

CHAPTER- 8

EMPLOYMENT SITUATION IN HIMACHAL PRADESH

1. INTRODUCTION:

8.1.1 Himachal Pradesh has entered the new millennium with a 60.78 lakh population according to 2001 Census. A majority of the population resides in the rural areas and survives on agriculture and allied activities. According to the Census of India, about 77 percent of the total labour force live in the rural areas. Out of the total workforce, about 58.4 percent are engaged in agriculture alone. In such a situation, unless the rural economy is made vibrant in terms of employment, issues of poverty and human development would remain unaddressed. Since employment is the basis for acquiring purchasing power, which in turn ensures the basic requirements of livelihood, endemic poverty and miserable levels of human development are the logical conclusion of declining employment.

8.2.2 Unemployment among the educated youth is serious, considering that the State is one of the highly literate ones. The growth of employment has not kept pace with the State's domestic product, and the result is underutilization of the labour force. One of the important monitorable targets of the Eleventh Five Year Plan at the National level that has rightly been given prominence is to provide gainful high quality employment to the labour force. Similarly, a thrust area in the Eleventh Five Year Plan of Himachal Pradesh is the generation of additional employment opportunities in the private sector by promoting investment and improving marketable vocational skills. The annual growth rate of 8.5 percent or above as envisaged in the Eleventh Plan period will generate higher employment opportunities, raise the standard of living of the people and reduce the poverty level. However, the process of globalization and privatization has serious implications for further generation of employment opportunities in the organized sector, especially the public sector, where the disinvestment process is on and there is emphasis on efficient use of resources. The higher use of capital-intensive technology has serious implications for the generation of employment opportunities. This indicates possibility of further deterioration of the employment situation in the short run, if not in the long run, and hence, calls for appropriate policy interventions at different levels.

8.3.3 A vital thrust of the Eleventh Plan for Himachal Pradesh is to tackle the unemployment problem by adopting a holistic approach for rapid growth strategies and improving skills in all such sectors which have good employment potential. Since the majority of the labour force is still in the primary sector which contributes only 22 percent to the State domestic product, the challenge is to find greater productive employment for this labour force.

2. EMPLOYMENT STRATEGY OF HIMACHAL PRADESH

8.2.1 The development strategy of the State envisages implementing of such programmes and schemes, which aim at increasing productive employment in

different sectors of the economy. Broad strategy of the government will focus on the following areas to tackle rising unemployment situation in the state:

- Supplementing and complementing land based agricultural activities and Animal Husbandry and other diversified Horticultural activities to make livelihoods of marginal cultivators and agricultural labourers sustainable.
- Diversification of cropping pattern, promoting production of off-season vegetables by increasing new areas under vegetables and fruit crops by raising productivity for all cash crops including maize crop.
- Promoting the production of floriculture in the State.
- Strengthening marketing system for farm products.
- Increasing marginal returns on investment in the Primary Sector.
- Promoting emerging biotechnology for generating employment in the field of agriculture and horticulture.
- Policies for the provision of income generating assets aimed and encouraging small scale and cottage industries and providing gainful employment opportunities through backward and forward linkages.
- Enhancing labour productivity by investing on health and education.
- Strengthening of industrial units in all districts and backward pockets as per revised Backward Area Industrial Policy announced by the Central Government.
- Improving and locating new tourist destinations for the domestic and foreign tourists by providing ideal infrastructure facilities to the visiting tourists in the State.
- Improving of airstrips at Bhuntar, Kangra and Shimla would generate additional employment to the local people, besides significant increase in the foreign tourists flow to the State.
- Accelerating actualization of power potential. Increasing Private Sector investment in transport and tourism.

3. AN OVERVIEW OF POPULATION AND LABOUR FORCE SITUATION IN HIMACHAL PRADESH

8.3.1 Before discussing the situation of employment and unemployment in the Pradesh, it would be necessary to highlight the population characteristics of the State. The population of the State was 34.60 lakh in 1971, 42.81 lakh in 1981, 51.71 lakh in 1991 and 60.77 lakh in 2001. The decennial increase during 1971-81 was 23.71 percent and during 1981-91 and 1991-2001 were 20.79 percent and 17.54 percent, respectively, against 25.00 percent, 23.56 percent and 21.34 percent for the Country as a whole. The annual compound growth rate of population during 1971-81 was 2.15 percent which declined to 1.91 percent during 1981-91 and further declined

to 1.63 percent during 1991-2001 decade. The annual compound growth of rural and urban population sex-wise is depicted in **Table -1**.

