

Technical Note on Employment for the Eleventh Five Year Plan
(2007 – 2012)

Report submitted

to

Planning Commission
(Labour, Employment & Manpower Division)¹

¹ Planning Commission Order No.P-12099/6/08/LEM/ERS dated May 27, 2008, placed at Appendix II, refers.

Fore Word

This '**Technical Note on Employment for the Eleventh Five Year Plan**' presents the quantitative basis for determining the targets and projections on employment, and the related variables given in the Eleventh Five Year Plan document. While, in principle, each Chapter of the Plan document has an 'employment dimension', three Chapters of the Plan document that relate directly to this subject are:

Employment Perspective and Labour Policy	(Volume I, Chapter 4)
Skill Development and Training	(Volume I, Chapter 5)
Social Security of Workers	(Volume II, Chapter 4.2)

2. Preparation of the Five Year Plan Document commences with the release of an 'Approach Paper'. A Steering Committee on Labour & and Employment was set up, which constituted six Working Groups on the specific subjects pertaining to Labour and Employment. After receipt of the Reports of the Working Groups, and deliberations in the Steering Committee on the proposals put forth by the Working groups, there were internal deliberations within the Planning Commission, where a stand on the findings of the Working Groups and the Steering Committee was taken. The Chapter(s) of the Plan Document state the conclusions of the internal deliberations. The technical details that underlie the conclusions and setting of the targets for the Plan are furnished in this Technical Note on Employment.

4. Shri Shailendra Sharma, the former Adviser (Labour & Employment), Planning Commission,) was deeply involved, after superannuation, in the technical work done for preparing the employment strategy for the Eleventh Five Year Plan. He was supported in this task by Shri Raj Kumar, Deputy Adviser (Employment) from the Indian Statistical Service Cadre. Being the main architect of the Eleventh Plan Chapter on employment, Shri Shailendra Sharma was given the task to prepare this Technical Note on Employment by the Planning Commission¹.

5. The quantitative analysis presented here might be useful for the experts, research workers, and in the future exercises on this subject (including the mid-term appraisal of the Eleventh Five Year Plan). **Dr. Bhalchandra Mungekar**, Member (Labour & Employment), Planning Commission approved this Technical Note and instructed that it be published and kept on the website of the Planning Commission.



(Jayati Chandra)

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¹Chapters of this Report have been prepared by the Author to furnish the technical details required vide the Planning Commission Order No.P-12099/6/08/LEM/ERS dated May 27, 2008 (Appendix II).

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Chapter 2 Projections of Labour Force¹

The projections of labour force given in the Eleventh Plan document², for the Perspective Period (2007 – 2017) and for the Eleventh Plan Period (2007-2012) got finalised through a three stage process described at Table 2.1.

Table 2.1- projections of increase in labour force at different stages of preparation of the Eleventh Five Year Plan

Stage	basis of measurement	increase in labour force (2007 to 2012)
I. Approach to Eleventh Plan	current daily status ^b	65.00 million ^a (52.00m in the baseline scenario)
II. Planning Commission Sub Group on Labour Force & Employment Projections ^c , and the main Working Group on Labour Force & Employment Projections	usual principal and subsidiary status	49.24 million
III. Eleventh Plan Document	current daily status ^d	44.71 million ^e
^a A baseline scenario of 52 million was used to develop the projection of 65 million addition to labour force during the Eleventh Plan period 2007-2012. ^b Approach Paper to Eleventh Plan used the current daily status (CDS) basis for measuring unemployment. ^c Constituted by the Planning Commission Working Group on Labour Force & Employment Projections. ^d In the Eleventh Five Year Plan, use of current daily status for measuring unemployment, as followed in the 10th Plan, is continued. ^e In the final Eleventh Plan document the projections of balance amongst labour force, employment and unemployment were made on CDS basis in a 10 year perspective of population, labour force and work force.		

Reasons for review of the 65 million target suggested in the Approach to 11th Plan

2. The three key variables used in the analysis of past trends in labour force, and for making projections for the future are:

¹ Items 1 & 2 of the ‘Details to be included in the Technical Note on Employment(Planning Commission Orders NoN-11016/1(10)2008-PC dated April 2, 2008 as amended vide Order No.-LEM dated, 2008as amended vide Order No..... dated’ requires:

“1. How the Sub-Group (*on Labour Force and Employment Projections*) recommendations have been used in deriving the projections of Population and Labour force in preparing the 11th Plan Chapter?”

“2. Why the projections given in the Approach Paper were revisited?”

² ‘Employment and Labour Policy,’ The Eleventh Five Year Plan, Volume I, Chapter 4, Table 4.15(A), Table 4.15(B), and Annexure 4.1.

2.1 Population – classified by (i)age groups, (ii)male & female and (iii) rural& urban

2.2 Rates of participation in labour force classified as per above 3 categories, and:

2.2.1 measured on usual Principal and subsidiary status (UPSS) basis, or

2.2.2 measured on current daily status (CDS) basis

2.3 Labour force classified as at 2.2 above.

Table 2.2 shows the values of the above three variables corresponding to the three stages of the 2007 – 2012 projection of the additions to labour force, viz.,

52.0 mill. (the baseline case used for 11th Plan Approach),

65.7mill. (11th Plan Approach Paper) and

49.2 mill. (11th Plan Sub Group and the main Working Group)

It will be observed from the ‘female block III’ of Table 2.2 that the 65million projection for additions to labour force was based on a premise of 30.6 million addition to female labour force during the 11th Plan, which was 13.7 million higher than in the baseline case. This additionality of 13.7 million higher increase came from the jump projected in participation in labour force by the female persons.

3. The increase in labour force of females by 30.6 million, as envisaged in the Approach to 11th Plan, is decomposed between two kinds of effects (in Table 2.3):

(i) *the population size effect, and*

(ii) *the labour force participation effect.*

It will be observed that 2/3rd of the increase in female labour force (18.3 m out of 30.6m) arises from the labour force participation effect. Such a projection of increase implied that during the five year period 2007 – 2012, out of the increase of every 1000 female persons, 833 would join the labour force. When contrasted with the prevailing LFPR_{female} (2007) of 287 per thousand, this projection of 833 marginal LFPR_{female} during 2007 -2012 appeared unrealistic. As shown in Table 2.4b, the Approach Paper numbers extrapolated the immediate past trends (2000 – 2005) of movements in female LFPR into the future, and ignored the longer-term trend (1994-2005) (11years) when the marginal LFPR was such that out of an increase of 1000 female persons only 311 joined the labour force. Accordingly, the Approach Paper target of 65 million increase in aggregate labour force required a review during the detailed exercises carried out for preparation of the 11th Plan.

Projection of 49.24 million (UPSS basis) increase in labour force (2007 – 2012) by the Working Group on Labour Force and Employment Projections (following from the work of the Sub Group on Labour Force Projection).

4. Movements in the rates of participation in labour force through time arise from a number of social and economic factors. However, noting that in the 11th Plan the major new developmental initiative will be in terms of level of education and training³, the Sub Group on Labour Force Projections established a relationship of age-group wise level of education with the participation in labour force. Annexure Table A2.3 gives the projections of labour force during the 11th Plan by the level of education for males and females in the rural and also for the urban areas⁴. Total labour force is projected by the Working Group (which accepted the recommendations of the Sub Group for reasons given above) to increase from 492.61 million in 2007 to 541.85 million in 2012 (UPSS basis) i.e., an increase of 49.24 million during the 11th Plan period.

5. Impact of the level of education on participation in labour force is a person specific characteristic, and such effects can be measured only through person specific measures of labour force. Usual Status measures are person specific. Hence, the Sub Group on Labour Force Projections carried out the exercise on the basis of Usual Principal and Subsidiary Status (UPSS) measurement. Accordingly, the Working Group projection of 49.24 million increase in labour force is on UPSS basis. For the measurement of unemployment, the 10th Plan and the Approach to 11th Plan used the current daily status (CDS) measure, which is not person specific, but being a measure of person-days, it can capture the unemployed days of persons in labour force more comprehensively than the usual status measures. As explained, indepth, later (Chapter 4, Annexure 4.1), it was decided to use CDS measure for assessment of unemployment in the 11th Plan, which required that the balance of labour force and employment be established on CDS basis. Accordingly, the UPSS basis projections made by the Sub Group had to be modified to CDS basis.

Projection of 44.71 million increase in Labour Force made in the 11th Plan (CDS Basis)

6. To measure unemployment, the 10th Plan and also the Approach to 11th Plan used the current daily status (CDS) measure, which is not person specific, but being a measure of person-days, it can capture the unemployed days of persons in labour force more comprehensively than the usual status measures. For reasons explained, in-depth, later (Chapter 4, Annexure 4.1), it was decided to use CDS measure for assessment of

³ In 2004 the resources for school education were augmented in a substantial measure through a cess on the direct and indirect taxes, which was followed by an additional 'Secondary & Higher Education Cess' in 2008, and the implementation of 'education sector' plan has been put under rigorous monitoring – all these are expected to result in a significantly higher growth path for the levels of education for the children and the youth.

⁴ More detailed scheme of computations, showing age group-wise and level of education-wise changes in labour force participation rates for males and the females in rural and urban areas is given in the Report of 11th Plan Working Group on Labour Force and Employment Projections.(<planningcommission.nic.in/Steering Committee Reports>

unemployment in the 11th Plan, which required that the balance of labour force and employment be established on CDS basis. Accordingly, the UPSS basis projections made by the Sub Group had to be modified to CDS basis.

7. To project labour force participation rates (LFPR), on CDS basis, it has been assumed that the changes projected on UPSS basis will also be applicable on CDS basis. However, the Sub Group while projecting decline in LFPR of females, noted that higher level of education will also reduce fertility among the women, and this would increase the participation in labour force by young women. The Sub Group did not estimate this counterbalancing effect towards better participation by the female persons. In this Study, the level of LFPR of young urban female persons has been maintained at the level observed in 61st Round (2004-05). The LFPR's on CDS basis for the period 2007-2017, as used for the 11th Plan Exercise, are given in Annexures 2.4a, for Urban Areas and in Annexure 2.5a for the rural areas. Projections of population in urban and rural areas, as used for the 11th Plan exercise are given in Annexure 2.1 and Annexure 2.2, for urban and rural areas, respectively.

8. The labour force on CDS basis for the period 2004-05 (estimate of actuals), and the projections for 2007, 2012 and 2017 are given in Annexure 2.6 through Annexure 2.9. The UPSS basis projections of labour force made by the Sub Group on Labour Force Projections, and accepted by the main Working Group have also been reported in the Eleventh Five Year Plan. Table 2.5 gives the summary of the results.

(‘000)

Table 2.5: Summary of the projections of increase in population and labour force			
		2006-07 to 2011-12	2011-12 to 2016-17
addition to population		79658	75271
addition to labour force	UPSS	49180	44600
addition to labour force	CDS	44711	40398

Table 2.2 : Projections of Population, Participation in Labour Force (LFPR) and Size of Labour Force Male, Female and Male+Female – three Variants placed before the 11 th Plan Working Group on Labour Force & Employment Projections						
Item, (unit)	age group	Variant	2007	2012	2007 to 2012	
					increase/ decrease	% per annum
			I. male and female			
population (million)	0+	Sub Group	1128.3	1208.0	79.7	1.374
		Approach Paper 1	1128.3	1208.0	79.7	1.374
		Approach Paper 2	1128.3	1208.0	79.7	1.374
	15 - 59	same in all variants	687.1	760.1	73.0	2.040
LFPR (per thousand)	0+	Sub Group	437	449		
		Approach Paper 1	437	451		
		Approach Paper 2	437	462		
Labour force (million)	0+	Sub Group	492.6	541.9	49.2	1.924
		Approach Paper 1	492.6	544.6	52.0	2.029
		Approach Paper 2	492.6	558.3	65.7	2.040
		II. male				
male population (million)	0+	Sub Group	584.0	625.4	41.4	1.381
		Approach Paper 1	584.0	625.4	41.4	1.381
		Approach Paper 2	584.0	625.4	41.4	1.381
	15 - 59	same in all variants	356.3	393.6	37.2	2.007
male LFPR (per thousand)	0+	Sub Group	576	597		
		Approach Paper 1	576	594		
		Approach Paper 2	576	594		
male labour force (million)	0+	Sub Group	336.5	373.7	37.2	2.119
		Approach Paper 1	336.5	371.6	35.1	2.007
		Approach Paper 2	336.5	371.6	35.1	2.007

Table 2.2 : Projections of Population, Participation in Labour Force (LFPR) and Size of Labour Force Male, Female and Male+Female – three Variants placed before the 11 th Plan Working Group on Labour Force & Employment Projections						
Item, (unit)	age group	Variant	2007	2012	2007 to 2012	
					increase/ decrease	% per annum
			III.female			
female population (million)	0+	Sub Group	544.3	582.6	38.2	1.366
		Approach Paper 1	544.3	582.6	38.2	1.366
		Approach Paper 2	544.3	582.6	38.2	1.366
	15 – 59	same in all variants	330.8	366.6		2.075
female LFPR (per thousand)	0+	Sub Group	287	289		
		Approach Paper 1	287	297		
		Approach Paper 2	287	320		
female labour force (million)	0+	Sub Group	156.1	168.2	12.0	1.497
		Approach Paper 1	156.1	173.0	16.9	2.075
		Approach Paper 2	156.1	186.7	30.6	3.639

Table 2.3 :Increase in labour force decomposed into population size effect and labour force participation effect

Variant	Male			female			male + female		
	effect of population change	effect of change in labour force participation	aggregate increase in male labour force =(2)+(3)	effect of population change	effect of change in labour force participation	aggre-gate increase in female labour force =(5)+(6)	effect of population change =(2)+(5)	effect of change in labour force participation =(3)+(6)	aggregate increase in labour force =(4)+(7)
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
<i>(million)</i>									
11th Plan Sub Group on Labour Force ProjectionsLFP	24.761	12.440	37.201	11.032	1.007	12.039	35.732	13.508	49.240
Approach Paper Variant 1 – the base line scenario	24.625	10.524	35.149	11.350	5.535	16.885	35.916	16.119	52.035
Approach Paper Variant 2	24.625	10.524	35.149	12.247	18.308	30.555	36.817	28.887	65.704

Table 2.4a - increase in labour force participation rate of female persons^{1,2} 1993-94, 1999-2000 to 2004-05				
Item	50th Round³ (1993-94)	55th Round⁴ (1999-2000)	61st Round⁵ (2004-05)	
	<i>(per thousand persons)</i>			
female labour force participation rate (LFPR) ⁶	290	263	294	
<i>(per cent change)</i>		<i>(-10.04)</i>	<i>(10.50)</i>	<i>(1.54)</i>
		[1994 to 2005] [6 years]	[2000 to 2005] [5years]	[1994 to 2005] [11years]
Notes & Source:				
¹ combined for the rural and the urban areas				
² UPSS basis				
³ NSSO Report No, 406, Table 1B; Pages 53 and 56.				
⁴ NSSO Report No, 458, Table 2; Page A 17				
⁵ NSSO Report No, 515, Table 20; Page A 77				
⁶ Derived from NSS Reports data given in Annexure Table A 2.10				
Table 2.4b marginal labour force participation rate of female persons^{1,2}				
	increase in female labour force per thousand increase in female persons			
	1994 to 2005 [6 years]	2000 to 2005 [5years]	1994 to 2005 [11years]	
marginal labour force participation rate of female persons ^{1,2,6}	126	833	311	
Notes to Table 2.4a apply.				

Chapter 3 Entrants to and Exits from the Labour Force⁵

The design of the programmes, the policies and the regulatory mechanism for the labour market institutions requires a quantitative framework of the magnitude of entrants to, and the exits from the labour force. Table 3.1 gives certain typical illustrations of such requirements of the planning process. It could also be seen in this Table, that such information is required at the level of the various age-groups.

2. A reasonably accurate estimate of the magnitude of the number of entrants to, & exits from the labour force is, therefore, required. However, the next Table 3.2 reveals the wide divergence among the various authorities in regard to the magnitude of the new entrants to labour force. The range of variations is so large that the highest estimate is double of the lowest in the range. In such a situation many estimates of the past actuals, and multiple projections of the future are put out by the various experts and the authorities⁶.

3. The Governments (including the State Governments) need a reasonably firm quantitative perspective to frame programmes and policies for those entering and exiting the labour force. Hence, there is a need to suggest a method for computing these. Such a procedure for computation of entrant to, and also the exits from labour force is proposed in this Technical Note⁷.

⁵ Item 5 of the 'Details to be included in the Technical Note on Employment, vide the Planning Commission Order No. P-12099/6/08/LEM/ERS dated May 27, 2008 requires:

"5. New entrants to Labour Force – The basis as to why projections are different in 11th Plan Chapter vis-à-vis the Report of the Working Group on Skill Development & Vocational Training for the 11th Plan."

⁶ The following two illustrations are given in support of this position:

a. The Draft Policy on Skill Development estimates 12 million as the number of new entrants to labour force (i.e., the labour market) every year at present. In this, **a simplistic assumption is made that the increase in size of labour force is equal to the number of new entrants to the labour market.** Refer to Table 3.6. This estimate is incorrect. As shown in Annexure Table 3.1, the correct estimate of past actuals is 16.747 million per year during 2000 to 2005.

b. Even, the draft of National Employment Policy (on display at Website of the M/o L&E, and downloaded on November 26, 2008, and which is being prepared for M/o L&E by the ILO Sub Regional Office at Delhi), mentions 10 million as the number of new entrants to labour force every year, for whom jobs would need to be generated, which (as shown by the analysis in this Chapter), again, is a misleading number. Such a 'National Employment Policy' would give a very wrong signal to State Governments as to the magnitude of the task before them for job creation.

