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Some Features of the Employment Situation in India

BETWEEN 1961 and 1972-73, the Indian work force increased rather rapidly from about 189 *million* to about 236 *million*; at the same time there was no significant change in its industrial distribution. It is not entirely clear how the economy managed to absorb some 47 million additional workers over this period given the relatively poor performance on the output front. To answer this question we require comparable data for the entire period on the size and characteristics of different segments of the labour force. These are not available; we have to make do with what is available for an evaluation of the changing employment situation since 1961, which throw light on the relationship between population growth, economic growth and employment. The present paper is a modest and preliminary effort in that general direction.

It is now possible to present a much clearer picture of the character of the employment situation in India as the results of the 27th Round (1972-73) of the National Sample Survey flow in. This is particularly valueable as the results generated from the 1971 population census, riddled with problems of comparability, have been virtually useless.

Rural India

In rural India, there was a decline in work force participation rates between those reported by the 1961 census and the 1972-73 NSS. For India as a whole,

the rate declined from 53.25 to 50.93% (see Table 1). During this period changes in the age structure of the population could not have had this effect, for the proportion of the total population in the ages 15-59 rose slightly over the period. In a few states (Karnataka, Kerala, Punjab, Rajasthan and Tamil

TABLE 1—WORK FORCE PARTICIPATION RATES, 1961 AND 1972-73 AS A PERCENTAGE OF THE POPULATION AGED 5 AND OVER RURAL PERSONS AND MALES, USUAL STATUS

State	Persons		Males	
	Census 1961	NSS 1972-73	Census 1961	NSS 1972-73
(1)	(2)	(3)	(4)	(5)
1. Andhra Pradesh	64.22	62.53	74.66	72.36
2. Assam	53.00	35.47	64.38	58.18
3. Bihar	49.91	41.62	66.26	60.47
4. Gujarat	53.73	53.17	65.95	61.40
5. Jharkhand	47.44	47.18	62.80	58.41
6. Jammu and Kashmir	53.30	46.08	69.16	64.09
7. Karnataka	57.38	59.12	70.93	67.34
8. Kerala	40.03	41.35	56.12	54.26
9. Madhya Pradesh	66.12	60.09	73.55	66.97
10. Maharashtra	62.19	58.96	68.92	64.41
11. Orissa	51.41	51.35	70.98	67.13
12. Punjab	37.54	48.00	63.56	62.82
13. Rajasthan	60.73	65.95	71.27	68.63
14. Tamil Nadu	57.55	60.25	72.13	69.53
15. Uttar Pradesh	47.38	45.90	69.26	62.26
16. West Bengal	39.00	38.05	63.31	59.57
India	53.25	50.93	68.57	63.84

Nadu) there was a rise in the participation rate; but even in these cases, male participation rates declined. It is probable that male rates were more reliably recorded and greater reliance should be placed upon them. At any rate, it can be said that the rapid growth of the rural work force from 162.2 to 197.8 million—an increase of 22% over about 12 years—was in spite of a decline in participation rates.

It is very difficult to determine the extent and manner in which the rural economy managed to absorb an additional 36 million workers, for there must have already been considerable numbers of under-employed people in the countryside in 1961 for whom work had to be found. Using NSS results only and concentrating on those in the labour force who reported themselves as totally unemployed during the reference week, there appears to have been a slight increase in the rate of unemployment (as a proportion of the population aged 5 and over) from 1.62% in 1960-61 to 1.64% in 1972-73; for males, however, the increase was sharper, from 1.44 to 1.65%; for females, there was a decline from 1.80 to 1.62% (see Table 2). Too much should not be read into these results, as strictly comparable estimates do not exist for the intervening years. Also, it is not possible to get a state-wise picture from these estimates.

TABLE 2—RURAL UNEMPLOYMENT RATES BY WEEKLY STATUS (as per cent of the population) 1960-61 TO 1972-73, NSS ESTIMATES

<i>NSS Round</i>	<i>Males</i>	<i>Females</i>	<i>Persons</i>
1. 16th Round, 1960-61	1.44	1.80	1.62
2. 17th Round, 1961-62	1.95	1.89	1.92
3. 19th Round, 1964-65	1.42	2.10	1.75
4. 27th Round, 1972-73	1.65	1.62	1.64