TABLE -1
ANNUAL COMPOUND GROWTH RATE OF RURAL AND URBAN
POPULATION (SEX-WISE)

Year	Components	Annual Growth Rate		
		Male	Female	Total
1971-81	Rural	2.02	2.15	2.08
	Urban	2.76	3.38	3.03
	Total	2.08	2.23	2.15
1981-91	Rural	1.78	1.80	1.78
	Urban	3.05	3.51	3.26
	Total	1.89	1.92	1.91
1991-2001	Rural	1.43	1.59	1.51
	Urban	3.84	1.75	2.86
	Total	1.66	1.60	1.63

4. LITERACY:

8.4.1 The percentage literacy of Himachal Pradesh increased from 31.96 percent in 1971 to 42.48 percent in 1981 and subsequently to 63.86 percent in 1991 and 76.50 percent in 2001. In the case of males, the literacy percentage went-up from 43.20 percent in 1971 to 75.36 percent in 1991 and subsequently to 86.02 in 2001. However, in the case of females, the percentage literacy recorded was 68.08 percent in 2001 and 52.13 percent in 1991 against only 20.20 percent in 1971. The following table gives the status of literacy percentages:-

TABLE -2
LITERACY IN HIMACHAL PRADESH

Literacy Percentage	1971 Census	1981 Census	1991 Census	2001 Census
Male	43.20	53.19	75.36	86.02
Female	20.20	31.46	52.13	68.08
Total	31.96	42.48	63.86	76.50

TABLE –3
DECADAL DISTRICT-WISE LITERACY RATE

Sr.No	District	1991	2001
1.	Chamba	44.70	63.73
2.	Bilaspur	67.17	78.80
3.	Hamirpur	74.88	83.16
4.	Kangra	70.57	80.68
5.	Kinnaur	58.36	N.A
6.	Kullu	54.82	73.36
7.	Lahaul & Spiti	56.82	73.17
8.	Mandi	62.74	75.86
9.	Shimla	64.61	79.68
10.	Sirmaur	51.62	70.85
11.	Solan	63.30	77.16
12.	Una	70.91	81.09
	Himachal Pradesh	63.86	76.50

5. WORK FORCE

8.5.1 The ‘Main Workers and Marginal Workers’ both constitute 29.92 lakh persons according to 2001 census against 22.14 lakh persons according to 1991 census. Thus the increase in total workers was 7.78 lakh persons which yielded an annual growth rate of 3.5 percent. The Main & Marginal workers during 1991 and 2001 Census is given in table 4 below:-

TABLE-4
Main And Marginal Workers- 1991 and 2001 Census

Main Workers		Marginal Workers		Total Workers(Main + Marginal)		Increase in Workforce	%age Increase
1991	2001	1991	2001	1991	2001	1991-2001	
17,79,100	19,63,882	4,35,279	10,28,579	22,14,379	29,92,461	7,78,082	35.14

8.5.2 The distribution of workers by category for census-1991 is available for main workers only. However, the distribution of workers by category for 2001 census is available for both main and marginal workers due to change in the definitions of main and marginal workers. As such, the sectoral break-up of workers during 1991 and 2001 is given in tables 5 & 6 below:-

TABLE-5
SECTORAL DISTRIBUTION OF (Main) WORKERS

1991 Census			
Sr.No	Category	1991Census	% age to total
1.	Cultivators	11,25,311	63.25
2.	Agriculture Labourers	58,668	3.30
3.	Workers in household Industries	25,454	1.43
4.	Other Workers	5,69,667	32.02
5.	Total	17,79,100	100.00

TABLE-6
SECTORAL DISTRIBUTION OF (MAIN & MARGINAL) WORKERS

2001 Census			
Sr.No.	Category	2001 Census	% age to total
1.	Cultivators	19,54,870	65.33
2.	Agriculture Labourers	94,171	3.15
3.	Workers in household Industries	52,519	1.75
4.	Other Workers	8,90,901	29.77
5.	Total	29,92,461	100

8.5.3 It would be seen from the above table that maximum workers are cultivators which constitute 65.33 percent of total workers whereas the household industry constitute 1.75 percent. Thus, the cultivators and other workers constitute the major categories which are providing gainful employment to the people.

