Employment

Introduction

'Ability to perform some useful work' is more often than not, the only resource endowment that a labourer commands. Any individual's status in the employment market depends on 'Skills' or capabilities, knowledge of the market for employment, mobility, expected level of remuneration and willingness as well as the ability to diversify skills. Employment enables in equipping/endowing the person with purchasing power, self-respect and social recognition. Hence, it is one of the most critical indicators of development. But compared to other economic indicators like income or investment, it changes much slowly. In many LDCs, sectoral composition of employment changes as slow as some other concomitant development features such as the literacy rate. Employment is 'derived demand for labour' i.e. it depends on the demand for goods produced, as well as the availability of other supplementary inputs like machinery, raw materials and 'skills', required to handle the materials and machines/tools. Hence, additional anticipated demand for the product and warranted 'investment' (i.e. additional stock of capital) for the same are crucial determinants of employment. Technical changes, often aimed at reducing at least some of the inputs per unit of output, are other long-term factors that overshadow the pace and composition of employment.

The first simple approximation of 'employment' is 'Number of persons reported to be engaged in 'some' gainful activity' as reported in the Census. This can be further disaggregated by the nature of economic activity in which they are employed i.e. sector, type of ownership under which they are employed or their age/sex composition or location of employment (e.g. by regions or rural/urban). We now present the data on total number of workers, i.e. main and marginal based on three successive Censuses (Table 14.1).

It may be observed that in the last decade, the proportion of 'marginal workers' in 'total workers' has increased by 6.49 percentage points. This implies that the number of persons registered to be

employed for 'some time' in 'some activity', also including those, who are engaged in addition to their 'main activity', has gone up. This may be due to the inadequacy of the 'main employment', emergence of new work opportunities that are seasonal or temporary in nature, or perhaps a reflection of re-deployment of the existing work force in a new or different activity. The Census questions, which elicit this information, are usually unhelpful to hazard a guess about the underlying process at work. We may now look at the decomposition of total workers by major type of economic activity. This is presented in Table 14.2.

Table 14.1: Employment Scenario in Maharashtra

Activity	1981	1991	2001
Total Workers	26718230	33910366	42053330
Main	24301793	31006109	35670836
Share in Total	90.96	91.44	84.82
Marginal	2416437	2904257	6382494
Share in Total	**9.04**	**8.57**	**15.18**

Sources: Census of India (1981, 1991 and 2001)

Table 14.2: Per cent Composition of Workers by Major Economic Activity

Activity	1981	1991	2001
Cultivators	8535910	10172108	12009903
	(35.12)	(32.81)	(28.56)
Agricultural Labourers	6470855	8313223	11290945
	(26.63)	(26.81)	(26.85)
Household Industry Workers	620506	498431	1046149
	(2.55)	(1.61)	(2.49)
Other Workers	8674522	12022347	17706333
	(35.69)	(38.77)	(42.10)
Total	**24301828**	**31006109**	**42053330**
	(100.00)	(100.00)	(100.00)

Note: Figures in the brackets represents column percentages
Source: Primary Census Abstract - 1981, 1991 and 2001

As the Table 14.2 shows, the proportion of cultivators has declined by 2.31 and 4.25 percentage points between 1981 and 1991 and 1991 and 2001 respectively, while the proportion of agricultural labourers has remained more or less stable at 26.85 per cent. In 2001, share of 'other workers' has gone up to 42.1 per cent and there is a marginal improvement in household industry workers. 'Other

Table 14.3: Activity-wise Employment and their Percentage to Total for Year 1991 and 2001 in Maharashtra State

Activity	1991	% to total	2001*	% to total
Agricultural labourers	9532101	27.54	11290945	26.85
Cultivators	11542964	33.35	12009903	28.56
Agri, Hunting, Foresting and Fishing	608609	1.76	1284095	3.05
Total Agriculture & allied activities	21683674	62.64	24584943	58.46
Mining & Quarring	87001	0.25	107675	0.26
Household Industries	559515	1.62	1046149	2.49
Manufacturing	4124988	11.92	4337708	10.31
Total Manufacturing	4684503	13.53	5383857	12.80
Electricity, gas & Water	171143	0.49	180493	0.43
Construction	249120	0.72	335896	0.80
Wholesale & Retail trade Restaurant	2314818	6.69	3527352	8.39
Transport Storage & communications	899319	2.60	1305446	3.10
Total retail trade and Transport	3214137	9.29	4832798	11.49
Financing, Insurance Real estate & Business services	745883	2.15	1226203	2.92
Community social & personal services, Other	3779129	10.92	5401464	12.84
Total Services	4525013	13.07	6627667	15.76
Total	**34614591**	**100.00**	**42053331**	**100.00**

Note: * Total of 'Other workers' from Census 2001 were distributed over other sectors by using the sectoral shares as available from EC 1998

Source: Census of India, Primary Census Abstract 1991, 2001, Economic Census, Maharashtra State Employment Review

workers' category consists of very different and heterogeneous types of work opportunities. We need to probe a little further to spell out the rise in 'other workers'. We may look at more detailed activity-wise employment (Table 14.3).

There is a decline of 4.18 percentage points in the share of agriculture and allied activities. The fall is more pronounced in the case of cultivators. The share of forestry and fishing has registered an impressive rise. Though the number of workers in 'manufacturing' as well as in the mining and quarrying has increased, their shares have fallen. The rising share of the tertiary sector is a well-known characteristic of development and that has been experienced in Maharashtra.

Table 14.4: Employment in Shops and Commercial Establishment in Maharashtra   in (' 000)

Year	Shops	Commercial Establish-ment	Restaurant Theatres etc	All Establish-ment
1988	454	909	199	1561
1993	503	119	213	835
1995	540	1216	219	1975
1997	540	1266	240	2046
1998	570	1369	245	2184

Source: GoI (Various issues) Indian Labour Statistics

This is evident from absolute numbers as well as shares of the tertiary activities. To emphasise the same we present in Table 14.4 data on employment in 'shops', 'commercial establishments' and 'restaurant,' 'theatre' etc., separately which indicates the rapid growth of these service sectors.

Regional Profile of Employment

We may now look at the regional distribution of workforce. We will first look at the distribution of workers by urban and rural areas. As Table 14.5 shows, nearly one third of the workers are in urban Maharashtra and the rest two-third are in rural Maharashtra. Notably, both rural and urban areas have experienced great rise in number of marginal workers. The rise is faster in urban areas. The rate of growth of 'main workers' in urban areas is almost five times the rate observed in rural areas.

Table 14.5: Distribution of workforce by rural and urban areas   (Figures in lakh)

Activity	1991			2001		
	Total	Rural	Urban	Total	Rural	Urban
Total	339.10	240.33	98.77	420.53	281.07	139.47
Main	310.06	213.81	96.25	356.71	227.52	129.19
	(91.44)	(88.96)	(97.45)	(84.82)	(80.95)	(92.63)
Marginal	29.04	26.53	2.52	63.82	53.55	10.28
	(8.56)	(11.04)	(2.55)	(15.18)	(19.05)	(7.37)

Note: Figures in parentheses indicates percentage.
Source: Primary Census Abstract (1991and 2001)

Table 14.6: Compound annual growth rates

Activity	Total	Rural	Urban
Total	2.18	1.58	3.51
Main	1.41	0.62	2.99
Marginal	8.19	7.28	15.11

Historically, Maharashtra consists of five different regions (Konkan, Khandesh, Western Maharashtra, Marathwada and Vidarbha) each with a distinct historical background, heritage and economic institutions. Nature of economic resources and opportunities as well as the characteristics and level of economic development in these regions are disparate. Regional imbalance in growth and development is a sensitive and burning issue in Maharashtra. The districts in these five distinct regions fall into seven administrative divisions including Brihan Mumbai.

