

Chapter 12

LABOUR AND EMPLOYMENT

INTRODUCTION

No doubt Punjab has made tremendous progress since independence and has been a leading state in per capita income and food production in the country. However, of late, the state has witnessed a low rate of growth as compared to some major states and the country as a whole, which has serious implications, especially for the expansion of higher employment opportunities. One of the serious problems Punjab is confronted with at present is the high level of unemployment. Disguised unemployment in the agricultural sector and the large volume of low-quality, existing employment, are causes of concern. Particularly, unemployment among the educated youth is serious in the state. The growth of employment has not been commensurate with that of the state domestic product, resulting in underutilization of the labourforce. An important objective of development planning has been to provide for increasing employment opportunities not only to meet the backlog of the unemployed but also the new entrants to the labourforce. One of the important monitorable targets for the Tenth Five Year Plan at the national level, that has rightly been given prominence, is providing gainful high-quality employment to the labourforce (Ministry of Finance 2001). Similarly, the major thrust area, as a strategy in the Tenth Five Year plan of Punjab, is the generation of additional employment opportunities in the private sector by promoting investment and improving marketable vocational skills with widespread use of information technology. However, the process of globalization and privatization has serious implications for further generation of employment opportunities in the organized sector, especially the public sector, where the disinvestment process is on and the emphasis is on resource efficiency. The higher use of capital-intensive technology in the wake of the new economic order has serious implications for generating employment opportunities. This points to further deterioration of the employment situation in the short run, if not in the long run and hence, appropriate policy interventions are required at various level, in order to improve the employment situation in the state.

This section of the chapter seeks to examine the dimensions of the employment and unemployment situation in the state, status and quality of employment, sector-level changes in employment especially farm and non-farm employment, employment in the organized sector, role of special employment generating schemes/programmes and status of skilled and trained manpower. The trends and structure of employment and unemployment have been analysed at the area, gender, age, and education levels over specific periods, for which relevant information is available. Appropriate policy recommendations have been made, after a detailed study of the various aspects of the employment and unemployment situation in the state and related issues.

DIMENSIONS OF EMPLOYMENT AND UNEMPLOYMENT

Measurement Criteria

Analysis of the measurement, trends and structure of employment and unemployment in Punjab is mainly based on quinquennial surveys carried out by the National Sample Survey Organization (NSSO). Different approaches have been used to determine the activity status of persons during specific reference periods, namely one year, one week

and each day of the reference week. Based on these periods, three different measures of activity status, such as usual status, weekly status and daily status, have been arrived at as follows.

Usual Status

Usual principal status: A person is considered in the labourforce on Usual Principal Status (UPS) if he/she has spent relatively longer time (i.e., major time criterion) on economic activity during 365 days preceding the date of survey. Persons classified as not belonging to the labourforce are assigned the broad activity status of 'neither working nor available for work'. The activity status of persons, who belong to the labourforce, of working or not 'working but seeking and/or available for work', is ascertained on the basis of major time criterion. UPS unemployment rate is the proportion of those classified as unemployed on this basis expressed as a percentage of those classified as being in the labourforce. On this criterion, a person can be counted as unemployed even though he/she may have been employed for part of the year.

Usual principal and subsidiary status: A person, whose principal usual status has been determined on the basis of major time-criterion, could have pursued some economic activity for a relatively short time during the reference period of 365 days preceding the date of survey. The status in which such economic activity was pursued is termed the subsidiary status of that person. This is a more inclusive measure which covers, in addition, participation in economic activity on a more or less regular basis, of those classified as unemployed on the UPS as well as those as being outside the labourforce on the same criterion. This criterion is termed as Usual Principal and Subsidiary Status (UPSS). This would result in a higher proportion of the population as being in the labourforce with a higher proportion of workers and lower unemployment rates relative to the UPS criterion.

Current Weekly Status

The Current Weekly Status (CWS) of a person is the activity status pursued during a reference period of seven days preceding the date of survey. According to this criterion, a person is counted as employed if he/she was engaged in economic activity for at least one hour on any day during the reference week. A person who is not working even for one hour on any day but found seeking/available for work during the reference week is classified as unemployed. A person who had neither worked nor was available for work anytime during the reference week is considered as engaged in non-economic activity (or not in the labourforce). To the extent that employment varies seasonally over the year, the labourforce participation rates (LFPR) on the current weekly status would tend to be lower. However, CWS unemployment rates would tend to be higher when we consider unemployment during the current week of those classified as being employed in the UPS (or UPSS) criterion. The difference between unemployment rates on current weekly and that on usual status would provide one measure of seasonal unemployment.

Current Daily Status

The activity pattern of population, particularly in the unorganized sector, is such that during a week and sometimes even during a day, a person could pursue more than one activity. Based on the time disposition of a person on each day of the reference week, person-days employment/unemployment are aggregated to generate estimates of

person-days in employment/unemployment. On Current Daily Status (CDS) criterion, a person was considered working for the entire day if he/she had worked for four hours or more during the day. If the person had worked for one hour or more but less than four hours, he/she was considered employed for half-day and seeking or available for work (unemployed), or neither seeking nor available for work (not in the labourforce) for the other half of the day. The person-days unemployment rate is derived as the rate of person-days in unemployment to the person-days in the labourforce. This measure emphasizes the unemployment of those employed on a weekly status. This measure of unemployment fully captures open unemployment. However, the analysis of data has been done by and large on the basis of UPSS approach, supported by other measures wherever necessary.

Labour Force Participation Rates (LFPRs) in Punjab

According to usual status, CWS and CDS criteria, labourforce participation rates for rural as well as urban males has declined by one per cent during the six years from 1993-94 to 1999-2000 (Table 1). On the other hand, LFPR for rural females has remained almost the same over this period according to the UPS criterion, whereas it has increased from about 22 per cent to 28 per cent according to UPSS. This indicates that a higher proportion of females in rural areas are subsidiary workers. LFPRs are higher for urban males than rural males in the state, for whom these show a declining trend since 1987-88. These rates for urban males show an increase from 1987-88 to 1993-94 and afterwards a decline in 1999-00. This LFPRs suggests that more people are joining school and also that there is a reduction in the growth of population.

Table 1
Labourforce Participation Rates in Punjab

Usual Principal Status	1987-88	1993-94	1999-00
Rural Male	55.3	55.0	53.9
Rural Female	8.1	4.0	4.3
Urban Male	56.0	57.0	55.9
Urban Female	6.8	6.3	7.5
Usual Principal & Subsidiary Status			
Rural Male	57.1	55.4	54.3
Rural Female	32.1	22.3	28.2
Urban Male	56.5	57.1	56.5
Urban Female	13.3	9.9	12.8
Current Weekly Status			
Rural Male	55.1	55.1	54.0
Rural Female	8.3	20.2	27.4
Urban Male	56.1	57.0	55.9
Urban Female	7.9	9.7	11.1
Current Daily Status			
Rural Male	55.0	54.8	53.2
Rural Female	7.6	12.0	15.8
Urban Male	55.8	56.8	55.5
Urban Female	7.4	7.9	9.0

Source: NSSO 1990, 1997, 2001.

Worker-Population Ratios (WPRs) in Punjab

WPR is an important indicator of development showing the proportion of working population in an economy. Table 2 indicates that WPR in Punjab, based on UPS criterion for rural males and urban males, was 52.6 per cent and 54.1 per cent respectively in 1999-2000. On the other hand, WPR based on UPSS was 53 per cent for rural males and 57.7 per cent for urban males over the same period. The female WPR in the state during 1999-2000 was four per cent on UPS and 28 per cent on UPSS criterion in rural areas. This indicates that a large proportion of women work in a subsidiary capacity in rural areas. The female WPRs based on CWS and CDS, which are comparatively higher, support this conclusion.

A glance at Table 2 shows that there has been a declining trend of WPR based on UPSS since 1983 for rural as well as urban males. For instance, WPR for rural males has steadily declined from 67 per cent in 1983 to 53 per cent in 1999-2000 and for urban from 62.4 per cent to 54.9 per cent over the same period. However, WPR for rural females, which declined from 36.5 per cent in 1983 to 22 per cent in 1993-94, has increased to 28 per cent in 1999-2000. A similar trend is witnessed for women workforce in urban areas. WPR in urban areas is comparatively higher than in rural areas by usual status approach.

Table 2
Worker-population Ratio in Punjab

	1983	1987-88	1993-94	1999-00
Usual Principal Status				
Rural Male	63.4	53.7	54.2	52.6
Rural Female	4.7	7.5	3.7	4.0
Urban Male	61.5	53.2	55.1	54.1
Urban Female	8.46	5.8	5.8	7.3
Usual Principal and Subsidiary Status				
Rural Male	67.0	56.0	54.6	53.0
Rural Female	36.5	31.7	22.0	28.0
Urban Male	62.4	54.0	55.3	54.9
Urban Female	14.9	12.3	9.3	12.5
Current Weekly Status				
Rural Male	62.3	53.1	54.1	52.3
Rural female	10.2	7.9	19.9	27.9
Urban Male	61.2	53.1	55.0	53.7
Urban Female	10.3	7.0	11.7	15.5
Current Daily Status				
Rural Male	59.1	52.9	53.3	51.0
Rural Female	7.1	7.1	11.7	15.5
Urban Male	59.1	52.0	54.6	52.9
Urban Female	9.5	6.5	7.5	8.5

Source: NSSO 1987, 1990, 1997, 2001.

Age-specific Worker-population Ratio (ASWPR)

The number of persons usually working in a particular age group per 1,000 persons in that age group is defined as the age-specific worker population ratio. Table 3 gives the ASWPR for Punjab for all workers based on UPSS criterion for 1999-2000. Comparable

estimates are given in the second row of each group for 1993-94. It can be observed that ASWPR among rural males declined in the younger age groups as well as in those aged 50 years and above, during 1999-2000 as compared to 1993-94. It has remained almost the same for age groups of 25 to 49 years. However, ASWPR among rural females has increased over this period. This is mainly because of an increase in subsidiary workers. A similar trend is witnessed in younger age groups, both males and females, in the urban areas over this period

Work Participation Rate at the District Level

Table 4 clearly shows that the total work participation rate has increased in all the districts of the state during 1991-2001, the highest WPR being in Nawanshahr district and the lowest in Gurdaspur district. Total WPR for the state as a whole has increased from 30.9 per cent in 1991 to 37.6 per cent in 2001. However, a look at the gender-level WPR indicates that female WPR has substantially increased during this period from 4.4 per cent to 18.7 per cent, whereas the male WPR has remained almost the same at 54 per cent. Table 4 shows that female WPR has increased in all the districts of the state, whereas male WPR has increased in some districts, decreased in some others and remained the same in the rest. This can partly be attributed to the level of changes in the growth of different sectors in various districts. Increase in female WPR is encouraging. However, there has been a significant increase in the proportion of female marginal workers during the decade. Among Indian States and Union Territories, Punjab ranked 24th, 14th, and 26th respectively during 2001 in terms of the total, male and female work participation rates. Generally, WPR is higher in those districts, which are agriculturally dominated.

Table 3
Age-specific Usual Worker (UPSS) Population Ratio in Punjab

Age group (in years)	Rural Male	Rural Female	Rural Persons	Urban Male	Urban Female	Urban Persons
0-4	--	--	--	--	--	--
	--	--	--	--	--	--
5-9	5	3	5	14	22	18
	--	--	--	--	--	--
10-14	68	42	55	45	23	35
	75	29	53	55	12	34
15-19	447	258	359	354	125	245
	566	205	405	469	56	294
20-24	849	377	605	724	122	433
	913	259	592	802	99	450
25-29	949	421	681	937	154	642
	970	325	637	977	101	567
30-34	972	460	711	980	194	575
	967	376	672	969	189	589
35-39	990	560	771	980	226	611
	988	482	737	980	185	606
40-44	978	622	809	980	244	649
	972	531	749	997	263	657
45-49	985	614	819	984	258	642

Age group (in years)	Rural Male	Rural Female	Rural Persons	Urban Male	Urban Female	Urban Persons
	974	435	724	961	216	635
50-54	919	490	729	923	305	673
	958	375	691	928	190	571
55-59	877	431	639	862	204	507
	940	359	635	896	169	522
60 & above*	589	211	405	466	57	260
	792	259	545	659	76	379
All	530	280	410	549	125	353
	546	220	392	553	93	336
All India	531	299	--	518	117	--
	553	328	--	521	121	--

Source: NSSO 1997, 2001.

Note: Figures in the second row in each age group refer to 1993- 94.

* In the age group 60 and above; the figures for 1993-94 belong to the age group of 60-64 years.

Table 4
Work Participation Rate at the District Level in Punjab, 1991 and 2001

State/Districts	Work Participation Rate					
	Total		Male		Female	
	2001	1991	2001	1991	2001	1991
Nawanshahr	44.9	29.8	55.6	53.0	33.0	4.0
Faridkot	42.4	32.8	59.5	55.7	23.0	6.8
Bathinda	42.2	32.8	55.4	55.5	27.0	7.1
Mansa	40.7	34.3	54.4	57.6	25.1	7.5
Sangrur	40.6	32.3	54.9	56.3	24.1	4.7
Moga	40.1	31.4	54.3	55.1	24.2	4.5
Muktsar	39.7	33.5	55.2	56.8	22.3	7.1
Rupnagar	39.3	30.1	52.8	52.2	23.8	4.6
Fatehgarh Sahib	38.2	30.2	55.1	54.7	18.3	2.1
Ludhiana	37.8	31.3	55.9	55.5	15.7	2.6
Patiala	37.2	30.2	54.1	53.2	17.6	4.1
Firozpur	37.1	32.3	53.6	54.5	18.5	7.4
Amritsar	36.0	30.7	53.2	55.0	16.3	2.7
Kapurthala	35.0	31.2	53.4	54.0	14.1	5.8
Hoshiarpur	34.7	28.6	51.0	50.6	17.3	4.7
Jalandhar	34.5	30.1	54.1	53.0	12.3	4.6
Gurdaspur	33.4	28.1	51.9	51.3	12.7	2.4
Punjab	37.6	30.9	54.1	54.2	18.7	4.4

Source: Director of Census Operations, Punjab, 2002.

Growth of Labourforce and Workforce

Table 5 shows that the rate of growth of the labourforce has been higher (2.57%) than that of the workforce (2.55%) during 1993-94/1999-2000. The growth of the female workforce has been comparatively higher than that of the labourforce. On the other hand, the growth of the male workforce has been less than that of the male labourforce during this period. When we examine the growth rates at the area level, we find that the growth rate of the labourforce in rural areas has been higher (2.07%) than that of the workforce (1.99%), whereas the growth rate of urban persons has been lower in the labourforce (3.81%) than in the workforce (3.95 per cent).

Table 5
Annual Compound Growth Rates of Population, Labourforce and Workforce,
1993-94/1999-00

	Population	Labour Force	Work Force
Rural Males	1.17	0.88	0.66
Rural Females	1.16	5.20	5.31
Rural Persons	1.17	2.07	1.99
Urban Males	3.35	3.17	3.23
Urban Females	3.11	7.60	8.32
Urban Persons	3.24	3.81	3.95
Males	1.89	1.60	1.50
Females	1.77	5.61	5.81
Persons	1.82	2.57	2.55

Source: Director of Census Operations, Punjab, 1991; NSSO 1997, 2001.

Note: Estimates of population as on 1 January 94 and 1 January 2000, which are mid-points of quinquennial surveys 1993-94 and 1999-2000, have been worked out by interpolation from population Census estimates for March 1991.

Crude labourforce participation rates and workforce participation rates (on principal and subsidiary status) have been used for rural males, rural females, urban males and urban females from NSS survey reports for 1993-94 and 1999-2000.

Changes in the Status of Employment

Employed persons have been categorized into three broad groups according to their status of employment, (i) self-employed, (ii) regular employees and (iii) casual labour. Table 6 displays per 1,000 usually employed persons by these broad categories for both principal status workers and all workers, i. e., principal and subsidiary status workers. Analysis of the status of employment relates only to all workers. Table 6 reveals that during 1999-2000, 54 per cent males and 89 per cent females in the rural areas of the state were self-employed. The corresponding proportions in urban areas were 47 per cent males and 49 per cent females. The proportion of regular employees among women (3.7%) as compared to men (17.5%) was much lower in rural and higher in urban areas, with 43 per cent women and 40 per cent men being regular employees during this period. The proportion of casual labour was relatively much higher for males than females, both in rural and urban areas of the state. However, male casual labour in rural areas at 28.5 per cent was much higher than in urban areas at 12.2 per cent.

Table 6
Per 1000 Distribution of Usually Employed by Status of Employment

Usual Principal Status	1987-88				1993-94				1999-00			
	Rural Male	Rural Female	Urban Female	Urban Female	Rural Male	Rural Female	Urban Male	Urban Female	Rural Male	Rural Female	Urban Male	Urban Female
Self-employed	593	614	510	246	543	421	485	254	583	476	468	187
Regular employees	187	133	385	667	133	184	400	644	176	230	409	712
Casual Labour	220	253	105	57	324	395	115	102	286	294	123	101
Principal & Subsidiary Status												
Self-employed	600	852	430	581	547	850	487	500	540	889	474	491
Regular Employees	180	35	440	315	132	32	398	415	175	37	404	434
Casual Labour	220	113	130	104	321	118	115	85	285	74	122	75

Source: NSSO 1990, 1997, 2001.

An examination of changes in the status of employment over the period indicates that the proportion of self-employed rural males has decreased from 54.7 per cent in 1993-94 to 54 per cent in 1999-2000, whereas that of rural females has increased from 85 per cent to 89 per cent. It is interesting to note that regular male employees in rural areas have increased by four per cent during 1993-94 through 1999-2000 and correspondingly casual male labour has declined proportionality over this period. Similarly, whereas self-employment of rural women has increased by four per cent over this period, women casual labour has correspondingly decreased by the same percentage. Changes in the status of urban employment indicates that male self-employment decreased from 48.7 per cent in 1993-94 to 47.4 per cent in 1999-2000, whereas regular employment and casual labour increased by 0.6 and 0.7 percentage points respectively. Over the same period, female self-employment and casual labour in urban areas declined by one per cent each and regular employment increased by two per cent. Recent changes in the status of employment point to the impact of post-liberalization policies.

Changes in Industrial Distribution of Workforce

Table 7 indicates the changing structure of the workforce at the broad industry level in Punjab as compared to the country as a whole. The share of the workforce engaged in agriculture in Punjab has declined from about 68 per cent in 1983 to 53 per cent in 1999-2000 as compared to about 68 per cent to 60 per cent in the country as a whole. On the other hand, the share of the secondary sector has increased in Punjab from about 13 per cent in 1983 to 18 per cent in 1999-2000 as compared to 14 to 17 per cent in the country. The workforce engaged in the service sector in the state has increased from 19.26 per cent to 27.62 per cent over the same period as compared to 17.21 per cent to 22.73 per cent in the country. Thus, it is evident that Punjab has experienced a greater shift of labourforce to non-farm sectors than in the country as a whole. This can be attributed partly to the deteriorating conditions in the agricultural sector in the state.

