CHAPTER - IV

THEORETICAL ASPECTS OF EMPLOYMENT AND UNEMPLOYMENT
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4.1 CONCEPT OF A LABOUR MARKET

Labour market refers to "the complex of economic and social factors involved in the process through which employers recruit works and workers seek employment." In other words, it refers to a network of transactions in manpower as an economic agent of production at different levels. The commodity offered in the labour market is human labour and in all the civilised societies which guarantee free movement of their individuals, the labour market situation is determined by market forces viz., demand for labour and supply of labour.

The labour market is one of the most important set-up in an economic system, for the consequences of forces operating within it determine the economic well-being of millions of workers. Indirectly, these forces have a profound impact on the economic health of the total population.

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The main function of the labour market thus, is to match workers and jobs in a manner that ensures required quantity and quality of labour supply.\(^2\)

Another characteristic of a labour market that is of importance is, its classification. The labour market may be divided into a number of sub-markets, for example, regional and sectoral markets, urban and rural markets, markets for specific trades, depending on skills and categories of persons. These sub-markets influence each other and together they also influence the national labour market which in turn gets influenced by policies affecting the national labour market.

Unemployment, underemployment, low productivity employment and the working poor are all different aspects of the employment problem. A number of studies have shown broad dimensions of this problem. Industrial employment has lagged behind the growth in industrial output behind the growth of the urban population, and even behind the general growth rate of population. Only a portion of the annual increase in the urban labour force has been absorbed in the urban organized sector.\(^3\)

\(^2\) Ibid.

\(^3\) Balasubramanian, N.S., “Educated Unemployment in Madurai”, 1981.
4.2 MEASUREMENT OF EMPLOYMENT AND UNEMPLOYMENT

Measurement of employment and unemployment usually originates in household surveys or, less frequently in registration at employment offices. In the survey, a random sample of households were asked what activities occupied its members during a previous time period, usually a week.\(^4\)

The principal weakness of the measurement of unemployment is that, there is no objective way of determining whether one who is actively seeking work is seeking with a realistic expectation – that is, the kind of work for which he is qualified and likely to be remunerated. This point is familiar to those who have to keep up with the interminable debate over the last 30 odd years about the question of how best to measure unemployment in many Less Developed Countries (LDCs).

4.3 EDUCATED UNEMPLOYMENT

It has become a truism to say that unemployment is unequally distributed over the labour force. The unemployment of the educated youth (age-group 16-25) is a much emphasized and particularly important part of the wider problem of general unemployment. In Asia, the problem groups

are usually university and secondary school students; in Africa mainly primary and secondary school leavers. Their importance often springs from their position as an articulate and politically conscious group, with the ability to mobilize public opinion and government opposition.

At first sight one may wonder whether any special explanation of unemployment of the educated is required. Since unemployment is widespread in many labour markets of the world, it is hardly surprising that the unemployed include some educated persons along with the uneducated. But this approach is too simple since it fails to explain why unemployment usually differs among groups with different levels of education. In Ceylon, for example, this difference is mainly structural as distinct from the usual supply and demand argument. A substantial portion of the educated labour force aspires to white-collar jobs in response to a wage and income structure that favours these jobs. Myrdal (1968)\(^5\) in a wide ranging discussion of political and social traditions in Asia, emphasizes the non-economic factors that discourage workers from taking manual jobs. This is perhaps the clearest statement of the viewpoint which places most emphasis on white-collar attitudes.

In contrast, Blaug (1973)\textsuperscript{6} stresses economic rationality in job seeking as the main explanation of unemployment among the educated. This, as Blaug argues, is less the result of a gap between total labour supply and demand than the result of an adjustment lag in the period before the unemployed educated take jobs. In Blaug's words, "If the labour market is poorly organised, or if employers are rightly or wrongly unwilling to hire young workers, so that in the best of circumstances it takes a graduate several months to find suitable work, the rate of educated unemployment is almost bound to be higher than that of open unemployment. In that case, educated people are unemployed not because they are educated but because they are young and inexperienced" (Blaug, 1973)\textsuperscript{7}. For Blaug the relevant consideration to take into account in LDCs is not the rate of open unemployment but rather the waiting period before entering a job, or the average duration of unemployment.