If, however, we consider estimates that embody the concept of usual status, we can compare the results of the 1961 Census with those of the 27th Round. An additional advantage is that rates can be obtained in relation to the labour force, and that state level estimates are possible. The obvious disadvantage is that usual status concept gives a rather inadequate picture of rural unemployment, which, by its very nature, is highly seasonal. The estimates definitely indicate a rise in unemployment rates for persons for all the States and for India

as a whole (see Table 3). If we concentrate on the results for males, only in Assam and Jammu and Kashmir is there a decline. Obviously, all the reported rates are low, given the unlikelihood of individuals in rural India reporting themselves as out of work through the reference year. It is, therefore, significant that in 1972-73, four States reported unemployment rates of over 1.0%. These States were Bihar (1.56%), Kerala (5.05%), Punjab (1.07%) and West

TABLE 3—RURAL UNEMPLOYMENT RATES BY USUAL STATUS (as percentage of the labour force) 1961 AND 1972-73

State	Males		Females		Persons	
	1961 Census	1972-73 NSS	1961 Census	1972-73 NSS	1961 Census	1972-73 NSS
1. Andhra Pradesh	0.20	0.63	0.02	0.27	0.12	0.48
2. Assam	0.89	0.75	0.53	1.64	0.77	0.87
3. Bihar	0.34	1.90	0.05	0.69	0.23	1.56
4. Gujarat	0.44	0.74	0.02	0.16	0.29	0.50
5. Haryana
6. Jammu and Kashmir	0.43	0.40	0.03	0.33	0.29	0.39
7. Karnataka	0.18	0.99	0.01	0.24	0.12	0.67
8. Kerala	2.93	5.45	1.71	4.32	2.55	5.05
9. Madhya Pradesh	0.08	0.16	0.02	...	0.05	0.10
10. Maharashtra	0.41	0.80	0.04	0.11	0.24	0.49
11. Orissa	0.29	1.25	0.01	0.38	0.20	0.95
12. Punjab*	0.74	1.39	0.06	0.36	0.59	1.07
13. Rajasthan	0.09	0.39	0.02	0.19	0.07	0.30
14. Tamil Nadu	0.51	1.22	0.07	0.33	0.34	0.84
15. Uttar Pradesh	0.19	0.54	0.05	0.18	0.15	0.43
16. West Bengal	1.91	2.52	0.83	2.89	1.74	2.59
India	0.50	1.16	0.11	0.48	0.37	0.90

*Punjab includes Haryana.

Bengal (2.59%). Only in Bihar was this a novel phenomenon; in the other three States, above average unemployment rates had been reported in 1961 as well.

Neither the weekly status, nor the usual status estimates give a meaningful picture of the rural unemployment situation which varies a great deal over the year. The weekly status estimates take account of seasonality in that the reference week of different respondents is spread over the year; but during the week, any person working for even half a day is classified as employed, and only persons seeking and available for work who did no work during the reference week are classified as unemployed. The 27th Round of the NSS, for the first time in recent years, provides estimates of the disposition of each individual on *each* of the 14 half days of the week, between employment, unemployment and being outside the labour force. This is clearly a much more sensitive measure, but one for which earlier comparable estimates do not exist.

In 1972-73, on the average, 7.83% of person-days in the labour force were devoted to seeking or being available for work. This could be interpreted to mean that 8.7 million males and 7.1 million females (i.e. 15.8 million people) were available for employment on an average day in the year. This includes the chronically unemployed who were unemployed throughout the year (on the basis of usual status) and throughout the week (i.e. on the basis of weekly status).

For policy purposes we need to know where the unemployed are concentrated. As Table 4 indicates, six States—Andhra Pradesh, Bihar, Kerala, Maharashtra, Tamil Nadu and West Bengal—accounted for two-thirds of the person-days seeking and/or available for work in rural India in 1972-73. These six States provided about 44% of the national labour force, 46% of the national population and on the average, had an employment rate of 11.33% compared to the national average of 7.83%. To make a sharp and swift impact on the unemployment problem it may be desirable and administratively convenient to concentrate on organising employment schemes in these six States. In addition, Orissa too needs speedy measures to arrest a serious employment situation.

