

CHAPTER IV

TRENDS AND PATTERNS OF EMPLOYMENT AND UNEMPLOYMENT

4.1 INTRODUCTION

Number of people employed and unemployed within an economy are important indicators to study the economy and the labour market of that country. Employment to population ratio reflects the capacity of an economy to provide employment to working age population and also it is an indication to highlight how the country makes use of the productive potential of the working age population. Using the secondary datasets of International Labour Organisation (ILO), decennial Indian Censuses and National Sample Survey Organisations (NSSO) quinquennial survey on employment and unemployment situation in India, this chapter describes the levels, trend and pattern of employment and unemployment situation. This chapter analyses employment and unemployment situation, from the global level to the study area level in a systematic way. This chapter is broadly divided into two major sections; first one describes the employment situation and the second section describes the unemployment situation in the same manner. While describing employment situation, ILO and Indian Census datasets were used, and while describing the unemployment situation, with the above two, NSSO datasets were used.

4.2. LEVELS, TRENDS AND PATTERNS OF EMPLOYMENT

Employment is defined in myriad ways - state of being employed; the work in which one is engaged in/devotes time; occupation; people gainfully employed and so on. According to ILO, employed population is made of persons above a specified age who furnish the supply of labour for production of goods and services. To study the employment situation in India, decennial Indian Census, 1961 to the latest census 2001 figures are utilized.

4.2.1 Employment Situation at Global Level

The major trend in the global economic activity can be studied using a ILO study by Kapsos, (2007). It is presented in Table 4.1. At the global level, the working age population (years 15 and above) has grown tremendously between 1980 and 2005, i.e. from 2.88 billion to 4.64 billion (Table 4.1). However, the rate of growth of global labour force has declined relatively faster than the rate of growth of the working age population as a whole. The Labour Force Participation Rate (LFPR) is an aggregate indicator of persons in the economy participating (Datta *et al*, 2007).

Table 4.1: Trend in Population and Labour Force at global level, 1980-2005

Types of labour force	Years			
	1980	1990	2000	2005
Total working-age population ('000s)	2,880,602	3,566,009	4,256,622	4,642,570
Total labour force ('000s)	1,929,563	2,405,653	2,818,456	3,050,420
Total LFPR (%)	67.0	67.5	66.2	65.7
Female labour force (% of total)	38.6	39.8	39.8	40.1
Female LFPR (%)	51.5	53.6	52.6	52.5
Youth labour force (% of total)	27.8	25.6	21.3	20.8
Youth LFPR (%)	63.9	61.4	56.2	54.7
Female LFPR, 25-54, (%)	61.9	65.9	66.3	66.7
Male LFPR, 25-54 (%)	96.3	96.2	95.3	95.1
LFPR 55+	37.1	37.5	36.6	37.1

Note: Labour Force Participation Rate (LFPR) is defined as the number of labour force per 100 persons.
Source: Kapsos, (2007) p. 13

The LFPR had grown between 1980 and 1990 marginally, but declined from 67.5 percent in 1990 to 66.2 percent in 2000 and to 65.7 percent in 2005. The women's share in the labour force is relatively smaller than male labour force, but is growing gradually, from 38.6 percent in 1980 to 40.1 percent in 2005 (Table 4.1). But the female Labour Force Participation Rate (LFPR) is declining gradually since year 1990, from 53.6 percent during 1990 to 52.5 percent during 2005. Age specific labour force shows that the share of youth in labour force and youth LFPR declined during 1980 to 2005, 63.9 percent and 54.7 percent respectively. This could be attributed to the declining youth population at the global level (UN, 2004). Age and gender specific LFPR shows that in the prime working age group (25-54 years) the female LFPR was steadily increasing whereas, the male LFPR was almost stagnant (Table 4.1). In the next section, the levels, trends and patterns of Indian labour force is discussed in great detail.

4.2.2 Employment Situation at National level

The labour force consists of employed as well as the unemployed persons. However, while discussing at India level, only the employed persons (workers) were focused. The term used for denoting the ‘worker’ is different during different Indian censuses¹². Due to the changes in the concepts and definitions of workers in different censuses, the levels and trends of workforce show some fluctuations. According to Census 2001 *“Work is defined as participation in any economically productive activity with or without compensation, wages or profit. Such participation may be physical and/or mental in nature. Work involves not only actual work but also includes effective supervision and direction of work. It even includes part time help or unpaid work on farm, family enterprise or in any other economic activity. Reference period of determining a person as worker and non worker is one year preceding the date of enumeration.”* (Census, 2001b). In the following section only the workforce is described in detail.

4.2.2.1 Magnitude of Indian Workforce

It is observed that the Indian workforce was 402.2 million (main workers¹³ and marginal workers¹⁴) as per Census 2001, and the CIA (2009) estimates 523.5 million in 2008. The magnitude of total workers, (main and marginal) in India shows fluctuations over different census years (for detail, see Appendix I.1). These fluctuations are results of different definitions used by census during different year which was explained

¹² Indian census main economic question till 1921 census was related to livelihood concept or occupation of means of subsistence of each worker. The concept of ‘income’ was introduced in the census year 1931 and continued till 1951. From 1961 the whole population are divided into two category- ‘work’ and ‘non-workers’ formed the basis for collection of economic data. The minimum period for which a person may have been employed for being qualified as a worker varied from census to census. From 1981 census onwards the total population are divided into three categories, ‘Main workers’, ‘Marginal workers’ and ‘Non-workers’. For the first time the data on ‘Seeking/available for work’ was collected among non-workers during 1991. This is to get an idea of the number of unemployed. Such information was additionally collected among marginal workers in 2001 census (Census, 2001). Reference period of determining a person as worker and non-worker is one year preceding the date of enumeration". Till census 1981 work status is presented from 0 ages on wards. However, from Census 1991 persons in the age-group 0-4 years have been treated as ‘Non-workers’.

¹³ The Indian census defines main workers as, those who worked for more than 6 months during the reference period of 365 days.

¹⁴ The Indian census defines marginal workers as, those who worked for less than 6 months during the reference period of 365 days.

earlier. Additionally, another reason is non enumeration in some states during some censuses, for example, in 1981, census enumeration was not conducted in the state of Assam and during 1991 enumeration was not conducted in the state of Jammu Kashmir.

It is observed from the census data that the magnitude of all workers has increased from 182.5 million during 1961 to 402.2 million during 2001. The magnitude of the workforce is higher in rural areas than in urban India; the difference is almost 5-6 times higher in rural India than in urban India. Agricultural related activities could be the reasons. Gender specific workforce in the country shows that the male workforce has increased from 124.5 million in 1961 to 275 million in 2001, and the same was 57.6 million and 127.2 million respectively for women workforce. The growth of female workers is remarkably higher over the years (see, Appendix I.1).

4.2.2.2 Decennial Growth of Work force in India

The decennial growth rate of workers is declining gradually in India over a period of time (see, Appendix-I.2). The decennial growth rate of all workers was 35.3 percent between 1971-81 and declined to 28.1 percent during 1991-2001. This decline could be attributable to the remarkable decline in the main workforce in India. This trend could be observed in the rural India. However, in urban India, the growth rate is oscillating. The decennial growth rate of urban workers which was 49.4 percent during 1971-81 has declined to 37.6 percent during 1981-91 and this increased to 41.7 percent during 1991-2001. Gender specific workers' growth rate shows that the growth rate of male workers is much lower than female workers growth rate at all India level as well as in rural and urban India. However, the growth from 37.7 percent (1981-91) to 41.7 percent (1991-2001) is mainly attributable to the increasing growth rate of female workforce, 52.2 percent (1981-1991) to 72.5 percent (1991-2001). In urban India, the male workers growth rate is higher than in rural India. After 1981, the decennial growth rate of urban male workers is around 35-36 percent.

When exploring the employment situation by the two category of workforce, main and marginal workers, the decennial growth rate of main workers has declined drastically from 46.8 percent in 1971-81 to 31.7 percent in 1991-2001; during this period, the decennial growth rate of male main workers too declined from 44.9 percent to 28.3 percent respectively. The decennial growth rate of marginal workers in India was

extremely high between 1991 and 2001 especially for male marginal workers. The decennial growth rate of female marginal workers was more than double in urban India than rural India in 1991-2001 (see, Appendix I.2).

4.2.2.3 Workforce Participation Rate

Workforce Participation Rate¹⁵ (WFPR), that is, the proportion of workers to the total population, given a better understanding than the magnitude of workers which is explained in Table 4.3.

Table 4.2: Trend in Work Participation Rate (%) in India between 1961 to 2001

Census year	All India			Rural India			Urban India		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
1961	43.0	57.2	27.9	45.1	58.3	31.4	33.5	52.4	11.2
1971	34.2	52.8	14.2	35.3	53.8	15.9	29.6	48.9	7.2
1981	36.8	52.7	19.8	38.9	53.8	23.2	30.0	49.1	8.3
1991	37.5	51.6	22.3	40.0	52.5	26.7	30.2	48.9	9.2
2001	39.1	51.7	25.6	41.8	52.1	30.8	32.3	50.6	11.9

Sources: Census of India, Economic tables, 1961; 1971; 1981; 1991 and 2001.

Taking together the main and marginal workforce, the total WFPR in India has increased marginally from 34.2 percent in 1971 to 39.1 percent in 2001. This increase in WFPR is attributable to the increase in the rural WFPR. The urban WFPR shows a gradual increase. Gender specific work participation rate shows that the male WFPR is declining gradually over the years; however the female WFPR is increasing rapidly both in rural and urban India.

4.2.2.4 Age specific Work Participation Rate in India

Age specific WFPR differs by gender as well as by place of residence. The WFPR takes momentum from age 5 onwards and reaches the peak between at age 25-59. Then it declines gradually. Table 4.4 was prepared like the Table 4.1 to get a comparative picture of global employment scenario with the Indian level. However, there were some hurdles in making it comparable due to the following reasons. First the decennial

¹⁵ Workforce Participation is defined as the number of workers per 100 persons.

census years 1981, 1991 and 2001 (Table 4.4) were taken instead of 1980, 1990, 2000 and 2005 (Table 4.1). Secondly the age group, age 25-59 was taken to study the prime economic group at Indian level instead of the 25-54 age group. Also, instead of the 55+ LFPR (Table 4.1), in Table 4.4 60+ LFPR was used.