⁷ Procedure for calculations of the entrants to, and the exits from the labour force, at the level of the various age groups is explained, alongwith the implicit algebra for the exercise, in Annexure 3.1 by taking up the example of the period 2000 to 2005, and using the data collected from the 55th Round and the 61st Round of the National Sample Surveys.

Table 3.1 – the need for a quantitative framework of the entrants to, and exits from the labour force – certain illustrative instances from the planning process

Age group (years)	key economic characteristics that need to be measured among the entrants to/ or exits from this age group	list of plan programme (variables), policy or regulation that are influenced in respect of:	
		entrants to labour force	exits from labour force
(1)	(2)	(3)	(4)
10-14	working employed at regular wage in urban areas in occupations other than hazardous	-seating capacity in special schools, for- -operation of district level employers fund to be contributed to by the employers	not applicable
	working children in the rural areas	-seats in vocational schools -facilities are acquisition of skills	not applicable
15-19	number of first time seekers of jobs in labour market	-career advice services -seats for vocational training	not applicable
20-24	new entrants to jobs in the formal labour market	-seats for apprentices in establishments -special employment programmes for the youth -new membership targets to be adopted by the EPFO and also the ESIC -enrolment to self financed pension schemes -design of an unemployment insurance system to facilitate job search and relocation	not applicable
	new entrants to jobs in the informal urban labour market	-unorganised workers, social security schemes for <ul style="list-style-type: none"> ○ health cover ○ pension cover ○ income support during job change -urban housing for the poor labour households -capacity to test, and grant recognition to skills acquired in a non formal mode	not applicable
	the urban female new entrants to jobs	- capacity for crèche services	not applicable

Table 3.1 – the need for a quantitative framework of the entrants to, and exits from the labour force – certain illustrative instances from the planning process			
Age group <i>(years)</i>	key economic characteristics that need to be measured among the entrants to/ or exits from this age group	list of plan programme (variables), policy or regulation that are influenced in respect of:	
		entrants to labour force	exits from labour force
(1)	(2)	(3)	(4)
40-45	the urban female re-entrants to jobs	-retraining and placement in the 2 nd career for females	
		entrants to labour force	exits from labour force
55-60	workers in the formal labour market	not applicable	-a least cost-cum-maximum benefit-job separation system for the employers and the employees funded by EPFO and LIC / GIC etc.
60+	Poor 60+ workers continuing in the labour market in rural areas	not applicable	-Central funded, and States supported, old age pension, life cover and health schemes.

Table 3.2 - entrants to labour force - the various estimates of actuals and the projections

Source	Author	Persons entering the labour force	
		Estimate of actuals & (period)	Projection & (period)
		(million per year)	
1. Eleventh Five Year Plan, Chapter on 'Skill Development and Training'	Planning Commission		15 to 17 ^a (2002 to 2007)
2. 11 th Plan Working Group on Skill Development & Vocational Training	M/o Labour & Employment (DGE&T)	7 to 8 ^b (2000 to 2005)	
3. National Policy on Skill Development (Draft)(2008)	M/o Labour & Employment (DGE&T)	12.8 ^c (2000 to 2005)	
4. National Employment Policy (First Draft) (1.08.2008)	ILO Sub Regional Office for South Asia, Delhi for M/o Labour & Employment, (DGE&T)		10.0 ^d
5. This Study			16.4 ^e

Notes:

a. This broadly corresponds to the 10 million target for enhancing training opportunities to new entrants to labour force in the non agricultural sector. (*Eleventh Plan, Vol I, Chapter 5 – Skill Development and Training, para., 5.28; (2008)*)

b. One of the Terms of Reference of the Working Group on Skill Development & Vocational Training constituted vide Government of India, Planning Commission Order was:

“To evaluate the feasibility of providing vocational skills to all entrants to labour force and the feasibility of attaining this target by the end of Eleventh Plan and to suggest a strategy for accomplishing this objective;”

(Para 2(b) of the Order No.Q-20017/1/06/LEM/LP dated March 6th, 2006.)

The Report of the Working Group, prepared by the Ministry of Labour & Employment States:

“Facilities to impart skill development programmes for about 3 million persons per annum exist in the country whereas the total labour force is about 400 million. Every year 7 to 8 million labour force enters the market. Majority of it has not undergone skill development programmes.”

(Paragraph 5.7 of the Report of the 11th Plan Working Group on Skill Development; prepared by DGE&T,

Table 3.2 - entrants to labour force - the various estimates of actuals and the projections

Source	Author	Persons entering the labour force	
		Estimate of actuals & (period)	Projection & (period)
		(million per year)	
(2006))			
c. The Draft of National Policy on Skill Development prepared by the Ministry of Labour states: “The current capacity of the skill development system is inadequate to meet the requirement. Potentially, the target groups for skill development comprise all those in the labour force, including those entering the labour force for the first time (currently 12.8 million), the work force in the organised sector (26 million) and in the unorganised sector (433 million) in 2004-05. The current capacity is only 2.5 million.” (Displayed on Website of M/o L&E, DGE&T) Table 3.6 gives the basis of calculations of DGE&T, M/o Labour & employment.			
d. “National Employment Policy; First Draft; 01.08.08 1.(The) Context (of National Employment Policy)..... 1.2 Although there has been a reversal of the declining trend in employment growth in the post-2000 period, there has also been a simultaneous increase in unemployment rates as employment growth has not kept pace with growth in labour supply. Unemployment rates have been high and increasing, especially amongst certain groups – such as youth, women and young graduates. Furthermore, about 10 million new entrants to the labour force are expected each year, for whom jobs would need to be generated. <div>(As downloaded on November 26, 2008 from <labour.nic.in>)</div>			
e. Chart 3.1, Tables 3.3, Table 3.5 and Annexures 3.2 to 3.5 give the quantitative basis for this result.			

4. If the methodology by which these estimates are generated, is standardized, the various formations of Government (including, the State Governments) can work with a uniform set of numbers.

5. Results of the technical exercise on age-group wise estimates of past actuals, and projections of persons entering the, and exiting from the labour market are presented in Tables 3.3 to 3.6. These are based on analysis of population growth, its age structure, the participation rates in labour force by gender, age and residence (rural or urban), which is presented in Annexure 3.1 to Annexure 3.6.

4. The magnitude of new entrants to labour force would be a multiple of the net increase in labour force. In the age group 15-19 years, alone this number would be around 35 million in 11th Plan (Chart 3.1 & Table 3.5 a), which is 4 to 5 times the estimate of entrants to labour force (across all age groups) made by the Ministry of

Labour & Employment 11th Plan Working Group on Skill Development, and whereas, there would be a net decrease in labour force in this age group by 2081 million (Annexure 3.2 through Annexure 3.5). Accordingly, the envisaged coordinated action for Skill Development in the 11th Plan, should, in so far as the skill development of the new entrants to labour force is concerned, aim at providing vocational training to 16.4 million persons (the children and the youth upto the age of 29 years) per year (or an outturn of 82 million over the five year period 2007-2012). Table 3.3 refers.

5. The exits from labour force during the 11th Plan would be around 15 million, (or 3 million per year) and another 16 million (as on 2012- the end of the 11th Plan) is the number of those who would exit in the labour market after the age of 60 – but, at this age the workers are vulnerable to a high degree of risk of income loss, illness, and life. (Table 3.4 and Table 3.5b). This sets the agenda for the Plan for providing social security cover to the aged (including the poor) workers during the 11th Plan and beyond.

Chart 3.1- persons entering the labour force (+) and exiting from the labour force (-) during 2007 to 2012

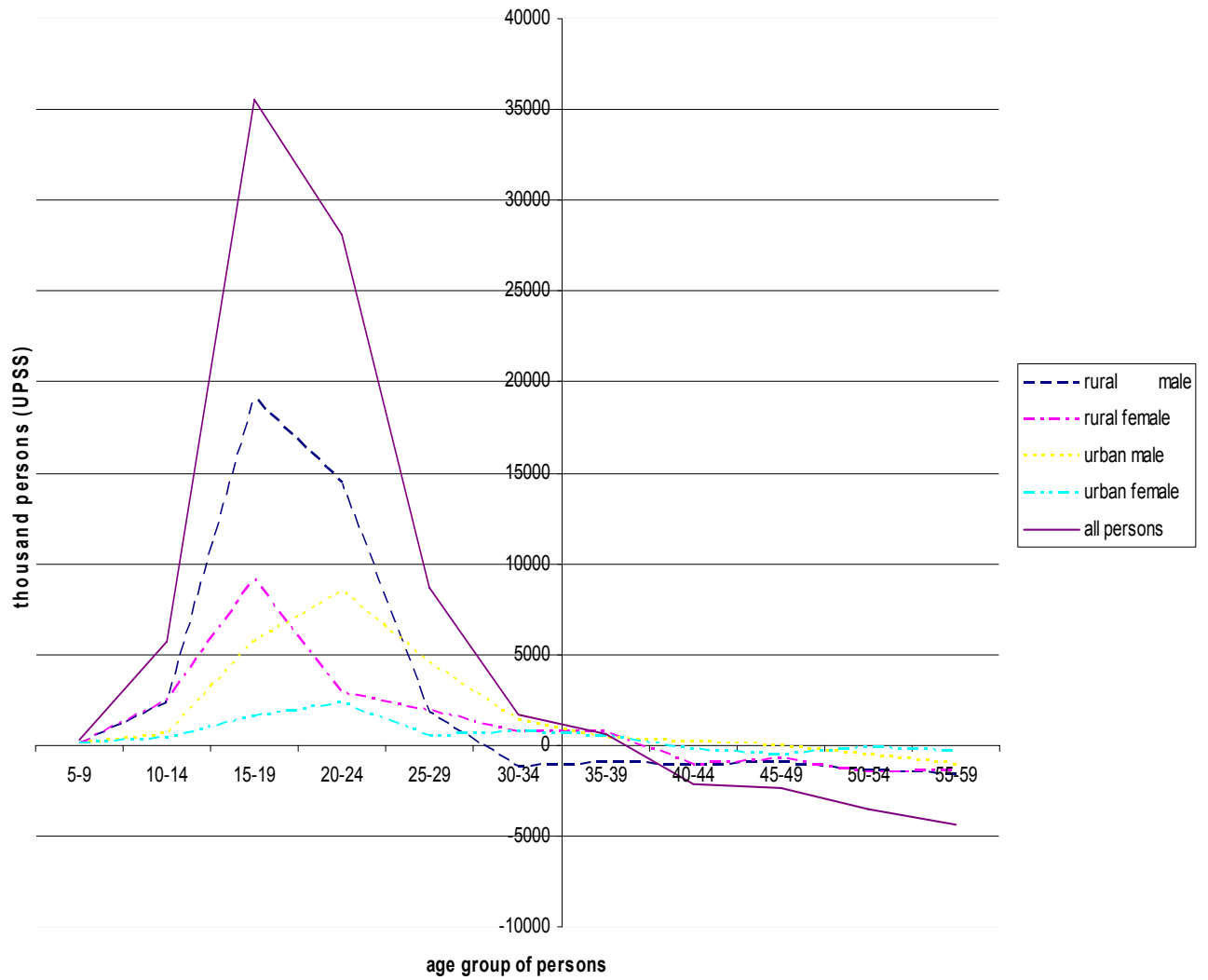


Table 3.3 new entrants to labour force from persons aged 5 to 59 years during the 11th Plan (2007-2012) and 12th Plan (2012-2017) periods			
area / gender	age bands from which there are net entrants into the labour force	persons entering the labour force ¹	
		2007 - 2012	2012 – 2017
	(years)	(thousand s)	
rural male	5 - 29	37680	37543
rural female	5 - 39	17875	17700
sub-total rural areas	as above	55555	55243
urban male	5 - 44	21351	21157
urban female	5 - 39	6071	5992
sub-total urban areas	as above	27422	27149
total		82977	82392
<i>memo items - increase in size of labour force (0+)</i>			
<i>rural male</i>	<i>0+</i>	<i>21480</i>	<i>20199</i>
<i>rural female</i>	<i>0+</i>	<i>8078</i>	<i>6844</i>
<i>urban male</i>	<i>0+</i>	<i>15722</i>	<i>14121</i>
<i>urban female</i>	<i>0+</i>	<i>3961</i>	<i>3477</i>
<i>all</i>	<i>0+</i>	<i>49241</i>	<i>44641</i>
<i>Notes</i>			
¹ UPSS			

Table 3.4 exits from labour force from persons aged 5 to 59 years during the 11th Plan (2007-2012) and 12th Plan (2012-2017) periods			
area / gender	age bands from which there are net exits from the labour force	persons exiting from the labour force ¹	
		2007 - 2012	2012 - 2017
	(years)	(thousands)	
rural male	30 - 59	7278	7242
rural female	40 - 59	4740	5099
sub-total rural areas	as above	12018	12341
urban male	45 - 59	1655	2057
urban female	40 - 59	1221	1460
sub-total urban areas	as above	2886	3517
total		14904	15858
<i>memo items -</i> <i>60+ persons remaining in labour force at the end of period</i>			
<i>rural male</i>	<i>60+</i>	<i>10510</i>	<i>12421</i>
<i>rural female</i>	<i>60+</i>	<i>3044</i>	<i>3430</i>
<i>rural areas</i>		<i>13554</i>	<i>15851</i>
<i>urban male</i>	<i>60+</i>	<i>446</i>	<i>510</i>
<i>urban female</i>	<i>60+</i>	<i>305</i>	<i>288</i>
<i>urban areas</i>		<i>751</i>	<i>798</i>
<i>all</i>	<i>60+</i>	<i>14305</i>	<i>16649</i>
<hr/>			
<u>Notes</u>		-	
¹ UPSS		-	

Table 3.5a entrants to labour force (+), and exits from labour force (-) during 2007-2012 by quinquennial age groups					
age of persons	rural male	rural female	urban male	urban female	All persons
(years)	(in thousands) (UPSS)				
(1)	(2)	(3)	(4)	(5)	(6)
5-9	103	97	38	39	277
10-14	2321	2467	607	367	5762
15-19	19113	9134	5677	1585	35509
20-24	14409	2857	8491	2363	28120
25-29	1734	1863	4559	489	8645
30-34	-1137	747	1308	766	1684
35-39	-1030	710	451	462	593
40-44	-1109	-1040	220	-259	-2188
45-49	-1015	-815	-46	-514	-2390
50-54	-1365	-1536	-519	-94	-3514
55-59	-1623	-1349	-1100	-354	-4426
Table 3.5b entrants to labour force (+), and exits from labour force (-) during 2007-2012 by quinquennial age groups					
age of persons	rural persons	urban persons	males	females	All persons
(years)	(in thousands) (UPSS)				
(1)	(2)	(3)	(4)	(5)	(6)
5-9	200	77	141	136	277
10-14	4788	974	2928	2834	5762
15-19	28247	7262	24790	10719	35509
20-24	17266	10854	22900	5220	28120
25-29	3597	5048	6293	2352	8645
30-34	-390	2074	171	1513	1684
35-39	-320	913	-579	1172	593
40-44	-2149	-39	-888	-1299	-2188
45-49	-1830	-560	-1061	-1329	-2390
50-54	-2901	-613	-1884	-1630	-3514
55-59	-2972	-1454	-2723	-1703	-4426

Table 3.6 Basis of Estimate of the DGE&T of those who enter labour market every year as given in the Draft of the Policy on Skill Development					
	NSS estimate of labour force from sample survey (UPSS basis)	NSS estimate of population	RGI's population estimate	Labour force normalised to RGI's population estimate	labour force (UPSS basis)
	('00 Nos)	('00 Nos)	('00 Nos)	('00 Nos)	(millions)
2004-05	4178863	9718974	10928300	4698836	469.88
1999- 2000	3735996	9209880	10050460	4076978	407.70
					0.00
increase 2000 to 2005	442867			621858	62.19
					0.00
avearge annual increase	88573			124372	12.44

Chapter 4. Employment Targets and Unemployment Projections

Projections for employment and unemployment for the Eleventh Five Year Plan (2007 – 2012) have been made in a ten year perspective (2007-2017) of population, Labour Force and Employment. Technical details on projections of population and labour force are given in Chapter 2.

2. The number of employment opportunities that should get created, in other words, the demand for labour, has been derived from the perspective of growth in output, and the employment elasticity with respect to GDP⁸.

3. Estimates of observed employment elasticity, for the period 1983 through 2004-05 are given in Table 4.1. The data on output and employment over a span of 21 years as used for estimating the employment elasticity is furnished in Table 4.2 (estimates of growth in GDP), and Table 4.3 (estimates of growth in number of workers.)

Projections of employment elasticity

4. At the micro level, the real wages can increase, if there is a rise in productivity of labour. A rise in productivity of labour, implies a reduction in employment elasticity. Such a trend can be seen in most of the industries between the two periods 1983 to 1993-94 and 1993-94 to 2004-05. (Table 4.1) In making projections of elasticity, at the level of specific industries, a some increase in labour productivity has been assumed all through the ten year perspective period (2006-07 to 2016-17).

