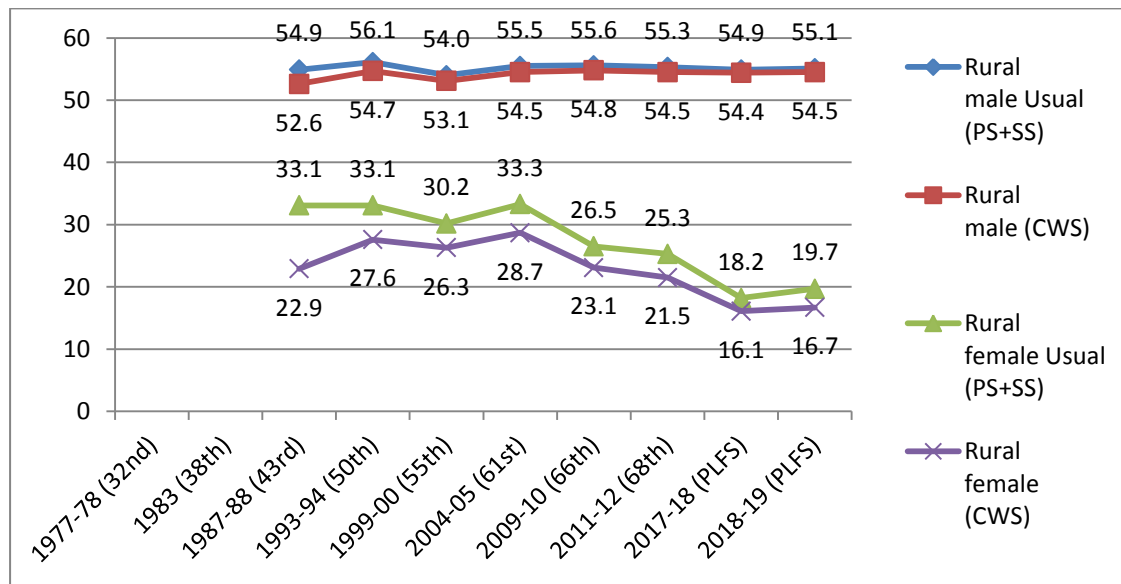
The Labour Force Participation Rate (LFPRs) trends in Table 1 are calculated in per cent (%) on the both approaches of *usual status (ps+ss)* and *current weekly status (CWS)*. The LFPR data is presented on the basis of domicile (rural, urban) and gender (male, female). Table 01 shows that labour force participation rate is significantly higher for male than female in both rural and urban areas. During 2018-19 PLFS report on employment and unemployment in India, according to usual status (ps+ss), is about 55.1 per cent of rural males and 19.7 per cent for rural females were in the labour force. During same period 2018-19, 56.7 per cent of the urban males and 16.1 per cent of the urban females were in the labour force according to *usual status (ps+ss)*. According to *current weekly status (CWS)*, during 2018-19, 55.1 per cent of rural males, and 16.7 per cent of rural females were in the labour force. During same period, about 56.7 per cent of urban males and 15.6 per cent of urban females were in the labour force according to *current weekly status (CWS)*.

3.3.1.1 LFPR of Rural Male and Female on Usual Status Approach: The LFPRs trends in Figure 1 shows that the rural male LFPRs during the post-economic reform period over the pre-reform period on *usual status (ps+ss)* are now 55.1 per cent (PLFS 2018-19). It was (LFPRs) in early nineties (1993-94) 56.1 per cent recorded after that labour force participation has declined by 2.1 per cent in 1999-00 and it was 54.0 per cent and last report on employment and unemployment published by NSS in PLFSs report 2018-19 labour force participation is 55.1 per cent, shows significantly 1.0 per cent declining trends in the labour force participation rate (LFPRs) during 1993-94 to 2018-19. During the post-economic reform period in 1999-00 lowest Labour Force Participation Rate (LFPRs) 54.0 per cent was recorded.

The labour force participation rate of rural female has significantly declined on the both basis *usual status (ps+ss)* and *current weekly status (CWS)* during the post-globalisation period. In the pre-economic reform period female labour force participation rate was 33.1 per cent in 1987-88 on the *usual basis (ps+ss)*, and in early nineties female labour force participation in 1993-94 was recorded on *usual basis*

(*ps+ss*) is 33.1 per cent shows stagnant labour force participation of rural females. In Periodic Labour Force Survey (PLFS) 2018-19 show rural female LFPRs 19.7 per cent in 2018-19. It shows significant declining trends from 33.1 per cent to 19.7 per cent on average 13.4 percentage points for rural females on the basis of *usual status* (*ps+ss*).

Figure 1
Labour Force Participation Rate (LFPRs) in India Rural male and Rural Females



Source: Annual Report, PLFS, 2017-18 & 2018-19, and NSSO various round report on Employment and Unemployment Situation in India.

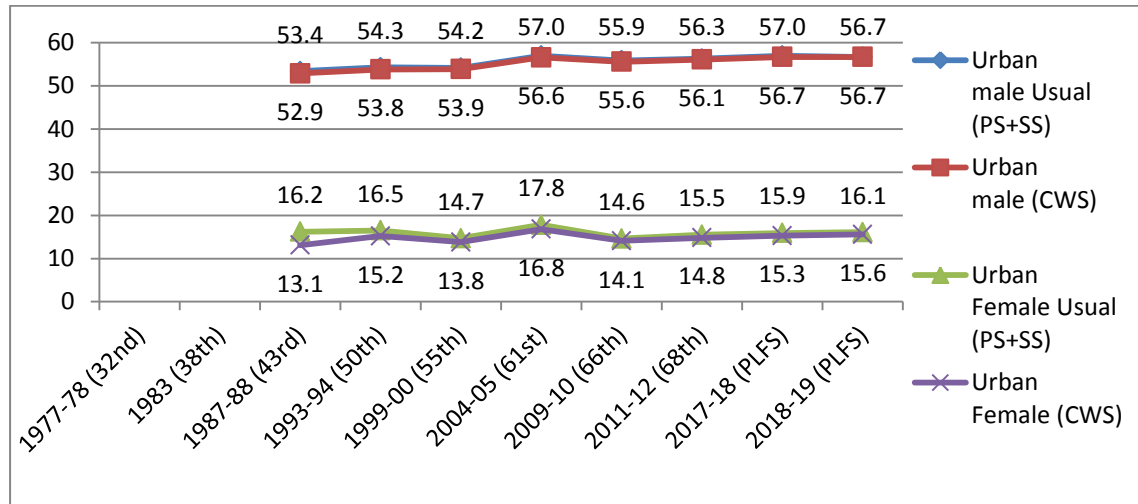
3.3.1.2 LFPR of Rural Male and Female on Current Weekly Status: On the basis of Current Weekly Status (CWS) the Labour Force Participation Rate (LFPR) of rural male has significantly increased. Labour force participation of rural pre-globalisation period was 52.6 per cent in 1987-88 on CWS. In the early nineties during the period of 1993-94 the labour force participation rates has recorded at 54.7 per cent and in recent PLFS report 2018-19 it remains 54.5 per cent, show a very small 0.2 percentage points declining trends.

On the basis of CWS LFPRs of rural female during the pre- globalisation was 22.9 per cent in 1987-88. During period of post-globalisation in 1993-94 females LFPRs has recorded 27.6 per cent, which has increased by 4.7 percentage points and LFPRs of rural female was 28.7 per cent in 2004-05 on the CWS and now it is 16.7 per cent by PLFS report 2018-19, published by NSS in June 2020. On the basis of CWS Labour

Force Participation Rate (LFPRs) of rural female has declined by 10.9 percentage points during the post-economic reforms period from 1993-94 to 2018-19.

Figure 2

Labour Force Participation Rate (LFPRs) in India Urban Male and Urban Females



Source: Annual Report, PLFS, 2017-18 & 2018-19, and NSSO various round report on Employment and Unemployment Situation in India.

3.3.1.3 LFPR of Urban Males and Females on Usual Status Approach: The Labour Force Participation Rates of urban males on the basis of *usual status approach (ps+ss)* in Figure 2 shows that urban males LFPRs has continuously increased. On the other hand Labour Force Participation Rates of urban females on the *usual status approach (ps+ss)* is almost stagnant. Urban males LFPRs during the pre-globalisation period was registered by 53.4 per cent on *usual status approach (ps+ss)* and urban female LFPRs registered 16.2 per cent. Urban males and females LFPRs registered highest during the post-globalisation in 2004-05 (61st round of NSS report on employment and unemployment report), urban males LFPRs were 57.0 per cent and urban females LFPRs 17.8 per cent on the basis of *usual status approach (ps+ss)*. Urban males and females LFPRs on the *usual status approach (ps+ss)* after 2004-05 has declined by 1.1 percentage points of urban males and 3.2 percentage points of urban females in 2009-10. In 2018-19 urban males LFPRs was 56.7 per cent and urban females LFPRs was 16.1 per cent on the *usual status approach (ps+ss)*. During pre-globalisation to post globalisation period LFPRs of urban males has increased by 3.3 percentage points and on the other hand urban females LFPRs during the same period was almost stagnant on the *usual status approach (ps+ss)*.

3.3.1.4 LFPR of Urban Males and Urban Females on Current Status Approach:

The Labour Force Participation Rates of urban males and females on the basis of current weekly status (CWS) in Figure.2 shows an increasing trend. During pre-globalisation period, LFPRs of urban males was registered 52.9 per cent in 1987-88 and urban females LFPRs was 13.1 per cent during same period. Highest LFPRs of urban males and urban females has registered during the post-globalisation in 2004-05, it was for urban males 56.6 per cent and urban females 16.8 per cent. In last report on employment and unemployment published by NSS in PLFS 2018-19, LFPRs of urban males was 56.7 per cent and urban females 15.6 per cent. Labour Force Participation Rates of both urban males and females have increased during the post-globalisation period.

3.3.2 WORKER POPULATION RATIO (WPR)

This section is related to employed persons on different approaches, worker with their domicile, types of employment and employment in different categories. In this section of Table 2, it explained employed persons status on the basis of their domicile/residential location (rural/urban) and on the basis of gender (male and female).

Table 2 shows that WPR of male's was 54.3 per cent (all employed male) during 1977-78 and it has declined by 0.5 percentage points and total male participation in employment registered 53.8 per cent during 1983, and, during 1987-88 further fall in employment (WPR) has registered of all-India male by 0.7 percentage points and total WPR has registered by 53.1 per cent. During post-globalisation in 1993-94 a very significant improvement has registered in male WPR by 1.4 percentage points and total WPR by 54.5 per cent. In 1999-2000 a very significant fall 1.8 percentage points in employment of male all-India has registered and total WPR has registered by 52.7 per cent. During 2004-05 a very significant improvement by 2.0 percentage points has registered and total male WPR has registered by 54.7 per cent. During 2009-10, male WPR has registered by 54.6 per cent, and during 2011-12 it show that total employment of male 54.4 per cent. During 2017-18 a very significant fall in male WPR (employment) by 2.3 percentage points registered and total employment of male has registered by 52.1 per cent, during 2018-19, WPR of all male was 52.3 per cent.

Table 2

Work Force Participation Rate (WFPRs) in India

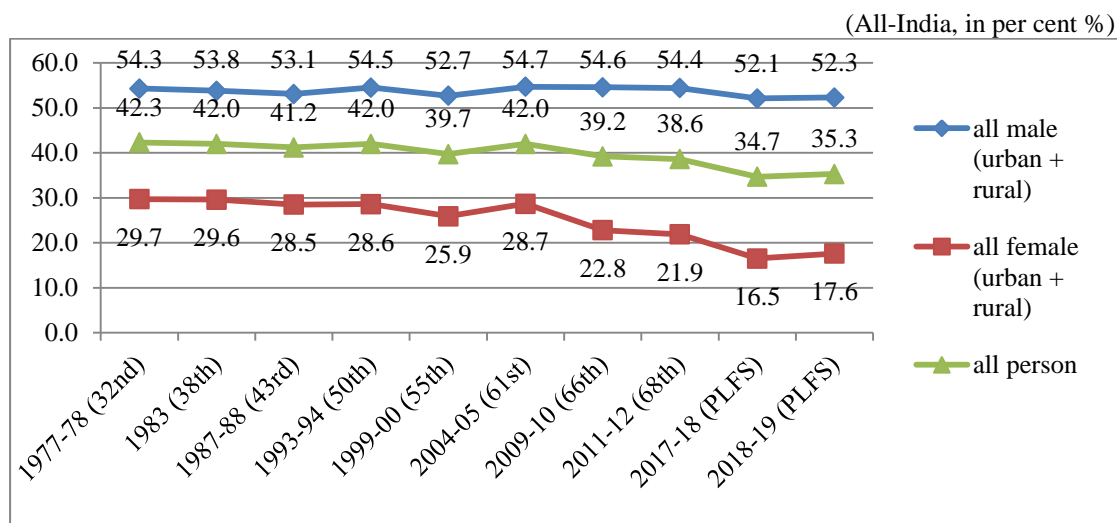
All-India (in per cent %)

Round (Years)	Rural male		Rural female		Urban male		Urban female		All		
	usual (ps+ss)	(CWS)	usual (ps+ss)	(CWS)	usual (ps+ss)	(CWS)	usual (ps+ss)	(CWS)	male (urban + rural)	female (urban + rural)	Person
1977-78 (32 nd)	55.2	51.9	33.1	23.2	50.8	49.0	15.6	12.5	54.3	29.7	42.3
1983 (38 th)	54.7	51.1	34.0	22.7	51.2	49.2	15.1	11.8	53.8	29.6	42.0
1987-88 (43 rd)	53.9	50.4	32.3	22.0	50.6	49.2	15.2	11.9	53.1	28.5	41.2
1993-94 (50 th)	55.3	53.1	32.8	26.7	52.1	51.1	15.5	13.9	54.5	28.6	42.0
1999-00 (55 th)	53.1	51.0	29.9	25.3	51.8	50.9	13.9	12.8	52.7	25.9	39.7
2004-05 (61 st)	54.6	52.4	32.7	27.5	54.9	53.7	16.6	15.2	54.7	28.7	42.0
2009-10 (66 th)	54.7	53.1	26.1	22.3	54.3	53.6	13.8	13.0	54.6	22.8	39.2
2011-12 (68 th)	54.3	52.6	24.8	20.7	54.6	53.9	14.7	13.8	54.4	21.9	38.6
2017-18 (PLFS)	51.7	49.6	17.5	14.8	53.0	51.7	14.2	13.3	52.1	16.5	34.7
2018-19 (PLFS)	52.1	49.7	19.0	15.5	52.7	51.7	14.5	13.7	52.3	17.6	35.3

Source: Annual Report, PLFS, 2017-18 & 2018-19, and NSSO various round report on Employment and Unemployment Situation in India

Figure 3

Worker Population Ratio All (Male and Female)



Source: Annual Report, PLFS, 2017-18 & 2018-19, and NSSO various round report on Employment and Unemployment Situation in India

Total employment of female in India has declined continuously since 1977-78 to last report published of PLFS (2018-19). Total female employment ratio has registered 29.7 per cent during 1977-78 and in 1983 it was 29.6 per cent. In 1987-88 a very significant fall in WPR of female has registered by 1.1 percentage points and total WPR was 28.5 per cent. In 1993-94, WPR of female was 28.6 per cent. During 1999-2000 a very significant fall in WPR has registered by 2.7 percentage points and total WPR of female has registered by 25.9 per cent. In 2004-05 a very significant improvement in female WPR has registered by 2.8 percentage points and total WPR registered by 28.7 per cent. In 2009-10, a very large fall in WPR of female has registered by 5.9 percentage points and total WPR has registered 22.8 per cent and further during 2011-12 a fall in WPR of female has registered by 0.9 percent and total WPR registered 21.9 per cent. WPR of female during 2017-18 has registered by 16.5 per cent with very significant fall of 5.4 percentage points and WPR of female during 2018-19 was registered 17.6 per cent with significant improve of by 1.1 percentage points.

3.3.2.1 WFPR on The Basis of Gender and Their Domicile

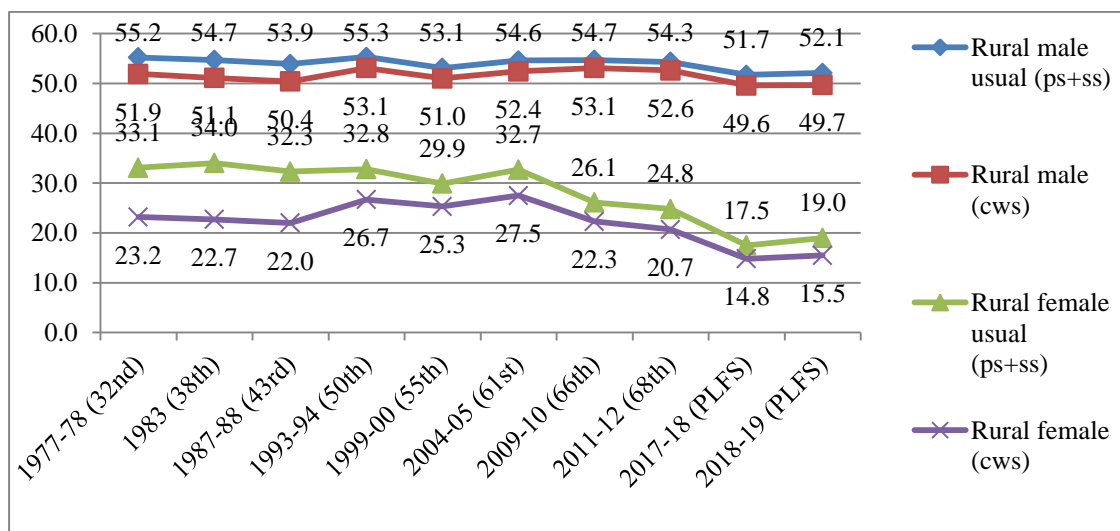
Work force participation rate on the basis of usual principle status and subsidiary status (ps+ss) and current weekly status (CWS) of male and female by their domicile status are as follows:

Rural male WPR on the basis of usual status (ps+ss) during 1977-78 has registered by 55.2 per cent and during 1983 it was recorded 54.7 per cent. During 1987-88 WPR of rural male registered 53.9 per cent. During 1993-94 a significant improvement by 1.4 percentage points has registered in WPR of rural male and total WPR of rural male has registered by 55.3 per cent. During 1999-2000 in WPR of rural male a significant fall by 2.2 percentage points has registered and total WPR has registered by 53.1 per cent. There are a significant 1.5 percentage points improvement has registered in WPR of rural male during 2004-05 and total WPR of rural male has registered 54.6 per cent. During 2009-10 WPR of rural male has registered 54.7 per cent and during 2011-12 WPR of rural male has registered 54.3 per cent. During 2017-18, a very significant fall in WPR of rural male by 2.6 percentage point has registered and total WPR has registered by 51.7 per cent and during 2018-19, WPR of rural male increased by 0.4 percentage points and total WPR has registered 52.1 per cent.

Figure 4

Work Force Participation Ratio of Rural Male and Female

(All-India, in per cent %)



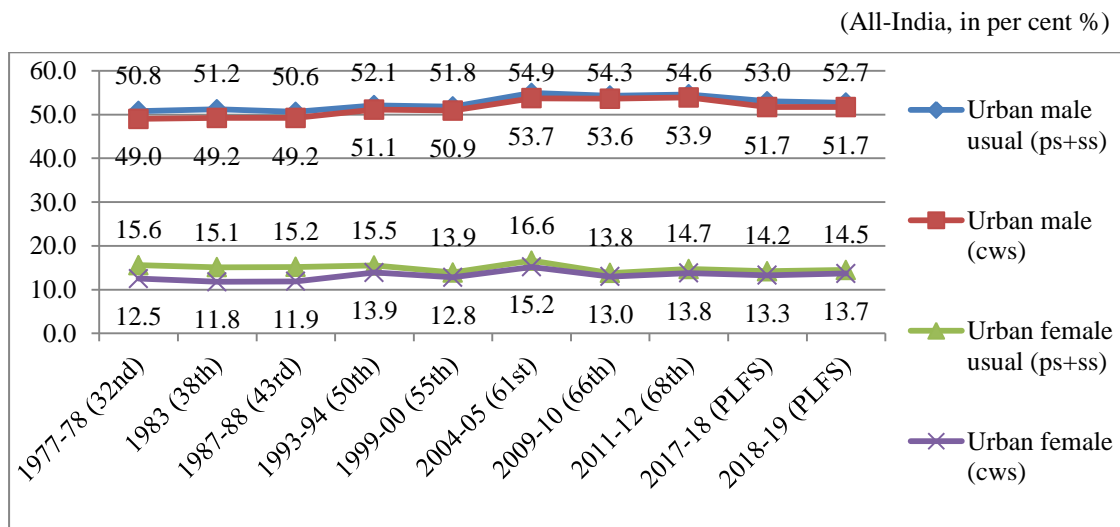
Source: Annual Report, PLFS, 2017-18 & 2018-19, and NSSO various round report on Employment and Unemployment Situation in India

Worker Population Ratio of rural male during pre-globalisation period in 1977-78 on CWS has registered 51.9 per cent, and it has declined to 50.4 per cent during 1987-88. During post-globalisation the WPR of rural male increased by 2.7 percentage point and total WPR registered to 53.1 per cent and during 2018-19 WPR of rural male has declined significantly by 3.4 percentage points and total WPR was 49.7 per cent.

The worker population ratio of rural female during period of pre-globalisation (1977-78) was 33.1 per cent on usual status (ps+ss) has registered, and at the eve of globalisation the WPR of rural female has registered to 32.3 per cent. During period of post-globalisation WPR of rural female has increased by 0.5 percentage points and total WPR was 32.8 per cent registered. During 2018-19 the WPR of rural female has declined very significantly from 32.8 per cent to 19.0 per cent (1993-94 to 2018-19).

WPR of rural female during 1977-78 on CWS has registered to 23.3 per cent, and it has declined during 1987-88 by 1.2 percentage points and total WPR of rural female was 22.0 per cent. During period of post-globalisation significant growth has registered in WPR of rural female on basis of CWS by 4.7 percentage points and total WPR was 26.7 per cent. And during 2018-19 WPR of rural female has declined very largely from 26.7 per cent to 15.5 per cent on basis of CWS.

Figure 5
Work Force Ratio of Urban Male and Female



Source: Annual Report, PLFS, 2017-18 & 2018-19, and NSSO various round report on Employment and Unemployment Situation in India

Work population ratio (WPR) of urban male on the basis of usual status (ps+ss) during 1977-78 was 50.8 per cent, and in 1987-88 WPR of urban male has registered 50.6 per cent with fall of 0.2 percentage points. During period of post-globalisation 1993-94 WPR of urban male has registered by 52.1 per cent with significant growth in WPR by 1.5 percentage points. During 2018-19 the WPR of urban male on basis of usual status (ps+ss) increased by 0.6 percentage points and total WPR was 52.7 per cent.

Work population ratio of urban male on the basis of current weekly status (CWS), during pre-globalisation (1977-78) was 49.0 per cent. WPR of urban male during 1987-88 was 49.2 per cent registered growths in WPR of urban male were by 0.2 percentage points have registered. During the post-globalisation (1993-94) WPR of urban male on the basis of CWS has registered by 51.1 per cent with significant growth in WPR by 1.9 percentage points. During 2011-12 the WPR of urban male has registered by 53.9 per cent with significant growth of 2.8 percentage points. The WPR during 2018-19 of urban male has declined significantly by 2.2 percentage points and total WPR of urban male registered by 51.7 per cent.

Worker population ratio of urban female on the basis of usual status (ps+ss) during pre-globalisation in 1977-78, was 15.6 per cent registered. In 1987-88 the WPR of urban female has declined by 0.4 percentage points and total WPR of urban female registered 15.2 per cent. During period of post-globalisation in 1993-94, the WPR of urban female has registered by 15.5 per cent with improvement of 0.3 percentage points. During 2018-19, the WPR of urban female has registered 14.5 per cent with significant fall of WPR from 15.5 per cent to 14.5 per cent (1993-94 to 2018-19).

Worker population ratio of urban female during period of pre-globalisation on CWS basis was 12.5 per cent registered, and during 1987-88 it has declined to 11.9 per cent at eve of globalisation. During period of post-globalisation 1993-94 WPR of urban female has registered to 13.9 per cent with improvement of 2.0 per cent. Highest growth in WPR of urban female has registered 15.2 per cent during 2004-05 and during 2018-19 it was registered to 13.7 per cent with fall of 1.5 percentage points.

3.3.3 DISTRIBUTION OF EMPLOYMENT BY BROAD CATEGORY

This section explains distribution of employment on the basis of broad category of employed person which are categorised into three broad categories according to their employment status. These broad categories are classified by NSSO as: (i) self-employed, (ii) regular (wage/salaried) employees and (iii) casual labour. Table 03 presents all-India level per cent distribution of usually employed on the basis of usual status (ps+ss). Trends in the proportion of self-employed, regular wage/salaried employees and casual labour are as below:

3.3.3.1 Distribution of Self-Employed Rural Male and Female

Employment distribution of rural male by category of self-employed on the basis of usual status (ps+ss) show that, during the 1977-78, it was 62.8 per cent and rural female in self-employed was 62.1 per cent. During 1987-88 employed rural male and female in self-employed declined to 58.6 per cent and 60.8 per cent respectively. Employment of rural male and female during post-globalisation has further declined to 57.7 per cent of male and 58.6 per cent of female respectively. In 2009-10 employment of rural male and female was 53.5 per cent and 55.7 per cent, it has declined by 4.2 percentage points of rural male and 2.9 percentage points of rural female (1993-94 to 2009-10). During 2018-19, employment in self-employed category has increased to 57.4 per cent of rural male and 59.6 per cent to rural female.

3.3.3.2 Distribution of Regular Wage/Salaried Employees of Rural Male and Female

Employment distribution in regular wage/salaried employees of rural male and female during 1977-78 was 10.6 of male and 2.8 per cent of female. In 1987-88 employment in regular wage/salaried employees of rural male has declined by 0.6 percentage points while rural female employment in this category increased by 0.9 percentage points and total employed rural male and female was 10.0 per cent and 3.7 per cent respectively. During post-globalisation in 1993-94 employment in regular wage/salaried employees of both declined to 8.5 per cent of male and 2.7 per cent of female respectively. Very large growth registered in employed rural male and female in regular wage/salaried employees, category during 2011-12 to 10.0 per cent of male and 5.6 per cent of female. And growth in regular wage/salaried employees further registered during 2018-19, it was 14.2 per cent of rural male and 11.0 per cent of rural female.

Table 3

Distribution of Employed Rural Male and Female in Broad Category

(All-India, in per cent %)

NSSO round and PLFS report	rural male			rural female		
	Self-employed	regular wage/salaried employees	casual labour	Self-employed	regular wage/salaried employees	casual labour
1977-78 (27th)	62.8	10.6	26.6	62.1	2.8	35.1
1983 (38th)	60.5	10.3	29.2	61.9	2.8	35.3
1987-88 (43rd)	58.6	10.0	31.4	60.8	3.7	35.5
1993-94 (50th)	57.7	8.5	33.8	58.6	2.7	38.7
1999-00 (55th)	55.0	8.8	36.2	57.3	3.1	39.6
2004-05 (61st)	58.1	9.0	32.9	63.7	3.7	32.6
2009-10 (66th)	53.5	8.5	38.0	55.7	4.4	39.9
2011-12 (68th)	54.5	10.0	35.5	59.3	5.6	35.1
2017-18 (PLFS)	57.8	14.0	28.2	57.7	10.5	31.8
2018-19 (PLFS)	57.4	14.2	28.3	59.6	11.0	29.3

Source: NSS round 27th to 68th and Annual PLFS report 2018-19.

3.3.3.3 Distribution of Casual Labour of Rural Male and Female

Employment distribution in casual labour work of rural male and female, during 1977-78 was 26.6 per cent of male and 35.1 per cent of female. In 1987-88 employment in casual labour work increased to 31.4 per cent of rural male and 35.5 per cent of rural female. During period of post-globalisation casual labour work in rural male and female increased to 33.8 per cent of male and 38.7 per cent of female, in casual labour work rural female employed more than rural male. Casual labour work further increased to 35.5 per cent of rural male and 35.1 per cent of rural female during 2011-12. During 2018-19 casual labour work of rural male and female declined by 7.2 percentage points of male and 5.8 percentage points of female and total casual labour in rural was 28.3 per cent of rural male and 29.3 per cent of rural female.