Table 4.3: Trend in population and workforce in India, 1981 to 2001

Type of workforce	1981	1991	2001
Total working-age population (15-59) ('000)	358,680	464,826	585,639
Total Workforce* (15-59) ('000)	213,562	280,022	357,830
Total WFPR** (%)	36.8	37.5	39.1
Female Workforce*** (% to total)	9.6	11.0	12.4
Female WFPR (%)	19.8	22.2	25.6
Youth Workforce, 15-24 (% of total)	8.6	8.2	8.9
Youth WFPR, 15-24 (%)	27.8	29.8	29.0
Male WFPR**, 25-59 (%)	95.6	94.9	94.1
Female WFPR, 25-59 (%)	33.9	38.8	44.7
WFPR 60+	40.1	39.1	40.3
Male WFPR 60+	65.1	60.5	60.2
Female WFPR 60+	14.0	16.1	20.9

Notes: *Total workforce (main + marginal); youth 15-24 yrs; Working age population 15-59
**WFPR- Workforce Participation Rate- Total workers to the total population
***Workforce (% to total) – Proportion of workers to the total population in India (M&F) (Female workforce percentage to total = FW*100/TF)
Sources: Indian Census 1981, 1991, 2001 and RG, 1988

In India, according to the Indian decennial census, the Work Force Participation Rate (WFPR) of all the workforce (main and marginal workforce) increased at the national level, that is, from 36.7 percent in 1981 to 39 percent in 2001 (Table 4.4). However, among females, the increase was very rapid, i.e., from 19.7 percent in 1981 to 25.6 percent in 2001. Age specific WFPR shows an interesting trend. The youth (15-24) WFPR shows a wavering trend, marginal increase between 1981 and 1991 and declined from 1991 to 2001. The prime working age (25-59) WFPR highlights among the male and an increase among females, i.e., 95.6 percent in 1981 to 94.1 percent in 2001 of male WFPR and 33.9 percent in 1981 to 44.7 percent in 2001. Among the 60+ age group too this type of difference is observed.

In the above section it was explained in detail the trend of workable population and the workforce participation at the global as well as at the Indian level. It was observed that the female work participation is increasing steadily from global as well as at national level, especially in the prime working age group of above 24 years. In the next section the level of employment at the state level will be discussed.

4.2.3. Employment situation at Regional Level

At regional level, the employment situation was discussed at the state of Maharashtra, the state where the study city, Mumbai is situated. The trend in employment situation is presented in Table 4.4.

Table 4.4: Trend in Gender specific Work Force Participation Rate in Maharashtra, by place of residence and category of workers (main, marginal and total workers), 1981-2001

Place of residence/category of workforce	Male (%)			Female (%)		
	1981	1991	2001	1981	1991	2001
Total workers (WFPR)						
Maharashtra	53.7	52.2	53.5	30.6	33.1	32.6
Urban Maharashtra	50.9	50.6	52.6	10.1	11.4	12.7
Main workers (WFPR)						
Maharashtra	52.5	51.3	48.7	24.0	26.5	24.1
Urban Maharashtra	50.2	50.0	49.8	9.1	10.4	10.5
Marginal workers (WFPR)						
Maharashtra	1.2	0.9	4.9	6.7	6.6	8.5
Urban Maharashtra	0.7	0.6	2.8	1.0	1.1	2.1
Age specific (15-59) Total workers (WFPR)						
Maharashtra	85.5	82.5	80.4	48.9	52.6	46.9
Urban Maharashtra	78.3	77.5	76.8	12.9	18.1	18.9

Note: WFPR- Work Force Participation Rate
Sources: Census of Maharashtra, Economic Tables, 1981; 1991 and 2001

Gender specific Work Force Participation Rate (WFPR) showed a marginal increase in male WFPR during 1991 and 2001. But in urban Maharashtra, male WFPR increased from 50.6 percent in 1991 to 52.6 percent in 2001. This increase in urban male WFPR was due to increase in the marginal workforce in the state. For example, in urban Maharashtra, WFPR of male main workers declined relatively from 50 percent in 1991 to 49.8 percent in 2001. However, the male marginal WFPR increased from less than one percent (0.6%) in 1991 to 2.8 percent in 2001. Among female, the WFPR in

Maharashtra as a whole was showing a wavering trend, i.e., increased from 30.6 percent in 1981 to 33.1 percent in 1991 and declined to 32.6 percent in 2001. But, in urban Maharashtra, the female the WFPR was steadily increasing from 10.1 percent in 1981 to 12.7 in 2001 (Table 4.4).

While seeing by the component of workers, main and marginal, the WFPR of main male workers, declined in Maharashtra as a whole as well as in urban Maharashtra (Table 4.4). However, among marginal male workers, WFPR has increased tremendously in Maharashtra. In urban Maharashtra, the WFPR of marginal workers increased from 0.7 percent in 1981 to 2.8 percent in 2001. This could have attributed to the increase in total male WFPR in urban Maharashtra. The main and marginal female WFPR was increasing steadily in the urban Maharashtra from 1981 to 2001.

Age specific WFPR for the age group 15-59 years, shows a decline from 1981 to 2001, i.e., 85.5 percent in 1981 to 80.4 percent in 2001 in Maharashtra. In urban Maharashtra, the male WFPR in the 15-59 age groups declined to 1.5 percent points from 1981 to 2001, whereas, the female WFPR in this age group increased by 6 percent points during this period (Table 4.4).

Among all the districts of Maharashtra, men's main involvement in the workforce is always higher in Mumbai as compared to other districts. However, female workforce participation is the least in Mumbai among all the districts of Maharashtra. In the next section the employment situation in Mumbai will be analysed.

4.2.4 Employment Situation at the Study area, Mumbai

After having discussed on the trends and pattern of workforce at global level as well as at India and Maharashtra levels, it is important to analyse the same in the study area Mumbai.

4.2.4.1 Magnitude of workforce

The magnitude of workforce in Mumbai and the annual growth rate of workers are presented in Table 4.5. The magnitude of workforce has increased gradually over the census years (1961-2001). However, the gender data reveals that the magnitude of male workforce increased at low rate, whereas the female workforce of Mumbai increased at

a faster rate, i.e., from 1.46 lakhs in 1961 to 6.99 lakhs in 2001. Especially, after the structural reform in 1991, the female workforce has increased substantially during the last decade, from 4.92 lakhs in 1991 to 6.99 lakhs in 2001.

Table 4.5: Trend in the Magnitude and Workforce Participation Rate in Mumbai, Census 1961 -2001

Census years	Total Number of Workers (in lakhs)			Work Force Participation Rate* (%)		
	Total	Male	Female	Total	Male	Female
1961	16.87	15.41	1.46	40.6	61.7	8.8
1971	21.98	20.06	1.92	36.9	57.7	7.7
1981	29.02	25.80	3.22	35.2	55.5	9.0
1991	34.99	30.07	4.92	35.3	55.1	11.0
2001	44.64	37.65	6.99	37.3	56.9	13.1

Note: * Number of workers per 100 persons.

Source: Census of India 2001, Analytical tables of Greater Mumbai Municipal corporation

4.2.4.2 Workforce Participation Rate (WFPR) in Mumbai

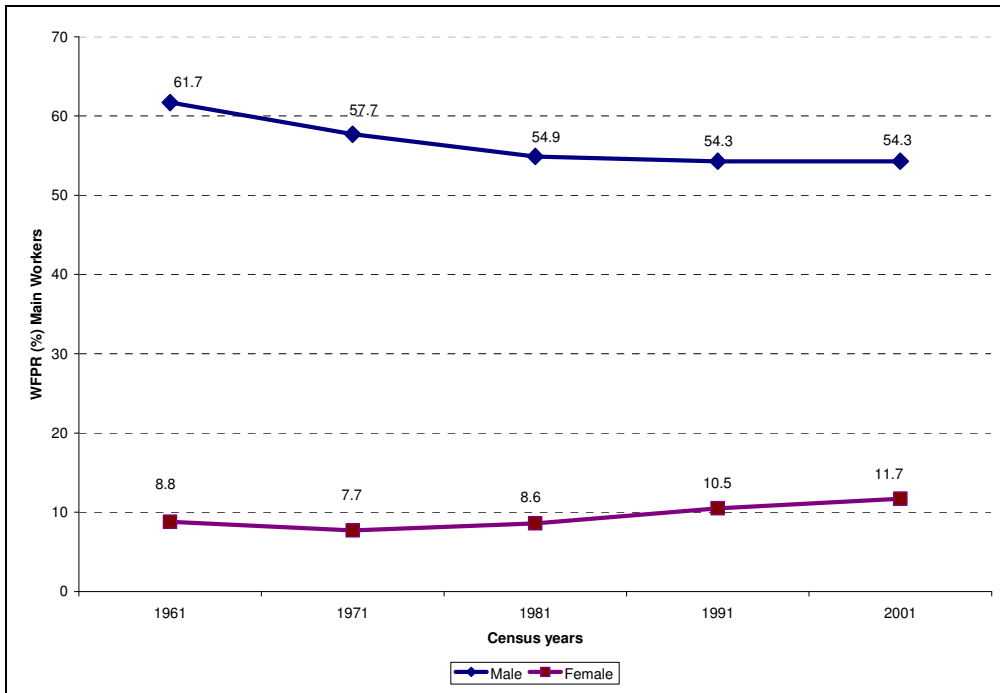
It can be seen from Table 4.5, the WFPR in the city shows wavering trend - a steep decline during 1961 and 1981, i.e., 40.6 percent to 35.2 percent respectively and registered a slight rise in 1991, from 35.3 percent in 1991 to 37.3 percent in 2001. Male WFPR too showed the same trend during 1961-2001, where as, female WFPR is increased steadily during 1971-2001, i.e., from 7.7 percent in 1971 to 13.1 percent in 2001.

The category of workers as main workers¹⁶ and marginal workers¹⁷, shows the reasons for this trend. Male WFPR as main workers has declined steadily, from 54.9 percent in 1981 to 54.3 percent in 1991, while it was stagnant during 1991 - 2001 (Fig. 4.1). The female main WFPR increased from 8.6 percent in 1981 to 11.7 percent in 2001.