The nature of policies of government intervention will obviously depend on whether the unemployment is perennial or seasonal in character. In Table 5, we use an index of the variability of the sub-round person-day unemployment

TABLE 4—THE NUMBER OF UNEMPLOYED AND THE PERCENTAGE OF THE
LABOUR FORCE UNEMPLOYED ON THE BASIS OF DAILY STATUS,
RURAL PERSONS, 1972-73 (NSS)

<i>State</i>	<i>Number Unemployed (in thousands)</i>	<i>Unemployment Rate (%)</i>
1. Andhra Pradesh	2087	11.23
2. Assam	80	1.89
3. Bihar	1926	10.02
4. Gujarat	489	5.43
5. Haryana	105	2.93
6. Jammu and Kashmir	127	8.53
7. Karnataka	1029	8.55
8. Kerala	1657	23.49
9. Madhya Pradesh	649	3.41
10. Maharashtra	1726	9.43
11. Orissa	995	10.18
12. Punjab	175	3.94
13. Rajasthan	379	3.25
14. Tamil Nadu	1894	10.45
15. Uttar Pradesh	1038	3.38
16. West Bengal	1250	10.66
India	15759	7.83
Andhra Pradesh, Bihar, Kerala, Maharashtra, Tamil Nadu, West Bengal	10540	11.33

rates in the different States and then divide the States into four broad groups. In the first group are Jammu and Kashmir, Orissa, Tamil Nadu, West Bengal and Andhra Pradesh with high and highly variable unemployment rates. Here employment policy will have to tackle both chronic and seasonal unemployment. In Kerala, Maharashtra, Bihar and Karnataka, unemployment is high but variability is low. In these States schemes for creating perennial employ-

ment might be important. In Assam, Madhya Pradesh and Rajasthan, unemployment rates are low, but highly variable. Schemes for creating employment in these three States should concentrate on the slack season. Finally, in Gujarat,

TABLE 5—GROUPING OF INDIAN STATES BY LEVEL AND VARIABILITY OF UNEMPLOYMENT (% of the labour force) BY DAILY STATUS, RURAL PERSONS, 1972-73

<i>Groups and States</i>	<i>Unemployment Rate %</i>	<i>Index of sub-round variation %</i> $\left(\frac{\text{Max.} - \text{Min.}}{\text{Min.}} \times 100 \right)$
Group 1 : High unemployment—high variation		
Andhra Pradesh	11.23	87
Jammu and Kashmir	8.58	565
Orissa	10.18	105
Tamil Nadu	10.45	134
West Bengal	10.66	109
Group 2 : High unemployment—Low variation		
Bihar	10.02	31
Karnataka	8.55	24
Kerala	23.49	18
Maharashtra	9.43	46
Group 3 : Low unemployment—high variation		
Assam	1.89	352
Madhya Pradesh	3.41	128
Rajasthan	3.25	426
Group 4 : Low unemployment—Low variation		
Gujarat	5.43	30
Haryana	2.93	52
Punjab	3.94	48
Uttar Pradesh	3.38	30

Punjab, Haryana and Uttar Pradesh, rates of unemployment are low and not variable. Employment schemes may not be essential here. Of course, even within States there could be wide variations in the employment situation and policy-makers have to keep this in mind.

Unemployment rates tended to be higher in States with a higher proportion of wage labour, the rank correlation coefficient turning out to be + 0.81. Perhaps landless labourers tend to have greater variability in employment during the different days of the reference week than the working members of cultivating households.

For seven States (Andhra Pradesh, Kerala, Maharashtra, Orissa, Punjab, Uttar Pradesh and West Bengal) we have additional information on the character of the rural employment situation on the basis of usual status. In all these States, as one would expect, the illiterate have low unemployment rates, the graduates have fairly high rates, but in rural India they must be an extremely small group; what is really significant is that middle school and secondary school degree holders have extremely high unemployment rates (see Table 6). The great expansion in school education in rural India since the 1960's appears to have created serious unemployment problems for the relatively more educated.

About half the unemployed in these seven States, sought or were available, for work for more than a year (see Table 7). In the case of middle and secondary school leavers, well over a half in most of the States had waited for more than a year. Again given that these are usual status and rural rates, they are indicative of a serious situation in rural India.