4.4 THE ROLE OF EDUCATION IN EMPLOYMENT/UNEMPLOYMENT

The role of education in employment/unemployment depends ultimately on how we view the functioning of the economy and its labour market.


\textsuperscript{7} Op.Cit.
In the most general terms, labour market theories are explanations of how wages are determined and workers allocated to different jobs. They provide explanations of why one group of workers, such as skilled workers, earns more than another group, such as the unskilled. They also provide a basis for our understanding of such labour market problems as discrimination, poverty, unemployment, and suggest policies that could alleviate them. That there are a number of theories of labour market that reflect the complexity of the labour market and the different theoretical and political perspectives used as the starting point of their analysis.\textsuperscript{8}

\textbf{4.5 EARLY THEORIES OF THE LABOUR MARKET}

The classical theorists of the eighteenth and early nineteenth centuries were concerned primarily with the question of distribution. How should the output of the economy be divided between the factors of production? To answer this question, it was necessary to explain how wages were determined.

While the classical economists were primarily concerned with the problem of distribution they did not ignore the structure of the labour market. Adam Smith, for example, provided a number of explanations of why some workers earned more than others, including the agreeableness or disagreeableness of the work, the tenure of the job and regularity of employment, and the cost of acquiring the skills necessary to undertake” Adam Smith argues in “The Wealth of Nations” that education could be viewed as an Investment in future earnings capacity which must “replace him the whole expense of his education, with at least ordinary profits of an equally valuable capital.”

Other classical economists such as John Stuart Mill disputed Smith’s theory of wage relativities and argued instead that the labour market was composed of noncompeting groups of workers. Those in the most desirable (both high-wage and more agreeable) jobs are in these occupations as much because of their social background or because of their education and skills. Wages in the skilled jobs are higher because social barriers restrict entry into these jobs, but not because there are barriers based on the lack of education.

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4.6 THE NEO-CLASSICAL THEORY OF THE LABOUR MARKET

The current neo-classical theory of the labour market represents the mainstream approach to labour market analysis. This theory had its origins in the work of early neo-classical theory economists such as Alfred Marshall and John Bates Clark during the late nineteenth century. Whereas the classical economists had concerned themselves with distribution, neo-classical economists focused on the processes through which the economy allocates its scarce resources between their possible uses.

The concept of a 'market' for a particular good is something of a theoretical abstraction which enables economists to analyse exchange between those people or firms who wish to buy the good, and those who wish to supply it. In the labour market this exchange relationship is between firms who wish to employ labour to produce output, and workers who are prepared to work at the going wage rate. The interaction of the demand for and the supply of labour within a competitive labour market will determine an equilibrium wage rate and level of employment. Any wage above this value will result in competition amongst workers for jobs which will push
the level of wages back down to the equilibrium, whereas competition amongst firms will bid up the wage if it is set below the equilibrium.\footnote{Deshpande, L.K., (1979). “Report of Bombay Labour Market”. Department of Economics, University of Bombay.}

On the supply side of the labour market the only thing at issue is how much labour (e.g., hours per day) an individual worker would be prepared to supply at a particular wage. The individual makes this decision on the basis of the satisfaction or “utility” derived from the consumption of market goods and leisure (that is, non-market activity), subject to constraints on the amount of expenditure that is possible and the time available. Neo-classical economists were thus concerned with the question of how the supply of labour changed with changes in the wage rate.

Education is no longer seen as a consumption good but as a form of investment. By forgoing current consumption whilst undertaking further schooling an individual is able to increase his or her earnings potential upon entry into the labour market. This is the result of the positive impact of education on productivity.