Table 7
Percentage Share of Estimated Workforce at the Sector Level in Punjab and India

Sector	Punjab			India		
	1983	1993-94	1999-00	1983	1993-94	1999-00
Agriculture	67.90	56.50	53.23	68.45	64.75	59.84
Mining & Quarrying	0.03	0.24	-	0.58	0.72	0.57
Primary Sector	67.93	56.74	53.23	69.03	65.47	60.41
Manufacturing	9.81	10.28	10.91	11.24	11.35	12.09
Electricity, gas, Water etc.	0.72	1.27	0.93	0.28	0.36	0.32
Construction	2.22	4.08	5.67	2.24	3.12	4.44
Secondary Sector	12.75	15.63	17.51	13.76	14.83	16.85
Trade, Hotel & Restaurants	6.17	10.45	13.54	6.35	7.42	9.40
Transport, Storage communication etc.	3.41	3.56	5.21	2.44	2.76	3.70
Finance, Insurance Services	0.91	1.07	1.25	0.56	0.94	1.27
Public Administration, Community Services,	7.88	12.54	9.26	7.86	9.38	8.36
Others	0.95					
Tertiary Sector	19.22	27.62	29.26	17.21	20.50	22.73
All (No. in Millions)	7.30	7.98	9.29	302.76	374.45	397.00

Source: NSSO 1987, 1997, 2001; Planning Commission 2001

Note: The total workers in each industry for each year have been worked out by applying the percentage distribution given by National Sample Surveys across industries to absolute numbers of four categories of workers. These categories of workers in each industry have been added to work out estimates of total workers in each industry.

Table 8 presents the distribution of usually employed workers by industry for principal and subsidiary status workers. During 1999-2000, among all usually employed workers in rural areas of Punjab, about 63 per cent males and 91 per cent females were engaged in agricultural activities. The proportion of males in the agricultural sector gradually declined from 77 per cent in 1983 to 64 per cent in 1999-2000. On the other hand, the females engaged in this sector decreased from 92 per cent in 1983 to 91 per cent in 1999-2000. Over the years, there has been a gradual increase in the proportion of males engaged in construction, trade, hotels and restaurants and transport, storage and communication services in the rural areas of the state.

Table 8
Percentage of Usually Working Persons in the UPSS by Broad Industry Category

Broad Industry Category	Rural Males				Rural Females				Urban Males				Urban Females			
	1983	1987-88	1993-94	1999-00	1983	1987-88	1993-94	1999-00	1983	1987-88	1993-94	1999-00	1983	1987-88	1993-94	1999-00
Agriculture	77.0	68.8	68.1	63.7	92.2	91.6	92.7	90.6	10.1	7.3	6.5	6.5	31.2	43.5	27.6	20.1
Mining & Quarrying	--	--	--	--	0.1	0.1	--	--	--	--	1.0	--	--	0.2	-	--
Manufacturing	6.2	9.7	6.2	7.7	4.2	2.8	1.3	2.3	27.1	29.6	26.4	24.2	22.8	16.6	10.2	13.4
Electricity, gas, Water etc.	0.7	1.1	1.5	1.1	--	--	0.2	0.2	1.8	1.5	1.7	1.3	1.2	0.7	0.8	0.7
Construction	2.9	4.0	4.7	7.8	0.1	--	--	0.1	3.8	4.5	5.6	7.4	--	0.4	1.0	1.4
Trade, Hotel & Restaurants	4.1	4.5	6.3	8.1	0.6	1.1	1.0	1.1	21.4	24.8	28.2	32.7	5.3	5.1	8.2	25.1
Transport, Storage communication etc.	3.3	3.8	3.6	5.6	0.1	0.1	--	--	9.4	8.7	6.7	9.7	0.8	1.2	0.6	2.1
Finance, Insurance Services	0.3	7.2	0.6	0.5	--	4.2	--	--	3.9	22.9	2.8	3.8	2.5	32.3	2.1	1.3
Public Administration, Community Services, etc.	5.1		9.0	5.4	2.1		4.8	5.7	20.2		21.1	14.5	33.9		49.5	35.9
All	100.00		100.00	100.00		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00		100.00

Source: NSSO 1987,1990,1997,2001.

In the urban areas of the state, trade, hotels and restaurants engaged about 33 per cent of male workers, while the manufacturing and construction sectors accounted for 24 per cent and seven per cent respectively of the usually employed males during 1999-2000. Public administration, community services and transport, storage and communications provided employment to about 15 per cent and 10 per cent respectively of urban male workers. On the other hand, services accounted for the highest proportion of urban females, that is, 37 per cent followed by trade, hotels and restaurants (25%), agriculture (20%) and manufacturing (13%). The proportion of urban male workers in manufacturing declined by three per cent and in services by six per cent during 1983 to 1999-2000. Their proportion increased in construction and trade, hotels and restaurants over this period. On the other hand, the proportion of urban female workers substantially increased in trade, hotels and restaurants by 20 per cent and decreased in agriculture and manufacturing by 11 and 10 per cent respectively. It may be noted in this context that the share of the rural non-agricultural sector in the state has increased from 23 per cent in 1983 to nearly 26 per cent in 1999-00. However, according to the provisional results of Census 2001, non-agricultural workers in the rural areas of the state have substantially increased at 46.4 per cent and correspondingly, there has been a 20 per cent decrease in agricultural workers during 1991-2001 (Director of Census Operations, Punjab, 2002).

The share of rural female workers has increased from about eight per cent to nine per cent over the same period. Male workers engaged in the secondary and tertiary sectors in urban areas in 1999-2000 were 32.9 per cent and 60.7 per cent respectively. The share of women workers engaged in these are 15.5 per cent and 64.4 per cent respectively in 1999-2000.

It is interesting to note that as compared to Punjab's share of 27.4 per cent, the proportion of rural workers in the non-farm sector is the highest in Kerala (51.7%), followed by West Bengal (36.4%) Assam (32.3%), Tamil Nadu (32.1%) and Haryana (31.5%), whereas the share for the country as a whole is 23.7 per cent (NSSO 2001). Thus, it may be observed that the share of the non-agricultural sector has increased over the period in the state. However, the pace of shift from agriculture to non-agricultural activities, especially in rural areas, needs to be hastened through diversification of activities and other means necessary. However, the nature and determinants of non-farm employment need to be examined (Chand 2002). It will be interesting to note that in most of the developed countries, only a very small proportion of workers are dependent on the agricultural sector. For instance, in countries such as Canada, Britain, United States, Australia, Italy, Republic of Korea, the workforce engaged in the agricultural sector ranged between one per cent and 5.7 per cent only in 1997 (ILO 1999). Hence, speedier diversification into non-agricultural activities is the immediate requirement to generate higher employment opportunities in the state.

Growth Rates of Employment in Sectors

Table 9 shows that the manufacturing sector has registered a significant growth in employment, especially in the rural areas of the state, in the post-liberalization period. The growth rate of employment in this sector in rural areas has increased from -0.64 per cent during 1983/1993-94 to 6.83 per cent. The household industry in rural areas has registered substantial rise during 1991-2001. The construction sector has recorded a high growth of employment during this period in both rural and urban areas. Transport, storage and communications is another sector, which has witnessed very high growth of

employment. Growth rates of employment in this sector in the pre-liberalization period were 1.69 per cent in rural areas and -0.29 per cent in urban areas, whereas these are as high as 8.55 per cent and 10.52 per cent respectively in the post-liberalization period. The growth of employment in finance, insurance and real estate services suffered significantly during this period in rural areas, but made substantial gains in urban areas. The sectors, which have suffered considerably in both rural and urban areas over the period under consideration, are electricity, gas, water, etc., and public administration, community services, etc. However, the overall growth rate of employment in all the sectors taken together has increased from 0.10 per cent during 1983/1993-94 to two per cent in rural areas and from 2.70 to 3.95 per cent in urban areas during 1993-94/1999-2000.

Table 9
Growth Rate of Employment (UPSS) at the Sector Level in Punjab

Sector	1983/1993-94		1993-94/1999-00	
	Rural	Urban	Rural	Urban
Agriculture	-0.86	-1.32	1.53	3.40
Mining & Quarrying	0.32	8.22	NA	-13.83
Manufacturing	-0.64	2.17	6.83	2.87
Electricity, gas, Water etc.	9.82	1.88	-4.17	-0.88
Construction	5.75	7.27	9.57	8.30
Trade, Hotels & Restaurants	5.26	5.69	0.00	5.08
Transport, Storage communications etc.	1.69	-0.29	8.55	10.52
Finance, Insurance & real estate	8.13	-0.39	0.53	8.20
Public Administration, Community Services,	7.10	3.25	-3.21	0.38
All Sectors	0.10	2.70	2.00	3.95

Source: Chadha and Sahu 2002.

Unemployment Rates in Punjab

Table 10 shows the unemployment rates in the state according to three approaches. It may be observed that estimates of unemployed persons, based on usual status criterion, or even the more restrictive US (adjusted) measure, were very low during 1999-2000. The unemployed person-days rates were higher than those for persons, which indicate a high degree of intermittent unemployment. This shows lack of regular employment for many workers. Urban unemployment rates are relatively higher than rural ones. Unemployment rates for rural males on usual principal status as well as usual status (adjusted) have increased by about one per cent during 1993-94 through 1999-2000. On the other hand, urban unemployment for males on these measures remained almost the same during this period. Unemployment rates for urban females on UPS and US (adjusted) measures have decreased by five and three per cent respectively, whereas for rural females these have increased by one per cent point on UPS and remained almost the same on US (adjusted) measure. However, from 1983 to 1999-2000, unemployment rates for rural males had declined until 1993-94, but rose during 1999-2000. Female unemployment rates in rural areas have been on the decline on all the three measures. No definite pattern in rates for urban males as well as females was witnessed during this period.

Table 10
Area- and Sex-wise Unemployment Rates in Punjab

Rural Male	US	US (adj)	CWS	CDS
1983	3.2	-	3.9	6.9
1987-88	2.9	1.9	3.4	3.8
1993-94	1.4	1.3	1.9	2.7
1999-00	2.3	2.3	3.1	4.2
Rural Female				
1983	-	11.7	5.7	9.3
1987-88	7.4	1.6	4.8	6.6
1993-94	7.1	1.2	1.5	2.3
1999-00	6.2	0.9	1.0	1.7
Urban Male				
1983	-	3.9	4.9	7.1
1987-88	4.8	4.4	5.3	6.8
1993-94	3.3	3.1	3.4	3.9
1999-00	3.1	2.8	3.9	4.8
Urban Female				
1983	-	9.5	8.1	9.4
1987-88	14.7	6.8	11.4	12.2
1993-94	8.6	5.3	4.8	5.8
1999-00	3.5	2.1	4.3	5.3

Source: NSSO 1987, 1990., 1997, 2001.

When we compare the unemployment rate of Punjab with other states of the country, we find that it is one of the lowest on CDS at 4.15 per cent in 1999-2000. Among major states, only Himachal Pradesh and Rajasthan have relatively lower unemployment rates than Punjab, except Rajasthan in 1987-88 (Table 11). Kerala has the highest unemployment rate (20.77%) followed by West Bengal (14.95%) and Tamil Nadu (12.05%). The unemployment rate in India during 1999-2000 was 7.29 per cent, relatively much higher than that of Punjab. A glance at the Table 11 indicates that unemployment rates for most of the states, except Gujarat, Haryana and Karnataka, have increased in the nineties.

Table 11
Unemployment Rates (CDS) in Major States

States/Country	Unemployment Rate		
	1987-88	1993-94	1999-2000
Andhra Pradesh	7.35	6.67	7.94
Assam	5.09	7.96	8.00
Bihar	4.04	6.25	7.35
Gujarat	5.79	5.73	4.63
Haryana	7.59	6.59	4.67
Himachal Pradesh	3.12	1.82	2.93
Karnataka	5.06	4.89	4.61
Kerala	21.19	15.50	20.77
Madhya Pradesh	2.86	3.42	4.60
Maharashtra	4.67	4.97	7.09
Orissa	6.44	7.28	7.38
Punjab	5.07	3.08	4.15
Rajasthan	5.74	1.33	3.06
Tamil Nadu	10.36	11.44	12.05
Uttar Pradesh	3.44	3.45	4.27
West Bengal	8.13	9.87	14.95
Delhi	4.77	1.91	4.58
India	6.09	6.03	7.29

Source: Planning Commission 2001a.

Unemployment Rates of the Educated

NSSO survey defines educated persons as those who have attained an educational level of secondary and above. Table 12 presents unemployment rates, on various approaches, for educated persons for the latest and the last quinquennial survey. During 1999-2000 unemployment rate among the educated in Punjab was much higher for females in both rural and urban areas, despite a substantial decline during 1993-94 to 1999-2000. The unemployment rate for educated rural males has increased by one per cent on different approaches over this period. Among urban males, the unemployment rate has declined by one per cent on different measures. A comparison with total unemployment rates indicates that those for the educated are relatively higher in the state.

Table 12
Unemployment Rates of Educated Persons of age 15 years and above

Rural Male	US	US (adj)	CWS
1993-94	3.5	3.5	4.1
1999-00	4.8	4.6	5.3
Rural Female			
1993-94	34.7	11.2	12.4
1999-00	21.5	6.2	5.5
Urban Male			
1993-94	5.8	5.4	5.8
1999-00	4.7	4.3	4.9
Urban Female			
1993-94	13.8	11.3	10.6
1999-00	6.4	5.1	9.4

Source: NSSO 1997, 2001.

Unemployment Rates of the Youth

Table 13 indicates that unemployment rates are much higher among the youth than in the total population on different approaches. Urban unemployment rates for the youth are much higher than in the rural areas of Punjab. Youth unemployment rates for rural females are lower than males for all approaches, except the usual principal approach. On the other hand, urban unemployment rates for female youth are higher than males on all measures. Changes over time indicate that unemployment rates on different criteria for male youth in rural areas of the state have substantially increased during 1999-2000 as compared to 1993-94, whereas those for urban male youth have remained almost the same, except one per cent increase in the current daily status. On the other hand, rates for rural as well as urban female youth have significantly declined during the same period.

Table 13
Unemployment Rates among the Youth (15-29 years)

Status	Rural			Urban		
	Male	Female	Persons	Male	Female	Persons
Usual Principal Status						
1993-94	2.9	19.4	3.9	7.3	27.7	8.7
	1.4	7.1	1.8	3.3	8.6	3.8
1999-00	5.6	13.3	6.1	6.9	10.3	7.1
	2.3	6.2	2.6	3.1	3.5	3.2
Usual Status (adj.)						
1993-94	2.9	3.7	3.1	6.8	17.3	7.9
	1.3	1.2	1.3	3.1	5.3	3.4
1999-00	5.4	2.1	4.4	6.1	6.3	6.1
	2.3	0.9	1.8	2.8	2.1	2.7
Current Weekly Status						
1993-94	3.4	4.1	3.5	7.3	15.6	8.1
	1.9	1.5	1.8	3.4	4.8	3.6
1999-00	6.7	2.0	5.3	7.4	11.4	8.0
	3.1	1.0	2.4	3.9	4.3	3.9
Current Daily Status						
1993-94	4.3	6.2	4.7	7.9	18.7	8.9
	2.7	2.3	2.7	3.9	5.8	4.1
1999-00	8.0	3.6	7.0	8.9	13.9	9.5
	4.2	1.7	3.7	4.7	3.5	4.5

Source: NSSO 1997, 2001.

Note: Figures in the second row of each column denote unemployment rates for all ages taken together.

Magnitude of Unemployment

In addition to NSS data, estimates of unemployment are available from the State Employment Exchange, Economic and Statistical Organization and the Planning Commission, Government of India. According to the live register of employment exchanges, the total number of registered job seekers, both educated and uneducated, were 5.37 lakh as on September 2000 (Economic Adviser 2001). The problem of educated job seekers (with qualification of matriculation and above) is serious in the state. The total number of educated unemployed persons, which was 3.73 lakh (65.78%) in March 1999, increased to 3.96 lakh (73.61%) in March 2000. However, employment exchange data suffer from a number of constraints (Chand, 1993).

A recent survey by the Economic and Statistical Organization of Punjab of the unemployment situation in the state, conducted as a part of the Fourth Economic Census in 1998, indicates that the situation is the most serious in the age group of 18-35 years. According to this survey, there were 14,71, 527 unemployed persons in the state, of which 10,40,269 (70.69%) belonged to rural areas and 4,31,258 (29.31%) to urban areas. Of the total estimated persons, 8,97,860 (61.62%) were educated and 5,73,667 (38.98%) uneducated, both literate (below matriculation) and illiterate (Economic Adviser, 2000). The shares of educated and uneducated unemployed persons in the rural areas were 56.17 per cent and 43.87 per cent respectively. However, the share of educated unemployed persons was much higher at about 73 per cent in urban areas. This indicates that the educational infrastructure is much better in urban areas, which is not the case in rural areas. Thus, a large rural workforce is deprived of better education

and training opportunities. Due to lack of appropriate training programmes for skill formation, uneducated unemployed persons have to be content in rural areas with disguised employment (Gill, S S 2001).

A district-level analysis of the unemployment situation in the state, based on this survey, indicates that districts with a relatively higher proportion of total unemployed persons in rural areas were Amritsar, Gurdaspur, Firozpur, Sangrur, Ludhiana, Jalandhar and Patiala, with unemployment percentages varying from about seven in Patiala to 13 in Amritsar (Table 14). On the other hand, districts with a relatively higher proportion of work-seekers in urban areas were Amritsar, Jalandhar, Ludhiana and Patiala, with unemployment percentage varying from about eight in Patiala to 19 in Amritsar. The districts in which the proportion of educated job-seekers was very high in both rural and urban areas were Amritsar, Gurdaspur, Ludhiana, and Jalandhar. These districts are industrially important.

Table 14
District-wise Percentage of Total and Educated Unemployed Persons Desirous of Self-Employment in Punjab, 1998

State/Districts	Total unemployed persons			Educated unemployed persons		
	Rural	Urban	Total	Rural	Urban	Total
Gurdaspur	11.08	6.54	9.75	12.94	6.76	10.78
Amritsar	12.70	19.50	14.69	12.46	20.21	15.17
Firozpur	9.73	7.49	9.07	7.19	7.70	7.37
Ludhiana	7.95	13.77	9.65	8.81	12.82	10.21
Jalandhar	7.37	15.37	9.71	7.96	15.85	10.72
Kapurthala	2.02	1.47	1.85	2.23	1.48	1.97
Hoshiarpur	6.24	2.46	5.13	7.75	2.90	6.06
Rupnagar	3.68	2.97	3.47	4.72	3.60	4.33
Patiala	6.90	7.84	7.07	6.04	7.88	6.68
Sangrur	8.43	6.76	7.94	7.48	6.03	6.97
Bathinda	4.86	3.88	4.57	3.94	3.50	3.79
Faridkot	2.22	2.55	2.32	1.82	2.22	1.96
Fatehgarh Sahib	2.98	1.71	2.60	2.97	1.67	2.51
Mansa	2.73	1.47	2.36	2.11	1.55	1.91
Muktsar	4.43	3.54	4.17	3.69	3.01	3.45
Nawanshahr	2.62	0.80	2.09	3.14	0.63	2.67
Moga	4.04	2.28	3.52	4.72	2.18	3.82
Punjab (No.)	10,40,269	4,31,258	14,71,527	5,83,851	3,14,009	8,97,860

Source: Economic Adviser, Government of Punjab, 2000

Estimates of unemployment in the Ninth Five-Year Plan (Planning Commission, 1999) indicate that the growth of employment has lagged far behind the growth of the labourforce, resulting in a high increase in unemployment in Punjab. It is estimated that the growth of employment during the Ninth Five-Year Plan (1997-2002) will be 0.73 per cent as compared to that of the labourforce, which will be 2.27 per cent during the same period. The projected growth rate of employment in the state is one of the lowest among major states. Hence, it is estimated that unemployment during the Ninth Plan will be 10,65,000 persons. However, its growth of employment the post-Ninth Plan period (2002-07) continues to be the same as in the Ninth Plan and the labourforce grows according to the projected demographic profile, the level of unemployment in the state will be higher than what is expected at the end of the plan period. In addition to Punjab, the other states which are expected to face prospects of increase in unemployment in the post-Ninth Plan period (2002-07) are Bihar, Rajasthan, Uttar Pradesh and Kerala. These estimates are based on NSS usual principal and subsidiary status concepts of

measurement of unemployment, which is the closest to the concept used in the population census to enumerate workers.