3.3.3.4 Distribution of Self-Employed of Urban Male and Female

Employment distribution of urban male and female in self-employed category, during 1977-78 was 40.4 per cent of male and 49.5 per cent of female. During 1987-88 employment in self-employed category declined to 41.7 per cent of urban male and

47.1 per cent of urban female respectively. During post-globalisation in 1993-94 employment of urban male was constant from previous round NSS report while urban female employment in self-employed category declined to 45.8 per cent. During 2011-12 employment of urban male was also constant from 1993-94, while urban female employment declined to 42.8 per cent. In 2018-19, employment of both in self-employed category has declined to 38.7 per cent of urban male and 34.5 per cent of urban female respectively.

Table 4

Distribution of Employed Urban Male and Female in Broad Category

(All-India in per cent %)

NSSO round and PLFS report	urban male			urban female		
	Self-employed	regular wage/salaried employees	casual labour	self-employed	regular wage/salaried employees	casual labour
1977-78 (27th)	40.4	46.4	13.2	49.5	24.9	25.6
1983 (38th)	40.9	43.7	15.4	45.8	25.8	28.4
1987-88 (43rd)	41.7	43.7	14.6	47.1	27.5	25.4
1993-94 (50th)	41.7	42.0	16.3	45.8	28.4	25.8
1999-00 (55th)	41.5	41.7	16.8	45.3	33.3	21.4
2004-05 (61st)	44.8	40.6	14.6	47.7	35.6	16.7
2009-10 (66th)	41.1	41.9	17.0	41.1	39.3	19.6
2011-12 (68th)	41.7	43.4	14.9	42.8	42.8	14.3
2017-18 (PLFS)	39.2	45.7	14.2	34.7	52.1	13.1
2018-19 (PLFS)	38.7	47.2	15.1	34.5	54.7	10.7

Source: NSS round 27th to 68th and Annual PLFS report 2018-19.

3.3.3.5 Distribution of Regular Wage/Salaried Employees of Urban Male and Female

The distribution of employment in regular wage/salaried employees of urban male and female during 1977-78 were 46.4 per cent of male and 24.9 per cent of female. During 1987-88 urban male employment in regular wage/salaried employees declined to 43.7 per cent while urban female employment in regular wage/salaried employees increased to 27.5 per cent during same period. During period of post-globalisation in 1993-94 urban male employment in regular wage/salaried employees further declined to 42.0 per cent from 43.7 per cent (1987-88) while urban female employment in

regular wage/salaried employees, category increased to 28.4 per cent during same period. In 2004-05 employment of urban male in regular wage/salaried employees, category further declined to 40.6 per cent while urban female employment in regular wage/salaried employees increased to 35.6 per cent during same period. During 2018-19 employment of urban male and female of both increased to 47.2 per cent of male and 54.7 per cent of female respectively. It shows that urban female in regular wage/salaried employees category employed more than male.

3.6.6 Distribution of Casual Labour of Urban Male and Female

Employment distribution in casual labour work of urban male and female during 1977-78 was 13.2 per cent and 25.6 per cent respectively. Employment of casual labour work during 1987-88 of urban male increased to 14.6 per cent while urban female employment in casual labour work declined to 25.4 per cent from 1977-78. During period of post-globalisation in 1993-94 employment of casual labour work of urban male increased to 16.3 per cent and urban female employment in casual labour work also increased to 25.8 per cent. During 2009-10 employment of urban male in casual labour work increased to 17.0 per cent while urban female employment in casual labour work has declined to 19.6 per cent. In 2018-19 last report of PLFS show that employment in casual labour work of urban male increased to 15.1 per cent while urban female employment in casual labour work declined to 10.7 per cent. It shows that, urban male were employed in casual labour work higher than urban female.

3.3.4 INDUSTRIAL DISTRIBUTION OF THE USUALLY EMPLOYED

For classification of industry of work of the employed persons in usual status (ps+ss), the National Industry Classification 2008 (NIC 2008) has been used. In Table 5-A, B and C, the distribution of workers in usual status (ps+ss) is presented by broad industry division from 1977-78 (32nd round report of NSSO) to 2011-12 (68th round report of NSSO) employment and unemployment survey of the quinquennial rounds, and for PLFS report from 2017-18 to 2018-19.

3.3.4.1 Rural Male and Female Engagement in Agricultural Activity: The Table 5-A shows that, during 1977-78, workers in rural areas about 80.6 per cent were engaged in agriculture activity on the basis of usual status (ps+ss) and female workers engaged by 88.1 per cent in same period. During 1983, the proportion of rural males

engaged in the agricultural activities has fallen by 3.1 percentage points and female participation has fallen by 0.6 percentage points. During 1987-88, engaged of rural male and female in agricultural activities was registered by 74.5 per cent and 84.7 per cent respectively. During post-globalisation 1993-94, total engaged male and female in agricultural activities in rural was registered by 74.1 per cent and 86.2 per cent. During 1999-2000, further falls in rural male engagement in agricultural activity (work) has declined by 2.7 percentage points and rural female engagement in agricultural work has declined by 0.8 percentage points. Very significant falls has registered in engagement in agricultural activities of both rural male and female during 2004-05, by 4.9 percentage points and 2.1 percentage points and total rural male and female engagement in agricultural activities was registered 66.5 per cent and 83.3 per cent respectively. During 2009-10, further, very significant falls in agricultural activities engagement has registered of rural male and female by 3.7 percentage points and 3.9 percentage points and total engagement of rural male and female in agricultural activity was registered by 62.8 per cent and 79.4 per cent respectively. Further, significant falls in agricultural activity has registered of rural male and female during 2011-12, by 3.4 percentage points and 4.5 percentage points and total engaged rural male and female was registered by 59.4 per cent and 74.9 per cent. During 2018-19 falls in agricultural activity of engaged rural male and female further has declined and it has registered by 1.8 percentage points and 2.1 percentage points and total engaged rural male and female in agricultural activities has registered by 53.2 per cent and 71.1 per cent, female engagement in agricultural activities in rural was very high in comparison to rural males has registered respectively.

3.3.4.2 Urban Male and Female Engagement in Agricultural Activity: The Table 5-A, shows that, during 1977-78, 10.6 per cent of urban male were engaged in the agricultural activities on the basis of usual status (ps+ss) and female workers were engaged by 31.9 per cent. During 1987-88, significant falls in urban male and female engaged in agricultural activity has registered by 1.2 per cent and 1.6 per cent respectively. Very significant falls has registered in engaged in agricultural activity of urban female by 4.7 percentage points while urban male engagement in agricultural activity has declined very nominal by 0.1 percentage points during the 1993-94. During 1999-2000, very significant falls in both male and female engagement in

agricultural activity has registered by 2.4 percentage points and 7.0 percentage points and total engaged urban male and female in agricultural activity has registered by 6.6 per cent and 17.7 per cent respectively. During 2004-05, engagement of urban male and female in agricultural activity has registered in inverse direction has declined by 0.5 percentage points while urban female engagement in agricultural activity growth has registered by 0.4 percentage points. A very significant falls has registered for urban female in agricultural activity by 4.2 percentage points while urban male engagement has declined only 0.1 percentage points and total urban male and female engagement in agricultural activity registered by 6.0 per cent and 13.9 per cent respectively during 2009-10. During 2017-18 the engagement of urban male and female in agricultural activities further has declined. In 2018-19, and total engagement of urban male and female in agricultural activities has registered by 5.4 per cent and 9.1 per cent.

3.3.4.3 Rural Male and Female Employment in Mining and quarrying: The Table 5-A, shows that, during 1977-78, workers in rural areas about 0.5 per cent of rural males were employed in mining and quarrying on the basis of usual status (ps+ss) and female workers employed by 0.2 per cent. During 1999-2000, employed rural male and female both in mining and quarrying has declined by 0.1 percentage points of rural male and also 0.1 percentage points rural female and total male and female employment in mining and quarrying was registered by 0.6 per cent and 0.3 per cent respectively. During 2009-10, significant growth in employment in mining and quarrying has registered of rural male by 0.2 percentage points while female it was constant from previous report 2004-05, and total employment was 0.8 per cent. A significant fall in employed rural male in mining and quarrying has registered by 0.3 percentage points and employed rural female was unchanged from the previous report during 2011-12, and total employed rural male and female was 0.5 per cent and 0.3 per cent respectively. During 2017-18, fall of 0.4 percentage points has been registered to rural male. And in 2018-19, employment in mining and quarrying has been almost negligible.

Table 5-A

Broad Industrial Distribution of Employed Persons (Rural Male and Female and Urban Male and Female) on usually Employed (ps+ss) (in per cent %) All-India

Broad industry division/Sectors	NSS round (survey period) and PLFS report	rural male	rural female	urban male	urban female
		usual status (ps+ss)		usual status (ps+ss)	
Agriculture, Livestock, forestry and fishing	32nd (1977-78)	80.6	88.1	10.6	31.9
	38th (1983)	77.5	87.5	10.3	31.0
	43rd (1987-88)	74.5	84.7	9.1	29.4
	50th (1993-94)	74.1	86.2	9.0	24.7
	53rd (1999-00)	71.4	85.4	6.6	17.7
	61st (2004-05)	66.5	83.3	6.1	18.1
	66th (2009-10)	62.8	79.4	6.0	13.9
	68th (2011-12)	59.4	74.9	5.6	10.9
	PLFS (2017-18)	55.0	73.2	5.4	9.1
	PLFS (2018-19)	53.2	71.1	4.9	7.8
Mining and quarrying	32nd (1977-78)	0.5	0.2	0.9	0.5
	38th (1983)	0.6	0.3	1.2	0.6
	43rd (1987-88)	0.7	0.4	1.3	0.8
	50th (1993-94)	0.7	0.4	1.3	0.6
	53rd (1999-00)	0.6	0.3	0.9	0.4
	61st (2004-05)	0.6	0.3	0.9	0.2
	66th (2009-10)	0.8	0.3	0.7	0.3
	68th (2011-12)	0.5	0.3	0.9	0.3
	PLFS (2017-18)	0.5	0.2	0.6	0.2
	PLFS (2018-19)	0.4	0.2	0.6	0.2
Manufacturing	32nd (1977-78)	6.4	5.9	27.6	29.6
	38th (1983)	7.0	6.4	26.8	26.7
	43rd (1987-88)	7.4	6.9	25.7	27.0
	50th (1993-94)	7.0	7.0	23.5	24.1
	53rd (1999-00)	7.3	7.6	22.4	24.0
	61st (2004-05)	7.9	8.4	23.5	28.2
	66th (2009-10)	7.0	7.5	21.8	27.9
	68th (2011-12)	8.1	9.8	22.4	28.7
	PLFS (2017-18)	7.7	8.1	22.4	12.5
	PLFS (2018-19)	7.3	9.0	21.9	12.8

Source: NSS round 27th to 68th and Annual PLFS report 2018-19

Note: * (star) indicates that data are not available.

Table 5 - B

Broad Industrial Distribution of Employed Persons (Rural Male and Female and Urban Male and Female) on usually Employed (ps+ss)

(All-India, in per cent %)

Broad industry division/Sectors	NSS round (survey period) and PLFS report	rural male	rural female	urban male	urban female
		usual status (ps+ss)		usual status (ps+ss)	
Electricity, gas, water supply & other utility services	32nd (1977-78)	0.2	*	1.1	0.1
	38th (1983)	0.2	*	1.1	0.2
	43rd (1987-88)	0.3	*	1.2	0.2
	50th (1993-94)	0.3	*	1.2	0.3
	53rd (1999-00)	0.2	*	0.8	0.2
	61st (2004-05)	0.2	0.0	0.8	0.2
	66th (2009-10)	0.2	0.0	0.7	0.4
	68th (2011-12)	0.3	0.1	1.4	1.0
	PLFS (2017-18)	0.5	0.0	1.3	0.6
	PLFS (2018-19)	0.4	0.2	1.2	0.5
Construction	32nd (1977-78)	1.7	0.6	4.2	2.2
	38th (1983)	2.2	0.7	5.1	3.1
	43rd (1987-88)	3.7	2.7	5.8	3.7
	50th (1993-94)	3.2	0.9	6.9	4.1
	53rd (1999-00)	4.5	1.1	8.7	4.8
	61st (2004-05)	6.8	1.5	9.2	3.8
	66th (2009-10)	11.3	5.2	11.4	4.7
	68th (2011-12)	13.0	6.6	10.7	4.0
	PLFS (2017-18)	14.5	5.3	11.7	4.1
	PLFS (2018-19)	15.4	6.0	11.6	4.1
Trade, repair, hotels and restaurants	32nd (1977-78)	4.0	2.0	21.6	8.7
	38th (1983)	4.4	1.9	20.3	9.5
	43rd (1987-88)	5.1	2.1	21.5	9.8
	50th (1993-94)	5.5	2.1	21.9	10.0
	53rd (1999-00)	6.8	2.0	29.4	16.9
	61st (2004-05)	8.3	2.5	28.0	12.2
	66th (2009-10)	8.2	2.8	27.0	12.1
	68th (2011-12)	8.0	3.0	26.0	12.8
	PLFS (2017-18)	9.2	4.0	24.5	13.0
	PLFS (2018-19)	9.8	4.3	25.2	13.8

Source: NSS round 27th to 68th and Annual PLFS report 2018-19

Note: * (star) indicates that data are not available.

Table 5-C

Broad Industrial Distribution of Employed Persons (Rural Male and Female and Urban Male and Female) on usually Employed (ps+ss) (in per cent %) All-India

Broad industry division/Sectors	NSS round (survey period) and PLFS report	rural male	rural female	urban male	urban female
		usual status (ps+ss)		usual status (ps+ss)	
Transport, storage, communication & services related to broadcasting	32nd (1977-78)	1.2	0.1	9.8	1.0
	38th (1983)	1.7	0.1	9.9	1.5
	43rd (1987-88)	2.0	0.1	9.7	0.9
	50th (1993-94)	2.2	0.1	9.7	1.3
	53rd (1999-00)	3.2	0.1	10.4	1.8
	61st (2004-05)	3.8	0.2	10.7	1.4
	66th (2009-10)	4.1	0.2	10.4	1.4
	68th (2011-12)	4.2	0.2	11.7	2.7
	PLFS (2017-18)	5.2	0.3	12.7	3.3
	PLFS (2018-19)	5.4	0.2	12.2	3.6
Other services ¹	32nd (1977-78)	5.3	3.0	24.3	26.0
	38th (1983)	6.1	2.8	24.8	26.6
	43rd (1987-88)	6.2	3.0	25.2	27.8
	50th (1993-94)	7.0	3.4	26.4	35.0
	53rd (1999-00)	6.1	3.7	21.0	34.2
	61st (2004-05)	5.9	3.9	20.8	35.9
	66th (2009-10)	5.5	4.6	21.9	39.3
	68th (2011-12)	6.4	5.2	21.4	39.6
	PLFS (2017-18)	7.6	8.9	21.5	44.4
	PLFS (2018-19)	8.0	9.1	22.3	45.6
All		100	100	100	100

Source: NSS round 27th to 68th and Annual PLFS report 2018-19

Note: * (star) indicates that data are not available.

3.3.4.4 Urban Male and Female Employment in Mining and Quarrying: The Table 5-A, shows that, during 1977-78, workers of urban male about 0.9 per cent were in mining and quarrying on the basis of usual status (ps+ss) and female workers employed by 0.5 per cent. During 1983, the proportion of urban males employment in mining and quarrying has increased significantly by 0.3 percentage points and total

¹ Other Services include Mutual Fund (MFs), Banking and Finance other than NBFCs and MFs and other services which are not indicated elsewhere under services (RBI, Handbook of statistics on Indian Economy 2020-21).

employment was 1.2 per cent and female participation has increased by 0.1 percentage points and total employment was 0.6 per cent. During 1993-94 to till 2009-10, there was a constant decline for urban male, till it rises 0.2 percentage points in 2011-12. It again declined by 0.3 percentage points in 2017-18. On the other hand, for urban female, 0.5 per cent was employed in mining and quarrying in 1977-78. It increased to 0.8 per cent in 1987-88, and then registered a decline at constant rate. In 2018-19 only 0.2 per cent urban female employed in mining and quarrying activity.

3.3.4.5 Rural Male and Female Employment in Manufacturing Sector: The Table 5-A, shows that during 1977-78, workers in rural area about 6.4 per cent of rural males were employed in the manufacturing sector on the basis of usual status (ps+ss) and female workers employed by 5.9 per cent. During 1983, the proportion of rural males and female employment in the manufacturing sector has increased by 7.0 per cent and 6.4 per cent of employed rural male and female respectively. It may further seen from the Table 5-A that for both workers rural male and female the percentage of workers employed in manufacturing sector did not show any significant trend. It however, around 7.0 per cent to 9.0 per cent till 2018-19, growth during 2018-19 for rural male and female, it is 7.3 per cent and 9.0 per cent respectively.

3.3.4.6 Urban Male and Female Employment in Manufacturing Sector: In urban areas, more proportion of workers is expected to work in manufacturing sector. Table 5-A reveal that during 1977-78 27.6 per cent of urban male and 29.6 per cent of urban female are working in manufacturing sector. It is quite evident that higher percentages of urban female are working in manufacturing sector compared to urban male. It is further seen that till 2011-12, nearly one-fourth of workers are engaged in manufacturing sector, there after it has been a constant declined. During 2018-19, 21.9 per cent urban male and only 12.8 per cent of urban female are engaged in this sector. Thus it is clear that for urban female engage, there has been a sharply declined in the percentage of workers engaged in manufacturing sector.

3.3.4.7 Rural Male and Female Employment in the Work of Electricity, Water Supply, etc.

Rural male employment was in electricity, gas, water supply, etc. during 1977-78 was less than percentage 0.2 per cent. During 1993-94 very negligible growth 0.1

percentage point has seen. And in 2018-19 it was 0.4 per cent for rural male and 0.2 per cent for female.

3.3.4.8 Urban Male and Female Employment in the Work of Electricity, Water Supply, etc.: In electricity, gas, water supply, etc. it can be seen that only insignificant percentage of workers both from urban male and female pursuing this occupation, while for urban male, it increase from 1.1 per cent to 1.2 per cent till 1993-94, and from urban female it is less than percent (from 0.1 per cent to 0.3 per cent). There was decline for urban male from 1999-2000 to 2009-10, and again share an increase. Even for urban female, there was and an increase from 0.3 per cent to 1.0 per cent in 2011-12 and a decline to 0.5 per cent in 2018-19.

3.3.4.9 Rural Male and Female Employment in the Work of Construction: The Table 5-B, shows that, during 1977-78 (32nd round report of NSSO) workers in rural area about 1.7 per cent of rural male employed in the work of construction, on the basis of usual status (ps+ss) and female workers employed by 0.6 per cent. During 1983, there had been a slight increase of both rural male and female, but in 1987-88 it increased significantly by 1.5 percentage points and 2.0 percentage points for rural male and female respectively. However, more significant increase has been observed in 2009-10 in construction of both male and female. During 2018-19, it was 15.4 per cent for rural male and 5.3 per cent for rural female. This indicates that more informal employment has been generated in construction sector after globalisation (1993-94).

3.3.4.10 Urban Male and Female Employment in the Work of Construction: The Table 5-B shows the trend is almost same in urban area. However, till 2004-05 more percentage of both urban male and female were employed in construction sector. And, 2009-10 onwards, the percentage of females is less than the percentage of male in construction sector. This clearly indicates that after globalisation higher work is generated in construction sector in rural area.

3.3.4.11 Rural Male and Female, Employment, in Service (Trade, Repair, Hotels and Restaurants): One will expect a few percentages of workers engaging hotel and restaurant in rural areas compared to urban areas. It can be observed from Table 04 (B) that there has been a constant increase in the percentage of workers in rural area male till 2004-05, from 4.0 per cent to 8.3 per cent. In this case of rural female also there has been constantly rise from 2.0 per cent in 1977-78 to 4.3 per cent in 2018-19.

In case of rural male, there was a rise from 8.0 per cent in 2011-12 to 9.8 per cent in 2018-19.

3.3.4.12 Urban Male and Female, Employment, in Service (Trade, Repair, Hotels and Restaurants): In urban area, approximately one-fourth of male worker are engaged in trade, repair, hotel and restaurant services. Higher percentage of worker engaged in this occupation was in 1999-2000 by 29.4 per cent. During 2018-19, 25.2 percentages of male workers are engaged in these services. However, compared to male, fewer proportion of female are engaged in trade, repair, hotel and restaurant in urban area. While it was 8.7 per cent in 1977-78, increased to 16.9 per cent in 1999-2000. Thereafter, it ranges between 12.2 per cent to 13.8 per cent sharing only a very smaller growth.

3.3.4.13 Rural Male and Female, Employment, in Service (Transport, Storage, Communication): The Table.5-C shows that, during 1977-78 workers in rural area about 1.2 per cent, employed, in service of transport, storage, communication on the basis of usual status (ps+ss) and rural female, employed by 0.1 per cent. Thereafter, there has been a constant increase in the proportion of worker under this component form rural male. During 1983 it was 1.7 per cent which is increased to 3.8 per cent in 2004-05 and further increased to 5.4 per cent in 2018-19 in latest PLFS survey. Across rural female only insignificant percentage of worker are engaged in transport, storage, communication service related to broad casting. While it was only 0.1 per cent in 1977-78 in increased to 0.3 per cent in 2018-19.

3.3.4.14 Urban Male and Female, Employment, in Service (Trade, Storage, and Communication): In urban areas, however more proportion of both male and female is engaged in trade, storage, communication and broadcasting services. This is because it is a urban oriented service. During 1977-78, 9.8 per cent urban male was in urban area engaged in these service which rose to 10.7 per cent in 2004-05. This was further rise to 12.2 per cent in 2018-19. Among urban females, only 1.0 per cent is engaged in these services during 1977-78. Which increased to 1.8 per cent in 1999-2000? After a decline to 1.4 per cent in 2004-05 it further increased to 3.6 per cent in 2018-19.

3.3.4.15 Rural Male and Female, Employment, in Other Service: The Table 5-C shows that, during 1977-78 workers in rural area about 5.3 per cent, employed, in

‘other service’, on the basis of usual status (ps+ss). In rural areas, however, there was a definite trend in the percentage of workers under this category. During 1993-94, it rose to 7.1 per cent for rural male from 5.3 per cent in 1977-78. It then declined to 5.5 per cent in 2009-10 and further showed an increasing trend till 2018-19. In 2018-19, it stood at 8.0 per cent.

In the rural female group, however, an increasing trend was observed. From 1977-78 to 2011-12, the proportion of rural male was higher in this “other service”. But after, 2011-12, the proportion of rural female was higher than rural male. It can be seen from the Table 5-C, and B. that during 1977-78 only 3.0 per cent rural female were engaged in “other services”, which increased to 3.9 per cent in 2004-05. Thereafter, it increased constantly to 9.1 per cent in 2018-19. During 2018-19, it is evident that rural female (9.1 per cent) are more than rural male (8.0 per cent).

3.3.4.16 Urban Male and Female, Employment, in Other Service²: One can see that in urban area, higher proportion of both male and female are engaged in “other services”. During 1993-94, maximum 26.4 per cent urban male was engaged in “other services” which declined to 20.8 per cent in 2004-05. Thereafter it increased to 21.5 per cent in 2017-18 and further it increased to 22.3 per cent in 2018-19. Interestingly a large chunk of urban female are employed to be engaged with “other services”. While it was 26.0 per cent in 1977-78, it increased to 35.0 per cent in 1993-94. However, after 2009-10, this has been a constant increase. During 2018-19, the latest PLFS data show 45.6 per cent of urban female engaged in “other services”.

In this appears from Table 5 (A, B, C) that in rural area employment are mostly rural oriented i.e. agriculture and construction activities. And, the urban area jobs are mostly urban oriented i.e. in the service sector. However, it clearly indicates that employment are gradually declining from agriculture and shifting to construction activity specially in rural area. On the other hand, manufacturing and service sector hold the key in the urban area for both male and female.

² Other Services include Mutual Fund (MFs), Banking and Finance other than NBFCs and MFs and other services which are not indicated elsewhere under services (RBI, Handbook of statistics on Indian Economy 2020-21).

3.3.5 UNEMPLOYED

In this section of this chapter, it deals the case of unemployment and its distribution on the basis of demography and gender. Estimation of unemployed obtained on following the three different approaches for classification of population by activity statuses on the basis of data available in NSS document. These are:

- (i) Number of persons unemployed in the *usual status (ps)*,
- (ii) Number of persons unemployed in the *usual status (ps+ss)*, and
- (iii) Number of persons unemployed in the *current weekly status*.

The first estimate indicates show the magnitude of the persons unemployed for a relatively long period during a reference period of year (365 days) and approximated to an indicator of the chronically unemployed. Second section of estimation is based on usual status considering principal and subsidiary statuses together and it is called as unemployed in usual status (ps+ss) which is conceptually be lower than the former. Third estimate of unemployed in current weekly status provides an average picture of unemployed persons in a short period of 7 days during the survey period. According to the current weekly status approach, a person was considered as unemployed in a week if he/she did not work even for one hour during the week but he/she was available for work at least for one hour during the week.

3.3.5.1. UNEMPLOYMENT RATES BASED ON USUAL STATUS (UP+SS)

Table 6 gives the unemployment rates as obtained from quinquennial survey of NSSO and PLFS survey (situation of employment and unemployment in India). In Table 06, unemployment data are divided in three category of usual principle status (ups or ps), usual principle and subsidiary status (ps+ss or usual status adjusted) and current weekly status (cws).

Table – 6

Unemployment Rate of Rural and Urban Male and Female

(All-India, in per cent %)

round (year)	unemployment rate					
	Male			Female		
	usual status (ps)	usual status (adj.)	CWS	usual status (ps)	usual status (adj.)	CWS
Rural						
1977-78 (27th)	2.2	1.3	3.6	5.5	2.0	4.1
1983 (38th)	2.1	1.4	3.7	1.4	0.7	4.3
1987-88 (43rd)	2.8	1.8	4.2	3.5	2.4	4.4
1993-94 (50th)	2.0	1.4	3.1	1.3	0.9	2.9
1999-00 (55th)	2.1	1.7	3.9	1.5	1.0	3.7
2004-05 (61st)	2.1	1.6	3.8	3.1	1.8	4.2
2009-10 (66th)	1.9	1.6	3.2	2.4	1.6	3.7
2011-12 (68th)	2.1	1.7	3.3	2.9	1.7	3.5
2017-18 (PLFS)	*	3.2	4.8	*	0.7	1.2
2018-19 (PLFS)	*	3.1	4.8	*	0.7	1.2
Urban						
1977-78 (27th)	6.5	5.4	7.1	17.8	12.4	10.9
1983 (38th)	5.9	5.1	6.7	6.9	4.9	7.5
1987-88 (43rd)	6.1	5.2	6.6	8.5	6.2	9.2
1993-94 (50th)	5.4	4.1	5.2	8.3	6.1	7.9
1999-00 (55th)	4.8	4.5	5.6	7.1	5.7	7.3
2004-05 (61st)	4.4	3.8	5.2	9.1	5.7	7.2
2009-10 (66th)	3.0	2.8	3.6	7.0	5.7	7.2
2011-12 (68th)	3.2	3.0	3.8	6.6	5.2	6.7
2017-18 (PLFS)	*	4.0	5.0	*	1.7	2.0
2018-19 (PLFS)	*	4.0	5.0	*	1.6	1.9

Source: NSS round 27th to 68th and Annual PLFS report 2018-19

Note: * (star) indicates that data are not available.

3.3.5.1.1. Unemployment Rate of Rural Males: Table 6 shows that, among the rural male, unemployment rate during 1977-78, on the basis of usual principal and subsidiary status (up+ss), registered by 1.3 per cent. Unemployment of rural male has increased by 0.8 percentage points on usual status (ps) from 1977-78 to 1987-88, and on the basis of usual status (ps+ss), during same period the unemployment rate of rural male increased by 0.5 percentage points. The unemployment rate of rural male has decreased to 2.1 per cent (declined by 0.7 percentage points) from 1987-88 to 2011-

12, on usual status, while on the basis of on the basis of (ps+ss) unemployment of rural male has registered by 1.7 per cent with very nominal fall. Unemployment rate of rural male has increased very significantly to 3.1 per cent from 2011-12 to 2018-19, on the basis of up+ss.