5. In the case of agriculture, since the primary planning issue is the narrowing of the large gap between agricultural workers and industrial workers, a sharp increase in productivity of agricultural labour is a necessary condition. Accordingly, in making the projections of employment, no increase in the number of agricultural has been projected for the 11th Plan period, in other words zero employment elasticity. The reduction in the number of agricultural workers in post-eleventh Plan period implies negative employment elasticity during 2012 – 2017. Table 4.1 gives the projections of employment elasticity, industry-wise, for the period 2006-07 to 2016-17.

⁸ The Eleventh Plan document states the limitations of ‘employment elasticity, as a methodology for projecting employment as under:

“There are important qualifications to these projections which must be kept in mind, arising from the limitation of employment elasticities as a projection tool. The concept of employment elasticity is at best a mechanical device to project employment on the basis of projected growth of output and past relationships between employment and output. These relationships can change as a result of changing technology and change in real wages. The labour force participation rate is also subject to changes especially because of possible changes in female participation rates in urban areas associated with advances in women’s education. For all these reasons, the projected decline in the unemployment rate must be treated with caution. It could well be that the projected increase in labour demand induces greater labour supply through an increase in participation rates and also higher wages which moderate demand.”

6. Corresponding to the industry-wise growth in GDP, the projected increase in employment opportunities is given, industry-wise, in Table 4.4. On the above basis, the labour force, employment and unemployment projections are given in Table 4.5 for the ten year period 2006-07, 2011-12 and 2016-17.

7. In preparing the overall – aggregate labour force-workforce balance, in the Eleventh Five Year Plan, use of current daily status, as followed in the 10th Plan, is continued. The Note placed at Annexure 4.1 presents the reasons for doing so, in preference to the 'usual principal and subsidiary status' measure. This Note also underlines the relevance of 'usual status' measures for certain specific tasks.

Table 4.1 Employment Elasticities by Current Daily Status (CDS -1983 to 2004-05 Estimated and Projected 2006-07 to 2017)						
Industry	1983 to 1993-94	1993-94 to 1999- 2000	1999- 2000 to 2004-05	1993-94 to 2004-05	2006-07 to 2011-12	2011-12 to 2016-17
	observed				projected	
Agriculture	0.63	0.00	0.41	0.15	0.00	-0.10
Minining& Quarrying	0.68	-0.22	0.31	0.00	0.00	0.00
Manufacturing	0.50	0.40	0.60	0.49	0.41	0.35
Elect.gas&water supply	0.53	-0.29	0.71	0.04	0.04	0.04
Construction	1.25	0.74	0.84	0.79	0.67	0.55
Trade,hotels & restaurant	0.76	0.70	0.63	0.67	0.58	0.44
Transport,storage & communications.	0.61	0.60	0.42	0.50	0.50	0.39
Financial,insurance, real estate.& businessservices	0.64	0.66	1.63	1.06	0.69	0.61
Comunity,social & personal sevice	0.69	-0.13	0.54	0.11	0.31	0.26
Total	0.51	0.19	0.43	0.30	0.30	0.25

Table 4.2 - Estimated Employment by Current Daily Status (CDS)				
(000's)				
Industry	1983	1993-94	1999-2000	2004-05
Agriculture	156680	191580	191551	200396
Minining& Quarrying	1582	2437	2272	2440
Manufacturing	26985	34835	41028	49669
Elect.gas&water supply	811	1298	1148	1328
Construction	6125	11385	15000	21437
Trade,hotels & restaurant	16728	25918	37889	48585
Transport,storage&comm.	6906	10119	13721	17758
Fin.,insu.,real est.&busi.services	1879	3403	4598	7715
Community.,social. & personal services	21792	32955	30987	35579
Total	239489	313931	338194	384909
Note: Industrial distribution of workers by CDS is not available for 1983 and 1993-94. Hence CDS workers have been distributed across industries by the same distribution as available for UPS workers.				

Table 4.3 - Annual Growth Rate (%) in GDP at 1999-2000 prices						
Industry	1977-78 to 1983-84	1983-84 to 1993-94	1993-94 to 1999- 2000	1999- 2000 to 2004-05	1993-94 to 2004-05	2006-07 to 2016-17
Agriculture*	2.43	3.08	3.06	2.19	2.66	3.93
Minining& Quarrying	7.28	6.14	5.20	4.67	4.96	5.01
Manufacturing	5.06	4.94	6.90	6.46	6.70	10.09
Elect.gas&water supply	6.85	8.70	6.98	4.14	5.68	7.03
Construction	1.34	4.88	6.36	8.79	7.46	12.36
Trade,hotels & restaurant	4.53	5.58	9.29	8.05	8.73	10.00
Transport,storage&comm.	5.72	6.03	8.66	12.63	10.45	15.16
Fin.,insu.,real est.&busi.services	6.23	9.07	7.78	6.71	7.30	9.67
Comty.,so. & personal sevicees	4.80	5.86	7.83	5.22	6.64	7.47
GDP at factor cost	3.92	5.10	6.44	6.13	6.30	9.52
* Agriculture is three years moving average.						

Table 4.4 - Projected Sectoral increase in Employment Opportunities (CDS)					
('000)					
Industry	1983 to 1993-94 (10.5 years)	1993-94 to 2004-05 (11 years)	2007-12	2012-17	2007- 2017
Agriculture	34900	8816	0	-3967	-3967
Minining& Quarrying	855	3	1	2	3
Manufacturing	7850	14835	11937	12579	24516
Elect.gas&water supply	488	30	17	19	36
Construction	5260	10052	11922	14448	26370
Trade,hotels & restaurant	9190	22667	17397	17005	34402
Transport,storage&comm.	3213	7639	9025	9738	18763
Fin.,insu.,real est.&busi.services	1523	4313	3428	4044	7472
Comty.,so. & personal seviles	11163	2624	4344	4025	8370
Total	74442	70978	58072	57893	115965

Table 4.5 - Employment and Unemployment Projections 2006-07, 2011-12 and 2016-17 (CDS)			
	2006-07	2011-12	2016-17
Population (000)	1128313	1207971	1283242
Labour Force (000)	438948	483659	524057
Employment Opportunities (000)	402238	460310	518203
Unemployed (000)	36710	23349	5854
Unemployment rate (%)	8.36	4.83	1.12
Growth in Population (% p.a.)	1.43	1.37	1.22
Growth in Labour Force (%p.a.)	2.02	1.96	1.62
Growth in Employment Opportunities (%p.a.)		2.73	2.40
Addition to Population (000)	35483	79658	75271
Addition to Labour Force (000)	19301	44711	40398
Additional Employment Opportunities (000)		58072	57893

Annexure 4.1

Measurement of Labour Force, Work Force & Employment – the Concepts^{9,10}

I. The Alternative Measures of Labour Force and Employment – Concepts & Definitions

The National Sample Survey Organisation (N.S.S.O.) has developed and standardised the concepts and definitions of labour force, employment and unemployment based on the recommendations of the Committee of Experts on Unemployment Estimates set up by the Planning Commission in 1969 (Dantwala Committee), (Box 4.1).

Box 4.1: Concepts and Definitions for Labour Force, Employment and Unemployment¹

“ In the light of long experience in field surveys and the recommendations of the Committee of Experts on Unemployment Estimates set up by the Planning Commission in 1969 (Dantwala Committee). the National Sample Survey Organisation (N.S.S.O.) has developed and standardised the concepts and definitions of labour force, employment and unemployment suitable to our socio-economic conditions and adopted them in quinquennial surveys on employment and unemployment since 1972-73 (27th Round). The various estimates are based on three concepts namely, Usual Status, Weekly Status and Daily Status. These are explained below:—

- i. Usual Status Concept: This concept is meant to measure the usual activity status—employed or unemployed or outside the labour force of those covered by the survey; thus the activity status is determined with reference to a longer period than a day or a week*.
- ii. Weekly Status Concept: Here the activity status is determined with reference to a period of preceding 7 days. A person who reports having worked at least for one hour on any day during the reference period of one week while pursuing a gainful occupation was deemed to be employed. A person who did not work even for one hour during the reference period but was seeking or available for work was deemed to be unemployed.
- iii. Daily Status Concept: Here activity status of a person for each day of the preceding 7 days is recorded. A person who worked at least for one hour but less than four hours was considered having worked for half a day. If worked for four hours or more during a day, he was considered as employed for the whole day.

* The period of reference in the NSS 27th Round (1972-73) was a one year period 'spanning over' the past and future. The period was restricted to the preceding 365 days in the NSS 32nd Round (1977-78).”

¹ GOI, Planning Commission; Sixth Five Year Plan; Chapter 13: Manpower and Employment, paragraph 13.3.

⁹ This draws upon, the work done by the author of this Report, in the Planning Commission (Labour, Employment & Manpower Division), for the Eleventh Five Year Plan, for the Working group on Labour Force & Employment Projections.

¹⁰ Item 3 of the ‘Details to be included in the Technical Note on Employment, vide the Planning Commission Order No. P-12099/6/08/LEM/ERS dated May 27, 2008 requires:

“3. Why Current Daily Status (CDS) approach for measuring employment-unemployment has been preferred over the Usual Status (US) approach?”

The magnitude of incidence of unemployment differs substantially among the three concepts of measurement. This is due to the differences in the nature of enquiry made during the household survey on employment / unemployment in regard to disposition of time of a person. (Box 4.2)

Box 4.2: The Three Kinds of Estimates of the Unemployed¹

Unemployment rate is defined as the number of persons unemployed per 1000 persons in the labour force. Three kinds of estimates for the unemployed are obtained following the three different approaches. These are:

- i) number of persons usually unemployed based on 'usual status' approach,
- ii) number of persons unemployed on an average in a week based on the 'weekly status' and
- iii) number of person-days unemployed on an average during the reference period of seven days preceding the survey.

The first estimate indicates the magnitude of persons unemployed for a relatively longer period during a reference period of 365 days and approximates to an estimate of chronically unemployed. Some of the unemployed on the basis of this criterion might be working in a subsidiary capacity during the reference period. The former is called as the usually unemployed according to the principal status (p.s.) and the latter, the usually unemployed excluding the subsidiary status workers (u.s. adjusted) which admittedly will be lower than the former. The second estimate based on the weekly status gives the average weekly picture during the survey year and includes both chronic unemployment and also the intermittent unemployment, of those categorized as usually unemployed, caused by seasonal fluctuations in the labour market. The third estimate based on the daily status concept gives average level of unemployment on a day during the survey year. It is the most inclusive rate of 'unemployment' capturing the unemployed days of the chronically unemployed, the unemployed days of the usually employed who become intermittently unemployed during the reference week, and the unemployed days of those classified as employed according to the priority criterion of current weekly status.

¹NSSO Report No. 409: Employment and Unemployment in India 1993-94: NSS 50 th Round; Chapter 7.

The earlier Five Year Plans; Measurement concepts used in -

The basis of measurement, as used for presenting the estimates of labour force and employment, and for making projections, during the various Five Year Plans are indicated in Table 4.6. It will be seen that as the concepts and definitions and measurement practices got refined through the successive surveys on employment and unemployment, the basis of measurement of employment and unemployment, as used for carrying out the Five Year Plan exercises also changed.

Table 4.6: Basis of measuring Labour Force & Employment in the previous Five Year Plans

Five Year Plan	Basis of Measurement	Reference to the relevant Five Year Plan Document	Remarks
Fifth Plan (1974 -1979)	Labour time disposition as per current activity i.e., the Current Weekly Status (CWS)	Fifth Plan, Chapter 2: The Perspective, Para 2.36	This was the first Plan exercise after the first household enquiry on employment and unemployment done in the 27 NSS Round (1972-73) following the methods recommended by the Committee of Experts on Unemployment Estimates (1970).
Sixth Plan (1980 – 1985)	Usual Principal Status (UPS), - Employment projections made in terms of Standard Person Years	Sixth Plan, Volume II, Chapter 13, Table 13.2	Detailed work on estimation of labour input at level of industrial sector was done in preparation of the first Draft of the Sixth Plan which was to cover the period 1978 – 1983. Labour input, was related to sectoral output, in terms of standard person years, and thus the projections of employment were made in terms of standard person years. However, as noted in a later Plan document, the use of a fixed labour input coefficient implied a unit elasticity of employment with respect to output, which is not borne out by the actual observations.
Seventh Plan (1985 – 1990)	Usual Principal Status (UPS)	Seventh Plan, Volume II, Chapter 5: Employment, Manpower Planning and Labour Policy, Table 1.	
Eighth Plan (1992 – 1997)	Current Weekly Status (CWS) was preferred over the UPS, in making projections of employment.	Eighth Plan, Volume I, Chapter 6: Employment Perspective, Para 6.4.1	
Ninth Plan (1997-2002)	Usual Principal Status (adjusted for the subsidiary workers) i.e., the Usual Principal and Subsidiary	Ninth Plan, Volume I, Chapter 4, Employment Perspective, Para 4.8.	

Five Year Plan	Basis of Measurement	Reference to the relevant Five Year Plan Document	Remarks
	Status. (UPSS)		
Tenth Plan (2002 – 2007)	Current Daily Status (CDS)	Tenth Plan, Volume I, Chapter 5, Employment Perspective, Para 5.9.	CDS basis was adopted after considering the recommendations made in the Report of the Planning Commission ‘Special Group on Creation of 10 million Employment Opportunities per Year during the Tenth Five Year Plan period.’

The Tenth Plan presented, in detail, the rationale for changing over to the ‘current daily status’ basis of measurement Box 4.3.

Box 4.3: Measurement of Employment and Unemployment¹

In the Ninth Plan, the calculations of employment and unemployment were based on Usual Principal and Subsidiary Status basis (UPSS). The Report of the Special Group² has viewed current daily status (CDS) as a better measure to capture unemployment and underemployment than the usual status, and therefore recommended the use of CDS basis for estimation purpose.

The rationale for using CDS for measuring employment and unemployment is the following:

i) The Approach Paper to the Tenth Plan recommended creation of gainful employment opportunities for the entire additions to labour force during the Tenth Plan and beyond. Therefore, policies and programmes to fill the gap between requirement and availability of gainful employment opportunities are to be worked out. At any point of time, there is a large unemployed and under-employed workforce i.e., not having any gainful employment, although by using the measurement on UPSS basis, several of them are declared employed. This results in over-estimation of the level of employment. To avoid this, largely, the Special Group suggested estimation of the extent of employment and unemployment on CDS basis.

ii) According to the NSSO employment and unemployment survey report of 1999-2000 'The usual status approach adopted for classification of the population is unable to capture the changes in the activity pattern caused by seasonal fluctuations. But the estimate obtained by adopting the current weekly or current daily status approaches are expected to reflect the overall effect caused by the intermittent changes in the activity pattern during the year. The latter (CDS) reflects also the changes, which take place even during the week. The estimate of the employed based on current daily status gives average daily picture of employment.'

Therefore the Special Group regarded the CDS measurement as the most appropriate measure to have an estimate of the gap i.e., jobs to be created on gainful basis, in order to bring out recommendations as to how they can be filled up by changes in policies and programme.

¹ Tenth Five Year Plan, Volume 1, Chapter 5: Employment Perspective, Paragraphs 5.8 to 5.10.

² Special Group on Targetting Ten Million Employment Opportunities Per Year; Planning Commission (May 2002).