Quality of Employment

Not only is there the problem of open unemployment, the quality of large existing employment is low and deteriorating into an increasing level of underemployment. Underemployment is defined as underutilization of labour-time of workers. Two types of underemployment can be distinguished. Some of the persons usually employed do not have work throughout the year due to seasonality of work, or otherwise, and their labour-time is not fully utilized. The underemployment of this kind is termed as visible underemployment, where a person is available for work for shorter reference period. Visible underemployment is measured by cross classifying persons by their a) usual and current weekly statuses, b) usual and current daily statuses and c) current weekly and daily statuses. A proportion of workers employed, such as self-employed, may appear to work throughout the year but the work pursued by them may not be sufficient in terms of income generation. They would, therefore, want additional and/or alternative work. This type of underemployment is termed invisible underemployment and, therefore, not directly measurable. The proportion of the usually employed who are available for additional /alternative work, provides, by and large, an overall share of the employed who do not have enough work.

Table 15 indicates that the proportion of the usually employed, who were found not to be employed during the week preceding the date of survey, referred to as underemployment rate, declined for both rural and urban males during 1987-88 through 1993-94 and increased during 1993-94 through 1999-2000. A similar pattern is witnessed for urban females. On the other hand, the underemployment rate of rural females has substantially declined all through from 1987-88 to 1999-00. It may be observed that the problem of underemployment is more serious among usually employed females than males. For instance, the underemployment rate for rural females during 1999-00 was six per cent and for urban females, about 18 per cent during the same period. The corresponding percentages for usually employed males were only two and three.

The underemployment rate, on the basis of the activity pattern of the usually employed during different days within the reference week, is indicated by the distribution of their days by current daily status as displayed in Table 15. It may be observed that the proportion of underemployed females in both rural and urban areas was very high, as compared to males throughout the period 1987-88 to 1999-2000. For instance, during 1999-2000 the proportion of female underemployment was 47 per cent for rural areas and 33 per cent for urban areas. The corresponding percentages for males were only four each. The pattern of change during 1987-88 through 1999-2000 is similar to that of the usually employed by current weekly status, except that the rate for rural females has remained similar during 1993-94 through 1999-2000.

Some persons, categorized as working during a week, might not have had worked for the entire week. The distribution of persons working according to current weekly status by their current daily status, therefore, would indicate the proportion of person-days on which they have remained without work. Table 15 indicates that the percentage of person-days, on which persons with some work during the reference week were without work during 1999-2000, was about 33 for rural males, 43 for rural females, two for urban

males and 20 for urban females. The proportion of unemployed days showed a rising trend for rural males between 1987-88 and 1999-2000. When there was no work, a very high proportion of females as compared to males withdrew from the labourforce in both rural and urban areas.

Table 16 shows that the proportion of the usually employed, who did not work more or less regularly throughout the year, was higher for rural males and females than urban males and females during 1999-2000. The pattern of change over the period indicates that the percentage of rural and urban males and urban females declined between 1987-88 and 1993-94, but increased thereafter up to 1999-2000. The proportion of rural females who did not work regularly increased considerably from two per cent in 1987-88 to 12 per cent in 1999-2000.

Table 15
Per 1000 Distribution of Usually Employed (UPSS) by their Broad CWS and CDS

	Usually employed (UPSS) by their broad CWS			Person-days of usually employed (UPSS) by their broad CDS			Person-days of persons employed according to CWS by their broad CDS		
	Emp-Loyed	Unemp-Loyed	Not in the Labour Force	Emp-Loyed	Unemp-Loyed	Not in the Labour Force	Emp-Loyed	Unemp-Loyed	Not in the labour force
Rural Male									
1987-88	940	18	42	936	21	43	995	4	1
1993-94	986	7	7	972	16	13	984	8	6
1999-00	979	9	13	956	19	25	975	11	14
Rural Female									
1987-88	249	2	749	223	5	772	896	14	90
1993-94	895	1	104	527	1	473	589	1	410
1999-00	937	1	62	536	2	463	572	-	428
Urban Male									
1987-88	974	14	12	955	280	17	979	16	6
1993-94	994	2	4	985	7	8	991	4	4
1999-00	974	11	15	959	20	21	984	10	6
Urban Female									
1987-88	529	15	456	493	17	490	930	9	61
1993-94	951	-	49	777	--	223	812	1	187
1999-00	823	7	170	665	9	326	804	2	194

Source: NSSO 1990, 1997, 2001.

Table 16
Number of Workers (UPS) Who Did Not Work More or Less Regularly per 1000 Workers (UPS)

	1987-88	1993-94	1999-00
Rural Male	110	57	86
Rural Female	21	75	117
Total	-	58	88
Urban Male	72	37	79
Urban Female	84	9	50
Total	-	35	77

Source: NSSO: 1990, 1997, 2001.

Table 17 shows whether the usually employed were underutilizing their available labour-time due to lack of enough work or persons having enough work but not getting sufficient

return were seeking, or available, for additional work and alternative work. The percentage of usually employed who reported themselves as available for additional work, or alternative work, could serve as two indicators of underemployment. Table 17 presents the number of usually employed persons of age 15 years and above who sought, or were available, for additional work per 1,000 usually employed persons in the age group. About five per cent usually employed rural males and six per cent usually employed urban males had reported seeking or being available for additional work during 1999-2000. The corresponding percentages were three each for rural females as well as urban females. On the other hand, among those who sought alternative work during 1999-2000, 4.6 per cent were rural males, 5.6 per cent urban males, 1.1 per cent rural females and 4.7 per cent urban females. It may be observed that the number of those who sought additional/alternative work had considerably increased during 1999-00, indicating further deteriorating quality of employment.

Table 17
Number of Usually Working Persons of Age 15 years and Above per 1000 Usually Employed Persons in the Principal Status (15 years & above) Who Were Available for Additional/ Alternative Work

	Available for additional work			Available for alternative Work		
	1987-88	1993-94	1999-00	1987-88	1993-94	1999-00
Rural Male	90	24	54	75	21	46
Rural Female	16	18	34	3	14	11
All	-	24	53	-	21	44
Urban Male	54	15	57	48	18	56
Urban Female	95	20	33	32	38	47
All	-	16	55	-	19	55

Source: NSSO: 1990, 1997, 2001.

Employment in the Organized Sector

It is clearly evident that the state of unemployment and underemployment is serious in Punjab. This is confirmed when we examine employment generation in the organized sector and find that growth of employment in both the public and private sectors has declined. Table 18 indicates that about 70 per cent of the employment in the organized sector was in the public sector and 30 per cent in the private sector during 2000. The share of public sector employment has decelerated since 1985, whereas the share of private sector employment has increased from 26 per cent in 1985 to 28 per cent in 1990 and further to 30 per cent in 2000. Female employment in the organized sector in the state was 1.44 lakh (17%) during this period (IAMR 2001). The share of organized sector employment in total employment in the state was about nine per cent only in 2000. Obviously, a very large proportion of the workforce (91%) in the state is engaged in the informal sector. As compared to Punjab, the proportion of workforce engaged in the organized sector in the country is only about seven per cent (Planning Commission 2001a).

Table 18
Growth of Employment in the Organized Sector in Punjab (as on 31 March)

Sector	1981	1985	1990	1995	2000
1. Public Sector					
Central Government	67460 10.62	68010 9.65	69819 8.88	83693 9.95	79396 9.39
State Government	255505 40.23	276145 39.19	289787 36.85	296476 35.23	304198 35.97
Quasi Government (Central and State)	116606 18.36	143753 20.40	173104 22.01	182526 21.69	174433 20.62
Local Government	28244 4.44	31223 4.43	33487 4.26	32764 3.89	31759 3.75
Total (1) Public Sector	467795 73.65	519131 73.67	566197 72.00	595459 70.77	589786 69.73
2. Private Sector	167340 26.35	185478 26.33	220237 28.00	246000 29.23	255996 30.27
Grand Total	635135 100.00	704609 100.00	786434 100.00	841459 100.00	845782 100.00

Source: Economic Adviser, 2000

Note: Figures in the second row are percentage to the grand total

Table 19 shows that the growth rate of employment in the organized sector has constantly declined from 2.63 per cent in 1981-85 to 1.36 per cent in 1995-96 and further to 0.10 per cent in 1999-2000. The decline in the growth rate of employment in the public sector has been much faster than in the private sector. For instance, the growth rate of employment in the public sector declined from 1.75 per cent in 1985-90 to -0.19 per cent during 1999-2000, and in the private sector from 2.22 per cent to 0.80 per cent.

Table 19
Annual Compound Growth Rates of Employment
in the Organized Sector in Punjab

Year	Public Sector	Private Sector	Total
1981-85	2.64	2.61	2.63
1985-90	1.75	3.49	2.22
1990-95	1.01	2.34	1.36
1995-00	-0.19	0.80	0.10
1981-90	2.14	3.10	2.40
1990-2000	0.41	1.52	0.73

Source: worked out from Table No. 12.17

It should be noted that there is a strong preference for white-collar jobs in the organized sector, especially government jobs, rather than unorganized jobs because of assured regular income and other social security benefits. The economy has to grow at a high rate, if the expectations of the labourforce about the creation of employment in the organized sector has to be met. In the absence of the expansion of government employment in the organized sector, the possibility of creating more jobs in the private organized sector has to be explored.

Wages of Casual Workers

Wages of casual workers in public works in rural areas in Punjab are lower than in Himachal Pradesh and Jammu & Kashmir. Wages of women in these works in the state are the lowest (Table 20). However, it should be mentioned here that the estimates for Punjab are based on a very small sample. Wages in other than public works in the state are higher in urban areas than in rural areas. Wages of women in these works are substantially lower than those of men in the state and of women in other states. Wages paid to agricultural labour in the state during 2000 for various agricultural operations, such as ploughing, sowing, weeding, harvesting, ranged from Rs. 78 per day for weeding to Rs. 99 for harvesting (Economic Adviser 2001). The increase in the share of casual labour is considered an indication of deteriorating employment quality, where job-security and other benefits are not ensured. Increase in casual labour should be accompanied by growth of productivity and real wages.

Table 20
Average Daily Wage (Rs.0.00) for Casual Workers of Age Five Years and above Engaged in Public and other than Public Works, 1999-00

State/Country	Rural Public Works		Other than Public Works			
	Male	Female	Rural		Urban	
			Male	Female	Male	Female
Punjab	57.14	18.71	65.86	49.48	82.40	53.09
Haryana	43.30	28.57	62.65	51.01	68.47	47.74
Himachal Pradesh	75.70	51.00	67.06	50.36	70.99	50.30
Jammu & Kashmir	83.79	23.75	77.04	66.07	97.65	71.48
Rajasthan	36.22	50.28	55.19	37.02	67.07	45.35
India	48.14	38.06	44.84	29.01	62.26	37.71

Source: NSSO: 2001.

Strategy for Employment Generation

The Task Force on Employment Opportunities, set up by the Planning Commission, has very appropriately identified the following five broad areas, which together would constitute an appropriate strategy for employment generation (Planning Commission 2001b):

- Accelerating the rate of growth of the economy, especially in sectors, which would ensure the spread of income to the low-income segment of the labourforce.
- Pursuing appropriate policies in individual sectors, which are important for employment generation. These sector-level policies must be consistent with the overall objective of accelerating the growth of the state domestic product.
- Implementing focused special employment programmes for creating additional employment and enhancing income generation for existing activity, aimed at helping weaker sections of the society that might not be sufficiently benefited by the more general growth promoting policies.

- Pursuing suitable policies for education and skill development, which would upgrade the quality of the labourforce and make it capable of supporting a growth which generates high quality jobs.
- Ensuring that the policy and legal environment governing the labour market encourages labour absorption in the organized sector.

The following sections discuss broadly aspects of employment generation and related issues in Punjab.

EMPLOYMENT GENERATION: POTENTIAL SECTORS

The agricultural sector in Punjab is very important in terms of its contribution to employment and income generation and hence cannot be ignored at the policy level, despite its declining share. However, it should be kept in mind that this sector has a limited capacity to engage a larger workforce, as it suffers from disguised unemployment. From the long-term point of view, expansion of employment opportunities has to be explored in the non-farm sector. A significant shift in the labourforce must take place from agriculture to non-agricultural activities. In addition to speeding up reforms in the agricultural sector, such as liberalizing leasing of land, diversification to non-cereal crops, improvement of quality of agricultural produce, promotion of agricultural exports, it is necessary to encourage allied activities which are more labour-intensive and provide greater attention to agricultural and rural infrastructure development. Since long there has been much talk on diversification and value addition through agro-processing for a long-time, but not much progress has been made in this direction.

Agro- and Food- processing

India is the largest producer of fruits and vegetables in the world, but only less than two per cent of the production is processed, as compared with 80 per cent in Malaysia, 78 per cent in the Philippines, 70 per cent in Brazil and 30 per cent in Thailand. In Punjab, a major producer of fruits and vegetables and with a large livestock population, the food processing industry is a potential area where there is large scope for expansion. Horticulture and vegetables are labour-intensive activities and hence, higher employment opportunities can be generated in this sector. Serious attention has to be paid to quality and marketing infrastructure and other necessary conditions have to be created for large-scale promotion of these activities through emphasis on R & D, extension and training, development of food parks, strict quality control and testing labs, cold storage, warehouses, air conditioned transport, and removal of various constraints. Animal husbandry and dairying contribute significantly to employment and income generation and have potential for further development, if steps are taken for disease control, improvement in genetics, extension services, strengthening of marketing and credit infrastructure and provision for adequate quality of fodder and feed. Value addition to abundant unprocessed agricultural production will promote forward and backward linkages resulting in higher income and employment opportunities in the state.

Manufacturing Industries

Small-scale industries (SSIs) dominate the industrial scene in Punjab in terms of their contribution to employment, income generation and exports of industrial products. Only a few large and medium industries exist in the state. The State Industrial Policy of 1996

has attempted to create an investment-friendly environment in Punjab. However, in the process of liberalizing the economy, there is need to increase competitiveness, efficiency and quality of manufactured products. There is need to dereserve items manufactured by SSIs in a phased manner to allow competition and growth, as suggested by the Expert Committee on Small Enterprises, 1997, headed by Abid Hussain. Reservations for small-scale industry have prevented India from becoming a global power in labour-intensive mass manufacturing, that would, in turn, create very large factory jobs at home, as it has happened in China.

It is argued that the impact of WTO will affect certain industries, which are unable to compete in the short run. But in the long run, it will have a favourable impact on output and employment. The Study Group on Small Enterprises, set up by the Planning Commission, which submitted its final report in May 2001, has made a number of useful recommendations to promote SSIs, such as redefining SSIs, improving fiscal incentives, providing easy access to credit, capital subsidy for technology upgradation and improvement of infrastructure, so that new challenges can be faced in the changing economic environment. It is recognized that as restructuring takes place, the number of SSIs may indeed be reduced and some of the weaker units displaced by others, which will expand as a result of enhanced competitiveness. This is a normal process of structural evolution and is consistent with strengthening the sector as a whole. The fear that it will lead to a reduction in output or employment may not be valid, since restructuring might permit deeper penetration of world markets, which would generate a larger volume and higher quality of employment than is the case at present (Planning Commission 2001a). The decline in weaker enterprises in the wake of restructuring the economy can be offset by the expansion of employment in stronger enterprises. It is argued that the total employment generated by the restructured industry is likely to be more sustainable and growth-oriented in the long run. This requires a radical shift in policy from protection to promotion. The relationship between SSIs and large industries must also be seen as mutually supportive and not against each other.

Construction

Construction has recorded a higher growth of employment in the recent period. With appropriate policy measures, this sector can play an important role in generating higher employment in infrastructure building. The growth of this sector has a positive impact on the growth of related sectors of the economy. The employment effect of construction growth is very high, not only because of its high employment elasticity but also because of the high employment multiplier effect it has among major sectors of the economy.

Service Sector

The service sector is very important for the future growth of employment. Most of the developed nations are dominated by service activities in terms of their contribution to income and employment generation. In Punjab, service activities have grown faster in the 1990s and have scope for further expansion, if necessary policy interventions are made. The potential areas in this sector are tourism, information technology, housing and real estate, road transport, trade, education and health. A sizeable growth of employment opportunities is expected to take place in the service sector in future. Banks have so far been concentrating on priority sectors for credit. Keeping in view the future prospects of the service sector in generating substantial employment, credit needs of this sector should not be ignored.

Employment in the Unorganized Sector

The contribution of the unorganized/informal sector in the state is significant in terms of employment and income generation. More than 90 per cent of the workforce is engaged in activities in the informal sector. Similarly, about 93 per cent of the workforce earns its livelihood in the unorganized sector in the country and its contribution to the net domestic product has been 60.5 per cent of the total national net domestic product (CSO 2001). Though this sector provides employment to the largest workforce, it has to function under severe constraints and the quality of most of the employment generated is low. The constraints faced by this sector limits its capacity to absorb a longer labourforce. Especially the general lack of credit availability through formal financial institutions inhibits the expansion of informal sector activities and hence, the growth of employment (Chand 1993a, 1997). It has been observed that under the present economic order, the growth of employment in the organized sector has considerably declined in recent times and there is not much scope of employment expansion especially in the public sector. It is essential, in the circumstances, that special efforts should be made to fulfil the financial requirements of the economically viable enterprises in the unorganized sector, so that the projected growth rate can be achieved.

SPECIAL EMPLOYMENT PROGRAMMES

Programmes for Rural Areas

Several State and Centrally sponsored programmes are in operation for self-employment and wage-employment generation (Chand 1996) for vulnerable sections of the society, who are below poverty line in the state. Programmes with state share are especially designed for poverty alleviation in the rural and urban areas. The major Centrally sponsored scheme in the rural areas are Integrated Rural Development Programme (IRDP) with sub-schemes, Training of Rural Youth for Self-Employment (TRYSEM), Million Wells Scheme (MWS), Supply of Improved Toolkits to Rural Artisans (SITRA) and Development of Women and Children in Rural Areas (DWCRA). These schemes have been brought under Swaran Jayanti Gram Swarozgar Yojana (SGSY) launched in April 1999-2000. The restructuring of IRDP is considered a step in the right direction for improvement in the programmes. The objective of SGSY is to provide sustainable income to the rural poor. The programme aims at establishing a large number of micro-enterprises in rural areas. It is envisaged that every family assisted under the SGSY will be brought above poverty line in three years. During the year 1999-00, assistance amounting to Rs. 327.72 lakh (subsidy+loan) was provided to 1,694 beneficiaries. In the current year, an assistance of Rs. 900.82 lakh (subsidy+loan) has been provided to 3,273 beneficiaries up to September 2000. During the year 1999-2000, 1,046 Scheduled Castes (SC) beneficiaries were provided loans amounting to Rs. 181.88 lakh and up to September 2000, an amount of Rs. 497.48 lakh was given to 1,958 SC beneficiaries (Economic Adviser 2001)

Low productivity and unemployment are the factors responsible for rural poverty. It, therefore, becomes imperative to increase productivity and enhance employment in rural areas. An employment-oriented growth strategy can achieve this goal in the medium and long run. In the short run, supplementary employment has to be provided to the needy, especially in agriculturally lean seasons. To meet this specific requirement, two wage-employment programmes were put into operation-- the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme

(RLEGP). From 1, April 1989, NREP and RLEGP merged into Jawahar Rozgar Yojana (JRY). The main objective of JRY is generation of additional gainful employment through creation of rural infrastructure and community and social assets. Another wage-employment scheme for rural areas is the Employment Assurance Scheme (EAS), which provides employment in the agricultural lean season and thus generates supplementary wage-incomes through public works programmes. JRY has been replaced by Jawahar Gram Samridhi Yojana (JGSY), which is now conceived as a rural infrastructure development scheme which also provides employment to the rural poor.