¹⁶ Those workers who had worked for the major part of the reference period (i.e. 6 months or more) were termed as Main Workers.

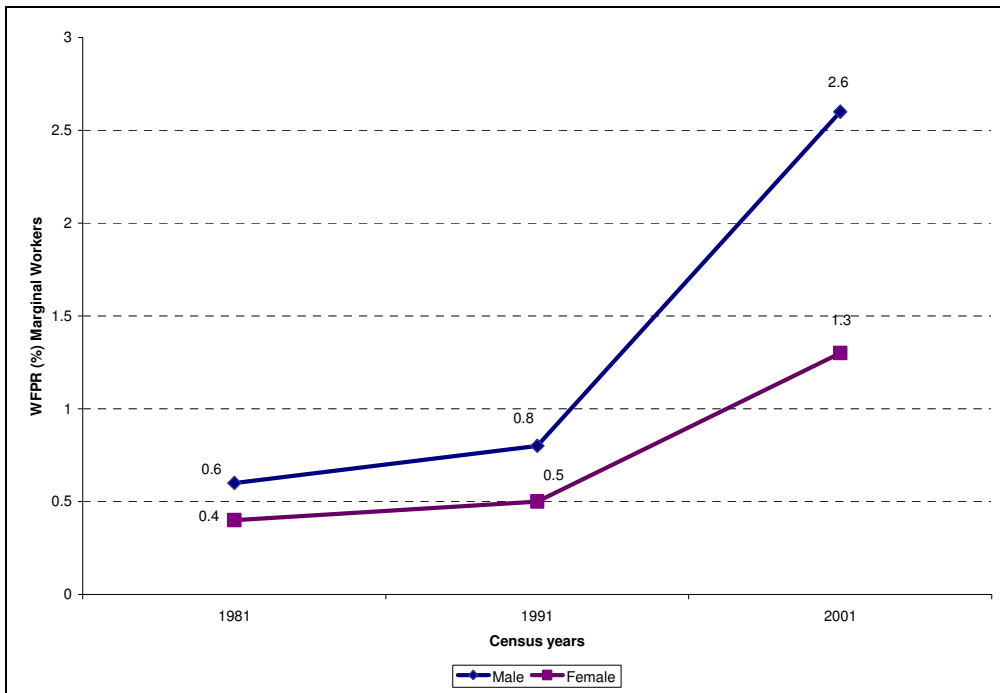
¹⁷ Those workers who had not worked for the major part of the reference period (i.e. 6 months or more) were termed as Marginal Workers.

Figure 4.1: Trend in Gender Specific Workforce Participation Rate of Main workers in Mumbai, 1961-2001



Source: Census of India 2001 (Analytical tables of Greater Mumbai Municipal Corporation: p.3)

Figure 4.2: Trend in Gender specific Work Participation Rate of Marginal workers in Mumbai, 1981-2001



Source: Census of India 2001 (Analytical tables of Greater Mumbai Municipal Corporation: p. 3)

However, the WFPR of marginal workers in Mumbai increased steeply from 1981 to 2001, 0.5 percent to 2 percent respectively. The male marginal WFPR steeply increased from 0.8 percent in 1991 to 2.6 percent in 2001; during this period the female marginal WFPR was 0.5 percent and 1.3 percent respectively (Fig 4.2).

Hence, the contribution of marginal workforce is the reason for the increase of total male WFPR from 55.1 percent in 1991 to 56.9 percent in 2001. The female WFPR of main and marginal workers have contributed equally to the total female WFPR in Mumbai from 1981 to 2001.

4.2.4.3 Growth Rate of Workers in Mumbai

Table 4.6 presents the annual growth rate (%) of main, marginal and total workers in Mumbai during 1981-91 and 1991-2001 by gender and different age groups.

Age group	Main workers		Marginal Workers		All workers	
	Male	Female	Male	Female	Male	Female
Children (0-14)						
1981*-91	1.4	-0.7	9.5	9.6	1.7	-0.1
1991-2001	1.5	1.1	15.9	13.0	2.5	2.5
Youth (15-24)						
1981-91	0.4	2.7	5.1	8.7	0.5	3
1991-2001	2.5	2.3	26.0	15.9	3.2	3.2
Prime working age group (25-59)						
1981-91	1.9	5.9	5.1	4.7	2.0	5.9
1991-2001	2.0	3.9	37.9	22.4	2.3	4.7
Working age group (15-59)						
1981-91	1.6	5.4	5.1	5.8	1.6	5.4
1991-2001	2.1	3.3	32.5	20.2	2.5	4.1
Old age workers (60+)						
1981-91	2.5	4.5	1.3	2.9	2.4	4.4
1991-2001	3.5	9.7	23.8	38.6	3.8	11.3
Total workers (Main & Marginal)						
1961-71	-	-	-	-	3.0	3.2
1971-81	-	-	-	-	2.9	6.8
1981-91	1.6	5.2	5.0	5.9	1.7	5.3
1991-2001	2.1	3.4	31.6	20.4	2.5	4.2

Note: Census 1981 gives the age groups 0-14 where as for 1991 and 2001 censuses age 5-14.

Sources: Census of Maharashtra, Economic tables, 1981,1991 and 2001

It can be seen from Table 4.6, the annual growth rate of male workers in Mumbai during 1961-1971 was 3 percent per annum; which decreased to 2.9 percent during 1971-81; declined to 1.7 percent during 1981-91; then increased to 2.5 percent during 1991-2001. The growth rate of women workforce was always higher than the male workforce. The annual growth rate of women workforce in Mumbai was very high during 1971-81, i.e., 6.8 percent annually during the census period. However, after 1981 the annual growth rate of women workforce has slowed down gradually.

The age specific annual growth rate of workforce in Mumbai is presented in Table 4.6. The age specific growth rate of both male and female workers has increased in the age group (0/5-14) during 1991-2001 as compared to the growth during 1981-91. It means that in Mumbai, child workforce participation has increased, especially female child workforce has increased significantly. This growth cannot be comparable with the 1981 data as in 1981 data information on the work activities was collected for age group 0-14, whereas in the other two censuses this information was collected for age groups 5-14. For the age group 15-59, the growth rate of workers increased during these census periods, 1981-2001. Gender specific growth rate of workers shows decline among female workers in this age group 15-59 years. Further decomposition of age in this group showed that the decline is due to the reduction in female workers' growth rate in the prime working age group (25-59), especially among female main workers in this age group.

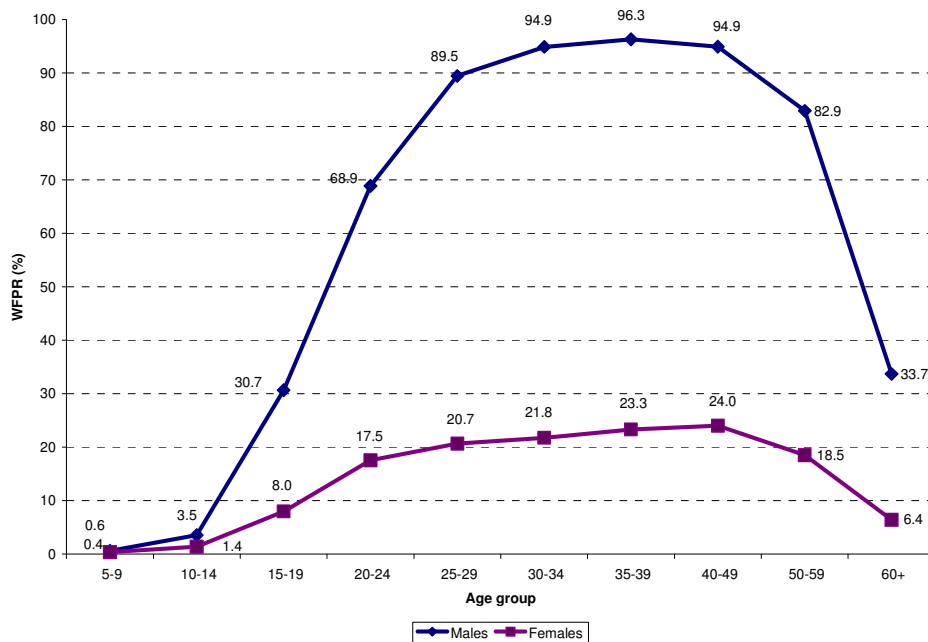
Significant change in the workforce was found among the elderly workforce in Mumbai. The growth rate of elderly workers (age group 60+) has increased in Mumbai between these census periods. Overall, male and female elderly workforce participation has increased significantly during 1981-2001. Especially the growth rate of female elderly workers has increased to almost three times, i.e., annual growth rate of female elderly increased from 4.4 percent per annum during 1981-91 to 11.3 percent per annum during 1991-2001. There is substantial increase in the workforce participation of female elderly in both the category of employment, i.e., main and marginal workers during last three decades.

On the whole, the growth of female workforce was higher than that of male workforce. During the census years 1991-2001, the annual growth rate of marginal workers in Mumbai has increased in all the age groups.

4.2.4.4 Age specific Workforce Participation Rate (WFPR) in Mumbai

Work participation varies in different ages; it will be interesting to see the age specific WFPR rate between the genders at a point of time. Figure 4.3 shows the age specific WFPR of all workers (main and marginal) by male and female and all in Mumbai as per the census 2001 data. The WFPR shows a somewhat smooth curve in the age group 15-59 years. Gender specific WFPR shows that the male WFPR is at the peak between 30-49 years age group (around 95%). Then it showed sharp decline between 50-59 age group (82.9%). The female WFPR shows a gradual rise from 20.7 percent to 24 percent in the age groups 25-49 years. Like male, the female WFPR also showed a decline in the age group 50-59 years. One reason for the decline in this age group could be the retirement age, i.e., for the state government of Maharashtra, the retirement age is 58 years.

Figure 4.3. Age specific Workforce Participation Rate in Mumbai by Gender, 2001



Source: Census of Maharashtra, 2001

4.2.4.5 Educational level of workers in Mumbai

Over the years, the proportion of illiterates among the workers declined in urban India. The literacy rate of Mumbai was greater than the national level. The educational level of Mumbai population in 2001 was compared with that of workers (main workers, marginal workers and total workers) and presented in Table 4.7.