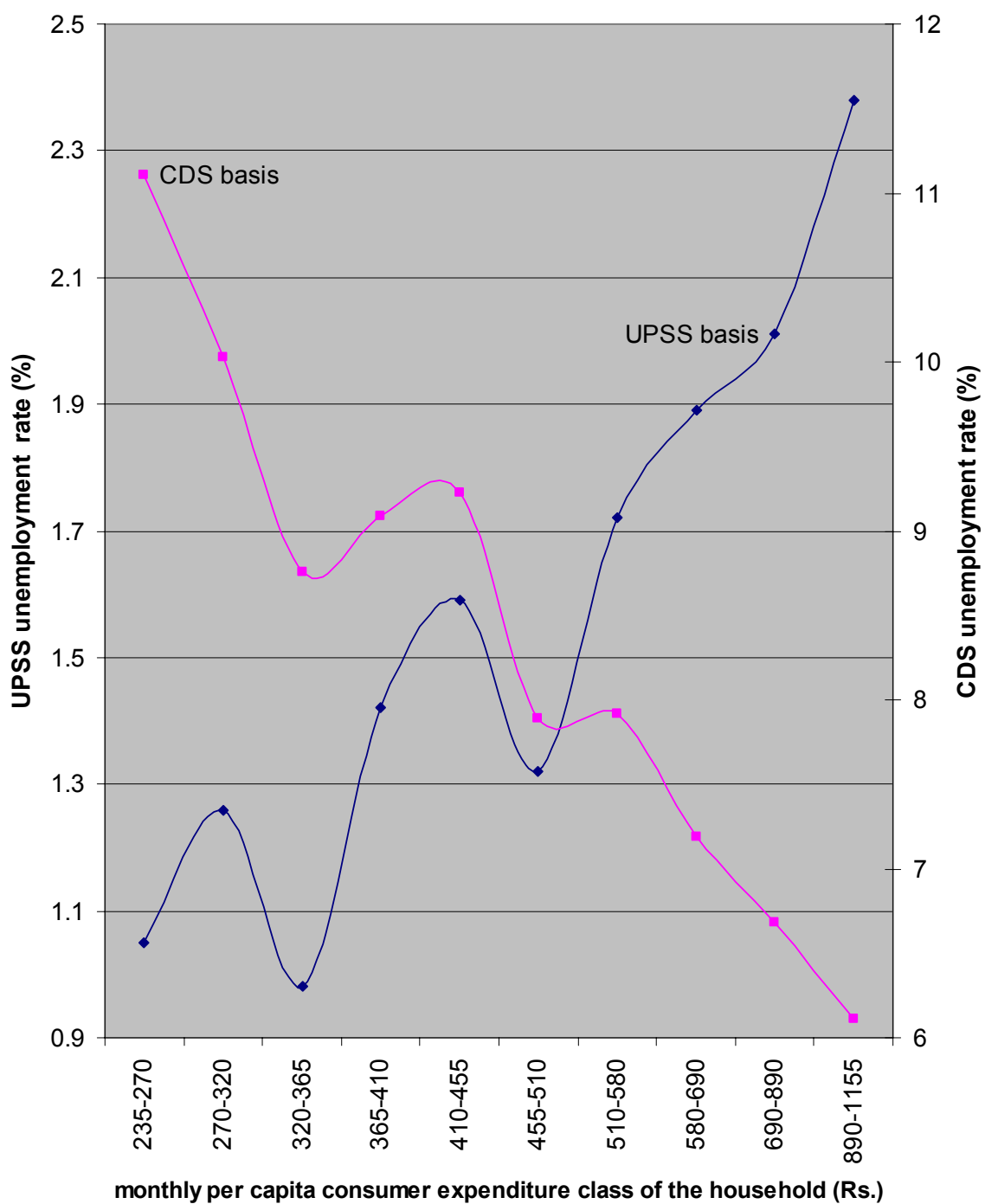
II. Linking of Poverty with Unemployment under the alternative basis of measurement – UPSS & CDS

In the UPSS basis of measurement, the estimate of unemployment of the better-off persons (those having higher levels of consumer expenditure) turns out to be higher than that of the poor. As per the CDS basis of measurement, the poor have a higher level of unemployment than the rich. Table 4.7. illustrates this feature both for the rural and the urban areas. UPSS unemployment rates of the rural rich are nearly double that of the poor. And the CDS unemployment rates of the rural poor are 10 percentage points higher than the UPSS unemployment rates of the poor. It may also be noted that in the CDS measure the incidence of unemployment rises sharply as the income level (*as measured by the consumption expenditure here*) falls; for example, the unemployment of urban poor being 6 percentage points higher than the rich. The UPSS measure fails to establish a monotonic relationship between unemployment and income. In other words, the CDS measure of unemployment brings out the relationship between poverty and unemployment, clearly.

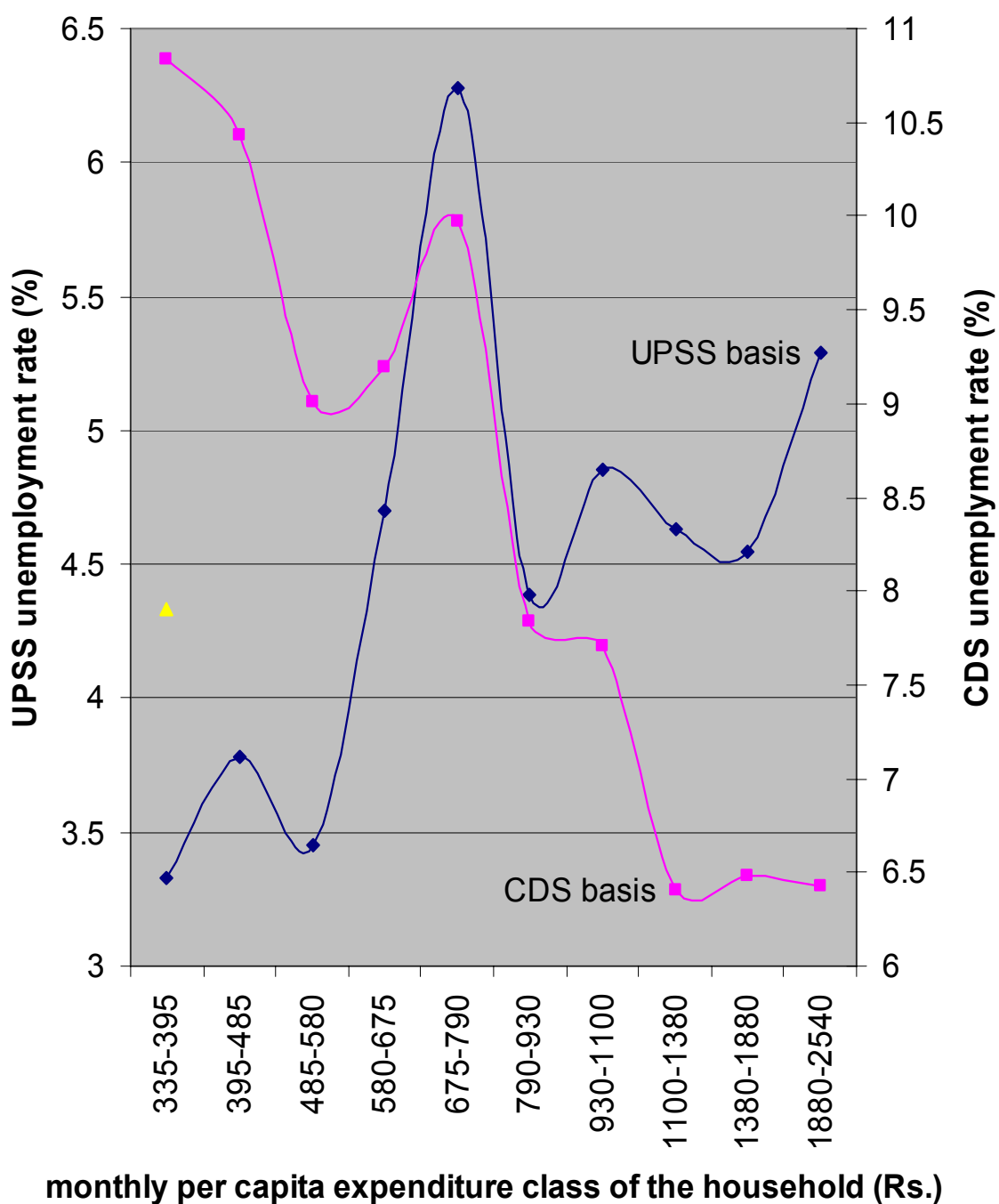
Table 4.7:
Incidence of Unemployment by the level of Household Consumer
Expenditure under the alternative measures for unemployment – UPSS
& CDS: 2004-05

Unemployment Rate - Rural			Unemployment Rate -		
Persons 2004-05			Urban Persons 2004-05		
MPCE class			MPCE class		
(Rs.)	UPSS	CDS	(Rs.)	UPSS	CDS
0-235	1.36	11.86	0-335	5.12	12.70
235-270	1.05	11.11	335-395	3.33	10.84
270-320	1.26	10.03	395-485	3.78	10.43
320-365	0.98	8.76	485-580	3.45	9.01
365-410	1.42	9.09	580-675	4.70	9.19
410-455	1.59	9.23	675-790	6.28	9.97
455-510	1.32	7.89	790-930	4.39	7.84
510-580	1.72	7.92	930-1100	4.85	7.71
580-690	1.89	7.19	1100-1380	4.63	6.40
690-890	2.01	6.68	1380-1880	4.55	6.48
890-1155	2.38	6.11	1880-2540	5.29	6.43
1155 & above	3.65	6.65	2540 & above	2.74	4.08

**unemployment rates of rural persons by expenditure
class of household 2004-05
- UPSS
and CDS basis**



unemployment rates of urban persons by expenditure class of household 2004-05 - UPSS and CDS basis



Person- specific characteristics

CDS measure being a person days measure (i.e., a time based measure), is not amenable, straightaway, to study of person specific characteristics of the workers. Current Weekly and the Usual Status measures study the activity status of a person over the reference period (week or the year) (CWS, UPSS, and UPS) and, are therefore amenable to study of person-specific characteristics. Hence, in presenting the person-specific features of employed or unemployed persons the UPSS measures should be used.

III. The choice between the alternative basis of measurement

Thus, for the purpose of making estimates of labour force, employment and unemployment, for the entire economy, current daily status, is a better measure, because:

- (i) in contrast with the usual status measures, it does not count ‘the underemployed’ as ‘the employed’,
- (ii) it is a better measure of gainful employment, and
- (iii) it captures the quality of employment better than the UPSS basis, by exhibiting a higher incidence of unemployment among the poor than the rich.

One of the purposes of making an assessment of the developments in employment situation is to understand the response of employment to output at the aggregate level of a State, a Sector of production (agriculture etc.), or the Nation as a whole. In linking the labour input with output, one should use such a measure that captures better, the gainful employment. Here, again CDS is the better measure to estimate output elasticity of employment.

However, for the study of employment / unemployment situation, for a specific category or class of persons (educated, illiterate, women, minority, S.C./S.T., etc), the usual status measure should be used.

And for the purpose of a deeper study of factors underlying the social well being of the persons, the usual status measure needs to be used in conjunction with the current daily and current weekly status measures.

The Eleventh Plan Working Group on Labour Force & Employment Projections has recommended that the analysis of trends in labour force and employment should be done on the basis of UPSS and CDS measures. The projections should be made on the basis of CDS measure following the practice used in the 10th Plan.

Chapter 5 - Trends in Wages¹¹

On the developments in wages of labour, the Approach to the Eleventh Five Year Plan stated:

“5.3 Employment

Employment is an area which shows up where our growth process is failing on inclusiveness. The number of workers is growing, particularly in non-agricultural employment, but weaknesses appear in unemployment, the quality of employment, and in large and increasing differentials in productivity and wages.

Data from the latest NSS round for 2004-05..... reveal the following:

.....
.....

Agricultural employment has increased at less than 1% per annum, slower than population growth and much slower than growth in non-agricultural employment.

.....**Also, although real wages of these workers continue to rise, growth has decelerated strongly, almost certainly reflecting the poor performance in agriculture.**”

2. The above statement on wages was made on the basis of NSS data on wages for 11 year period – 1993-94, 1999-2000 and 2004-05 (Table 5.1). This medium term trend should also be seen as a part of the longer term developments over the past two decades. The long term trends on wages are given in Table 5.2 for two periods that span over 21.5 years - 1983 to 1993-94 (10.5 years) and 1993-94 to 2004-05 (11 years), along with the trends for the recent two sub periods of the medium term period of 11 years – 1993-94 to 1999-2000 (6 years) and 1999-2000 to 2004-05 (5 years). It will be observed from that the deceleration in wages moderates between the two long sub periods 10.5 years (1983 to 1993-94) and 11 years (1993-94 to 1999-2000) i.e., over the long term of 21.5 years.

3. The Eleventh Five Year Plan document has therefore, stated the developments in regard to wages, in a longer term retrospect of two decades spread over Period I (1983 to 1993-94) and Period II (1993-94 to 2004-05), as under:

“4.4 The approach to the Eleventh Plan had identified the following specific weaknesses on the employment front which illustrate the general failing just discussed.

¹¹ Items 4 of the ‘Details to be included in the Technical Note on Employment, vide the Planning Commission Order P-12099/6/08/LEM/ERS dated May 27, 2008 requires:

“4. Analysis of wage trends – presented in the 11th Plan Chapter vis-à-vis the Approach Paper.”

-

- Although real wages of casual labour in agriculture continue to rise during 2000–2005, growth has decelerated strongly, as compared to the previous quinquennium (1994–2000), almost certainly reflecting poor performance in agriculture. However, **over the longer periods 1983 to 1993–94 (period I) and 1993–94 to 2004–05 (Period II), the decline (*in wages*) is moderate for rural male agricultural casual labour, from 2.75% to 2.18% per annum.**

- Growth of average real wage rates in non-agriculture employment in the period 1999–2000 to 2004–05 has been negligible. **Seen over the longer period of two decades (Period I and Period II), the (*non-agricultural*) wages have steadily increased at over 2% per annum.**

- **In respect of entire rural male casual labour, the growth in real wages accelerated from 2.55% (Period I) to 2.78% per annum (Period II) (Annexure 4.6)."**

4. This analysis has thus enabled a modification of the manner in which the data on trends in wages was interpreted and presented in the Approach to the Eleventh Plan.

Table 5.1 - Growth of Average daily Wage Earnings in Rural India (at 1993-94 prices) -1993-94 to 1999-2000 & 1999-2000 to 2004-05					
(per cent per annum)					
	Rural Male			Rural Female	
	1993-94 to 1999- 2000	1999- 2000 to 2004- 2005		1993-94 to 1999- 2000	1999- 2000 to 2004- 2005
Public works	3.83	3.15		5.03	2.01
Casual Labour in Agriculture	2.80	1.21		2.94	0.93
Casual Labour in Non Agriculture	3.70	0.62		5.07	1.32
Casual Labour in All Activities	3.59	1.51		3.19	1.21
Source :- NSSO					

Table 5.2 - Growth of Average daily Wage Earnings in Rural India (at 1993-94 prices) 1983 to 2004-05								
	Rural Male				Rural Female			
	1993-94 to 1999- 2000	1999- 2000 to 2004- 2005	1983 to 1993-94	1993-94 to 2004- 05	1993-94 to 1999- 2000	1999- 2000 to 2004- 2005	1983 to 1993-94	1993-94 to 2004- 05
Public works	3.83	3.15	2.28	3.81	5.03	2.01	4.10	3.83
Casual Labour in Agriculture	2.79	1.21	2.79	2.18	2.93	0.93	3.07	2.10
Casual Labour in Non Agriculture	3.69	0.62	2.38	2.34	5.06	1.32	4.08	3.47
Casual Labour in All Activities	3.59	1.51	3.00	2.78	3.19	1.21	3.19	2.40
Source :- derived from data in Tables 5.3, 5.4 & 5.5.								

Table 5.3 - Average daily Wage Earnings in Rural India 1993-94, 1999-2000 & 2004-05 (at 1993-94 prices)						
				(per cent per annum)		
	Rural Male			Rural Female		
	1993-94	1999-2000	2004-2005	1993-94	1999-2000	2004-2005
Public works	24.65	30.89	37.21	18.52	24.87	28.02
Casual Labour in Agriculture	21.59	25.48	27.38	15.12	17.99	19.01
Casual Labour in Non Agriculture	30.15	37.49	38.90	17.46	23.49	25.41
Casual Labour in All Activities	23.18	28.65	31.34	15.33	18.51	19.90
Source:- Derived from data in Table 5.4 and Table 5.5						

Table 5.4 Average daily Wage Earnings in Rural India 1993-94, 1999-2000 & 2004-05 (at current prices)						
(per cent per annum)						
	Rural Male			Rural Female		
	1993-94	1999-2000	2004-2005	1993-94	1999-2000	2004-2005
Public works	24.65	49.04	65.33	18.52	39.48	49.19
Casual Labour in Agriculture	21.59	40.45	48.07	15.12	28.56	33.38
Casual Labour in Non Agriculture	30.15	59.52	68.30	17.46	37.29	44.62
Casual Labour in All Activities	23.18	45.48	55.03	15.33	29.39	34.94
Conversion Factor		1.587604	1.75577693		1.587604	1.755777
Source:- 1. Report No. 409 July 1993- June 1994 (Table No.57R Page No. A-319 & A-323 2. Report No. 458 July 1999- June 2000 (Table No.69R Page No. A-293 & A-297 3. Report No. 515 July 2004- June 2005 (Table No.49R Page No. A-444 & A-446						

Table 5.5 - All India Consumer Price Index Numbers for Agricultural Labourers			
(Average of Months)			
	Base Year 1986-87 =100	Base Year 1960-61 =100	Base Year 1993- 94 =100
1993-94*	194.74	1114	100
1999-2000	309.17	1821	163
2004-05	341.92	2014	181
* Base 1960-61=100			
Source: Statement 5.3 at page S-63 Economic Survey 2004-05			
Note: The CPI for agricultural labourers with 1986-87 (July 1986 to June 1987) base was introduced w.e.f. November, 1995. The earlier series on base 1960-61 (July 1960 to June 1961) was simultaneously discontinued. The conversion factor from the new to the old series is 5.89.			

Chapter 6: Strategy for Creation of Employment Opportunities¹² (Including the approach to formal and informal employment)

I. CREATION OF EMPLOYMENT OPPORTUNITIES

6.1 The Employment Challenge

An agenda for handling the planning issues on employment should take note of the major problems faced by the large employment providing sectors, which also affects those persons who derive their wage or other kinds of income from these sectors as workers. The Approach to 11th Plan has focused on these problems from the perspective of workers:

- i) The failures in agricultural sector have increased the burden of providing work opportunities to a large number of workers that migrate from agriculture, and for the dependents, the women folk who are left behind to carry on somehow.

The crisis in agriculture:

“One of the major challenges of the 11th Plan will be to reverse the deceleration in agricultural growth from 3.2% observed between 1980 and 1996-97 to a trend average of around 2.0% subsequently. This deceleration is the root cause of the problem of rural distress that has surfaced in many parts of the country and reached crisis levels in some. Low farm incomes due to inadequate productivity growth have often combined with low prices of output and with lack of credit at reasonable rates, to push many farmers into crippling debt. Even otherwise, uncertainties seem to have increased (regarding prices, quality of inputs, and also weather and pests) which, coupled with unavailability of proper extension and risk insurance have led farmers to despair. This has also led to widespread distress migration, a rise in the number of female headed households in rural areas and a general increase in women’s work burden and vulnerability. In 2004-05, women accounted for 34% of principal and 89% of subsidiary workers in agriculture, higher than in any previous round of the National Sample Survey.” (Para 1.6.2 of Approach to 11th Plan).