Table 14.7 provides the classification of workers by major economic activity. Differences in the nature of occupations are stark. Mumbai has 97.1 per cent in other workers and Amravati division has only 23 per cent in this category. The 'other workers' reflect diminished dependence on agriculture. The share of this category of workers is above the average in case Brihan Mumbai and Konkan, while in Pune region it is fairly close to average. In the remaining regions 'dependence on agriculture' is obvious. If we take all regions together Pune division accounts for 21.6 per cent total labourers followed by Nashik (16.9 per cent) and Aurangabad (16.2 per cent). Tables 14.8 and 14.9 give data for males and females separately.

Employment by Types of Organisation

There are several organisational forms or types of economic activity. Given the availability of secondary data we can distinguish the organisational type by ownership (public and private), nature of legal recognition or regulation (e.g. registered/ unregistered also called organised/unorganised) and by size large/small. In the Table 14.10, we present data on employment in public and private sector for a period 1987-88 to 1999-2000. The 'Public sector' is subdivided in central, state and 'quasi-government', which are further subdivided by central, state and local bodies. The Private sector is subdivided in large and small establishments. The enterprises covered here are the core of organised sector employment.

Table 14.7: Region-wise Workers classification (Persons) as per Census 2001

Region	Total Workers Main & Marginal	Cultivators	Agri. Lab.	Household Industry Workers	Other Workers
Br. Mumbai	4527926	1693	1446	127708	4397079
Konkan	5354903	1257461	705598	127458	3264386
Nashik	7121368	2478143	2453069	163493	2026663
Pune	9082980	3330978	1801187	298092	3652723
Aurangabad	6805770	2641880	2423441	114346	1626103
Amravati	4434546	1148751	2219094	56494	1010207
Nagpur	4725837	1150997	1687110	158558	1729172
Maharashtra	**42053330**	**12009903**	**11290945**	**1046149**	**17706333**
Activity-wise Zonal Distribution					
Br. Mumbai	100.0	0.0	0.0	2.8	97.1
Konkan	100.0	23.5	13.2	2.4	61.0
Nashik	100.0	34.8	34.4	2.3	28.5
Pune	100.0	36.7	19.8	3.3	40.2
Aurangabad	100.0	38.8	35.6	1.7	23.9
Amravati	100.0	25.9	50.0	1.3	22.8
Nagpur	100.0	24.4	35.7	3.4	36.6
Maharashtra	**100.0**	**28.6**	**26.8**	**2.5**	**42.1**
Zone wise Activity Level Distribution					
Br.Mumbai	10.8	0.0	0.0	12.2	24.8
Konkan	12.7	10.5	6.2	12.2	18.4
Nashik	16.9	20.6	21.7	15.6	11.4
Pune	21.6	27.7	16.0	28.5	20.6
Aurangabad	16.2	22.0	21.5	10.9	9.2
Amravati	10.5	9.6	19.7	5.4	5.7
Nagpur	11.2	9.6	14.9	15.2	9.8
Maharashtra	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Sources: Census of India (2001)

Table 14.8: Region-wise Workers Classification (Male) as per Census 2001

Region	Total Workers Main & Marginal	Culti-vators	Agri. Lab.	House-hold Industry Workers	Other Workers
Br. Mumbai	3781749	1353	995	84313	3695088
Konkan	3675366	580770	303892	68847	2721857
Nashik	4255136	1414069	1061424	85408	1694235
Pune	5623045	1824397	741751	135553	2921344
Aurangabad	3992246	1519592	1051314	58114	1363226
Amravati	2698417	734460	1061026	34614	868317
Nagpur	2898805	691118	708391	73762	1425534
Maharashtra	**26924764**	**6765759**	**4928793**	**540611**	**14689601**
Percentage to Total Workers					
Br. Mumbai	100.0	0.0	0.0	2.2	97.7
Konkan	100.0	15.8	8.3	1.9	74.1
Nashik	100.0	33.2	24.9	2.0	39.8
Pune	100.0	32.4	13.2	2.4	52.0
Aurangabad	100.0	38.1	26.3	1.5	34.1
Amravati	100.0	27.2	39.3	1.3	32.2
Nagpur	100.0	23.8	24.4	2.5	49.2
Maharashtra	**100.0**	**25.1**	**18.3**	**2.0**	**54.6**
Percentage to State					
Br. Mumbai	14.0	0.0	0.0	15.6	25.2
Konkan	13.7	8.6	6.2	12.7	18.5
Nashik	15.8	20.9	21.5	15.8	11.5
Pune	20.9	27.0	15.0	25.1	19.9
Aurangabad	14.8	22.5	21.3	10.7	9.3
Amravati	10.0	10.9	21.5	6.4	5.9
Nagpur	10.8	10.2	14.4	13.6	9.7
Maharashtra	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Census of India, 2001 Primary census

From 1987-88 to 1996-97, there is a steady rise in employment in all the major subcategories. From 1997-98 onwards the employment in all segments except private small enterprises have declined. This fall, in the case of public sector may be due to the fiscal crunch leading to restrictions on filling upon vacant posts. In the case of private large size enterprises, this may be due to the business cycle (the enduring recession from 1998 to 2000) and re-structuring measures taken up in response to it (e.g. voluntary retirement schemes introduced in some large enterprises). The employment in small enterprises has experienced a fall immediately after

1997 and a subsequent recovery in later years. However, except for the declining trends, the rates of growth of all these categories are similar and close. Hence, the composition (in terms of per cent shares) does not show very drastic shifts. Notably the share of the central government has declined from 13.79 per cent in 1987-88 to 11.27 per cent in 2000-01. Similarly, share of large private enterprises has gone up in the first seven years (35.42 per cent to 37.42 per cent) and declined by 0.28 per cent points by the end of decade (36.94 per cent).

Table 14.9: Region-wise Workers Classification (Females) as per Census 2001

Region	Total Workers Main & Marginal	Culti-vators	Agri. Lab.	House-hold Industry Workers	Other Workers
Br. Mumbai	746177	340	451	43395	701991
Konkan	1679537	676691	401706	58611	542529
Nashik	2866232	1064074	1391645	78085	332428
Pune	3459935	1506581	1059436	162539	731379
Aurangabad	2813524	1122288	1372127	56232	262877
Amravati	1736129	414291	1158068	21880	141890
Nagpur	1827032	459879	978719	84796	303638
Maharashtra	**15128566**	**5244144**	**6362152**	**505538**	**3016732**
Percentage to Total Workers					
Br. Mumbai	100.0	0.0	0.1	5.8	94.1
Konkan	100.0	40.3	23.9	3.5	32.3
Nashik	100.0	37.1	48.6	2.7	11.6
Pune	100.0	43.5	30.6	4.7	21.1
Aurangabad	100.0	39.9	48.8	2.0	9.3
Amravati	100.0	23.9	66.7	1.3	8.2
Nagpur	100.0	25.2	53.6	4.6	16.6
Maharashtra	**100.0**	**34.7**	**42.1**	**3.3**	**19.9**
Percentage to State					
Br. Mumbai	4.9	0.0	0.0	8.6	23.3
Konkan	11.1	12.9	6.3	11.6	18.0
Nashik	18.9	20.3	21.9	15.4	11.0
Pune	22.9	28.7	16.7	32.2	24.2
Aurangabad	18.6	21.4	21.6	11.1	8.7
Amravati	11.5	7.9	18.2	4.3	4.7
Nagpur	12.1	8.8	15.4	16.8	10.1
Maharashtra	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Census of India, 2001(Primary census abstract)