Table 4.7: Percentage distribution of total population in Mumbai and the workers (main, marginal and total) by their gender and educational level, 2001

Educational Level	Main workers		Marginal workers		Total workers (main & marginal)		Total population	
	Male	Female	Male	Female	Male	Female	Male	Female
Illiterate	10.0	21.5	16.8	33.2	10.3	22.7	18.6	28.7
Literate but below primary	38.7	26.1	50.2	38.6	39.3	27.3	42.5	41.1
Matric/secondary	33.3	20.1	25.7	16.9	32.9	19.7	26.5	19.2
Diploma/certificate	1.1	1.0	0.5	0.3	1.1	0.9	0.8	0.3
Graduate and above	12.5	24.6	4.3	8.3	12.1	23.0	8.4	8.5
Technical degree in graduate/ post-graduate	2.4	4.8	0.5	0.9	2.3	4.4	1.7	1.0
NA*	2.0	1.9	2.0	1.8	2	1.9.0	1.5	1.3
Total	100	100	100	100	100	100	100	100
Total (N) (Million)	3.6	0.6	0.2	0.1	3.8	0.7	6.6	5.3

Note: *NA-Not applicable/Not available

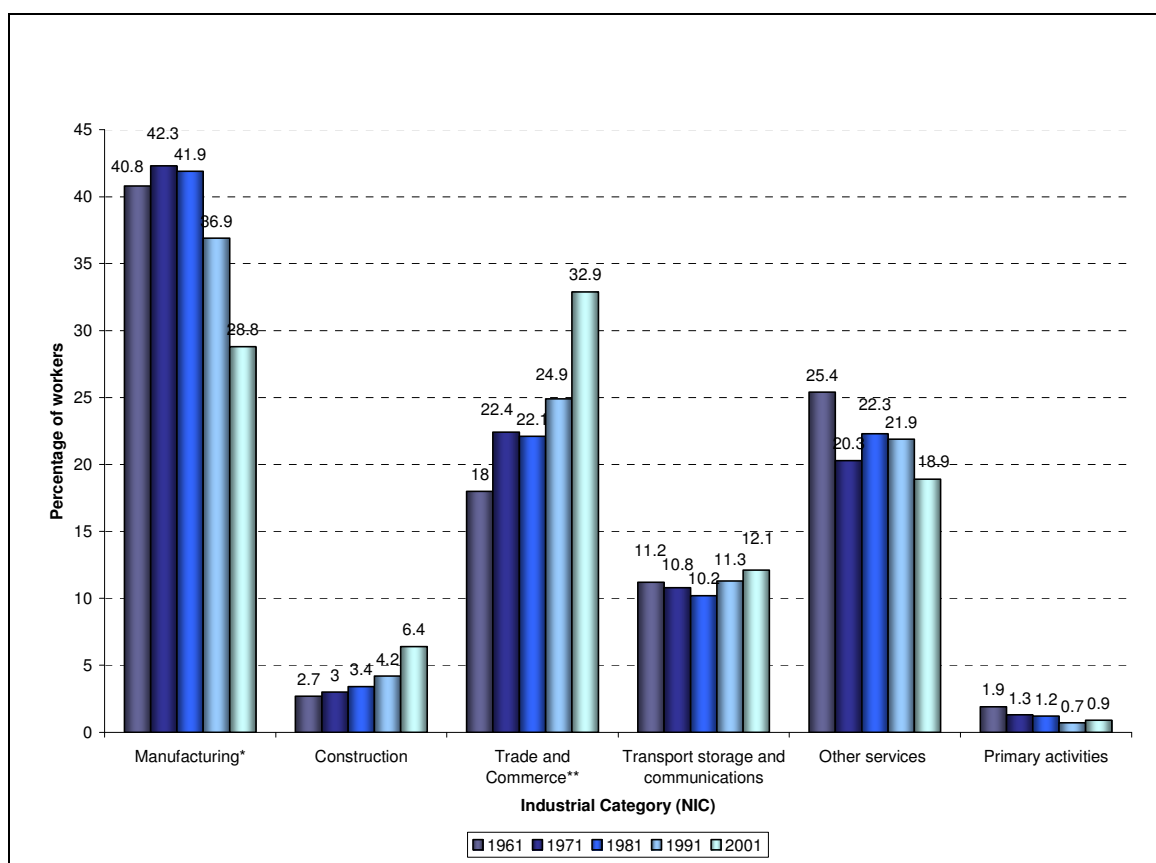
Source: Census of Maharashtra, 2001

The proportion of graduate workers among female workers (23%) are almost double than the male workers (12.1%) among all the workers (Table 4.8). Among the total population of Mumbai, the proportion of graduates among male and female was almost same, 8.4 percent and 8.5 percent. Majority of the female marginal workers (71.8%) were illiterates or with below primary level of education; and the same among male marginal workers was 67 percent. Technical education i.e., diploma or certificate education (not equal to degree) is found among main workers, irrespective of gender. One clear message brought out from this analysis is that the educational level of main workers in Mumbai is much higher than that of the total Mumbai population.

4.2.4.5. Mumbai Workforce by Industrial Classification

Industrial classification of workers according to National Industrial Classification (NIC) highlights the shift between different employment categories of workers during the years 1961-2001 (see, Appendix-II). It is observed that the proportion of manufacturing industrial workers has declined remarkably since 1981, that is, 42 percent in 1981 to 29 percent in 2001 (Fig. 4.4). The possible reasons for this decline are discussed in chapter 6 . Construction industry has boomed doubly since 1961, that is, 3 percent in 1961 to 6 percent in 2001. Trade and commerce industry also increased steadily during this period, from 18 percent during 1961 to 33 percent during 2001, a remarkable increase was observed between 1991 and 2001. This clearly indicates a shift in the economic activities which was emerging in Mumbai, i.e., from manufacturing sector to service sector.

Figure 4.4: Percentage Distribution of Workers in Mumbai as per NIC classification, 1961, 1971, 1981, 1991 and 2001



Note: * Manufacturing workers include both manufacturing, processing, servicing and repairs in household activities and other than household activities.

Sources: Census of India, Maharashtra Economic tables, 1961, 1971, 1981, 1991 and 2001

Fig.4.4 shows that employment in the manufacturing sector has declined in the city. In the recent years, Mumbai is dominated by tertiary sector – wholesale and retail trade, transport, storage, communications, finance, insurance, information technology, real estate, community, social and personal services.

In the above section of this chapter, the employment situation was analysed in various dimensions from the global level, up to the study area, Mumbai. In the next section, the other components of labour force, i.e., unemployment situation is discussed, from the global level to the study area, Mumbai.

4. 3 LEVELS, TRENDS AND PATTERN OF UNEMPLOYMENT

It is very important to study those who were employed and those who were looking for employment to get a holistic view of labour force (employed and unemployed) in an economy. Unemployment situation highlights the unutilized section of a labour force. This section presents those ‘who are looking for or searching to find’ employment (job seekers), who are termed as unemployed. In an economy, one reason for the inadequate labour absorption and unemployment is the mismatch between workable-population and decrease in productive-employment (Nayyar, 2003). Further, new situation has arisen, where the existing workers are losing their employment due to various reasons. One of the reasons may be the country’s entry into global economy. Dislocation of labour, open unemployment and reduced social protection are feared to be the short-term fallouts, while widening and diversification of employment opportunities, rising real earnings and improvement in conditions of work are expected to be medium and long term benefits. (Brink, 2004; Papola, 2004). Unemployment entails massive loss of output and a tragic waste of people’s lives (Sinclair, 1987). As per Census 2001, the unemployment rate for India was 7.8 percent (WBCS, 2009; HEV, 2011; www, 2011) and for Mumbai the same for Mumbai the same in this period was 11.5 percent (Kingsley *et al*, 2007). In this section unemployment situation is analysed from the global level to the study area level.

The information on unemployed persons can be obtained from various sources. At global level International Labour Organisation (ILO) collects information of unemployment in different countries and periodically releases them. At the national

level, one can get the information on the unemployment level in India from the following sources – decennial Population Censuses¹⁸, National Sample Survey¹⁹, and other surveys. Additionally information can be collected through returns under various Acts relating to regulation of economic establishments regarding workers and employment exchanges recording data on jobseekers. Before going into detail studying the levels, trends and patterns of unemployment, it will be discussed in brief, what does unemployment really means and how it is defined.

4.3.1 DEFINING UNEMPLOYMENT

Unemployment is defined in myriad ways. Generally unemployment means when a person is actively seeking employment but unable to find one. According to ILO definition (ILO, 2009), unemployed comprise of all persons above a specific age when

- a) s/he is without work, that is, they are not in the paid employment or self employment;
- b) s/he is currently available for work, that is, they are available for paid employment or self-employment during a given reference period; and
- c) s/he is seeking work, that is, they have taken specific steps in a given reference period to seek paid employment or self-employment.

In short, unemployed persons are those 'Persons, who owing to lack of work, had not worked but either sought work through employment exchanges, intermediaries, friends or relatives or by making applications to prospective employers or expressed their

¹⁸ Since 1981 the Indian census started collecting information on 'those who were seeking work'. In 1991 Census started collecting information on people who were seeking for employment among non-workers. In 2001 Census, besides jobseekers among non-workers, information on jobseekers among marginal workers too collected.

¹⁹ The National Sample Survey Organization (NSSO) is one of the most important sources of data on employment, unemployment, and underemployment in India. The NSS began conducting nationwide surveys on employment and unemployment from 1955 (Ninth Round). The Planning Commission, in the year 1970, set up an Expert Committee on Unemployment Estimates, popularly known as 'Dantwala Committee'. Following the recommendations of the committee, the first comprehensive survey on employment and unemployment was carried out during 1972-73 (27th round). Since then the survey on employment unemployment has become a part of the quinquennial programme of NSS surveys and is carried out along with the survey on consumer expenditure on the same set of households (NSSO, 1997). There are different approaches used to study the unemployment by NSSO. The persons surveyed are classified into various activity categories on the basis of the activities pursued by them during the certain specified reference periods. There were three reference periods for this survey – one year, one week and each day of the reference week. Based on these three periods, three different measures of activity status are arrived at. They are termed as usual status, current weekly status and current daily status.

willingness or availability for work under the prevailing condition of work and remunerations are considered as those who are 'seeking or available for work' (or unemployed). ILO, Census and NSSO also considered unemployed persons as those who were seeking work. Census, and NSSO divide the total population in an area broadly into three groups by their usual activity status viz., employed, unemployed and non-workers. The employed are termed as workers and the employed with the group of unemployed forms the labour force. Unemployed are jobseekers/ those who were seeking jobs.