TABLE -7

GROWTH OF WORKFORCE IN H.P. OVER THE CENSUS PERIODS

Workforce	1981	1991	2001	Annual Growth Rates	
				1981-91	1991-2001
Population (in Lakhs)	42.81	51.70	60.77	1.90	1.62
Work participation rate (Main Workers)	34.36	34.41	32.36	0.01	-0.61
Main workers (in lakh)	14.71	17.79	19.64	1.92	0.99
Work participation rate(Marginal Workers)	8.01	8.42	16.92	0.50	7.23
Marginal workers (In lakhs)	3.43	4.35	10.27	2.40	8.97

Source: Census of India 1981,1991, 2001 (SDR , H.P. Page-480)

8.5.4 The above table indicates the growth of the workforce based on the census data. The work participation rate of main workers, especially males, declined during 1991-2001. On the other hand, the work participation rate of marginal workers

increased. Male marginal workers increased from 1.56 percent to 11.40 percent, and female workers from 15.45 percent to 22.61 percent during this period (Director of Census, H.P 2002). The growth of main workers declined during the decadal census period. On the other hand, the growth rate of marginal workers increased.

6. LABOUR FORCE

8.6.1 Labour force includes workers and unemployed in the age group 15-59. Labour force participation rates (usual status) or proportion of economically active labour force in principal and subsidiary status as thrown up by the 62nd round of N.S.S. has been used in arriving at the economically active labour force. The labour force participation rates per thousand population (15+) used are as under:-

	Rural	Urban
Male	514	561
Female	412	180

Source- NSS Report No. 522, 62nd Round.

7. ESTIMATION OF EMPLOYMENT AND UNEMPLOYMENT THROUGH NSSO 62nd Round (July 2005-June 2006)

8.7.1 The Labour Force is very useful in estimation of employment and unemployment position of the State. Labour force includes workers and unemployed in the age group 15-59. The labour force in the age group 15-59 is estimated from the projected population. The projected labour force is depicted in the following table:-

TABLE-8
PROJECTED LABOUR FORCE IN THE AGE GROUP (15-59)
(In Lakh)

Year	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
2005	17.45	17.70	35.15	2.52	1.91	4.43	19.97	19.61	39.58
2006	17.84	18.07	35.91	2.57	1.95	4.52	20.41	20.02	40.43
2007	18.23	18.45	36.68	2.63	1.99	4.62	20.86	20.44	41.30
2008	18.63	18.84	37.47	2.69	2.03	4.72	21.32	20.87	42.19
2009	19.04	19.23	38.27	2.74	2.07	4.81	21.79	21.31	43.10
2010	19.46	19.64	39.10	2.81	2.12	4.93	22.27	21.76	44.03
2011	19.89	20.05	39.94	2.87	2.16	5.03	22.76	22.22	44.98
2012	20.33	20.47	40.80	2.93	2.21	5.14	23.26	22.69	45.95

8.7.2 The distribution of economically active labour force, sex-wise for rural and urban areas is depicted in the table given below:-

TABLE -9

PROJECTED ECONOMICALLY ACTIVE LABOUR FORCE IN THE AGE GROUP (15-59)

(In Lakh)

	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
2005	8.97	7.29	16.26	1.41	0.34	1.75	10.38	7.65	18.03
2006	9.17	7.44	16.61	1.44	0.35	1.79	10.62	7.79	18.41
2007	9.37	7.60	16.97	1.48	0.35	1.83	10.84	7.96	18.81
2008	9.57	7.76	17.34	1.51	0.36	1.87	11.09	8.13	19.22
2009	9.78	7.92	17.71	1.54	0.37	1.91	11.33	8.30	19.63
2010	10.00	8.09	18.09	1.57	0.38	1.95	11.58	8.47	20.05
2011	10.22	8.26	18.48	1.61	0.39	2.00	11.83	8.65	20.48
2012	10.45	8.43	18.88	1.65	0.39	2.04	12.09	8.84	20.93