3.3.5.1.2. Unemployment Rate of Rural Female: Table 6 shows the unemployment rate among rural female, during 1977-78, unemployment rate of rural female was 5.5 per cent, on the basis of usual status, while on usual status (ps+ss, adjusted) unemployment has registered 2.0 per cent. Unemployment rate of rural female has decreased very significantly 4.1 percentage points during 1983, on the basis of usual status and total unemployment rate registered by 1.4 per cent, while the basis of usual status (ps+ss) unemployment of rural female has also decreased by 1.3 percentage points and total unemployed rural female registered by 0.7 per cent. Unemployment among rural female during period post-globalisation of 2004-05 was higher i.e. 3.1 per cent. During 2011-12, it was 2.9 per cent on basis of (adj.), the unemployment rate was higher in 1987-88 i.e. 2.4 per cent.

3.3.5.1.3. Unemployment Rate of Urban Male: Table 6 shows, the unemployment among urban male, on the basis of usual status (ps) and adjusted (ps+ss) registered by 6.5 per cent, and 5.4 per cent, during 1977-78. Unemployment rate has declined very significantly on the basis of usual status (ps) by 1.1 percentage points and also unemployment rate declined significantly 1.3 percentage points on usual status adjusted (ps+ss) during period of 1977-78 to 1993-94. During 2004-05 unemployment rate has decreased 1.0 percentage points (1993-94 to 2004-05) on usual status and on usual status (ps+ss) and declined to 3.8 per cent. Significant fall in unemployment rate in urban male has registered during 2009-10 by 1.4 percentage points on the basis of usual status (ps) and 1.0 percentage points on the basis of usual status adjusted (ps+ss), and total unemployment in urban male has registered by 3.0 per cent and 2.8 per cent respectively. During 2017-18, unemployment rate has increased significantly by 1.2 percentage points, from 2009-10, on the basis of usual status adjusted (ps+ss), and total unemployment rate has registered by 4.0 per cent. And during 2018-19, unemployment rate urban male registered constant from the previous report of 2017-18.

3.3.5.1.4. Unemployment Rate in Urban Female: Table 6 provides estimates about unemployment rate of urban female on the basis of usual principal status (ps) and usual status (ps+ss.). Unemployment among urban female on basis of both methods usual status (ps) and adjusted (ps+ss) registered very high, 17.8 per cent and 12.4 per cent, during 1977-78. During 1993-94 unemployment rate of urban female has registered by 8.3 per cent on usual status (ps) with very significant fall of 9.5 percentage points from 1977-78 to 1993-94, and on usual status (ps+ss) has declined to 6.1 per cent with fall of 6.3 percentage points during same period. Unemployment rate of urban female has increased 0.8 percentage points during 1993-94 to 2004-05, on the basis of usual status (ps), while unemployment rate on the basis of usual status (ps+ss) has decreased by 0.4 percentage points, during same period. During 2011-12 unemployment rate of urban female has decreased significantly by 2.5 percentage points on usual status (ps) (2004-05 to 2011-12), and on usual status (ps+ss) 0.5 percentage points fall has registered. 2018-19, unemployment rate of urban female has decreased very significantly 0.1 percentage points from 2011-12 to 2018-19, and total unemployment rate in urban female has registered by 1.6 per cent, on the basis of usual status (ps+ss).

3.3.5.2 UNEMPLOYMENT RATE BASED ON CURRENT WEEKLY STATUS (CWS)

Table 06 provide estimate of unemployment rate also on the basis of short recall period, current weekly status (CWS).

3.3.5.2.1. Unemployment rate in rural male and female:

Table 6 show the unemployment rate among rural male on the basis of CWS, during 1977-78 registered by 3.6 per cent, while for rural female registered 0.5 percentage points more than the male and total unemployment rate of rural female has registered by 4.1 per cent. Unemployment rate of rural male and female has decreased 0.5 percentage points and 1.2 percentage points during 1977-78 to 1993-94, and total unemployment rate has registered by 3.1 per cent and 2.9 per cent respectively. Unemployment rate of rural male, has increased by 0.7 percentage points, from 1993-94 to 2004-05, while unemployment rate of rural female has increased significantly 1.3 percentage points during same period, and total unemployment rate of rural male and female has registered by 3.8 per cent and 4.2 per cent respectively.

Unemployment rate of rural male and female has decreased 0.5 percentage points and 0.7 percentage points, from 2004-05 to 2011-12. During 2018-19, unemployment rate of rural male and female, a significantly changed, from 2011-12, one side unemployment rate of rural male has increased significantly by 1.5 percentage points while rural female, unemployment rate has decreased significantly by 2.3 percentage points, and total unemployment rate of rural male and female has registered by 4.8 per cent and 1.2 per cent respectively.

3.3.5.2 Unemployment rate in urban male and female:

The Table 6 shows unemployment rate of urban male and female on the basis of current weekly status (CWS) from 1977-78 to 2011-12, and 2017-18 to 2018-19. During 1977-78 it has registered by 7.1 per cent of urban male and 10.9 per cent of urban female on the basis of CWS. Unemployment rate of urban male and female during 1993-94 has decreased significantly by 1.9 percentage points of male and 3.0 percentage points of female from 1977-78 to 1993-94, and total unemployment rate in urban male and female has registered by 5.2 per cent and 7.9 per cent. Unemployment rate of urban male has decreased significantly by 1.6 percentage points on the basis of CWS from 1993-94 to 2009-10, while unemployment rate of urban female declined by 0.7 percentage points during same period, and total unemployment rate of urban male and female has registered by 3.6 per cent and 7.2 per cent respectively. During 2011-12, unemployment rate of urban male and female has registered inversely, urban male unemployment rate has increased by 0.2 percentage points from 2009-10, while unemployment rate in urban female has decreases by 0.5 percentage points, and total unemployment rate of urban male and female has registered by 3.8 per cent and 6.7 per cent. Unemployment rate of urban male has increased by 1.4 percentage points, while urban female unemployment has decreased very significantly 5.3 percentage points from 2009-10 to 2018-19, and total unemployment rate of urban male and female has registered by 5.0 per cent and 1.9 per cent respectively.

3.3.5.3 UNEMPLOYMENT RATES AMONG THE EDUCATED

The educated are those persons who have attained an educational level of secondary and above including those who completed diploma/certificate course. In Table 7-A and B, data obtained from the various rounds report of NSS from 1987-88 to 2011-12 and from PLFS report 2017-18 to 2018-19.

The Table 7-A, and 6-B show unemployment rate among educated male and female of rural and urban on the basis of usual status (ps), usual status (adjusted or ps+ss) and current weekly status (CWS) of age 15 years and above.

3.3.5.3.1 Unemployment Rate among Educated Male and Female:

It is seen from Table 7-A, B, that, for each category of persons, the unemployment rates among the educated (secondary and above) of all have declined (on usual status and adjusted) in 1993-94 as compared to 1987-88. The decline was sharper for the females than for males in rural area. In the usual status (ps) and adjusted or ps+ss, the unemployment rate for educated rural males was 11.4 per cent and 7.4 per cent during 1987-88 which declined to 8.8 per cent and 6.5 per cent during 1993-94. For educated rural females, the decrease in the unemployment rate was very significant from 34.1 per cent in 1987-88 to 24.9 per cent and 16.0 per cent in 1993-94. For educated males, the unemployment rate in the urban areas came down to 6.9 per cent and 6.0 per cent on usual status (ps) and (adjusted or ps+ss) in 1993-94 from 8.3 per cent and 7.2 per cent in 1987-88. For the educated females in the urban areas, the unemployment rate was unchanged during this period 1987-88 to 1993-94 in the educated level “secondary and above”.

Table 7 – A

Educated Unemployed Age of 15 Years and Above (Rural Male and Female, and Urban Male and Female on Usually Employed (ps) and (ps+ss) in India (in per cent %)

Education level	1987-88			1993-94			1999-00		
	usual status (ps)	usual (adj.)	CWS	usual status (ps)	usual (adj.)	CWS	usual status (ps)	usual (adj.)	CWS
rural male									
not literate	0.9	0.5		0.3	0.2	1.8	0.4	0.3	3.0
literate & up to primary	2.1	1.3		0.8	0.4	1.9	1.1	0.9	3.0
Middle	5.4	3.5		3.0	2.2	3.8	2.8	2.3	4.3
secondary & above	11.4	7.4		8.8	6.5	8.3	6.8	5.6	7.3
rural female									
not literate	2.4	1.7		0.2	0.2	2.2	0.2	0.1	2.7
literate & up to primary	3.5	1.8		1.0	0.5	2.6	0.9	0.6	2.6
Middle	13.7	7.7		5.3	3.0	5.3	4.7	3.2	5.5
secondary & above	34.1	24.1		24.9	16.0	19.8	20.4	14.6	16.9
urban male									
not literate	1.8	1.5		1.1	0.9	2.2	1.4	1.3	3.1
literate & up to primary	4.6	3.8		2.5	2.3	3.5	3.0	2.8	4.1
Middle	8.8	7.6		5.7	5.4	6.4	5.6	5.2	6.4
secondary & above	8.3	7.2		6.9	6.0	7.0	6.6	6.2	6.9
urban female									
not literate	2.1	1.0		0.4	0.3	2.2	0.6	0.5	2.0
literate & up to primary	6.4	4.3		4.5	2.9	4.8	2.5	1.9	3.6
Middle	21.6	14.3		15.7	10.9	13.4	11.1	7.9	10.2
secondary & above	21.9	17.8		21.9	17.8	19.6	16.3	14.3	15.8

Source: NSS round 27th to 68th and Annual PLFS report 2018-19.

Note: * (star) indicates that data are not available.

Table 7 – B

Educated Unemployed Age of 15 Years and Above (Rural Male and Female, and Urban Male and Female on Usually Employed (ps) and (ps+ss) in India (in per cent %)

Education level	2004-05			2009-10			2011-12			2017-18	2018-19
	usual status (ps)	usual (adj.)	CWS	usual status (ps)	usual (adj.)	CWS	usual status (ps)	usual (adj.)	CWS	usual (adj.)	usual (adj.)
rural male											
not literate	0.4	0.3	2.7	0.5	0.3	2.1	0.5	0.5	2.2	1.7	1.4
literate & up to primary	1.3	1.0	3.0	1.1	1.0	2.6	1.2	1.0	2.6	3.1	2.7
Middle	2.4	1.6	3.9	2.2	1.8	3.4	2.1	1.8	3.6	5.7	5.3
secondary & above	5.9	4.4	6.5	4.1	3.5	4.8	4.5	3.6	4.8	10.5	10.1
rural female											
not literate	0.7	0.2	2.5	0.3	0.0	1.9	0.7	0.2	2.0	0.1	0.0
literate & up to primary	2.4	1.1	3.1	1.0	0.5	2.4	1.2	0.3	1.3	0.6	0.6
Middle	5.9	3.4	5.9	3.8	2.3	4.5	4.2	2.5	4.2	3.7	1.7
secondary & above	23.1	15.2	18.2	15.7	11.8	14.3	14.4	9.7	12.3	17.3	16.6
urban male											
not literate	1.2	1.0	2.8	1.0	1.0	2.2	0.7	0.7	2.3	2.1	3.4
literate & up to primary	2.3	2.1	3.7	1.8	1.6	2.6	2.1	1.9	2.9	3.6	3.4
Middle	4.9	4.2	6.2	2.7	2.6	3.5	2.3	2.2	3.1	6.0	5.4
secondary & above	6.0	5.1	6.2	3.8	3.6	4.2	4.4	4.0	4.7	9.2	9.2
urban female											
not literate	0.8	0.3	2.5	1.0	0.9	1.8	1.0	0.4	1.8	0.8	0.9
literate & up to primary	4.1	2.9	4.0	1.1	0.5	2.5	2.1	1.3	3.2	1.3	1.5
Middle	12.1	8.0	9.9	5.1	3.7	5.2	4.5	3.0	5.1	5.1	4.3
secondary & above	19.4	15.6	17.9	13.9	12.2	13.7	11.9	10.3	11.6	19.8	17.6

Source: NSS round 27th to 68th and Annual PLFS report 2018-19, and

Note: * (star) indicates that data are not available.

It is seen from Table 7-A, B, that, for each category of persons, the unemployment rates among the educated (secondary and above) have declined in 2011-12 as compared to 1999-2000. The decline was more for the females than for the males. In the usual status (adjusted or ps+ss), the unemployment rate for educated rural males was 5.6 per cent during 1999-2000 which declined to 3.6 per cent during 2011-12. For educated rural females, the decreased in the unemployment rate was from 14.6 per cent in 1999-2000 to 9.7 per cent in 2011-12. For educated males, the unemployment rate in the urban areas declined to 4.0 per cent in 2011-12 from 6.2 per cent in 1999-2000. For the educated females in the urban areas, the unemployment rate dropped from 14.3 per cent in 1999-2000 to 10.3 per cent in 2011-12.

It is seen from Table 7-A, B, that, for each category of persons, the unemployment rates among the educated have declined in 2018-19 as compared to 2017-18. The decline was more for the females than for the males. In the usual status (adjusted), the unemployment rate for educated rural literate and upto primary was 3.1 per cent during 2017-18 which came down to 2.7 per cent during 2018-19. For educated rural females, the unemployment rate was constant. For educated males, the unemployment rate in the urban areas (middle) came down to 5.4 per cent in 2018-19 from 6.0 per cent in 2017-18. For the educated females in the urban areas, the unemployment rate dropped from 19.8 per cent in 2017-18 to 17.6 per cent in 2018-19, for secondary and above.

3.4 CONCLUSION

Major findings of this chapter are that: after the period of globalisation economic growth has increased in average from the pre-economic reform period. Labour force participation ratio during period of post-globalisation on the basis of demographic analysis has declined of rural female in comparison to urban female on the basis of both criterion usual status (ps+ss) and current weekly status (CWS), while labour force participation ratio of rural male has registered almost constant. Labour force participation ratio of urban male has increased during the period of post-globalisation and urban female labour force participation ratio during economic reform and post-globalisation period has decreases before 2004-05 and after decline of LFPR in this period of 2004-05, LFPR of urban female has increased continue till 2018-19. Employment by categories of self-employed was average more than 55 per cent. In

category of casual labour work, all India employment has registered on average around 30 per cent and in regular wage/salaried employees, workers on average employed by 10.0 per cent.

In employed by sector, agriculture sector is one of the sectors which has provided highest employment to rural male and female, while rural female has employed more than 70.0 per cent in agriculture and allied activities and rural male employed on average 55.0 per cent. Employment has continued to decrease in this sector. Urban female employed in this sector on average 10.0 per cent, employment also has decreased in this sector of both urban male and female. Urban female were employed more than urban male in this sector in agriculture sector. Manufacturing sector is second after agriculture and allied which has provided highest employment, growth in employment has declined after 2011-12 for both urban male and female, while urban male employed more than urban female. In rural male and female growth has registered in employment of both. Employment in service sector has registered with continuous growth of both rural male, rural female and urban male and female. Urban male were more employed than urban female and also rural male employed more than rural female in this sector.

Unemployment rate among urban male and female is higher than the unemployment rate among rural male and female. Further, it was higher under CWS criterion than the Principal status criterion. The rate of unemployment for educated under “secondary and above” is higher across both rural and urban areas for both male and female.



CHAPTER 4
GROWTH OF OUTPUT AND
EMPLOYMENT



CHAPTER - IV

GROWTH OF OUTPUT AND EMPLOYMENT

4.1 INTRODUCTION

It is well known from the GDP data that the long-term growth rate of Gross Domestic Products of India has been steadily increasing over the past three decades. The process of GDP growth since 1981-82 to present is dealt in Chapter IV, the long-term average growth rate of GDP (1981-82 to 2020-21) has grown at the rate of 6.13 per cent in real terms (constant price 2011-12). The growth of output peaked at a rate of 8.8 per cent in 1999-2000. On the perspectives of employment the economy has not achieved inclusive growth. Most of employment has evident from unorganised sector, and labour market reveals that out of them more than 90 per cent of nature of work is informal. This means they have no social security and also employment guarantee. The sectoral share of employment show that the primary sector has all-time provided more employment than its share of GVA. While very significant growth in service sector has registered in both share of GVA and employment and share of secondary sector (manufacturing sector) in GVA and employment was lower than what has expected from the manufacturing sector implementation of New Economic Policy or economic reforms. In fact, during post-globalisation and economic reforms period, employment growth has declined continue with practice of capital intensive production, which has increased productivity of labour but demands of labour has declined. The employment elasticity show that economy has provided less employment opportunity with growth of GDP.

4.2 Data Source and Methodology

Data are collected from the different round report of NSSO on situation of employment and unemployment in India (quinquennial report) and Periodic Labour Force Survey of India, INDIA KLEMS data base (KLEMS is an abbreviation for K = capital, L = labour, E = energy, M = materials, and S = services), and from reports of government and research papers.

This chapter is planned as follows: after the brief introduction in Section I, and detailing of the data source and methodology in Section II, the discussion in Section III revisits the structure and growth of output in the economy. Section III, deals the scenario of balance of payment during pre and post-economic reform and globalisation, While the trends of employment by structure and distribution of employment are given in Section IV, of this chapter deals with share of GVA and employment by sectors during pre and post-globalisation period, in Section V, growth in employment and GVA in fourth section, in Section VI of this chapter explain employment response with change of GVA (employment elasticity). VII Section of this chapter deals the nature of employment (formal and informal) in organised and unorganised sector and facts about it. And, finally the conclusion of this chapter is given in Section VIII.

4.3 GDP Growth Rate during Pre and Post-Globalisation

Table 1
GDP Growth Rate (Constant Price 2011-12)

Year's	Growth Rate of GDP	Year's	Growth Rate of GDP	Year's	Growth Rate of GDP
1981-82	6.0	1996-97	7.5	2011-12	5.2
1982-83	3.5	1997-98	4.0	2012-13	5.5
1983-84	7.3	1998-99	6.2	2013-14	6.4
1984-85	3.8	1999-00	8.8	2014-15	7.4
1985-86	5.3	2000-01	3.8	2015-16	8.0
1986-87	4.8	2001-02	4.8	2016-17	8.3
1987-88	4.0	2002-03	3.8	2017-18	7.0
1988-89	9.6	2003-04	7.9	2018-19	6.1
1989-90	5.9	2004-05	7.9	2019-20	4.0
1990-91	5.5	2005-06	7.9	2020-21	-7.3
1991-92	1.1	2006-07	8.1		
1992-93	5.5	2007-08	7.7		
1993-94	4.8	2008-09	3.1		
1994-95	6.7	2009-10	7.9		
1995-96	7.6	2010-11	8.5		

Source: National Accounts Statistics (NAS) Back Series, 2011 and National Accounts Statistics 2018, CSO, and press note on provisional estimates of annual national income 2020-21 and quarterly estimates of gross domestic product for the fourth quarter (q4) of 2020-21.

The growth rate during pre-globalisation in India was peaked at 9.6 per cent recorded in the year of 1988-89 at constant price (2011-12), average growth rate of GDP during period of pre-globalisation (1981-82 to 1990-91) decadal growth rate registered 5.53 per cent. On the basis of Table 1 during post-globalisation peaked GDP growth rate of India at 8.8 percent in the year of 1999-00 at constant price (2011-12) and average growth rate of GDP during 1991-92 to 2020-21, of first decade growth rate during period of post-globalisation, registered 6.45 per cent, which is higher than pre-globalisation in India. The average GDP growth rate show that the Indian economy has benefited from the policy of globalisation and its size GDP in absolute number has increased at faster rate.

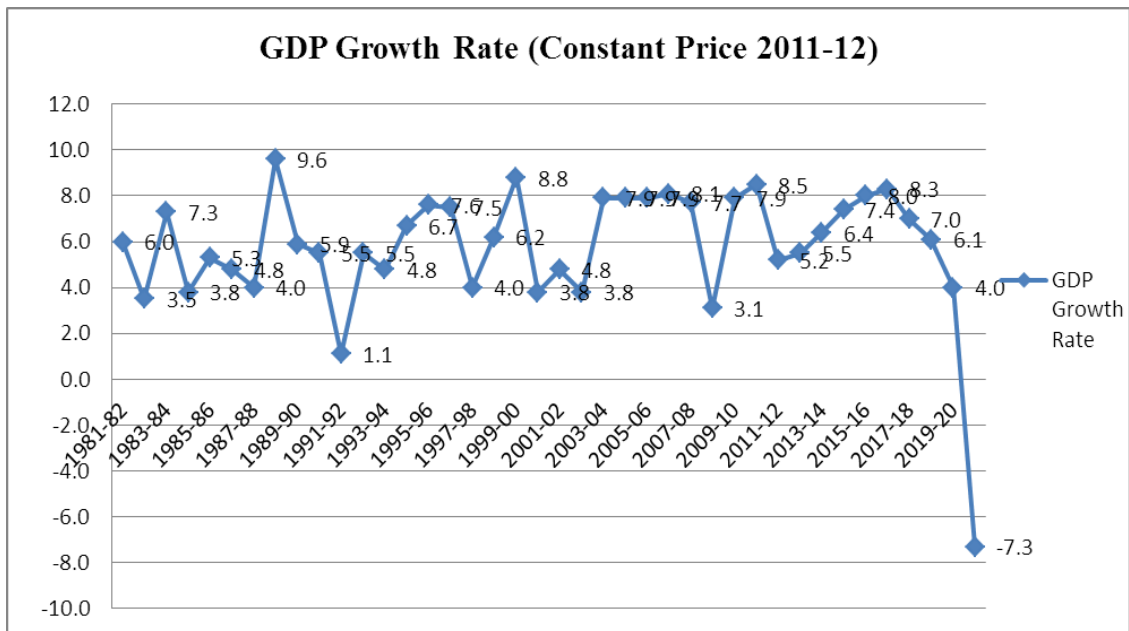
The decadal growth rate of GVA during post-globalisation (1991-92 to 2000-01, 6.40 per cent), (2001-02 to 2010-11, 7.02 per cent, and 2011-12 to 2020-21, 6.74 per cent) show that the economy has enhanced after the policy of the LPG. Post globalisation India has received high capital investment through FDI, which results that capital labour ratio has much increased. The capital intensive investment in the manufacturing sector has increased productivity of labour and total output, profitability and finally accelerated the GDP growth rate on the one side, and on the other hand capital intensive investment has replaced labour from the manufacturing sectors, especially from the automobile, textile, and many other modern sectors of economy.

From the Figure 1, GDP growth rate at constant price (2011-12), it shows that the GDP growth rate path fluctuated over the all years during pre-globalisation, growth rate was achieved 6.0 per cent in year of 1981-82 and then growth rate has decline from 6.0 per cent to 3.5 per cent in year 1982-83. The Growth rate peaked 9.6 per cent during the year 1988-89 at constant price (2011-12).

Post globalisation GDP growth rate 1.1 per cent recorded in first year of 1991-92 on the constant price (2011-12), which is very lowest growth rate on the comparison to last decades of pre-globalisation. The peaked growth rate was 8.8 per cent per annum recorded in the year 1999-2000 at the constant price (2011-12) post globalisation in India. During the global economic crisis in 2008, the GDP growth rate has slipped from 7.7 per cent in 2007-08 to 3.1 per cent in 2008-09, and GDP growth has recovered to 7.9 per cent in 2009-10 and average GDP growth rate 6.2 per cent

achieved in post globalisation period. From the Q4 of 2016-17, the GDP growth rate has continuously declined, from 8.3 per cent in 2016-17 to 5.0 per cent per in 2019-20. The decreasing growth rate of GDP in India was primarily due to adoption of monetary and fiscal policy by the Government of India. Demonetisation was an important land mark which the Government of India adopted on 08 November 2016.

Figure No.1



Source: National Accounts Statistics (NAS) Back Series, 2011 And National Accounts Statistics 2018, CSO, And Press Note On Provisional Estimates Of Annual National Income 2020-21 And Quarterly Estimates Of Gross Domestic Product For The Fourth Quarter (Q4) Of 2020-21.

Although reforms in the Industrial sector has taken place before the globalisation, yet a concrete shift toward liberalisation policy, entailing the implantation of various measures such as the abolition of licensing, rationalisation of the tariff structure, near complete import liberalisation remaining the agricultural products, opening up of major sectors for Foreign Direct Investment (FDI), reforms of exchange rate, capital market reforms and financial market reforms is signals to introduction of a comprehensive framework is a marking shift towards a new industrial policy. With the introduction of new industrial policy, the industrial sector registered average growth rate more than 7.0 per cent during the post globalisation and economic reform period as against 6.22 per cent of industrial average growth during the period of pre-globalisation last decades.

4.4 India Foreign Trade and Trade Balance

India foreign trade and trade balance in this section in Table 2 and Figure 2 presented, it reveal the gains and loss of India from openness of market at global level.

Table 2

India Foreign Trade Balance during Pre and Post-Globalisation

(Rupees in Crores)

Year's	Exports	Imports	Trade Balance	Year's	Exports	Imports	Trade Balance
1981-82	7806	13608	-5802	2001-02	209018	245200	-36182
1982-83	8803	14293	-5490	2002-03	255137	297206	-42069
1983-84	9771	15832	-6061	2003-04	293367	359108	-65741
1984-85	11744	17134	-5390	2004-05	375340	501065	-125725
1985-86	10895	19658	-8763	2005-06	456418	660409	-203991
1986-87	12452	20096	-7644	2006-07	571779	840506	-268727
1987-88	15674	22244	-6570	2007-08	655864	1012312	-356448
1988-89	20232	28235	-8003	2008-09	840755	1374436	-533681
1989-90	27658	35328	-7670	2009-10	845534	1363736	-518202
1990-91	32558	43193	-10635	2010-11	1142922	1683467	-540545
1991-92	44042	47851	-3809	2011-12	1465959	2345463	-879504
1992-93	53688	63375	-9687	2012-13	1634318	2669163	-1034845
1993-94	69751	73101	-3350	2013-14	1905011	2715434	-810423
1994-95	82674	89971	-7297	2014-15	1896445	2737087	-840642
1995-96	106353	122678	-16325	2015-16	1716384	2490306	-773922
1996-97	118817	138920	-20103	2016-17	1849434	2577675	-728241
1997-98	130101	154176	-24075	2017-18	1956515	3001033	-1044518
1998-99	139753	178332	-38579	2018-19	2307726	3594675	-1286949
1999-00	159561	215237	-55676	2019-20	2218233	3355762	-1137529
2000-01	203571	230873	-27302				

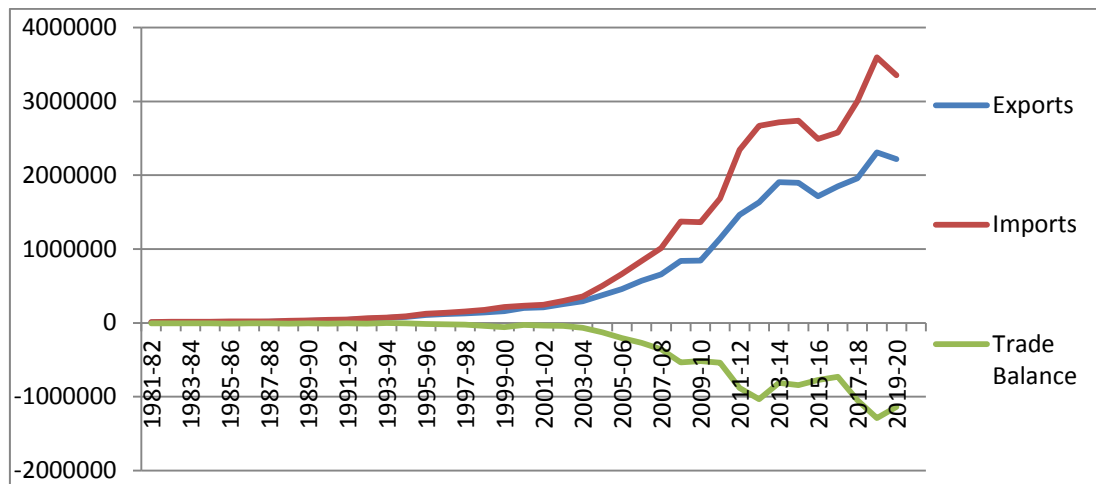
Source: Directorate General of Commercial Intelligence and Statistics.