Hence, in a nutshell the unemployed group is composed of,

- 1) new entrants in the labour market (attaining the workable age),
- 2) residual workable persons (Those working age population who could not find any employment, but eagerly seeking for a job), and
- 3) those who have worked in the past but lost the employment and seeking for an employment.

In this chapter all the unemployed persons (new entrants, residual workable jobseekers and those jobseekers who had lost their employment) are discussed.

4.3.2 UNEMPLOYMENT AT GLOBAL LEVEL

Table 4.8 presents the magnitude of unemployment at global level.

Years	Total (millions)	Males (millions)	Females (millions)	Gender Gap (M-F) (millions)
1998	170.3	98.8	71.5	27.3
2000	174.2	102.1	72.0	30.1
2005	192.2	110.3	81.9	28.4
2009*	205.2	119.5	85.7	33.8

Source: ILO, 2009 (Trends Econometric Models, May 2009)
*ILO, 2011

According to International Labour Organisation (ILO) estimates, magnitude of unemployment has increased from 170 million in 1998 to 188.6 million in 2008 (ILO, 2009). This shows an increase of 18.3 million unemployed persons at the world level during last one decade (Table 4.8). According to the recent statistics, the unemployed persons at the global level in 2009 were 205.2 million (ILO, 2011). Between years 2000

to 2001, the annual rate of increase in unemployed persons was nearly 4 percent. The growth rate between the years has declined gradually and was negative after 2005 till 2009 (not given separately). Gender specific unemployment shows that the magnitude of unemployed men is higher than unemployed women in all the given years. During the decade, 1998-2008, the unemployed males have grown by 9.6 million and unemployed women have grown by 8.7 million. The annual growth of unemployed persons is higher among females than males. The gender gap, that is, the difference between male and female unemployment (male – female) is more than 27 million through out the years. However, during 2000-2003, it has exceeded 30 million. Between 2004 and 2008, the gender gap reduced to lesser than 30 million, however, according to 2009 statistics, it was nearly 34 million.

ii) Unemployment Rate

Unemployment rate is defined as the number of persons unemployed per 100 persons in the labour force, which includes both employed and unemployed (ILO; Census, NSSO). The Table 4.9 shows the unemployment rate of the world during the decade, 1998 to 2010.

Table 4.9: Unemployment rate at global level and in some selected regions, 1998-2010

Year	Developed Economies and European Union			Latin America and the Caribbean			South Asia			World		
	T	M	F	T	M	F	T	M	F	T	M	F
1998	7.1	6.6	7.8	8.4	6.8	10.9	4.1	3.9	4.5	6.3	6.1	6.6
1999	6.9	6.5	7.5	8.7	7.1	11.2	4.4	4.3	4.7	6.4	6.2	6.7
2000	6.6	6.2	7.2	8.6	7.2	10.8	4.6	4.5	4.8	6.2	6.1	6.4
2001	6.7	6.4	7.1	8.9	7.4	11.3	4.6	4.5	4.8	6.3	6.2	6.6
2002	7.3	7.1	7.6	9.1	7.6	11.4	4.6	4.5	4.8	6.4	6.3	6.7
2003	7.3	7.2	7.5	9.1	7.5	11.6	4.7	4.5	5.0	6.5	6.3	6.7
2004	7.1	6.9	7.4	8.5	6.8	10.9	5.3	5.1	6.0	6.4	6.2	6.8
2005	6.8	6.6	7.2	8.1	6.5	10.4	5.3	5.0	6.1	6.3	6.1	6.7
2006	6.3	6.0	6.6	7.4	5.9	9.6	5.2	4.8	5.9	6.0	5.8	6.3
2007	5.7	5.5	6.0	7.1	5.7	9.2	5.0	4.7	5.8	5.6	5.4	6.0
2008	6.1	6.0	6.2	6.6	5.3	8.5	4.3	3.9	5.1	5.7	5.5	6.0
2009	8.4	8.8	7.9	7.7	6.5	9.5	4.4	4.1	5.1	6.3	6.2	6.5
2010*	8.8	9.3	8.2	7.7	6.4	9.5	4.3	4.0	4.9	6.2	6.0	6.5

Notes: T-Total; M- Male; F-Female; *2010 are preliminary estimates

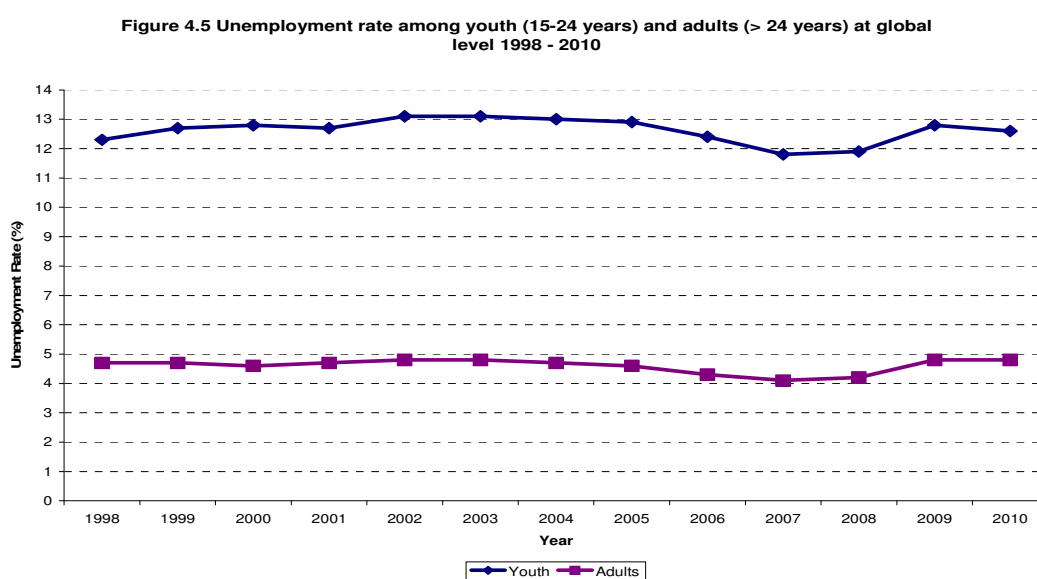
Source: ILO (2009).

At global level the unemployment rate was 6.3 percent during 1998 which was almost same till 2005, then declined to 5.7 percent in 2008 and then increased to the level of 6.3 again in 2009. Global economic slowdown happened during 2001. Latin America and the Caribbean were the most affected due to this global economic slowdown, bringing the unemployment rate close to 9 percent between 2002 and 2003. In South Asia, the unemployment rate was lesser than the global level and it had risen to 5 percent during 2004-2007. Unemployment rate for India in 2001 was 7.8 percent (Census, 2001).

Gender specific unemployment shows that the unemployment rate is higher for women than men in almost all the regions of the world. The unemployment rate for women in the Latin America and the Caribbean region is much higher than any other regions. During the economic crisis it has exceeded 11 percent, that is from 2002 – 2003 it was above 11.3 to 11.6 percent. Gender specific data shows that there was sharp increase in the unemployment rate in South Asia between 2003 and 2004. The female unemployment rate in South Asia increased one percent point between 2003 and 2004.

iii. Age specific unemployment Rate

Figure 4.5, presents the trend of unemployment rate among youth (aged 15-24) and adults (aged > 25) at the global level separately for the years 1998 to 2010.



Source: ILO (2009)

The unemployment rate among youth ranged between 11.9 to 13.1 percent during this period (1998 – 2010), whereas among adults, it was around 4.1 to 4.8 percent. Between 2005 and 2009, the unemployment rate among adults and youth declined at the global level, while it increased by nearly one percent point in 2009.

4.3.3 Unemployment at National Level

This section of the study used Census and National Sample Survey to study the level, trend and pattern of unemployed in India. The details about the unemployment, proportion of unemployed and unemployment rate calculations are given in the methodology section in Chapter III.

4.3.3.1 Magnitude of the unemployed

The magnitude of unemployed has increased tremendously between 1991 and 2001 (Table 4.10). Indian census has recorded 10.5 million ‘seeking/available for work’ amongst non-workers, which has increased to 45.2 million in 2001. At all India level, the volume of unemployed increased more than four times between this period, that is, 10.5 million unemployed in 1991 to 45.1 million unemployed in 2001.

Table 4.10: Magnitude and Annual Growth rate of Unemployed persons in India, 1991-2001

Year	All India			Rural India			Urban India		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Magnitude of unemployed (*000)									
1991	10533	5588	4945	6275	3216	3059	4258	2372	1886
2001	45158	21332	23826	25302	11918	13384	19856	9414	10442
Growth rate									
1991-2001	32.9	28.2	38.2	30.3	27.1	33.8	36.6	29.7	45.4

Sources: Census 1991 and 2001

The magnitude of unemployed in rural India was higher than urban India. The magnitude of female unemployed, which was lesser than male during 1991, has reversed in 2001, that is, magnitude of female unemployed is more than male in 2001. The growth rate, by which these unemployed increased between these two decennial censuses, was 32.9 percent. The growth rate for female unemployed (32.9%) was

higher than male (28.2%). In urban India, the female unemployed have grown at the rate of 45.4 percent (Table 4.10).

4.3.3.2 Proportion of unemployed

The proportion of unemployed, to total population in India is presented in Table 4.11. The proportion of unemployed among the total population of India shows that the proportion of unemployed has increased sharply between 1991 and 2001 according to Indian census. Gender specific unemployment shows that the proportion of unemployed among male were lesser than females. This trend is observed in both rural as well as urban India.