- ii) Large differential in per worker incomes between the organized and the unorganized segments of labour market, make the lower income workers in non agricultural sectors as vulnerable to risk as the marginal farmers are:

The dualistic economy:

¹² Items 6 of the ‘Details to be included in the Technical Note on Employment, vide the Planning Commission Order P-12099/6/08/LEM/ERS dated May 27, 2008 requires:

“6. Issue of formal vs. informal employment – NCEUS recommendations versus the stand taken in the 11th Plan Chapter.”

“The dualistic nature of our economy, with large differences in productivity between agriculture and non-agriculture on the one hand and within the non-agriculture sector between the organized and unorganized sectors poses problems, especially since the dualism appears to have intensified over the last decade or so. Labour productivity in the organized sectors was already 4 times that in unorganized non-agriculture in 1993 and this ratio increased to 7 times by 2004. During the same period, the share of the organized sector in total non-agricultural employment declined from 20% to 13%. Part of this was due to downsizing of the public sector which reduced employment by 1.3 million. However, employment growth was negligible (in fact negative after 1998) even in the private organized sectors, despite an average growth of GDP of nearly 10% per annum after 1993 in this sector. The reason is that capital intensity in the organized sector increased rapidly, so that the real capital stock per worker is now three times what it was in 1993. On the other hand, with its 60% higher workforce now than in 1993, unorganized non-agriculture has absorbed over 60 million new workers, mostly after the late-1990s. But this sector has been unable to increase significantly either its capital - labour ratio or labour productivity. These two disparate private sectors in non-agriculture, unorganized and the organized now produce about 50% and 25% of all non-agricultural value-added respectively, with 87% and 4% of the non-agricultural workforce. These trends show is that while employment in the unorganized non-agricultural sector has expanded it is generally low quality employment constrained by low productivity. Millions of self-employed in the unorganized sector, (particularly home-based women doing putting out work and artisans, but also many in other manufacturing sub-sectors and in retail trade) have levels of labour productivity no higher than in agriculture and their number is increasing rapidly. They are as vulnerable to shocks as farmers.”

(Para 5.3.5 of the Approach to 11th Plan)

- i) The large size enterprises that have high productivity and thus can provide a better quality of employment opportunities to those seeking work in non agricultural activities i.e., manufacturing and services activities are not increasing, rather decreasing in number. (Table 6.1)

Table 6.1: Number of Establishments enumerated in Economic Census classified by workers Size Class – 1998 and 2005

worker size class of establish- -ment	economic census 1998	economic census 2005	change 1998 to 2005
number of establishments			
1 to 5	28497606	39764918	11267312
6 to 9	1001513	1430483	428970
10 & above	849769	631588	-218181
total	30348888	41826989	11478101

iv) In this backdrop, there have been certain adverse developments in the recent years. The Approach to the Eleventh Plan had identified the following specific weaknesses on the employment front which illustrate the general failing just discussed.

- The rate of unemployment has increased from 6.1% in 1993–94 to 7.3% in 1999–2000, and further to 8.3% in 2004–05.
- Unemployment among agricultural labour households has risen from 9.5% in 1993–94 to 15.3% in 2004–05.
- Under-employment appears to be on the rise, as evident from a widening of the gap between the usual status and the current daily status measures of creation of incremental employment opportunities between the periods 1994 to 2000 and 2000 to 2005 (Annexure 4.1).
- While non-agricultural employment expanded at a robust annual rate of 4.7% during the period 1999–2000 to 2004–05, this growth was largely in the unorganized sector.
- Despite fairly healthy GDP growth, employment in the organized sector actually declined, leading to frustration among the educated youth who have rising expectations.
- Although real wages of casual labour in agriculture continue to rise during 2000–2005, growth has decelerated strongly, as compared to the previous quinquennium (1994–2000), almost certainly reflecting poor performance in agriculture. However, over the longer periods 1983 to 1993–94 (period I) and 1993–94 to 2004–05 (Period II), the decline is moderate for rural male agricultural casual labour, from 2.75% to 2.18% per annum.
- Growth of average real wage rates in non-agriculture employment in the period 1999–2000 to 2004–05 has been negligible. Seen over the longer period of two decades (Period I and Period II), the wages have steadily increased at over 2% per annum.
- In respect of entire rural male casual labour, the growth in real wages accelerated from 2.55% (Period I) to 2.78% per annum (Period II) (Chapter 5; Table 5.2 of this Report)
- Real wages stagnated or declined even for workers in the organized industry although managerial and technical staff did secure large increase.
- Wage share in the organized industrial sector has halved after the 1980s and is now among the lowest in the world.

6.2 Towards meeting the Employment Challenge

- i) The problems of the largest segment of workers can be addressed through the output growth in the agriculture sector:

“It is vital to increase agricultural incomes as this sector still employs nearly 60% of our labour force. A measure of self-sufficiency is also critical for ensuring food security. A second green revolution is urgently needed to raise the growth rate of agricultural GDP to around 4%. This is not an easy task since actual growth of agricultural GDP, including forestry and fishing, is likely to be below 2% during the 10th Plan period. The challenge therefore is to at least double the rate of agricultural growth and to do so recognize demographic realities — particularly the increasing role of women.”
(Para 1.6.5 of Approach to 11th Plan)

- ii) The number of workers in agriculture should reduce, so that per worker incomes can rise here.
- iii) The growth of non agricultural employment needs to be stepped up: to over 6%
- iv) Generation of non-agricultural employment should match the requirements in terms of location and by type (such as the level of skill, the wage or self employment, etc.). This is a major challenge.
- v) In the development agenda for non agricultural activities, the labour intensive activities should be at the prime focus of the policies and programmes..

6.3 Imperatives for the strategy from projections of Employment and Labour Force

- i) The baseline scenario for creation of employment opportunities and the required scenario for the 11th Plan, as implicit in the approach to 11th Plan, are presented in Table 6.2. This sets the agenda for the outcomes of the employment strategy for the 11th Plan.

Table 6.2: Creation of Employment Opportunities in the Eleventh Plan 2007 – 2012 – the base case and the intentions of the 11th Plan			
Sector	Baseline case (i.e. no Plan)	Eleventh Plan intentions	Remarks on Source, etc.
	<i>(million)</i>		
1. Agriculture	10.0	0.0 (-) 10.0	Approach to 11 th Plan; Para 1.6.5
2. <u>Non- Agriculture, of which</u>	<u>55.0</u>	<u>65.0</u> (+) 10.0	Approach to 11 th Plan; para 1.6.5; 55m (baseline)+10m (shift from agriculture to non agricultural activities)
2.1 Unorganised private establishments ¹	50.0 Rural 0.0 Urban 50.0	50.0 Rural 25.0 Urban 25.0	Appr to 11th Plan; para 5.3.17 Rural (+) 25.0 Urban (-) 25.0
2.2 Private Organised Establishments	2.0	10.0 (+) 8.0	Approach to 11 th Plan; paras 5.3.6 & 5.3.7. Para 5.3.7
2.3 Public Establishments	3.0	5.0 (+) 2.0	Approach to 11 th Plan; paras 5.3.14 & 5.3.15. Para 5.3.15
Total (1+2)	65.0	65.0	Approach to 11 th Plan; para 5.3.3
		(+) 0.0	

- ii) The employment strategy for the 11th Plan should be such as to yield the following employment outcomes:
- At least 10 million more agricultural workers should find gainful employment in non agricultural activities than in the normal trends scenario.
 - In the unorganized sector, micro and village enterprises in rural areas should provide non-farm employment to at least 25 million more persons, compared to the baseline scenario, during the Plan.
 - Private organized establishments should absorb 8 million more workers, over and above 2 million, which in any case would occur under normal growth in the baseline scenario.
 - Government and public establishments should absorb, at least 2 million more workers over and above the normal growth of 3 million through the ongoing programmes in education and health.
- iii) Employment outcome of the strategy cannot and should not always be seen in terms of more of the same kind of employment. The types of employment outcomes required at sectoral levels vary from sector to sector. Broadly these are of the following types:
- Better wage levels and better income of the self employed workers
 - Reduction in the uncertainty in the level of income
 - Improvement in the physical environment of work
 - Better ability to cope with the risks to life and health i.e., a better risk cover – social security

II. ISSUE OF FORMAL VS. INFORMAL EMPLOYMENT – NCEUS RECOMMENDATIONS VIS-A-VIS THE STAND TAKEN IN THE 11TH PLAN CHAPTER

At a joint meeting of the NCEUS with the Internal Planning Commission in October 2007, the substantive issues posed were:

- A. Informalisation of employment in the organised sector
- B. Feasibility of separation of organised sector from the unorganised sector in respect of output and employment
- C. Strategy for creating employment opportunities

A. Informalisation of employment in the organised sector

1. Relevant extracts from NCEUS draft chapter are:

26 *Unorganised (informal) workers*

26.1 *The workers without any employment or social security benefits provided by the employers are categorized as unorganised or informal workers. They consist of those working in the unorganised sector or households excluding regular workers with social security benefits and the workers in the organised sector without any employment or social security benefits provided by the employers.*

26.2 *The estimates of unorganised and organised employment both in organised and unorganised sectors were worked out for the years 1999-2000 and 2004-05 and these are given in table 16. As per these estimates, about 45.7% of the employees in the organised sector were unorganised workers during 1999-2000 and it increased to 46.6% by 2004-05. There was also organised employment in the unorganised sector to the extent of about 0.4 per cent of the unorganised sector workers both in 1999-2000 and 2004-05. Out of the total work force, 91.2% were unorganised workers in 1999-2000 and it increased to 92.4% in 2004-05. While the*

Table 6.3: (Table 16 of NCEUS Paper):
Distribution of workers by type of employment – Formal and Informal and by Sector-
Organised and Unorganised -prepared by the NCEUS

(million)

Sector	1999-2000			2000-2005		
	Informal	Formal	Total	Informal	Formal	Total
Unorganised	341.28	1.36	342.64	393.47	1.43	394.90
	(99.60)	(0.40)	(100)	(100)	(1.36)	(100)
Organised	20.46	33.67	54.12	29.14	33.42	62.57

	(37.80)	(62.20)	(100)	(46.58)	(53.42)	(100)
Total	361.74	35.02	396.76	422.61	34.85	457.46
	(91.17)	(35.02)	(100)	(92.38)	(7.46)	(100)

Comments

2. Wage workers among the household members answered NSSO questions, in the 61st round (2004-05), as to whether the employers provide the following types of benefits to them:

I. Eligible for:

1. Only pf/pension (i.e., gpf, cpf, ppf, pension, etc.)
2. Only gratuity
3. Only health care & maternity benefits
4. Only pf/pension and gratuity
5. Only pf/pension and health care & maternity benefits
6. Only gratuity and health care & maternity benefits
7. PF/pension, gratuity, health care & maternity benefits
8. Not eligible for any of above social security benefits

II. Method of payment received by the wage workers:

1. Regular monthly salary
2. Regular weekly payment
3. Daily payment
4. Piece rate payment
5. Others

3. In the 55th round (1999-2000) all usual status workers (*note here 'all' includes self employed workers too*) were asked whether:

I. they had the benefit of:

1. GPF
2. PPF
3. CPF
4. A combination of above
5. None of above

II. No question was asked on method of payment to wage workers

4. It may be noted from 2 and 3 above:

- I. The difference in regard to the nature of benefits in respect of which the question was asked from the workers
 - II. The variation in regard to the category of workers who were asked the question – wage workers in 2004-05 and all usual status workers in 2004-05, and
 - III. Hence, it is not possible to compare the data of 1999-2000 and 2004-05 in regard the benefits given by employers to the workers.
5. Note from 2(II) and 3(II) above the additional question asked in 2004-05 on method of payment to the wage workers. Response to this question enables to determine whether the ‘payment of wages act is attracted or not. This should be the starting point for determining whether a worker is in ‘formal’ employment, and not the availability of pf benefits.
 6. NSSO itself, in its April 2007 report no. 519(61/10/7) on ‘informal sector and conditions of employment in India’ cautions against comparing the social security benefits data from the two rounds as under:

1.1.3 The NSSO during the 55th round survey (July 1999- June 2000), for the first time, collected more or less similar types of information, through employment – unemployment survey, in respect of workers engaged in the non-agricultural enterprises in the informal sector and the estimates on them are available in nss report no. 460³. Moreover, in the 55th round, the information on non-agricultural enterprises in the informal sector was also collected directly from the enterprises by canvassing a separate schedule of enquiry (schedule 2.0). This schedule was canvassed for the informal sector enterprises, which covered all unincorporated enterprises in the non-agricultural sector which operated on either proprietary or partnership basis. However, there were significant differences – regarding the methods of data collection, the approach followed and the concepts used in these two above mentioned surveys. All the data in schedule 10 were collected through household surveys and the informants were generally members of households to which workers belonged. On the other hand, in schedule 2.0, the respondents were generally owners/ managers of enterprises from whom all information on workers was obtained. Further, in schedule 10, information on workers and on various features of enterprises having a bearing on their work like location of work place, maintenance of written accounts, etc. Were collected whereas in schedule 2.0, the emphasis was more on such details of the enterprises as their receipts, operating expenses, assets owned etc., and very few items of information were exclusively on workers. Even in terms of coverage of the non-agricultural sector, it was much more extensive in schedule 10. It may be noted that in the NSS 61st round no attempt has been made to collect data from the informal sector enterprises through schedule 2.0.

³ NSS Report No. 460: non-agricultural workers in informal sector based on employment – unemployment Survey, 1999-2000.

7. NSSO¹ has warned that the sample size of wage workers is too small to make estimates of ‘informal / formal’ employment, even at the all india level, based on the data collected from the 2004-05 round.

¹ NSSO April 2007 Report No. 519(61/10/7) On 'Informal Sector And Conditions Of Employment In India' (Part I, Chapter1).

8. Enterprise-cum-household survey data (1999-2000) should not be compared with households based data (2004-05), with extreme caution, because the respondents for 1999-2000 were generally/ managers of enterprises from whom all information on workers was obtained, whereas in 2004-05 the informants were generally the members of the households to which the workers belonged. (extracts at item 6 above refer.)
9. Hence, the conclusions drawn by the NCEUS, in paragraph 26.2, table 16 above, that the proportion of informal employment workers in organised sector increased from 37.8 (1999-2000) to 46.58 (2004-05) is without a sound quantifiable basis. The Planning Commission, noting the reservations expressed by the NSSO, may not support the use of such estimates by the Government.

B. Feasibility of separation of organised sector from the unorganised sector in respect of output and employment:

Comments:

1. To estimate output national accounts system distinguishes between the 'registered' and the 'unregistered' establishments. However, this classification is not the same as used for classifying the workers as 'informal' and the 'formal'. An 'enterprise based classification of output' should not be juxtaposed with a 'house-holds based classification' of workers, to link up output and employment.
2. NSSO 2004-05 enquiry identifies certain 'institutions – establishments & households' – partnerships, employer households, trusts/ societies, own account enterprises, so on. The starting point for a further dis-aggregation of output (and its association with workers) should be the release of 'institution' based accounts by NSSO, as is done for the 'public sector accounts' by the cso¹.

¹. Note here that 60 to 70 per cent of what the NCEUS computes as 'formal-organised' output and employment is the 'output and employment of the public sector.' hence the focus of enquiry by the NCEUS (y/l type as is done in tables 22 to 28 of NCEUS paper) should be the measures to improve the 'labour productivity' (not the total productivity) of the public sector establishments, and its ramifications for the design and implementation of the labour regulations.

C. Strategy for creating employment opportunities

Comments:

- How the Planning Process should respond the following normal (*i.e. The baseline*) scenario of developments in the employment situation:
 - Agricultural employment, measured in terms of ‘main workers - cultivators’ is reduced by 18 lakh per year between 1991 and 2001 – the decline being more pronounced in the states that are larger and have lower per capita income.
 - Increase in poor self employed workers:
 - Proportion of poor among all the usual status workers declined by about 3 percentage points between 2000 and 2005, but in case of urban self-employed workers it increased by half a per cent, resulting in a net increase in 3 million poor self employed workers in urban areas.
 - In rural areas, while the proportion of poor among the self employed workers (usual status) declined by 2 percentage points, the larger base of 2005 resulted in an increase of poor self – employed workers by 3 million since the year 2000.
 - A net decrease of poor among the wage workers (casual & regular) by 5 million during 2000-2005, which *however* got offset by an increase of 6 million poor self employed workers, resulting in a net increase of 1.3 million poor workers during 2000 – 2005.
- Average worker size of economic establishments, is reducing as per the economic census.
- Only about 1 per cent of the establishments hire 10 or more workers

Table 6.4 - The contrast between the employment strategy implicit in the Papers of the NCEUS and the Planning Commission (LEM Division)

The Issue	NCEUS	LEM Draft Chapter
Agricultural employment	Accept reduction in agricultural employment in favour of better income of workers	Same as NCEUS, but plan for the absorption of labour released from agriculture into the non-agricultural sector, with emphasis on promoting formal employment.