Note: Data for 2018-19 and revised and for 2019-20 are provisional.

The Indian government has decided to open its economy at global market during 1991, in facts due to crisis of balance of payment. At the eve of the globalisation, the Indian economy has faced with shortage of forex reserve. Policy makers have suggested that globalisation will provide market for domestic product in other country and through open market, economy would attract foreign investment in its modern sector. Post three decades of the globalisation the export of India at all-time lower than its imports. The import of India has grown all-time since period of globalisation.

Figure 2

India Foreign Trade during Pre-and Post-Globalisation



Source: Directorate General of Commercial Intelligence and Statistics.

Note: Data for 2018-19 and revised and for 2019-20 are provisional.

The Table 2, show that the trade balance of India, during period of pre-globalisation in 1981-82, the trade balance was -5802 crores, which during the eve of globalisation has reached to -10635 crores. During post-globalisation of one decade during 2001-02, the trade balance has further has widen to -36182 crores and after two decades during 2011-12, the trade balance has also widen to -540545 crores and last data available on trade balance, of India during 2019-20, show that the trade balance was reached to -1137529 crores. The export of India has increased much larger during the Post-Globalisation period, while import of India extended large than its exports. During the Post-Globalisation the trade balance has extended continuously.

The trends lines of India foreign trade is shown in Figure 2 which indicate that during the period of pre and post-globalisation the export was all-time lower than it imports. The trade balance of has widen during the period of post-economic reform and globalisation, which indicates that the economy export was less than imports. It also reveals under-development of industrial capacity and lack of necessary goods and services production. The major import of India, includes crude oil, consumer good, electronic parts, chip, semiconductors, heavy machinery and its parts and equipments, services, medical equipments etc.

4.5 EMPLOYMENT AND GVA

4.5.1 Sectoral Share of GVA and Employment

In Table 3 sectoral economy and activity are presented, which show, share of sectors in GVA and employment. Activities of these sectors classified on the basis of NIC-2008 (National Industrial Classification). The Primary Sector of economic activity includes agriculture, forestry, fishing, mining and quarrying. The Secondary Sector includes all manufacturing activities like: food products, beverages, tobacco, textiles, apparel and leather, metal products, machinery and equipment, and other manufacturing goods. And, the Tertiary Sector include all services like: electricity, gas, water supply & other utility services, construction, trade, repair, hotels and restaurants, transport, storage, communication & services related to broadcasting, financial services, real estate, ownership of dwelling & professional services, public administration and defence and other services.

The Table 3 shows the share of primary sector in total GVA in real terms (price 2011-12). During the period of pre-globalisation, the share of primary sector in 1981-82 was 46.5 per cent in total GVA in real terms and employment share was 70.0 per cent.

The share of GVA of secondary sector during same period was 14.6 per cent and share of employment was 10.5 per cent. The share of Tertiary Sector in GVA and employment during this period was 42.4 per cent of GVA and 19.5 per cent. In comparison, to other sectors (secondary and tertiary sector) primary sector has provided more employment than its share of GVA. At the eve of Globalisation and LPG policies during 1990-91, the share of primary sector in total GVA has declined by 5.8 percentage points and share of employment of primary sector has decreased by 4.7 percentage points (1981-82 to 1990-91), which indicates that the development of its modern sector in Indian economy. The growth in share of GVA in real terms from 1981-82 to 1990-91 at the eve of Globalisation in 1990-91 of Secondary and Tertiary Sector has registered by 0.8 percent point and 5.5 percent point and growth of employment in the secondary sector has registered very nominal by 0.2 percent point, while significant growth has registered in share of tertiary sector by 4.5 percent point in total employment.

Table 3
Share of GVA and Employment by Sector

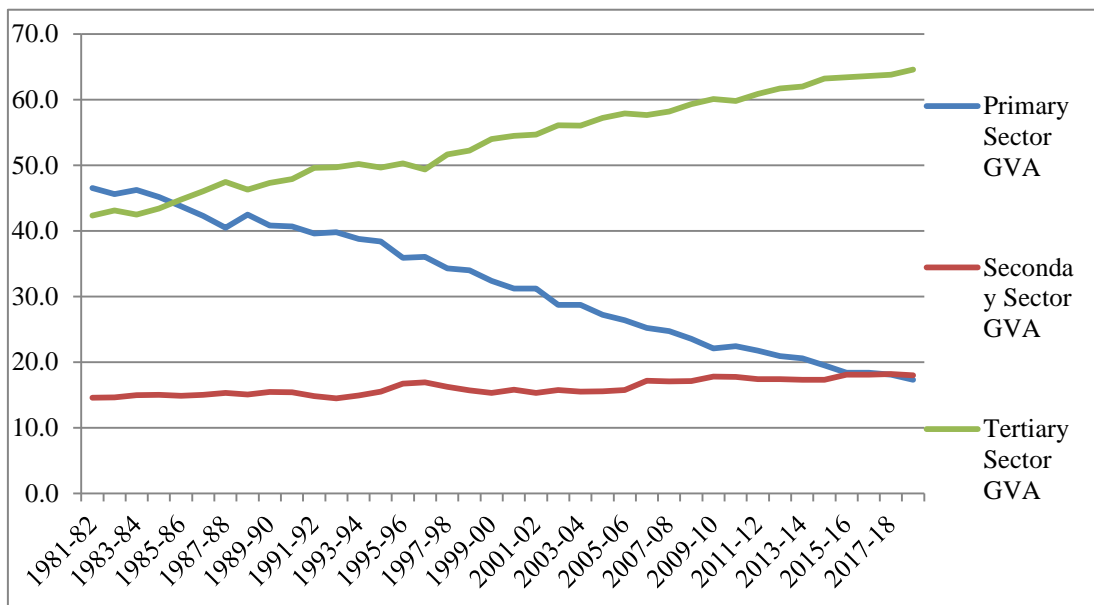
(All-India, in per cent %)

Year's	Primary sector		Secondary Sector		Tertiary Sector		Year's	Primary sector		Secondary sector		Tertiary sector	
	GVA	Employed	GVA	Employed	GVA	Employed		GVA	Employed	GVA	Employed	GVA	Employed
1981-82	46.5	70.0	14.6	10.5	42.4	19.5	2000-01	31.2	59.9	15.8	10.9	54.5	29.1
1982-83	45.6	69.6	14.6	10.6	43.1	19.9	2001-02	31.2	59.3	15.3	11.0	54.7	29.6
1983-84	46.3	69.1	15.0	10.6	42.5	20.4	2002-03	28.7	58.7	15.8	11.1	56.1	30.2
1984-85	45.2	68.3	15.0	10.7	43.4	21.0	2003-04	28.7	58.0	15.5	11.3	56.0	30.7
1985-86	43.7	67.6	14.9	10.8	44.8	21.6	2004-05	27.2	57.3	15.6	11.4	57.2	31.3
1986-87	42.3	66.8	15.0	10.9	46.0	22.3	2005-06	26.4	56.2	15.7	11.4	57.9	32.3
1987-88	40.5	65.9	15.3	11.0	47.5	23.1	2006-07	25.2	55.0	17.1	11.5	57.6	33.5
1988-89	42.5	65.6	15.1	10.9	46.3	23.5	2007-08	24.7	53.8	17.1	11.5	58.2	34.7
1989-90	40.8	65.4	15.5	10.8	47.3	23.8	2008-09	23.6	52.5	17.1	11.6	59.3	35.9
1990-91	40.7	65.3	15.4	10.7	47.9	24.0	2009-10	22.1	51.2	17.8	11.7	60.1	37.1
1991-92	39.6	65.1	14.8	10.6	49.6	24.3	2010-11	22.4	49.8	17.7	11.7	59.8	38.5
1992-93	39.8	64.9	14.5	10.5	49.7	24.6	2011-12	21.7	48.4	17.4	11.8	60.9	39.8
1993-94	38.8	64.7	14.9	10.4	50.2	25.0	2012-13	20.9	47.4	17.4	11.7	61.7	40.9
1994-95	38.4	64.1	15.5	10.4	49.7	25.5	2013-14	20.6	46.5	17.3	11.6	62.0	41.9
1995-96	35.9	63.5	16.7	10.5	50.3	26.0	2014-15	19.5	45.6	17.3	11.6	63.2	42.8
1996-97	36.1	62.8	16.9	10.6	49.4	26.6	2015-16	18.4	44.7	18.1	11.5	63.4	43.8
1997-98	34.3	62.1	16.3	10.6	51.7	27.3	2016-17	18.4	43.7	18.1	11.5	63.6	44.8
1998-99	34.0	61.4	15.7	10.7	52.2	27.9	2017-18	18.1	42.7	18.2	11.5	63.8	45.8
1999-00	32.4	60.6	15.3	10.8	54.0	28.6	2018-19	17.3	41.7	18.0	11.2	64.6	47.2

Source: Own estimated based on INDIA KLEMS database 2020 & National Account Statistics back series data 2011-12, NAS 2020.

Figure 3

Share of GVA of Primary, Secondary and Tertiary Sectors



Source: Own estimated based on INDIA KLEMS database 2020 & National Account Statistics back series data 2011-12, NAS 2020.

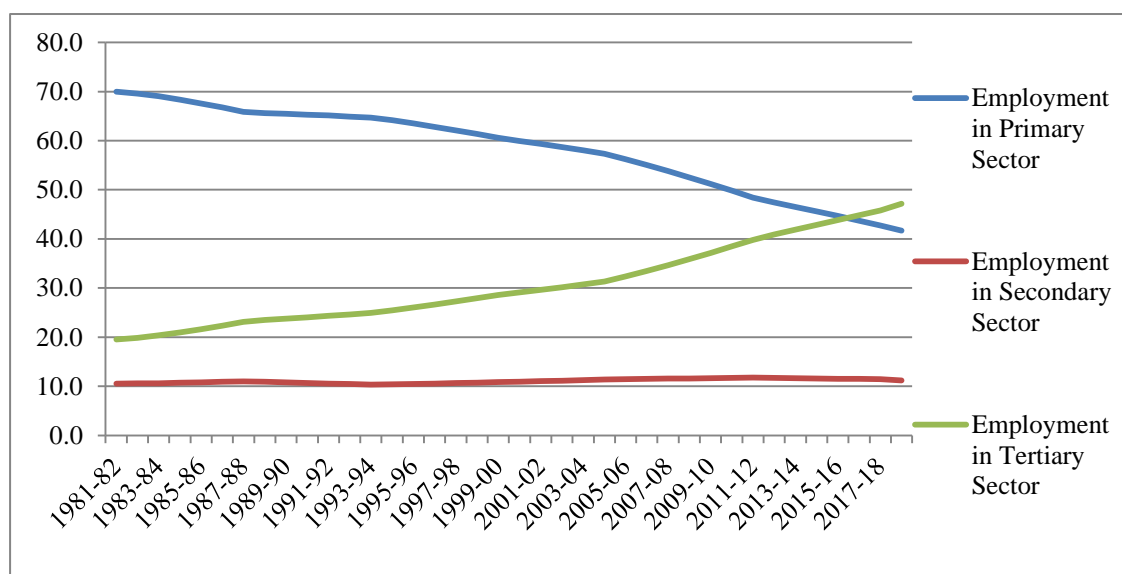
The share of primary sector in total GVA during period of Globalisation (LPG policy) 2000-01 has decreased very significant, it was 31.2 per cent. The share of employment has also declined significantly and it was 59.9 per cent. During the period 2000-01, primary sector also has provided employment more than its share of GVA. The share of GVA for secondary sector was 14.8 per cent in 1991-92, which was increased to 17.4 per cent in 2011-12, and further to 18 per cent in 2018-19. This is a very sharp increase in the share of GVA by secondary sector. The share of GVA of service sector was 49.6 per cent during 1991-92, which was increased to 60.9 per cent in 2011-12. The share further rose to 64.6 per cent in 2018-19.

After, almost two decades of Globalisation (1991-92 to 2011-12) the share of primary sector in total GVA has decreased significantly by 17.9 percentage points. The share of GVA was 39.6 per cent in 1991-92 which declined to 21.7 per cent in 2011-12. The share of GVA of primary sector further decreased to 17.3 per cent in 2018-19. The share of employment on the other hand, declined by 16.7 percentage points during same period of primary sector, the share of employment further decrease to 41.7 per cent in 2018-19.

Share of employment of Secondary sector was 10.6 per cent during 1991-92, which increased to 11.8 in 2011-12. The share of Secondary sector in GVA declined to 11.2 per cent in 2018-19. The share of Tertiary sector during this period (1991-92 to 2011-12) increased significantly by 15.5 percentage points. The share of employment of tertiary sector was 24.3 per cent in 1991-92, which increased to 39.8 per cent in 2011-12. The share of employment of service sector has further increased to 47.2 per cent in 2018-19.

Figure 4

Share of Employment of Primary, Secondary and Tertiary Sectors



Source: Own estimated based on *INDIA KLEMS database 2020 & National Account Statistics back series data 2011-12, NAS 2020.*

The share of employment and GVA in Table 03 and Figure 3 and 4, show that the primary sector all-time has provided more employment than its share of GVA in comparison to secondary and tertiary sector. In secondary sector, negative growth has registered after 2012-13, which indicates that employment has decreased in this sector and capital intensive production has taken place. Share of tertiary sector in GVA and employment has increased continuously, while growth of employment in comparison to GVA has registered all-time less. The share of more GVA and less employment indicates the phenomenon of “job less growth”.

Trends line in Figure 3 and 4 shows that share of GVA and employment of primary sector has continuously decreased, while share of tertiary sector of GVA and employment has grown all time. Slow growth in GVA of manufacturing sector has

registered all time low while growth in share of employment seems stagnant, and a horizontal straight line has emerged in case of employment.

4.5.2 Long-Term/Decadal Growth of GVA and Employment

The long-term/decadal of GVA and employment over the period of about four decades presented in Table 4, show during pre-Globalisation period of 1981-82 to 1990-91, decadal growth of GVA was 5.35 per cent, in first decade of Post-Globalisation growth in GVA was 1.05 percentage points and decadal growth was 6.40 per cent has registered.

Table 4

Decadal Growth of GVA, Employment and Employment Elasticity

Decadal Growth	1981-82 to 1990-91	1991-92 To 2000-01	2001-02 To 2010-11	2011-12 To 2020-21
GVA	5.35	6.40	7.02	6.74
Employment	1.50	1.07	0.34	-5.60
Employment elasticity	0.28	0.17	0.05	-0.96

Source: Own estimated based on INDIA KLEMS database 2020, and National Accounts Statistics, CSO, back series data (2011), & NAS 2020, Press release May 2021 & CMIE 2021.

During second decade (2001-02 to 2010-11) further growth in GVA has registered and GVA increased to 7.02 per cent and in third decades Post-Globalisation during 2011-12 to 2020-21 growth in GVA has declined by 1.16 percentage points and decadal growth was 5.86 per cent. However, during same period decadal growth of employment Pre-Globalisation (1981-82 to 1990-91) was 1.50 per cent. Post-Globalisation during first decades (1991-92 to 2001-02), growth of employment has decreased to 1.07 per cent, and employment growth has further declined to 0.34 per cent in second decade (Post-Globalisation) during period of 2001-02 to 2010-11. Growth of employment has registered negative in third decades of Post-Globalisation to -5.60 per cent (2011-12 to 2020-21). The long-term growth of GVA and employment show that the growth of employment has declined continuously while growth in GVA has registered continuously except last decades.

Long-term/decadal elasticity of employment declined continuously. During the eve of Globalisation the elasticity of employment was 0.28 per cent, which means opportunity of employment growth was 0.28 per cent with 1.0 per cent growth of GVA. Growth rate of employment declined to very extent during first decades of

Post-Globalisation (1991-92 to 2000-01) to 0.17 per cent, employment elasticity declined by 0.11 percentage point. In second decades of Post-Globalisation during 2001-02 to 2010-11 employment elasticity further declined to 0.05 per cent. The employment elasticity has declined by 0.12 percentage point during 2001-02 to 2010-11. In third decades during 2011-12 to 2020-21 employment opportunity has registered negative by -0.96 per cent. Which indicates people were displaced from their job, “*job-loss growth*” (Kannan & Raveendran, 2019).

4.5.3 Growth of GVA and Employment

The long-term declining trend of employment growth is however cannot be ignored as for as inclusive growth concerned. In Table 5 and Table 6 it can be seen that when GVA has grown by 4.53 per cent per annum during 1972-73 to 1983, growth rate of employment has registered by 2.62 per cent per annum. However, growth rate of GVA has declined to 3.67 per cent during 1977-78 to 1983 and employment growth also has declined to 2.19 per cent from 2.62 per cent. During, 1983 to 1987-88, GVA and employment increased by 4.04 per cent and 1.51 per cent respectively. During 1993-94 to 1999-2000, the GVA has grown to 6.66 per cent while growth in employment was 1.18 per cent the main factor was that the economy was teething with economic reform and globalisation during this period. Very significant growth in employment has registered by 2.55 per cent during 1999-2000 with one decade of economic reform and globalisation, and in next period employment has declined very significantly by 0.34 per cent, while GVA has grown by 6.88 per cent. During 2011-12 to 2017-18 the GVA has grown to 7.04 per cent, while growth of employment declined to -0.27 per cent. In fact, during this period the economy has experienced two most prominent economic decisions by the central government, one is demonetisation decision and other the implementation of new tax policy of GST, which has affected labour market very adversely.

4.5.4 Growth of Employment by Major Economic Activities

In long-term and on basis of quinquennial and NSSO round reports Table 6 show, the employment growth in major economic activities and sector from period of 1972-73 to 2018-19. During 1972-73 to 1977-78 employment growth in primary sector was 1.79 per cent. In primary sector major growth was evident in activity of mining and quarrying (4.35 per cent). In manufacturing sector, employment growth was 4.78 per cent has registered during same period.

Table 5

Growth Rate of GVA (at constant price 2011-12): 1972-73 to 2018-19

(All-India, in per cent %)

Sector and Economic activity	1972-73 to 1977-78	1977-78 to 1983	1983 to 1987-88	1987-88 to 1993-94	1993-94 to 1999-00	1999-00 to 2004-05	2004-05 to 2009-10	2009-10 to 2011-12	2011-12 to 2017-18	2017-18 to 2018-19
Primary Sector	3.97	2.90	0.64	4.08	3.54	2.06	2.70	5.75	3.60	1.03
Agriculture, Livestock, forestry and fishing	1.06	1.08	1.06	1.06	1.05	1.05	1.03	0.97	3.06	2.41
Mining and quarrying	5.62	8.33	6.22	6.25	5.16	4.63	3.37	-3.27	6.55	-5.85
Secondary Sector										
Manufacturing Sector	4.71	4.09	4.56	4.39	6.97	5.81	9.73	5.39	8.05	5.74
Tertiary Sector	4.88	4.57	7.01	6.51	7.99	6.85	7.88	7.30	7.87	7.55
Electricity, gas, water supply & other utility services	8.28	6.58	9.19	8.32	6.86	4.13	6.84	7.83	6.53	8.19
Construction	5.38	1.87	4.24	5.59	6.27	9.02	9.50	9.56	3.78	6.06
Trade, repair, hotels and restaurants	5.99	4.27	5.91	5.16	9.27	8.09	6.02	10.55	9.48	8.48
Transport, storage, communication & services related to broadcasting	6.93	5.96	6.77	5.62	9.61	10.63	7.88	6.62	7.05	6.22
Financial services	8.13	5.82	11.05	10.77	11.33	6.02	9.28	5.06	7.22	4.70
Real estate, ownership of dwellings & professional services	3.15	5.83	8.02	8.05	6.46	6.12	6.26	4.37	10.78	7.64
Public administration and defence	4.44	5.16	8.77	3.97	8.51	2.76	9.62	2.07	5.38	9.18
Other services	2.49	3.88	5.39	6.20	7.44	6.50	10.09	13.15	8.27	9.49
Total	4.53	3.67	4.04	5.16	6.66	5.64	6.88	6.62	7.04	6.04

Source: Own estimated based on National Accounts Statistics, CSO, back series data (2011), & NAS 2020.

Table 6
Growth of Employment (UPSS) 1972-73 to 2018-19

(All-India, in per cent %)

Sector	1972-73 to 1977-78	1977-78 to 1983	1983 to 1987-88	1987-88 to 1993-94	1993-94 to 1999-00	1999-00 to 2004-05	2004-05 to 2009-10	2009-10 to 2011-12	2011-12 to 2017-18	2017-18 to 2018-19
Primary Sector	1.79	1.55	0.33	2.14	0.08	1.42	-1.90	-1.90	-2.31	-0.13
Agriculture, Livestock, forestry and fishing	*	*	0.27	2.14	0.08	1.43	-1.92	-1.92	-2.29	-0.15
Mining and quarrying	4.35	7.15	6.00	2.03	0.13	0.16	-0.32	-0.19	-4.53	2.06
Secondary Sector										
Manufacturing Sector	4.78	3.96	2.50	1.35	1.97	3.56	0.84	1.33	-0.73	-0.22
Tertiary Sector	4.85	3.46	4.77	3.72	3.50	4.44	3.84	4.43	2.07	5.42
Electricity, gas, water supply & other utility services	2.79	12.38	4.66	0.25	0.17	2.83	3.11	3.28	4.55	-5.07
Construction	1.68	6.84	13.57	2.81	3.42	8.26	9.50	10.16	1.51	5.68
Trade, repair, hotels and restaurants	6.39	2.86	4.23	3.58	4.10	3.92	1.75	1.75	1.25	5.56
Transport, storage, communication & services related to broadcasting	6.20	5.35	3.30	3.48	5.18	4.95	2.15	2.13	2.76	1.79
Financial services	6.85	7.67	5.38	7.17	0.31	6.68	5.59	5.57	2.66	10.61
Real estate, ownership of dwellings & professional services	*	*	*	*	*	*	*	*	*	*
Public administration and defence	*	*	4.87	0.52	0.66	-2.98	-1.04	-0.96	-0.87	3.41
Other services	*	*	1.09	7.52	2.00	2.26	2.95	3.46	0.83	9.97
Total	2.62	2.19	1.51	2.43	1.18	2.55	0.34	0.87	-0.27	2.41

Source: Own estimated based on various rounds of NSS data on employment and unemployment in India, and INDIA KLEMS database 2020.

Note: star (*) indicate data not available.

And in tertiary sector significant growth in financial services has registered by 6.85 per cent, while total growth in tertiary sector was 4.85 per cent. Significant growth in mining and quarrying activity 7.15 per cent in primary sector has registered during 1977-78 to 1983. In the manufacturing sector employment growth has declined to 2.5 per cent. In the same period in tertiary sector, in activity of electricity, gas, water supply and other utility significant growth 12.38 per cent has registered, and total growth in tertiary sector was 3.46 per cent during 1977-78 to 1983. During pre-globalisation 1987-88 to 1993-94 very significant growth in employment (2.14 per cent) has registered in agriculture and allied sectors, while growth in employment in mining and quarrying was 2.03 per cent. Growth in manufacturing sector was 1.35 per cent, while growth in tertiary sector was 3.72 per cent which was recorded less than 1.0 per cent from the previous NSS round. Employment growth after one decade of economic reform and globalisation has decreased very significantly in both agriculture and allied, and mining and quarrying. Employment growth in manufacturing sector has increased to 1.97 per cent, in tertiary sector employment growth was 3.50 per cent, major employment growth was in transport, storage, and communication and services related was 5.18 per cent has registered from 1993-94 to 1999-2000. In service sector growth in employment declined specially in electricity, gas, water supply and other utility.

During 1999-2000 to 2004-05, employment growth in primary sector has increases to 1.42 per cent; major employment growth in this sector was registered in agriculture, livestock, forestry and fishing 1.43 per cent during same period while a nominal employment growth in mining and quarrying by 0.13 per cent. Significant growth in employment in manufacturing sector has registered 3.56 per cent and also in service sector employment growth during this period was 4.44 per cent registered. Major employment growth in service sector was 8.26 per cent in construction sector. Employment growth in public administration and defence has declined by -2.98 per cent. Employment growth in primary sector has declined very significantly to -1.90 per cent during 2004-05 to 2009-10, major falls in employment growth was in primary sector in agriculture, livestock, forestry and fishing work that has registered by -1.92 per cent and in work of mining and quarrying was -0.32 per cent. Employment growth in manufacturing sector also has declined to 0.84 per cent, facts behind fall of employment growth was economic fluctuation during this period.

Employment growth in service sector was 3.84 per cent, which also has decreased from the previous report of NSS; major employment growth in construction by 9.50 per cent which was 1.24 percentage point higher growth than previous NSS round. The service of public administration and defence work, employment growth was negative -1.04 per cent. Further negative employment growth has registered during the period of 2009-10 to 2011-12 -1.90 per cent in agriculture, while significant growth in manufacturing sector has evident 1.33 per cent and 4.43 per cent in service sector. Major growth in employment has further registered in construction work 10.16 per cent, and employment growth also has registered in financial service 5.57 per cent, while negative growth in public administration and defence has evident -0.96 per cent.

During 2011-12 to 2017-18, employment growth in primary sector has further registered with negative sign -2.31 per cent, major fall in employment in primary sector was registered in mining and quarrying work by -4.35 per cent while fall in employment growth in agriculture, livestock, forestry and fishing was -2.29 per cent has registered. First time employment growth in manufacturing sector has registered with negative sign -0.73 per cent. While employment growth in service sector grown with positive sign 2.07 per cent during this period, employment growth in the work of construction has registered 1.51 per cent, which was very low from the previous round of NSS. Employment growth in public administration and defence further registered with negative sign -0.87 per cent and total employment growth during this period was -0.27 per cent. The facts of this falls in employment growth was that central government has taken some decision during this period, one of them 'demonetisation of currency of rupees 500/- hundred note and rupees 1000/- note, which impacts that demand of goods and service, which has declined and almost stagnant with lack of liquidity, and other decision was sudden implication of new tax policy. This has affected growth of economy and employment growth adversely. And employment growth during 2017-18 to 2018-19, also has registered negative in both primary sector and secondary sector by -0.13 per cent and -0.22 per cent respectively. Significant employment growth has registered in service sector during this period 5.42 per cent, which was 3.35 percentage points higher than the previous period of employment growth. Further it can be seen that 10.61 per cent in financial service has registered and second activity in which employment growth has registered highest was other services 9.97 per cent. In the same period employment growth in

construction sector was 5.68 per cent and employment growth in trade, repair, hotels and restaurants was 5.56 per cent. Employment growth in the work of electricity, gas, water supply and other utility services was registered with negative sign -5.07 per cent, total employment growth during this period was 2.41 per cent.

4.5.5 Employment Elasticity

Employment elasticity is responsiveness of employment growth with one per cent change of GDP. It reflects how much employment growth can change if GDP will change by one per cent. In Table 07 presented, the employment elasticity during 1972-73 to 1977-78 was 0.58 per cent of all sector of economic activity. Manufacturing sector has registered with very high employment elasticity at 1.02 per cent, in tertiary sector; employment elasticity was 0.99 per cent, while employment elasticity in primary sector was 0.45 per cent. During 1977-78 to 1983 total employment elasticity was 0.60 per cent which was higher than previous NSS period. Very high employment elasticity growth was registered in tertiary sector, work of construction by 3.66 per cent, in the work of electricity, gas, water supply and other utility service it was 1.88 per cent, while employment elasticity in financial services was 1.32 per cent. And total employment elasticity was 0.76 per cent has registered in tertiary sector. In secondary sector employment elasticity was higher than tertiary sector it was 0.97 per cent. While employment elasticity in primary sector was 0.53 per cent and in mining and quarrying was 0.86 per cent. Very high employment elasticity was registered in manufacturing sector 1.57 per cent during 1983 to 1987-88. Employment elasticity in tertiary sector was 0.68 per cent, in construction was very significant 3.20 per cent. During this period primary sector employment elasticity was 0.51 per cent, while higher growth has registered in the activity of mining and quarrying with employment elasticity of 0.96 per cent, and total employment elasticity during this period was registered 0.37 per cent. Employment elasticity during 1987-88 to 1993-94, in primary sector was 0.52 per cent, in activity of agriculture, livestock, forestry and fishing it was 2.02 per cent. While mining and quarrying has registered 0.32 per cent of employment elasticity indicating low growth of employment. Employment elasticity in manufacturing sector has declined from 1.57 per cent to 0.56 per cent from the previous report of NSS. Employment elasticity in tertiary sector also has declined to 0.57 per cent from the previous report of NSS. In construction work employment elasticity has declined very significantly to 0.50 per cent, while significant growth in employment and employment elasticity has

registered in other services 1.01 per cent, and lowest employment elasticity and employment growth has registered in work of electricity, gas, water supply and other utility by 0.03 per cent.