It is difficult to determine the extent to which wage employment has become increasingly prevalent in the States during the period from 1961 to 1972-73, because the 1961 Census probably underestimated wage employment as it classified many agricultural labourers as cultivators. The recorded increase in the proportion of "employees" in the Indian male rural work force from 23.9% to 36.6% certainly over-states the position. Estimates of the NSS for the 16th and 17th Rounds (1960-61 and 1961-62 respectively) indicate that 29.82 and 30.33% of rural males in the labour force were employees, the corresponding proportion for 1972-73 is only slightly higher, 34.05%. The state-level results depend too much on the unreliable 1961 Census results; at best one might guess that wage employment certainly expanded greatly in Karnataka and Orissa (see Table

TABLE 6-THE UNEMPLOYED AS A PERCENTAGE OF THE LABOUR FORCE
OF EACH EDUCATIONAL LEVEL—RURAL PERSONS, USUAL STATUS,
1972-73 (NSS)

<i>Sl. No.</i>	<i>Education</i>	<i>Andhra Pradesh</i>	<i>Kerala</i>	<i>Maharashtra</i>	<i>Orissa</i>	<i>Punjab</i>	<i>Uttar Pradesh</i>	<i>West Bengal</i>
1.	Illiterate without technical education	0.11	0.76	0.13	0.44	0.15	0.20	1.01
2.	Literate below primary plus primary (without technical education)	0.81	2.31	0.58	0.58	0.73	0.32	1.60
3.	Middle without technical education	5.66	11.91	3.26	6.30	2.27	2.03	7.79
4.	Middle with technical education	35.46	7.72	17.37				5.16
5.	Secondary without technical education	8.02	40.67	6.24	21.06	7.01	3.23	21.23
6.	Graduate and above :							
	(i) in agriculture without technical education	41.89	n.a.	19.27	100.00	50.00	...	19.59
	(II) in other than engineering, crafts, medicine etc. without technical education	25.76	41.48	17.16	...	22.07	22.92	30.19
	All categories:	0.48	5.05	0.49	0.74	0.95	0.43	5.59

8). At the all-India level, the estimates do not suggest rapid proletarianization of the rural labour force over the 'sixties'. As Table 9 clearly shows, the inter-state variations in unemployment do not follow the same pattern as the growth of work force over this period; nor do they appear inversely related to improvements in the real agricultural wage or the growth rate of agricultural output.

TABLE 7—PERCENTAGE OF THE UNEMPLOYED SEEKING AND/OR AVAILABLE FOR WORK FOR OVER A YEAR, BY EDUCATIONAL LEVEL—RURAL PERSONS, USUAL STATUS, SELECTED STATES NSS '72-73

Sl. No.	Education	Andhra Pradesh	Kerala	Maharashtra	Orissa	Punjab	Uttar Pradesh	West Bengal
1.	Illiterate	26.35	15.27	17.12	41.78	45.00	32.72	34.09
2.	Literate below primary	11.24	43.32	...	60.87	50.00	36.11	26.06
3.	Primary	31.58	40.99	34.69	60.00	18.92	4.88	37.51
4.	Middle	55.60	57.16	36.50	38.50	73.16	54.55	64.49
5.	Secondary	59.07	61.07	50.00	76.11	70.75	56.44	56.62
6.	Graduate (non-technical)	44.92	58.70	100.00	n.a.	71.87	51.67	85.90
	All categories	41.59	53.20	36.38	54.48	57.25	41.24	52.86

Urban India

In urban India too, usual status work force participation rates declined between 1961 and 1972-73 from 60.18% to 57.09% in the case of males and from 38.80% to 37.61% for males and females taken together. Male participation rates declined in all States, but for persons (i.e. males plus females) there were increases in Gujarat, Kerala, Maharashtra and Punjab (see Table 10).

The urban work force increased from 26.4 million to 38.5 million between 1961 and 1972-73. Compared to this increase of 45.5% employment in the organised sector, according to information collected under the Employment Market Information programme, rose from 12.2 million in March 1961 to 18.1 million in March 1973, an increase of 46.2%. Treating the EMI data as a proxy for the growth of employment opportunities in urban India, one is forced to conclude that there was no marked change in the unemployment situation over this period. But one must note the EMI figures could overstate the growth of organised employment as coverage has been improving over time. Also, the

**TABLE 8—"EMPLOYEES" AS A PERCENTAGE OF THE WORK FORCE
1961 AND 1972-73—USUAL STATUS, RURAL MALES**

<i>State</i>	<i>1961 Census</i>	<i>1972-73 NSS</i>
1. Andhra Pradesh	31.9	39.98
2. Assam	25.3	23.81
3. Bihar	29.3	39.52
4. Gujarat	24.8	34.40
5. Jammu and Kashmir	17.5	9.39
6. Karnataka	22.6	37.81
7. Kerala	36.4	54.26
8. Madhya Pradesh	21.0	27.31
9. Maharashtra	32.3	45.18
10. Orissa	21.9	39.64
11. Punjab	18.0	27.78
12. Rajasthan	8.9	10.21
13. Tamil Nadu	27.6	42.43
14. Uttar Pradesh	15.2	21.62
15. West Bengal	33.9	48.11
India	23.9	36.55

pace of expansion of organised employment slackened after 1967, between 1961 and 1967 it grew by 29.2%, while between 1967 and 1973, it grew by only 13.2%. Incidentally, even after 1973, organised employment continued to grow rather slowly, increasing from March 1973 to March 1977 by only about 10%.

