

CHAPTER -3

Employment Situation in Himachal Pradesh

1. INTRODUCTION:

3.1.1 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, 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.

3.1.2 Unemployment among the educated youth is a serious issue, considering that the State is one of the highly literate States in the country. 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. One of the thrust areas in the Eleventh Five Year Plan of Himachal Pradesh has been the generation of additional employment opportunities in the private sector by promoting investment and improving marketable vocational skills

3.1.3 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 20.34 percent to the State domestic product, the challenge is to find greater productive employment for this labour force.

2. Employment Strategy of Himachal Pradesh

3.2.1 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 focuses on the following areas to tackle rising unemployment situation in the state:

- Supplementing and complementing land based agricultural activities and Animal Husbandry and 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 in health and education sectors.
- Strengthening the industrial development in the State.
- Improving and locating new tourist destinations for the domestic and foreign tourists by providing improved infrastructure facilities to the visiting tourists in the State.
- Improvement of airstrips at Bhuntar, Kangra and Shimla would increase the high end tourists flow to the State giving a boost to the Tourism sector thereby increasing employment opportunities.
- Accelerating harnessing of hydro power potential in the State leading to increase in employment opportunities.

3. An Overview of Population and Labour Force Situation in Himachal Pradesh

3.3.1 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 60.78 lakh in 2001. The decennial increase during 1971-81, 1981-91 and 1991-2001 was 23.71 percent, 20.79 percent and 17.54 percent respectively as compared to 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:

3.4.1 The literacy percentage of Himachal Pradesh increased from 31.96 percent in 1971 to 42.48 percent in 1981 and from 63.86 percent in 1991 to 76.50 percent in 2001. In 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 case of females, the literacy percentage 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	62.90
2.	Bilaspur	67.17	77.80
3.	Hamirpur	74.88	82.50
4.	Kangra	70.57	80.10
5.	Kinnaur	58.36	75.20
6.	Kullu	54.82	72.90
7.	Lahaul & Spiti	56.82	73.17
8.	Mandi	62.74	75.20
9.	Shimla	64.61	79.10
10.	Sirmaur	51.62	70.40
11.	Solan	63.30	76.60
12.	Una	70.91	80.40
	Himachal Pradesh	63.86	76.50

5. Work Force

3.5.1 The 'Main Workers and Marginal Workers' 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, i.e, annual growth rate of 3.5 percent. The details of Main & Marginal workers during 1991 and 2001 Census are 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

3.5.2 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	1991 Census	% 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

3.5.3 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 workers constitute 1.75 percent.

TABLE -7
GROWTH OF WORKFORCE IN H.P. OVER THE CENSUS PERIODS

Workforce	1981	1991	2001	Annual Growth Rates	
				1981-91	1991-01
Population (in Lakhs)	42.81	51.70	60.78	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	10.29	2.40	8.97

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

3.5.6 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

3.6.1 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)

3.7.1 The projected labour force in the State 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

3.7.2 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	Persons	Total	Total	Main	Marginal	Non
Rural	Males	Population	Workers	Workers	Workers	Workers
Urban	Females					
Total	Persons	60.77	29.92	19.64	10.29	30.85
	Males	30.87	16.86	13.34	3.53	14.01
	Females	29.89	13.05	6.30	6.76	16.84
Rural	Persons	54.82	27.72	17.59	10.13	27.09
	Males	27.56	15.06	11.63	3.44	12.49
	Females	27.26	12.65	5.96	6.69	14.60
Urban	Persons	5.95	2.20	2.05	0.16	3.75
	Males	3.31	1.79	1.70	0.09	1.51
	Females	2.63	0.40	0.34	0.07	2.23

TABLE-11

ADDITIONAL EMPLOYMENT GENERATION DURING THE YEAR 2004-05 to 2009-10
(In Nos.)