Post-economic reform and globalisation, employment elasticity has decreased very significantly in all sectors and economic activities. The total employment elasticity during 1993-94 to 1999-2000 has registered only 0.18 per cent, in fact economy was experiencing with technological changes in all sectors. The employment elasticity in primary sector has registered 0.02 per cent, while employment elasticity in manufacturing sector was 0.01 per cent, which was very low from the previous report of NSS period. Tertiary sector also has experienced with low employment elasticity by 0.44 per cent. In this sector most growth in employment elasticity has registered in construction work 0.55 per cent and in transport, storage, communication and services related by 0.54 per cent. In electricity, gas, water supply and other utility was 0.02 per cent. The employment elasticity has increased in primary sector to 0.69 per cent during 1999-2000 to 2004-05; most growth in this sector was in activity of agriculture, livestock, forestry and fishing that has registered by 1.37 per cent, while growth in employment elasticity in mining and quarrying activity was only 0.03 per cent. Very significant growth in employment elasticity has registered 1.27 per cent in the manufacturing sector in the same period. While growth in employment elasticity in tertiary sector was 0.65 per cent and most of growth has registered in financial services 1.11 per cent, and negative growth in public administration and defence has registered it -1.08 per cent. In construction work employment elasticity was 0.92 per cent, and total employment elasticity of all sectors during this period was 0.45 per cent.

Employment elasticity has declined very sharply during 2004-05 to 2009-10 of all sectors to 0.05 per cent from 0.45 per cent previous report of NSS. The primary sector has evidence with negative employment elasticity -0.70 per cent. In activity of agriculture, livestock, forestry and fishing, the employment elasticity was -1.85 per cent, and in mining and quarrying activity it was -0.09 per cent. Growth in employment elasticity in manufacturing sector was 0.42 per cent, while in tertiary sector it was 0.49 per cent. By activity in construction work has registered high employment elasticity 1.0 per cent and further negative employment elasticity has registered in public administration and defence -0.11 per cent.

Table 7

Employment Elasticity with respect to GVA (1972-73 to 2018-19)

(All-India, in per cent %)

Sector	1972-73 to 1977-78	1977-78 to 1983	1983 to 1987-88	1987-88 to 1993-94	1993-94 to 1999-2000	1999-00 to 2004-05	2004-05 to 2009-10	2009-10 to 2011-12	2011-12 to 2017-18	2017-18 to 2018-19
Primary Sector	0.45	0.53	0.51	0.52	0.02	0.69	-0.70	-0.33	-0.64	-0.12
Agriculture, Livestock, forestry and fishing	*	*	0.26	2.02	0.07	1.37	-1.85	-1.98	-0.75	-0.06
Mining and quarrying	0.77	0.86	0.96	0.32	0.03	0.03	-0.09	0.06	-0.69	-0.35
Secondary Sector										
Manufacturing Sector	1.02	0.97	1.57	0.56	0.01	1.28	0.42	0.74	-0.39	1.87
Tertiary Sector	0.99	0.76	0.68	0.57	0.44	0.65	0.49	0.61	0.26	0.72
Electricity, gas, water supply & other utility services	0.34	1.88	0.51	0.03	0.02	0.68	0.45	0.42	0.70	-0.62
Construction	0.31	3.66	3.20	0.50	0.55	0.92	1.00	1.06	0.40	0.94
Trade, repair, hotels and restaurants	1.07	0.67	0.72	0.69	0.44	0.49	0.29	0.17	0.13	0.66
Transport, storage, communication & services related to broadcasting	0.90	0.90	0.49	0.62	0.54	0.47	0.27	0.32	0.39	0.29
Financial services	0.84	1.32	0.49	0.67	0.03	1.11	0.60	1.10	0.37	2.25
Real estate, ownership of dwellings & professional services	*	*	*	*	*	*	*	*	*	*
Public administration and defence	*	*	0.56	0.13	0.08	-1.08	-0.11	-0.46	-0.16	0.37
Other services	*	*	0.20	1.21	0.27	0.35	0.29	0.26	0.10	1.05
Total	0.58	0.60	0.37	0.47	0.18	0.45	0.05	0.13	-0.04	0.40

Source: Own estimated based on various rounds of NSS data on employment and unemployment in India, and INDIA KLEMS database 2020, and National Accounts Statistics, CSO, back series data (2011), & NAS 2020.

Note: star (*) indicate data not available.

During 2009-10 to 2011-12 total employment elasticity increased to 0.13 per cent from previous NSS period, by economic activities, negative employment elasticity has registered in primary sector -0.33 per cent, in agriculture, livestock, forestry and fishing elasticity was -1.98 per cent, while employment elasticity in mining and quarrying has grown to 0.06 per cent. Employment elasticity in manufacturing sector was 0.74 per cent, and in tertiary sector it was 0.61 per cent, Very significant growth in the work of construction and financial services has registered by 1.06 per cent and 1.10 per cent respectively, while negative growth in public administration and defence has further evidenced -0.46 per cent. Elasticity of employment during 2011-12 to 2017-18 has registered with negative sign -0.04 per cent. In primary sector elasticity of employment was -0.64 per cent and in manufacturing sector it was -0.39 per cent. The elasticity in tertiary sector was 0.26 per cent. In last report of PLFS the employment elasticity was 0.40 per cent of all sectors. In primary elasticity of employment was -0.12 per cent. Employment elasticity in manufacturing sector increased significantly by 1.87 per cent. In tertiary sector it was 0.72 per cent, and financial services was one of the activity which has evidence with high growth and employment elasticity 2.25 per cent, this is followed by service which has registered with 1.05 per cent of employment elasticity, construction work and trade, repair, hotel and restaurants was grown with elasticity of 0.94 per cent and 0.66 per cent respectively, while electricity, gas, water supply and other utility has experience with negative elasticity of employment of -0.62 per cent.

It thus emerges from the above analysis that there has been significantly decline in employment elasticity in the primary sector of the economy. Service Sector, on the other hand has experienced both growth of GVA and employment after the Period of Globalisation. It was also evident that most of the growth in employment has taken place in the construction sector. These are mostly informal in nature.

4.5.6 Nature of Employment (Formal and Informal)

The inclusive growth of India cannot be achieved, its share of informal employment in total employment rose not fall. However with over 90 per cent, of the entire workforce being informal and 85.0 per cent of the non-agricultural workforce being informal. Informal employment defined as those without any social security. Although India is one of the fastest growing economies in the world, the informality

of work incidence has remained stuck at this level for decades. The Table 8 shows the share of employment in organised and unorganised sectors and types of employment, share of formal and informal.

Table 8 show the share of employment of formal and informal in organised and unorganised sectors. The share of employment in organised manufacturing sector was 28.4 per cent during 2004-05, and it has increased to 34.6 per cent with 6.2 percentage point of growth in 2011-12, while employment in organised sector has declined to 32.0 per cent during 2017-18. Employment share in unorganised manufacturing sector was 71.6 per cent which was 43.2 per cent higher than organised sector during 2004-05. It has declined in 2011-12 by 6.2 percentage points while employment share in unorganised manufacturing sector has increases to 68.0 per cent during 2017-18. The informal employment during 2004-05 was 89.6 per cent in manufacturing sector has registered, while formal employment share was 10.4 per cent. During 2011-12 informal employment has registered 10.9 per cent in manufacturing sector while in same sector during this period informal employment was 89.1 per cent and during 2017-18 it was has declined to 84.6 per cent and formal employment has registered with growth of 15.4 per cent.

Table 8

Nature of Employment (Formal and Informal)

(All-India in per cent %)

Employment of Non-farm Sector	Types of Employment: Organised and Unorganised Sector					
	Share of Employment (%)					
	Organised			Unorganised		
	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18
Manufacturing	28.4	34.6	32.0	71.6	65.4	68.0
Non-manufacturing	31.2	40.4	26.2	68.8	59.6	73.8
Service Sector	27.5	31.7	29.9	72.5	68.3	70.1
Non-farm Total	28.3	34.4	29.5	71.7	65.6	70.5
	Type of Employment: Formal and Informal					
	Formal (%)			Informal (%)		
	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18
Manufacturing	10.4	10.9	15.4	89.6	89.1	84.6
Non-manufacturing	7.2	5.3	5.2	92.8	94.7	94.8
Service Sector	19.2	19.9	21.5	80.8	80.0	78.5
Non-farm Total	14.8	14.4	16.5	85.2	85.6	83.5

Source: NSS 68 round report 2011-12 and PLFS 2017-18.

In non-manufacturing sector share of employment of organised sector was 31.2 per cent during 2004-05 which has increases to 40.4 per cent in 2011-12 and during 2017-18 share of organised sector in employment further declined to 26.2 per cent. And, on the other hand, the unorganised sector share in employment was 68.8 per cent during 2004-05 has registered, in share of employment of unorganised sector has declined 9.2 percentage points during 2011-12, and during 2017-18 it increased by 14.2 percentage points. In types of employment of formal and informal, in non-manufacturing sectors, formal employment was 7.2 per cent during 2004-05, while share of informal employment was 92.8 per cent in this sector. Formal employment has declined in non-manufacturing sector to 5.3 per cent and informal employment share was 94.7 per cent during this period has registered. And during 2017-18 the share of formal employment was 5.2 per cent has registered while informal employment was 94.8 per cent.

In organised service sector the share of employment was 27.5 per cent and share of unorganised service sector was 72.5 per cent during 2004-05. The share of employment of organised service sector has increased to 31.7 per cent during 2011-12 while unorganised service sector share in employment has declined to 68.3 per cent. During 2017-18 the share of service sector of organised sector in employment was 29.9 per cent which has decreased 1.8 percentage points from the previous NSS round, while share of unorganised service sector in employment was 70.1 per cent which has increased by 1.8 percentage points. In types of employment formal and informal, the share of service sector in formal employment was 19.2 per cent has registered, while share of informal employment of service sector was 80.8 per cent during the 2004-05. Share of formal employment of services sector has increased to 19.9 per cent and share of informal employment in service sector was 80.0 per cent. During 2011-12, employment share of service sector of formal was 21.5 per cent during 2017-18, while informal employment share of service sector was 78.5 per cent has registered.

Historically, there were many reasons for the growth persistence of informal employment in India's labour market. The first was the pattern of India's economic growth, which was the outcome of the growth strategy. In Second Five Year Plan during 1955-56 to 1959-60 the government of India and the Planning Commission has decided to adopt an import-substituting industrialisation strategy, which focus was on

heavy-industry. It was a state-led capitalism, substituting for the absence of corporate. This could not be, a strategy for rapid absorption of surplus labour in agriculture. The result was that the surplus workers migrated from agriculture to non-agriculture work, and they were absorbed in traditional services in both rural and urban areas. A second factor was which impacted the demand for labour, also related to the policy-induced pattern of growth, was that the Industrial Policy resolutions of the government of India, has began with the process of reservation of manufacturing of consumer products of a non-durable nature for the small scale sector. It began with a few products, but the number of products reserved exclusively for production in the small-scale sector kept growing until in 1990. The small enterprises had no incentive to grow and absorb more labours in their manufacturing units.

And third factor which has impacted absorption of labour in organized manufacturing or services was the central and state government labour laws. On the one hand, hardly any labour laws were applicable to the small enterprises and on the other hand, the larger enterprises, whether medium or large, has become gradually subject to a number of laws which passed by state or central governments, which has protected the workers in the organized sector. While social security (in the form of employee provident fund and health insurance and other benefits) was mandatory, and the growing number of laws covering organized workers means that employers tended to adopt technologies that has often limited and replaces the number of workers. The reaction of employers was inevitable: that the fewer of workers, the better it is from their perspective. In organized sector jobs has grew slowly, and most non-agricultural employment continued to grow in the unorganized sector in micro-enterprises, with workers employed without any hope of social benefits.

The final factor that resulted in the growth and persistence of informality in Indian labour market was the education and skill levels of the workers. On the perspective of quality of labour supply there was 146 million (or 30 per cent) of the workforce of 485 million in 2012 were illiterate. And an additional 52.0 per cent (or 253 million) of the labour force are those who only with education up to secondary level. An additional 15 million have tertiary level of technical education, about half of whom have diploma or certificate level of skills and the other half of this group have graduate level with technical education.

4.6 CONCLUSION

To summarise, this chapter it made two arguments. First, that the economy is the fastest growing economy in the world, while economy is still suffering from the damaging effects of the policy-induced informality in the workforce from the four decades during post- independence. The slow pace of growth over 1950 to 1980, was combined with a pattern of growth that heavily dependent upon a heavy-industry and first strategy plus reservation of products for small firms, led to massive undergrowth of millions of unregistered firms, which has employed workers in conditions of work and wages characterise of informal firms. The labour laws too many of them only applicable to the organized and registered firms. These factors undercut the demand for workers in the formal or in organized sector. The supply-side factor that most reinforced these conditions was the low investment in schooling by the state, resulting in the poor educational level of the workforce, who was only employable in the informal economy. However, a number of positive developments have taken place in the nature of work since the pace of GDP growth which has picked up the Indian economy since 1991. First, after time from 2004 and onwards, the absolute numbers in agriculture began to fall as non-agricultural growth has picked up. In earlier that fewer persons were engaged in agriculture work during 2011-12 compared to the number in 2004-5, first in the economic history of India. During the second half of the decade there has a remarkable and historic shift in rural wages, partly due to the spillover effect of MGNREGA, on the one hand, and shortage of labour partly due to higher participation in education, that has forced the farmers to led mechanization of farm activity. In addition, rising demand for labour from the construction sector, both in rural and urban areas, with relatively higher wages also partly explains the absolute fall in agricultural employment post-2005.

All these positive factors do tend to temper the disadvantages of informality in Indian economy of growing workforce. If the state initiates efforts as early as possible to provide social security protection coverage to the poor among the unorganized segment workers, informal workers, this process will constitute a huge gain for the realization of the rights of workers.



CHAPTER 5
ECONOMY AND EMPLOYMENT DURING
OUTBREAK OF THE COVID-19
PANDEMIC



CHAPTER - V

ECONOMY AND EMPLOYMENT DURING OUTBREAK OF THE COVID-19 PANDEMIC

5.1 INTRODUCTION

The outburst of the Covid-19 is a big and unexpected shock to the Indian economy that was already in slow down before the outbreak of pandemic. Most significant impact on the economy due to this pandemic was on its GDP and employment. In Indian economy, a large majority of workers are employed in the unorganised sector. The nature of employment in the Indian economy is informal, (both organised and unorganised sectors provide employment more than 90 per cent of informal work, it means they have no written job contract, no social security, and they are not eligible for pay leave (NSSO 2011-12).

On 24th March 2020, at 8 p.m. the Prime Minister of India announced a nationwide lockdown. This was a sudden announcement, without any preparatory guidelines. Without the support for those whose livelihoods has been threatened, this announcement has affected more than 90 per cent of the workforce in country's of unorganised/informal sector workers, including daily wage workers, of which a significant share consisted in migrant workers. This Covid-19 lockdown was in general and the majority of workers were left to their own fate. However, due to the ongoing health crisis, another unfortunate issue of reverse migration took place. The Covid-19 has forced migrant workers to migrate from urban areas to their native places whose jobs had suddenly disappeared and who had been abandoned by their employers. The declaration of the lockdown, results in millions of these workers losing their jobs and leaving them unemployed and with no social security.

However, it is important to note that the huge vulnerability of working people in India has dramatically manifested in the plight of migrant workers. It is very much the structural reality of the Indian economy, which has worsened considerably during the last three decades, that is since the adoption of the New Economic Policy. This has generally been considered as the shift from a state-led economic transformation to a

market-driven economy. A neoliberal trajectory, which has captured in John Williamson's famous contrast of so called the Washington Consensus, the main finding of the policy intent of the neoliberal economist has been "*market knows and does the best for the economy, leave it to the market*" (Jha, 2019a). In fact, the neoliberal restructuring of the economy has left problems of inadequate employment creation, by huge capital intensive production, weak labour institution, by practice of informalisation, compression of wage share which means rising of inequalities, and in general the overall vulnerabilities of the world of work.

The main objective of this chapter is to examine the impact of Covid-19 Pandemic on GDP and employment in Indian economy. The chapter uses national-level data from the Centre for Monitoring Indian Economy (CMIEs), various issues of Economic Survey, National Sample Survey Organisation (NSSO), and Periodic Labour Force Survey and from Information bulletin from Reserve Bank of India.

5.2 GDP GROWTH RATE DURING THE COVID-19 PANDEMIC

There was a progressive deterioration all around before the country was in the grip of the Covid-19 Pandemic Outbreak. For instance, the GDP growth rate in Figure No. 01, shows that in real terms (at constant price 2011-12), has continuously been on a declining path for eight quarters, from Q1 of 2018-19 to 2019-20. The official estimates show the decline was from about 7.6 per cent to 3.0 per cent over this period.

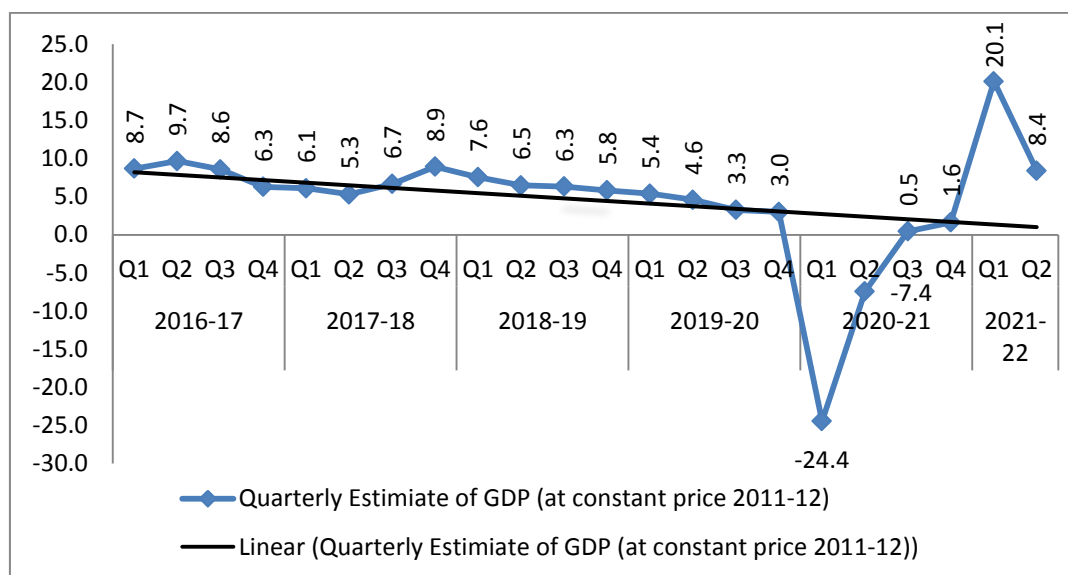
The demonetisation announced by the Prime Minister on 8th November 2016 and implementation of Good and Service Tax (GST) in July 2017 were the immediate shocks and awe that contributed to dramatic disruption in the Indian economy, its result in the worsening of most of the macroeconomic indicators.

The demonetisation has left the economy without liquidity, which results that, unorganised/informal sector being most affected. The worsening combined result of both demonetisation and tax reform of goods and services, the economy has continuously been on a declining path for three quarters, from Q3 of 2016-17 to 2017-18. The official estimates show the decline was from about 6.3 per cent to 5.3 per cent over this period.

Figure 1

Quarterly Estimate of GDP during pre and post Covid-19 Pandemic

(All-India, in per cent %)



Source: National Account Statistics (NSO) 2020-21.

During the period of lockdown, almost all economic activities have stopped production of goods and also services. The figure 1 shows a picture of lockdown impacts on the growth rate of Indian economy. The official estimate of GDP during 2020-21 shows that economic growth was in negative figure -24.4 per cent, during the first lockdown. The economy has revived to a very extent in the second quarter, which is a V-shape curve. The official estimate of the economy during the second quarter was also in negative figure -7.4 per cent. In the second phase of lockdown during 2021-22, Q1 of the GDP growth also has been affected and growth rate has change from Q1 of 2021-22 to Q2 of 2021-22, (20.1 per cent to 8.4 per cent). Most of the shock on the economy was seen during the first lockdown in the economy of all sectors.

5.3 Sectoral Economy during pre and post Covid-19 Pandemic

The sectoral performance of the economy reveals the impacts of pre and post lockdown during the Covid-19 Pandemic and also impacts of Demonetisation and Tax reform. Most of the negative impact has reflected in performance of construction

sector and also of employment, due to Demonetisation. In the manufacturing sector the performance has declined very drastically during the post tax reform (implementation of GST). The sectoral trends of economy presented below:

5.3.1 Growth of Primary Sector

The primary sector includes Agriculture, forestry and fishing, and also mining and quarrying. The performance of all sectors during Covid-19 Pandemic and lockdown has gone to negative. This sector of the economy however registered positive growth during this lockdown. The performance of primary sector of agriculture and mining and quarrying sector in presented below:

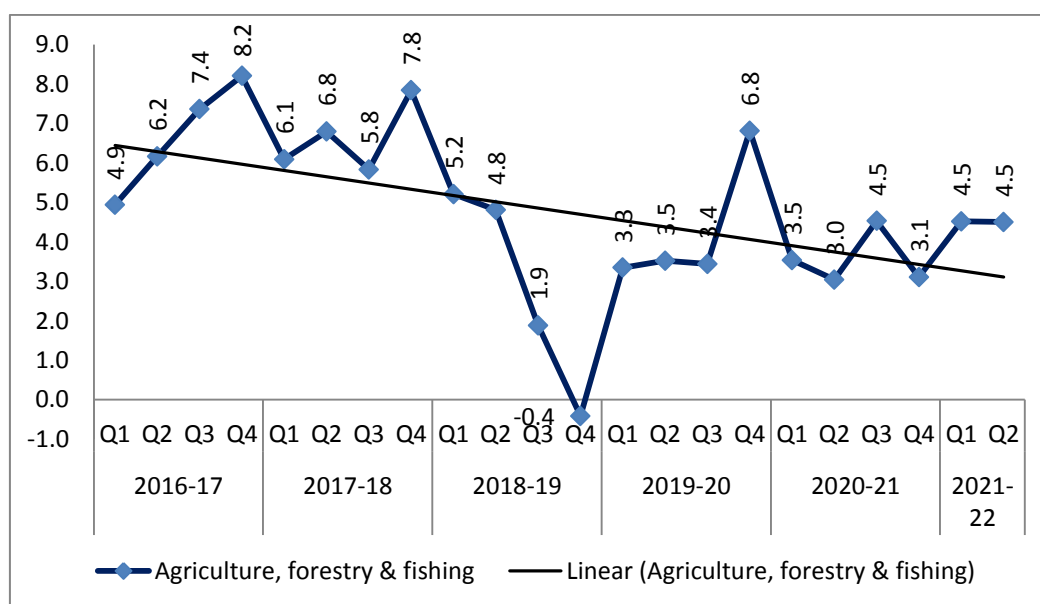
5. 3.1.1 Agriculture Sector

The long-term growth rate of agriculture sector has declined continuously, after the announcement of demonetisation. The trend line has declined continuously, while a large fall in the economy was -0.4 per cent during Q4, 2018-19.

Figure 2

Growth of Agriculture (Agriculture, forestry & fishing)

(All-India, in per cent %)



Source: National Account Statistics (NSO) 2020-21.

Figure 2 shows that the performance of agriculture sector during Covid-19 and lockdown which was positive, with a growth rate of 3.5 per cent to 3.0 per cent in Q1 and Q2 of 2020-21 respectively. In the second phase of lockdown in Q1 2021-22, growth was 4.5 per cent. Agriculture sector was one of the sectors which have registered positive growth during this phase of lockdown.

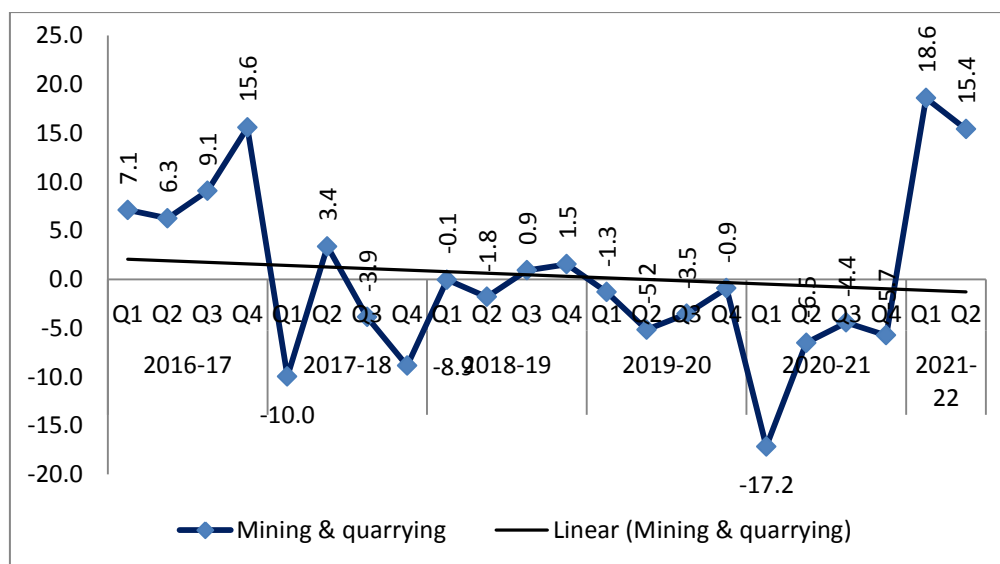
5.3.1.2 Mining and Quarrying

The growth rate of mining and quarrying has declined very sharply during the time of demonetisation and after implementation of new tax policy of GST, this sector has recorded a negative rate from Q3 (2017-18) to Q2 (2018-19). Further growth rate of mining and quarrying has declined to a negative path during 2019-20 to 2020-21 from Q1 to Q4, the official estimated growth rate was -1.3 per cent to -5.7 per cent respectively.

Figure 3

Growth of Mining and Quarrying

(All-India, in per cent %)



Source: National Account Statistics (NSO) 2020-21

These trends of falls and long-run growth (trend line of growth) show that this sector was in grip of negative growth rate path, before the Covid-19 and lockdown. Due to lockdown during Covid-19, the growth rate of this sector also has declined to

negative. But in second phase of lockdown it has only declined by 3.2 per cent point, from 18.6 per cent to 15.4 per cent (Q1 to Q2 2020-21).

5.5 Growth of Secondary Sectors (Manufacturing Sector)

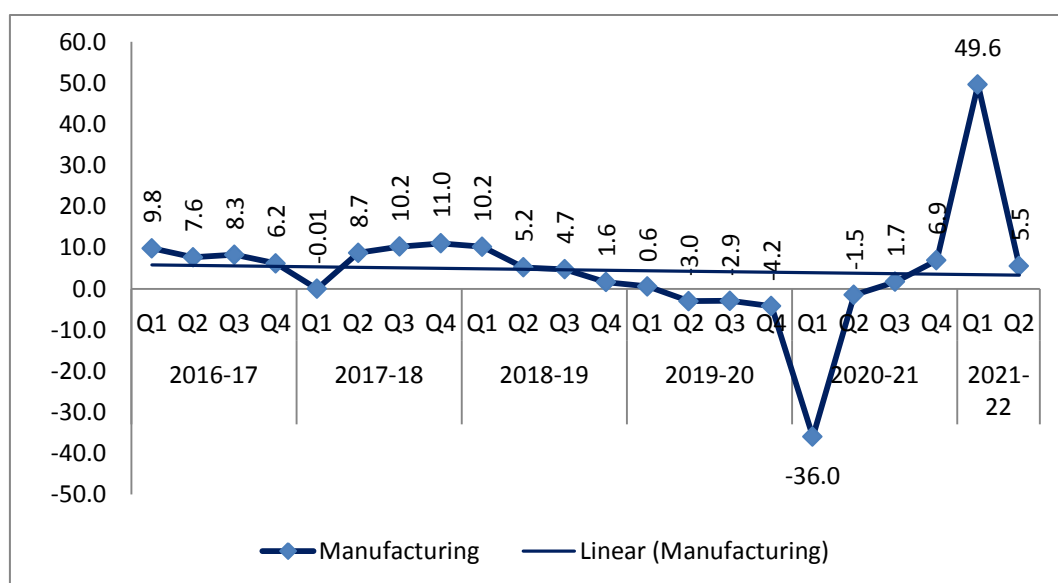
The growth rate of the manufacturing sector shows a clear picture of decline before the Covid-19 Pandemic. The fall in this sector was from the first quarter from 2016-17 to continuously till Demonetisation, from 9.8 per cent to 6.2 per cent in Q1 of 2016-17 to Q4 of 2016-17, and in 2017-18 growth rate of manufacturing sector in Q1 has registered -0.01 per cent in real terms, as per official estimate.