TABLE-10

DISTRIBUTION OF POPULATION BY MAIN WORKERS, MARGINAL WORKERS AND NON-WORKERS-2001 CENSUS

(In Lakh)

Total Rural Urban	Persons Males Females	Total Population	Total Workers	Main Workers	Marginal Workers	Non Workers
Total	Persons	60.77	29.92	19.63	10.28	30.85
	Males	30.87	16.86	13.33	3.53	14.01
	Females	29.89	13.05	6.30	6.75	16.84
Rural	Persons	54.82	27.72	17.58	10.13	27.09
	Males	27.56	15.06	11.62	3.44	12.49
	Females	27.26	12.65	5.96	6.69	14.60
Urban	Persons	5.95	2.20	2.05	0.15	3.75
	Males	3.31	1.79	1.70	0.90	1.51
	Females	2.63	0.40	0.34	0.50	2.23

TABLE-11

ADDITIONAL EMPLOYMENT GENERATION DURING THE YEAR 2003-04 to 2008-09

(In Nos.)

Sr. No	Sector	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
A.	Government Sector	2072	1087	9703	36546	28276	9510
B.	Organised and Self Employment Sector	35936	46305	100089	70421	134670	126066
C.	Wage Employment Sector	109517	92954	146247	197179	211731	221766
	Total	1,47,525	1,40,346	2,56,039	3,04,146	3,74,677	3,57,342

**UNEMPLOYMENT RATE FOR THE STATE AS PER USUAL STATUS
APPROACH THROUGH NSSO 62ND ROUND (1999-2000)**

(Per Thousand)

	Rural	Urban
Male	20	19
Female	9	16

**ESTIMATION OF UNEMPLOYMENT AFTER APPLYING THE ABOVE
RATES TO THE LABOUR FORCE IS DEPICTED IN THE FOLLOWING
TABLE:-**

TABLE-12

(In Lakh)

Year	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
2005	0.34	0.15	0.49	0.04	0.03	0.07	0.38	0.18	0.56
2006	0.35	0.16	0.51	0.04	0.03	0.07	0.39	0.19	0.58
2007	0.36	0.16	0.52	0.04	0.03	0.07	0.40	0.19	0.59
2008	0.37	0.16	0.53	0.05	0.03	0.08	0.42	0.19	0.61
2009	0.38	0.17	0.55	0.05	0.03	0.08	0.43	0.20	0.63
2010	0.39	0.18	0.57	0.05	0.03	0.08	0.44	0.21	0.65
2011	0.39	0.18	0.57	0.05	0.03	0.08	0.45	0.22	0.67
2012	0.41	0.18	0.59	0.06	0.03	0.09	0.46	0.22	0.68

**8. ESTIMATION OF EMPLOYMENT THROUGH EMPLOYMENT
EXCHANGE DATA**

8.8.1 The number of the registrants on the live register of the Employment Exchange according to educational status since 2001 is depicted in the following table:-

TABLE -13

(Numbers)

Year	Post Graduates	Graduates	Matric	Below Matric	Illiterate	Total
2001	27348	74866	592765	192014	9548	896541
2002	29478	79330	595025	188546	8129	900508
2003	34950	82454	597740	183356	7574	906074
2004	37548	87081	571946	167577	6390	870542
2005	38178	94007	572581	157017	5359	867142
2006	37989	91376	537514	145498	4491	816878
2007	40846	94856	492351	125275	3651	756980
2008	45319	102060	506755	142822	3392	782348
2009	51174	105917	550937	101973	3781	813782

The above table shows that :-

1.	Total No. of registrants on the Live register	:	8.13 Lakh
2.	Percentage of registrants already employed as per estimates of survey study by the Planning Department	:	36.18
3.	Total registrants already employed	:	2.94
4.	Total registrants unemployed	:	5.19

9. STATE GOVERNMENT EMPLOYMENT PLAN: 2009-10

8.9.1 In Himachal Pradesh, there is a State Employment Plan as by- product of the budget document. This Employment Plan has been divided in the following three components:-

1. Govt. Sector Employment Plan
2. Organised and Self Employment Sector Plan
3. Wage Employment Sector Plan

1. Govt. Sector Employment Plan

In the budget document of the State Govt., it is decided as a policy to open the new institutions like Primary Schools, Middle Schools, High Schools, Sr.Secondary Schools, Health Institutions, Vet. Institutions, Industrial Training Institutions and also the new programmes / schemes to be introduced in the particular year. The staff component of these proposed institutions in the budget is quantified and given as an additional employment generation target to a particular sector every year.