Table 4.11: Proportion of Unemployed to Total Population in India, 1981 - 2001

India /Rural/urban	Persons			Males			Females		
	1981	1991	2001	1981	1991	2001	1981	1991	2001
India	2.9	1.3	4.4	3.2	1.3	4.0	2.6	1.2	4.8
Rural India	2.4	1.0	3.4	2.5	1.0	3.1	2.3	1.0	3.7
Urban India	4.7	2.0	6.9	5.4	2.1	6.3	3.9	1.9	7.7

Note: Unemployed are those who seeking job among non workers

Sources: Census 1981, General economic tables; Census 1991; and Census 2001

4.3.3.3 Pattern of unemployment

The proportion of unemployed²⁰ population to the total population differs by rural urban setting as well among the different demographic and socio-economic groups.

Table 4.12 presents the proportion unemployed in different age groups (5-14 years, 15-59 years and 60 and above years) as per Census, 2001. On the whole the proportion of unemployed was highest in the 15-59 age groups. Among females, the proportion unemployed in age group 15-59 in the urban areas was very high than in rural areas, 11.6 percent and 6 percent respectively. Also in this age group, among the religious groups, highest 'unemployed' were reported among Christian women (14.5%). Between the caste groups, the Scheduled Castes (SC) and the Scheduled Tribes (ST),

²⁰ Proportion of unemployed population, are those who were reported to be 'seeking/available for work' at the time of enumeration.

the 'proportion unemployed' is much higher for SC. Sex differentials are negligible for the ST in the working age group of 15-59 years. However, the differentials are relatively high for SCs with the unemployed females being much higher than for males unemployed, 7.4 percent and 5.8 percent respectively. In the 5-14 age group, proportion unemployed were 1.6 percent at national level for men. However, in urban India, and among Muslim and Christian boys, this proportion is much higher than the national average. Among the age 60 and above population, the proportion is higher in urban areas and in some religious groups, than the national average for both men and women (Table 4.12).

Table 4.12: Proportion of unemployed* in India by background characteristics, 2001

Characteristics	Male				Female			
	5-14	15-59	60+	Total	5-14	15-59	60+	Total
All India	1.6	6.2	1.0	4.0	1.3	7.7	1.4	4.8
Rural India	1.4	4.9	0.7	3.1	1.2	6.0	1.2	3.7
Urban India	2.1	9.0	1.8	6.3	1.7	11.6	2.1	7.7
Caste								
Scheduled castes	1.7	5.8	1.0	3.7	1.5	7.4	1.6	4.6
Scheduled tribes	1.4	3.6	0.7	2.4	1.4	3.9	1.1	2.6
Religion								
Hindu	1.4	6.1	0.9	3.9	1.3	7.3	1.4	4.6
Muslims	2.2	6.8	1.1	4.3	1.7	8.9	1.7	5.3
Christians	1.9	9.4	1.4	6.3	1.9	14.5	1.9	9.4
Sikhs	1.3	5.0	1.0	3.3	1.2	7.3	1.7	4.8
Bhuddists	1.1	7.3	0.9	4.6	1.0	6.3	1.1	4.0
Jains	0.9	4.9	0.6	3.4	0.8	5.7	0.9	3.9
Others	1.4	4.5	0.6	2.9	1.3	4.0	1.0	2.6

Notes: Total includes the category 'Age not stated'.

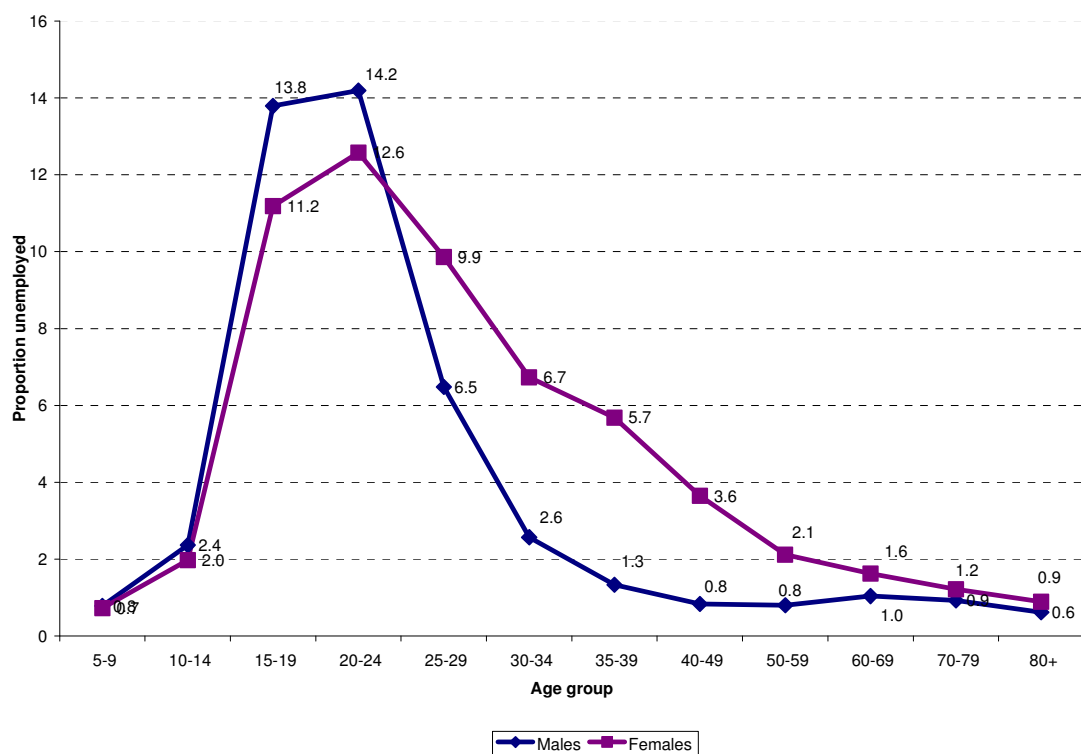
*Proportion unemployed is, the proportion of non-workers seeking/available for work to total population.

Source: Census 2001, Data Highlights (Table B1 and B2), pp. 2-3

In the earlier table the proportion of unemployed at three broad age groups, 5-14, 15-59 and 60 and above was discussed. However, the unemployment as a continuous process in five year age groups is explained in the Figure.4.6 using Census 2001 data. The figure shows, the proportion of unemployed are at the peak in the age 15-24 and then the gradual decline in the unemployment rate for both male and female in India. It is natural to expect that in this age group many new entrants or young persons after completing education or else, looking for jobs. Another interesting observation is that

the proportion of male youth (15-24) unemployed were higher than female, however, as the age progress, the proportion among females was higher than male, the difference is very visible in the age group 25-59 years (Figure 4.6). This highlights the need for further research in this area.

Figure 4.6: Proportion of Unemployed in different Age groups by Gender in India, 2001



Source: Census of India (2001), Economic tables

4.3.3.2.1 Proportion Unemployment by Educational level

Table 4.13 gives the proportion of unemployed by their level of education for India as well as for urban and rural areas. On the whole unemployment is much lesser among illiterates than literates. The proportion unemployed among literates and illiterates is higher among females than males. If we see deeper among the literate, an important trend was observed from this table, that is, the proportion of unemployed increases as the educational level increases, which is applicable to both for male and female. It is same for rural as well as for urban India. This educated unemployment is high for

females than for males at all India level and also for rural and urban areas. It was interesting to note that the proportion unemployed is high among those who had technical diploma or certificate. The proportion unemployed who had degree and post graduate degree was much higher among female than male, especially in rural areas.

Table 4.13: Proportion of Unemployed* in India by level of education, 2001

Educational level	All India		Rural		Urban	
	Males	Females	Males	Female	Males	Female
Illiterate	1.2	2.3	0.9	1.9	2.2	3.8
Literate	5.7	7.9	4.7	6.5	7.6	10.0
Among literates						
< Secondary level	3.5	5.3	2.9	4.7	5.1	6.8
Matric/secondary	10.2	15.1	9.6	15.8	10.9	14.5
Technical diploma/certificate	13.8	15.2	15.8	17.8	12.3	13.3
Graduate	10.6	18.1	12.0	23.9	9.8	16.4
Post-graduate degree	10.1	14.3	10.3	17.3	10.0	13.5
Total	4.0	4.8	3.1	3.7	6.3	7.7

Note: Literates include figures for 'literates without educational level' and 'educational level not classifiable'.

*Proportion unemployed is, the proportion of non-workers seeking/available for work to total population.

Source: Census of India, 2001, Economic tables

4.3.4 Unemployment rate

In the earlier section, the magnitude of unemployment, its growth rate and the proportion of unemployed to the total population by sex, age, educational level, social groups and religious background were discussed. Now using the other measure, unemployment rate²¹ the unemployment situation is further explored. Unemployment rate is a refined measure than the earlier measure, proportion unemployed.

Table 4.14 provides the unemployment rate for India and its urban areas during 1993 to 2008, using the National Sample Survey data sets. NSSO collected information on unemployed by using different approaches²². Table 4.14 presents the unemployed rate

²¹ Unemployment rate is defined as the number of persons unemployed per 100 persons in the labour force, which includes both employed and unemployed (ILO; Census, NSSO, 2004-05).

²² NSSO classified persons surveyed into various activity categories on the basis of the activities pursued by them during the certain specified reference periods. There were three reference periods for this survey – one year, one week and each day of the reference week. Based on these three periods, three different measures of activity status are arrived at. They are termed as usual status, current weekly status and current daily status.

for India and its urban areas by usual principal activity status²³, usual status (adjusted)²⁴, current weekly and current daily status. According to Table 4.14, in urban India during the period 1993-94 to 2007-08, the unemployment rate by usual status (adjusted) remained static at 4 percent and by current weekly status as well as current daily status approach it remained almost static at 5 percent and 7 percent respectively. For females in urban areas the unemployment rate declined modestly during this period in all the approaches. For example female unemployment rate decreased from 6 percent to 5 percent as per usual (adjusted) status, from 8 percent to 7 percent by current weekly status approach and from 11 percent to 10 percent by current daily status approach during periods 1993-94 and 2007-08 respectively.