The Issue	NCEUS	LEM Draft Chapter
Basis of dis-aggregation of economic activities for the design of an employment strategy	Organised and unorganised enterprises and the workers	First the Labour intensive activities be distinguished from the capital intensive ones, and then proceed with further stages of sub-classification
Rural self employment	In the states which have a high share of agricultural employment (60 % +), promote self employment in non agricultural activities, in the rural areas.	<p>Facilitate migration of workers to activities and locations, which have higher wage:</p> <p>(i) by skill development,</p> <p>(ii) focus at productivity & income from the activities that are more labour intensive, and</p> <p>(iii) strengthen rural infrastructure base.</p>
Urban self employment	Special programmes for micro and small establishments employing 9 or less workers	<p>Preferential treatment to establishments in labour intensive occupations.</p> <p>Self-employment be promoted in the establishments that hire more workers.</p> <p>Scale of preference should increase with the number of workers hired by an establishment.</p>
Organised and unorganised	The duality exists, and be	(i) it is not feasible to

<p>The Issue</p> <p>enterprises and employment</p>	<p>NCEUS</p> <p>fostered by the public policy.</p>	<p>LEM Draft Chapter</p> <p>compartmentalize output and employment into organized and unorganized. The two are an ‘integrated whole’, and thus inseparable.</p>
<p>Promotion of wage employment</p>	<p>NCEUS does not prescribe any special support for wage employment.</p>	<p>(ii) workers of the unorganised enterprises prosper by linking business of the unorganised enterprise with an organized enterprise</p> <p>Promote regular wage employment that is ‘formal’.</p> <p>Foster regular wage employment by strengthening the enterprises in the labour intensive occupations.</p> <p>Fiscal incentives to the enterprise linked with the size of employment on its payroll.</p>
<p>Labour laws</p>	<p>A formal stand is not taken, as yet, by NCEUS on labour laws</p>	<p>With the objective of increasing the share of ‘formal’ wage employment, pursue a simplification of, and a better implementation of selected labour laws that provide for ‘employer-employee formally acknowledged relationship’ (<i>irrespective of the terms of such relationship, provided, of course that such relationship be not a bonded labour relationship</i>) and also focus at (third party) social security cover to (unorganised) workers, and (thus) reduce the risks and hazards faced by the ‘average’ worker, who migrates from agriculture to industrial sector.</p>

Contract labour and ‘fixed term’ employment be accepted in the interest of promoting formal – regular wage employment.

Promote contribution by the employer or the business provider to a third party social-security cover such as the PFRDA and accept its impact on the rationalisation / reforms in the functioning of EPFO and ESIC, which do not recognize a worker if the name is not forwarded by an employer.

III. The stand on unorganised and informal workers in the 11th Plan

The Eleventh Plan Chapter on Employment and Labour Policy states as under:

“4.74 Even as steps are taken to increase the volume of formal or regular employment, it is also necessary to take steps to improve the quality of employment in the unorganized sector. NCEUS in its August 2007 Report has summarized, in the form of a 13-point Action Programme, the main recommendations for the workers of Enterprises in the Unorganized/Informal Sector. These are presented in Box 4.2. (*Annexure 6.1 here.*)

4.75 Unorganized sector enterprises mostly hire most workers who get released, or relocated, from crop agriculture (due to the reasons discussed earlier), and seek wage employment in the manufacturing or services sector. Any significant improvement in their income and quality of employment is feasible only if the institutional environment in the labour market makes it feasible for the formal sector to reach out to such workers on a decentralized basis rather than through a centralized plan programme. The large coverage (in terms of absolute numbers) through Provident Fund (43 million), Employee State Insurance (33.0 million) a variety of welfare funds (5.0 million), for *beedi* workers, for example) has been possible because the institutional framework created through the various Acts¹³ (P.F., E.S.I., Beedi Workers Welfare Fund, etc.) recognized a relationship of those employed on regular wage, with either the employer, or the specific formal commodity market that provides work to (that is, absorbs the output of labour put in by) the unorganized enterprises’ workers.

4.76 As already argued, the creation of a formal relationship between the worker and the hiring establishment, in the regular wage employment mode, is a critical factor in improving the quality of employment of the workers hired by the unorganized enterprises. In this context, the work being done by NCEUS¹⁴ on (i) the ‘employment

¹³ Of course, many of these organizations have to reorient their pattern of working to the new realities of the market for wage labour in which the role of public sector is diminishing and the average number of workers hired by the private enterprises is reducing consequent upon changes in technology leading to improvement in the productivity of labour.

¹⁴ The relevant terms of reference of NCEUS are:

strategy' to be pursued in respect of, and through the, unorganized enterprises, (ii) the regime of labour regulations to attract the unorganized enterprise to give a formal recognition to the multitudes of workers hired by them, and (iii) to enable them to gain access to 'social security', is of paramount importance."

-
- Suggest elements of an employment strategy focusing on the informal sector;
 - Review Indian labour laws, consistent with labour rights, and with the requirements of expanding growth of industry and services, particularly in the informal sector, and improving productivity and competitiveness; and
 - Review the social security system available for labour in the informal sector, and make recommendations for expanding their coverage.

A Thirteen Point Action Programme for the Enterprises in Unorganised / Informal sector

NCEUS in its August 2007 Report has summarized in the form of a 13-point Action Programme the main recommendations for the workers of Enterprises in Unorganised / Informal Sector:

A. Protective Measures for Workers

1. *Ensuring Minimum Conditions of Work in the Non-agricultural and Agricultural Sectors:*

Commission has recommended two comprehensive Bills for agricultural workers and non-agricultural workers respectively the aim of which is to ensure minimum conditions of work, including a statutory national minimum wage, for all workers.

2. *Minimum Level of Social Security:*

The Commission has proposed a universal national minimum social security scheme, as a part of the comprehensive legislations, covering life, health and disability, maternity and old age protection which should be provided to workers in the sector both in the agriculture and non-agriculture sectors. The scheme and the accompanying Bill mandate specific obligations on the Government through creation of a clear entitlement for the workers. The Bills also propose the broad financing mechanisms for the scheme.

B. Package of Measures for the Marginal and Small Farmers

3. *Special Programme for Marginal and Small Farmers:*

The Commission has recommended that during the Eleventh Plan period, the government should revive a targeted programme focusing on small and marginal farmers, with an initial thrust on areas where the existing yield gap is also considered to be high. For this purpose a special agency or coordinating mechanism may be set up if required. The objective of the Government's intervention would be to promote state and area specific interventions which could improve the condition of marginal and small farmers.

4. *Emphasis on Accelerated Land and Water Management:*

Since land and water management is the key to equitable and sustained growth in rural livelihoods and particularly affect marginal and small farmers more than bigger farmers, the Commission has recommended that the programmes of land and water management be given immediate priority and must be significantly upscaled .

5. *Credit for Marginal-Small Farmers:*

The Commission's analysis has brought out the unsatisfactory state of credit for marginal and small farmers. It has, therefore, recommended that (a) Ten per cent of the priority sector quota be allocated to marginal-small farmers; (b) credit to this segment be separately monitored by RBI; (c) steps be taken to expand the outreach of credit

institutions in rural areas; (d) necessary directives may be issued and a credit guarantee fund may be placed with farmers so that marginal-small farmers without collateral may access institutional credit.

Farmers' Debt Relief Commission:

The Commission has examined the credit and debt situation of farmers in areas of agrarian distress. A special problem in these areas is that small and marginal farmers have limited recourse to institutional credit and are compelled to take recourse to non-institutional sources of credit. The Commission is of the view that the Central Government could provide guidelines and assistance to other states experiencing agrarian distress, both natural and market related, for setting up Farmers Debt Relief Commissions. It is recommended that the Government, as part of the relief package, could extend assistance to the State Commissions on a 75:25 basis. The Debt Relief Commissions, as part of their award, should also examine and institute measures which ensure the entitlement of the marginal/small farmers to institutional credit. These measures would complement the measures already announced by the Government.

C. Measures to Improve Growth of the Non-agricultural Sector

7. *Improve Credit Flow to the Non-agricultural Sector:*

a. The Priority Sector Lending Policy should be revised and a quota for micro and small industries should be set at 10 per cent. Within this, a 4 per cent target to be set with respect to micro enterprises with capital investment (other than land and building) up to Rs. 5 lakhs. Since the priority sector quota for agriculture (including 10 per cent recommended for the small and marginal farmers) is 18 per cent, and another 10 per cent as suggested above for small and micro enterprises, this would leave a quota of 12 per cent from the total priority sector allocation of 40 per cent, which, in the Commission's view, should be allocated for socio-economically weaker sections, for purposes of housing, education, professions etc. with a loan ceiling of Rs. 5 lakhs.

b. Measures should be taken to overcome the problem of shrinking outreach in rural areas.

c. The RBI should issue guidelines for monitoring of credit flow to the micro-enterprise sector, with capital investment up to Rs. 5 lakhs and between Rs. 5 lakhs to 25 lakhs.

d. The cost of credit to the non-agricultural sector should be affordable and should be kept on par with the agricultural sector.

8. *Encouraging SHGs and MFIs for Livelihood Promotion:*

Micro credit has grown over the years as a major instrument in reducing financial exclusion. In view of the constraints still facing the expansion of micro-finance and SHGs, especially in poor states, the Commission has recommended measures to (a) encourage their growth in backward areas; (b) incentivise micro-finance institutions to

expand and diversify their portfolio; (c) strengthen major Government micro-credit programmes such as the SGSY; (d) examine and remove restrictive regulations on the growth of micro-finance.

9. *Creation of a National Fund (NAFUS):*

The Commission analysis of the constraints on the sector and the existing role of institutions such as SIDBI and NABARD has highlighted the need for an exclusive agency take care of the integrated requirements of the entire sector covering both financial and promotional requirement. The Commission therefore recommends an agency be created for the development of the sector which shall be called National Fund for the Unorganised Sector (NAFUS). The NAFUS will be a statutory body with an initial corpus of Rs. 5000 crore which will be funded by Central government, public sector banks, financial sector institutions and other government agencies. Details of the Fund are being submitted separately to Government as part of the Commissions' (NCEUS) Report on credit.

10. *Up scaling Cluster Development through Growth Poles:*

The Commission has piloted "Growth Poles" for the sector, based on a concept of developing a cluster of clusters in project mode with public-private partnership. As part of this Action Plan, the Commission recommends that twenty-five growth poles (one in each state) be supported during the 11th Plan. The Commission also recommends that 'Growth Poles' should be given the same incentives currently being offered to Special Economic Zones. This will facilitate the sector infant enterprises and thus have a stimulating multiplier effect on the economy.

D. Measures to Expand Employment and Improve Employability

11. *Expand Employment through Strengthening Self-employment Programmes:*

More than 60 per cent of the workers are engaged in self-employment. The Commission has reviewed the four major self-employment generation programmes namely, and recommends that the target for employment generation under these should be raised to 50 lakhs per year. It also recommends a major rationalization and strengthening of these programmes.

12. *Universalise and Strengthen NREGA:*

The Commission strongly endorsed the approach of providing a minimum guarantee of employment through the National Rural Employment Guarantee Programme. It recommends that the programme be extended to all districts ahead of schedule, in the third year itself. Since the Government has already succeeded in scaling up the programme to 330 poorest districts in two years, and the uncovered districts are not high-need districts, the financial implications of doing this will not be high. It also recommends a number of other measures to strengthen this programme.

13. Increasing the Employability through Skill Development:

The Commission has reviewed the skill development initiatives presently been undertaken in the country for the sector workers. It has also reviewed the, “Skill Development Initiative” (SDI) of the DGET, which has been approved recently by the Cabinet Committee on Economic Affairs for implementation at an approximate per worker cost of Rs. 5000 crore. The Commission further recommends that the DGET scheme as approved could be expanded and strengthened through a supplementary on-job-training cum employment-assurance programme for an additional sum of Rs. 5000 per person to be provided as one time payment as incentive to any employer who is willing to provide on job training for skill enhancement for at least one year to the trained worker.

Chapter 7 - Removal of deficiencies in Data on Employment – the Recommendations¹⁵

I. Regular and more frequent inflow of Facts and Data on Employment Situation, its Analysis and Interpretation of facts, the need for a full scale NSSO Survey on Employment / Unemployment every year:

1. Collection and dissemination of employment data from the households is a critical input to understand the employment outcomes, across locations and through time, the impact of economic policies and programmes of the Central and the State Governments. At present a thin sample of households is canvassed every year, which cannot be used for State-wise analysis of employment / unemployment situation, and for study of situation of employment / un-employment / under-employment of specific groups of persons in the labour force, because the sample size is too small.

2. Planning Commission had recommended to the Department of Statistics in 2003 that a full scale household enquiry on employment and unemployment should be conducted every year. Such an enquiry is done at present through a large scale sample survey of households once in five years. NSSO has been considering this proposal through its various technical fora. Carrying out a full-scale annual survey of households on the subject of employment & unemployment by NSSO is essential.

II. A regionally differentiated approach to employment planning

1. A differential approach across regions is required in growth and employment plans and formulation of the related policies. Elements of this are perceptible in the region specific programmes and policies, including the District specific programmes such as the NREGA.

2. At present labour and employment issues receive little or no priority in the deliberations on State Plans. There is need to carry out the regional analysis of labour and employment issues, in a quantitative manner immediately, prior to the MTA of 11th Plan, so that a regionally differentiated approach to employment in the future Planning exercises may be devised. This would provide a factual base for a dialogue with the State Governments on the developmental efforts made.

3. Compilation, processing and release of State Sample Surveys Data on Employment & Unemployment are in a state of utter neglect in most of the States.

¹⁵ Items 7 of the ‘Details to be included in the Technical Note on Employment, vide the Planning Commission Order P-12099/6/08/LEM/ERS dated May 27, 2008 requires:

“7. Recommendations for removing the deficiencies observed in data on employment, unemployment, wage etc.”

4. While National level surveys on employment and unemployment bring out a comprehensive picture of the characteristics of labour force and patterns in employment and unemployment, the real action to address the labour and employment issues is taken at the level of States and Districts Administration. This requires availability of objective information, duly supported by quantifiable facts at the level of sub regions within a State. However, the most of the State Planning Departments and the State Statistical Bureaus do not process the survey schedules filled up at the level of households as a part of the State Sample of Employment and Unemployment Surveys. In its absence, certain very broad conclusions for State and sub-State level employment situations are available to support programme and policy planning at the level of States. This impedes the ability of the planning process to address the labour and employment planning issues in a regionally differentiated manner.

5. The State Governments should accord a high priority to processing of State sample data of employment and unemployment surveys.

III. Enterprises based data on workers

Establishment level data on changes in the number of workers employed is collected by the State Governments' District level Employment Exchanges, under the technical supervision of the Central Government Office of the Director General of Employment & Training. This data assumes importance in the following context:

- i) Now most of the formal jobs are provided by the non public i.e., the private sector establishments.
- ii) Many of these establishments are in the emerging and fast growing areas of the economy.
- iii) The emerging industries also face sharp fluctuations in business and adjust the strength of the workers accordingly. There is a need to capture such fluctuations as early as possible, to enable a response from the public policy, if required.
- iv) The young job seekers should have a reliable information on buoyancy or otherwise in the job prospects by the nature of occupations.

The enterprise based data on changes in the strength of workers in the establishments covered by the DGE&T system, should be available, in public domain, on a district-wise, industry-wise and occupation wise basis, in a near on line mode.

The Statistical Appendix

The Statistical Appendix

Annexure Table A 2.1. Projected Population by Age & Sex, All India - Urban Areas: 2002-22

Age - Group	2002			2005			2007			2012			2017			2022		
	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females
0-4	27067	14163	12904	27104	14357	12747	26953	14408	12545	27951	14948	13003	30788	16476	14312	32721	17504	15217
5-9	29107	15225	13882	28492	14904	13589	27810	14536	13274	27797	14833	12964	28762	15361	13401	32346	17274	15072
10-14	31171	16449	14722	30800	16264	14535	30293	15994	14299	29123	15389	13734	29065	15660	13405	31000	16814	14186
15-19	31166	16569	14597	32893	17381	15512	34145	17939	16206	33555	17639	15916	32267	16986	15281	34529	18464	16065
20-24	29428	15565	13863	32525	17067	15457	35063	18266	16797	38405	19810	18595	37654	19455	18199	39397	20192	19205
25-29	26587	13896	12691	29312	15429	13883	31535	16682	14853	37360	19493	17867	40589	20986	19603	41747	21677	20070
30-34	23882	12385	11497	26055	13630	12425	27791	14631	13160	32849	17486	15363	38577	20245	18332	42982	22471	20511
35-39	21398	11201	10197	23185	12115	11070	24591	12822	11769	28568	15111	13457	33550	17920	15630	39988	21138	18850
40-44	18348	9831	8517	20209	10712	9497	21725	11405	10320	24954	13052	11902	28871	15303	13568	34276	18388	15888
45-49	14953	8164	6789	16837	9096	7740	18429	9863	8566	21807	11441	10366	24981	13056	11925	29176	15477	13699
50-54	11588	6333	5255	13306	7246	6060	14799	8030	6769	18227	9701	8526	21525	11237	10288	24874	12946	11928
55-59	8749	4659	4090	10088	5427	4661	11259	6102	5157	14373	7740	6633	17676	9344	8332	21051	10919	10132
60+	19710	9795	9915	22203	11062	11142	24312	12128	12184	30440	15384	15056	38418	19597	18821	48564	24713	23851
Total	293154	154235	138919	313009	164690	148319	328705	172806	155899	365409	192027	173382	402723	211626	191097	452651	237977	214674

Note: Projected population refers to April 1 of each year.