Table 21
Financial and Physical Progress of Centrally Sponsored Employment Generating Schemes in Punjab during 2001-02

	JGSY	EAS	SGSY
Financial Progress (as on 25.5.2002)			
Total funds available (Rs. in lakh)	1375.92	1020.75	380.75
Percentage of expenditure	54.28	47.62	103.38
Physical Progress (as on 18.5.2002)			
Unit	Lakh mandays	Lakh mandays	Total Swarozgaris assisted (No.)
Total target	00	14.04	00
Total achievement	5.38	3.75	4251
Percentage of achievement	00	26.7	00

Source: Internet: Ministry of Rural Development Website.

Table 21 shows that out of the total funds available for JGSY and EAS during 2001-02, only 54.28 per cent and 47.62 per cent respectively were utilized. Against the target mandays of 14.04 lakh to be generated through EAS, the achievement has been only 26.7 per cent. This may be partly responsible for the under-performance of these schemes in the state.

Programmes for Urban Areas

Migration from rural areas is seen as the main cause for urban growth as well as urban poverty, making urban poverty alleviation an important issue. The Nehru Rozgar Yojana (NRY) and the Prime Minister's Integrated Urban poverty Eradication (PMIUPEP) have been two urban poverty alleviation programmes. NRY had consisted of three schemes: (i) Scheme for Development of Urban Micro Enterprises, (ii) Scheme for Urban Wage Employment and (iii) Scheme for Housing and Shelter Upgradation. NRY has now been replaced by a new scheme, Swaran Jayanti Shahari Rozgar Yojana (SJSRY), which has three components namely (i) Urban Self-employment Programme, (ii) Urban Wage Employment Programme and (iii) Development of Women and Children in Urban Areas. Under the Urban Self-employment Programme, loans and subsidy amounting to Rs. 904.30 lakh were given to 3,120 beneficiaries during 1999-2000. In the current year up to September 2000, an amount of Rs. 589.78 lakh has been provided to 841 beneficiaries. During 1999-2000, 987 SC beneficiaries were given Rs. 315.80 lakh and in the current year up to September 2000, 288 SC beneficiaries have been provided an amount of Rs. 226.37 lakh. Under the Urban Wage Employment Programme (UWEP), which seeks to provide wage employment to persons below poverty line, living within the jurisdiction of urban local bodies with a population of less than five lakh, 1.62 lakh

mandays were generated with an expenditure of Rs. 482.00 lakh during 1999-00 and another 0.66 lakh mandays on an expenditure of Rs. 211.00 lakh upto September 2000. Under the Development of Women and Children Scheme, Rs. 30.81 lakh were distributed to 90 beneficiaries as loan and subsidy up to September 2000. Out of 90 beneficiaries, 45 SC beneficiaries were given assistance of Rs. 16.34 lakh (Economic Adviser 2001).

In addition, schemes for the economic upliftment of Scheduled Castes and Backward Castes, through setting up economic ventures, are being implemented at the state level. For example, the Punjab Backward Classes Land Development and Finance Corporation (BACKFINO) and Punjab Scheduled Castes Land Development and Finance Corporation provide loan and subsidy under different schemes.. Besides, under bank tie-up, loans for families living below poverty line, in both rural and urban areas, are also arranged by both Corporations. BACKFINO provided loans to the tune of Rs. 462.89 lakh to 793 beneficiaries during 1999-2000. In the current financial year up to September 2000, an amount of Rs. 314.29 lakh has been paid to 611 beneficiaries. The Punjab Scheduled Castes Land Development and Finance Corporation provided loans amounting to Rs. 1587.47 lakh to 7,706 beneficiaries during 1999-00. In the current year, upto September 2000, an amount of Rs 532.48 lakh has been given to 2,328 beneficiaries.

Under the Prime Minister's Rozgar Yojana (PMRY), a 100 per cent Centrally sponsored scheme, which provides self-employment opportunities to educated youth, 1,4253 cases have been sponsored to the banks against the target of 9,000, out of which 5,984 cases have been sanctioned loans up to November 2000. Besides, agriculture finance for self-employment through Punjab State Co-operative Agricultural Development Bank is provided for allied agricultural activities. Punjab Khadi and Village Industries (KVI) provide financial assistance for self-employment in different industries/schemes. Punjab Agro-Industries Corporation provides self-employment opportunities to unemployed youth. The Punjab State Cooperative Supply and Marketing Federation (MARKFED) also encourages self-employment, through a scheme of allotment of dealership of its products to unemployed graduates in the state. C-Pyte (Centre for Training & Employment of Punjab Youth) provides employment-oriented training and upgrades the skills of educated youth of the state to make them employable. Under this scheme 48,367 youth have been absorbed till date in various public and private organizations. Financial assistance through banks for dairy development is also provided for self-employment, of the candidates from rural areas, after adequate training.

The Khadi and Village Industries (KVI) sector has potential for creating new jobs at low cost. This sector not only provides employment in rural areas at low investment per job, but also utilizes local skills and resources and provides part-time and full-time work to rural artisans, women and weaker sections of the society. Financial assistance is provided at the prevailing bank rate, with 25 per cent margin money subsidy upto loans of Rs 10 lakh. Expansion of village industries will ensure an increase in income levels and quality of life of rural workers and craftsmen. Important KVIs contributing to production and employment in the state are processing of cereals and pulses, ghani-oil industry, gur and khandsari industry, carpentry and blacksmithy. These industries have provided full-time and part-time employment to 83,661 persons in the state.

Government provides funds under various plan schemes every year to deal with the unemployment situation in the state. The approved outlay for different employment

generation schemes in the Ninth Five Year Plan (1997-02) is Rs 3,531.53 crore. It is expected to generate direct and indirect employment of 17.55 lakhs persons during the plan period. An outlay of Rs 586.82 crore has been made to implement employment-generating schemes for providing employment to 1.81 lakh persons during 2002-03 (Department of Planning, *Ninth Five Year Plan 1997-2002* and *Tenth Five-Year Plan 2002-07* and *Annual Plan 2002-03*). Thus, a substantial amount of resources is being spent on employment generating schemes in the state.

However, a number of evaluative studies on various employment-generating schemes, especially Centrally sponsored schemes, have identified gross mismanagement responsible for the underperformance of these schemes. The Planning Commission's account of various poverty alleviation schemes often reads like a criminal charge sheet. Writing about one rural programme, the report cites 'leakages, misappropriation of funds, violation of programme guidelines, selection of the non-poor as target group, absence of proper maintenance of accounts and poor quality of assets'. It has been calculated that last year Rs 46,000 crore in subsidies had been budgeted for largely ineffective schemes in the country to help the poor. Hence, it is suggested they should be cut in half and the money spent on infrastructure instead (Unger 2001). Similar views have been expressed about these schemes in the *Draft Approach Paper to the Tenth Five-Year Plan (2002-07)* (Planning Commission 2001a).

An evaluation study of all rural development programmes in the Jalandhar district of Punjab revealed, that though these programmes have contributed to the upliftment of the rural poor over a period of time and created durable assets, they suffer from a number of serious maladies at the implementation level, which considerably reduce their efficacy and effectiveness (Chand 1999). There has been lack of concern in responding to real market demand for self-employment schemes and very little interaction with the beneficiaries at the grassroots. Official apathy, lack of monitoring, non-adherence to guidelines, casual approach of various functionaries at various levels are responsible for the poor performance of these schemes. Most of the elected heads of Panchayat did not have any training for the implementation of JRY works. Muster rolls were not maintained properly in the majority of cases. Contractors executed and supervised the JRY works. Workers from outside the village were brought in by the contractor. The share of women in employment generation was insignificant. Annual plans were not discussed at the Gram Sabha meeting.

Reorientation of the employment and anti-poverty schemes has to be undertaken to improve the situation during the Tenth Plan. The problem of disguised unemployment and underemployment is serious in the state and the growth process may not be fully during the plan period. The appropriate instrument for addressing this specific problem is the Employment Assurance Scheme (EAS), which has been designed specially for this purpose and should be implemented on the pattern of the Maharashtra Employment Guarantee Scheme, which has been a success (ILO 2000).

Poverty and Unemployment

Despite the low ratio of employment to growth, Punjab has been able to reduce the incidence of poverty because of the high level of agricultural productivity per worker. Employment elasticity to SDP in the state was one of the lowest, 0.30, followed by Tamil Nadu and Haryana during 1983-94. Male agricultural productivity during 1992-95 at 3.01 was the highest in the country. This helped reduce poverty by 4.4 per cent during 1983-

94 (Planning Commission 1999). Further, the proportion of persons below the poverty line in the state has come down from 11.5 per cent in 1993-94 to 6.36 per cent in rural areas and 11.35 per cent to 5.75 per cent in a urban areas during 1999-00. For the state as a whole, it has declined from 11.77 per cent in 1993-94 to 6.16 per cent in 1999-2000.

SKILLS, TRAINING AND EMPLOYMENT

Mismatch between Supply of and Demand for Skills

Mismatch between skill requirements of employment and the skill base of the unemployed is one reason for unemployment. This is likely to become more acute in the process of rapid structural changes in the economy. Skills and training in the state are acquired through various training systems, such as hereditary skills acquired in the family, on the job training, education related to work through educational institutions, vocational training through specialized institutions such as it is, and formal apprenticeship.

It is widely recognized that the rapid expansion, particularly of higher education, has also contributed to the mismatch in the labour market. It is felt that while shortages are often experienced, of middle-level technical and supervisory skills, graduates and post-graduates in arts, commerce and science constitute a large proportion of the educated unemployed. High private rates of return on higher education, resulting to a large extent from low private cost, is an important reason for the rush for higher education despite high incidence of educated unemployment. At the same time, after completion of schooling, very few join vocational courses. Efforts to strengthen vocational education are needed. We have to learn from the experiences of those economies which have made tremendous progress through vocational education. Table 22 indicates that of the total job seekers in Punjab during 2000, 73 per cent were educated and 27 per cent uneducated, and of the total educated 24 per cent were technically qualified and 76 per cent non-technically trained. Further, out of the total technically unemployed about 37 per cent were ITI trained craftsmen, eight per cent diploma engineers, six per cent para-medical personnel, 36 per cent B. Ed and M. Ed teachers and nine per cent other teachers.

It is, therefore, necessary to orient the educational and training system towards improving its capability to supply the requisite skills in the medium and long run, so as to enable it to respond quickly to the needs of the labour market in the short run. Besides, the system should also be in a position to impart suitable training to the large proportion of workers engaged as self-employed and wage earners in the informal sector, for upgradation of their skills so as to raise their productivity and incomes levels.

Low Level of Skilled Manpower

Skill-levels and training have a decisive impact on the growth of income and employment. However, quantification of skill-levels is not easy due to data constraints. Information is available only on educational attainments of workers is available. Table 23 indicates that education levels of workers in Punjab, as well as in the country as a whole, are quite low. According to the 1991 Census, about 42 per cent of the main workers were illiterate, another 18 per cent below middle-level class and only 40 per cent of the workers of the state, as compared to 51 per cent in the country as a whole, were middle

school and above. However, this information pertains to general education and not skilled manpower, for which information is not easily available. We have some information for the country as a whole on 30 specific marketable skills possessed by persons in the labourforce. In rural areas, only 10.1 per cent of male workers and 6.3 per cent of female workers were equipped with specific marketable skills.

Percentages of skilled manpower were higher in urban areas with 19.6 for males and 11.2 for female workers (NSSO 1997). The level of vocational skills, in the labourforce in India is very low as compared to other countries. For instance, in the age group of 20-24, only five per cent of the labourforce in India has vocational skills whereas in developed countries the percentage varies between 60 and 80, which is much higher. The percentage for Korea at 96 is very high. Many developing countries too have a much higher percentage of skilled manpower than India, for example, in Mexico, it is 28 per cent, Mauritius, 36 per cent and Botswana 22 per cent (Planning Commission, 2001a).

Table 22
Technically Qualified Job Seekers on the Live Register of Employment Exchanges in Punjab

Category	As on 31 March						
	1990	1996	1997	1998	1999	2000	Up to 30.9.2000
Educated	335456	325879	365483	373094	372970	396414	393768
Technical							
Graduate Engineers	437 0.50	1052 1.22	1000 1.00	931 0.95	966 1.01	1020 1.08	736 0.79
Diploma Engineers	5189 5.97	7213 8.35	7124 7.14	7205 7.37	6623 6.93	6532 6.94	7057 7.59
I.T.I. Trained Craftsmen	28147 32.37	33516 38.79	35006 35.08	35665 36.50	35575 37.24	34936 37.12	34515 37.11
Other Craftsmen	5957 6.85	1873 2.17	1980 1.98	3332 3.41	2872 3.01	2734 2.90	2774 2.98
Allopathic Doctors	27 0.03	60 0.07	75 0.07	106 0.11	134 0.14	126 0.13	72 0.8
Other Doctors	275 0.32	481 0.56	409 0.41	394 0.40	380 0.40	387 0.41	249 0.27
Para-medical Personnel	3887 4.47	4452 5.15	5159 5.17	5291 5.41	5114 5.35	5413 5.75	5451 5.86
Agricultural Specialists	643 0.74	640 0.74	604 0.61	653 0.67	546 0.57	460 0.49	214 0.23
Veterinary Graduates	4 -	10 0.01	23 0.02	31 0.03	27 0.03	18 0.02	19 0.02
Dairy Graduates	-	3 -	5 -	1 -	6 -	5 -	2 -
Teachers (B.Ed. & M.Ed.)	23425 26.94	27173 31.45	37038 37.11	3472 35.54	36655 38.38	34459 36.61	33817 36.37
Teachers (J.B.T.)	3083 3.54	878 1.02	1339 1.34	1072 1.10	1480 1.55	1550 1.65	1697 1.82
Teachers (others)	15885 18.27	9059 10.48	10135 10.16	8310 8.50	5163 5.40	6479 6.88	6368 6.85
Technical (Total)	86959 100.00	86410 100.00	99797 100.00	97717 100.00	95541 100.00	94119 100.00	92971 100.00
Non-Technical (Freshers)	248497	239469	265686	275377	277429	302295	300797
Graduates	35934	29984	31285	30239	28600	27021	27957
Post-Graduates	10581	8305	7882	7832	6910	6990	6004
Matriculates and under-Graduates	201982	201180	226519	237306	241919	268284	266836
All others	286806	222048	187486	203563	193939	141977	142756
Total (I+II)	622262	547927	552969	576657	566909	538391	536524

Source: Economic Adviser 2001.

Such existing training institutions, as Industrial Training Institutes, have undoubtedly been meeting a significant part of the requirements of skilled manpower for organized industry. The need, however, seems to exist for expeditious restructuring and reorientation of their courses are quickly to respond the labour market. Greater involvement of industry in planning and running the training system would also be necessary for this purpose.

Table 23
Percentage Distribution of Main Workers According To Education Level, 1991

Education Level	Punjab	India
Illiterate	41.5 (36.75)	51.0 (19.56)
Below primary	3.9	7.8
Primary but below middle	14.2	13.9
Middle but below matric	12.3	10.9
Matric but below graduate	22.4	11.9
Graduate and above	5.7	4.4
Total main workers (in lakh)	60.98	2859.32

Source: Director of Census Punjab 1991; Planning Commission, 1999.

Note: Figures in brackets refer to percentage of workers who are unemployed.

Quality of Skills and Training

The quality of training imparted by some of the institutions is not up to the mark. For instance, much of the training provided by ITIs is for skills for which there is little current demand. The curriculum has not been revised for a long time and is not attuned to current market requirements. Skills acquired by the students are poor and not required by the employers. The facilities and infrastructure in most ITIs are inadequate and the equipment obsolete. There is a shortage of trained faculty in these institutes. According to employment exchange data, a large proportion of the technically trained manpower from ITIs and other institutions has remained unemployed. Evaluation of special training programmes indicates that the number of those who had been trained were either unemployed, or not employed in the trade in which they had received training. Thus, there is immediate need for expansion of specialized training through IITs. The role of the private sector in higher general education and technical education must be expanded. The existing ITIs must be strengthened and modernized. The industrial sector should be more involved in the management of ITIs at various levels. Improvement of vocational education at the school-level has to be emphasized. The apprenticeship system has to be strengthened. There is dire need for greater involvement of the private sector in the entire process, with the support of public sector as facilitator, to achieve the vast improvements required in the quality of training and skills.

No training facilities oriented towards the needs of the informal sector exist, which is otherwise expected to provide for a large part of the expansion in employment. With regular wage-employment shrinking, the educated unemployed have to find job-opportunities as self-employed, which are mostly in the informal sector or outside the organized sector. This suggests the need to pursue strategies that help the informal sector to expand, particularly in high-growth areas, where the income levels in the unorganized sector can be expected to be fairly reasonable. It should be noted that various aspects of employment, unemployment and related issues have been comprehensively dealt with in the Reports prepared by the Government of India (Planning Commission 2001b, 2001c, 2002; Ministry of Labour 2002).

FUTURE GROWTH OF EMPLOYMENT

The slow growth of employment may be primarily due to the fact that the SDP growth rate actually achieved has fallen short of what was expected during the plan periods and growth of employment has not taken place according to the elasticities of employment projected during the plans. Thus, in order to generate additional productive employment opportunities and improve the quality of existing employment during the Tenth Five-Year Plan and beyond, the growth of the economy has to be accelerated to higher levels. Hence, the emphasis is on growth-led employment generation. The investment level has to be raised substantially to attain higher growth rate of the economy in future and its efficient use has to be ensured to the extent possible. That would result in higher employment elasticity. The rate of investment (gross state capital formation) as a percentage of GSDP, and the efficiency of investment measured by the incremental capital-output ratio (ICOR), are two critical determinants of growth, which are important from a policy point of view for accelerating growth in the future.

The rate of investment in Punjab has varied between 1993-94 and 1999-2000, averaging 22.4 per cent, whereas the average growth rate during this period was about 4.2 per cent (Table 24). This gives an ICOR of 5.3 per cent. By applying this ICOR, an acceleration from 4.2 per cent growth to five per cent would need an investment rate of 26.7 per cent. Similarly, acceleration to six per cent, seven per cent and eight per cent would require investment rates of 32.0 per cent, 37 per cent and 42.6 per cent respectively. In this respect, the performance of the country as a whole has been far better, as it has achieved a growth rate of 6.5 per cent with an average rate of investment of 24.4 per cent giving an ICOR, of 3.7 per cent during 1992-93 to 1999-2000. Acceleration of growth from 6.5 per cent to eight per cent and nine per cent would require an increase in investment rate of 30 per cent and 34 per cent at the national level. To achieve a very high rate of investment is not an easy task. However, policies to reduce ICOR resulting in efficient use of capital, can also help attain a higher growth with a relatively lower investment level. Domestic savings, have to be maintained at an adequate level as these constitute the major source for financing investment in addition to raising foreign direct investment (FDI) to meet any shortfall. Improvement in efficiency in every sector is imperative if the targeted rate of growth has to be achieved. To attain efficiency, domestic and international competition is very essential, though it could have some adverse effect on employment, initially. China could achieve a higher growth rate of the economy because of a very high rate of domestic investment and FDI.

Table 24
Average Investment Rate and Growth Rate (1993-94/1999-2000)

Rate of investment	22.4 (24.4%)
Growth rate	4.2 (6.5%)
Incremental capital-output ratio	5.3 (3.7%)
To achieve growth rate of:	Estimated investment required:
5 per cent	26.7 per cent
6 per cent	32.0 per cent
7 per cent	37.3 per cent
8 per cent	42.6 per cent

Source: Economic Adviser, Statistical Abstracts of Punjab

Note: Figures in parentheses are for the country as a whole

Thus, if accelerated growth of gross state domestic product (GSDP) has to be the core of a viable strategy for employment generation, a policy framework for action for its rapid growth of GSDP must be regarded as the essential precondition. Following areas can be regarded critical at the level of macro-economic policy (Planning Commission 2001b).