Table 4.14: Unemployment rate for India and its urban areas, 1993- 2008

NSSO survey years (round)	Male				Female			
	Usual Status*	Usual adjusted**	Current Weekly	Current daily	Usual Status	Usual adjusted	Current Weekly	Current daily
All India								
1993-94 (50)	2.0	1.4	3.0	5.6	1.4	0.8	3.0	5.6
1999-2000 (55)	2.1	1.7	3.9	7.2	1.5	1.0	3.7	7.0
2003 (59)	1.9	1.5	2.8	-	1.0	0.6	1.6	-
2004-05 (61)	2.1	1.6	3.8	8.0	3.1	1.8	4.2	8.7
2005-06 (62)	2.5	2.0	4.3	8.3	2.2	1.2	3.3	7.5
2007-08 (64)	2.3	1.9	4.1	8.5	1.9	1.1	3.5	8.1
Urban India								
1993-94 (50)	4.5	4.0	5.2	6.7	8.3	6.2	8.4	10.5
1999-2000 (55)	4.8	4.5	5.6	7.3	7.1	5.7	7.3	9.4
2003 (59)	4.3	4.0	5.1	-	4.4	3.5	4.9	-
2004-05 (61)	4.4	3.8	5.2	7.5	9.1	6.9	9.0	11.6
2005-06 (62)	4.8	4.5	5.8	7.9	7.9	6.3	7.7	10.1
2007-08 (64)	4.0	3.8	4.7	6.9	6.6	5.2	6.5	9.5

Notes: * Unemployment by usual *principal status (ps)* means unemployed for major part of the reference period of 365 days.

**Usual (adjusted) means, the usually unemployed, excluding those employed in subsidiary status.

Source: NSSO, 2010 (Report No. 531 Employment and Unemployment Situation in India: 2007-08)

²³ Unemployment by usual *principal status (ps)* means unemployed for major part of the reference period of 365 days.

²⁴ Usual status (adjusted) means persons unemployed according to the *usual principal activity status* might be working in a subsidiary capacity. Therefore, another estimate of the unemployed excluding those employed in a subsidiary capacity during the reference period can be derived. They are termed as usually unemployed excluding employed in *subsidiary status* or *usual status adjusted*.

The situation of unemployment in India is analysed in detail, using both the indicators of unemployment - proportion unemployed and unemployment rate. Further analysis is made at the state level to see the unemployment scenario.

4.3.4 Unemployment at Regional Level

The unemployment varies in different states differently. Also within the regions of a state unemployment differs. In this section, the proportion of unemployed in different states and the unemployment rate in different urban states and in some class 1 cities of India are discussed.

4.3.4.1 Proportion Unemployed in States

The details on proportion of unemployed at state level are presented in Appendix I.3. It is observed that in big states with proportion of unemployed below 3 percent are Maharashtra, Karnataka, Bihar, Haryana, Madhya Pradesh, Goa and Rajasthan. The proportion of unemployed is more than 10 percent in states like, Kerala, Tripura and West Bengal. Female unemployment rate is almost same or little higher than the males in almost all the states of India except Maharashtra, Madhya Pradesh, Chattisgarh, Jharkand, Sikkim, Bihar, Uttar Pradesh, Rajasthan and Uttranchal. The unemployment rate among females was almost double in states like Kerala, Goa, West Bengal, Meghalaya and Tripura. Unemployment rate is higher in urban areas than in rural areas for all the states of India (see, Appendix I.3).

4.3.4.2 Unemployment Rate in the States of India (Urban)

The unemployment rates for different states were calculated using the usual principal activity status. The unemployment rates for the urban areas of all the states of India for four points of time, from 1993 -94 till the recent 2007-08, collecting information from various NSSO reports is presented in Appendix I.4. Since the study area is in the State of Maharashtra, more emphasis was given to study unemployment situation in this state. In urban Maharashtra, among male, the unemployment showed a declining trend in recent NSSO rounds. The unemployment rate for male in 1993-94 was 4.6 percent, which increased to 6.1 percent in 1999-2000; then reduced to 4.6 percent during 2004-05 and further declined to the level of 3.7 percent in 2007-08. Among urban female in Maharashtra, the unemployment rate in 1993-94 was 5.8 percent, which increased to

7.8 percent during 1999-2000; then reduced to 5.8 percent during 2004-05 and remained almost same till in 2007-08 (see, Appendix I.4).

4.3.4.3 Unemployment Rate in Class-I Cities

The unemployment rate as per Usual Principal Activity Status (adjusted) criteria, for some of the Class I cities of India, all the Class I cities taken together and urban India during the period 1993-94 were presented in the Table 4.15. The unemployment rate used by this, Usual Activity Status (adjusted) criteria can be termed as chronic unemployment (NSSO, 2007 p.28).

Table 4.15: Unemployment rates for persons aged 15 years and above according to usual adjusted status* in selected cities, 1993- 2005

Cities/India	Male			Female		
	(2004 –2005)	(1999 - 2000)	(1993 - 1994)	(2004 –2005)	(1999 - 2000)	(1993 - 1994)
Chennai	3.0	4.5	5.3	2.3	4.1	11.7
Delhi	4.9	2.4	0.9	5.9	3.3	6.4
Kolkata	5.3	3.6	5.0	10.4	7.0	14.9
Mumbai	3.1	6.8	5.3	5.3	11.7	7.1
Kalyan-Dombivilli**	4.9	7.5	2.6	3.3	8.7	17.9
Pune	6.2	2.5	4.8	1.0	3.1	6.1
All Class 1 cities	3.4	4.7	3.8	4.3	6.4	8.6
Urban India	3.8	4.4	4.0	7.0	5.7	6.3

Notes: *Usual (adjusted) means, the usually unemployed, excluding those employed in subsidiary status.

** In 55 and 50 round, the name used was Thane (Kalyan)

Source: NSSO, (2007) (Report no. 520: Employment and unemployment situation in cities and towns: pp 30-31).

Table 4.15 presents the unemployment rate for male and female differs within the different regions of urban India. In urban India, the unemployment rate using the usual (adjusted criteria) was around 4 percent during the period 1993-2005). As discussed earlier, the unemployment rate for female was higher for females than males for the same like urban India for males. However for females the unemployment rate for females has declined rapidly during the three rounds of NSSO in the Class I cities of India, declined from 8.6 percent in 1993-94 to 6.4 percent in 1999-2000 and to 4.3 percent in 2004-05.

When exploring at the city level, during 2004-05 the unemployment rate for male was highest in the city Patna (11.3%) (not shown in the table) followed by Pune, a Class I city of Maharashtra was 6.2 percent. In Pune, the unemployment rate for male in 1993-94 was 4.8 percent, which decreased to 2.5 percent in 1999-2000; then increased to 6.2 percent during 2004-05. On the contrary, the male unemployment rate in Mumbai (study area) showed a different trend - the unemployment rate for male in 1993-94 was 5.3 percent, which increased to 6.8 percent in 1999-2000; then reduced to 3.1 percent during 2004-05.

The unemployment rate (adjusted) for female shows different trend during these three rounds of NSSO survey periods. In urban India, the unemployment rate for female in 1993-94 was 6.3 percent, which declined to 5.7 percent in 1999-2000; then increased to 7 percent during 2004-05. In the city, Pune, the unemployment rate for female reducing rapidly over the period, that is, 6.1 percent in 1993-94, which reduced to 3.1 percent in 1999-2000 and further declined to the level of just one percent during 2004-05. In Mumbai the trend was totally different. The unemployment rate for female in 1993-94 was 7.1 percent, which increased to 11.7 percent in 1999-2000 and then declined to 5.3 percent during 2004-05 (Table 4.15).

4.3.5 Unemployment in the Study Area, Mumbai

The above section highlighted that the unemployment rate was not uniform in the global level in different countries. Even within a country, India, the unemployment rate was different in different states and regions. Also the unemployment rate varies in different cities of India and also different cities within one state of India. In the next section, the unemployment situation in the study area, Mumbai city is explored.

4.3.5.1 Magnitude Unemployed in Mumbai

Table According to the Census, the magnitude of unemployed in Mumbai had increased tremendously during the two census, i.e., 118 thousand in 1991 to 602 thousand in 2001 (Census, 1991; 2001).

4.3.5.2 Proportion Unemployed in Different Age groups in Mumbai

This is reflected in the proportion of unemployed in the city. The proportion of unemployed in Mumbai during 1991 was 1.2 percent (1.2 for male and 1.1 for female), which has increased to 5 percent during 2001.

Table 4.16 presents the proportion of unemployed by major age groups in Mumbai using Census 2001 data. The proportion unemployed among male was 5.1 percent and female 4.9 percent. However, the intensity varies in specific ages groups. For example, the proportion unemployed was very high among the youth (15-24 years), 13.7 percent. Among youth, the proportion unemployed was higher among males than females. Interestingly among females the proportion unemployed in the 25-59 age group was high.

Table 4.16: Proportion of unemployed in specific age groups in Mumbai, 2001

Age group	2001		
	Persons	Males	Females
<15	1.2	1.4	1.1
15-24	13.7	14.5	12.6
25-59	3.9	3.3	4.8
60+	1.0	1.2	0.9
Total (%)	5.0	5.1	4.9
Total (N)	602393	337823	264570

Source: Census of India, 2001 (Calculated)

Both the Census and NSSO survey provide information on unemployment. The first one is decennial and the second one quinquennial. Census collects information on employment and unemployment in the economic aspect of each and every persons enumerated. But some of the quinquennial surveys are focused to study the employment and unemployment situation in the country. Thirdly, the Census data sets lack some flexibility which NSSO data has. NSSO datasets provide a person's full information with all other household and family background characteristics. Also one can link one person with all his/her family members. So, from this point on wards, our study used NSSO data to study the unemployment situation.

Table 4.17 presents the proportion unemployed in Mumbai city as collected by NSSO for persons aged 15 and above over the period 1993 to 2005. In Mumbai, the proportion

of unemployed show a wavering trend as per the three survey periods of NSSO rounds (50th, 55th and 61st). The proportion unemployed during 1993-94 was 3.1 percent which has increased to 4.1 percent during 1999-2000 and later declined to 2 percent in 2004-05. The proportion unemployed among females was lower than the males in all the three survey periods (Table 4.17). Unemployment among genders in aged 15 years and above too shows this same trend between these three rounds of NSSO.

