

Structural Transformation of Employment in India, 1983 to 2009-2010

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The paper attempts to measure structural transformation process in India to find out the structural shift of employment from the traditional agricultural sector to modern non-agricultural sectors, and estimates the inter-sectoral transformation in the economy from 1983 to 2009-2010. The changes evident in the sectoral shift in the share of GDP are not reflected in terms of sectoral shares of employment. Conditions of work in the unorganized sector have deteriorated over the period of time. Although historical trend of the development process is characterized by shift from agriculture to industry and eventually to services, in India the shift has been to services from agriculture, skipping the industrial sector. Also, the shift of labour is witnessed more in the unorganized service sector. The new employment creation will depend on the nature of employment, technology and structure of the economy. Whatever employment will be created of informal work, its quality will require special attention on provision of a minimum social protection from the state and society at large in the coming years.

I Introduction

Structural transformation is central to the idea of modern economic development. The pattern of employment growth is a key factor in facilitating the structural transformation of the economy as it happened in the developmental experience of the developed economies. In the case of India, the major failure of the development process is that although there is a significant structural shift in terms of sectoral share in income distribution, no commensurate change is happening in the occupational structure. Although relatively high rate of growth of industrial and service sectors has led to a sharp decline in the share of agriculture in the GDP from about 55 per cent in 1951 to around 15 per cent at

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