Table 14.10: Distribution of Employment in Public Sector and Private Sector

Year	Public Sector Establishments					Total Public Sector	Private Sector Establishments		Total Private Sector	Total
	Central Govt.	State Govt.	Quasi Government				Large	Small		
			Central	State	Local					
1987-88	486600	486900	406200	244700	572000	2196400	1278000	75100	1353100	3549500
1990-91	481100	509300	424700	266900	599600	2281600	1291800	74100	1365900	3647500
1995-96	478000	531500	405300	275300	652900	2343000	1438300	81100	1519400	3862400
1996-97	447700	527900	424200	267200	679300	2346300	1453800	82100	1535900	3882200
1997-98	432800	531200	416400	268100	683000	2331500	1437600	79000	1516600	3848100
1998-99	427400	522300	412700	263900	679100	2305400	1423900	80800	1504700	3810100
2000-01	423800	518300	412100	262100	673600	2289900	1388700	81200	1469900	3759800

Source: GoI, (Various Issues), Statistical Abstract of India

Table 14.11: Distribution of Employment into Formal and Informal Sectors, and their Percentage to Total Employment for Year 1991 and 2001

Activity	1991						2001					
	EC	%	EMI	%	Total	%	EC	%	EMI	%	Total	%
Agri., Hunting, Foresting & Fishing	546042	5.96	62567	1.64	608609	4.69	1219997	9.27	64098	1.41	1284095	7.25
Mining & Qurrying	43710	0.48	43291	1.13	87001	0.67	55671	0.42	52004	1.14	107675	0.61
Manufacturing	2862226	31.25	1262762	33.04	4124988	31.78	3033976	23.06	1303732	28.67	4337708	24.50
Electricity, Gas& water	57315	0.63	113827	2.98	171143	1.32	38993	0.30	141500	3.11	180493	1.02
Construction	99217	1.08	149903	3.92	249120	1.92	172627	1.31	163269	3.59	335896	1.90
Wholesale & retail trade & Restaurants, Hotels	2237175	24.43	77644	2.03	2314818	17.83	3436647	26.12	90705	1.99	3527352	19.92
Transport, Storage &communications	377996	4.13	521323	13.64	899319	6.93	685024	5.21	620422	13.64	1305446	7.37
Financing Insurance, Real Estate & Business service	481938	5.26	263946	6.91	745883	5.75	845242	6.42	380961	8.38	1226203	6.93
Community social & Personal Service	2452723	26.78	1326406	34.71	3779129	29.11	3670814	27.9	1730650	38.06	5401464	30.51
Total	**9158342**	**100.0**	**3821669**	**100.0**	**12980011**	**100.0**	**13158993**	**100.0**	**4547341**	**100.0**	**17706334**	**100.0**
Formal (EMI), Informal (EC) % to total	70.56		29.44		100.00		74.32		25.68		100.00	

Note: Total of 'Other workers' from Census 2001 were distributed over other sectors by using the sectoral shares as available from EC 1998.
Source: GoM (Maharashtra State Employment Review) and GoM (Economic Census) EMI-Formal sector. EC-Informal Sector

It is well known that the size of the registered and organised sectors in India is relatively small. Rest of the economic entities fall in the category called unorganised or informal sector. In the case of the manufacturing sector the definition of organised or formal is crisp. All the enterprises requiring registration under Factory act 1948 are called 'organised and formal'. In other sectors, such crisp definition is not available. Nonetheless, we attempted approximation of formal-informal segregation by using the data from Economic Census. EMI enterprises are roughly the organised and formal sector establishments and Economic Census entities are taken to be informal sector enterprises. These are presented in Table 14.11. There are some remarkable changes. Employment in all sectors of EC has increased. The number of establishments and employment in agriculture has increased very rapidly and its share in EC has increased from 5.96 per cent to 9.27 per cent. Similarly the shares of wholesale trade, transport storage and communication, finance and insurance and community and social and personal services have improved.

On the other hand, the share of the formal segment, as approximated by EMI employment, in total employment has fallen from 29.44 in 1991 to 25.68 in 2001. In all sectors except Electricity Gas and Water supply, share of the formal segment has declined. The secular fall in share of formal sector and impressive rise in case of informal sector is noteworthy. Like growth in marginal workers discussed above, this trend too reflects an increased flexibility, seasonality and perhaps rises in 'footloose labour' as against the fall in the 'entrenched labour'. A part of the decline in the entrenched organised labour may be due to restructuring prompted by adjustment to cyclical fluctuations as well as changes in 'perceptions of or about changed business environment (e.g. de-reservations in small sector, reduction in import duties, changes in patterns of ancillarisation). It may be noted that there have been no major changes in labour legislations (e.g. Industrial Disputes act or payment of wages or Bonus act) and no other labour market reforms have been implemented. Yet, there is significant fall in the number of industrial disputes and number of mandays lost in industrial disputes. (Table 14.12)

Thus, the decline in the share of 'formal sector' employment cannot be *directly* attributed to so-called labour reform policy measures. At the same time, as earlier pointed out, the employment in 'small enterprises' in the 'core' organised sector has not fallen but improved somewhat. Business sectors as

well as unions seem to have sensed the change in the milieu. Business units seem to be able to restructure more quickly and perhaps with less of additional investment and labour. These efficiency improvements are welcome and desirable. At the same time, they are inevitably reflected as the so-called 'jobless growth' in the organised sector.

Employment: Perspective based on Census and NSS data together

Our description so far has been mostly based on census data. Census data have many limitations. In particular, Census queries are not intended to probe deeper into the various aspects of economic activity. We, therefore, combine population data from census with the NSSO data on 'employment /unemployment' and few other aspects of employment. We do recognise that NSSO data too suffers from some limitations and similarly combining these two sources results in some problems. As Central sample data were not available, we have used State sample data. Estimates from these samples may (and do) widely differ. Hence, we have avoided their 'combined and conjunctive' use for further quantitative estimation.

Table 14.12: Industrial Disputes (Central and State Sphere)

Year	Number of Disputes	Number of Mandays Lost
1991	173	3303673
1992	170	3244528
1993	176	2771002
1994	147	2362678
1995	112	1718734
1996	80	1822704
1997	48	1301960
1998	35	933799

Source: GoI (Various issues), *Indian Labour Statistics*

We present in Table 14.13 the estimates of workforce based on census and NSSO rounds pertaining to years 1987-88, 1993-94, and 1999-2000. The procedure that we applied is as follows: the NSSO rounds provide work-participation rates, for rural males, rural females, urban males, and urban females separately. (Round No. 43, 50 and 55) These were used to derive total work force based on total population of these four sub-categories. Total population of these four categories were arrived at using the projection method and estimates by Registrar General.

Table 14.13: Workforce in India, Maharashtra & Other states based on Census Population and NSS WPR: Total
(Figures in lakhs)

States	Regions	1987-88			1993-94			1999-2000		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
India	Rural	1608	909	2517	1873	1039	2912	2042	1066	3108
	Urban	518	138	656	641	171	812	766	186	952
	Total	2126	1047	3174	2514	1210	3724	2808	1252	4060
Maharashtra	Rural	126	104	230	141	119	260	152	119	271
	Urban	72	20	92	93	26	119	113	26	139
	Total	198	124	322	234	145	379	265	145	410
Andhra Pradesh	Rural	138	107	244	162	130	292	172	132	304
	Urban	41	17	57	54	19	73	63	21	84
	Total	178	123	302	216	150	366	235	153	389
Karnataka	Rural	84	55	139	99	69	168	108	67	175
	Urban	33	12	45	42	13	55	49	15	64
	Total	117	67	184	141	82	222	157	82	238
Gujarat	Rural	74	48	122	83	54	137	92	61	153
	Urban	34	7	41	43	10	53	51	12	63
	Total	108	55	163	126	64	190	143	73	216
Labourforce in Maharashtra										
Maharashtra	Rural	130	107	237	148	123	272	162	128	290
	Urban	79	22	101	99	28	127	123	29	152
	Total	209	130	338	247	152	399	285	157	441

Source: NSSO, 43rd, 50th, 55th Round Census of India , Primary Census Abstract, 1991, 2001

Table 14.14: Workforce (Based on Census Population and NSSO WPRs): Rural

(Figures in lakhs)