Since there is a close relationship between particular educational programmes and the type of occupation a person can go into, the human
capital theory also provides a model of occupational choice. Occupations that offer high wages will encourage people to invest in particular educational programmes associated with them. Choosing the quantity and type of education to be undertaken, therefore, involves simultaneously making an occupational choice.

In its explanations of and solutions for unemployment, orthodox theory draws on the concept of labour both as homogeneous man-hour and as human capital (worker characteristics), and in both the cases the theory assumes that there are general laws that apply equally to all individuals in the labour market. Thus, whether it is a man-hour of work or a year of schooling, the market mechanism treats (prices) these inputs similarly across the entire labour market in that economy. It is assumed that in a competitive equilibrium, the market for man-hours of work or for various investment in 'skills' will be 'clear'; if it does not, this means that, in some sense, the market is not in competitive equilibrium - distortions exists, and if they can be eliminated, 'full-employment' can be achieved.

The implications of neo-classical theory for a full-employment strategy should be clear: unemployment is caused by distortions in the economy; eliminate these distortions and achieve full-employment. As for
the relationship between education and unemployment, orthodox theory in its strictest form would have to blame unemployment on those who are unemployed. That is, given the existence of unemployment in an economy because of distortions in the market, which are beyond the control of the individual worker, each potential employee would be faced by a series of human capital investment decisions.\(^{11}\)

Thus, distortions create unemployment. On that there is agreement. But there is apparently considerable disagreement on orthodox theory on the reasons for individuals investing in ways which may maintain or increase rather than reduce their chances to be unemployed. On one hand, in many less developed economies, International Labour Organisation studies indicate that there are institutions (state schools) which are distortions in themselves, producing a product which is not suitable as an input in a modern capitalist production process. On the other, Blaug (1973)\(^{12}\) argues that individuals are not misguided in their investment (they are indeed maximising expected wages), but at the prevailing wages the system cannot employ all of those who wish to get high-paying jobs.


NURKSE THEORY OF DISGUISED UNEMPLOYMENT

The concept of disguised unemployment was introduced into the theory of underdevelopment by Rosenstein-Rodan in his famous article “Problems of Industrialization of Eastern and South Eastern Europe” and was elaborated by Ragnar Nurkse. In its strict sense, it means that given the techniques and productive resources, the marginal productivity of labour in agriculture, over a wide range, is zero in overpopulated underdeveloped countries. It is, therefore, possible to withdraw some surplus labour from agriculture without reducing total farm output. Such unemployment is found where too many workers are engaged in agricultural operations because of the lack of alternative or complementary employment opportunity.13

According to Nurkse, the state of disguised unemployment in underdeveloped countries constitutes “a disguised saving potential”. Underdeveloped countries suffer from disguised unemployment in a mass scale. With existing techniques of production in agriculture, it is possible to remove from land a large proportion of the surplus labour force without reducing agricultural output. This surplus labour force can be put to work on capital projects, like irrigation, drainage, roads, railways, houses, factories,

training schemes, community development, education and health, etc. In this way rural underemployment can be a source of capital formation.

**LEWIS THEORY OF UNLIMITED SUPPLY OF LABOUR**

Lewis starts his theory with the assertion that the classical theory of perfectly elastic supply of labour at a subsistence wage holds true in the case of a number of underdeveloped countries. Such economies are overpopulated relatively to capital and natural resources so that the marginal productivity of labour is negligible, zero or even negative. Since the supply of labour is unlimited, new industries can be established or existing industries can be expanded without a limit at the current wage by drawing upon labour from the subsistence sector. The current wage is what labour earns in the subsistence sector, i.e., the subsistence wage.\(^{14}\)

### 4.7 THEORIES OF SEGMENTED LABOUR MARKET

History: The present form of the segmented labour market theories (SLM, henceforth), began in the 1960’s. It was a time for social reform connected with the “war on poverty”, that focused on the economic

participation of minority groups and dissatisfaction with the pace and direction of reforms in these areas.¹⁵

Segmented labour market theories developed as a reaction against the alleged inability of neoclassical economics to adequately explain why some groups of workers do badly in the labour market. Segmented labour market theories attack the - a) method, b) the theory, and c) the collection of predictions and substantive hypothesis of neoclassical theory.