Sources: (1) Planning commission (LEM Division) computations for the 11th Plan and
(2) Report of the Sub Group on Labour Force Projections (November, 2006)

Annexure Table A2.2 - Projected Population by Age & Sex, All India - Rural Areas: 2002-22

Age-group	2002			2005			2007			2012			2017			2022		
	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females
0-4	92960	48084	44876	90600	47316	43283	88208	46467	41741	86758	45712	41046	82727	43571	39156	77179	40643	36536
5-9	93321	48443	44878	91879	47648	44231	90191	46775	43416	85651	45244	40407	84419	44597	39822	79817	42160	37657
10-14	89260	46858	42402	90675	47221	43454	91322	47285	44037	88189	45598	42591	83792	44137	39655	81657	42898	38759
15-19	75956	40120	35836	81315	42841	38474	85484	44981	40503	87339	45299	42040	84418	43705	40713	77787	41073	36714
20-24	64080	33131	30949	68037	35796	32241	71062	37947	33115	80219	42632	37587	82311	43043	39268	76469	40110	36359
25-29	57821	28920	28901	59675	30379	29296	60896	31472	29424	67660	36151	31509	76900	40871	36029	77162	40278	36884
30-34	53222	26444	26778	54660	27150	27510	55540	27605	27935	58514	30076	28438	65330	34772	30558	73365	38745	34620
35-39	47974	24273	23701	49975	24924	25051	51381	25344	26037	53663	26479	27184	56710	28983	27727	62771	33185	29586
40-44	41044	21225	19819	44040	22401	21639	46391	23295	23096	49784	24368	25416	52138	25548	26590	54751	27756	26995
45-49	33805	17665	16140	36946	19106	17840	39505	20271	19234	44807	22332	22475	48250	23449	24801	50330	24459	25871
50-54	27177	14110	13067	29923	15511	14411	32187	16678	15509	37800	19245	18555	43075	21309	21766	46318	22334	23984
55-59	22219	11156	11063	23957	12167	11789	25334	12998	12336	30230	15499	14731	35743	18019	17724	40789	19983	20806
60+	53257	26197	27060	58141	28325	29816	62107	30045	32062	71948	34748	37200	84705	41010	43695	100685	48701	51984
Total	752096	386626	365470	779821	400786	379036	799608	411163	388445	842562	433383	409179	880518	453014	427504	899080	462325	436755

Note: Projected population refers to April 1 of each year.

Sources: (1) Planning commission (LEM Division) computations for the 11th Plan and

(2) Report of the Sub Group on Labour Force Projections (November, 2006)

Annexure Table A2.3 - Projected Population and Labour Force (UPSS) by Educational Level, Sex and Residence, All India, 2007 and 2012

Educational Level	Urban Males		Urban Females		Rural Males		Rural Females		Total Males		Total Females		Total, both sexes		Per cent Distribution	
	Popula- tion	Labour Force	Popula- tion	Labour Force	Popula- tion	Labour Force	Popula- tion	Labour Force	Popula- tion	Labour Force	Popula- tion	Labour Force	Popula- tion	Labour Force	Popula- tion	Labour Force
2007																
Illiterate	32071	12490	44867	9064	141602	71496	201059	78306	173673	83986	245926	87370	419599	171356	37.2	34.8
Up to primary	49670	22945	43542	5687	145041	69392	115972	25514	194711	92337	159514	31201	354225	123538	31.4	25.1
Middle	28566	20296	23442	3533	62893	45152	40120	12899	91459	65448	63562	16432	155021	81880	13.7	16.6
Secondary	21510	15202	16277	2260	31207	23220	17464	5658	52717	38422	33741	7918	86458	46340	7.7	9.4
Higher Secondary	14953	9664	11283	1715	16355	12050	8502	2517	31308	21714	19785	4232	51093	25946	4.5	5.3
Diploma/Certificate	4655	4027	1971	1118	3016	2657	1422	955	7671	6684	3393	2073	11064	8757	1.0	1.8
Graduate and above	21380	17938	14519	5051	11050	9950	3905	1852	32430	27888	18424	6903	50854	34791	4.5	7.1
Population / Labour Force	172805	102562	155900	28429	411163	233917	388445	127702	583968	336479	544345	156129	1128313	492608	100.0	100.0
LFPR 0+		594		182		569		329		576		287		437		
column sum-all levels of education	172805	102562	155901	28428	411164	233917	388444	127701	583969	336479	544345	156129	1128314	492608		
2012																
Illiterate	32418	12549	44398	8826	131167	65730	188376	73511	163585	78279	232774	82337	396359	160616	32.8	29.6
Up to primary	53468	26074	45739	6159	151486	75422	123622	29124	204954	101496	169361	35283	374315	136779	31.0	25.2
Middle	33116	24347	27424	4196	75170	54686	52170	16986	108286	79033	79594	21182	187880	100215	15.6	18.5
Secondary	24181	17342	19150	2666	37224	28152	23764	7831	61405	45494	42914	10497	104319	55991	8.6	10.3
Higher Secondary	17409	11605	14286	2220	20417	15356	12745	3843	37826	26961	27031	6063	64857	33024	5.4	6.1
Diploma/Certificate	5685	4923	2610	1484	3784	3339	2197	1469	9469	8262	4807	2953	14276	11215	1.2	2.1
Graduate and above	25749	21444	19776	6838	14136	12712	6306	3015	39885	34156	26082	9853	65967	44009	5.5	8.1
Population / Labour Force	192027	118283	173382	32390	433383	255397	409179	135780	625410	373681	582561	168168	1207971	541849	100.0	100.0
LFPR 0+		616		187		589		332		597		289		449		
column sum-all levels of education	192026	118284	173383	32389	433384	255397	409180	135779	625410	373681	582563	168168	1207973	541849		

Source: Report of the Sub Group on Labour Force Projections (November, 2006)

Annexure Table A2.4a: Projected Labour Force Participation Rate (Current Daily Status) by Age and Sex, II India Urban, 2007 to 2022										
Age - Group	61st round		2007		2012		2017		2022	
	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females
0-4	0	0	0	0	0	0	0	0	0	0
5-9	3	2	3	2	3	2	2	2	2	2
10-14	50	28	48	28	39	28	30	28	22	28
15-19	370	116	365	116	357	116	348	116	339	116
20-24	755	216	756	216	756	216	755	216	754	216
25-29	944	221	943	221	943	221	942	221	942	221
30-34	979	256	979	256	979	256	979	256	979	256
35-39	975	288	976	288	976	288	977	288	978	288
40-44	973	266	973	266	974	266	975	266	976	266
45-49	962	229	962	229	962	259	962	259	962	259
50-54	926	225	926	225	926	225	926	225	925	225
55-59	802	190	803	190	802	190	802	190	802	190
60+	348	84	346	84	341	84	337	84	332	84
All ages	561	150	585	154	607	159	617	160	618	158

Annexure Table A2.4b: Projected Labour Force Participation Rate (Usual Status) by Age and Sex, All India Urban, 2007 to 2022										
Age - Group	61st round		2007		2012		2017		2022	
	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females
0-4	0	0	0	0	0	0	0	0	0	0
5-9	3	3	3	3	3	3	2	3	2	3
10-14	53	35	51	33	42	30	33	26	25	23
15-19	381	144	376	139	368	129	359	120	350	111
20-24	769	250	770	249	770	248	769	247	768	246
25-29	957	261	956	261	956	261	955	261	955	261
30-34	987	308	987	306	987	303	987	300	987	297
35-39	984	340	985	338	985	333	986	328	987	323
40-44	983	317	983	315	984	313	985	310	986	307
45-49	976	269	976	268	976	264	976	261	976	257
50-54	939	259	939	259	939	258	939	257	938	256
55-59	832	218	833	215	832	211	832	207	832	203
60+	366	100	364	98	359	94	355	90	350	85
15+	792	244	802	246	805	242	807	239	801	234
All ages	570	178	594	182	616	187	626	188	627	186
Note : Rate per 1,000 population										

Annexure Table A2.5a										
Projected Labour Force Participation Rate (Current Daily Status) by Age and Sex, All India Rural, 2007 to 2022										
61st round		2007		2012		2017		2022		
Age - Group	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females
0-4	0	0	0	0	0	0	0	0	0	0
5-9	2	2	2	2	1	1	1	1	1	1
10-14	58	52	53	47	42	38	30	28	19	19
15-19	486	231	473	216	447	190	420	165	393	140
20-24	853	295	851	288	845	276	839	264	833	252
25-29	950	365	950	360	949	344	949	329	948	313
30-34	959	413	960	404	960	389	961	374	961	359
35-39	963	467	963	464	964	452	964	440	965	428
40-44	954	457	954	452	955	443	955	434	955	425
45-49	949	459	949	455	949	446	949	437	950	428
50-54	928	405	928	402	928	395	929	388	929	381
55-59	890	376	890	372	891	364	891	355	891	347
60+	599	186	601	185	605	181	609	178	613	175
All ages	531	237	545	233	565	236	584	238	600	237

Note: LFPRs for urban females are not projected to decline below the level observed in 61st (2004-05) round of NSSO for reasons stated in Chapter 3.

Annexure Table A2.5b										Participation
Rate (Usual Status) by Age and Sex, All India Rural, 2007 to 2022										
61st Round (2004-05)		2007		2012		2017		2022		
Age - Group	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females
0-4	0	0	0	0	0	0	0	0	0	0
5-9	3	3	3	3	2	2	2	2	2	2
10-14	70	75	65	70	54	61	42	51	31	42
15-19	529	331	516	316	490	290	463	265	436	240
20-24	891	435	889	428	883	416	877	404	871	392
25-29	982	530	982	525	981	509	981	494	980	478
30-34	988	593	989	584	989	569	990	554	990	539
35-39	991	642	991	639	992	627	992	615	993	603
40-44	985	627	985	622	986	613	986	604	986	595
45-49	982	616	982	612	982	603	982	594	983	585
50-54	963	562	963	569	963	552	964	545	964	538
55-59	931	509	931	505	932	497	932	488	932	480
60+	645	254	647	253	651	249	655	246	659	243
15+	859	494	864	493	860	476	859	462	858	450
All ages	555	333	569	329	589	332	608	334	624	333

Note : Rate per 1,000 population

Source: Report of the Sub Group on Labour Force Projections (November, 2006)

Annxure Table A 2.6 - Projected Labour Force (CDS) (in '000s) All India, 2004-05									
Age-group	Rural			Urban			61st round		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
0-4	0	0	0	0	0	0	0	0	0
5-9	95	88	184	45	27	72	140	116	256
10-14	2739	2260	4998	813	407	1220	3552	2667	6219
15-19	20821	8887	29708	6431	1799	8230	27252	10687	37939
20-24	30534	9511	40045	12886	3339	16225	43420	12850	56270
25-29	28860	10693	39553	14565	3068	17633	43425	13761	57186
30-34	26037	11362	37399	13344	3181	16525	39381	14542	53923
35-39	24002	11699	35701	11813	3188	15001	35814	14887	50701
40-44	21370	9889	31259	10423	2526	12949	31793	12415	44208
45-49	18131	8189	26320	8751	1773	10523	26882	9961	36843
50-54	14394	5837	20231	6710	1363	8074	21105	7200	28305
55-59	10829	4433	15262	4352	886	5238	15181	5319	20500
60+	16967	5546	22512	3849	936	4785	20816	6482	27298
Total	214780	88393	303172	93981	22493	116474	308761	110886	419647

Annexure Table A 2.7 - Projected Labour Force (CDS) (in '000s) All India, 2007

Age-group	Rural			Urban			Total		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
0-4	0	0	0	0	0	0	0	0	0
5-9	94	87	180	44	27	70	137	113	251
10-14	2506	2070	4576	768	400	1168	3274	2470	5744
15-19	21276	8749	30025	6548	1880	8428	27824	10629	38452
20-24	32293	9537	41830	13809	3628	17437	46102	13165	59267
25-29	29898	10593	40491	15731	3283	19014	45630	13875	59505
30-34	26501	11286	37787	14324	3369	17693	40825	14655	55479
35-39	24406	12081	36487	12514	3389	15904	36921	15471	52391
40-44	22223	10439	32663	11097	2745	13842	33320	13185	46505
45-49	19237	8751	27989	9488	1962	11450	28725	10713	39438
50-54	15477	6235	21712	7436	1523	8959	22913	7758	30671
55-59	11568	4589	16157	4900	980	5880	16468	5569	22037
60+	18057	5931	23989	4196	1024	5219	22253	6955	29208
Total	223537	90348	313885	100854	24209	125063	324391	114557	438948

Annexure Table A 2.8 - Projected Labour Force (CDS) (in '000s) All India, 2012									
Age-group	Rural			Urban			Total		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
0-4	0	0	0	0	0	0	0	0	0
5-9	45	40	86	44	26	70	90	66	156
10-14	1915	1618	3534	600	385	985	2515	2003	4518
15-19	20249	7988	28236	6297	1846	8143	26545	9834	36379
20-24	36024	10374	46398	14976	4017	18993	51000	14391	65391
25-29	34307	10839	45146	18382	3949	22331	52689	14788	67477
30-34	28873	11062	39935	17119	3933	21052	45992	14995	60987
35-39	25526	12287	37813	14748	3876	18624	40274	16163	56437
40-44	23271	11259	34531	12713	3166	15879	35984	14425	50409
45-49	21193	10024	31217	11006	2685	13691	32199	12709	44908
50-54	17859	7329	25189	8983	1918	10901	26842	9248	36090
55-59	13810	5362	19172	6207	1260	7468	20017	6622	26639
60+	21023	6733	27756	5246	1265	6511	26269	7998	34267
Total	244095	94917	339012	116323	28324	144647	360418	123241	483659

Annexure Table A 2.9 - Projected Labour Force (CDS) (in '000s) All India, 2017

Age-group	Rural			Urban			Total		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
0-4	0	0	0	0	0	0	0	0	0
5-9	45	40	84	31	27	58	75	67	142
10-14	1324	1110	2434	470	375	845	1794	1486	3280
15-19	18356	6718	25074	5911	1773	7684	24267	8490	32757
20-24	36113	10367	46480	14689	3931	18620	50802	14298	65099
25-29	38787	11854	50640	19769	4332	24101	58555	16186	74741
30-34	33416	11429	44845	19820	4693	24513	53236	16122	69357
35-39	27940	12200	40139	17508	4501	22009	45447	16701	62149
40-44	24398	11540	35938	14920	3609	18530	39319	15149	54468
45-49	22253	10838	33091	12560	3089	15648	34813	13927	48740
50-54	19796	8445	28241	10405	2315	12720	30202	10760	40962
55-59	16055	6292	22347	7494	1583	9077	23549	7875	31424
60+	24975	7778	32753	6604	1581	8185	31579	9359	40938
Total	263457	98610	362067	130181	31809	161990	393638	130419	524057

**Annexure Table A 2.10 :
Estimate of all female persons and those in labour force
and Increase in LFPR of Female Persons (Combined Rural
and Urban)**

I. Activity Status (Item)	NSSO estimate of female persons by Activity Status		
	50th Round ¹ (1993-94)	55th Round ² (1999-2000) (‘00)	61st Round ³ (2004-05)
11 - 81 (labour force)	1089270	1180038	1394029
11 - 99 (all persons)	3758591	4480464	4737442

Source:

¹: NSSO Report No, 406, Table 1B; Pages 53 and 56.