State/Union Territory	1987-88			1993-94			1999-2000		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
All India	**1608**	**909**	**2517**	**1873**	**1039**	**2912**	**2042**	**1066**	**3108**
Maharashtra	**126**	**104**	**230**	**141**	**119**	**260**	**152**	**119**	**271**
Andhra Pradesh	138	107	244	162	130	293	172	132	304
Karnataka	84	55	139	99	69	168	108	67	175
Gujarat	74	48	122	83	54	137	92	61	153

Source: NSSO 43rd, 50th, 55th Round Census of India , Primary Census Abstract, 1991, 2001

Table 14.15: Workforce (Based on Census Population and NSSO WPRs): Urban

(Figures in lakhs)

State/Union Territory	1987-88			1993-94			1999-2000		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
All India	**518**	**138**	**656**	**641**	**171**	**812**	**766**	**186**	**952**
Maharashtra	**72**	**20**	**92**	**93**	**26**	**119**	**113**	**26**	**139**
Andhra Pradesh	41	17	57	54	19	73	63	21	84
Karnataka	33	12	45	42	13	55	49	15	64
Gujarat	34	7	41	43	10	53	51	12	63

Source: NSSO 43rd, 50th, 55th Round Census of India , Primary Census Abstract, 1991, 2001

The workforce participation rates (WPR) of Maharashtra are fairly close to All India WPRs in case of Rural and Urban Males as well as urban females. WPRs for rural females in Maharashtra are significantly higher than 'All India' in all the three rounds. Generally, WPRs of the two adjacent states, Andhra Pradesh and Karnataka, (except for rural and female WPRs in Karnataka) are higher than that of Maharashtra and that of Gujarat are slightly lower than Maharashtra. It is important to observe that WPRs in all sub-categories (R^M, R^F, U^M, U^F) are falling except for the small rise in 50th round. WPRs variations occur due to the difference between the rate of growth in size of work force and total population. As total population may be changing due to many non-comparable sources or their variable vigour and strengths of these sources (e.g. migration), we may compare rates of growth of labour force itself, growth rates of labour force by subcategories across adjacent states as well as all India. These reveal a similar pattern albeit with some notable divergences. Growth rates for Maharashtra for all sub-categories (R^M, R^F, U^M, U^F) are lower than 'All India'. In the case of urban females the growth rate between 50th and 55th round is negative (-0.07%. p.a.).

The WPRs that we have described so far are crude WPRs and these are not age-specific. In the course of development, various processes can lead to fall in age-specific WPRs, which may result in crude WPRs to fall. (e.g. the proportion of child labour will fall; younger generation will enter labour force after attaining better training; and the requirement to work for earning livelihood for the old aged worker may also diminish due to better family/social support or higher savings). In Table 14.18, the ratio of 'persons attending education' (code 91 in NSSO data) to 'total of not in labour force' (code 91-99) is presented. It may be noted that "attending education" happens to be the major reason for 'not being in labour force'. As per successive NSSO rounds (i.e. 37, 43, 50th round) participation of child labour (age group 5 to 14) has been consistently falling. (See Table 14.18, Labour force participation rates (per cent) for younger groups (Age 5-14 and 15-29).

Table 14.16: Work Participation Rates (Per cent) in India, Maharashtra and Other States

States	Region	WPR 87-88		WPR 93-94		WPR 99-00	
		M	F	M	F	M	F
India	Rural	53.9	32.3	55.3	32.8	53.1	29.9
	Urban	50.6	15.2	52.1	15.5	51.8	13.9
Andhra Pradesh	Rural	59.5	47.0	63.1	52.1	60.5	47.8
	Urban	50.3	21.5	54.4	19.9	51.1	17.8
Karnataka	Rural	56.8	37.7	60.4	43.0	59.5	38
	Urban	49.4	19.6	54.2	18.1	54.5	17.8
Maharashtra	Rural	54.6	46.2	55.1	47.7	53.1	43.4
	Urban	49.6	15.9	52.6	16.9	53.2	13.7
Gujarat	Rural	55.9	38.1	57.4	39.6	58.4	41.3
	Urban	51.0	11.2	53.5	14.2	53.6	13.5

Source: NSSO, NSS 43rd, 50th, 55th Round

The fall is significant in the case of urban male-children (3.05 in 1977-78 to 0.92 in 1993-94) followed by rural male-children (10.59 in 1977-78 to 3.10 in 1993-94). Decline in WPRs of female child labour is slower (from 10.35 to 4.35 in rural and 2.12 to 1.11 in urban). Labour participation rates for age groups 15-29 also indicate fall. WPRs in rural males of age 15 -29 have fallen from 85.93 to 72.36 and 71.09 to 63.72 for urban males. One can notice a somewhat lower fall in the case of urban as well as the rural female labour force. One may reasonably speculate that the potential male workers in this age group seem to join the labour force somewhat late because many of them may be acquiring more training or investing more years in education.

Table 14.17: Growth Rates of Employment between NSSO Rounds

State/union territory	Region	CAG for 1987-88,1993-94		CAG for 1993-94, 1999-00	
		Male	Female	Male	Female
India	Rural	3.10	2.71	1.74	0.52
	Urban	4.35	4.35	3.62	1.70
Andhra Pradesh	Rural	3.30	4.13	1.23	0.26
	Urban	5.99	2.88	3.04	2.17
Karnataka	Rural	3.26	4.66	1.69	-0.55
	Urban	5.07	1.56	3.25	2.84
Gujarat	Rural	2.32	2.44	2.13	2.51
	Urban	4.59	8.66	3.63	2.58
Maharashtra	Rural	2.35	2.63	1.41	0.07
	Urban	5.08	5.49	4.09	-0.07
Maharashtra*	Rural	2.42	1.04	0.89	-2.92
	Urban	4.65	4.17	4.19	1.81

Note: *These growth rates based on figures of workforce taken from Directorate of Economics and Statistics.
Source:-NSSO, NSS 43rd ,NSS 50th,NSS 55th rounds CoI 1981, 1991

Table 14.18: Labour Force Participation Rates (Per Cent) for Younger Groups (Age 5-14 and 15-29)

Year	Age Groups	Rural		Urban	
		Male	Female	Male	Female
1977-78	5--14	10.39	10.35	3.05	2.12
	15-29	85.93	67.54	71.09	22.29
1983	5--14	9.59	10.29	3.04	2.09
	15-29	80.28	64.9	72.47	18.75
1987-88	5--14	6.63	7.69	1.91	1.30
	15-29	78.04	61.8	67.21	16.23
1993-94	5--14	3.10	4.35	0.92	1.11
	15-29	72.36	53.26	63.57	16.58

Source: GoM, 2002a

It may as well be because of the preparedness of the family or parents to support them for a longer period without forcing them to join the workforce. There is a tendency to report that household work as the primary engagement, which causes greater reporting in the '92-99' category of NSS response.

Table 14.19: Ratio of Man-days under 'Attend Education' to Man-days under 'Not in Labour Force'

Usual activity status		1993-1994				
		SR1	SR2	SR3	SR4	Combined
Rural	Males	61.26	60.71	62.39	58.93	60.83
	Females	34.09	34.52	37.37	34.43	35.08
Urban	Males	69.25	65.38	65.49	65.61	66.43
	Females	31.62	30.51	31.42	31.73	31.32
Usual activity status		1999-2000				
		SR1	SR2	SR3	SR4	Combined
Rural	Males	67.70	62.88	65.93	63.89	65.22
	Females	33.33	34.39	35.94	33.58	34.37
Urban	Males	64.50	65.71	62.42	64.08	64.07
	Females	31.02	28.70	30.24	31.06	30.27

Source: NSS state sample, Directorate of Economics and Statistics

We may now turn to another important aspect of the employment. How many people reported to be part of the labour-force do not get employment? In Table 14.20 below, we present the estimates of unemployment by 'current daily status'.