- i) Achieving high rate of investment.
- ii) Improvement in efficiency.
- iii) Improvement in infrastructure.
- iv) Improvement in financial system.
- v) Credit availability for informal sector

IMPLICATIONS FOR EMPLOYMENT POLICY

1. The districts, which are industrially important, such as Amritsar, Ludhiana and Jalandhar, have a very high proportion of those seeking employment. There is immediate need for appropriate intervention in these areas for enhancing employment opportunities.
2. Underemployment in the state has increased in recent times. This indicates the deteriorating quality of employment. In fact, the major challenge is the replacement of existing low-quality jobs with high-quality jobs.
3. Appropriate employment opportunities have to be created for the better educated, which could ensure a higher income level.
4. Unemployment among youth in the state is comparatively higher than among all ages. If the energy of the youth is not channelled properly by providing adequate work opportunities, they might indulge in acts, which would be detrimental to the society.
5. Female work-participation rate has been very low in the state reflecting on the status of women's empowerment. A large proportion of women workers in the state are engaged in a subsidiary capacity in low productivity activities with very low earnings. A large number of them have to work under highly exploitative and discriminatory conditions. Efforts to provide decent employment to women should also include legal protection against women-specific exploitation. There is need to study in detail various aspects of, and activities in which women are engaged.
6. The private sector has to be encouraged for generation of higher employment in the state. Regular jobs in the organized sector can be increased if serious and sincere efforts are made to remove the bottlenecks, which discourage rapid expansion of regular employment in the private sector. One of the major constraints is inflexible labour laws. Changes in the labour laws, the process for which has already begun, can provide greater flexibility for the expansion of employment.
7. Creation of regular employment in the near future will not be substantial. A large volume of better quality employment has to be generated through self-employment. Therefore, adequate policy steps have to be taken to promote self-employment opportunities.
8. Despite increase in self-employment opportunities in the state, a large work force will continue to work as casual labour, thereby keeping a large number of households poor. There is need to improve the quality of such employment in terms of higher working days and better real wages, which can be ensured through faster growth of the economy.
9. Activities in the non-agricultural sector have to be promoted and excessive dependence on the agricultural sector has to be reduced for better quality of employment and incomes and hence, to achieve a higher rate of growth of the

economy. Sectors, which have comparative potential of higher employment generation in the future are, apart from agro- and food-processing, small-scale industries, construction, trade, tourism, transport, communication, information technology and other services. These sectors have achieved significant growth during the post-liberalization period. It is expected that the most of the employment to be generated in the next few years will be in the services sector. Thus, vast improvements in this sector can create large quality employment. Extensive economic and social infrastructure development is the need of the time to promote overall growth of the economy. Private investment needs to be encouraged in this sector for speedier results. Faster development of non-farm activities, especially in rural areas, will be helpful in checking rural-to-urban migration.

10. The unorganized sector assumes greater significance for future expansion of employment, as the growth of employment in the organized sector has substantially declined. However, to promote wage and self-employment in this sector, its various needs especially for those viable from a long-term point of view have to be met.
11. Various employment generating programmes for the vulnerable sections of society need to be effectively implemented after proper restructuring, making them leakage proof through constant monitoring and fixing of responsibility for any lapses. A casual approach to the handling of these schemes has to be shed and their smooth functioning ensured. There is also need to restructure the KVIC programme to enhance its product quality and competitive ability.
12. The ITIs and other technical institutions are in need of upgradation and modernization in terms of infrastructure, staff and courses. The system of specialized higher technical education needs to be strengthened, if our technical manpower is to avail of the opportunities in the international labour market. Industry should be involved in the management of these institutions. The private sector has to be encouraged to play an important role in imparting vocational training. Such institutions as IITs and IIMs, which are known for their quality of talent, have to be promoted. Several developed countries could achieve higher levels of growth because of a very high level of vocational and technical education. Training systems of these countries need to be studied.
13. At the prevailing growth rate, it will not be possible to achieve significant improvement in the employment situation. Indeed, a very high investment rate is required if we want to achieve a higher rate of growth of the state economy during the Tenth Five-Year Plan, along with an increase in efficiency of capital use, i. e., reduction in ICOR. Hence, there is a need to achieve higher investment rate to ensure growth-led employment generation in the economy.

Keeping in view the seriousness of the unemployment problem, the authorities concerned in the state have intensified efforts to make available higher employment opportunities, especially for educated persons, through several ways, such as identifying workers in short supply and high demand in the private sector, identifying skill gaps through surveys, improving the quality of training to narrow down the mismatch of demand and supply, promoting on-the-job training by involving employers in the private sector, strengthening the Overseas Employment Cell for those desirous of working abroad, setting up the Youth Employment Board with the collaboration of ILO, providing training by starting coaching centres at the employment exchange level and making online services available for better information.

II INDUSTRIAL RELATIONS IN PUNJAB

INTRODUCTION

'Labour is the source of all wealth and all life-sustaining activity on earth. If we just cast a glance around us, we find any thing that is not a work of Mother Nature, is the work of human labour. Indeed, to work itself is the essential attribute of human nature' (*Journal of Workers Education*, June 2000).

Industrial relations constitute one of the most complex and delicate problems of the modern capitalist industrial production process, which is characterized by rapid change and conflicting ideologies on national and international fora. The ideas, institutions and patterns of collective bargaining, which had shaped the philosophy of industrial relations in the past, are being felt as comparatively irrelevant in the context of new developments, new technology, and the changing socio-political and economic order emerging throughout the world in general and in the developing countries in particular (*Indian Labour Year Book*, 1999).

The present structure of Indian industrial relations draws its spirit from the concept of a welfare state. At the time of independence several labour laws were enacted to protect the workers from exploitation. Labour policy was directed initially towards maintaining harmony for ensuring the realization of the objectives of economic planning. To deal with industrial conflicts four types of institutions were created: (i) Interventionist labour laws; (ii) industrial democracy; (iii) code of conduct, moral as well as disciplinary; and (iv) consultation machinery. (Collective bargaining through bipartism and tripartism). Among all these, state intervention has played the dominant and significant role. Wherever conflicts arose between employees and employers, state came in to sort out problems. In this process the state introduced an array of regulations to protect the interests of industry as well as of workers (Ratnam, 1996).

In the wake of the New Economic Policy (NEP), the state is now trying to deregulate Indian industries in order to compete with multinationals. New technologies and structural and other adjustments seem to have made position of trade union much more vulnerable than any time in the past.

The growing flexibility of Indian industries has left unions with little membership and very little to do. This has weakened their power. In many sick public sector units, unable to compete in an open market system, trade unions have been compelled to adopt 'concession bargaining' for their many existence and survival. This is what is happening all over India and in Punjab too.

In this background an attempt has been made to understand the status and situation of labour and labour/industrial relations in Punjab. In the following pages some important aspects of labour and industrial relations, such as trade unionism and related aspects, industrial disputes and their causation and settlement machinery, composition of the labourforce, social security system and welfare schemes, problems and prospects of trade unionism, and the role of government, employers and trade unions and political leadership, will be discussed. In addition, efforts will also be made to look at the future of labour and industrial relations in Punjab.

Limitations of Data

- i) Data related to small industrial units and industrial disputes, involving less than ten workers resulting in work stoppage and lockouts, are not collected. In order to have a complete picture of the industrial relations scene at the state, as well as at the national level, it would be necessary to ensure collection and dissemination of requisite data on all the industrial disputes resulting in work-stoppages or lockouts.
- ii) The whole set of data disseminated by the State Labour Department and the National Labour Bureau largely relate to the organized sector. Industrial disputes resulting in work stoppages in the unorganized sector, therefore, mostly go unrepresented in the industrial relations picture.
- iii) Since the data are collected on a voluntary basis, some degree of non-response cannot be ruled out. The solution, however, does not lie in statutory submission of the requisite, but inadequate, statistics, but in strengthening the data collection machinery of the states, and also training those involved in the job of collection of labour-related information.

COMPOSITION OF THE LABOURFORCE IN PUNJAB

Punjab's economy is predominantly agricultural. However, over a period, its overall economy has undergone a structural transformation. The sectoral distribution of the workforce shows that in 1981, 58.02 per cent of the workforce of Punjab was engaged in agriculture. In 1991 (cultivators and agricultural labour), the percentage was 55.26 per cent and in 2001 it has declined to 39.4, which constitutes a marked shift in the workforce from the agricultural to the non-agricultural sector during this decade. One can call it a qualitative shift in the economy. This loss in the share of employment in the primary sector is due to the shift of the workforce to the secondary and tertiary sectors. The recent *Census on Punjab (2001)* reveals that the share of workers in the household industry has increased from 1.33 per cent in 1991 to 3.4 per cent in 2001. Clubbed data of manufacturing and others show that the in share in engaging workforce was 45.74 per cent in 1991 and 60.6 per cent in 2001. The shift from primary to the secondary and tertiary sectors is 14.86 per cent. This is a very significant change in the share of the workforce in different sectors. The domination of small-scale and unregistered tiny units in the industrial structure in Punjab is another significant feature of the economy.

According to the 1991 Census, only 12.98 per cent of the workers are employed in the organized sector of Punjab and the rest 87.02 per cent are in the unorganized sector, where labour laws are applied negligibly. In the light of this it is imperative to see how the life and livelihoods of those engaged in this unorganized sector can be made more secure against deprivation. The pattern of employment is also of low quality, as the majority of the workforce is employed as farm and construction workers and unskilled labourers in factories and elsewhere. (*White Paper on the State Finances*, Government of Punjab, March, 2002)

Migrant Labour

Migrant labour is another important component of the labourforce of Punjab, apart from local labour. However, according to the census reports of 1971, 1981, 1991, Punjab still is an out-migrating state. A major proportion of the migrant labourforce working in the industrial and agriculture sectors of Punjab hail from Uttar Pradesh, Bihar, Rajasthan

and Orissa. They are attracted to Punjab because of better employment opportunities and higher wages than in the states of their origin. Migrants are not only employed in agriculture and the industrial sector, but in other occupations too, such as building and road construction, brick making and rickshaw pulling, etc. Most of these migrants are males. It needs special mention that a large number of these migrants are permanent settlers in Punjab as a part of urban and rural settlements. Those who migrate seasonally and continue to shift their residence and remain in circulation are not recorded in the census data. Therefore, a large number of migrants remain unrecorded (*Draft Human Development Report, Punjab, 2001*).

Various persons, scholars, academics have made estimates of unrecorded migrants. For instance Avasthi (1997,1-2) estimates that out of the 14.33 lakh agricultural labourforce about 2.5 lakh are migrant workers; 84,000 out of one lakh workers engaged in brick-kilns are migrant workmen; and in the construction sector out of 1.56 lakh workers nearly 1.10 lakh are migrants. Employment of inter-state migrants in the industrial sector too is substantial. Such migrants are estimated to number about six to seven lakh. This immigration has posed important issues not only for the socio-economic and political environment of the state, but also for settlement patterns, wage rates, single unit migration and above all the newly evolved forms of exploitation of in-migrants to Punjab from other backward states (Chand, 1998: 3). Thus, migrant labour plays a major role in the economic development of the state.

It has been perceived that migrant labour is placed lower than the local labour in terms of economic status and is also exploited. They meet with discrimination in terms of wage payment, hours of work, social behaviour and social security covers and social and basic amenities. It is also not true that the provisions of Inter-State Migrant Workmen's Act are being followed in Punjab and of Minimum Wage Act are being implemented, especially in the unorganized sector. As this situation has very serious implications for harmonious industrial relations in Punjab, it needs the immediate attention of the state government.

Child Labour

According to the census figures, there were 2,32,774 working children in Punjab in 1971, 2,16,939 in 1981 and 1,42,830 in 1991. Evidently there has been a tremendous decrease/decline in the number of working children in Punjab over the decade 1981-91. The decline is 34.16 per cent, which amounts to 3.42 per cent per annum. In Punjab, the proportion of working children to total children in the age group of 5-14 years, was 5.16 per cent during 1981 and 3.03 per cent during 1991 (Sharma, 2001:68-69).

Sex-wise distribution of child workers shows the predominance of males (86.70%). Data further reveal that the majority of main workers are male and females are marginal workers. According to the 1991 census, there were 1,20,520 children in rural areas and 22,310 in urban areas of Punjab, which shows that child labour is mainly prevalent in rural areas (85.62%). In rural areas child workers are engaged in the agricultural sector and allied activities (Sharma, 2001: 70-74). One can conclude that in Punjab child labour is predominantly confined to the agricultural sector followed by services and small-scale cottage industry.

In 1981, main child workers were 82.70 per cent of the total child workers and this proportion further rose to 93.96 per cent during 1991. This clearly shows that the percentage of marginal workers is very small and child labour in Punjab mainly comprise

of those children who work for the major part of the year and their main activity is confined to either cultivation as agricultural labourers, or in the household industry, or in some other jobs in the informal sector. If we compare this figure with the all-India figure it seems negligible, but as Punjab is a very prosperous state, it is a matter of great concern to the state. The labour department of Punjab Government in 1997 carried out a survey of 28,644 factories/shops and commercial establishments to find out cases of child labourers. A total number of 3,614 children were detected working in 1,681 establishments (*Child Labour Survey Report*, Department of Labour, Punjab, 1997).

The survey found a large number of children, i.e., 1,906, working in brick kilns, followed by 936 in hotels, restaurants, dhabas and tea stalls, 91 children were working in hazardous processes, defined by schedule 'A' or 'B' of Child Labour (Prohibition and Regulation) Act, 1986. The survey data further show that out of 3,614 children detected 2,802 were males and 812 female and 2,952 (81.68%) illiterate. Further information shows that 2,474 (68.45%) children detected were found to be working for a period ranging from 0 to 6 months. The majority of them 2,761 (75%) were working for more than six hours a day. Of the children detected 428 were getting up to Rs 200 per month, 1,334 from Rs. 200 to Rs. 500 and only 1,852 (48.75%) getting wages about Rs. 500 per month. The survey also much that most of the children found working were wards of migrant labourers. Locals were very few. Data also show district-wise concentration of child labour. Out of 3,614 child labourers detected by the survey, the maximum number (932) in Amritsar, followed by Kapurthala (769), Jalandhar (384), Hoshiarpur (347), Patiala (211) and Ludhiana (144), (*Child Labour Survey Report*, Department of Labour, Punjab, 1997).

Poverty, till date, has been identified as the single largest reason for child labour. Although the magnitude of absolute poverty is relatively less than in many other states, relative poverty exists in Punjab. This has contributed to the existence of a sizable child labourforce. In most of the cases children contribute to augmenting the family income. Besides the Scheduled Castes and Backward Castes of the state, migrant labour from Bihar, Uttar Pradesh, Orissa and other states have also contributed in aggravating the problem of child labourers in Punjab as the all send their children to work as child labourer to enhance their income.

Employers not only take advantage of their vulnerable position by paying less wages. They have also pushed them to hazardous work. Employers find that the advantage of employing children is that they do not go on strike and disrupt production. They are also the easiest to dislodge at times of economic difficulties. Children are the cheapest to hire and easiest to fire as they do not resist. They can be made to work in poor working conditions on a very low wage rate. Since it affects industrial relations, they should intervene urgently to insure that the children of disadvantaged sections and properly looked after to become a high quality human resource for the development of the society.

TRADE UNIONISM IN PUNJAB

The growth of trade unionism in Punjab is part of the history of Indian trade union movement. Before 1947, there was not much trade union activity in Punjab. There were only four trade unions, up to 1919-20. These were affiliated to the AITUC, as mentioned by Mathur and Mathur (1957:17-18). There also existed another five unions sympathetic to the AITUC, which had a very brief existence. It was only during 1930-40 that the

number of trade unions in Punjab rose to 65, with a membership of 11,051, which however, declined to 22 in 1944-45.

After independence, the trade union movement in Punjab got an impetus from different political parties. The green revolution triggered a great deal of agricultural and industrial development in the state. Consequently, there was an increase in employment in the industrial sector. This gave new life to the trade union movement in Punjab. Many factors common to Indian trade unionism have influenced and facilitated its growth in the state. An attempt has been made here to understand the status of trade unionism in reorganized Punjab since 1966. Various indicators which have affected the growth of trade unionism have been analysed and discussed with the help of available statistics.

Growth of Trade Unions in Punjab

Punjab, unlike other states, shows a declining trend in the density of unionization as, measured by the ratio of membership per union. This is understandable, because industrialization of Punjab is still based largely on small firms. The number of registered trade unions in the state increased more than four-fold from 536 in 1968 to 2,297 in 1999 (Table 25). The number of unions submitting returns is very low. A similar tendency has been observed at the national level too (Ratnam, 1996: 3). There are only 523 unions (22.77%) submitting returns as against 2,297 registered unions registered in 1999. According to available data, there has been a 52 per cent increase in the index number of unions submitting returns between 1968 and 1999, but the response rate has sharply declined from 64 per cent to 23 per cent. This is indicative of the failure of the government to make the unions file their returns regularly, although it is a statutory obligation. It also reflects the irresponsible and casual approach of the management of the trade unions. In view of only a 23 per cent (in 1999) response rate it would not be safe to conclude that the average membership per union has increased from 257 to 1,035, as revealed in Table 25.

Table 25
Trade Unions in Punjab (1968 to 99)

Year	Total No. of registered unions	Index of registered unions (1968 = 100)	No. of unions submitting returns	Index of unions submitting returns (1968 = 100)	Membership of unions submitting returns	Index of membership (1968 = 100)	Response rate	Average membership of unions submitting returns
1968	536	100.00	344	100	88413	100.00	64.18	257
1969	592	110.45	323	93.89	89681	101.43	54.56	278
1970	624	116.42	379	110.17	119200	134.82	60.74	315
1971	476	88.81	365	106.10	125187	141.59	76.68	343
1972	543	101.30	389	113.08	157691	178.35	71.64	405
1973	624	116.42	412	119.76	203686	230.38	66.03	494
1974	678	126.49	433	245.63	212259	240.07	63.86	490
1975	731	136.38	464	134.88	205877	232.85	73.53	444
1976	751	140.41	410	119.18	223865	253.20	54.59	546
1977	815	152.05	399	115.98	206736	233.82	48.96	518
1978	887	165.48	409	118.89	232732	263.23	46.11	569
1979	986	183.95	470	136.62	279300	315.90	47.67	594
1980	1070	199.62	409	118.89	225592	255.15	38.22	552
1981	1169	218.09	462	134.30	310189	350.84	39.52	671
1982	1173	218.84	473	137.50	346049	391.40	40.32	732
1983	1218	227.24	469	136.33	333628	377.35	38.51	711
1984	1292	241.04	416	120.93	275037	311.08	32.20	661
1985	1376	256.72	457	132.84	316888	358.41	33.21	693
1986	1429	266.60	491	142.73	341766	386.55	34.36	696
1987	1512	282.09	484	140.69	316297	357.74	32.01	654
1988	1635	305.04	456	132.55	393863	445.48	27.89	864
1989	1745	325.56	507	147.38	446040	504.49	29.05	880
1990	1851	345.33	467	135.75	385761	436.31	25.23	826
1991	1806	336.94	477	136.68	397984	450.14	26.41	834
1992	1876	350.00	415	120.63	347729	393.30	22.12	838
1993	1927	359.51	407	118.31	393970	445.60	21.12	968
1994	2004	373.88	467	135.26	494596	559.38	23.30	1059
1995	2075	387.13	417	121.22	431629	488.20	20.10	1035
1996	2097	391.23	446	129.65	445399	503.77	21.27	998
1997	2158	402.61	426	123.84	443487	501.61	19.74	1041
1998	2226	415.30	499	145.06	459503	519.72	22.42	921
1999	2297	428.54	523	152.03	660226	746.75	22.77	1262

Sources:

1. Office of the Labour Commissioner, Punjab, Chandigarh.
2. E.S.O., Various Issues of *Statistical Abstract*, Punjab, Chandigarh.