The major issues raised by SLM theories were (a) empirical, and (c) policy related the issues raised were threefold.

First, the SLM empirical argument is that facts describing the outcomes and processes in the labour market are not reported accurately and not interpreted correctly. Second, SLM theories question the very basis of neoclassical theories. Third, SLM theories are mainly policy oriented, hence they advocate major changes in the economic system.

There are two types of facts that contribute to controversy between SLM theories and neo-classical theories. At one end there are those findings that indicate some sort of hardship or distress like high unemployment rates

and widespread poverty. At another end controversy rages around those facts that reflect, unresolved and inadequately treated problems.

4.8 THE JOB COMPETITION MODEL

According to the job competition model, productivity is an attribute of jobs not people. The number and type of job slots are technologically determined. The workers’ skills (i.e., their human capital) and their wage offers are irrelevant in determining the number and type of job positions actually filled. Wages are, in fact, claimed to be rigid, and queue of workers at fixed wages constitute the supply of labour. The chief criterion which the employers use in selecting workers for jobs is their trainability and adaptability. Those workers who possess background characteristics, such as race, sex, education, age and previous experience, which employers feel reduce training costs, go to the head of the queue and receive the best jobs. Thus, employment and unemployment depends on the capacity of the modern sector to absorb labour into full-time modern jobs.

In this model, education plays an ambiguous role. On one hand, educated labour is more trainable and, therefore, is higher up in the queue to
get the full-time permanent jobs associated with the modern, capital-intensive sector.\textsuperscript{16}

Furthermore, in the job competition model, increase in the quantity of workers with schooling does not affect the wage levels of educated labour. In the orthodox neo-classical model, inflexible wages, and, indeed, unemployment (the failure of the market to lower wages and clear the market for labour) must be explained by government interference through minimum- wage laws and the recognition of unions as having collective bargaining rights. This is regarded as an external distortion in the workings of the labour market.

4.9 DUAL LABOUR MARKET THEORIES

The two economists most often associated with the dual labour market theory are Doeringer and Piore (1971)\textsuperscript{17}.

Doeringer and Piore define a primary labour market as one composed of jobs in large firms and/or unionized jobs, which tend to be better jobs - higher paying, better working conditions and more stable jobs. The secondary labour market, which roughly overlaps large sections of the

\begin{thebibliography}{9}
\bibitem{16} Op Cit.
\bibitem{17} Bertrand, T.J., and Lyn Squire, "The Relevance of the Dual Economy Model : A Case Study of Thailand", Vol.6, No.11-12, 1980, Dec.1199-1242.
\end{thebibliography}
external labour market, contains the low-paid jobs that are held by workers who are discriminated against and have unstable working patterns. The discussion of the dual labour market tends to be taxonomic. Some of the theoretical ideas are similar to those mentioned above in the connection with Thurrow and Lucas - the demand determined allocation of jobs, the key role of on-the-job training, employer discrimination and the downgrading of observable human capital characteristics determine wage levels. Quite distinct, on the other hand, is the attention Doeringer and Piore (1971), Harrison (1972) and other dualists give to the roles of the workers' attitudes, motivations, and work habits and the way these interact with 'community' variables such as the welfare system and illegal activities.

4.10 THE RADICAL THEORY OF SEGMENTATION

The radical theories are associated with the names of Wachter (1974); Edwards, Reich and Gordon (1975); Bowles and Gintis (1975) and Franklin and Resnick (1973).