Table 14.20: Unemployment rate (Current Daily Status) Maharashtra   (in per cent)

Survey Period	Rural			Urban		
	M	F	P	M	F	P
1972-73	7.8	12.7	NA	NA	NA	NA
1977-78	5.85	9.31	NA	8.99	15.75	NA
1983	6.25	7.23	NA	9.05	10.44	NA
1987-88	2.90	3.50	NA	8.50	9.20	NA
1993-94	4.60	4.00	4.30	6.00	7.80	6.3
1999-2000	6.30	6.90	6.50	7.70	10.00	8.10

Note: M= Male, F= Female, P= Person
Source: MHDR, NSSO 55th round

The incidence of unemployment has varied widely. Beginning from 1972-73 upto 1987-88 the rural as well as urban unemployment rates have fallen. Generally, unemployment rates have been rising; over the years (there are small but noticeable dips as well e.g 1987-88 show decline in the rural unemployment rate) however, there is a rise in unemployment rates for all categories between 1993-94 and 1999-2000. These estimates must be taken with all the customary caution and caveats applicable to the NSS method of eliciting response and measuring employment and unemployment.

We have estimated the 'number of workdays' worked per worker per year using the current daily status for 'principal plus subsidiary workers'. This results in very high figure of 355 and 359 days for the rural male and female respectively and 347 and 339 for the urban male and female respectively. These estimates would differ if one uses weekly status data. As similar data by weekly status are not available from NSSO we cannot prepare any alternative comparable estimate of this aspect. These number of days worked per worker per person are on very high side. This high level reported is due to the following reasons. Firstly, this data from 'state sample' relates to 'principal and secondary workers' together (i.e. 'principal plus secondary workers' combined). Secondly, even a part of the day worked is taken to be 'a day worked' as per the NSS method of enumeration and counting (Table 14.21).

Table 14.21: Per Person Number of Days Worked in a Year

Year	Region	Sex	Comb-ined	SR 1	SR 2	SR 3	SR 4
1993-1994	Rural	M	358	88	88	89	88
		F	361	88	90	89	89
	Urban	M	350	86	86	86	88
		F	347	83	87	86	85
1999-2000	Rural	M	355	86	89	88	88
		F	359	87	89	89	89
	Urban	M	347	85	85	86	86
		F	339	82	83	84	85

Notes: Per Person number of days worked in a year are estimated as Estimated person days of status 11-72 divided by Estimated person days of status 11-82 multiplied by 365.
M=Male, F= Female
Sources: NSSO, NSS 50th, NSS 55th Rounds, Directorate of Economics and Statistics

Whatever employment is reported to be available, does it fluctuate across seasons or months? For example, it is generally believed that seasonal fluctuations in production activity in agriculture would cause employment to fluctuate in a similar manner (if not with similar magnitude and force). A partial reflection of this is found in higher wage rates for agriculture operations that experience 'peaking'. Do such or similar fluctuation occur in unemployment rates and wage rates in other non-agricultural sectors? There is no regular and extensive data available to form a reasonable judgement.

Table 14.22: Table Indicating Unemployment Rates by Sub-Rounds

Usual activity status		1993-1994				
		SR1	SR2	SR3	SR4	Combined
Rural	Males	0.72	0.91	0.93	1.28	0.96
	Females	0.26	0.25	0.48	0.00	0.25
Urban	Males	3.88	3.09	4.62	2.12	3.43
	Females	6.72	2.99	4.26	3.28	4.26
Usual activity status		1999-2000				
		SR1	SR2	SR3	SR4	Combined
Rural	Males	2.05	0.75	0.93	1.53	1.32
	Females	0.96	0.65	0.30	0.31	0.63
Urban	Males	4.87	5.21	3.99	3.98	4.47
	Females	8.08	8.00	6.20	5.17	6.31

Source: NSS state sample, Directorate of Economics and Statistics

Yet as a partial measure, we have attempted to judge this issue by examining the sub-round data on unemployment rates and wage rates of casual labourers in agriculture. Except for some minor fluctuations no regular cyclical or strong seasonality can be asserted. The data that we used for this purpose pertain to state sample. Hence the reported rates also differ from central sample.

Table 14.23: Average Wage Earnings Per Day Received by Casual Wage Labourers by Age Group, Type of Operation by Sex and Sub Round

Year	Region	Sex	Sub R1 July-Sep	Sub R2 Oct-Dec	Sub R3 Jan-Mar	Sub R4 Apr-Jun	Comb-ined
1993-1994	Rural	M	18.93	19.38	20.95	21.92	20.32
		F	13.25	12.98	20.73	14.18	15.5
	Urban	M	21.61	27.57	25.56	20.46	23.85
		F	14.65	14.93	20.55	17.59	17.11
1999-2000	Rural	M	39.74	38.89	39.95	43.31	40.41
		F	28.89	29.91	28.13	33.44	30.05
	Urban	M	58.37	63.08	46.81	60.36	55.81
		F	28.23	40.73	39.91	25.71	33.81

Sources: NSS state sample, Directorate of Economics and Statistics

Table 14.24: Real Wage Rate at 1993-94 Prices

Year	Region	Sex	Sub R1 July-Sep	Sub R2 Oct-Dec	Sub R3 Jan-Mar	Sub R4 Apr-Jun	Comb-ined
1993-1994	Rural	M	18.93	19.38	20.95	21.92	20.3200
		F	13.25	12.98	20.73	14.18	15.5000
	Urban	M	21.61	27.57	25.56	20.46	23.8500
		F	14.65	14.93	20.55	17.59	17.1100
1999-2000	Rural	M	24.23	24.06	25.22	28.13	25.3342
		F	17.62	18.50	17.76	21.72	18.8392
	Urban	M	37.81	41.63	31.12	40.21	36.8187
		F	18.29	26.88	26.53	17.13	22.3050

Notes: M= Male, F= Female.
Source: NSS state sample, Directorate of Economics and Statistics, Economic Survey of Maharashtra, 1993-94, 1999-2000

Table 14.25: Growth Rates of Real Wages Between NSSO Rounds 1993-94 and 1999-2000 (Based on Real Wages at 1993-94 Prices)

Region	Sex	Sub R1 July-Sep	Sub R2 Oct-Dec	Sub R3 Jan-Mar	Sub R4 Apr-Jun	Com-bined
Rural	M	4.20	3.67	3.14	4.24	3.74
	F	4.86	6.09	-2.55	7.36	3.31
Urban	M	9.77	7.11	3.34	11.92	7.51
	F	3.77	10.30	4.35	-0.44	4.52

Notes: M= Male, F= Female

Two important observations that can be made from the data presented in the above tables. Firstly, the wage rates appropriately deflated by CPI for rural Maharashtra published by Directorate of Economics and Statistics show that real wages of casual labourers have improved. The growth is more pronounced in the case of urban male wage rate (combined) (7.23 per cent p.a.) followed by rural male real wage rate (combined) that grew by (4.36 per cent per annum).

However, there is negative growth recorded by sub-round-to-sub-round comparison for rural female in 'sub-round-3' and urban female in 'sub-round- 4'.

As Table 14.26 shows the female wages are usually 25 to 28 per cent lower than male wages. The variations across sub-rounds show much greater inequalities. For example, sub-round two of 1993-94 rural areas ratio was as low as 0.54 and for urban areas sub-round four of 1999-00 was even lower i.e. 0.43.