Note:

1. Response rate = No. of union submitting returns

$$\frac{\text{No. of unions submitting returns}}{\text{Total No. of registered unions}} \times 100$$

Membership of Trade Unions

The data only of unions submitting returns reveal a declining trend with small membership. Clubbing the data into three categories, according to membership size, i.e., 0-499, 500 to 1,999 and 2,000 and above, at four points of time, i.e., 1968, 1981, 1991 and 1999, shows that the percentage of small and medium size unions has decreased and those with a large membership has increased over 1968 to 1999 (Table 26). It has been observed that the share of unions with less than 500 members has continuously declined from 45.42 per cent in 1968 to 15.64 per cent in 1981 to 13.70 per cent in 1991 and to 9.18 per cent in 1999. This is also true of unions with a membership of less than 2,000, whose share has fallen substantially from 38.50 per cent in 1968 to 30.13 per cent in 1981 to 20.24 per cent in 1991 and to 13.14 per cent in 1999. Unions with a membership of more than 2,000, have increased their share from 16 per cent in 1968 to 54.24 per cent in 1981 to 66.07 per cent in 1991 and to 77.68 per cent in 1999. It can possibly be concluded that workers must have realized that their strength lies only in their numbers. At the national level too, the degree of unionization is very high in the public sector with its large employment, while it is much less in small and medium units, particularly in the private sector (Ratnam, 1996: 4). It can, therefore, be concluded that, since Punjab has a large number of small-scale industries, the role of trade unions as such has not been as much in evidence as it might have been with large industries.

Income and Expenditure of Trade Unions

Adequate financial resources are a necessary condition for a union to be effective and independent. Table 27 shows that the financial status of unions in Punjab is comfortable. The average income has increased 17 times during 1968 and 1999, and the average expenditure 16 times. Another indication of the sound financial condition of the unions is the substantial closing balance in their accounts. This means that they are not short of funds for undertaking trade union activities. But unions in small units always face a financial crunch.

Trade Unions' Affiliation with Central Federations

Indian unions are fragmented on the basis of ideological and other factional considerations and of caste and regional differences and also centred on personalities. (ILO, 1992). According to several studies, apart from low membership coverage and fragmentation, there has been a decline in membership and growing alienation between trade unions and members (Ramaswamy, 1998). In Punjab, mainly five central federations of trade unions, namely, the INTUC, AITUC, Bhartiya Mazdoor Sangh (BMS), Centre of Indian Trade Unions (CITU) and the Hind Mazdoor Sabha (HMS) are active among industrial workers, as evident from Table 28. However, a substantial number of unions in Punjab are not affiliated to any of these federations and operate independently. The table shows a growing tendency to seek affiliation with federations. This is also indicative of increase in politicization of trade unions. In 1968, 42.44 per cent of the trade unions, with 30.33 per cent of the total membership of unions, fell into the category of non-affiliated or independent unions. The percentage of unions in this category has declined continuously from 43.01 in 1970 to 29.87 in 1981 to 23.69 in 1991 and to 16.82 in 1999. Their membership too has decreased, though to a relatively lesser degree.

Table 26
Trade Unions in Punjab - Size-wise Distribution (1968-99)

Year	Less than 50			50-99			100-299			300-499			500-999			1000-1999			2000-4999			5000-9999			10000 & above			Total	
	No.	Mem.	%	No.	Mem.	%	No.	Mem.	%	No.	Mem.	%	No.	Mem.	%	No.	Mem.	%	No.	Mem.	%	No.	Mem.	%	No.	Mem.	%	No.	Mem.
1968	91	2312	2.62	71	4439	5.02	103	19843	22.44	36	13561	15.34	26	17716	20.04	13	16319	18.46	3	7944	8.98	1	6279	7.10	0	0	0	344	88413
1969	78	2228	2.48	69	4797	5.35	88	15559	17.35	43	15128	16.87	26	18534	20.67	16	21685	24.18	2	4930	5.50	1	6820	7.60	0	0	0	323	89681
1970	102	2832	2.38	68	4685	3.93	118	19954	16.74	39	14705	12.34	27	18305	15.36	18	25052	21.02	5	19933	16.72	2	13734	11.52	0	0	0	379	119200
1971	87	2338	1.87	72	5208	4.16	114	18153	14.50	39	15080	12.05	24	14690	11.73	21	28796	23.00	5	17522	14.00	3	23400	18.69	0	0	0	365	125187
1972	95	2827	1.79	68	4886	3.10	120	20695	13.12	40	15425	9.78	35	22675	14.38	19	27249	17.28	7	24256	15.38	5	39718	25.18	0	0	0	389	157731
1973	84	2554	1.26	77	5032	2.47	128	21785	10.71	38	14690	7.22	46	29332	14.42	23	31903	15.69	7	20362	10.01	9	77726	38.22	0	0	0	412	203384
1974	76	2150	1.07	88	6264	3.11	141	24126	11.96	38	14670	7.28	47	29770	14.76	24	35496	17.60	6	19546	9.69	9	69620	34.53	0	0	0	429	201642
1975	82	2450	1.19	94	6640	3.22	155	27047	13.14	37	14077	6.84	55	33748	16.39	23	33045	16.05	11	30387	14.76	7	58483	28.41	0	0	0	464	205877
1976	74	2167	0.97	88	6232	2.78	121	20901	9.34	38	14412	6.44	48	30081	13.44	24	35371	15.80	7	22324	9.97	10	92377	41.26	0	0	0	410	223865
1977	71	2071	1.00	83	5823	2.82	116	20441	9.89	39	14693	7.11	44	28382	13.73	28	38343	18.55	9	24599	11.90	9	72384	35.01	0	0	0	399	206736
1978	74	2131	0.92	72	4911	2.11	115	20418	8.77	43	15728	6.76	57	36761	15.80	25	35937	15.44	13	33476	14.38	10	83370	35.82	0	0	0	409	232732
1979	77	2234	0.80	82	5851	2.09	145	24762	8.87	47	17126	6.13	66	44935	16.09	24	33625	12.04	18	48764	17.46	11	101967	36.51	0	0	0	470	279264
1980	70	2256	1.00	63	4629	2.05	117	23725	10.52	49	18929	8.39	65	46816	20.75	22	31579	14.00	17	46228	20.49	6	51430	22.80	0	0	0	409	225592
1981	71	2176	0.70	76	5394	1.74	133	24029	7.75	46	16896	5.45	72	49648	16.01	31	43806	14.12	25	75865	24.46	3	20191	6.51	5	72180	23.27	462	310185
1982	73	2230	0.64	71	4972	1.44	78	10534	3.04	108	32311	9.34	72	48873	14.12	32	45316	13.09	27	78293	22.62	7	48626	14.05	5	74894	21.64	473	346049
1983	77	2430	0.73	76	5039	1.51	75	10566	3.17	110	31678	9.50	57	33222	9.96	33	43762	13.12	27	73906	22.15	7	55574	16.66	7	77451	23.21	469	333628
1984	77	2488	0.90	56	3937	1.43	141	24650	8.96	36	13356	4.86	45	30919	11.24	25	32363	11.76	26	72632	26.41	6	36034	13.10	4	58658	21.33	416	275037
1985	62	1941	0.61	81	5615	1.77	135	23732	7.49	50	17173	5.42	64	43637	13.77	28	38966	12.30	25	72475	22.87	8	57015	17.99	4	56334	17.78	457	316888
1986	67	1994	0.58	88	6780	1.98	153	27542	8.06	49	17534	5.13	67	45649	13.36	24	35431	10.37	27	79847	23.36	12	75299	22.03	4	51690	15.12	491	341766
1987	70	2177	0.69	91	5845	1.85	144	25279	7.99	49	18293	5.78	61	41856	13.23	32	42529	13.45	25	75782	23.96	7	45423	14.36	5	59113	18.69	484	316297
1988	60	1685	0.43	74	4609	1.17	141	21387	5.43	42	13479	3.42	55	31893	8.10	32	34948	8.87	30	105765	26.85	15	96191	24.42	7	83906	21.30	456	393863
1989	76	2407	0.54	74	5297	1.19	157	28461	6.38	50	18909	4.24	61	39568	8.87	40	51713	11.59	30	100997	20.64	13	86935	19.49	6	111753	25.05	507	446040
1990	58	1945	0.50	66	4592	1.19	145	25430	6.59	58	23189	6.01	71	48372	12.54	25	33540	8.69	29	96051	24.90	10	73570	19.07	5	79072	20.50	467	385761
1991	53	1677	0.42	77	5292	1.33	147	25176	6.33	59	22360	5.62	73	48113	12.09	24	32421	8.15	28	85775	21.55	10	68688	17.26	6	108482	27.26	477	397984
1992	56	1780	0.51	68	4713	1.36	111	19426	5.59	60	22110	6.36	66	45114	12.98	18	25272	7.27	27	87168	25.07	4	27382	7.87	5	114734	32.99	415	347729
1993	54	1557	0.40	61	4244	1.08	115	20224	5.13	54	19907	5.05	60	40841	10.37	20	29135	7.39	30	97997	24.87	8	54482	13.83	5	125583	31.88	407	393970
1994	60	1923	0.39	67	4652	0.94	140	25492	5.15	58	21711	4.39	65	42533	8.60	34	46486	9.40	26	87537	17.70	11	65193	13.18	6	199069	40.25	467	494596
1995	59	1805	0.42	70	4915	1.14	120	21455	4.97	54	20362	4.72	49	34535	8.00	24	32299	7.48	25	82426	19.10	10	58093	13.46	6	175739	40.71	417	431629
1996	56	1778	0.40	81	5465	1.23	134	24322	5.46	46	18547	4.16	61	43881	9.85	28	39468	8.86	27	93955	21.09	7	43460	9.76	6	174523	39.18	446	445399
1997	57	1818	0.40	70	4957	1.12	125	22690	5.12	53	20855	4.70	48	33942	7.65	28	40120	9.05	31	108759	24.52	7	48428	10.92	7	161918	36.51	426	443487
1998	59	1890	0.41	73	5158	1.12	138	24323	5.29	51	19353	4.21	54	36848	8.02	29	40119	8.73	29	99651	21.69	10	59178	12.88	6	172983	37.64	449	459503
1999	60	1936	0.29	69	4858	0.74	174	29254	4.43	64	24573	3.72	62	41964	6.36	31	44791	6.78	40	133416	20.21	13	83964	12.72	10	295470	44.75	523	660226

Sources:

1. Office of the Labour Commissioner, Punjab, Chandigarh.
2. E.S.O., Various Issues of *Statistical Abstract*, Punjab, Chandigarh.

Note:

1. The data relate only to trade unions, which submit their returns.
2. No. = Number of unions;
3. Mem. = Membership of the unions;
4. % = Percentage of membership in relations to total trade union membership.

Table 27
Income and Expenditure of Trade Unions in Punjab (1968-99)

Year	Opening balance (Rs.)	Index of opening balance (1968=100)	Income (Rs.)	Index of income (1968=100)	Expend. (Rs.)	Index of expend. (1968=100)	Closing balance (Rs.)	Index of closing balance (1968=100)	Average income per union (Rs.)	Average expend. per union (Rs.)
1968	268431	100	437314	100	416137	100	289608	100	1271	1210
1969	252439	94	613927	140	515091	124	351275	121	1901	1595
1970	233905	87	1281936	293	1127343	271	384494	133	3419	3006
1971	360338	134	1643624	376	1494741	359	509221	176	4503	4095
1972	505051	188	1633751	374	1608910	387	529892	321	4200	4136
1973	653353	243	1334031	305	1117599	269	869785	300	3238	2712
1974	838607	312	1354367	310	1387924	334	805050	278	3157	3235
1975	985665	367	1751540	401	1561739	375	1175466	406	3775	3369
1976	1283544	478	1442728	330	1359108	327	1367164	472	3519	3315
1977	777037	289	1356362	310	1202051	289	931348	322	3399	3013
1978	890764	332	1592578	364	1464356	352	1018986	352	3894	3580
1979	1470743	548	2145087	491	1789026	430	1826804	631	4564	3806
1980	1081215	403	1873295	428	1620890	390	1333620	460	4580	3963
1981	1906413	710	2997723	685	2448912	588	2455224	848	6489	5301
1982	3046297	1135	3766271	861	3406582	819	3405986	1176	7962	7202
1983	1431781	533	3465839	793	2973966	707	1953654	675	7390	6277
1984	3073447	1145	2879923	659	2556244	614	3397126	1173	6923	6145
1985	1374530	512	4531405	1036	4524707	1087	1381228	477	9916	9901
1986	3026907	1128	5000546	1143	5118882	1230	3208571	1108	10184	10425
1987	2246462	837	4058919	928	4097068	985	2208313	763	8386	8465
1988	5776792	2152	5592285	1279	8769187	2107	2599890	898	12264	19231
1989	1302825	485	5389284	1232	4349256	1045	4342853	1500	10630	8578
1990	1590213	592	6104149	1396	5992950	1440	1701412	587	13071	12833
1991	1556497	580	6411371	1466	5960249	1432	2007619	693	13441	12495
1992	2975062	1108	6868798	1571	6787739	1631	3057021	1056	16551	16356
1993	3328272	1240	4718853	1079	5134667	1234	2912458	1006	11594	12616
1994	4130956	1538	7826306	1790	7553413	1815	4403849	1521	16759	16174
1995	4557039	1693	7790043	1781	6713394	1613	5635688	1946	18681	16099
1996	4059545	1512	8800552	2014	6603845	1587	6256252	2160	19732	14807
1997	8190443	3051	16318209	2359	10754801	2584	13753851	4749	38306	25246
1998	5656146	2107	10263040	2347	7527765	1809	8391421	2897	20567	15086
1999	4814069	1793	11598305	2652	10349526	2487	6062848	2093	22176	19789

Sources:

1. Office of the Labour Commissioner, Punjab, Chandigarh.

2. E.S.O., Various Issues of *Statistical Abstract*, Punjab, Chandigarh.

Notes:

1. The information regarding income and expenditure is based on returns received from registered trade unions.

2. Expend. = Expenditure.

Table 28
Affiliations of Trade Unions in Punjab with Central Federations (1968-99)

Year	INTUC				AITUC				BMS				CITU				HMS				PMF				Others				Total	
	No.	%	Mem.	%	No.	%	Mem.	%	No.	%	Mem.	%	No.	%	Mem.	%	No.	%	Mem.	%	No.	%	Mem.	%	No.	%	Mem.	%	No.	Mem.
1968	84	24.42	19905	22.5	49	14.24	21151	23.92	62	18.02	19631	22.20	0	0	0	0	3	0.87	914	1.03	-	-	-	-	146	42.44	26812	30.33	344	88413
1969	42	13.00	16197	18.06	51	15.79	18223	20.32	87	26.93	31040	34.61	0	0	0	0	3	0.92	1154	1.29	-	-	-	-	140	43.34	23067	25.72	323	89681
1970	64	17.20	20593	17.28	40	10.75	20888	17.53	91	24.46	36675	30.78	12	3.23	5020	4.21	5	1.34	1339	1.12	-	-	-	-	160	43.01	34633	29.07	372	119148
1971	57	15.62	29083	23.23	44	12.05	23592	18.85	99	27.12	36514	29.17	10	2.74	3135	2.50	4	1.10	1040	0.83	-	-	-	-	151	41.37	31823	25.42	365	125187
1972	80	20.56	52038	32.99	45	11.57	22192	14.07	110	28.28	45320	28.73	13	3.34	5702	3.61	1	0.26	245	0.16	-	-	-	-	140	35.99	32234	20.44	389	157731
1973	92	22.33	70545	34.63	45	10.92	24270	11.92	126	30.58	63989	31.42	10	2.43	4200	2.06	5	1.21	1706	0.84	-	-	-	-	134	32.52	38976	19.14	412	203686
1974	95	21.93	68991	33.61	50	11.55	22443	10.93	124	28.64	68468	63.36	13	3.00	4713	2.30	7	1.62	2526	1.23	-	-	-	-	144	33.26	38118	18.57	433	205259
1975	111	23.92	75310	36.58	51	10.99	25434	12.35	130	28.02	69071	33.55	15	3.23	4836	2.35	5	1.08	1924	0.93	-	-	-	-	152	32.76	29302	14.23	464	205877
1976	85	20.00	88430	39.50	44	10.77	42019	18.77	121	29.44	60864	27.19	15	3.65	3990	1.78	4	0.97	1752	0.78	3	0.73	1343	0.60	139	33.81	25467	11.38	411	223865
1977	61	15.29	59378	28.79	47	11.78	39020	18.92	125	31.33	60161	32.08	16	4.01	8151	3.95	6	1.50	2297	1.12	6	1.50	1423	0.68	138	34.59	29806	14.46	399	206236
1978	46	11.25	61245	26.31	45	11.00	37405	16.07	137	33.50	78876	33.89	24	5.87	11885	5.11	14	3.42	5178	2.22	6	1.47	3798	1.63	137	33.50	34345	14.76	409	232732
1979	69	14.68	69709	24.96	42	8.94	24817	8.89	141	30.00	86752	31.06	30	6.38	17319	6.20	13	2.77	4602	1.67	4	0.85	1104	0.40	171	36.38	749637	26.83	470	279300
1980	60	14.67	49580	21.98	34	8.31	10995	4.87	161	39.36	98.140	43.50	27	6.60	15786	7.00	10	2.44	4240	1.88	1	0.24	750	0.33	116	28.36	46100	20.44	409	225591
1981	73	15.80	97919	32.19	41	8.87	30847	10.14	159	34.42	91715	30.15	43	9.31	26854	8.83	7	1.52	7075	2.33	1	0.22	865	0.28	138	29.87	48914	16.08	462	304189
1982	74	15.64	93524	27.03	64	13.53	46504	13.44	137	28.96	89897	25.98	45	9.51	30324	8.76	8	1.69	7897	2.28	1	0.21	867	0.25	144	30.44	77039	22.26	473	346052
1983	83	17.70	77977	23.37	59	12.58	53528	16.04	165	35.18	95890	28.74	47	10.02	30146	9.04	10	2.13	8908	2.67	1	0.21	750	0.22	104	22.17	66429	19.91	469	333628
1984	40	9.62	39177	14.24	61	14.66	36688	13.34	143	34.38	93308	33.93	46	11.06	22022	8.01	12	2.88	16499	6.00	3	0.72	1353	0.49	111	26.68	65993	23.99	416	275040
1985	48	10.50	43975	13.88	76	16.63	45375	14.32	148	32.38	98012	30.93	51	11.16	27883	8.80	12	2.63	19375	6.11	3	0.66	1390	0.44	119	26.04	80878	25.52	457	316888
1986	66	13.44	48478	14.18	83	16.90	59237	17.33	172	35.03	123025	36.00	31	6.31	16723	4.89	9	1.83	9198	2.69	4	0.81	2079	0.61	126	25.66	83026	24.29	491	341766
1987	44	9.09	26180	8.28	84	17.36	60616	19.16	166	34.30	21755	38.49	55	11.36	31266	9.89	6	1.24	2889	0.91	4	0.83	2591	0.82	125	25.83	71000	22.45	484	316297
1988	44	9.64	27509	6.98	53	11.62	45179	11.47	167	36.62	136566	34.67	65	14.25	55835	14.18	10	2.19	15623	3.97	1	0.22	1094	0.28	116	25.44	112057	28.45	456	393863
1989	72	14.20	62590	14.03	78	15.38	41734	9.36	191	37.67	157381	35.28	54	10.65	54179	12.15	9	1.78	18414	4.13	2	0.39	2641	0.59	101	19.92	109101	24.46	507	446040
1990	41	8.78	17127	4.44	74	15.85	52088	13.50	179	38.33	139462	36.15	50	10.75	16784	4.35	11	2.36	18490	4.79	3	0.64	2292	0.59	109	23.34	139591	36.18	467	385834
1991	65	13.63	65963	16.57	75	15.72	62796	15.78	172	36.05	144578	36.33	39	8.18	30992	7.79	10	2.10	9852	2.48	3	0.63	2989	0.75	113	23.69	80814	20.31	477	397984
1992	38	9.16	16943	4.87	56	13.49	36250	10.42	164	39.52	118095	33.96	49	11.81	46386	13.34	6	1.45	40326	11.60	5	1.20	1738	0.50	97	23.37	87991	25.30	415	347729
1993	42	10.27	24641	6.25	63	15.40	59767	15.17	177	43.28	124898	31.70	13	3.18	33654	8.54	5	1.22	47620	12.09	5	1.22	1355	0.34	104	25.43	102035	25.90	409	393970
1994	66	14.13	80614	16.30	75	16.06	127626	25.80	174	37.26	132824	26.86	34	7.28	36007	7.28	10	2.14	36657	7.41	1	0.21	1421	0.29	107	22.91	79447	16.06	467	494596
1995	32	7.67	19992	4.63	76	18.23	131902	30.56	194	46.52	127924	29.64	23	5.52	27759	6.43	9	2.16	34513	8.00	1	0.24	836	0.19	82	19.66	88703	20.55	417	431629
1996	29	6.50	17749	3.92	74	16.59	137156	30.79	199	44.61	123158	27.65	46	10.31	34356	7.71	7	1.60	32436	7.28	2	0.83	1485	0.33	89	19.56	99059	22.24	446	445399
1997	30	7.04	13643	3.08	64	15.02	123967	27.95	196	46.09	148148	33.40	37	8.69	27668	6.24	10	2.34	28476	6.42	2	0.89	1591	0.35	87	20.42	99994	22.54	426	443487
1998	29	6.46	8594	1.87	66	14.69	122747	26.71	233	51.89	201349	43.82	33	7.35	37893	8.25	6	1.33	6254	1.36	2	0.45	1491	0.32	80	17.81	81175	17.66	449	459503
1999	93	17.78	139774	21.17	68	13.00	125876	19.06	232	44.36	209838	31.78	27	5.16	39782	6.03	12	2.29	41915	6.35	3	0.57	1482	0.24	88	16.82	101557	15.38	523	660226

Sources: 1. Office of the Labour Commissioner, Punjab, Chandigarh.