Radical theories of labour market segmentation express a more explicit critique of capitalism. They acknowledge their ties to marxian dialectical analysis, and emphasize class conflicts.\(^\text{18}\) Radical theories are

\(^{18}\text{Op cit.}\)
similar to dual labour market theories in drawing upon sociological analysis of institutional changes but the radicals give more emphasis to historically - rooted, class-based motivations of behaviour by employers and workers.

Radical theories differ with the job competition model on the issue of the supply of labour affecting the level of wages and productivity. Radical theorists believe that it is through the existence of a reserve army of the unemployed (a queue) that workers wage demands are kept low and that productivity is increased.

The problem of educated unemployment in this model is an extension to a growing white-collar portion of labour, of methods used by employers to keep a cheap unskilled labour force under control. As soon as white collar workers and technicians begin to feel that they can extract different working conditions from the capitalist / managerial class than those under which factory and unskilled workers function, the number of graduates trained to do white-collar work is greatly expanded relative to the number of jobs available. Technicians and bureaucrats are no longer assured of white-collar work, nor of any job security at all. Under those circumstances, we should expect that the demands of that group of workers and their potential power should decline.
Thus, employment policy in a segmentation model focuses on the nature of the labour markets rather than the characteristics of workers in those markets. If the educated are becoming unemployed, segmentation theory would concentrate on analysing the changing nature of the jobs held by the secondary and university graduates rather than the nature of their education or the mismatch of education and jobs.

4.11 RELATION OF NEO-CLASSICAL THEORIES OF UNEMPLOYMENT TO SLM THEORIES

Many case studies have shown, that some groups in the labour force experience unemployment that tends to be of a single long duration. This issue is primarily important as a source of understanding why the level of unemployment is relatively high in various groups. Three orthodox hypotheses about unemployment - two of which overlap SLM hypotheses are considered and discussed below.

a) Labour as a quasi-fixed factor of production

A simple but influential model of differential employment by skill class was advanced by Walter. Y. O1 (1962) and G. Becker (1964). The model assumes that (I) higher skill classes have more on-the-job training
and/or they are more complementary (relative to skilled labour) to fixed, physical-capital factors of production (the latter point was developed extensively by Sherwin Rosen (1968); (ii) There are overhead costs of recruiting, placing, and laying-off workers - costs that are often positively related to the wage levels of the skill groups; (iii) the timing and cycle. Under will tend to are relatively complementarily be last to they were to take jobs the firm and worker are uncertain about duration of the phases of the business these assumptions, in a recession, firms lay-off the less skilled workers, who more valuable because of their capital and on-the-job training (which would firm if the laid-off skilled workers elsewhere).

b) Job search models

Neo-classical models of job search and unemployment (Phelps, 1970) attempt to provide a link between micro economics and the prevailing macro theory of unemployment and serve incidentally to deal with some of the issues raised by SLM economists. Changes in aggregate demand induce uncertainty about expected wages. Assume workers will be slower (relative to employers) to adjust to inflation and deflation - offering more” labour (for example, overtime) during the inflationary upswing (because the higher

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money wage appears as a higher real wage than it really is) and offering "less" labour (unemployment in some cases) during a deflationary downswing (because the lower money wage appears as a lower real wage than it really is).

The job search models are used to analyse and rationalize the behaviour of unemployed workers. The definition of unemployment implies that there is some active job search by the person without a job, and the job search model begins with the quasi-tautology that search continues as long as the marginal benefits of further search exceed the marginal cost. As noted above, the costs are affected by the workers alternative income, including unemployment insurance, which mainly determine the costs of search. The direct costs - such as unemployment agency fees, travel costs - are largely unmeasured, but are, perhaps, small.