The growth rate of the manufacturing sector from Q2 of 2018-19 to Q4 of 2019-20 pre-Covid-19 Pandemic and lockdown has declined very drastically, as per official estimates fall was from 5.2 per cent to 4.2 per cent. During the phase of the first lockdown, growth of the manufacturing sector has declined to -36.0 per cent (Figure 04). Manufacturing sector has revived in V-shape curve and in the second lockdown phase further this sector growth rate has declined sharply from Q1 of 2021-22 to Q2 of 2021-22, (49.6 per cent to 5.5 per cent), as per official data.

Figure 4

Growth of Manufacturing Sector

(All-India, in per cent %)



Source: National Account Statistics (NSO) 2020-21.

5.3.3 Growth of Tertiary Sector (Service Sectors)

The growth rate of service in the long run has also declined continuously after showing lots of variation. The service sector which consists of many activities as classified by NIC 2008. The details about growth rate of this sector are as below:

5.3.3.1 Growth of Electricity, Gas, Water Supply and Other Utility Services

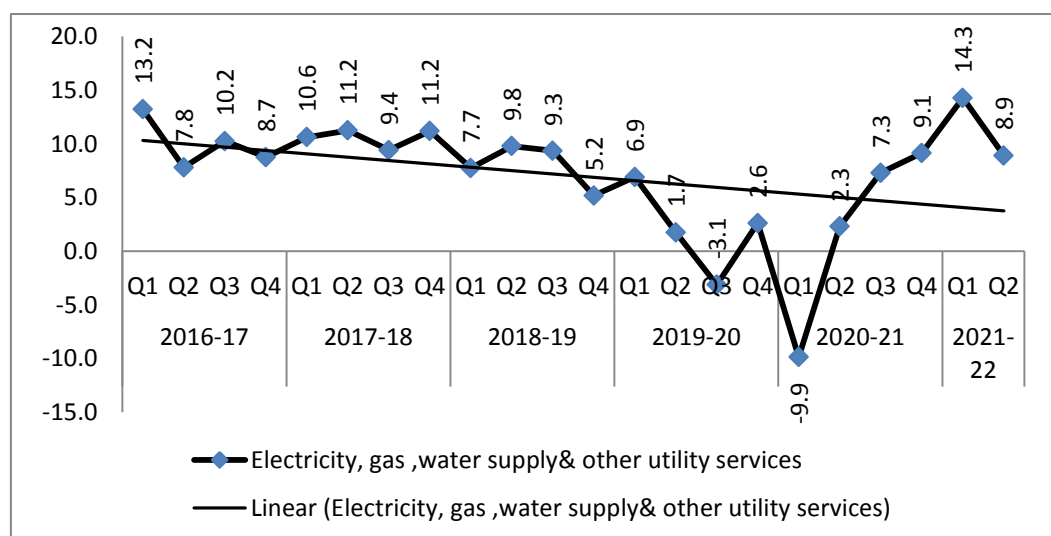
The growth rate of electricity, gas, water supply and other utility services is presented in Figure 5 which show that the growth rate during pre-Covid-19 Pandemic was negative.

The growth rate of this sector of electricity, gas, water supply and other utility services has declined from Q4 of 2017-18 to Q1 2020-21. As per official estimates growth has declined from 11.2 per cent to -9.9 per cent (Figure 5) in real terms in the above periods. During the period of Covid-19 and lockdown the growth rate of electricity, gas, water supply and other utility services has declined from 2.6 per cent to -9.9 per cent (Q4 of 2019-20 to Q1 2020-21), and in second phase of Covid-19 lockdown during Q1 of 2021-22, growth was declined from 14.3 per cent to 8.9 per cent. The trends line depicted above reveals that, the long run growth of electricity, gas, water supply and other utility services has shown a continuous variations.

Figure 5

Growth of Electricity, Gas, Water Supply and Other Utility Services

(All-India, in per cent %)



Source: National Account Statistics (NSO) 2020-21.

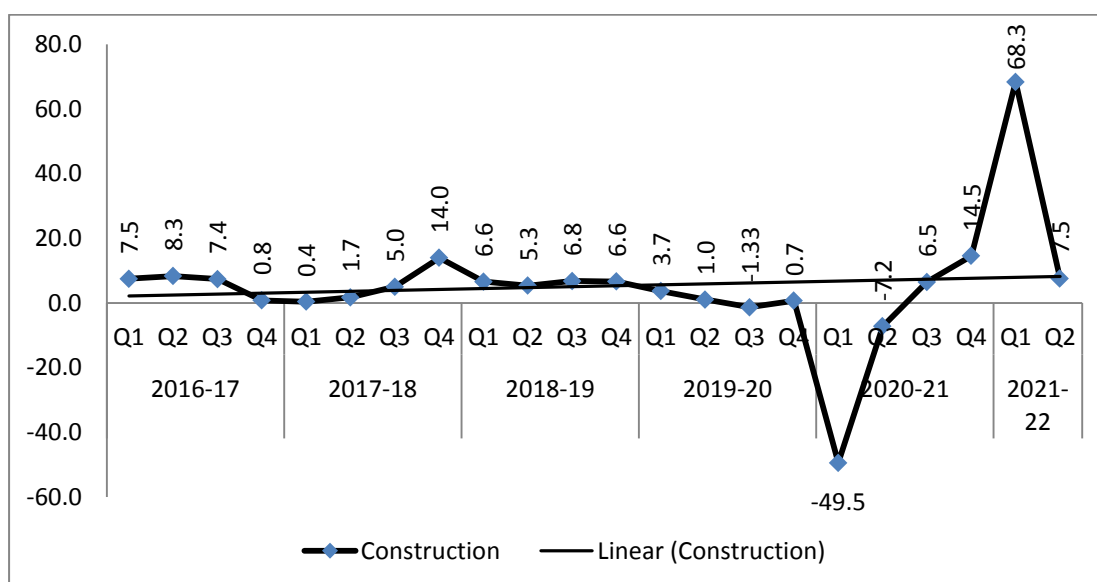
5.3.3.2 Growth of Construction Sector

In Figure 6, it reveals that the growth rate of the construction sector during pre-Covid-19 Pandemic has registered with a negative growth rate. Growth rate in the construction sector declined for the first time, during the announcement of demonetisation, 2016. In 2016-17, the growth rate of this sector, as per the official estimate, declined from 7.4 per cent to 0.4 per cent (Q3 of 2016-17 to Q1 of 2017-18). And pre-Covid-19 and lockdown further continuous falls in growth rate was registered during the period of, Q1 of 2018-19 to Q4 of 2019-20 (from 6.6 per cent to 0.7 per cent). As per official estimates the growth rate of construction has declined from 6.6 per cent to 0.7 per cent. This reveals (Figure No. 07) that; the growth rate of the construction sector was also on a negative path, during the pre-Covid-19 and lockdown.

Figure 6

Growth of Construction Sector

(All-India, in per cent %)



Source: National Account Statistics (NSO) 2020-21.

During Covid-19 and lockdown construction sector has declined to -49.5 per cent Q1 of 2020-21, and after, lockdown of the first phase, construction has revived with growth of V-shape, in Q2 of 2020-21. During the second phase of lockdown its

impact on construction sector growth is visible. The growth rate of the construction sector has declined to 7.5 per cent in Q2 of 2021-22 from Q1 of 2021-22 (68.3 per cent). The long-run growth of the construction sector has grown with positive growth trends, it is revealed by the trend line of growth of the construction sector.

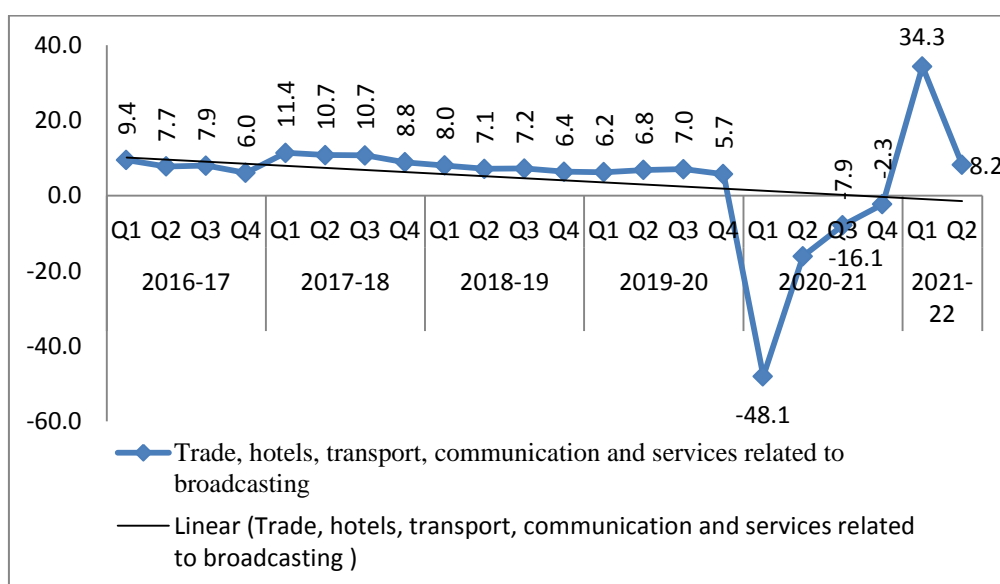
5.3.3.3 Growth of Trade, hotels, transport, communication and services related to broadcasting

The growth rate of trade, hotels, transport, communication and services related to broadcasting, in real terms (at constant price of 2011-12) has shown during the pre-Covid-19 Pandemic and lockdown. The Figure 7 shows that the growth rate a declining trends has started declining trends from Q1 of 2016-17. As per official estimates the growth rate of trade, hotels, transport, communication and services related to broadcasting declined from 9.4 per cent to 6.0 per cent (Q1 of 2016-17 to Q4 of 2016-17), and after this fall, further growth rate of this sector has declined continuously from Q2 of 2017-18 to Q4 of 2019-20. As per official estimates, the fall was from 10.7 per cent to 5.7 per cent, decline of 5.0 per cent point.

Figure 7

Growth of Trade, hotels, transport, communication and services related to broadcasting

(All-India, in per cent %)



Source: National Account Statistics (NSO) 2020-21.

During the period of Covid-19 and lockdown, the growth rate of this sector has declined to -48.01 per cent, and in next quarter this sector has revived with V-shaped and growth rate of this sector has registered to -16.1 per cent. In the second trench of Covid-19 lockdown during 2021-22, in Q1, growth rate of this sector has further declined very sharply from 34.3 per cent to 8.2 per cent. The long-run growth rate of this sector through the trend line indicates that the growth rate of this sector has share a continuous on a declining path.

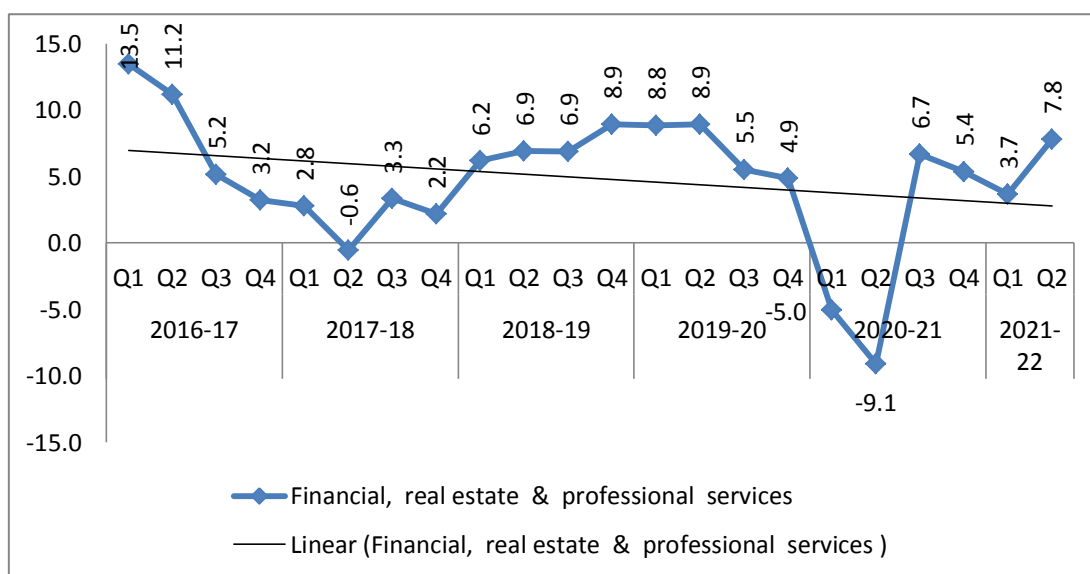
5.3.3.4 Growth of Financial, Real-Estate and Professional Services

The Growth of this sector presented in Figure 08 shows that it was on a declining path during pre-Covid-19 Pandemic and lockdown. The growth of this sector has declined from Q3 of 2019-20 to Q4 of 2019-20, before the lockdown, as per official estimate the fall was from 5.5 per cent to 4.9 per cent at pre-Covid-19 Pandemic. During the period of Covid-19 and lockdown, growth rate of this sector has declined from 4.9 per cent to -5.0 per cent, in Q4 of 2019-20 to Q1 of 2020-21, and further growth has declined to -9.1 per cent in Q2 of 2020-21. This sector also has revives with V-shaped in next quarter. And before the second phase of Covid-19 and lockdown growth of this sector of financial, real estate and professional services, the declining trend has been continuous.

Figure 8

Growth of Financial, Real-Estate and Professional Services

(All-India, in per cent %)



Source: National Account Statistics (NSO) 2020-21.

The growth rate has started declining from Q4 of 2020-21 to during the second phase of Covid-19 and lockdown, Q1 of 2021-22. The long-run growth and trend line show that growth of this sector has a continuous declining trend.

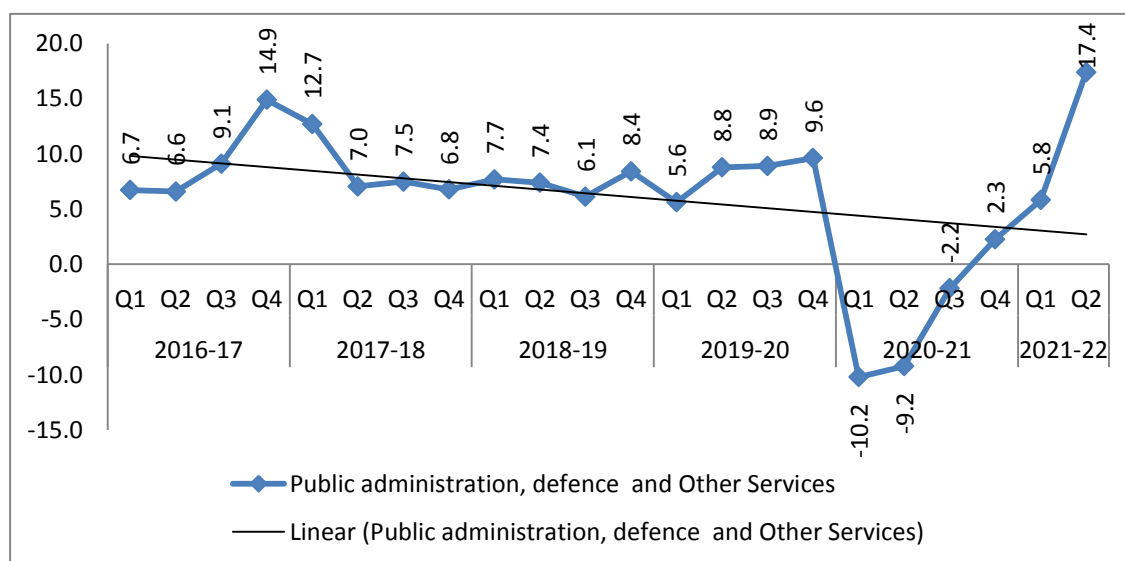
5.3.3.5 Public administration, defence and Other Services

The growth rate of public administration, defence and other services also shows a declining trend line. The growth rate of this sector is presented in Figure 09 has declined to a very large extent after the announcement of demonetisation. Highest growth was registered in this sector was in Q4 of 2016-17 by 14.9 per cent. In this sector a high fluctuation has registered in each financial year. During the pre-covid-19 and lockdown, this sector was on a positive growth rate from Q2 of 2019-20 to Q4 of 2019-20, as per official estimates the growth rate was from 8.8 per cent to 9.6 per cent during this period. During the Covid-19 and lockdown growth rate of this sector has declined to a great extent from 9.6 per cent to -10.2 per cent in Q4 of 2019-20 to Q1 2020-21. Post Covid-19 and lockdown growth in this sector has registered continuously, and in the second phase of Covid-19 and lockdown growth rate was on a positive path. During the second phase of lockdown, the growth rate of this sector was registered by 17.4 per cent from 5.8 per cent, in Q1 of 2021-22 to Q2 2021-22. The revival and growth of this sector was very positive for all sectors.

Figure 9

Public Administration, Defence and Other Services

(All-India, in per cent %)



Source: National Account Statistics (NSO) 2020-21.

5.4 EMPLOYMENT DURING COVID-19

The labour force participation rate in the Indian labour market was continuously on a declining path since adoption of New Economic Policy in 1991-92. As per official estimate and data from ILOSTAT (International Labour Organisation Statistics), during the period of 1991 to 2019 the labour force participation has declined from 58.39 per cent to 49.34 per cent, the fall was 9.05 per cent point, while the total population and workforce of the country has registered an increase. The trends of falls of labour force participation in the labour market reveal the uncertainty of the labour market. These are uncertainty of no security of job, no social security, low wage, wage discrimination, unsafe work place for woman, discrimination on base of demographic and quality of labour force. Post economic reform period in India or adoption of New Economic Policy, the informalisation has increased, practice of job contracts and social security has disappeared in the labour market of India, and decent work conditions in the Indian labour market have been bypassed by the employers in all sectors. The nature of informal work also has increased though the sector is formal in nature. This has been presented in the subsequent sections.

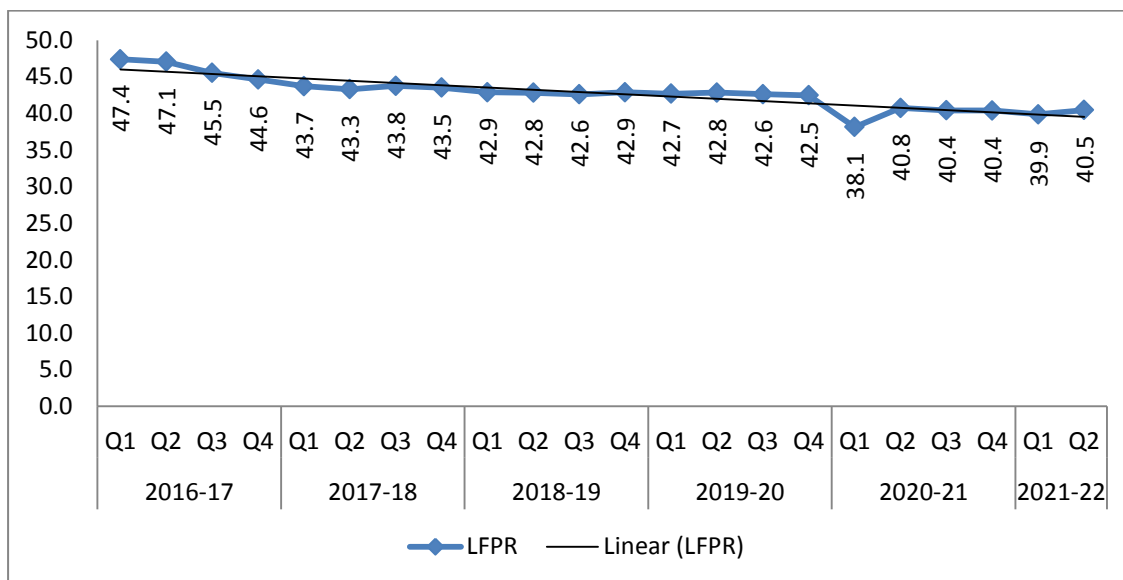
5.4.1 Labour Force Participation Rate during the Covid-19 Pandemic

As per official estimates of ILOSTAT during 2020, the LFPR of India has declined by 3.0 per cent point from 49.3 per cent in 2019 to 46.3 per cent in 2020. And as per quarterly estimates based on Centre for Monitoring Indian Economy (CMIE) data 2021 in Table No.01 and Figure No. 10, the quarterly estimates show that during the pre-Covid-19, the LFPR in Q1 of 2016-17 was 47.4 per cent. The LFPR has declined in Q4 of 2016-17 from Q1 of 2016-17, to 44.6 per cent. The trend of declining was continuous to Q4 of 2019-20 from Q1 of 2016-17, as per estimated fall was from 47.4 per cent to 42.5 per cent. During the period of Covid-19 and lockdown the labour force participation ratio has declined to 38.1 per cent in Q1 of 2020-21 from Q4 of 2019-20.

Figure 10

Labour Force Participation Ratio during pre and post Covid-19 and Lockdown

(All-India, in per cent %)



Source: Own estimated based on Centre for Monitoring Indian Economy (CMIE) data 2021.

The labour force participation ratio has revived in the next quarter of Q2 of 2020-21, from 38.1 per cent in Q1 of 2020-21 to 40.8 per cent and in Q3 and Q4 of 2020-21 the labour force participation ratio was 40.4 per cent in both quarters. During the second phase of Covid-19 and lockdown the labour force participation ratio has further declined to 39.9 per cent in Q1 of 2021-22, in Q2 of 2021-22, labour force participation ratio has revived only slightly by 0.6 per cent point to 40.5 per cent. The trend line of the long-run labour force participation ratio in Figure No. 11 indicates that the participation rate of labour has been on a declining path in the labour market of India.

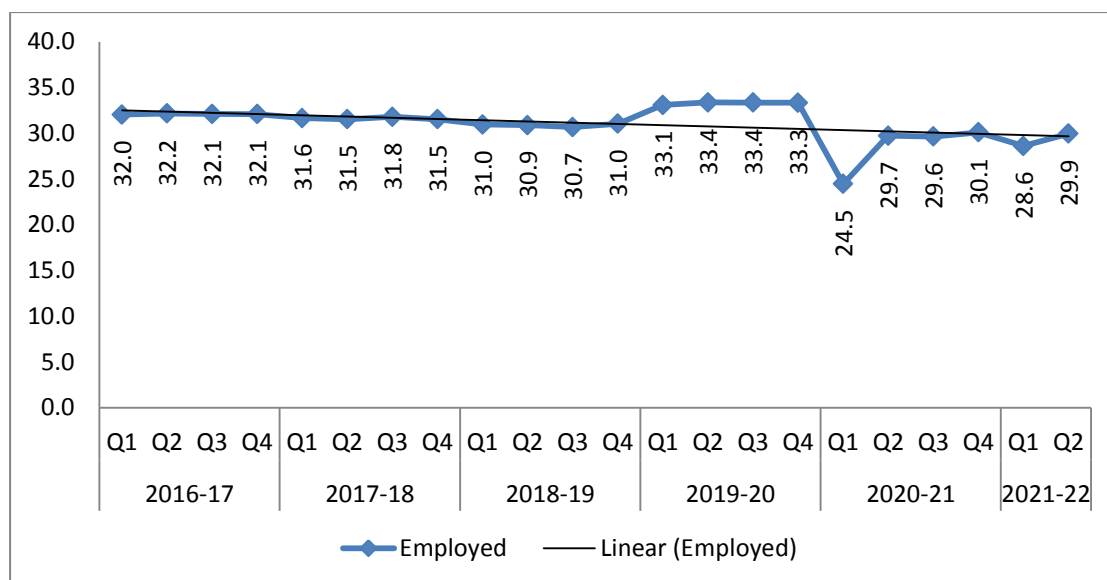
5.4.2 Worker Population Ratio during the Covid-19 in India

The worker population ratio, during the pre-Covid-19 and lockdown as per official estimates of ILOSTAT was 50.3 during 2011, and pre-Covid-19 during 2019, the worker population ratio was 46.7 cent per cent, has declined by 3.6 per cent point pre-Covid-19 pandemic and lockdown.

Figure 11

Worker Population Ratio during the Pre and Post Covid-19 and Lockdown

(All-India, in per cent %)



Source: Own estimated based on Centre for Monitoring Indian Economy (CMIE) data 2021.

As per estimated worker population ratio based on the Centre for Monitoring Indian Economy data (CMIE), long run growth of WPR has been on declining trends. Pre Covid-19 in Q4 of 2019-20, the WPR has registered to 33.3 per cent a very short fall from Q3 of 2019-20. During the period of Covid-19 and lockdown the WPR has declined a great extent in Q1 of 2020-21, from 33.3 per cent to 24.5 per cent, Q4 of 2019-20 to Q1 of 2020-21 by 8.8 per cent point. In second phase of Covid-19 and lockdown, further fall of WPR has registered in Q1 of 2021-22. The linear trends line of employed or WPR show a continuous declining trend line in the Indian economy.

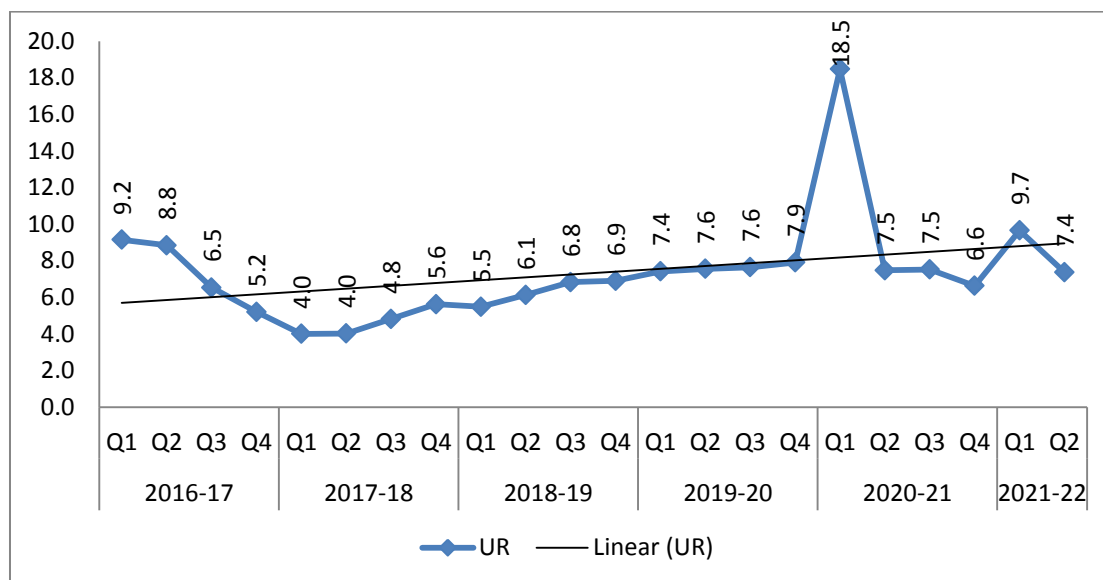
5.4.3 Unemployment Rate

The unemployment rate in Indian labour market has been on an increasing trend. The lowest unemployment rate was registered during pre Covid-19 Pandemic and lockdown in Q2 of 2017-18 by 4.0 per cent. After Q2 of 2017-18, the unemployment rate in India labour market increased continuously at pre Covid-19 and lockdown Q4 of 2019-20, and it was recorded 7.9 per cent. Figure 13 shows that the unemployment rate has increased before the covid-19 and lockdown.