Table 14.26: Ratio of Wages for Females to Wages for Males

Year	Region	Sub R1 July-Sep	Sub R2 Oct-Dec	Sub R3 Jan-Mar	Sub R4 Apr-Jun	Combined
1993-1994	Rural	0.70	0.67	0.99	0.65	0.76
	Urban	0.68	0.54	0.80	0.86	0.72
1999-2000	Rural	0.73	0.77	0.70	0.77	0.74
	Urban	0.48	0.65	0.85	0.43	0.61

Source: NSS state sample, Directorate of Economics and Statistics

We may also contrast the wages as earned by casual labourers to daily wage earnings of worker employed in organised manufacturing sector. In 1993-94 the daily wage received by organised manufacturing sector (Rs. 115.7 per day) was 5.53 times higher than that of casual labourer (Rs. 18.20 per day.) Similarly, in 1999-00, the daily wage received by organised manufacturing sector was Rs.

157.49 as against the casual wage labourer earned Rs. 36.49 per day. Thus, inequality as measured by ratio of the daily wage earnings has reduced. We may also compare the wage received on EGS, which are usually distress minimum wages available under scarcity work. Here we have nearly equal levels in 1993-94: i.e. Rs. 18.20 per day for 'casual labour' as against 18.84 for EGS work. However, wage rate for 'casual labourer' is higher (Rs. 36.49 per man day) than the EGS wage rate (Rs. 28.81 per man day).

The unemployment rates differ by consumer expenditure classes and exhibit some interesting though not very surprising patterns. Availability of work will not always be responded to by 'taking up the work 'as' and 'as and when available'. This may be partly due to level of remuneration expected, partly because compulsion to work may not be stringent (a variant of voluntary unemployment). Thus, seeking work and accepting available work may be higher in lower income classes and this would result in lower unemployment rates in lower income classes and higher income classes would have relatively higher rate of unemployment. Available data does not permit us to have unemployment rates across income classes. However, we may use consumer expenditures as proxy for income and examine the rate of unemployment. These are available for years 1993-94 and 1999-00. These have been tabulated in the Table 14.27 and 14.28 and Figures 14.1 to 14.4.

Table 14.27: Economic Status of Persons Categorised "Available for Work but Not-Working" for each MPCE Class per 1000 in Urban Areas

1999-2000				1993-94			
MPCE class	Urban			MPCE class	Urban		
	F	M	P		F	M	P
< 300	0	7	4	< 160	0	14	8
300-350	5	5	5	160-190	0	8	4
350-425	7	20	13	190-203	0	10	5
425-450	3	12	8	230-265	3	10	6
500-575	6	24	16	265-310	0	12	6
575-665	5	34	20	310-355	9	27	18
665-775	10	32	22	355-410	6	26	16
775-915	4	19	12	410-490	5	22	14
915-1120	11	33	23	490-605	9	27	19
1120-1500	10	30	21	605-825	11	17	14
1500-1925	13	23	18	825-1035	5	7	7
1925 <	11	13	12	1035 <	5	10	8
All classes	7	23	16	All classes	6	18	12

Source: NSS State Sample, Directorate of Economics and Statistics Department

The hypothesis mentioned above is only partially supported. Data do not show linear rise in unemployment rate as consumer expenditures rise. There are marked dips and rises or breaks in the middle or mid-upper classes of expenditure group. If we plot consumer expenditures against rate of unemployment, it exhibits a parabola like shape in the case of urban male workers. Generally, the unemployment rates for expenditure classes are uniformly lower among females than males reflecting greater compulsion to work as and when available irrespective of the expenditure class.

Table 14.28: Economic Status of Persons Catagorised Available for Work Not-Working for each MPCE Class per 1000 in Rural Areas

MPCE class	Rural			MPCE class	Rural		
	F	M	P		F	M	P
< 225	5	2	3	<120	0	0	0
225-255	0	0	0	120-140	0	0	0
255-300	5	3	4	140-165	0	2	1
300-340	2	7	4	165-190	0	0	0
340-380	0	3	2	190-210	0	3	2
380-420	1	6	3	210-235	0	4	2
420-470	1	9	6	235-265	1	9	5
470-525	3	7	5	265-300	0	4	2
525-615	0	10	5	300-355	1	6	3
615-775	2	14	8	355-455	1	3	2
775-950	0	10	5	455-560	2	9	6
950 <	7	11	9	560<	4	10	7
All classes	2	7	5	All classes	1	5	3

Source: NSS State Sample, Directorate of Economics And Statistics Department

The unemployment rates for SC/ST and OBC are presented in Table 14.29, it may be remarked that the unemployment is markedly higher among these social categories. Unemployment in these social groups is uniformly higher in urban areas.

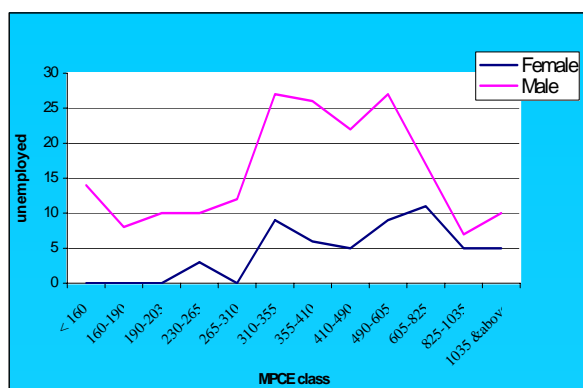**Figure 14.1: Unemployment Rates by MPCE Class per Thousand (Urban 1993-94)**

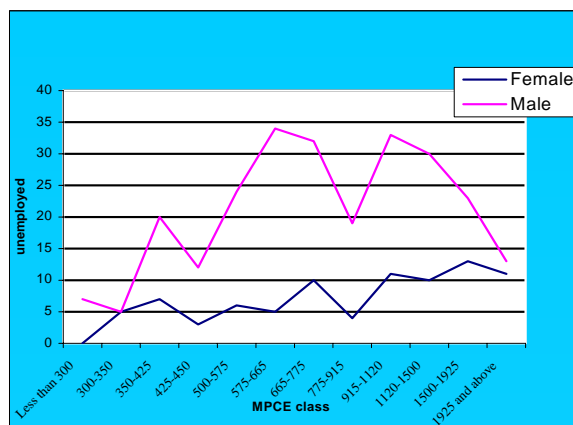**Figure 14.2: Unemployment Rates by MPCE Class per Thousand (Urban 1999-2000)**

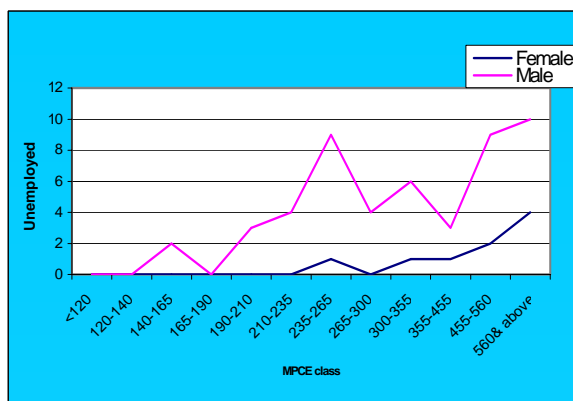**Figure 14.3: Unemployment Rates by MPCE Class per Thousand (Rural 1993-94)**

Figure 14.4: Unemployment Rates by MPCE Class per Thousand (Rural 1999-2000)
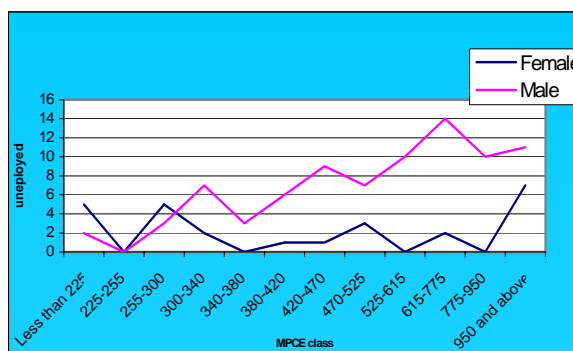

Table 14.29: Number of Persons Unemployed per Thousand Persons According to the Current Daily Status for Maharashtra and India (1999-2000)