The NSS estimates of the proportion of the population unemployed during the entire week in urban India indicate a sharp rise between 1960-61 and 1972-73 (see Table 11). To some extent this could be due to the narrowing of the coverage of urban India after 1962-63 following the adoption of the 1961 Census sample frame. Also, in 1972-73, persons available for work, but not actively seeking it are included in the unemployed, while in 1960-61 they were excluded. While these factors could explain a part of the increase in the un-

TABLE 9—RURAL UNEMPLOYMENT, AGRICULTURAL OUTPUT GROWTH AND GROWTH OF THE WORK FORCE—ALL-INDIA AND THE STATES, c. 1961 TO 1972-73

<i>State</i>	<i>Daily Status Unemployment % of Labour Force 1972-73</i>	<i>Increase in Agricultural Output 1969-70 over 1956-57 (%)</i>	<i>Increase in Rural Male Work Force 1961 to 1972-73(%)</i>	<i>Increase in Real Wage of Male Agrl. Labour in 1970-71 over 1956-57(%)</i>
(1)	(2)	(3)	(4)	(5)
1. Kerala	23.49	45.3	28.8	46
2. Andhra Pradesh	11.23	30.6	10.3	36
3. West Bengal	10.66	53.5	25.4	n.a.
4. Tamil Nadu	10.45	55.4	18.3	62
5. Orissa	10.18	31.1	22.8	7
6. Bihar	10.02	56.6	16.8	21
7. Maharashtra	9.43	-0.5	21.4	34
8. Jammu and Kashmir	8.58	n.a.	20.2	n.a.
9. Karnataka	8.55	100.5	21.0	8
10. Gujarat	5.43	139.5	23.7	59
11. Punjab	3.94	206.9	24.7	20
12. Madhya Pradesh	3.41	24.1	22.0	13
13. Uttar Pradesh	3.38	66.7	13.4	49
14. Rajasthan	3.25	81.7	27.3	56
15. Haryana	2.93	n.a.	n.a.	n.a.
16. Assam	1.89	17.5	15.1	11
India	7.83	n.a.	19.1	n.a.

SOURCES : COL. (2) NSS, 27th Round

(3) Deepak Lal, "Agricultural Growth, Real Wages and the Rural Poor in India," *Economic and Political Weekly, Review of Agriculture*, June, 1976.

(4) NSS, 27th Round and 1961 Census

(5) Deepak Lal, *op. cit.*, NSS data

TABLE 10—WORK FORCE PARTICIPATION RATES, 1961 AND 1972-73 AS A PERCENTAGE OF THE POPULATION AGED 5 AND OVER—URBAN PERSONS AND MALES, USUAL STATUS

State	Persons		Males	
	Census 1961	NSS 1972-73	Census 1961	NSS 1972-73
1. Andhra Pradesh	41.57	39.37	60.94	57.33
2. Assam	42.51	34.21	62.04	55.36
3. Bihar	38.62	34.84	59.27	54.51
4. Gujarat	34.93	35.30	56.29	54.73
5. Haryana	Included in the Punjab			
6. Jammu and Kashmir	35.03	33.64	58.47	54.95
7. Karnataka	39.59	37.95	59.59	56.21
8. Kerala	34.34	35.84	53.51	50.81
9. Madhya Pradesh	41.24	36.61	61.32	53.98
10. Maharashtra	36.90	39.55	62.41	58.16
11. Orissa	42.88	40.88	64.44	60.42
12. Punjab	35.35	36.43	59.02	57.78
13. Tamil Nadu	39.76	39.20	61.33	58.69
14. Uttar Pradesh	36.23	35.65	59.85	57.59
15. West Bengal	39.02	38.47	61.29	60.21
India	38.80	37.61	60.18	57.09

TABLE 11—URBAN UNEMPLOYMENT RATES BY WEEKLY STATUS (as percent of the population) 1960-61 TO 1972-73 (NSS estimates)