Figure 12

Unemployment Rate during Pre and Post Covid-19 and Lockdown

(All-India, in per cent %)



Source: Own estimated based on Centre for Monitoring Indian Economy (CMIE) data2021.

During the period of Covid-19 and lockdown, the unemployment rate was recorded at 18.5 per cent, and in the second phase of Covid-19 and lockdown, the unemployment rate was 9.7 per cent. The long run trend line shows that the unemployment rate in the Indian labour market has increased continuously.

5.5 Conditions of Employment

All discussion gone in respect of employment, Covid-19 and lockdown reveal the condition of the Indian labour market. In the previous Chapter IV, estimates of workforce in formal/organised sector and informal/unorganised sectors, from different round surveys of NSS was presented. It show the rising number of workers in the informal/unorganised sector, who are extremely vulnerable to any sudden economic shock, the most worrying fact is that the rising proportion of informal workers in both informal and formal sector. In other words, there has been a distinct and sharp trend of informalisation in the Indian labour market.

Table 1

**Workers Among Regular Wage/Salaried Employees Not Having a Job Contract,
Paid Leaves and Social Security (UP+SS)**

Year	Rural (%)			Urban (%)			All (%)		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
No written job contract									
2004-05	59.4	56.8	58.9	58.6	61.2	59.1	58.9	59.6	59.1
2009-10	61.1	55.3	60.0	65.1	64.8	65.0	63.7	61.5	63.3
2011-12	65.4	61.9	64.7	64.4	65.9	64.7	64.7	64.6	64.7
2017-18	71.7	58.5	69.2	72.7	71.4	72.4	72.3	66.8	71.1
2018-19	70.4	58.2	67.8	70.3	71.2	70.5	70.3	66.5	69.5
2019-20	70.4	58.7	68.3	66.3	68.2	66.8	68.1	65.0	67.3
Not eligible for paid leaves									
2004-05	47.3	48.7	47.6	44.8	48.0	45.5	45.8	48.3	46.2
2009-10	50.2	47.6	49.7	46.6	44.7	46.3	47.8	45.7	47.4
2011-12	51.7	48.1	51.0	49.5	49.1	49.4	50.2	48.8	50.0
2017-18	58.1	47.9	56.2	53.1	51.8	52.8	55.2	50.4	54.2
2018-19	58.6	49.5	56.7	52.2	51.3	52.0	54.7	50.6	53.8
2019-20	56.8	46.1	54.5	50.7	51.6	51.0	53.1	49.8	52.3
Not eligible for any social security benefit									
2004-05	55.5	60.8	56.5	51.9	59.6	53.4	53.2	60.0	54.5
2009-10	55.8	61.5	56.9	52.9	53.0	52.9	53.9	56.0	54.2
2011-12	56.8	63.4	58.0	53.5	56.2	54.1	54.7	58.7	55.4
2017-18	51.9	55.1	52.5	47.0	50.1	47.7	49.0	51.8	49.6
2018-19	55.4	57.7	55.9	48.5	52.6	49.4	51.2	54.4	51.9
2019-20	59.5	58.7	59.3	49.9	54.7	51.1	53.6	56.0	54.2

Source: different round reports of NSSO and PLFS 2019-20

During 2009-10 to 2011-12, close to 57 per cent of the workforce in the formal/organised sector was shared in informal workers, which in 1999-2000 was 38 per cent and in 2004-05 was 47 per cent. It is well known that the formal sector is supposed to be a provider of so-called 'decent work'; now it is losing this character at a fast rate. This trend is further reiterated by the most recent Periodic Labour Force Survey (PLFS), 2019-20, from Table 1.

According to the National Commission for Enterprises in the Unorganised Sector (NCEUS), the main features of informal workers are that lack of coverage by labour regulations, which facilitate workers access to various employment benefits and social protection provisions; such workers who do not have the protection of national labour regulations are falls in informal workers.

The Table 1 show, statistical indicators for employment security, wage security and social security. The Table 1, show that among the regular wage/salaried employees, 59.1 per cent has no written job contracts in 2004-05, and this numbers has increased to 67.3 per cent by 2019-20. As regarding provision of paid leaves and the incidence of employees not covered increased from 46.2 per cent to 52.3 per cent over the same period.

The access to social security is officially linked with reference to any one of the following variables: such as provident fund, pension, gratuity, healthcare and maternity benefits, as per the PLFS. The Table No. 01 shows that among the regular wage/salaried employees, there was a small improvement in this; in 2004-05, 54.5 per cent employees had no social security, and number has improved to very small to 54.2 per cent in 2019-20. However, the formal sector constitutes a very small share of overall workers, and the situation in the informal sector continues to be persistently precarious. As per NSSO round 68th 2011-12, the share of informal workers from the total worker comprised about 92 per cent. The condition of the overwhelming majority of workers remains grim as per the relevant official indicators.

5.6 Labour Migration

The migration is the movement of people from their usual place of residence to another place, for the purpose of employment or work; it can be within the state or from one state to another state or from their own country to another country. The latest government data available on migration (all migrants, labour and non labour) from the Census of 2011. As per the Census 2011, there are 45.6 crores migrants (38 per cent of the population), compared to the Census 2001, 31.5 crores migrants (31 per cent of the population). Between the period of 2001 to 2011, the population grew by 18 per cent, while the numbers of migrants increased by 45 per cent. The Census 2011 revealed that out of total migrants, internal migrants is about 99 per cent.

Internal migration can be classified on the basis of their origin and destination of migrants. The kinds of classifications of migration are that: (i) rural to rural migration (ii) rural to urban migration (iii) urban to rural migration, and, (iv) urban to urban migration. The Census 2011 shows that there are about 21 crores migrants, rural to rural, which formed about 54 per cent of internal migration. The migration from rural to urban and urban to urban, accounted, around 8 crores. There were around 3 crores migrants from urban to rural, which formed around 7 per cent of classifiable internal migration (Census 2011).

Another classification of migration is: (i) migration of intra-state, and (ii) inter-state. The Census 2011, shows that the migration of intra-state accounted for around 88 per cent of migration out of all internal migration (39.6 crores migrants) (Census 2011).

There is variation of migration across states in terms of inter-state movements. According to the Census 2011, there were about 5.4 per cent migrations of people constituting inter-state. According to Census 2011, Uttar Pradesh and Bihar share the largest source of inter-state migrants, while Maharashtra and Delhi State were the largest place receivers of the migrants. As per Census 2011, around 83 lakhs of residents of Uttar Pradesh and about 63 lakhs residents of Bihar had migrated either temporarily or permanently to the other states. As per Census 2011, around 60 lakhs of people from all states of India had migrated to Maharashtra.

The Distribution of migrants according to the Census of India 2011, (distribution of migrants to the total population across cities) were, Delhi 43.0 per cent, Mumbai, 54.9 per cent, Kolkata 40.8 per cent, Chennai 51.8 per cent, Bangalore 52.3 per cent, Hyderabad 64.3 per cent, Ahmedabad 48.7 per cent and Pune 64.8 per cent.

5.7 Facts and Size of Internal Migration

As per Census 2011, around 70 per cent of intra-state migration was due to reasons of marriage and family. The migration of females was around 83 per cent due to marriage and family, and migration of male was around 39 per cent. And migration of people was around 8 per cent within state for work (the migration of male around 21 per cent and female migration around 2 per cent, Census 2011).

The migration for work was higher among the inter-state. Migration of male among the inter-state constituted around 50 per cent and migration of females around 5 per cent for work. As per the Census 2011, there were 4.5 crores migrant workers. However, the Census underestimates the migrant's worker population (Working Group Report on Census 2017). The migration of females has recorded as movement due to the primary reason of family. However, many females take up employment after migration, which is not reflected in the number of female migration for work related.

As per the Economic Survey of India 2016-17, the Census data underestimates temporary migration of labour (within one year or less than 10 years). In the report of NSSO of 2007-08, estimated the size of migrant's worker was 7 crores, which formed 29 per cent of the workforce. The Economic Survey of India 2016-17, has estimated that there were 6 crores migration from 2001 to 2011, in the inter-state. There were about 90 lakhs people who travelled for work, between the years of 2011 to 2016 (Economic Survey of India 2016-17).

5.8 Migrants Workers during Covid-19 Pandemic and Lockdown

The Constitution of India, provides guarantees and rights to all the Indian citizens to reside and settle in any part of the territory of India (Article 19(1) (e)). However, people those are migrating for work face key challenges: (i) lack of social security, health benefits and poor implementation of minimum safety standard law, (ii) lack of the access to affordable housing and basic amenities in urban areas, and (iii) lack of portability of the state provided benefit especially of food, which provided through the Public Distribution System (PDS).

The Inter-State Migrant Workmen Act, 1979 (ISMW Act) provides certain protections for the migrant workers. The contractors of labour who, recruiting the migrants are required to: (i) be licensed, (ii) they register the migrant workers with the government authorities, and (iii) issue them to the worker for their identity. The guidelines regarding wages and protections, including accommodation, free medical facilities, and protecting and safety clothing, which are provided by the contractor, are also outlined in the law (ISMW Act).

5.9 Reverse Migration during the Covid-19 Pandemic and Lockdown

In fear of the spread of Covid-19 virus the Central Government announced lockdown many times during March 2020 to June 2020. During the period of lockdown, several inter-state migrant workers have started reverse migration to their native place, in absence of saving, food security, and social security, due to Covid-19 and lockdown. Due to the suspension of public transport facilities, thousands of migrants have started migration towards their home state by their own facilities and by walking on foot. There is a lack of reliable data on internal migrants with the government, unlike international migrants. The last time any official data was collected was as part of the National Sample Survey 2007–08, and the Population Census of India in 2011, whose data was partially released in 2020. During the period of lockdown, the Indian government has never collected data on the deaths of internal migrants, during their reverse migration and their job losses (Paliath, 2021).

5.10 Government Initiatives during the Covid-19 and Lockdown

The Central Government with the coordination of states has taken many steps. These measures taken by the government to aid migrants, these are:

5.10.1 Transport: During the period of lockdown, on March 28, the central government authorised the state to use the State Disaster Response Fund to provide accommodation to travelling migrants. The states were advised to set up relief camps for migrants along highways, with facilities of medical care to ensure people stay in these camps during lockdown. In another order, issued by the Ministry of Home Affairs on 29th April 2020, allowed states to facilitate individually to transport migrants to their destination by using buses. On 1st May 2020, the Indian Railways resumed their services for passenger movement, with Shramik Special trains to facilitate movement of migrants. During the lockdown period, the Indian Railways operated 4,197 Shramik trains in the period of 1st May to 3rd June 2020, transporting more than 58 lakhs of migrants. The states in top from where this special train (Shramik trains) originated are Gujarat and Maharashtra and states to where these trains were terminated are Uttar Pradesh and Bihar. It is noted that, these trends of reverse

migration largely corresponds to the migration patterns which are seen in the data of 2011 Census.

5.10.2 Food Distribution: On 1st April 2020, the Ministry of Health and Family Affairs directed the state government to operate relief camps for migrants with arrangements of food, sanitation and medical facilities. On 14th May 2020, the Finance Minister announced that under the second tranche of the Atma Nirbhar Bharat Abhiyan, free food grains would be provided to migrant workers who do not have a ration card for two months. The measure is taken by the Ministry of Finance expected to benefit eight crores of migrant workers and their families.

5.10.3 Housing: The Atma Nirbhar Bharat Abhiyaan has also launched a scheme for Affordable Rental Housing Complexes for migrant workers and for Urban Poor to provide affordable rental housing units under the Pradhan Mantri Awas Yojana.

5.10.4 Financial Aid: During the time of lockdown, some state governments announced one-time cash transfers for returning migrant workers; these states were Bihar, Rajasthan, and Madhya Pradesh and Uttar Pradesh Government. These state governments have announced the provision of maintenance allowance of Rs. 1,000 for returning migrants, who were required to quarantine (prs, 2020).

5.10.5 Direction and Order by the Supreme Court of India

The Supreme Court of India reviewed the situation of migrant workers during lockdown and Covid-19, stranded in different parts of the country, has noted that, inadequacies and lapses of the government response to the situation. The Supreme Court of India has issued an order on 26th May 2020, to the central and state/UT government to submit a response detail, about all measures, which has been taken by the respective government for migrant workers. It has provided interim direction, on 28th May 2020 to the central and state/UT governments for ensuring relief to migrant workers. That is: (i) no train or bus fare should be charged to migrant workers, (ii) free food should be provided to stranded migrants by the concerned State/UT government during time of lockdown, (iii) State/UT should simplify and speed-up the process of registration of migrants workers for transport, and those has registered should be provide them transportation at the earliest, and (iv) the State/UT are

receiving the migrants should provide them last-mile transport, health screening and other facilities at free of cost¹.

The Supreme Court has also directed to the State/UT government to consider withdrawal of prosecution/complaints under the Section 51 of Disaster Management Act filed against the migrant workers who has allegedly violated the order of lockdown, which announced by the Central Government in fear of Covid-19 virus, that this situation is a pandemic and disaster².

5.11 CONCLUSION

The economy of India is on a declining path during the pre Covid-19 pandemic and lockdown. Sectoral growth rate of all except agriculture sector and construction sector change during pre Covid-19 was on a declining path. During the period of lockdown only the agriculture sector has registered a positive growth. On the perspective of employment, the labour force participation rate in the Indian labour market, has started to decline since adoption of New Economic Policy, from 1991 (ILOSTAT). During the period of Covid-19 and lockdown, the LFPR has declined to a large extent. The unemployment rate was on an increasing path during the pre covid-19 pandemic and lockdown. It started to increase trends from Q3 of 2017-18 till announcement of lockdown during the Covid-19 pandemic. The employment growth after implementation of New Economic Policy has started to decline from 1991 (ILOSTAT).

The nature and condition of employment in the Indian labour market has worsened. The NSS and PLFS report reveals that the informalisation of work was about 92 per cent during the pre Covid-19 pandemic and lockdown. In 2004-05, about 59.1 per cent people were without job contract and it has increased to 67.3 per cent in PLFS report 2019-20. During the same period there were about 46.2 per cent who were not eligible for paid leaves, which have increased to 52.3 per cent in PLFS 2019-20. Those persons who were not eligible for any social security benefit during 2004-05, were 54.5 per cent.

¹ https://main.sci.gov.in/supremecourt/2020/11706/11706_2020_34_42_22217_Order_26-May-2020.pdf.

² https://main.sci.gov.in/supremecourt/2020/11706/11706_2020_34_1501_22499_Order_09-Jun-2020.pdf.

All these discussion reveal that the economy and labour market was already in worse condition and this Covid-19 pandemic and lockdown has multiplied of this worsening condition in the Indian economy and in the labour market.

The COVID-19 pandemic has caused a severe impact in many countries, particularly in developing ones. According to the World Economic Situation and Prospects as of mid-2021, this global crisis has “clearly worsened poverty and within-country inequality”, and it is expected that “will leave long-lasting scars in labour markets, while reversing progress on poverty and income inequality in many economies.” The context in India in this sense is very complex. As per the reports from a study, it was found that the highest number of COVID-19 cases as of 13th April 2020 was reported in Delhi with 898 cases followed by Mumbai with 880. The share of COVID-19 cases from these metropolitan cities to the total percent was 38% (Bhagat et al., 2020).

The involuntary and forced nature of reverse migration due to the sudden lockdown, with lack of preparedness and planning by the Central Government, and irresponsible behaviour of the employers and social hostility against the migrants. The lack of migrant data and registration in welfare schemes excluded most of them from the relief package benefits announced by the Central and State/UT Government. COVID-19 crisis has magnified several pre-existing problems faced by the migrants, which led them to suffer invariably at different stages of their reverse migration.



CHAPTER 6
FINDING OF THE STUDY, CONCLUSION
AND RECOMMENDATIONS



CHAPTER-VI

FINDING OF THE STUDY, CONCLUSION AND RECOMMENDATIONS

The study is in the context of employment during the post-globalisation period in India. Meaning of globalisation in economics refers to the increasing openness of an economy to international trade, capital flows (both portfolio and foreign direct investment), transfer of technology and free movement of labour. Thus “*globalisation means the integration of the economies of the world resulting from free flows of trade, capital, labour, and technology*”. Globalisation, in general, is a process of integration of the domestic economy with the world economy and is a complex phenomenon. During periods of Pre-Globalisation (1981-82 to 1990-91) GDP was recorded as 5.6 per cent in real terms (at price of 2011-12). During the Post-Globalisation in India, average GDP growth rate recorded 6.3 per cent, which is higher than pre-globalisation in India. The average GDP growth rate shows that the India economy has benefited from the policy of globalisation. Under various research studies in the Past from that despite an increase in the GDP in the country, employment in real sense has not increased. Further, the Covid-19 Pandemic has put lots of stress to people income, employment and livelihood. With this background, the present study examines the trends and pattern of employment during the post-globalisation period using the available secondary data.

6.1 The major objectives of the study are:

- ❖ To explore whether employment has increased during the period of Post-Globalisation in India.
- ❖ To explore what is scenario of employment growth and elasticity of employment during the period of Post-Globalisation in India.

- ❖ To explore, what is scenario of labour participation on the basis of gender and demographic regions.
- ❖ To explore employment scenario and labour migration during the lockdown period of Covid-19 Pandemic.

6.2 Hypothesis

- ❖ Female LFPRs has declined significantly during the post-globalisation in India.
- ❖ Employment growth and employment elasticity has declined during the post-globalization in India.
- ❖ Informalisation and Casualisation of work and employment has increases during the post-globalisation in India.

6.3. Finding of the Study

The study has been classified into six chapters. First chapter is introduction of the study. The review of literature, objectives, hypothesis is included in chapter I. Chapter second is conceptual and theoretical framework. It discusses major theories of employment and various concepts used in the study. The major finding from chapter three to chapter five are presented below:

In the third chapter, our research problem was related to the Labour Force Participation Rate, employment rate and unemployment rate of male and female both urban and rural. The major finding of this chapter is as below:

Labour Force Participation Rate declined significantly during the Post-Globalisation period in India (ILOSTAT 2021) The LFPR of rural male has increased by 1.9 percentage points from 52.6 per cent to 54.5 per cent during 1987-88 to 2018-19 on the basis of CWS and also nominal growth has registered on the basis of UPSS by 0.2 percentage points. During 1987-88 to 2018-19, the LFPR of rural female has declined

to large extent from 33.1 per cent to 19.7 per cent during the same period, on usual basis (UPSS) by 13.4 percentage point and rural female LFPR has also has declined on the basis of CWS from 22.9 per cent to 16.7 per cent. The LFPR of urban male has increased from 53.4 per cent to 56.7 per cent on criterion of UPSS; the LFPR of urban male also has increased significantly on CWS, from 52.9 per cent to 56.7 per cent during 1987-88 to 2018-19. The LFPR of urban females has increased on the basis of CWS from 13.1 per cent to 15.6 per cent, while on the basis of UPSS LFPR seems stagnant.

Work Force Participation Ratio of all persons has declined 42.3 per cent to 35.3 per cent on criterion of UPSS during 1977-78 to 2018-19. During Pre-Globalisation WFPR of all has declined by 1.1 percentage point from 42.3 per cent to 41.2 per cent (1977-78 to 1983). Post-Globalisation the WFPR of all has declined very large from 42.0 per cent to 35.3 per cent (1993-94 to 2018-19). On the basis of gender WFPR has declined both for male and all female. The WFPR of male has declined from 54.3 per cent to 52.3 per cent, while falls in WFPR of females was very large from 29.7 per cent to 17.6 per cent during 1977-78 to 2018-19. During Post-Globalisation period WFPR of both male and female has declined very large extent, male (urban + rural) WFPR declined from 54.5 per cent to 52.3 per cent, while female (urban + rural) WFPR has declined from 28.6 per cent to 17.6 per cent during 1993-94 to 2018-19. The WFPR of rural male during the post-globalisation has declined from 55.3 per cent to 52.1 per cent (1993-94 to 2018-19) on basis of usual status (ps+ss), while rural female WFPR during same period also has declined very sharply from 32.8 per cent to 19.0 per cent. WFPR of rural male and female on criterion of CWS also has declined during post-globalisation; it was from 53.1 per cent to 49.7 per cent (1993-94 to 2018-19) of rural male, while rural female WFPR on CWS has declined very large from 26.7 per cent to 15.5 per cent during same period. WFPR of urban male during 1977-78 to 2018-19 has increased from 50.8 per cent to 52.7 per cent while WFPR of urban female on usual status (ps+ss) has declined from 15.6 per cent to 14.5 per cent. It has also increased on CWS during 1977-78 to 2018-19. WFPR of urban male has increased from 49.0 per cent to 51.7 per cent, while urban female WFPR has increased from 12.5 per cent to 13.7 per cent.

The distribution of rural male in self-employed during the period of pre-globalisation has declined from 62.8 per cent to 57.7 per cent (1977-78 to 1993-94), while during post-globalisation from 1999-2000 to 2018-19 self-employed rural male has increased from 55.0 per cent to 57.4 per cent on usual status (up+ss). Distribution of employed rural female in self-employed has declined from 62.1 per cent to 58.6 per cent during pre-globalisation and post-globalisation self-employed rural female has increased from 57.3 per cent to 59.6 per cent (1999-2000 to 2018-19) on usual status (ps+ss). Urban male in self-employed during pre and post-globalisation period has declined from 40.4 per cent to 38.7 per cent (1977-78 to 2018-19) on usual status (ps+ss), urban female employment in self-employed also has declined from 49.5 per cent to 34.5 per cent during same period.

Distribution of usually employed (ps+ss) of rural male in regular wage/salaried employees' criterion during pre-globalisation has decreased from 10.6 per cent to 8.5 per cent (1977-78 to 1993-94) and during post-globalisation regular wage/salaried employees in rural has increased from 8.8 per cent to 14.2 per cent (1999-2000 to 2018-19). Employed rural female distribution in regular wage/salaried employees has declined from 2.8 per cent to 2.7 per cent (1977-78 to 1993-94) and during post-globalisation (1999-2000 to 2018-19) regular wage/salaried employees of rural female increased from 3.1 per cent to 11.0 per cent on usual status (ps+ss). Urban male and female employment on basis of regular wage/salaried employees both has increased 46.4 per cent to 47.2 per cent of urban male and 24.9 per cent to 54.7 per cent of urban female during pre and post-globalisation period (1977-78 to 2018-19) on usual status (ps+ss).

Employed in casual labour work of rural male increased during pre-globalisation from 26.6 per cent to 33.8 per cent (1977-78 to 1993-94) and during post-globalisation casual labour work of rural male has declined from 36.2 per cent to 28.3 per cent. Employment of rural female in casual labour work also has declined during pre and post-globalisation 35.1 per cent to 29.3 per cent (1977-78 to 2018-19) on usual status (ps+ss). In casual labour work urban male on usual status (ps+ss) has increased from 13.2 per cent to 15.1 per cent during pre and post-globalisation period (1977-78 to

2018-19), while urban female on usual status (ps+ss) in casual labour work has declined from 25.6 per cent to 10.7 per cent during same period.

Distribution of employment in broad industries, i.e. agriculture, livestock, forestry and in fishing on usually employed (ps+ss), rural male has declined sharply from 80.6 per cent to 53.2 per cent during pre and post-globalisation (1977-78 to 2018-19), while employment of rural female also has declined on usual status (ps+ss) from 88.1 per cent to 71.1 per cent during same period. The employment of urban male and female in agriculture, livestock, and forestry and in fishing has declined also from 10.6 per cent to 4.9 per cent and 31.9 per cent to 7.8 per cent respectively of urban male and female on usual status (ps+ss). In manufacturing industries, employment of rural male and female has increased from 6.4 per cent to 7.3 per cent and 5.9 per cent to 9.0 per cent respectively during pre and post-globalisation period on usual status (ps+ss). And, Employment of urban male and female in manufacturing industries has declined of both, from 27.6 per cent to 21.9 per cent and 29.6 per cent to 12.8 per cent respectively during 1977-78 to 2018-19 on basis of usual status (ps+ss).

Employment in construction work of rural male and female on usual status (ps+ss) during pre-globalisation period (1977-78 to 1993-94) increased from 1.7 per cent to 3.2 per cent and 0.6 per cent to 0.9 per cent respectively of both male and female and during post-globalisation period (1993-94 to 2018-19). Employment increased very significantly from 3.2 per cent to 15.4 per cent of rural male and from 0.9 per cent to 6.0 per cent of rural female respectively. Employment of urban male and female in construction work during the pre-globalisation period (1977-78 to 2018-19) also has increased from 4.2 per cent to 6.9 per cent urban male and from 2.2 per cent to 4.1 per cent of urban female respectively and during the post-globalisation period of 1993-94 to 2018-19 employment increased very significantly from 6.9 per cent to 11.6 per cent of urban male while urban female employment in construction work was stagnant.

Employment of rural male and female in transport, storage and communication, rural male employment increased during pre-globalisation period (1977-78 to 1993-94) from 1.2 per cent to 2.2 per cent, employment of rural female in transport, storage and communication was registered very low 0.1 per cent which was stagnant during same period. During the post-globalisation period from 1993-94 to 2018-19, employment of

rural male has increased significantly from 2.2 per cent to 5.4 per cent, rural female increased but it was very negligible 0.2 per cent in these services. During the period of pre-globalisation (1977-78 to 2018-19) urban male and female in work of transport, storage and communication has declined from 9.8 per cent to 9.7 per cent of urban male while employment of urban female increased from 1.0 per cent to 1.3 per cent. During period of post-globalisation (1993-94 to 2018-19) significant growth has registered in employment of both urban male and female, from 9.7 per cent to 12.2 per cent and from 1.3 per cent to 3.6 per cent respectively.

Employment in other services of rural male and female has increased during the period of pre-globalisation (1977-78 to 2018-19) from 5.3 per cent to 7.0 per cent of rural male and from 3.0 per cent to 3.4 per cent of rural female respectively. During the period of post-globalisation (1993-94 to 2018-19) employment in other services has increased of both rural male and female, from 7.0 per cent to 8.0 per cent of rural male and from 3.4 per cent to 9.1 per cent of rural female. Employment in other services of urban male and female has increased during the period of pre-globalisation (1977-78 to 1993-94) from 24.3 per cent to 26.4 per cent of urban male and from 26.0 per cent to 35.0 per cent of urban female. During the period of post-globalisation (1993-94 to 2018-19) employment of urban male in other services has declined very large from 26.4 per cent to 22.3 per cent while employment of urban female in other services has increased very significantly from 35.0 per cent to 45.6 per cent.

Unemployment rate of rural male during the period of pre-globalisation (1977-78 to 1993-94) has increased from 1.3 per cent to 1.4 per cent, while unemployment rate of rural female has declined during same period from 2.0 per cent to 0.9 per cent on usual status (adjusted or ps+ss). While on CWS unemployment of both has declined from 3.6 per cent to 3.1 per cent of rural male and from 4.1 per cent to 2.9 per cent of rural females during the same period. During the period of post-globalisation (1993-94 to 2018-19) unemployment rate of rural male has increased on both criterion of usual status (ps+ss) and CWS, from 1.4 per cent to 3.1 per cent and from 3.1 per cent to 4.8 per cent respectively. While the unemployment rate of rural females has declined on both criteria of usual status (ps+ss) and CWS from 0.9 per cent to 0.7 per cent and from 2.9 per cent to 1.2 per cent respectively. Unemployment rate of urban

male and female has declined on both criterion of usual status (ps+ss) and CWS during the pre-globalisation period of 1997-78 to 1993-94 from 5.4 per cent to 4.1 per cent of urban male on basis of usual status (ps+ss) and from 7.1 per cent to 5.2 per cent on criterion of CWS, and urban female unemployment has declined from 12.4 per cent to 6.1 per cent on usual status (ps+ss) and from 10.9 per cent to 7.9 per cent on criterion of CWS during the same period. During the period of post-globalisation (1993-94 to 2018-19) the unemployment rate of urban male and female has also declined on both criterion of usual status (ps+ss) and CWS. Unemployment rate of urban male has declined from 4.1 per cent to 4.0 per cent on usual status (ps+ss) and from 5.2 per cent to 5.0 per cent on criterion of CWS respectively, and urban female unemployment rate has declined from 6.1 per cent to 1.6 per cent on usual status (ps+ss), and from 7.9 per cent to 1.9 per cent on criterion of CWS respectively.

