Globalization and Employment Trends in Rural Maharashtra: Some Insights with NSSO Unit Level Data

Executive Summary of

Minor Research Project Report

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1. Introduction

Employment is an important item in the developmental process of the country. Provisions for increasing employment opportunities both in urban and rural areas to solve the problem of unemployment has been recognized as an important objective of economic planning in India. Maharashtra is economically among the most developed states in the country. It is the third largest state (in area) in India and supports about 9.4% of the total population of the country. It constitutes about 10.2% of the total workers of the country. The overall employment rate in the state is much higher as compared to the other states. But policy initiatives are required to push these employment indicator up so that higher and higher socio-economic welfare can be attained.

Creation of adequate livelihood opportunities is precondition for inclusive growth which will help to add appropriate employment to facilitate a growing labour force. As per census 2011, nearly one fifth population of the State belongs to youth group (age 15-24 years), which will be the future labour force. A well-nurtured and productive workforce contributes to a dynamic economy.

Employment has featured as an important item in the development agenda in India. The present study is undertaken against the above mentioned background to see whether trends employment of rural workers in Maharashtra are suitably changing with the dynamic economic environment or not and to find out what types of reforms are required to create positive atmosphere in rural sector so as to achieve overall and sustainable socio-economic development.

2. Objectives of the Study

1)   To study magnitude and nature of employment in rural Maharashtra
2)   To study workforce and employment trends in rural Maharashtra
4)   To provide suggestions and measures

3. Database and Research Methodology

In India most reliable and comprehensive data on employment covering estimates of various characteristics pertaining to employment and unemployment and labour

force characteristics at the national and State levels is available from The National Sample Survey Organisation (NSSO). The NSSO conducts employment and unemployment surveys through various rounds to generate estimates and information on various facets of employment and unemployment and publish them in its various reports. These statistical indicators on labour market are used for planning, policy and decision making at various levels by policy makers and academicians. The research work is mainly dependent on the secondary sources of data at the state level. The major data sources for the study are 1) NSS reports, 2) Reports of Rural Labour Enquiry (REL) 3) Census reports for various years. In this research work data on employment is used from four NSS surveys (quinquennial rounds) on employment and unemployment viz. 50th Round (July 1993 – June 1994), 55th Round (July 1999 – June 2000), 61st Round (July 2004- June 2005), and 66th Round (July 2009-June 2010). All the rounds from the 50th to 66th rounds are fully comparable to each other. It helps in providing long term trend in employment and unemployment since 1993-94.

4. Significance of the Study

The study is a path breaking event to the policy makers in adopting the development strategies for rural development. Besides, this will enable the academicians, institutions and persons interested to understand structural changes (quantitative and qualitative) in employment in the rural areas.

Several studies were conducted on this topic at the national and the state level. But very few researchers have studied pertaining to Maharashtra. Therefore, the study will be an important contribution on this background. The scope of the proposed study is relating to the Maharashtra State only.

5. Major Findings

Major finding of the research work are as follows.

i) Households and Population

Before studying employment and unemployment trends with the help of various indicators in rural Maharashtra, it is important to study characteristics and trends in number of households and population. Information of demographic characteristics of as background information could improve the understanding of the results on employment-unemployment.

Average size of households has declined for both female headed households and 'all' households from 2.8 to 2.7 and 4.7 to 4.4 respectively during 1993-94 and 2009-10. For female headed households, average household size remained lower than average size of 'all' households. At the same time sex ratio of female headed households was about double of sex ratio of 'all' households. It is found that about 35 per cent of rural population and about 32 to 33 per cent households took recourse to self-employment in agriculture during 1993-94 to 2009-10. This proportion remained more or less same during last twenty years except significant decline during 1993-94 to 1999-2000 by 6 percentage points both in households and population. Later on it rose to earlier ratio. Proportion of persons engaged in self-employed in non-agriculture activities has increased by 3 percentage points during the same period. This indicates growing proportion of labour in non-agriculture sector Literacy, together with educational attainment, determines the quality of population and is highly related to one's employment prospects. The proportion of illiterate population had declined from 1993-94 to 2009-10 for male and females and persons (Table 4.4). Proportion of illiterate male has declined by 15 per cent. On the other hand in case of females and all persons this decline was about 22 per cent and 18 per cent during the respective period. Thus female literacy in rural areas had increased during the same period.

ii) Labour force Participation Rates

Labour force occupies significant place in labour and employment studies. It indicates country's competence of labour market in terms of magnitude, productivity and efficiency. There is an increase in male LFPR while there is a decline in female LFPR during 1993-94 and 2009-10.The women's labour force participation is low, because women took the principal responsibility of housework. Generally, it is observed that many women seek work only intermittent.