Table 4.17: Proportion unemployed aged 15 years and above by gender in Mumbai, 1993-2005

NSSO rounds (survey years)	Proportion of unemployed aged 15 & >			Total persons above age 15 (N)
	Male	Female	Total	
50 th round (1993-94)	4.3	1.7	3.1	6186
55 th round (1999-2000)	5.5	2.3	4.1	7143
61 st round (2004-05)	2.5	1.5	2.0	3825

Sources: NSSO, (1997) Report No. 411: Employment and unemployment situation in cities and towns; NSSO, (2001) Report no. 462: Employment and Unemployment situation in cities and towns; NSSO, (2007) Report no. 520: Employment and unemployment situation in cities and towns

4.3.5.3 Unemployment Rate in Mumbai

According to Census 2001, the unemployment rate for Mumbai was 11.5 percent and this rate for the youth in the 15-24 age group was 28 percent, showing more than 2.5 times higher than the average job seekers (Kingsley *et al*, 2007).

Table 4.18 presents the gender specific unemployment rate, for those aged 15 and above in urban India and Mumbai for the period, 1991 to 2008 (Rounds, 43, 50, 55, 61 and 64). The unemployment rate declined gradually among male in urban India as well as in Mumbai except 1999-2000. At this point of time the increase before the earlier survey was very marginal for urban male in India. However it was very obvious in Mumbai as the increase was more than 1.5 percent points.

Among female there are many fluctuations during these five rounds of survey, especially among females in Mumbai. The unemployment rate for Mumbai women in 1987 was 9.6 percent, which declined to 7.1 percent in 1993-94, later increased to 11.7 percent during 1999-2000, declined to 5.3 percent during 2004-05 and then increased to

8.3 percent during 2007-08 survey period. Could the unemployment rate among women in Mumbai have any link to industrial closures or reduction in manufacturing sector jobs in Mumbai?

Table 4.18: Unemployment rate in Mumbai as per NSSO estimates, 1987 – 2005

NSSO survey years (rounds)	Unemployment rate (%)			
	Mumbai		Urban India	
	Male	Female	Male	Female
1987-88 (43 rd Round)	8.1	9.6	5.1	6.3
1993-94 (50 th Round)	5.3	7.1	4.0	6.3
1999-2000 (55 th Round)	6.8	11.7	4.4	5.7
2004-05 (61 st Round)	3.1	5.3	3.8	7.0
2007-08 (64 th Round)**	2.5	8.3	3.7	5.3

Sources: NSSO, (1997) Report No. 411: Employment and unemployment situation in cities and towns;
 NSSO, (2001) Report no. 462: Employment and Unemployment situation in cities and towns;
 NSSO, (2007) Report no. 520: Employment and unemployment situation in cities and towns
 ** Singh, 2010

Until now, the unemployment situation at the global level, national level, state level, city level and the study area, Mumbai, were discussed using three measures - magnitude, proportion unemployed and unemployment rate. As explained earlier, the NSSO datasets provides an opportunity to explore all the background characteristics of a person. Hence it was decided to explore the background characteristics of all the unemployed persons in Mumbai using the 61st round (2004-05) NSSO dataset.

4.3.6. Demographic and socio-economic characteristics of unemployed persons in Mumbai

The data sets of NSSO 61st round (2004-05) collected information on unemployment using various measures – usual principal activity status (unemployed for the major part of the reference period, 365 days prior to the survey), weekly status (unemployed 7 days prior the survey) and daily status. In the following section this study used the ‘usual principal activity status’ criteria to capture the unemployed persons. The background characteristics of the unemployed are explained in Table 4.19. The table shows that a good majority of the unemployed were youth aged 15-24 (61%) and adults in the age group 25-59 (31.8%). Majority of them were unmarried, 70.3 percent among

male and 92.9 percent among females. More than half of the unemployed were with primary and middle level of education and 15.5 percent were graduates, this proportion is high among female unemployed (29.3%).

Table 4.19: Percent distribution unemployed population (Usual Principal) in Mumbai by their demographic and socio-economic characteristics, 2004-05

Background characteristics	Unemployed population		
	Total	Male	Female
Age			
< 15	7.3	0.4	22.0
Youth (15-24)	60.8	63.3	55.6
Adults (25-59)	31.8	36.2	22.4
60 +	0.1	0.1	-
Marital status			
Never Married	77.5	70.3	92.9
Currently married	18.3	25.5	3.1
Divorced/Widowhood/Separated	4.2	4.3	4.1
Education			
No education/ below primary	4.0	5.2	1.6
Primary and middle	52.0	47.4	61.8
Secondary and higher secondary	23.4	31.0	7.3
Diploma/Certificate	5.0	7.4	-
Graduate and above	15.5	9.0	29.3
Relationship to head			
Head	12.9	18.3	1.4
Spouse	0.8	-	2.6
Married child	5.6	7.9	0.5
Unmarried child	74.0	65.4	92.1
Others	6.8	8.3	3.4
Household Expenditure (MPCE)*			
Lowest 40% (Up to ₹ 1060)	55.2	51.2	63.6
Middle 40% (₹ 1060 to ₹ 2085)	32.2	34.0	28.4
Highest 20% (> ₹ 2085)	12.6	14.8	8.0
Ever worked?			
Never worked	64.8	50.6	90.6
Sample (N)	115	85	30
Estimated (N)	2473	1676	797

Note: *MPCE –Monthly per capita expenditure as per the city level

Calculated figures with weight

Source: NSSO 61st round (2004-05)

According to the household Monthly Per Capita Expenditure (MPCE) of the whole Mumbai households, the households were divided into 3 categories, Lowest 40% (Up to ₹ 1060); Middle 40% (₹ 1060 to ₹ 2085); and Highest 20% (> ₹ 2085). Majority of the unemployed falls in the lowest group of MPCE households. The relationship to the head of the family reveals that majority of the unemployed were other than head of the household. Among unemployed, almost three-fourth of them was unmarried children (74.0 %); this proportion was 65.4 percent among unmarried male children and 92.1 percent among unmarried female children. Majority of the unemployed (64.9%) were new entrants or residual persons of the unutilised labour force, because 50.6 percent of the unemployed male and 90.6 percent of the female unemployed have never worked before (Table 4.18).

The background characteristics highlights that majority of the unemployed have never worked before. The focus of this study is to explore the lives of employment interrupted persons. The method, used to capture the unemployed, (usual principal activity status) did not help much in this line. NSSO collected information on persons who have worked earlier and unemployed at the time of survey in three of their survey rounds, 50th, 55th and 61st. It will be explained in detail in the next section, while exploring interrupted employment.

4.4 SUMMARY

The employed and the unemployed constitute the labour force. The unemployed are the unutilized labour force. Hence in this chapter, the situation of employment and unemployment were analysed separately. The key findings observed from this chapter are condensed in this section.

Employment: At global level the labour force participation rate has grown between 1980 and 1990, but started to decline between 1990 and 2005. The women's share in the labour force is relatively smaller but growing gradually over the years 1980 to 2005. At national level the Indian Workforce Participation Rate (WFPR) is increasing steadily from 1971 to 2001. The male WFPR was declining from 57.2 percent in 1961 to 52.7 percent in 1981 and between 1991 and 2001 it remained stagnant, 51.6 percent and 51.7 percent respectively. The share of women's WFPR was less in India. However, the

female WFPR increased steadily from 14.2 percent in 1971 to 25.6 percent in 2001. Same kind of trend is observed in urban as well as rural India.

The Work Participation Rate (WFPR) in Mumbai was showing a wavering trend - a steep decline from 1961 to 1981 (40.6 percent to 35.2 percent) and a slight rise since 1991, from 35.3 percent in 1991 to 37.3 percent in 2001. Male WFPR too showing the same trend during 1971-2001, where as, female WFPR is increasing steadily during this period, that is, 7.7 percent in 1971 to 13.1 percent in 2001. The changes could be attributable to the category of workforce, main and marginal workers. Men's main involvement in the workforce is always higher in the city as compared to other districts of Maharashtra. However, female workforce participation is the least in Mumbai and among all the districts of Maharashtra.

The changes in this shift in the WFPR among gender and main and marginal WFPR could be due to the declining manufacturing workforce in Mumbai. The proportion of manufacturing industrial workers has declined remarkably since 1981, that is, 42 percent in 1981 to 29 percent in 2001.

Unemployment: The unemployed person at global level according to ILO estimate were 205.2 million during 2009 (119.5 million males and 85.7 million females). As per Indian Census 2001, at all India level 45158 thousand were unemployed (21332 thousand males and 23826 thousand females). The unemployed persons in the study area, Mumbai were 602 thousand in 2001 (338 thousand males and 264 thousand females).

In India, the proportion unemployed to the total population was increased from 2.9 percent in 1981 to 4.4 percent in 2001. Increase is observed among males and females as well as in urban and rural areas. However, in urban India, the proportion of unemployed among females has increased almost twice, that is, from 3.9 percent in 1981 to 7.7 percent in 2001. In urban Maharashtra the proportion unemployed among total population has declined, mainly due to the reduction in unemployment among males. In Mumbai between 1991 and 2001 there was rapid increase in the proportion of unemployed from 1.2 percent in 1991 to 5 percent in 2001.

The background characteristics of unemployed persons using NSSO 61st round data shows that, a good majority of the (61%) of the unemployed were youth aged 15-24; majority (55%) of them were living in households having lower and lowest Monthly Per Capita Expenditure households. Among unemployed, almost three-fourth of them was unmarried children (74.0 %); this proportion was 65.4 percent among unmarried male children and 92.1 percent among unmarried female children. Majority of the unemployed (64.9%) were new entrants or residual persons of the unutilised labour force because they have never worked earlier.

Above results shows that the unemployment in the study area as per NSSO (2004-05) in Mumbai was almost poverty driven and mostly among who have never worked. A high majority of the unmarried children in the household seeking employment is a matter for further research. By using the criteria, (unemployed for the major part of the reference period of 365 days) the major section of the unemployed were new to the labour market, that is, they have never worked earlier. The main focus of this study is to explore the lives of person's with interrupted unemployed (who have ever worked and lost the job). Since the method, used to capture the unemployed chapter, did not help much in this line it was decided to use another technique. NSSO collected information on persons who have worked earlier and unemployed at the time of survey in three of their survey rounds, 50th, 55th and 61st. It was mainly included to differentiate the ever worked jobseekers from the first-time job seekers. In the next chapter, interrupted employment in general and persons with interrupted employment and their families would be discussed in particular.