Particulars	Rural				Urban			
	MS		India		MS		India	
	M	F	M	F	M	F	M	F
ST	28	25	30	15	38	18	37	11
SC	51	38	50	21	64	15	52	12
OBC	29	23	32	14	48	11	40	13

Notes: M - Male; F - Female
Source: NSSO Report, 55th round, September 2001

Employment Guarantee Scheme (EGS): Overview and Appraisal

Much before the rediscovery by modern economists, the British colonial administration did recognise that real and essential nature of drought and famine lies in 'scarcity of work' rather than 'scarcity of food'. This awareness is reflected in its 'scarcity code'. EGS in Maharashtra was 'designed' to ensure 'availability of work for those who lacked it and demanded for the same and that too within radius of five kilometres provide number of workers demanding work were at least fifty. The 'work' to be provided was designed to be labour intensive. Imposing the condition that at least 60 per cent of the total expenditure would be on wages ensures this. Moreover, 'work undertaken' should be a part of capital or asset forming expenditure programmes. All these three characteristics (work on demand with or without drought, labour intensity of work undertaken and asset creation through such works) were supposed to be distinguishing feature of the scheme that made them appear distinct from the much familiar 'scarcity works' undertaken by colonial administration. EGS was envisaged as a continuously ongoing scheme with or without drought/ famine. Professional tax was levied as earmarked or 'tagged tax' to finance the expenditure needed for the provision of work on demand.

In between this programme was modified to fit in the food for work programme. This was more due to the 'financial availability' as per central plan provisions. The payment of wages partly in kind i.e. food grain and partly in cash is not usually favoured by labourers. In particular, when they are expected to work for a continuously for longer number of days on EGS, they end up cumulating lot more grain than they hope to and manage to hold. Moreover they loose the choice of foodgrain (e.g. Sorghum rather than wheat), the quality and variety. They make up the short fall in cash wages by often re-selling the grain received as wages at whatever (often unfavourable) price that is reigning in the local market. This perhaps depresses the effective wage received.

The 'Administration' has had uneven experiences in operating this scheme. After the initial few years of operation, it became increasingly difficult to locate and 'carve out and fit in' works that could meet the labour-intensity criterion.

Notably since late eighties and beginning of the nineties, a variety of woks were permitted and fitted into EGS ambit. The expansion was significant and now includes soil conservation, land-levelling, bunding on private lands, horticultural and forestry plantations. The employment i.e. number of mandays generated through this programme has been shown in Table 14.30.

Table 14.30: EGS Performance in Maharashtra 1993-94 to 1999-2000

Year	Total Expenditure In Lakh Rs.	Employment Generated In Lakh Man days
1993-94	30855.25	983.99
1994-95	32607.14	942.05
1995-96	38971.39	970.16
1996-97	30281.14	901.14
1997-98	30468.48	900.06
1998-99	40884.76	918.59
1999-00	45585.89	949.39
2000-01	54085.35	1112.26
2001-02	89265.06	1616.95

Source: Monthly Progress Reports of EGS, Dept. of Planning, GoM

It is evident from Table 14.29 that the total number of mandays generated under this scheme has been more or less stable at an average of 938 lakh mandays per year. During last two years i.e. 2000-01 and 2001-02 this has risen to 1122.26 and 1616.95 lakh mandays respectively. This sudden surge is due to drought condition in several districts. There are nearly 85 permanently drought stricken blocks or talukas in Maharashtra. Many of them also constitute the pockets of poverty or 'work and income scarcity'. It may be noted that Aurangabad division accounts for, on an average, one third of the expenditure and mandays generated through EGS. In addition to the incidence of poverty and work scarcity, there are some other equally (perhaps more important) additional factors that affect the performance of EGS across districts. Some districts have a more active political leadership and greater awareness about the scheme. This results in a better 'organised demand for work' and administration is rendered more alert and responsive. On the other hand, part of the difference also lies in suo-moto preparedness and keenness of administrative leadership to implement the schemes available in imaginative and enthusiastic manner.

Again, if we use a suitable deflator, the real wages in the EGS have slightly gone up. EGS wages are statutorily fixed as equal to minimum wage rates for agricultural labourers in class three towns and

drought prone areas. Thus, the revision usually (though not always) keeps pace with the rise in CPI-AL. However, EGS wages are likely to have grown slower than wage rates of casual labour prevalent in the market. For example, EGS wages were approximately Rs.18 to 19 per manday in 1993-94.

This is almost equal to the rural causal agricultural labour wage rate. However, the EGS wages per day work out to be Rs. 28 to 29 per manday, as against market-wage rate of a 'casual agriculture labourer' of Rs.36. However, the wage rate level need not be the only primary determinant of EGS attendance. It is the relative scarcity of work and availability of work during a particular season at a particular place. It is further conditioned by the organisational requirement of minimum number of

Table 14.31: Expenditure and Employment through EGS by Districts and Divisions

Year	Region	Total Exp. (lakh Rs.) (a)	EGM	% to total (a)	% to total (b)	Estimated wage
1993-1994	Konkan	2426.18	70.36	7.86	7.15	20.69
	Nashik	4952.77	155.61	16.05	15.81	19.10
	Pune	5767.11	194.78	18.69	19.79	17.8
	Aurangabad	9645.11	308.41	31.26	31.34	18.86
	Amravati	3164.64	97.80	10.26	9.94	19.41
	Nagpur	4899.43	165.76	15.88	16.85	17.73
	Maharashtra	**30855.25**	**983.99**	**100.00**	**100.00**	**18.81**
1995-1996	Konkan	3411.02	79.36	8.75	8.18	25.79
	Nashik	5928.47	150.28	15.21	15.49	23.67
	Pune	9522.38	272.12	24.43	28.05	20.99
	Aurangabad	12852.74	311.36	32.98	32.09	24.77
	Amravati	3325.99	73.24	8.53	7.55	27.25
	Nagpur	3930.79	83.80	10.09	8.64	28.14
	Maharashtra	**38971.39**	**970.16**	**100.00**	**100.00**	**24.10**
1997-1998	Konkan	3771.19	99.6	12.38	11.07	22.72
	Nashik	4364.22	124.78	14.32	13.86	20.98
	Pune	4370.69	112.71	14.34	12.52	23.27
	Aurangabad	9616.99	313.12	31.56	34.79	18.43
	Amravati	3096.62	92.72	10.16	10.30	20.04
	Nagpur	5247.77	156.13	17.22	17.35	20.17
	Maharashtra	**30468.48**	**900.06**	**100.00**	**100.00**	**20.31**
1999-2000	Konkan	6490.03	136.61	14.24	14.39	28.50
	Nashik	7428.89	148.5	16.30	15.64	30.01
	Pune	3610.35	72.8	7.92	7.67	29.75
	Aurangabad	15538.22	329.24	34.09	34.68	28.32
	Amravati	5130.12	109.66	11.25	11.55	28.07
	Nagpur	7388.28	161.58	16.21	17.02	27.43
	Maharashtra	**45585.89**	**949.39**	**100.00**	**100.00**	**28.81**
2000-2001	Konkan	6346.84	134.43	11.73	12.09	28.33
	Nashik	10466.2	217.22	19.35	19.53	28.91
	Pune	4930.31	96.48	9.12	8.67	30.66
	Aurangabad	18582.61	384.89	34.36	34.60	28.97
	Amravati	6391.55	131.72	11.82	11.84	29.11
	Nagpur	7367.84	147.52	13.62	13.26	29.97
	Maharashtra	**54085.35**	**1112.26**	**100.00**	**100.00**	**29.17**
2001-2002	Konkan	8806.03	162.23	9.87	10.03	32.57
	Nashik	15794.73	285.45	17.69	17.65	33.20
	Pune	7877.02	141.11	8.82	8.73	33.49
	Aurangabad	35604.09	647.18	39.89	40.02	33.01
	Amravati	9766.74	177.4	10.94	10.97	33.03
	Nagpur	11416.45	203.58	12.79	12.59	33.65
	Maharashtra	**89265.06**	**1616.95**	**100.00**	**100.00**	**33.12**

Notes: EGM- Employment Generated Man-days in Lakh
Source: Monthly Progress Reports of EGS, Department of Planning, GoM

workers to be available and demanding work. These organisational conditions generally explain the role played by 'labour contractors'. They are officially forbidden to be part of the EGS but they happen to be the real promoters and modus operandi managers of labour societies. Mobilisation of workforce to meet the attendance needed at the work-sites is in some place facilitated by politically alert leadership or unions/organisation of workers. Estimation of the actual feasible labour attendance and materialising of the same, carving out the work components in different admissible categories of development expenditure are some of the critical problems in operating this scheme.