4.12 THEMES FROM THE RECENT LITERATURE ON HIGHER EDUCATION AND MARKETS FOR EDUCATED LABOUR IN LESS DEVELOPED COUNTRIES

During the 1960's and 1970's, much of the empirical work in the economics at education focused on estimating rates of return to incremental amounts of education, since rate-of-return estimates were needed as an input
into decisions regarding public—sector spending on education. The usual starting point for this kind of work was to collect information on income levels of individuals with different levels of education. Since there is a systematic tendency for individual incomes to vary with age as well as with schooling, the information, was often summarized in the form of earnings functions, that is, estimates of projected time paths of earnings for individuals with different levels of schooling. The predicted income differentials could then be compared with estimates of the incremental costs of schooling to obtain rate of return estimates.

In interpreting this type of empirical work, there is one important complication that must be considered. Individuals differ in many other ways as well, not just in age and years of schooling. This may create problems for empirical work. Some innate individual characteristics like, basic intelligence, persistence, organization ability likely to make a person valuable to his employer and also make him successful at school, and this will be reflected in his higher earnings. This introduces a spurious element in any schooling - earnings correlation. Secondly, these innate abilities can only be measured very imperfectly. Therefore, the prospects for getting more precise estimates of the separate education-earnings link by

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Ibid.
statistically correcting for the influence of these factors do not seem very promising, and attempts along these lines in work in the mid 1970s yielded ambiguous results.

4.13 STICKY WAGES AND GRADUATE UNEMPLOYMENT

The literature that has dealt with the effects of exogenously given wage rigidities has typically used general equilibrium methods, and has generally postulated that education corresponds to simple human capital accumulation.21

In one set of models, it has been assumed that the effect of the rigidity in the wages of educated labour is to generate open unemployment. The equilibrium postulated in these models are similar to that in the Harris-Todaro (1970) model of rural-urban migration. Students will be attracted to the education system as long as the expected earnings of educated workers (taking into account the probability of unemployment) are high enough to justify the cost of getting educated. Attention in these models is focused principally on two issues, that of subsidies to the private cost of education, and, the effects of a policy of deliberate job creation for graduates.

As far as subsidies are concerned, these models suggest, that, to reduce graduate unemployment the government should not give subsidies to higher education. The effect of subsidies is to lower the cost of education which means a larger influx of supply of educated labour. With saturated demand, a larger supply of educated labour will only mean, more unemployment in this group. At first sight, the existence of graduate unemployment suggests that job creation should be a good idea, since there is a pool of unemployed graduates whose time has zero opportunity cost. However, in the analytically similar cases of rural-urban migration, the result from the Harris-Todaro model tell us that we must be careful. In the Harris-Todaro model, if the government creates jobs for the urban unemployed, it creates a disequilibrium since there is an increase in the average income of all urban workers taken together. In response to this equilibrium, there will be migration of agricultural workers to the cities until the average urban earnings have once more fallen to the level of the rural wage rate. In the new equilibrium, we will have more urban unemployment than we had to start with, and there will be a fall in rural output.

4.14 STICKY WAGES AND CREDENTIALISM

The "job-ladder" or "bumping model" developed by Gary Fields (1974) and Bhagwati and Srinivasan (1977) is one version of the rigid-wage
model in which rent-seekers are not unemployed, but instead work in jobs for which they are overqualified. These models can be extended to analyse the much discussed phenomenon that goes under the name of “credentalism”.22

Looked at the viewpoint of the rent-seeking literature, the essential feature of these models is that even though there is rent-seeking because the wage-rates are above the private opportunity costs of acquiring the necessary educational qualifications, there is no unemployment. Those who are unsuccessful in obtaining a job for which they are qualified instead end up working in a job that could be filled by somebody less qualified. In equilibrium, the education activity expands until the average earnings of all educated people (including those working in jobs for which they are overqualified) are just high enough to offset the private opportunity cost of becoming educated.

The extension of this model to incorporate the phenomenon of credentialism can be established by adding to it what Bhagwati and Srinivasan (1977) refer to as the ‘fairness in hiring’ principle. Credentialism refers to a situation where there are several levels of jobs with rigid wages,

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and several levels of education, and where preference for hiring in a particular job is always given to the applicant with higher educational qualification. As the educational system expands, and provided wages remain rigid, this leads to a gradual process in which workers with increasingly sophisticated educational qualifications crowd out those with less advanced credentials in successively less complex and less well-paid jobs.