Sr	Sector	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
No							
A.	Government Sector	1087	9703	36546	28276	9510	5907
B.	Organised and Self Employment Sector	46305	100089	70421	134670	126066	280898
C.	Wage Employment Sector	92954	146247	197179	211731	221766	230644
	Total	1,40,346	2,56,039	3,04,146	3,74,677	3,57,342	517449

8. ESTIMATION OF EMPLOYMENT THROUGH EMPLOYMENT EXCHANGE DATA

3.8.1 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 -12

(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
2010	55570	113110	568205	85969	4475	827329

The above table shows that :-

1. Total No. of registrants on the Live register upto 31-3-2010 : 8.27 Lakh
2. Following figures have been worked out on the basis of the findings of the survey conducted by the Planning Department.
 - a) Percentage of registrants already employed as per estimates of survey : 36.18
 - b) Total registrants already employed : 2.99 Lakh
 - c) Total registrants unemployed : 5.28 Lakh

9. The Employment Plan in Himachal Pradesh

3.9.1 The State's Employment Plan is 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

3.9.1.1 Giving employment in the Government sector is a continuous process. Besides timely filling the functional posts in different Departments, new job opportunities emerge by opening of new institutions like Primary Schools,

Middle Schools, High Schools, Sr.Secondary Schools, Health Institutions, Vet. Institutions, Industrial Training Institutions , etc.

2. Organised and Self Employment Sector Plan

3.9.2.1 Under this, the targets for the State employment are quantified and these targets are dis-aggregated sector-wise for the monitoring purposes. The main institutions which 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 etc. Besides these, commercial and cooperative banks facilitate growth of self employment opportunities.

i) SWARNJAYANTI GRAM SWAROZGAR YOJANA

SWARANJAYANTI GRAM SWAROZGAR YOJANA" was launched in the year 1999-2000. This Yojana covers all aspects of self-employment in a holistic manner, viz, organization of poor into Self Help Groups, Training, Credit, Technology, Infrastructure development and Marketing. The beneficiaries under this scheme are called "Swarozgaris. The objective of SGSY is to bring the assisted poor families above the poverty line, by providing them income-generating assets. During the year 2009-10 Rs. 358.59 lakh were provided under the scheme and 4073 SHG's and 2289 individual Swarozgaris were assisted.

ii) Swaran jayanti Shahari Rozgar Yojana (SJSRY)

An amount of Rs.1347.98 lacs has been provided to the ULBs upto the March,2010, and 2255 persons have been benefited under Urban self employment programme (USEP).

iii) Industrial Employment

During the last few years, the industrialization in the State of H.P. has made significant progress.As on 31/3/2010, there are 36845 Micro, Small, Medium & Large Enterprises of which 444 are in Medium & Large Scale registered with the Department of Industries with an investment of Rs. 10408.41 crore, giving employment to about 2.42 lac persons.

3. Wage Employment Sector Plan

3.9.3.1 Under Wage Employment , 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, their employment generation targets for the particular year are computed. 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 capital works.

**ACHIEVEMENTS OF ADDITIONAL EMPLOYMENT GENERATION
DURING THE YEAR 2009-10**

Sr. No	Sector	Achievement (In Nos.)
A	Government Sector	5907
B	Organised and Self Employment Sector	280898
C	Wage Employment Sector	230644
	Total	517449

10. Skill Development Mission in Himachal Pradesh

3.10.1 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 focuses on policy directions and review, the National Skill Development Co-ordination Board ensures that Govt. agencies intensify action in areas like vocational education, technical training through industrial training institutes, and through promotion of public-private partnerships.

3.10.2 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 would help in creating 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 not only amongst the government departments but through active involvement of experts and representatives from different categories of job providers to plan and implement the Mission.

11. Implementation of Skill Development Scheme in H.P.

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

3.11.2 The State Government has focused it's efforts on Skill Development and Capital Formation through different training and development programmes being conducted by the departments of Training, Industries, Animal Husbandry, Horticulture, Agriculture, Technical Education, Information Technology, Rural Development, Tourism, Education and Social justice & Empowerment.

3.11.3 To encourage the private sector for opening technical and vocational institutions in the State, all possible help is being extended to the private entrepreneurs required for this purpose. At present, the State has 12 Engineering Colleges, 12 Pharmacy Colleges, 17 Polytechnics, 1 Diploma level Pharmacy Institution and 81 Industrial Training Centres in Private Sector. Four universities in the name and style of J.P. University of Information and Technology at Wahnaghat, Distt. Solan, Eternal University Baru Sahib, Distt. Sirmour, Baddi University, Baddi Distt. Solan and Chitkara University, Barotiwala Distt. Solan are also imparting Degree courses in Engineering, B-Pharmacy, MBA & MCA etc. Beside, 32 ITIs have been upgraded under Public Private Partnership(PPP) mode.