NSS Round	Males	Females	Persons
1. 16th Round 1960-61	1.29	0.30	0.82
2. 17th Round 1961-62	1.54	0.36	0.98
3. 18th Round 1962-63	0.96	0.25	0.63
4. 19th Round 1964-65	0.95	0.24	0.61
5. 19th Round 1964-65 (Integrated Household Schedule)	1.35	0.98	1.18
6. 20th Round 1965-66	0.92	0.26	0.61
7. 21st Round 1966-67	0.77	0.20	0.51
8. 27th Round 1972-73	3.02	1.22	2.18

employment rate, they cannot explain it away entirely. This is obvious if one compares the estimates for 1964-65 based on the Integrated Household Schedule with those of 1972-73. The 1964-65 estimates employ the same definitions and have the same coverage as the 1972-73 estimates, yet they indicate that the unemployment rate rose from 1.18% to 2.18% over this period.

On the basis of usual status, one can compare unemployment rates (as a percentage of the *labour force*) obtained from the 1961 Census with those of the NSS for 1972-73 at the state level. As the Census has no clear instruction on whether those available for but not actively seeking work should be included among the unemployed, one cannot be sure of the extent of comparability between the sources. The estimates (see Table 12) suggest a marked increase in

TABLE 12—URBAN UNEMPLOYMENT RATES BY USUAL STATUS
(as percentage of the labour force) 1961 AND 1972-73

State	Persons		Males	
	Census 1961	NSS 1972-73	Census 1961	NSS 1972-73
1. Andhra Pradesh	1.63	6.68	2.11	6.70
2. Assam	1.60	3.34	1.66	3.16
3. Bihar	2.30	5.40	2.55	5.69
4. Gujarat	2.90	3.15	3.32	2.93
5. Haryana		included in Punjab		
6. Jammu and Kashmir	2.29	2.86	1.74	2.54
7. Karnataka	1.95	5.13	2.27	5.11
8. Kerala	5.62	11.66	5.77	10.40
9. Madhya Pradesh	1.06	3.43	1.26	3.68
10. Maharashtra	3.39	5.25	3.80	5.03
11. Orissa	1.54	4.15	1.76	4.29
12. Punjab	2.20	3.85	2.25	3.41
13. Rajasthan	1.10	2.43	1.19	2.65
14. Tamil Nadu	3.19	6.09	3.78	6.20
15. Uttar Pradesh	1.62	2.14	1.72	2.22
16. West Bengal	7.05	7.66	6.86	6.93
India	2.97	5.03	3.25	4.79

unemployment rates in Andhra Pradesh, Bihar, Karnataka, Kerala, Madhya Pradesh, Orissa and Tamil Nadu. They certainly indicate that in Gujarat, Jammu and Kashmir, Punjab (including Haryana), Uttar Pradesh and West Bengal, the unemployment situation had not deteriorated. Also, while Kerala, Maharashtra, Tamil Nadu and West Bengal had unemployment rates above the average in 1961, in 1972-73, Andhra Pradesh, Bihar and Karnataka too had acquired this dubious privilege.

Concentrating on the situation in 1972-73 and using the person-day unemployment rate, again we find relatively high rates for Andhra Pradesh, Bihar, Karnataka, Kerala, Maharashtra, Tamil Nadu and West Bengal (Table 13).

TABLE 13—UNEMPLOYMENT AS A PERCENTAGE OF THE LABOUR FORCE (daily status) AND "EMPLOYEES" AS A PERCENTAGE OF THE LABOUR FORCE (usual status)—URBAN AREAS, 27th ROUND NSS, 1972-73

<i>State</i>	<i>Unemployment Rate (daily status)</i>	<i>Percentage of Employees (usual status)</i>
1. Andhra Pradesh	13.03	21.43
2. Assam	3.07	19.57
3. Bihar	9.12	20.64
4. Gujarat	7.22	20.92
5. Haryana	7.57	15.77
6. Jammu and Kashmir	5.38	17.35
7. Karnataka	9.35	22.12
8. Kerala	22.87	22.82
9. Madhya Pradesh	5.52	20.24
10. Maharashtra	9.52	27.56
11. Orissa	7.92	26.02
12. Punjab	5.59	18.90
13. Rajasthan	15.52	15.84
14. Tamil Nadu	10.86	22.39
15. Uttar Pradesh	4.23	17.67
16. West Bengal	9.78	27.43
India	8.85	22.18

Also, state unemployment rates tend to be positively correlated to extent of wage employment, the rank correlation being +0.65.