In the case of younger age groups i. e. persons of age 15 years and above the LFPR for male, female and all persons have been declined during 1993-94 to 2009-10 in rural Maharashtra (Table 4.5). However LFPR of younger age groups of female has declined sharply as compared to male. Decline in LFPR indicates a mismatch between growth in population and growth in labour force. It is observed that LFPR is decreasing from 1999-00 to 2004-05. There is recovery in LFPR from 1999-00 to 2004-05. But after 2004-05 LFPR it

has again declined. This fluctuation indicates that there is no considerable improvement in LFPR since 1993-94.

iii) Workforce Participation Rates

The Workforce Participation Rate is an important metric to use when analyzing unemployment data because it reflects the number of people who are interested in participating in the work force. These people are either looking for employment or are employed, and are at or above the working age. It is found that workforce in rural Maharashtra constitute 53 per cent in 2001. Male WPR (54%) is higher than the female WPR (44%) in rural Maharashtra. This indicates gender disparity (about 10%) in work participation. This disparity (about 40%) is extremely high in urban Maharashtra according to 2001 Census. As per NSS data the worker population ratio (WPR) differed between males and females. The gender differential in the worker population ratio (WPR) was distinct: 58 per cent for males and 40 per cent for females in the rural areas during 2009-10. More than half of all the rural males reported themselves as workers. The proportion of rural women workers remained around one third. However, WPR for women in Maharashtra is greater than WPR at all India level.

It is also found that workforce participation rates for females which significantly lower than those of males. Secondly, WPR for Male remained more or less stagnant during 1993-93 to 2009-10 but WPR for women has declined considerably. Thirdly, there is a less dispersion in WPR for usual, weekly and daily statuses for male. But for female, there is wide variability in WPR for usual, weekly and daily statuses.

Age-specific WPR is important indicator that explores qualitative aspects of workforce. Trends is age-specific WPR are given in Table 6.3 and Table 6.4. The age-specific distribution of WPR indicate same trend in WPR as explained above. More or less for all age groups there is a decline in WPR during 1993-94 and 1999-00 and then revival in WPR with increase in WPR for both male and female.

Nearly 65 per cent of workers are illiterate among illiterates population in rural Maharashtra during 2009-10 (Table 6.5 and 6.6). Extent of illiterate is declining for both male and female form 1993-94 to 2009-10. The proportion of illiterate workers among

illiterates population is very high as compared to female illiterates. The WPR of male educated workers educated from primary to higher secondary education is increasing. However, WPR of female is declining from secondary to higher secondary education. This is important aspect of education-specific WPR in rural Maharashtra. The proportion (WPR) of graduate workers among graduate population is declining for both male and female during 1993-94 and 2009-10. However, decline in female WPR is very high as compared to male. WPR of female graduates is considerably low as compared to WPR of male graduates.

In the case of proportion of self-employment and casual labour there is peculiar trend showing inverse relationship between them. From 1993-94 to 1999-00 there is a sharp decline in proportion of usually self-employed (both male and female) and at the same time proportion of casual labour has increased. This casualisation of labour in greater extent took place during 1999-00 only. From 1999-00 onwards the propotion of self-employed has increased and those of casual labour has declined.

In rural Maharashtra, the proportion of male workers engaged in the agricultural sector in the principal status and subsidiary status taken together gradually declined from 75 per cent in 1993-94 to 71 per cent in 2009-10. However, proportion of female worker in agriculture is more than male workers. This indicates that larger proportion of female depends on agriculture in rural Maharashtra. Proportion of male workers in the sectors like mining and quarying, manufacturing, electricity and water etc have shown no considerable change during 1993-94 to 2009-10. However in service sector including construction, trade hotel and restaurants and transport, etc has increased significantly. This indicates expansion and growth prospects of service sector in Maharashtra. On the other hand proportion in public administration, education and community services, etc has declined. It shows that there are less job creations in these sectors. Due to reservation policy in recruitment the proportion of female workers is high (2-2.5%) in sectors like public administration, education and community services as compared to other sectors. A proportion of female worker is also high (2-3%) in education and public administration sector. However this proportion has declined from 2 to 3 per cent during 1993-94 to 2009-10.

iv) Unemployment

One of the most disturbing problems in India has been the mounting rate of unemployment, both in the rural and urban sectors. In case of rural sector, there has been both unemployment and under employment. There will be no peace and prosperity in the country if jobless people do not get a proper channel. More attention should be given otherwise this problem can make jobless youths go to wrong direction. The unemployment rates for females are found to be lower than that for males. The incidence of unemployment among the educated was much more than that among their counterparts. The rate is much higher among the educated females than that among the educated males. The unemployment rates according to the current daily status (cds) approach are higher than the rates obtained according to usual status approach and weekly status approach, thereby indicating a high degree of intermittent unemployment.

6 Suggestions

Employment has featured as an important item in the development agenda in India. Large number of policy initiatives has been taken by the Government since independence.Comprehensive policy measures should be adopted to reach towards equality of distribution of land. There should be coordination of various policies and programmes to achieve these objectives. The scope of measures of land reforms should be widened so as to implement in coordination with other policy measures. Government has to assess inequalities land distribution structure and give emphasis on removal of inequalities in land and non-justifiable transfer of land.

So far as NSS data is concerned NSSO should provide unit level data in MS-Excel, SPSS, STATA file format. NSSO should extract unit level data make it available publicly on website in downloadable computer file format. There files should be sorted and filtered at state, center level. NSSO can use cloud technology to handle unit level data on internet. Cloud computing system may be adopted.