2. E.S.O., Various Issues of *Statistical Abstract*, Punjab, Chandigarh.

Notes: 1. No. = Number of unions submitting returns

2. Mem. = Membership of unions submitting returns

The position of INTUC was the best among the federations, in 1968. It had the maximum number of affiliated unions (24.42%), followed by BMS (18.02%) and AITUC (14.24%). The position of INTUC has declined sharply to 6.46 per cent in 1998. The position of AITUC too deteriorated after 1970, but since 1984 onwards it has been able to register gradual improvement, reporting affiliation of 18.23 per cent of the total unions, with the highest membership of 30.79 per cent in 1996. BMS overtook INTUC in 1969 and started gaining ground continuously and has established a substantial lead. In 1998, BMS had the affiliation of little more than half (51.89%) of the unions in Punjab.

The membership of INTUC kept rising till 1983, but started declining thereafter and came down to 1.87 per cent in 1998. On the other hand, AITUC, which had been losing membership up to 1993, suddenly improved its position in 1994, 1995 and 1996 and claimed the highest percentage of union membership, i.e., 30.79 per cent, followed by BMS (26.65%), HMS (7.28%) and INTUC (3.92%). CITU, beginning in 1970, had been gaining till 1988 in the share of both affiliated unions and membership, but seems to have lost favour since. In 1988, it had 14.18 per cent of the total membership of the unions filing their returns, which came down to 6.03 per cent in 1999. HMS too has gradually improved its position. The Punjab Mazdoor Dal (PMD) has become almost redundant in the state.

INDUSTRIAL DISPUTES, THEIR CAUSES AND RESOLUTION

A systematic enquiry into the trends of industrial unrest, along with causes and consequences, would be immensely useful for framing further strategies, policies and programmes for bringing about harmony in industrial relations in the state.

Industrial Disputes in Punjab

Between 1968 and 1999 the index number of industrial disputes rose from 100 to 441, with the exception of 1990 when it rose to 567. The index number of work stoppages, which had gone up to 393 in 1979 has since declined to 71 in 1999. The index of workers involved in work stoppages has shown an uneven trend. While it came down to 39 in 1974, it rose to 1,037 in 1989 and was down to 98 in 1999 (Table 29). This indicates a declining tendency among workers to participate in work stoppages. The index of mandays lost has far exceeded that of industrial disputes. During 1968 to 1999, the index number of disputes leading to work stoppages declined to only 71 per cent. The index number of mandays lost, however, increased nine-fold. This is because the average number of workers per work stoppages has increased a great deal. This shows a qualitative shift in the nature of industrial disputes. The number of mandays lost per work stoppage has increased substantially, i.e., work stoppages last longer, from several days to even weeks. This is a very disturbing trend, as compared to the period until about the mid-1970s, when work stoppages lasted only a few hours or days. It also means that the production resources and capacities installed in the mills are not being optimally utilized. This should be a matter of concern for those involved in corporate governance and state administration.

Table 29
Industrial Disputes in Punjab (1968 - 99)

Year	No. of disputes raised	Index of disputes raised (1968 =100)	No. of work stoppages	Index of work stoppages (1968=100)	No. of workers involved in work stoppages	Index of workers involved (1968=100)	No. of mandays lost in work stoppages	Index of mandays lost (1968=100)	Estimated number of workers employed in working factories	Index of workers employed (1968=100)
1968	1981	100	28	100	11579	100	62375	100	104307	100
1969	2340	118	23	82	5664	49	100278	161	105924	102
1970	3514	177	22	79	38067	329	104161	167	116806	112
1971	3094	156	15	54	32602	282	158867	255	118503	114
1972	3574	180	30	107	7083	61	107533	172	118657	114
1973	4432	224	55	196	6559	57	81837	131	127451	122
1974	4254	215	24	86	4513	39	69285	111	131100	126
1975	4932	249	21	75	10536	91	90332	145	136325	131
1976	6461	324	33	118	7714	67	37961	61	144359	138
1977	5430	274	57	204	28867	249	278516	447	156817	150
1978	5987	302	94	336	21952	190	211052	338	168072	161
1979	6802	343	110	393	20848	180	357690	573	188098	180
1980	7830	395	89	318	35499	307	291477	467	201735	193
1981	8072	407	89	318	25879	223	244609	392	208732	200
1982	7975	404	76	271	34893	301	799293	1281	239198	229
1983	8989	454	71	254	13604	117	228447	366	243008	233
1984	8217	415	38	136	26530	229	177535	285	273932	263
1985	8908	450	46	164	28086	243	173018	277	282214	271
1986	8686	438	56	200	49109	424	643088	1031	298503	286
1987	8895	449	50	179	20764	179	295727	474	326722	313
1988	9922	501	44	157	21410	185	271100	435	336050	322
1989	10091	509	52	186	120049	1037	600784	963	345145	331
1990	11237	567	69	246	44038	380	303656	487	367513	352
1991	10012	505	45	161	59318	512	294286	472	383798	368
1992	7700	389	29	104	32131	277	230177	369	394979	379
1993	7618	385	42	150	15673	135	300556	482	405223	388
1994	7654	386	28	100	21031	182	260555	418	417998	401
1995	7404	374	22	79	12610	109	521963	837	431729	414
1996	7820	395	23	82	25855	223	364648	584	445004	427
1997	8211	414	28	100	6075	52	105784	169	441357	423
1998	8668	438	23	82	18053	156	784317	1257	449059	431
1999	8727	441	20	71	11372	98	559128	896	446953	428

Sources:1. Office of the Labour Commissioner, Punjab, Chandigarh. 2. E.S.O., Various Issues of *Statistical Abstract*, Punjab, Chandigarh

Disputes Raised by Central Federations of Trade Unions

Table 30 reveals that AITUC has sponsored the largest percentage of industrial disputes in Punjab, though other federations, as well as unaffiliated unions, have also become increasingly active in raising disputes. This trend has been evident since 1976. It is clear from Table 30 that as an organization, they raised 45 per cent of the disputes in 1999. Among the federations, AITUC raised the maximum number of disputes, averaging 25 per cent, followed by INTUC, CITU, BMS, HMS and PMD in that order. This shows that unions with a left ideology or those working independently (category of others) are more active in taking up issues of the workers than INTUC, BMS and HMS, etc.

Causes of Work Stoppages

Stoppage means a temporary stoppage of activity in a unit, as a result of which the persons employed in it are forced to remain away from their usual duties. Such a work stoppage may be due to an industrial dispute or for other reasons, viz., financial stringency, strategic considerations, breakdown of machinery, natural calamities, accumulation of stocks, lack of demand, shortage of raw materials or electricity, power and coal, and legal disputes, etc. Work stoppage due to industrial dispute may be the result of a strike or a lockout.

Table 31 shows that causes of work stoppages have undergone change since 1968. Economic causes, viz., wages and allowances and bonus continue to remain the most important issues of industrial disputes in Punjab. These accounted for 75 per cent of the work stoppages in 1968, 62.22 per cent in 1991 and 40 per cent in 1999. The table shows that work stoppages, especially on account of wages and allowances, have sharply declined from 67.68 per cent in 1968 to 44.44 per cent in 1991 to 25 per cent in 1999. Work stoppages for bonus have substantially increased from 7.14 per cent in 1968 to 36.36 per cent in 1995. However, there are not that important now. Individual issues, such as suspension and termination have gained sharply in importance. Their share in work stoppages have increased from 3.57 per cent in 1968 to 20 per cent in 1999. This underlines the increasing concern of the workers and trade unions for protecting their employment, because of growing unemployment all over the country. Leave and holidays are the least important causes for work stoppages, while retrenchment and indiscipline and violence have led to substantial work stoppages in different years during 1968 to 1999. The total number of work stoppages in Punjab were 28 in 1968, reached a peak of 110 in 1979 and declined thereafter to 20 in 1999.

Dispute Resolution

The existing machinery for the settlement of industrial disputes consists of conciliation, adjudication and arbitration. Faith in the conciliation machinery has been significantly eroded between 1969 and 1999 as shown in Table 32. In 1969, it was used for the settlement of 27.54 per cent of the disputes. In 1999, its use had declined to only 7.87 per cent. During 1969 to 1999, on an average, 25 per cent of the disputes were

Table 30
Disputes Raised by Central Federations of Trade Unions in Punjab (1968-99)

Year	INTUC		AITUC		BMS		HMS		CITU		PMD		HMP & Others		TOTAL
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
1968	269	13.58	1253	63.75	92	4.64	27	1.36	-	-	-	-	340	17.16	1981
1969	247	10.55	1313	56.11	222	9.49	41	1.75	-	-	-	-	517	22.09	2340
1970	147	4.74	1766	56.99	356	11.49	8	0.26	-	-	-	-	822	26.52	3099
1971	115	3.72	1323	42.76	401	12.96	8	0.26	219	7.08	-	-	1028	33.23	3094
1972	228	6.38	1525	42.67	431	12.06	28	0.78	411	11.50	-	-	951	26.61	3574
1973	521	11.75	1267	28.59	479	10.81	194	4.38	569	12.84	-	-	1402	31.63	4432
1974	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	N.A.
1975	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	N.A.
1976	876	13.66	1644	25.64	494	7.71	317	4.94	720	11.23	-	-	2360	36.81	6411
1977	951	17.51	1537	28.31	528	9.72	240	4.42	561	10.33	-	-	1613	29.71	5430
1978	758	12.66	1857	31.01	626	10.46	275	4.59	809	13.51	-	-	1662	27.76	5987
1979	784	11.52	2285	33.59	407	5.98	305	4.48	1080	15.88	-	-	1941	28.54	6802
1980	970	12.39	2370	30.27	763	9.74	445	5.68	827	10.56	159	2.03	2296	29.32	7830
1981	1755	21.74	2455	30.41	739	9.16	551	6.83	948	11.74	94	1.16	1530	18.95	8072
1982	1604	20.06	2916	36.47	819	10.24	331	4.14	831	10.39	80	1.00	1414	17.69	7995
1983	1546	17.20	2838	31.57	816	9.08	265	2.95	1141	12.69	96	1.07	2287	25.44	8989
1984	1335	16.25	2503	30.46	962	11.71	157	1.91	651	7.92	51	0.62	2558	31.13	8217
1985	1531	17.18	2382	26.73	890	9.99	460	5.16	804	9.02	100	1.12	2744	30.79	8911
1986	1350	15.54	2497	28.75	931	10.72	631	7.26	553	6.37	54	0.62	2670	30.74	8686
1987	1250	14.05	2486	27.95	1081	12.15	641	7.21	640	7.19	114	1.28	2683	30.16	8895
1988	1337	13.48	3067	30.91	1176	11.85	535	5.39	772	7.78	96	0.97	2839	28.61	9922
1989	1376	13.64	2880	28.54	971	9.62	691	6.85	1163	11.53	41	0.41	2969	29.42	10091
1990	1364	12.14	3040	27.05	1022	9.09	471	4.19	1342	11.94	73	0.65	3925	34.93	11237
1991	1094	10.93	2510	25.07	778	7.77	406	4.06	1175	11.74	100	1.00	3949	39.44	10012
1992	890	11.56	2068	26.86	596	7.74	302	3.92	804	10.44	62	0.81	2978	38.68	7700
1993	991	13.01	18221	23.90	617	8.09	402	5.28	780	10.24	68	0.89	2939	38.58	7618
1994	755	9.86	1884	24.61	623	8.14	287	3.75	983	12.84	56	0.73	3068	40.07	7656
1995	982	13.25	1669	22.53	598	8.07	379	5.12	804	10.85	76	1.03	2901	39.15	7409
1996	941	12.03	1901	24.31	623	7.97	460	5.88	731	9.35	78	0.09	3087	39.47	7821
1997	878	10.70	1458	17.76	670	8.16	549	6.69	990	12.06	100	1.22	3564	43.42	8209
1998	952	10.74	1821	20.53	802	9.04	608	6.86	843	9.51	39	0.04	3803	42.88	8868
1999	864	9.89	1729	19.78	685	7.83	564	6.45	910	10.41	26	0.02	3961	45.32	8739

Sources: 1. Office of the Labour Commissioner, Punjab, Chandigarh.
2. E.S.O., Various Issues of *Statistical Abstract*, Punjab, Chandigarh.

Note: 1. N.A. = Not available

Table 31
Work Stoppages by Causes in Punjab (1968-99)

Year	Wages & allowances		Bonus		Personal matters		Retrenchment		Leaves & holidays		Indiscipline & violence		Other causes		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
1968	19	67.38	2	7.14	1	3.57	1	3.57	-	-	-	-	5	17.86	28
1969	5	21.74	1	4.35	-	-	4	17.39	1	4.35	-	-	12	50.17	23
1970	9	40.40	1	4.55	1	4.55	-	-	-	-	-	-	11	50.00	22
1971	9	60.00	1	6.67	-	-	1	6.67	-	-	-	-	4	26.66	15
1972	10	33.33	3	10.00	4	13.33	2	6.67	-	-	-	-	11	36.67	30
1973	12	21.82	7	12.73	16	29.09	3	5.45	1	1.82	-	-	16	29.99	55
1974	9	37.50	2	8.33	2	8.33	3	12.50	-	-	-	-	8	33.33	24
1975	6	28.57	-	-	5	23.80	1	4.76	1	4.76	-	-	8	38.10	21
1976	4	12.12	7	21.21	7	21.21	5	15.15	-	-	-	-	10	30.30	33
1977	26	45.61	11	19.30	10	17.54	1	1.75	1	1.75	-	-	8	14.04	57
1978	48	51.06	6	6.38	17	18.09	5	5.32	1	1.06	-	-	17	18.09	94
1979	39	35.46	10	9.09	32	29.09	6	5.45	1	0.91	-	-	22	20.00	110
1980	38	42.70	7	7.87	23	25.84	-	-	5	5.62	-	-	16	17.98	89
1981	28	31.46	11	12.36	20	22.47	3	3.37	1	1.12	-	-	26	29.21	89
1982	28	36.84	3	3.95	23	30.26	1	1.32	1	1.32	-	-	20	26.32	76
1983	22	30.99	4	5.63	24	33.80	5	7.04	1	1.41	-	-	15	21.13	71
1984	13	34.21	3	7.89	14	36.84	-	-	-	-	-	-	8	21.05	38
1985	11	23.91	1	2.17	15	32.61	-	-	-	-	2	(4.35)	17	36.96	46
1986	16	28.57	3	5.36	15	26.79	2	3.57	1	1.78	2	(3.57)	17	30.36	56
1987	14	28.00	5	10.00	11	22.00	1	2.00	3	4.00	7	(14.00)	9	18.00	50
1988	11	25.00	4	9.09	19	43.18	-	-	-	-	6	(11.36)	5	11.36	44
1989	21	40.38	3	5.77	16	30.77	3	5.77	1	1.92	5	(5.77)	5	9.62	52
1990	23	33.33	6	8.70	20	28.98	9	13.04	-	-	5	(7.75)	6	8.69	69
1991	20	44.44	8	17.78	8	17.78	-	-	-	-	2	(4.44)	7	15.56	45
1992	10	34.48	3	10.34	6	20.68	-	-	-	-	3	(10.34)	7	24.14	29
1993	10	23.81	3	7.14	9	21.43	3	7.14	1	2.38	5	(11.90)	11	26.19	42
1994	5	17.86	1	3.57	5	17.86	4	14.28	-	-	-	-	13	46.43	28
1995	7	31.82	8	36.36	5	22.73	2	9.09	-	-	-	-	-	-	22
1996	9	39.13	4	17.39	2	8.69	3	13.04	-	-	-	-	5	21.74	23
1997	10	35.71	1	3.57	7	25.00	4	14.29	-	-	-	-	6	21.43	28
1998	5	21.73	2	8.70	3	13.04	1	4.35	-	-	-	-	12	52.17	23
1999	5	25.00	3	15.00	4	20.00	1	5.00	-	-	-	-	7	35.00	20

Sources: 1. Office of the Labour Commissioner, Punjab, Chandigarh.
2. E.S.O., Various Issues of *Statistical Abstract*, Punjab, Chandigarh

Table 32
Resolution of Industrial Disputes in Punjab (1969-99)