Policy Issues

Employment has its own evolutionary concomitant and determinant factors. In registered manufacturing sector elasticity of employment (measured as no. of workers as well as mandays worked) with respect to manufacturing SDP is 0.14. Elasticity estimate with respect to 'Gross Capital Formation' is also of a similar magnitude. These estimates indicate the historical response rate of employment with respect to concomitant and contemporaneous factors like output and investment. As Report of the Steering Committee on Labour and Employment for the 10th Five year Plan (Chairman: S. P. Gupta) has argued, the principal source that will generate additional employment will not be large enterprises organised sector. The informal and tiny small and medium size establishments hold better promise of employment growth. The patterns of employment growth in formal and informal segments discussed earlier support this judgement. However, it may be pointed out that the relationship between 'informal' and 'formal' could be complementary as well as competitive. In sectors, where scale economies are not important in production but economies of size and scale do matter in trading and marketing (transport, distribution networks, brand building etc), small and tiny would be the 'procurement centres' for large enterprises. On the other hand, in many local and regional markets small and medium enterprises will be able to effectively compete and survive with large sized producers. Moreover, it should be emphasised that the role of the government and efficacy of government assistance

schemes in promotion of the SMEs or informal segment enterprises will be limited. Several of the factors that influence the success of SMEs or informal segment entities are not amenable to easy monitoring, replication, assistance and/or regulation. Government agencies engaged in training, information services, and markets intelligence or market building may be helpful and appropriate policy responses. However, the schemes involving subsidies, may be infeasible and/or undesirable in the present precarious fiscal situation. Moreover, these are not likely to be very effective or capable of any significant push or impact on employment.

There are some other policy measures that deserve consideration. The experience of Western Maharashtra districts suggest that diversification of agriculture raises absorption of labour and afford better employment potential. For this purpose, introduction of new crop-mix (as well as varietal diversification) in arid regions and increase in protective irrigation wherever feasible is very crucial. Similarly, the government should consider reform of agricultural marketing to allow direct marketing by farmers' companies and societies and amend laws to accommodate this possibility. In the manufacturing sector, emphasis should be on food processing industries and investments in post harvest infrastructure should be focussed. Both of these afford considerable growth of employment opportunities in storage handling and transport. It will be necessary to overhaul and upgrade the system of ITIs by handing over their management to private business houses and other bodies under joint management MOUs. In the service sector policy efforts and investments by the state are most needed in strengthening tourism and transport. Thus, to summarise diversification of agriculture, post harvest operations and storage, food processing, packaging, tourism, primary education, other services would be the thrust areas of employment growth. These areas compare well with the nature of thrust areas identified by the Gupta committee report.

Apart from the policy initiatives mentioned above, the ability of the government to influence the volume of employment available is generally limited. There are three principal ways in which government

can hope to have an effect on employment: (i) Government can raise the demand for goods and services with the hope that multiplier effect will enhance employment; (ii) It can strengthen and support specific sections or activities in anticipation of market trends and bolster the market trends. This also includes regulatory efforts to promote as well as prohibit some of the practices e.g. Child labour, discriminatory wages, bonded labour; (iii) It can increase demand for labour by undertaking works that are socially productive and useful.

Presently, the Government of Maharashtra has been operating one or other expenditure programme that fits into the types of policy interventions mentioned above. Government's 'development expenditures on capital account other than repayment of loans' is a measure of new additional demand directly induced by government budgetary activity. Ability to raise these expenditures depends on the plan schemes, burden of past debt and credit rating. It is well known that 1997 onwards, the financial ability of State Governments has weakened. Maharashtra is no exception. Out of total expenditures 'development expenditures' account for 55 per cent. One can at best hope more economic application of resources (without time-overruns and overshooting of expenditures) resulting in better and greater effective availability of resources. This is an onerous serious constraint. Lack of saving, inability to attract FDI, high cost of power, high cost of credit, poor and unreliable infrastructure unimaginative and mindless regulations, untargeted non-merit subsidies are the well-known factors that have caused retardation of output and employment opportunities. Given fiscal constraints, incremental improvements in the existing capacity would be the best that one can hope.

Plan programmes include several promotional measures aimed at enhancing skills, training for commencing and conducting the business e.g. TRYSEM. There are no credible studies that evaluate the efficacy of these programmes. State's spending on education and training has been a crucial factor. Given the faster rise in service sector one expects more growth of labour and skill intensive job opportunities. Availability of training and educational facilities will be one of the long-term factors that would condition the supply response of the labourers. Administrative flexibility and market orientation of pre-existing training and educational institutions will become even more crucial. Relatively low 'work participation rates' in urban areas need further exploration. We need further understanding and insight about the factors that influence the WPRs.

EGS has been operative for a long period. As pointed earlier the objective in EGS design was to overcome the scarcity syndrome of the providing 'work' in drought years. Instead it hoped to establish permanent organised programme of productive works that can provide for employment for whosoever demands for it at any period of any year. There are several difficulties in running the scheme. Most notable among them are twofold. Firstly, labourers do not have the propensity to migrate for work, even temporarily, away from their normal residential place. In some districts, it has been found that willing migrants from adjacent states have attendance that is more frequent on EGS works. Given the 'radius limitation' on place of work and type of works (labour intensity criterion) administration is constrained in responding and realigning the resources quickly. We did not find strong evidence suggesting that EGS causes labour scarcity and artificial upward push in wages. As NSS data on casual wages of agricultural labourers indicate that EGS wages may in fact be little lower than market rates. Thus, EGS perhaps provides, effective floor to rural or agriculture wage rates. However, availability of EGS works opportunities is very uneven across districts. Hence, the rise in 'casual labour wage rate in agriculture' must have been due to few other factors as well. Hence, upward trend in agriculture wage rate cannot be attributed to EGS alone.

Again as pointed out earlier, success of the programme depends on 'scarcity of work', political awareness and administrative enthusiasm and alertness. In this sense the EGS has yet to come out of the scarcity syndrome completely. Nonetheless, when favourable factors exist, this scheme has been the only effective programme against unemployment that government has been able to administer. It is a self-targeting scheme that provides for work and income. Compared to many other anti-poverty programmes it is perhaps 'less wasteful' and 'better targeted'. Due to inadequate

and untimely precipitation, the demand for EGS works went up by nearly 15 per cent in last two years. In the drought-prone areas of more developed districts like Pune also the attendance on EGS work has surged. Surprisingly, no such 'natural buoyancy in the demand for work' has been noticed in the poorest of the districts. This underlines the importance and relevance of political awareness and administrative responsiveness. Only if both of these factors work in a conducible way this scheme appears to be a tenable intervention. Yet, it should be pointed out that EGS cannot be the principal

programme against unemployment. It cannot tackle more than 30 per cent of the unemployment even if one assumes very low unemployment rate of 3 per cent. The additional employment needed to eliminate rest of the unemployment must come from growth of the economic activity itself. Therefore, provision of better growth enhancing and 'investment-friendly' policy environment, prudent tax and fiscal regime, reliable and affordable infrastructure turn out to be the principal factors, and no one else but the government can provide these.