2. Organised and Self Employment Sector Plan

In this sector the targets for the State employment are quantified and these targets are dis-aggregated sector-wise for the monitoring purposes. The main institutions who are responsible for the self employment in the State are the H.P. State SC/ST Corporation, Backward Classes Finance and Development Corporation, Minorities Finance and Development Corporation , Social Justice and Empowerment etc.

3. Wage Employment Sector Plan

In the Wage Employment Sector, the different departments implementing the capital works, engage the work related labour for the implementation of the works and depending upon their budget allocation for the capital component as Employment Generation targets for the particular year are taken. The main departments for the employment generation under this component are Public Works Department (PWD), Irrigation & Public Health(I&PH), State Housing Board and other sectoral departments implementing the capital components. The major Wage Employment Generation by the PWD and I&PH department is as under:-

TARGETS AND ACHIEVEMENTS OF ADDITIONAL EMPLOYMENT GENERATION DURING THE YEAR 2009-10

Sr. No	Sector	Target (In Nos.)	Achievement (upto Nov.09)
A	Government Sector	18096	4598
B	Organised and Self Employment Sector	150668	139053
C	Wage Employment Sector	329624	92593
	Total	498388	236244

10. SKILL DEVELOPMENT MISSION IN HIMACHAL PRADESH

8.10.1 The Hon'ble Prime Minister of India had addressed all the States through a letter dated 29th August, 2008 regarding importance of Skill Development of employable as well as employed youths in the country. It was stated that India has the capacity to create 500 million certified and skilled technicians by the year 2022. To achieve this goal institutional arrangements at national level viz; National Council for Skill Development chaired by Hon'ble Prime Minister and National Skill Development Co-ordination Board co-ordinated by the Planning Commission have been constituted. While the National Council will focus on policy directions and review, the National Skill Development Co-ordination Board will ensure that Govt. agencies intensify action in areas like vocational education, technical training through industrial training institutes, and through promotion of public-private partnerships.

8.10.2 In this regard the Hon'ble Prime Minister has made two specific suggestions:

- i) To consider making available buildings of public educational institutions above the High School level after class hours for skill development to any agency including the private sector. This may help us create skill building opportunities in a short time and also cost would be lower as skill providers would not have to invest in the buildings for skill training.
- ii) To consider setting up State Level Missions for Skill Development chaired by Chief Ministers to provide inter-sectoral co-ordination in this critical challenge and, in addition to government departments, involve experts and representatives from the category of job providers to plan and implement the Mission.

11. IMPLEMENTATION OF SKILL DEVELOPMENT SCHEME IN H.P.

8.11.1 In response to Hon'ble Prime Minister's above mentioned letter, Prime Minister's Office (PMO) was informed about the steps being taken to address the twin problems of employment and shortage of skilled manpower which included commissioning of a study to map the skill gaps and using of existing infrastructure in

the Educational Institutions for imparting training through Public Private Participation efforts etc.

8.11.2 A study on “**Mapping The Existing Skill Levels Of The Employable Youth And Skill Gaps In Himachal Pradesh**” has been conducted.

8.11.3 State Level Skill Development Mission has been set up and notified on 6th June, 2009 to provide inter-sectoral co-ordination among different departments as well as stake holders to implement the Mission.

8.11.4 The State Government has also focused it's efforts on Skill Development and Capital Formation through different training and development programmes being conducted by the departments of HIPA, Industries, Animal Husbandry, Dr. Y.S Parmar University of Horticulture & Forestry Nauni, Horticulture, Agriculture, Technical Education, Information & Technology, Rural Development, Tourism, Education and Social justice and Empowerment.