For the seven States for which additional information is available, we find that unemployment rates tend to be higher among the educated (see Table 14). The situation in Kerala merits separate comment : 39% of middle school products without technical education and 54% of secondary school products without technical education reported themselves as unemployed on the basis of usual status.

TABLE 14—THE UNEMPLOYED AS A PERCENTAGE OF THE LABOUR FORCE OF SELECTED EDUCATIONAL LEVEL—URBAN PERSONS, USUAL STATUS, 1972-73 (NSS)

Sl. No.	Education	Andhra Pradesh	Kerala	Maharashtra	Orissa	Punjab	Uttar Pradesh	West Bengal
1.	Illiterate without technical education	3.20	1.01	1.44	3.29	0.45	1.01	2.86
2.	Literate below primary and primary (without technical education)	4.37	7.32	4.04	1.55	1.12	1.77	5.49
3.	Middle without technical education	13.91	38.99	9.40	8.46	3.71	3.37	11.34
4.	Middle with technical education	21.43	5.81	11.52	7.14	...	6.16	18.66
5.	Secondary without technical education	17.05	53.65	9.12	8.20	5.60	3.57	13.47
6.	Secondary with diploma/certificate in engineering	9.25	12.86	6.64	n.a.	...	7.30	6.30
7.	Graduate in engineering and technology	8.83	10.77	3.80	n.a.	n.a.	n.a.	4.77
8.	Graduate, non-technical	20.33	17.71	7.87	4.42	11.30	4.36	13.08
	All categories	6.68	11.66	5.25	4.15	2.77	2.14	7.66

Waiting for more than a year for employment appears to have been fairly common in these States : around half the unemployed report waiting periods of more than a year. In Orissa and Punjab, long waiting periods appear to be the predominant experience of the illiterate; in Orissa and Uttar Pradesh, of the literate below the primary level; in Kerala of middle and secondary school leavers and in West Bengal of secondary and graduate degree holders (see Table 15).

TABLE 15—PERCENTAGE OF THE UNEMPLOYED SEEKING AND/OR AVAILABLE FOR WORK FOR OVER A YEAR, BY EDUCATIONAL LEVEL—URBAN PERSONS, USUAL STATUS, SELECTED STATES, NSS, 1972-73

Sl. No.	Education	Andhra Pradesh	Kerala	Maharashtra	Orissa	Punjab	Uttar Pradesh	West Bengal
1.	Illiterate	50.70	29.41	46.42	72.38	71.43	26.43	41.07
2.	Literate below primary	42.77	51.44	43.35	70.59	0	61.90	36.98
3.	Primary	46.09	50.84	33.27	31.58	32.26	41.28	49.74
4.	Middle	50.24	67.05	41.32	37.35	36.59	33.74	57.82
5.	Secondary	52.33	81.27	48.94	45.58	40.70	39.23	68.06
6.	Graduate other than in agriculture, engineering, medicine	41.83	48.37	38.42	75.00	30.77	n.a.	67.13
	All categories	49.37	64.93	42.11	53.24	38.93	51.35	56.13

The employment situation in urban India is disquieting whichever way we look at it. In particular, the situation in Andhra Pradesh, Bihar, Karnataka, Kerala, Maharashtra, Tamil Nadu and West Bengal is serious as these States also have extremely heavy rural unemployment.

Changes in the Sectoral Composition of the Work Force

Between 1961 and 1971, the share of agriculture in the work force appears to have remained roughly unchanged (Table 16). Of course, because of serious problems of comparability, the comparison has been restricted to males of work-

TABLE 16—THE DISTRIBUTION OF THE INDIAN WORKING FORCE, 1961-1971—
MALES OF WORKING AGE

	<i>Total</i>		<i>Rural</i>		<i>Urban</i>	
	1961	1971	1961	1971	1961	1971
1. Cultivators	50.4	45.0	60.9	55.5	5.0	4.7
2. Agricultural Labourers	15.7	21.6	18.7	25.6	2.6	4.9
3. Plantations, Forestry, etc.	3.4	2.0	3.7	2.1	2.1	1.6
4. Rows 1 plus 2	66.1	66.6	79.6	81.1	7.6	9.6
5. Mining and Quarrying	0.5	0.6	0.5	0.5	0.7	1.1
6. Construction	1.6	1.8	1.0	0.9	4.7	5.0
7. Manufacturing	10.2	10.6	6.0	5.9	27.5	28.7
7(a) Non-household manufacturing	6.1	7.2	2.1	2.7	23.5	24.5
8. Trade and Commerce	5.6	6.7	2.8	2.9	17.8	21.1
9. Transport, Storage and Communications	2.6	3.2	0.9	1.1	9.7	11.2
10. Other Services	10.0	8.7	5.5	5.5	29.9	22.7
Total	100	100	100	100	100	100