Unemployment rate among educated (secondary and above) during pre-globalisation (1987-88) was 7.4 per cent of rural male on usual status (ps+ss) has registered, while rural female unemployment rate registered 24.1 per cent among educated (secondary and above). During period of post-globalisation (1993-94 to 2018-19) unemployment rate among educated has increased from 6.5 per cent to 10.1 per cent of rural male on criterion of usual status (ps+ss), and rural female unemployment rate also has increased from 16.0 per cent to 16.6 per cent during same period. Unemployment rate among educated (secondary and above) of urban male and female during pre-globalisation (1987-88) has registered to 7.2 per cent of urban male and 17.8 per cent of urban female on criterion of usual status (ps+ss). During the period of post-globalisation (1993-94 to 2018-19), unemployment rate among educated (secondary and above) of urban male also has increased from 6.0 per cent to 9.2 per cent, while urban female unemployment rate among educated has declined from 17.8 per cent to 17.6 per cent during the same period.

In the fourth chapter, our research problem was related with growth of GDP, India foreign trade balance, sectoral share of GVA and employment, employment growth and employment elasticity. The major finding of this Chapter-IV is as below:

The growth rate during pre-globalisation in India peaked at 9.6 per cent recorded in the year of 1988-89 at constant price (2011-12), during the period of pre-globalisation

(1981-82 to 1990-91) decadal growth rate registered by 5.53 per cent. The decadal growth rate of GDP during post-globalisation during first decades of globalisation from 1991-92 to 2000-01 was 6.3 per cent, in second decades from 2001-02 to 2009-10 growth was 7.1 per cent, and in third decades of 2011-12 to 2020-21, 6.0 per cent has registered. India trade balance during the period of pre-globalisation in 1981-82, was -5802 crores, which during the eve of globalisation has reached to -10635 crores. During post-globalisation of one decade during 2001-02, the trade balance has further has widen to -36182 crores and after two decades during 2011-12, the trade balance has also widen to -540545 crores, during 2019-20, trade balance of India was reached to -1137529 crores.

During the period of pre-globalisation (1981-82), the share of the primary sector in total GVA in real terms was 46.5 per cent and employment share was 70.0 per cent. Share of secondary in total GVA during the same period was 14.6 per cent and the share of employment was 10.5 per cent registered. The share of Tertiary Sector in total GVA was 42.4 per cent and in employment was 19.5 per cent during the same period. In comparison, to other sectors (secondary and tertiary sector) the primary sector has provided more employment than its share of GVA. During 1990-91, the share of the primary sector in total GVA has declined by 5.8 percentage points and the share of employment of the primary sector also has decreased by 4.7 percentage points during 1981-82 to 1990-91. After decades of Globalisation from 1991-92 to 2011-12, the share of the primary sector in total GVA has decreased significantly by 17.9 percentage points. The share of GVA was 39.6 per cent in 1991-92 which declined to 21.7 per cent in 2011-12. The share of GVA of the primary sector further decreased to 17.3 per cent in 2018-19. The share of employment, on the other hand, declined by 16.7 percentage points during the same period of the primary sector, the share of employment further decreased to 41.7 per cent in 2018-19.

Share of employment in the Secondary sector was 10.6 per cent during 1991-92, which increased to 11.8 in 2011-12. The share of employment in the secondary sector declined to 11.2 per cent in 2018-19. The share of the Tertiary sector during the period of 1991-92 to 2011-12 increased significantly by 15.5 percentage points. The share of employment in the tertiary sector was 24.3 per cent in 1991-92, which

increased to 39.8 per cent in 2011-12. The share of employment in the service sector has further increased to 47.2 per cent in 2018-19.

During pre-Globalisation period of 1981-82 to 1990-91, decadal growth of GVA was 5.35 per cent registered and during second decade (2001-02 to 2010-11) further growth in GVA has registered and GVA increased to 7.02 per cent and in third decades Post-Globalisation during 2011-12 to 2020-21 growth in GVA has declined by 1.16 percentage points and decadal growth was 5.86 per cent. However, during the period of (1981-82 to 1990-91) decadal growth of employment Pre-Globalisation was 1.50 per cent. Post-Globalisation during the first decades (1991-92 to 2001-02), growth of employment has decreased to 1.07 per cent, and employment growth has further declined to 0.34 per cent in the second decade (Post-Globalisation) during the period of 2001-02 to 2010-11. Growth of employment has registered negative in the third decades of Post-Globalisation to -5.60 per cent (2011-12 to 2020-21). Long-term or decadal elasticity of employment has declined continuously. During Pre-Globalisation the elasticity of employment was 0.28 per cent, which means opportunity of employment growth was 0.28 per cent with 1.0 per cent growth of GVA. Employment elasticity declined to a very extent during the first decades of Post-Globalisation (1991-92 to 2000-01) to 0.17 per cent. In the second decades of Post-Globalisation during 2001-02 to 2010-11 employment elasticity further declined to 0.05 per cent. The employment opportunity has declined by 0.12 percentage point during 2001-02 to 2010-11. In the third decade during 2011-12 to 2020-21 employment opportunity has registered negative by -0.96 per cent.

The employment elasticity during 1972-73 to 1977-78 was 0.58 per cent of all sectors of economic activity. Manufacturing sector has registered with very high employment elasticity by 1.02 per cent, in tertiary sector; employment elasticity was 0.99 per cent, while employment elasticity in primary sector was 0.45 per cent.

Post-Globalisation, employment elasticity has decreased very significantly in all sectors and economic activities. The total employment elasticity during 1993-94 to 1999-2000 has registered only 0.18 per cent. The employment elasticity in primary sector has registered 0.02 per cent, while employment elasticity in manufacturing sector was 0.01 per cent and tertiary sector also has experienced low employment

elasticity by 0.44 per cent. The employment elasticity has increased in primary sector to 0.69 per cent during 1999-2000 to 2004-05, employment elasticity has registered 1.27 per cent in the manufacturing sector and employment elasticity in tertiary sector was 0.65 per cent and most of growth has registered in financial services 1.11 per cent during same period. Employment elasticity has declined very sharply during 2004-05 to 2009-10 of all sectors to 0.05 per cent from 0.45 per cent from the previous report of NSS. The primary sector has evidence with negative employment elasticity -0.70 per cent employment elasticity in the manufacturing sector was 0.42 per cent, while in tertiary sector it was 0.49 per cent. Activity in construction work has registered high employment elasticity 1.0 per cent. During 2009-10 to 2011-12 total employment elasticity increased to 0.13 per cent from previous NSS period, by economic activities, negative employment elasticity has registered in primary sector -0.33 per cent, employment elasticity in manufacturing sector was 0.74 per cent, and in tertiary sector it was 0.61 per cent, a very significant growth in the work of construction and financial services has registered by 1.06 per cent and 1.10 per cent respectively, while negative growth in public administration and defence has further evidenced -0.46 per cent. Elasticity of employment during 2011-12 to 2017-18 has registered with negative sign -0.04 per cent. Elasticity of employment in the primary sector was -0.64 per cent and in the manufacturing sector it was -0.39 per cent. The elasticity of employment in the tertiary sector was 0.26 per cent.

The share of employment in organised manufacturing sector was 28.4 per cent during 2004-05, and it has increased to 34.6 per cent with 6.2 percentage point of growth in 2011-12, while employment in organised manufacturing sector has declined to 32.0 per cent during 2017-18. Employment share in the unorganised manufacturing sector was 71.6 per cent during 2004-05. It has declined in 2011-12 by 6.2 percentage points while employment share in the unorganised manufacturing sector has increased to 68.0 per cent during 2017-18. Informal employment during 2004-05 was 89.6 per cent registered in the manufacturing sector, while formal employment share was 10.4 per cent. During 2011-12 formal employment registered 10.9 per cent in the manufacturing sector while in the same sector during the same period informal employment was 89.1 per cent registered, and during 2017-18 it has declined to 84.6 per cent and formal employment has registered with 4.5 per cent.

Share of employment in organised service sector was 27.5 per cent and share of unorganised service sector was 72.5 per cent registered during 2004-05. The share of employment of organised service sector has increased to 31.7 per cent during 2011-12 while unorganised service sector share in employment has declined to 68.3 per cent and during 2017-18 the share of organised service sector in employment was 29.9 per cent, while share of unorganised service sector in employment was 70.1 per cent. In types of employment formal and informal, the share of the service sector in formal employment was 19.2 per cent, while the share of informal employment in the service sector was 80.8 per cent during the 2004-05. The share of formal employment of services sector has increases to 19.9 per cent and share of informal employment in service sector was 80.0 per cent and employment share of service sector of formal was 21.5 per cent during 2017-18, while informal employment share of service sector was 78.5 per cent has registered.

Employment share of non-manufacturing organised sector was 31.2 per cent while unorganised non-manufacturing sector share was 68.8 per cent registered during 2004-05. The share of organised non-manufacturing sector in employment increased to 40.4 per cent during 2011-12, while share of unorganised non-manufacturing sector in employment has declined to 59.6 per cent, and during 2017-19, share of organised non-manufacturing sector in employment has declined very large from 40.4 per cent to 26.2 per cent, while unorganised non-manufacturing sector in employment has increased very largely from 59.6 per cent to 73.8 per cent. In types of employment, non-manufacturing sector share of formal employment during 2004-05 was 7.2 per cent, while informal employment share has registered to 92.8 per cent. Formal employment of non-manufacturing sector has declined to 5.3 per cent during 2011-12, while informal employment in non-manufacturing sector has increased to 94.7 per cent during same period and share of formal employment of non-manufacturing sector during 2017-18 has further declined to 5.2 per cent and informal employment in non-manufacturing sector has increased to 94.8 per cent during same period.

In the fifth chapter, our research problem was related to the impact of Covid-19 Pandemic on GDP, employment and nature and condition of work during the period

of pre-globalisation to the outbreak of Covid-19 Pandemic and issues of migrant workers. The major finding of this Chapter-V is as below:

There was a progressive deterioration of both GDP and employment before the country was in the grip of the Covid-19 Pandemic Outbreak. For instance, the GDP growth rate in real terms (at constant price 2011-12), has continuously been on a declining path for eight quarters, from Q1 of 2018-19 to 2019-20. The official estimates show the decline was from about 7.6 per cent to 3.0 per cent over this period. The demonetisation of 2016 announced by the Prime Minister on 8th November 2016 and implementation of Good and Service Tax (GST) in July 2017 were the immediate shocks and awe that contributed to dramatic disruption in the Indian economy, its result in the worsening of most of the macroeconomic indicators. The worsening combined result of both demonetisation and tax reform of goods and services, the economy has continuously been on a declining path for three quarters, from Q3 of 2016-17 to 2017-18. The official estimates show the decline was from about 6.3 per cent to 5.3 per cent over this period.

The official estimate of GDP during 2020-21 shows that economic growth was in negative figure by -24.4 per cent, during the first lockdown. The economy has revived to a very extent in the second quarter, which is a V-shape curve. The official estimate of the economy during the second quarter was also in negative figure -7.4 per cent. In the second phase of lockdown during 2021-22, Q1 of the GDP growth also has been affected and growth rate has changed from Q1 of 2021-22 to Q2 of 2021-22, (20.1 per cent to 8.4 per cent). Most of the shock on the economy was seen during the first lockdown in the economy of all sectors. The performance of the agriculture sector during Covid-19 and lockdown was positive, with a growth rate of 3.5 per cent to 3.0 per cent in Q1 and Q2 of 2020-21 respectively. In the second phase of lockdown in Q1 2021-22, growth was 4.5 per cent. Agriculture sector was one of the sectors which have registered positive growth during this phase of lockdown. The growth rate of the manufacturing sector from Q2 of 2018-19 to Q4 of 2019-20 pre-Covid-19 Pandemic and lockdown has declined very drastically, as per official estimates fall was from 5.2 per cent to 4.2 per cent. During the phase of the first lockdown, growth of the manufacturing sector has declined to -36.0 per cent. The manufacturing sector has

revived in the V-shape curve and in the second lockdown phase further this sector growth rate has declined sharply from Q1 of 2021-22 to Q2 of 2021-22, (49.6 per cent to 5.5 per cent), as per official data.

The growth rate of the service sector of electricity, gas, water supply and other utility services has declined from Q4 of 2017-18 to Q1 2020-21. As per official estimates growth has declined from 11.2 per cent to -9.9 per cent. During the period of Covid-19 and lockdown the growth rate of electricity, gas, water supply and other utility services has declined from 2.6 per cent to -9.9 per cent (Q4 of 2019-20 to Q1 2020-21), and in second phase of Covid-19 lockdown during Q1 of 2021-22, growth was declined from 14.3 per cent to 8.9 per cent.

Growth rate in the construction sector declined for the first time, during the announcement of demonetisation, 2016. In 2016-17, the growth rate of this sector, as per the official estimate, declined from 7.4 per cent to 0.4 per cent (Q3 of 2016-17 to Q1 of 2017-18). And pre-Covid-19 and lockdown further continuous falls in growth rate was registered during the period of, Q1 of 2018-19 to Q4 of 2019-20 (from 6.6 per cent to 0.7 per cent). As per official estimates the growth rate of construction has declined from 6.6 per cent to 0.7 per cent. During Covid-19 and lockdown, the construction sector has declined to -49.5 per cent Q1 of 2020-21, and after, lockdown of the first phase, construction has revived with growth of V-shape, in Q2 of 2020-21. During the second phase of lockdown its impact on construction sector growth is visible. The growth rate of the construction sector has declined to 7.5 per cent in Q2 of 2021-22 from Q1 of 2021-22 (68.3 per cent).

The growth rate of trade, hotels, transport, communication and services related to broadcasting, in real terms (at constant price of 2011-12) during the pre-Covid-19 Pandemic and lockdown has registered declining trends from Q1 of 2016-17. The decline was from 9.4 per cent to 6.0 per cent (Q1 of 2016-17 to Q4 of 2016-17), and after this growth rate of this sector has declined continuously from Q2 of 2017-18 to Q4 of 2019-20. As per official estimates, the fall was from 10.7 per cent to 5.7 per cent, decline of 5.0 per cent point. During the period of Covid-19 and lockdown, the growth rate of this sector has declined to -48.01 per cent Q1 of 2020-21 and in Q2 of 2020-21 this sector has revived with a V-shaped curve and growth rate of this sector

has registered to -16.1 per cent. In the second trench of Covid-19 lockdown during 2021-22, in Q1, growth rate of this sector has further declined very sharply from 34.3 per cent to 8.2 per cent.

The Growth of financial, real-estate and professional service was on a declining path during pre-Covid-19 Pandemic and lockdown. The growth of this sector has declined from Q3 of 2019-20 to Q4 of 2019-20, before the lockdown, as per official estimate the fall was from 5.5 per cent to 4.9 per cent at pre-Covid-19 Pandemic. During the period of Covid-19 and lockdown, growth rate of this sector has declined from 4.9 per cent to -5.0 per cent, in Q4 of 2019-20 to Q1 of 2020-21, and further growth has declined to -9.1 per cent in Q2 of 2020-21. This sector also has revives with V-shaped in next quarter. And before the second phase of Covid-19 and lockdown growth of this sector has registered a declining trend continuously. The growth rate of this sector has declined to a very large, and extent after the announcement of demonetisation. Highest growth was registered in this sector was in Q4 of 2016-17 by 14.9 per cent. In this sector a high fluctuation has registered in each financial year. During the pre-covid-19 and lockdown, this sector was on a positive growth rate from Q2 of 2019-20 to Q4 of 2019-20, as per official estimates the growth rate was from 8.8 per cent to 9.6 per cent during this period. During the Covid-19 and lockdown growth rate of this sector has declined to a great extent from 9.6 per cent to -10.2 per cent in Q4 of 2019-20 to Q1 2020-21. Post Covid-19 and lockdown growth in this sector has registered continuously, and in the second phase of Covid-19 and lockdown growth rate was on a positive path. During the second phase of lockdown, the growth rate of this sector was registered by 17.4 per cent from 5.8 per cent, in Q1 of 2021-22 to Q2 2021-22. The revival and growth of this sector was very positive for all sectors.

The labour force participation rate in the Indian labour market was continuously on a declining path since adoption of New Economic Policy in 1991-92. As per official estimate from ILOSTAT, during the period of 1991 to 2019 the labour force participation has declined from 58.39 per cent to 49.34 per cent. As per official estimates of ILOSTAT during 2020, the LFPR of India has declined by 3.0 per cent point from 49.3 per cent in 2019 to 46.3 per cent in 2020. The quarterly estimates show that during the pre-Covid-19, the LFPR in Q1 of 2016-17 was 47.4 per cent.

The LFPR has declined in Q4 of 2016-17 from Q1 of 2016-17, to 44.6 per cent. The trend of declining was continuous to Q4 of 2019-20 from Q1 of 2016-17, as per estimated fall was from 47.4 per cent to 42.5 per cent. During the period of Covid-19 and lockdown the labour force participation ratio has declined to 38.1 per cent in Q1 of 2020-21 from Q4 of 2019-20, the labour force participation ratio has revived in the next quarter of Q2 of 2020-21, from 38.1 per cent in Q1 of 2020-21 to 40.8 per cent and in Q3 and Q4 of 2020-21 the labour force participation ratio was 40.4 per cent in both quarters.

As per estimated worker population ratio based on data of CMIE, long run growth of WPR has been on declining trends. Pre Covid-19 in Q4 of 2019-20, the WPR has registered to 33.3 per cent a very short fall from Q3 of 2019-20. During the period of Covid-19 and lockdown the WPR has declined a greatly extent in Q1 of 2020-21, from 33.3 per cent to 24.5 per cent, Q4 of 2019-20 to Q1 of 2020-21 by 8.8 per cent point.

The unemployment rate in the Indian labour market has been on an increasing trend. The lowest unemployment rate was registered during pre Covid-19 Pandemic and lockdown in Q2 of 2017-18 by 4.0 per cent. After Q2 of 2017-18, the unemployment rate in India labour market increased continuously at pre Covid-19 and lockdown Q4 of 2019-20, and it was recorded 7.9 per cent. During the period of Covid-19 and lockdown, the unemployment rate was recorded at 18.5 per cent, and in the second phase of Covid-19 and lockdown, the unemployment rate was 9.7 per cent. The long run trend line shows that the unemployment rate in the Indian labour market has increased continuously.

There has been a distinct and sharp trend of informalisation in the Indian labour market. During 2009-10 to 2011-12, close to 57.0 per cent of the workforce in the formal/organised sector was shared in informal workers, which in 1999-2000 was 38 per cent and in 2004-05 was 47 per cent. This trend is further reiterated by the most recent Periodic Labour Force Survey (PLFS), 2019-20. Among the regular wage/salaried employees, 59.1 per cent has no written job contracts in 2004-05, and this numbers has increased to 67.3 per cent by 2019-20. As regarding provision of

paid leaves and the incidence of employees not covered increased from 46.2 per cent to 52.3 per cent over the same period.

The latest government data available on migration (all migrants, labour and non labour) from the Census of 2011. As per the Census 2011, there were 45.6 crores migrants (38 per cent of the population), compared to the Census 2001, 31.5 crores migrants (31 per cent of the population). Between the periods of 2001 to 2011, the population grew by 18 per cent, while the numbers of migrants increased by 45 per cent. The Census 2011 revealed that out of total migrants, internal migrants is about 99 per cent. The Census 2011 shows that there are about 21 crores migrants, rural to rural, which formed about 54 per cent of internal migration. The migration from rural to urban and urban to urban, accounted, around 8 crores. There were around 3 crores migrants from urban to rural, which formed around 7 per cent of classifiable internal migration (Census 2011).

According to the Census 2011, there were about 5.4 per cent migrations of people constituting the inter-state. According to Census 2011, Uttar Pradesh and Bihar share the largest source of inter-state migrants, while Maharashtra and Delhi State were the largest place receivers of the migrants. As per Census 2011, around 83 lakhs of residents of Uttar Pradesh and about 63 lakhs residents of Bihar had migrated either temporarily or permanently to the other states. As per Census 2011, around 60 lakhs of people from all states of India had migrated to Maharashtra. The Distribution of migrants according to the Census of India 2011, (distribution of migrants to the total population across cities) were, Delhi 43.0 per cent, Mumbai, 54.9 per cent, Kolkata 40.8 per cent, Chennai 51.8 per cent, Bangalore 52.3 per cent, Hyderabad 64.3 per cent, Ahmedabad 48.7 per cent and Pune 64.8 per cent.

During the period of lockdown, several inter-state migrant workers have started reverse migration to their native place, in absence of saving, food security, and social security, due to Covid-19 and lockdown. The Indian government has never collected data on the deaths of internal migrants, during their reverse migration and their job losses (Paliath, 2021). During the period of lockdown, on March 28, the central government authorised the state to use the State Disaster Response Fund to provide accommodation to travelling migrants. The states were advised to set up relief camps

for migrants along highways, with facilities of medical care to ensure people stay in these camps during lockdown.

On 1st May 2020, the Indian Railways resumed their services for passenger movement, with Shramik Special trains to facilitate movement of migrants. During the lockdown period, the Indian Railways operated 4,197 Shramik trains in the period of 1st May to 3rd June 2020, transporting more than 58 lakhs of migrants. On 1st April 2020, the Ministry of Health and Family Affair directed the state government to operate relief camps for migrants with arrangements of food, sanitation and medical facilities. On 14th May 2020, the Finance Minister announced that under the second tranche of the Atma Nirbhar Bharat Abhiyan, free food grains would be provided to migrant workers who do not have a ration card for two months.

The Atma Nirbhar Bharat Abhiyaan has also launched a scheme for Affordable Rental Housing Complexes for migrant workers and for Urban Poor to provide affordable rental housing units under the Pradhan Mantri Awas Yojana. During the time of lockdown, some state governments announced one-time cash transfers for returning migrant workers; these states were Bihar, Rajasthan, and Madhya Pradesh and Uttar Pradesh Government these have announced the provision of maintenance allowance of Rs. 1,000 for returning migrants, who were required to quarantine (prs, 2020).

The Supreme Court of India has issued an order on 26th May 2020, to the central and state/UT government to submit a response detail, about all measures, which has been taken by the respective government for migrant workers. It has provided interim direction, on 28th May 2020 to the central and state/UT governments for ensuring relief to migrant workers. That is: (i) no train or bus fare should be charged to migrant workers, (ii) free food should be provided to stranded migrants by the concerned State/UT government during time of lockdown, (iii) State/UT should simplify and speed-up the process of registration of migrants workers for transport, and those has registered should be provide them transportation at the earliest, and (iv) the State/UT are receiving the migrants should provide them last-mile transport, health screening and other facilities at free of cost. The Supreme Court has also directed to the State/UT government to consider withdrawal of prosecution/complaints under the Section 51 of Disaster Management Act filed against the migrant workers who has

allegedly violated the order of lockdown, which announced by the Central Government in fear of Covid-19 virus, that this situation is a pandemic and disaster.

6.4 Conclusion

During the period of post-globalisation, economic growth has increased in average from the pre-economic reform period to the post reform period. Labour force participation ratio during economic reform period and globalisation on the basis of demographic analysis has decreased for rural females in comparison to urban females on the basis of both criteria of usual status (ps+ss) and current weekly status. While labour force participation ratio of rural male has registered almost constant. Labour force participation ratio of urban male has increased during economic reform and post-globalisation period and for urban female, it has decreased. Employment by categories of self-employed, all persons were employed on average more than 55.0 per cent. In the category of casual labour work, all-India employment has registered on average around 30.0 per cent and in regular wage/salaried employees, workers on average employed by 10.0 per cent.

The agriculture sector is one of the sectors which have provided highest employment to rural male and female, while rural female has employed more than 70.0 per cent in agriculture and allied activities and rural male employed on average 55.0 per cent. Employment has continued to decrease in this sector. Urban females employed in this sector on average 10.0 per cent, employment also has decreased in this sector of both urban male and female. Urban females are also employed more than urban male in this sector. Manufacturing sector is second after agriculture and allied which has provided highest employment, growth in employment has declined after 2011-12 for both urban male and female, while urban male employed more than urban female. In rural male and female, growth has registered in employment of both. Employment in the service sector has registered with continuous growth in both rural male, female and urban male and female. Urban male were more employed than urban females and also rural male employed more than rural females in this sector.

The economy is the fastest growing economy in the world, while the economy is still suffering from the damaging effects of the policy-induced informality in the

workforce after globalisation. The slow pace of growth over 1950 to 1980, was combined with a pattern of growth that heavily dependent upon a heavy-industry and first strategy plus reservation of products for small firms, led to massive undergrowth of millions of unregistered firms, which has employed workers in conditions of work and wages characterise of informal firms. The labour laws too many of them only applicable to the organised and registered firms. These factors undercut the demand for workers in the formal or in the organised sector. The supply-side factor that most reinforced these conditions was the low investment in schooling by the state, resulting in the poor educational level of the workforce, who was only employable in the informal economy. However, a number of positive developments have taken place in the nature of work since the pace of GDP growth which has picked up the Indian economy since 1991. First, after 2004 and onwards, the absolute numbers in agriculture began to fall as non-agricultural growth has picked up. Earlier, fewer persons were engaged in agriculture work during 2011-12 compared to the number in 2004-5, first in the economic history of India. During the second half of the decade there has been a remarkable and historic shift in rural wages, partly due to the spillover effect of MGNREGA, on the one hand, and shortage of labour partly due to higher participation in education, that has forced the farmers to lead mechanisation of farm activity. In addition, rising demand for labour from the construction sector, both in rural and urban areas, with relatively higher wages also partly explains the absolute fall in agricultural employment post-2005.

All these positive factors do tend to temper the disadvantages of informality in the Indian economy of growing workforce. If the state initiates efforts as early as possible to provide social security protection coverage to the poor among the unorganised segment workers, informal workers, this process will constitute a huge gain for the realisation of the rights of workers.

The economy of India is on a declining path during the pre Covid-19 pandemic and lockdown. Sectoral growth rate of all except agriculture sector and construction sector change during pre Covid-19 was on a declining path. During the period of lockdown only the agriculture sector has registered a positive growth. During the period of Covid-19 and lockdown, the LFPR has declined to a large extent. The unemployment

rate was on an increasing path during the pre covid-19 pandemic and lockdown. It started to increase trends from Q3 of 2017-18 till announcement of lockdown during the Covid-19 pandemic. All these discussions reveal that the economy and labour market was already in worse condition and this Covid-19 pandemic and lockdown has multiplied this worsening condition in the Indian economy and in the labour market.

The COVID-19 pandemic has caused a severe impact in many countries, particularly in developing ones. According to the World Economic Situation and Prospects as of mid-2021, this global crisis has “clearly worsened poverty and within-country inequality”, and it is expected that “will leave long-lasting scars in labour markets, while reversing progress on poverty and income inequality in many economies.” The context in India in this sense is very complex. As per the reports from a study, it was found that the highest number of COVID-19 cases as of 13th April 2020 was reported in Delhi with 898 cases followed by Mumbai with 880. The involuntary and forced nature of reverse migration due to the sudden lockdown, with lack of preparedness and planning by the Central Government, and irresponsible behaviour of the employers and social hostility against the migrants. The lack of migrant data and registration in welfare schemes excluded most of them from the relief package benefits announced by the Central and State/UT Government. COVID-19 crisis has magnified several pre-existing problems faced by the migrants, which led them to suffer invariably at different stages of their reverse migration.

6.5 Recommendations and Policy Implication of the Research Findings

It is found in analysis of study that economy has registered a very positive growth in the post globalisation phase. The main focus of this study was in the context of employment. It is found that during the period of Post-Globalisation decent work condition neglected in labour market and informalisation of work has increased. During Covid-19 Pandemic it is witnessed that thousands of workers get affected as they could not avail job and social security and pushed to survive on the government relief package. The major recommendations are:

1. The Government must ensure a minimum universal social security for informal and migrant workers.
2. Government must issue proper guidelines and policy for workers for a good and safe workplace specially for female workers.
3. There need to create a job market by Government for low skilled workers, which can ensure them to minimum earning for their minimum standard of living.
4. Policies should also focus to protect workers in labour market, which can ensure to all informal worker, social security and job security. Larger allocation of fund under MGNREGA is needed specially in the backward districts of the country. There is also a need of creating adequate employment opportunities both self-employment and wage employment in the rural areas.



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