The analysis of the effects on economic efficiency, and of possible policies to reduce the waste inherent in this type of credentialism, is similar to that in the simpler rent-seeking models with educated unemployment.

4.15 THE MARKET FOR EDUCATED LABOUR IN INDIA

The labour market for the educated has attracted attention and formed the focus of many studies, especially from the fifties when unemployment of the educated showed an increase. There are many studies, both at the macro and the micro level, which address the question of employment and unemployment pattern of the educated in India.

Productivity, collective bargaining, labour relations, rural-urban migration, duality of urban labour markets have been the focus of
economists in recent studies on the Indian labour market. Economists have found an inter connection between employment opportunities and productivity on the one hand and problems of migration and duality on the other (Banerjee, 1985).

4.16 LABOUR MARKET FOR THE EDUCATED

Labour market research as such is yet to mature in India. Singh and Papola (1975) comment that “research in labour economics has grown neither at a warranted rate nor always of high quality.”

The labour market for the educated has received less attention even within the area of labour research studies in the field of economics of education has centred around either estimating rates of return or making manpower projections. Studies by Harberger (1965), Nallagounden (1967), Kothari (1967), Husain (1967), Blaug, (1969), Chaudhury and Rao (1970), Paul (1972), and Tilak (1987) et al., showed positive returns to investment in education, which is greater than the market rate of interest. Earnings and earning differentials form the core of the analysis of rates of return to education. Earnings reflect employment of an individual. However, studies on rates of return were not directly addressed to the question of employment or unemployment of the educated.

\footnote{Op cit.}
Manpower projections exercises were more directly related to the labour market situation in India. This formed a major part of the studies on labour market analysis for the educated in India. Manpower projections at the national level (Burgess, et.al., 1968) is one of the major comprehensive works in this area.

The major drawback of these manpower projections in India was that it was centred around high-level manpower. These studies, therefore, only look at part of the labour market process. The other major area touched upon by the labour market studies is unemployment and employment of the educated.

### 4.17 SOURCES OF LABOUR MARKET INFORMATION FOR EMPLOYMENT AND UNEMPLOYMENT IN INDIA

Statistics on labour market information in India can be divided into three groups, viz.,

I. Statistics relating to the size and structure of the labour force.

II. Statistics relating to the hours of work, wages, industrial relations and productivity.

III. Educational statistics relating to persons passing out technical and professional courses including general university education.
4.18 STATISTICS RELATING TO THE SIZE AND STRUCTURE OF LABOUR FORCE

The main sources of data on size and structure of labour force are:

I) Decennial population Census conducted by Registrar General of India.

II) Sample Surveys conducted by the National Sample Survey Organisation (NSSO) on employment and unemployment.

III) Employment Market Information (EMI) – programme of the Directorate General of Employment and Training (DGE&T) and National Employment Service (NES) also of DGE&T.

a) Economic Census and follow-up surveys of the unorganised segments conducted by the Central Statistical Organisation (CSO).


c) Annual Survey of industries conducted by CSO.

d) Employment data as a by-product of labour administration.

e) Population Census

f) NSSO Surveys on Employment/Unemployment

g) Directorate General of Employment and Training (DGE&T)
Annual Surveys of Industries (ASI) conducted by the Central Statistical organisation provides information on the industrial employment in India. The survey covers, on a Census basis, factories which utilize power and employ 50 or more persons, and factories employing 100 or more persons but not using power.

The Council for Scientific and Industrial Research (CSIR) maintains a national register from 1948 onwards. Those holding a degree in S&T or a diploma in E&T are expected to register. From 1957, an ‘Indians Abroad’ section was published in a bulletin called ‘Technical Manpower’.