Year	Disputes pending under examination at the beginning of the year	Disputes during the year	Total disputes available for disposal		Disputes settled mutually or in conciliation		Disputes withdrawn by workers/unions		Disputes referred for arbitration		Disputes rejected or filed		Disputes referred for adjudication		Disputes pending for disposal at the end of the year			
			No.	No.	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	With conciliation officer	
1969	314	2340	2654	100	731	27.54	673	25.35	15	0.57	380	14.32	539	20.31	154	5.80	162	6.10
1970	316	3514	3830	100	816	21.31	866	22.61	23	0.60	322	8.41	1146	29.92	225	5.87	432	11.28
1971	657	3094	3751	100	722	27.25	888	23.67	19	0.51	313	8.34	1096	29.22	185	4.93	228	6.08
1972	413	3574	3987	100	885	22.20	1022	25.63	15	0.38	312	7.83	867	21.75	495	2.42	391	9.81
1973	886	4432	5318	100	1284	24.14	1272	23.92	4	0.08	344	6.47	1160	21.81	512	9.63	742	13.95
1974	1254	4254	5508	100	818	14.85	1291	23.44	2	0.04	388	7.04	1382	25.09	742	3.47	885	16.07
1975	1627	4932	6559	100	1039	15.84	1505	22.95	7	0.11	374	5.70	1975	30.11	666	10.15	993	15.14
1976	1659	6411	8070	100	1391	17.24	1712	21.21	10	0.12	53	0.66	3096	38.36	525	6.51	1283	15.90
1977	1808	5430	7238	100	970	13.40	1390	19.20	12	0.17	97	1.34	2803	38.73	584	8.09	1382	19.09
1978	1966	5987	7953	100	934	11.74	1553	19.53	6	0.08	305	3.84	2709	34.06	691	8.69	1755	22.07
1979	2466	6802	9248	100	1233	13.30	1460	15.75	2	0.02	573	6.18	4061	43.82	560	6.06	1379	14.88
1980	1939	7830	9769	100	1504	15.40	1633	16.72	-	-	1093	11.19	4073	41.69			1466	15.66*
1981	1466	8072	9538	100	1770	18.56	2137	22.41	-	-	706	7.40	3025	31.72	1196	12.54	704	7.38
1982	1900	7995	9895	100	1570	15.87	2544	25.71	-	-	580	5.86	3721	37.60	918	9.28	562	5.68
1983	1480	8989	10469	100	1598	15.26	2859	27.31	-	-	936	8.94	2655	25.36	1303	12.45	1118	10.68
1984	2421	8217	10638	100	1704	16.02	3235	30.41	-	-	888	8.35	712	6.69	2364	22.22	1735	16.31
1985	1735	8908	10643	100	1661	15.61	2699	25.36	3	0.03	683	6.42	3381	31.77	1702	15.99	514	4.83
1986	2216	8686	10902	100	1544	14.16	3405	31.23	-	-	941	8.63	2169	19.90	1747	16.02	1096	10.05
1987	2843	8895	11738	100	1506	12.83	3540	30.16	-	-	685	5.84	3003	25.58	2125	18.10	879	7.49
1988	3004	9922	12926	100	1165	9.01	4218	32.63	-	-	868	6.72	3596	27.82	2018	15.61	1061	8.21
1989	3079	10091	13170	100	1160	8.81	4171	31.67	-	-	796	6.06	4574	34.73	2029	15.41	440	3.34
1990	2469	11237	13706	100	1125	8.21	4458	32.53	-	-	1204	8.78	4267	31.13	2331	17.00	321	2.34
1991	2652	10012	12664	100	1470	11.61	3635	28.70	-	-	790	6.24	4025	31.78	2364	18.67	380	3.00
1992	2744	7700	10444	100	1080	10.34	2678	25.64	-	-	559	5.35	4017	38.46	1803	17.26	307	2.94
1993	2110	7618	9728	100	983	10.10	3087	31.73	-	-	914	9.40	2416	24.84	1597	16.42	731	7.51
1994	2328	7654	9982	100	962	9.64	2966	29.71	-	-	934	9.36	2358	23.62	1587	15.90	1175	11.77
1995	2762	7409	10171	100	1039	10.21	2200	21.63	-	-	762	7.49	3602	35.41	-	-	2668	26.23
1996	2668	7820	10448	100	1439	13.77	2498	23.91	-	-	716	6.85	2827	27.05	-	-	3008	28.79
1997	3008	8211	11219	100	1281	11.41	2750	24.51	-	-	300	2.67	3578	31.89	-	-	3310	29.50
1998	3310	8868	12178	100	1055	8.66	3482	28.59	-	-	868	7.13	3109	25.53	2387	19.61	1277	10.49
1999	3664	8727	12391	100	975	7.87	3514	28.36	-	-	387	3.12	4714	38.04	2146	17.32	655	5.29

Sources: 1. Office of the Labour Commissioner, Punjab, Chandigarh.
2. E.S.O., Various Issues of *Statistical Abstract*, Punjab, Chandigarh

Note: 1. *: Break-up of disputes pending for disposals at the end of the year with conciliation officer or with labour Commissioner/ Government

withdrawn either by the workers themselves, or on the persuasion of conciliation officers. On an average, six to seven per cent of the cases were rejected, or filed by the government, during this period. Adjudication continues to be the most important method. It has been used to resolve 20 to 40 per cent of the disputes on an average. Gani (1990: 60) and Ratnam (1996: 13) also mention greater dependence on adjudication for the resolution of disputes. Its use was exceptionally high in 1979 and 1980. Voluntary arbitration has fallen into disuse over the period under study. Industrial disputes, pending before the conciliation machinery, or under examination with the government, have grown to about 20 per cent, or more. This points to the inefficiency, or inadequacy, of the machinery available to handle industrial disputes.

Recently, the Punjab Labour Department has adopted a new strategy of holding Lok Adalats for resolving industrial disputes pending in labour courts. According to the *State Development Report on Labour* of the Labour Department of Punjab, these Lok Adalats were started with the dual aim of a) relieving courts of their heavy workload; and b) developing an alternative dispute settlement mechanism. Firstly, it was to reduce dependency on adjudication and to get the workers and trade unions to repose their trust in the conciliation machinery of the state, and secondly to provide justice to the workers without any cost. This system is gaining momentum and one hopes would be successful in looking after the interests of the workers.

SOCIAL SECURITY AND WELFARE SCHEMES

The modern concept of social security is a product of the industrial revolution in the West. Earlier, in India, the joint family system was able to meet the needs of social security of a person. But with the breakup of the joint family system, due to migration of unemployed members of the family to the cities to work in industries, the need for social security was felt. In India, the evolution and development of social security schemes is mainly a post-independence phenomenon. Though the right to social security has not been specifically included in the Constitution of the country, one of the Directive Principles (Article 41) of State Policy lays down: 'the state shall within the limits of its economic capacity and development make effective provisions for securing the right to work, to education and to public assistance in case of unemployment, old age, sickness and disablement and in other case of undeserved want;

According to the *Annual Report on Labour (1999-2000)* of the Ministry of Labour, Government of India, social security refers to the protection, which society provides for its members through a series of public measures against economic and social distress, caused by stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death and for providing for medical care, which is subsidized in the case of families with children. Social security programmes are designed to provide benefits, in both cash and kind, on the occurrence of such contingencies.

Under the Constitution of India, social security in its broad sense, as envisaged in the Directive Principles of State Policy, is a major aspect of public policy today and the extent of its prevalence is a measure of the progress made by a country towards the ideal of a welfare state.

Basically, the concept is based on ideals of human dignity and social justice. The International Labour Organization (ILO), in its various declarations, conventions and

recommendations, outline the concept of social security. In the Philadelphia Declaration of 1944, the ILO has enjoined for itself a solemn obligation to further, among the nations of the world, programmes which will achieve the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care (Rajan, 2000:4). The ILO convention No. 102 (27 April 1955) lays down the minimum standards of social security. They comprise: (i) medical care; (ii) sickness benefit; (iii) unemployment benefit; (iv) old-age benefit; (v) employment injury benefit; (vi) family benefit (vii) maternity benefit (viii) invalidity benefit (ix) survivors' benefit

India has not ratified all the ILO conventions relating to social security. The social security conventions of ILO ratified by India are the following:

Convention No.18: Workmen's Compensation (Occupational Diseases) 1925.

Convention No. 19:Equality of Treatment (Accident Compensation) 1925.

Convention No.42: Workmen's Compensation (Occupational Diseases).

Convention (Revised) 1934.

Convention No. 118: Equality of Treatment (Social Security) 1962.

There are national laws, which provide for certain mandatory benefits in respect of certain employments. These include medical care and sickness benefits, invalidity and survivors' benefits, employment-injury benefits and maternity benefits. There are laws enacted and schemes established by the Central/State Governments providing for the social security and welfare of specific categories of working people.

The principal social security laws enacted by the Central Government are the following:

- (a) The Workmen's Compensation Act, 1923 (W.C. Act).
- (b) The Employees' State Insurance Act, 1948 (ESI Act).
- (c) The Employees' Provident Funds and Miscellaneous Provision Act, 1952 (EPF Act).
- (d) The Maternity Benefit Act, 1961 (MB Act).
- (e) The Payment of Gratuity Act, 1972 (PG Act).

The concept and approach evolved by ILO towards social security in best suited to the developed countries, where the large proportion of workers are in regular salaried employment in the organized sector with adequately high levels of income and the National or State Governments are able to provide social security through mandatory insurance with contributions from a large segment of the population.

Several experts on social security did not advocate this ILO approach and said that it would not be appropriate for the developing countries, including India, where an overwhelmingly large proportion of the workforce does not enjoy a regular salaried income, as more than 90 per cent of is engaged in the unorganized sector and only less than 10 per cent enjoy the benefits of the organized sector. They further maintained that social security in the developing countries like India has to be integrated with anti-poverty policies, such as employment guarantees and security (Rajan, 2000:7). This, India has been doing since independence, but it has so far failed to evolve any comprehensive social security programme for the disadvantaged sections of the society. Because of this, only the workforce involved in the organized sector can take advantage of the schemes/laws for social security.

As Punjab has not yet evolved any independent social security programme of its own, it follows the policies, laws, Acts, programmes of the Central Government. About 13 per cent of the workforce engaged in the organized sector in the state enjoy the benefits of social security schemes, but the majority engaged in the unorganized sector are not covered by these schemes. Thus the position of Punjab is also not much better than the rest of the country.

At the all-India level, out of an estimated workforce of about 39.7 crore, only 2.8 crore enjoy the benefit of formal social security protection. *The Working Group on Social Security for the Tenth Five Year Plan (2002-2007)*, Government of India, has pointed out that as the implementation of social security laws is the responsibility of the employer, it depends mainly upon his good behaviour, or sweet will. Where the employers are enlightened, or there are powerful trade unions, the rights of the workers are protected and the compensations are paid as per the Act. In all other cases there is a tendency to pay a nominal compensation or even to deny it. In such cases the only remedy available to the workers or the dependents is to approach the State Labour Department concerned and seek its intervention, which goes upto arbitration, which is time consuming. Even after arbitration there is no way in which the state authorities are in a position to enforce the payment of compensation.

Very often, it is seen that small employers, even with very good intentions, do not have adequate funds to discharge their liabilities. Another significant finding of the study group is that several attempts have been made in the past to address the multifarious problems faced by the workers in the unorganized sector, through legislative as well as programme-oriented measures. Even through these measures we have not succeeded in achieving the desired objective, partly on account of the ignorance, illiteracy and lack of unionization of workers on the one hand, and the resource constraints of the state on the other. Therefore, there is need for a well-designed social security system in Punjab, especially for workers engaged in small-scale units, or the unorganized sector. The support and involvement of government is essential in this regard.

Keeping this situation in mind, the Working Group has stressed that a well-designed social security system for the workers in the unorganized sector will help in improving productivity, contribute to harmonious labour/industrial relations and thus to socio-economic development. It will encourage and propagate social peace by reducing the frequency of industrial conflicts, increase willingness to work, make it easier to meet improved quality products, ensure a better investment climate and thereby enhance the competitiveness of the economy. It is suggested here that the Punjab Government should make its own comprehensive social security policy for labour, as it is one of the developed states of India (*Working Group on Social Security for Tenth Plan, 2002-2007*).

Welfare Schemes

With the help of the Central Government, the Punjab Government is running a number welfare schemes for workers, with focus on child and women labour, and the wards of workers.

According to the *State Development Report (SDR)*, brought out by the Department of Labour and Employment, Government of Punjab, the Labour Department, with the assistance of Central Labour Ministry, has started the National Child Labour Project (NCLP) for the eradication and welfare of child labour. Under this programme, 27

schools have been opened in the year 2000 in Jalandhar. In these schools, child workers (main and marginal) and those who are likely to become child labour are admitted. The management and the day to day running of these schools have been entrusted to NGOs, voluntary organizations, trade unions and locally active clubs.

The school buildings are within the walking distance for the children. The aims, objectives and working style of these special schools have been explained to the teachers. The curriculum of these schools is the same as that of the regular primary schools. Each child is given a stipend of Rs. 100 per month, and Rs. 2.50 per child per day is spent on refreshments for nutrition. The children are expected to reach the 5th standard within the project period of three years. After completing the special school education, the children are expected to join the formal stream of education in the 6th standard. Those who are not interested in further studies can join a vocation of their choice for which they will get training in these schools. So far, vocational guidance is not being provided in these schools. However, the requisite skill would be provided to the children according to the guidelines of the project.

In the Jalandhar project, under the NCLP, a total of 1,350 children were admitted with the ratio of 50 children in each school. This project has been extended to Ludhiana and Amritsar, major industrial cities. Another welfare scheme, of the Labour Department, Government of Punjab, is the organization of health camps with the co-operation of employers, trade unions and social organizations, in which the workers get medical checkup and medicine.

The Labour Welfare Board, last constituted on 22 March 2000 looks after the other welfare aspects of labour. The basic function of the Board is to provide benefits to industrial workers and their families, under different schemes. The main sources of income of the Board are:

1. Grant-in-aid by the state government.
2. Voluntary donations.
3. Unpaid accommodations transferred to Welfare Fund.
4. Interest of FDRs deposited with banks.

The following welfare schemes are run by the Board:

- i) Balwardis for the children of the industrial workers.
- ii) Interest-free loans.
- iii) Grant of stipend to the children/wards of industrial workers and to industrial workers, for studies.
- iv) Schemes for grant of ex-gratia to the widows of industrial workers.
- v) Cinema shows for recreation of industrial workers and their families.
- vi) Labour welfare centres.

According to the *Annual Report (2000)* of the Labour Department, 17 Labour Welfare Centres have been set up for the benefit of the workers and their dependents, especially women, at important towns, namely, Amritsar, Ludhiana, Bathinda, Phagwara, Jalandhar, Patiala, Gobindgarh, Rajpura, Mohali, Nangal, Abohar, Anandpur Sahib and Sangrur. These centres impart free training in sewing, knitting and embroidery to the female members of the workers' families.

CONCLUSIONS AND SUGGESTIONS

Conclusions

- Trade unionism in Punjab as well as in India developed along with the country's freedom struggle. In Punjab, it grew and developed largely after India's independence and particularly after the reorganization of the state of Punjab in 1966.
- Trade unionism in Punjab in the organized sector as a whole is in a fairly healthy shape, but it is very weak in the unorganized sector, where about 87 per cent of the workforce is engaged. The number of registered trade unions, which are primarily in the organized sector, has increased from 536 in 1968 to 2,297 in 1999.
- The proportion of large-sized unions has been increasing, and the changing membership pattern of the unions shows that workers now join those with a large membership. This further shows that in future, the trade unions will be able to bargain from a position of strength and the decisions arrived at by such large unions will be acceptable to a large number of workers. The percentage of independent unions has declined over the years, as they see no future without affiliation to one of the federations.
- In 1999, in Punjab, BMS had the maximum unions affiliated to it and the maximum percentage of membership in the state. But AITUC has declined in respect of both. INTUC has lost ground over the last 25 year in terms of unions affiliated to it as well in membership.
- A declining trend has been observed in industrial disputes, conflicts, mandays lost and number of workers involved in these. These are significant aspects of the industrial relations scene in Punjab. One must also note the weakening position of workers' organizations, fear of losing employment, weakness of small-size unions and the undemocratic attitude of the management. The majority of the industrial disputes have been raised by AITUC and CITU, federations with leftist leanings.
- The analysis of the data shows that the pattern of industrial development in Punjab will be more capital-intensive, not labour-intensive. This will bring a qualitative shift in the nature of industrial employment. More of the employees will be skilled, technical and professional. This will have far-reaching influences on the industrial relations system in Punjab, as the majority of the semi-skilled and unskilled labour will become redundant.
- Another significant characteristic of trade unions in Punjab and elsewhere is their political affiliation, which divides unions along political lines to serve the political interests of respective parties. This has a negative impact on the organized strength of the working class and trade unions in serving their own interests.
- Primary causes of work stoppages in Punjab, as at the all-India level, have been economic, i.e., issues related to wages, allowances and bonus.
- The disputes settlement machinery in Punjab has not been very effective. The workers seem to have developed an indifferent attitude towards the government machinery of the Labour Department. That is why they prefer settling their dispute through the court, and adjudication continues to be the most effective method for resolving industrial disputes in Punjab.
- The government is withdrawing from intervention in industrial disputes and tripartite negotiations have been replaced by the bipartite system, in which

management and the workers settle disputes between themselves. It can be concluded that the position of the management has become stronger than that of the workers and their unions.

Suggestions

- In order to maintain the spirit of the Constitution and to safeguard the interests of the democratic welfare state in India, it is obligatory for the law making machinery to take into consideration the basic tenets, i.e., justice, equality, fraternity and liberty enshrined in our Constitution. If this is borne in mind then it will be possible to maintain and strengthen the aims and objectives of the Constitution.
- As seen in practice, the present labour laws are cumbersome and tedious in the process of their application, and anybody can draw any meaning from these laws at one's pleasure. Laws should, therefore, be very simple to understand and comprehensive in their nature.
- Errors and omissions, as identified, must be rectified speedily. Whenever some amendment is needed it must be carried out quickly. Disputes should not be kept pending but be decided in the shortest possible time.
- Government must avoid becoming a mouthpiece of any one section of the society, as it represents the entire nation. A democratic government is also expected to look after the interests of all sections of the society.
- Labour laws must be implemented in their true spirit by the Labour Department. If it does not do so it should be held responsible for the non-implementation of these laws.
- Laws should be strictly followed by both the parties, i.e., employers and employees, and if any agreement is reached between the two then it must be adopted and followed by both.
- Reports about the implementation of labour laws, as prepared by independent bodies of intellectuals and submitted to government, must be made public.
- The already existing regulatory committees, tripartite and bipartite must be made effective to make industrial relations smooth and peaceful, by holding regular meetings and putting forward their advice and recommendations.
- It is necessary to study the labour laws as applied, monitor and evaluate them from time to time. It has also to be seen whether we are following the directions of the ILO.
- One-enterprise one-union must be made mandatory and union elections should be through secret ballot. As stated above, these provisions must be incorporated in labour laws and their application too must be made mandatory.
- The institution of the welfare officer must be defined, to make labour laws more effective and practical, and it should not appear that he is only a representative of the management. It has been observed that the labour welfare officer has become ineffective and dysfunctional in practice.
- As well-known economists the world over, have pointed-out, labour is the backbone of every economy, of every country of the world. Therefore, the welfare of labour must be given first priority.
- In the case of agro-industries, a co-ordination committee of workers, farmers and managements should be constituted in each industry. This will not only help resolve problems of all the three, but also promote smooth functioning of these industrial units and help to bring harmony in industrial relations.

- Trade unions should avoid prolonged work stoppages, as these can aggravate the conflict and hostility between the social partners and ultimately cause loss of production.
- There is no need for separate unions for migrant workers, since the interests of both migrant and local workers are the same. At the same time, the union leadership and management must address the problems of migrants to win their confidence and ensure their participation in trade union activities.
- Management and government should consider the genuine demands of the workers sympathetically, in the changing environment.
- Punjab Government, with the help of the Central Government, or on its own, should start some vocational or technical courses to train the local workforce to meet the requirements of specific industries. This would increase employment of local labour and also reduce dependence on migrant labour.
- Formulation of a rational wage policy for future wage-dispute settlements, should be founded on the state's development needs and per capita income.
- The state government should evolve a comprehensive social security programme for labour in general and for those working in the unorganized sector in particular, so that they can feel secure during times of difficulty.
- While formulating standing orders, opinions of workers' unions should be taken into account. Workers and their unions should be involved in all major policy decisions affecting the workers, in the interests of better industrial relations. The workers should feel part of the enterprises/establishment, rather than a mere a factor of production.
- Consensus should be encouraged and the conciliation officer should be instructed to take/give objective decisions, which are agreeable to both the parties -- management and trade unions/workers. For the effectiveness of this process, suitable training should be imparted to the conciliation officer on a continuing basis.
- A reasonable time limit should be fixed to settle disputes, through conciliation or collective bargaining, to avoid their prolongation.
- Encouragement and support to the process of collective bargaining in the private as well as public sector organizations will definitely help initiate harmonious industrial relations.
- As it is perceived, some officers employed in the Labour Department, after superannuation, get lucrative jobs/employment in industrial establishments. This must be banned under law as it encourages anti-labour attitudes.

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