²: NSSO Report No, 458, Table 2; Page A 17

³: NSSO Report No, 515, Table 20; Page A 77

**Annexure Table A 3.1 - estimate of average annual entrants and exits from labour force at the level of labour force
2000 - 2005**

Age Group	NSS Estimate of persons - UPSS basis as per 61st Round (2004-05)	LFPR of persons in the next below quinquennial age group as per 55th Round (1999-2000)	LFPR for the age group as per 61st Round (2004-05)	persons in this age group who had already entered the labour force in 1999-2000 and are continuing as such	persons in this age group who are in the labour force in (2004-2005)	Entrants to / exits from labour force during 2000 to 2005 ^a	annual average 2000 -2005 ^b
1	2	3	4	5	6	7	9
(years)	(million)	(per '000 persons)			(million)		
ENTRANTS TO LABOUR FORCE							
10 to 14	113.206	6	66	0.679	7.472	6.792	1.528
15 to 19	95.085	82	393	7.797	37.368	29.571	6.650
20 to 24	86.005	382	619	32.854	53.237	20.383	4.584
25 to 29	76.049	603	715	45.858	54.375	8.517	1.915
30 to 34	72.491	690	742	50.019	53.788	3.770	0.848
35 to 39	70.145	722	775	50.645	54.362	3.718	0.836
40 to 44	57.087	746	770	42.587	43.957	1.370	0.308
45 to 49	49.811	756	763	37.657	38.006	0.349	0.078
I. sub total (10 to 49)	619.879			268.095	342.566	74.470	16.747
EXITS FROM LABOUR FORCE							
50 to 54	37.701	744	729	28.050	27.484	-0.566	-0.127
55 to 59	29.887	714	672	21.339	20.084	-1.255	-0.282
60+	69.883	647	394	45.214	27.534	-17.680	-3.976
II. sub total (50+)	137.471			94.603	75.102	-19.501	-4.386
III. entrants less exits(10+)							
(I) - (II)	757.350			362.698	417.668	54.969	12.362
<i>memo items</i>							
0 to 4	101.536			Abbreviations used LFPR: labour force participation rate RGI : Registrar General of India ^a {[col (4) - col (3)]* {col(2)/1000}} ^b Normalised to RGI's estimate of population (2005 January 1) 1092.83 million			
5 to 9	113.010						
all persons	971.896						

Annexure Table A 3.2 - RURAL MALE - entrants to labour force (+), and exits from labour force (-) during 2007-2012 and 2012-2017 by quinquennial age groups													
age group	population 2007	population 2012	population 2017	labour force 2007	labour force 2012	labour force 2017	labour force partici- pation rate 2007	labour force partici- pation rate 2012	labour force partici- pation rate 2017	increase/ decrease in labour force during the period 2007-2012	increase/ decrease in labour force during the period 2012-2017	entrants to / exit from labour force during 2007 to 2012	entrants to / exit from labour force during 2012 to 2017
(a) to (a+5)	P ₀₇ ^{a/a+5}	P ₁₂ ^{a/a+5}	P ₁₇ ^{a/a+5}	LF ₀₇ ^{a/a+5}	LF ₁₂ ^{a/a+5}	LF ₁₇ ^{a/a+5}	LFPR ₀₇ ^{a/a+5}	LFPR ₁₂ ^{a/a+5}	LFPR ₁₇ ^{a/a+5}				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(15)
0-4	46467	45712	43571	0	0	0	0	0	0				
5-9	46775	45244	44597	119	106	96	3	2	2	-13	-10	103	
10-14	47285	45598	44137	3066	2440	1862	65	54	42	-626	-578	2321	1756
15-19	44981	45299	43705	23226	22179	20231	516	490	463	-1047	-1948	19113	17791
20-24	37947	42632	43043	33732	37635	37734	889	883	877	3904	99	14409	15555
25-29	31472	36151	40871	30890	35465	40076	982	981	981	4575	4611	1734	2441
30-34	27605	30076	34772	27293	29753	34418	989	989	990	2461	4665	-1137	-1047
35-39	25344	26479	28983	25128	26263	28756	991	992	992	1136	2493	-1030	-997
40-44	23295	24368	25548	22951	24019	25192	985	986	986	1069	1173	-1109	-1071
45-49	20271	22332	23449	19907	21936	23039	982	982	983	2029	1103	-1015	-980
50-54	16678	19245	21309	16064	18542	20537	963	963	964	2478	1995	-1365	-1399
55-59	12998	15499	18019	12108	14441	16794	932	932	932	2333	2353	-1623	-1748
60+	30045	34748	41010	19435	22618	26862	647	651	655	3183	4244	10510	12421
Total (0+)	411163	433383	453014	233917	255397	275596				21480	20199		
0-4 years	46467	45712	43571	0	0	0							
sub total 5 to 29 years	208460	214924	216353	91032.5	97825	99999			5 to 29 yrs	6793	2174	37680	37543
sub total 30 to 59 years	126191	137999	152080	123450	134954	148736			30 to 59 yrs	11505	13782	-7278	-7242
60+	30045	34748	41010	19435	22618	26862			5 to 59 yrs	18297	15956	30402	30301
Total (0+)	411163	433383	453014	233917	255397	275596			60+ yrs	3183	4244	10510	12421

Annexure Table A 3.3

RURAL FEMALE - entrants to labour force (+), and exits from labour force (-) during 2007-2012 and 2012-2017 by quinquennial age groups

age group	population 2007	population 2012	population 2017	labour force 2007	labour force 2012	labour force 2017	labour force parti- cipation rate 2007	labour force parti- cipation rate 2012	labour force parti- cipation rate 2017	increase/ decrease in labour force during the period 2007-2012	increase/ decrease in labour force during the period 2012-2017	entrants to / exit from labour force during 2007 to 2012	entrants to / exit from labour force during 2012 to 2017
(a) to (a+5)	P ₀₇ ^{a/a+5}	P ₁₂ ^{a/a+5}	P ₁₇ ^{a/a+5}	LF ₀₇ ^{a/a+5}	LF ₀₁₂ ^{a/a+5}	LF ₁₇ ^{a/a+5}	LFPR ₀₇ ^{a/a}	LFPR ₁₂ ^{a/a}	LFPR ₁₇ ^{a/a+5}				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
0-4	41741	41046	39156	0	0	0	0	0	0			0	
5-9	43416	40407	39822	116	97	86	3	2	2	-19	-11	97	
10-14	44037	42591	39655	3078	2583	2038	70	61	51	-495	-545	2467	1941
15-19	40503	42040	40713	12790	12212	10796	316	290	265	-578	-1416	9134	8213
20-24	33115	37587	39268	14180	15647	15877	428	416	404	1467	230	2857	3665
25-29	29424	31509	36029	15438	16043	17786	525	509	494	605	1743	1863	2139
30-34	27935	28438	30558	16326	16185	16924	584	569	554	-141	739	747	881
35-39	26037	27184	27727	16627	17036	17046	639	627	615	409	10	710	861
40-44	23096	25416	26590	14374	15587	16065	622	613	604	1213	478	-1040	-971
45-49	19234	22475	24801	11776	13559	14740	612	603	594	1783	1181	-815	-847
50-54	15509	18555	21766	8665	10240	11864	559	552	545	1575	1624	-1536	-1695
55-59	12336	14731	17724	6229	7316	8654	505	497	488	1087	1338	-1349	-1586
60+	32062	37200	43695	8101	9273	10746	253	249	246	1172	1473	3044	3430
Total	388445	409179	427504	127700	135778	142622				8078	6844		
0-4 years	41741	41046	39156	0	0	0							
sub total 5									5 to 39				
to 39 years	190495	194134	195487	45602	46582	46583			ys	1248	750	17875	17700
sub total									40 to 59				
40 to 59	124147	136799	149166	73997	79923	85293			ys	5658	4621	-4740	-5099
									5 to 59				
60+	32062	37200	43695	8101	9273	10746			ys	6906	5371	13135	12601
									60+ yrs	1172	1473	3044	3430
Total 0+	388445	409179	427504	127700	135778	142622							

Annexure Table A 3.4													
URBAN MALE - entrants to labour force (+), and exits from labour force (-) during 2007-2012 and 2012-2017 by quinquennial age groups													
age group	population 2007	population 2012	population 2017	labour force 2007	labour force 2012	labour force 2017	labour force partici- pation rate 2007	labour force partici- pation rate 2012	labour force partici- pation rate 2017	increase/ decrease in labour force during the period 2007-2012	increase/ decrease in labour force during the period 2012-2017	entrants to / exit from labour force during 2007 to 2012	entrants to / exit from labour force during 2012 to 2017
(a) to (a+5)	P ₀₇ ^{a/a+5}	P ₁₂ ^{a/a+5}	P ₁₇ ^{a/a+5}	LF ₀₇ ^{a/a+5}	LF ₁₂ ^{a/a+5}	LF ₁₇ ^{a/a+5}	LFPR ₀₇ ^{a/a+5}	LFPR ₁₂ ^{a/a+5}	LFPR ₁₇ ^{a/a+5}				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
0-4	14408	14948	16476	0	0	0	0	0	0			0	
5-9	14536	14833	15361	39	38	37	3	3	2	-1	-1	38	
10-14	15994	15389	15660	808	646	523	51	42	33	-162	-123	607	485
15-19	17939	17639	16986	6753	6485	6095	376	368	359	-268	-390	5677	5449
20-24	18266	19810	19455	14072	15244	14954	770	770	769	1172	-290	8491	8469
25-29	16682	19493	20986	15951	18631	20050	956	956	955	2680	1419	4559	4806
30-34	14631	17486	20245	14439	17259	19985	987	987	987	2820	2726	1308	1354
35-39	12822	15111	17920	12626	14890	17669	985	985	986	2264	2779	451	410
40-44	11405	13052	15303	11214	12846	15074	983	984	985	1632	2228	220	184
45-49	9863	11441	13056	9628	11168	12743	976	976	976	1540	1575	-46	-103
50-54	8030	9701	11237	7542	9109	10548	939	939	939	1567	1439	-519	-620
55-59	6102	7740	9344	5080	6442	7775	833	832	832	1362	1333	-1100	-1334
60+	12128	15384	19597	4410	5526	6952	364	359	355	1116	1426	446	510
Total	172806	192027	211626	102562	118283	132407				15722	14121		
0-4 years	14408	14948	16476	0	0	0							
sub total 5 to 44 years	122275	132813	141916	75902	86039	94387			5 to 44 yrs	10137	8348	21351	21157
sub total 45 to 59 years	23995	28882	33637	22250	26719	31066			45 to 59 yrs	4469	4347	-1665	-2057
60+	12128	15384	19597	4410	5526	6952			5 to 59 yrs	14606	12695	19686	19100
Total 0+	172806	192027	211626	102562	118284	132405			60+ yrs	1116	1426	446	510

Annexure Table A 3.5													
URBAN FEMALE - entrants to labour force (+), and exits from labour force (-) during 2007-2012 and 2012-2017 by quinquennial age groups													
age group	population 2007	population 2012	population 2017	labour force 2007	labour force 2012	labour force 2017	labour force partici- pation rate 2007	labour force partici- pation rate 2012	labour force partici- pation rate 2017	increase/ decrease in labour force during the period 2007-2012	increase/ decrease in labour force during the period 2012-2017	entrants to / exit from labour force during 2007 to 2012	entrants to / exit from labour force during 2012 to 2017
(a) to (a+5)	P ₀₇ a/a+5	P ₁₂ a/a+5	P ₁₇ a/a+5	LF ₀₇ a/a+5	LF ₀₁₂ a/a+5	LF ₁₇ a/a+5	LFPR ₀₇ a/a+5	LFPR ₁₂ a/a+5	LFPR ₁₇ a/a+5				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
0-4	12545	13003	14312	0	0	0	0	0	0			0	
5-9	13274	12964	13401	40	39	40	3	3	3	-1	1	39	
10-14	14299	13734	13405	474	407	350	33	30	26	-67	-57	367	311
15-19	16206	15916	15281	2247	2059	1835	139	129	120	-188	-224	1585	1428
20-24	16797	18595	18199	4180	4610	4495	249	248	247	430	-115	2363	2436
25-29	14853	17867	19603	3883	4669	5119	261	261	261	786	450	489	509
30-34	13160	15363	18332	4022	4649	5494	306	303	300	627	845	766	825
35-39	11769	13457	15630	3980	4484	5132	338	333	328	504	648	462	483
40-44	10320	11902	13568	3253	3721	4207	315	313	310	468	486	-259	-277
45-49	8566	10366	11925	2294	2739	3107	268	264	261	445	368	-514	-614
50-54	6769	8526	10288	1753	2200	2647	259	258	257	447	447	-94	-92
55-59	5157	6633	8332	1108	1399	1723	215	211	207	291	324	-354	-477
60+	12184	15056	18821	1194	1413	1687	98	94	90	219	274	305	288
Total	155899	173382	191097	28429	32390	35837				3961	3447		
0-4 years	12545	13003	14312	0	0	0							
sub total 5 to 39 years	100358	107896	113851	18826	20917	22465		5 to 39 yrs		2091	1548	6071	5992
sub total 40 to 59 years	30812	37427	44113	8408.171	10059	11684		40 to 59 yrs		1651	1625	-1221	-1460
60+	12184	15056	18821	1194	1413	1687		5 to 59 yrs		3742	3173	4850	4532
Total 0+	155899	173382	191097	28427.99	32388.89	35836		60+ yrs		219	274	305	288

Annexure Table A 3.6 : Average Annual Increase in Population, Labour Force and those not in labour force - 1994-2000, 2000-2005, 1994-2005 & 2007-2012				
(000's)				
Item	1994 to 2000 (6 years)	2000 to 2005 (5 years)	1994 to 2005 (11 years)	2007 to 2012
1	2	3		5
	Estimated		Projected	
Population	18562	17557	18105	15932
Labour Force	5114	10954	7769	8942
Persons out of labour force	13448	6603	10337	6990
memo items				
	2007			
	population	LFPR	Labour Force	
17 year old persons	23.92	0.328	7.85	
22 year old persons	21.2	0.542	11.49	

(9)

No. P-12099/6/08/LEM/ERS
Government of India
Planning Commission
(LEM Division)

Yojana Bhawan, Sansad Marg,
New Delhi-110001.
Dated: May 27, 2008.

CORRIGENDUM

**Subject: Hiring the services of Shri Shailendra Sharma, formerly Adviser
(Labour, Employment & Manpower), Planning Commission.**

Reference Order No.N-11016/1(10)/2008-PC dated the 2nd April, 2008 on the subject cited above. In the order under reference the number of the Order may be read as "**P-12099/6/08/LEM/ERS**" instead of "N-11016/1(10)/2008-PC".



(K. Ramachandran)
Under Secretary to the Government of India

To

Pay & Accounts Officer, Planning Commission.

Copy to:

1. Accounts-I Section, Planning Commission
2. Drawing and Disbursing Officer, Planning Commission.
3. Shri Shailendra Sharma, Formerly Adviser (LEM), r/o A-64, Sector-26, NOIDA.
4. Under Secretary (Admn-I), Planning Commission.
5. General I Section / PC Library/Computer Services Division / Protocol Unit, Planning Commission.
6. I.F. Cell, Planning Commission.

**No. N-11016/1(10)/2008-PC
Government of India
Planning Commission
(Plan Coordination Division)**

Yojana Bhawan, Parliament Street,
New Delhi-110001, dated the 2nd April, 2008

ORDER

Subject : Hiring the services of Shri Shailendra Sharma, formerly Adviser (Labour, Employment & Manpower), Planning Commission.

Sanction of the President is hereby conveyed to hire the services of Shri Shailendra Sharma on a job contract basis for a period of four months to carry out the items of work listed in the Annexure to this Order on a consolidated lump-sum amount of Rs. 1,00,000/- (Rs. One lakh only).

2. The payment shall be made to Shri Shailendra Sharma in lump-sum after successful completion of the work.
3. Professional Tax @ 10% as prescribed under Section 194J of the Income Tax Act read with clauses (A) and (B) shall be deducted at source by DDO, Planning Commission before releasing the payment.
4. Copies of all correspondences shall be sent by Shri Sharma to Director (PC Division) and Joint Adviser (LEM Division) of the Planning Commission, as this financial assistance is being provided under the Central Plan Scheme "50th Year Initiatives for Planning", being administered by the Plan Coordination Division of the Planning Commission.
5. This job contract shall commence on the date Shri Sharma conveys his acceptance of this offer. He will have his headquarters at New Delhi. The assignment does not carry any perquisites by way of HRA, CCA, DA, Residential Accommodation, and Residential Telephone Facilities, etc.
6. He shall not, except with the previous sanction of the Planning Commission or in the bonafide discharge of his duties as aforesaid, publish a book himself or through a publisher or contribute an article to a book or compilation of articles or participate in a radio broadcast/ TV telecast or contribute an article or write a letter to a newspaper pseudonymously or in the name of some other person, if such book, article, broadcast or letter relates to a subject, which is connected with the work aforesaid, not only during the period of job contract but also thereafter. Any information gathered during the course of the job contract as aforesaid shall not be divulged to any one, who is not authorized to have the same.

P.T.O.

7. The expenditure will be debitable to the following Head of Account of the Planning Commission:

Demand No.	:	71
Major Head 3475	:	Other General Economic Services
00.800	:	Other Expenditure
52	:	50th Year Initiative for Planning.
52.00.28	:	Payment for Professional and Special Services

8. This issues with the approval of the Sanctioning Committee and with the concurrence of the Financial Adviser vide Dy. No. 3766 dated 24.03.2008.



(K. Ramachandran)

Under Secretary to the Government of India.
Tel. No. 23096733

To

Pay & Accounts Officer, Planning Commission.

Copy to:

1. Accounts-I Section, Planning Commission
2. Drawing and Disbursing Officer, Planning Commission.
3. Shri Shailendra Sharma, Formerly Adviser (LEM), r/o A-64, Sector-26, NOIDA.
4. Under Secretary (Admn-I), Planning Commission
5. General I Section/PC Library/Computer Services Division/Protocol Unit, Planning Commission.
6. I.F. Cell, Planning Commission.



XX

Annexure to Order No. N-11016/1(10)/2008-PC dated 02.04.2008
Items of Work covered in the Job Contract

Broad details of the Technical Note on employment to be prepared for Eleventh Five Year Plan

The technical note will broadly include the following details:

1. How the Sub-group recommendations have been used in deriving the projections of Population and Labour Force in preparing the 11th Plan Chapter?
2. Why the projections given in the Approach paper were revisited?
3. Why Current Daily Status (CDS) approach for measuring employment - unemployment has been preferred over the Usual Status (US) approach?
4. Analysis of wage trends- presented in the 11th Plan Chapter vis-à-vis the Approach Paper.
5. New entrants to Labour Force — The basis as to why projections are different in 11th Plan Chapter vis-à-vis the Report of the Working Group on Skill Development & Vocational Training for the 11th Plan.
6. Issue of formal vs. informal employment- NCEUS recommendations versus the stand taken in 11th Plan Chapter.
7. Recommendations for removing the deficiencies observed in the data on employment, unemployment, wage etc.