SOURCE : Adjusted Census data, J. Krishnamurty, "The Structure of the Working Force of the Indian Union, 1951-1971", (mimeo, 1974), Table 1.

ing age and may not be fully representative of the situation. In rural India, there was a slight rise in the share of the A sector from 79.6 to 81.1%. Another significant feature was that the share of manufacturing in the work force rose slightly for rural and urban India taken together, but declined slightly in rural India; household manufacturing, however, declined sharply from 6.1 to 3.4% and from 3.9 to 3.2% of the work force in India as a whole and rural India respectively. This period did not witness any marked shift in the structure of employment away from agriculture. In the foreseeable future, it would be naive to expect a sharp decline in the share of the A sector. Inevitably, 70-80% of the additions to the rural sector cannot hope to get jobs in non-agriculture and work will have to be found for them in agriculture. Given the existing heavy weight of agriculture in the work force, many new entrants will

be born in agricultural families and will look to agriculture as a means of support unless some better alternative is forthcoming.

The share of the A sector in the rural work force rose in almost all the States (see Table 17). The rise was particularly sharp in Orissa, Tamil Nadu, West Bengal, Kerala and Bihar—all States with high unemployment rates in 1972-73

TABLE 17—SHARE OF AGRICULTURE (excluding allied activities) IN THE WORK FORCE OF THE DIFFERENT STATES 1961-1971—MALES OF WORKING AGE, RURAL AREAS

State	1961	1971
1. Andhra Pradesh	73.1	75.9
2. Assam	73.6	75.1
3. Bihar	79.7	87.1
4. Gujarat	77.7	80.7
5. Jammu and Kashmir	85.2	78.3
6. Kerala	39.5	51.7
7. Karnataka	78.9	79.2
8. Madhya Pradesh	83.3	86.9
9. Maharashtra	80.2	80.7
10. Orissa	79.6	83.5
11. Punjab ¹	73.3	75.7
12. Rajasthan	82.8	83.8
13. Tamil Nadu	70.6	75.8
14. Uttar Pradesh	81.2	85.6
15. West Bengal	72.4	78.0
India	76.8	80.4

1. Punjab comprises Punjab, Haryana and Himachal Pradesh.

SOURCE : J. Krishnamurty : "Working force in 1971 Census : Unilluminating 'Final' Results", *Economic and Political Weekly*, Special Number, August, 1973, Table 3.

NOTE : The unspecified have not been included in agriculture.

—and it rose relatively slowly in Assam, Madhya Pradesh, Rajasthan, Gujarat, Punjab and Uttar Pradesh—all States with low unemployment rates in 1972-73. However, Andhra Pradesh, Maharashtra and Karnataka had high unemployment rates and a slow increase in the A sector share; while Jammu and Kashmir had a high unemployment rate and a *decline* in the share of the A sector.

Conclusion

The Indian economy faces a serious unemployment situation in both the rural and the urban sectors. In rural India between 1961 and 1972-73 the work force increased by 22% but though the unemployment situation is clearly bad with 16 million people on an average day wanting work, it cannot be said unambiguously that unemployment has relatively increased over the period. The problem is concentrated in the States of Andhra Pradesh, Bihar, Kerala, Maharashtra, Tamil Nadu and West Bengal and there is a case for concentrating remedial measures in these six States. Examining all the States we can isolate those with year-round unemployment as the problem from those in which seasonal unemployment is the serious issue. This again is crucial to policy formation and priorities.

The urban work force increased by 45.5%, and on balance it does seem that the urban unemployment situation has deteriorated. This is particularly serious for Andhra Pradesh, Bihar, Kerala, Maharashtra, Tamil Nadu and West Bengal which also have considerable rural unemployment. In general, the unemployed, rural and urban have to wait for a long time to get jobs and many middle and secondary school leavers appear to have special difficulty in securing employment.

A declining share of agriculture in the employment structure did not come about between 1961 and 1971; in fact, it is not inconceivable that the share actually rose over the period.