

HUMAN CAPITAL AND EMPLOYMENT

INDIAN SCENARIO - PROSPECTS AND CONCERNS

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Background

- Population 1,210 million in 2011 (*census*)
 - May go up to 1,700 million in 50 years
- Growth rate – still above 1.5 % per annum
- Population aged 15-64: 790 million (Est.)
 - May grow to 982 million in 2025
- Rural population: 68.8% (*census*)
- Have several large urban centres with population above 1 million

Background

- Population is comparatively young
 - Median age 25.1 in 2010, likely to be below 30 even in 2025
- About 15% of GDP contributed by agriculture
- Significant regional variation in all basic parameters on health, education, etc.
- Significant economic liberalisation in the last two decades

Labour force

- Size: 468 million
 - Males: 338 million Females: 130 million
- Labour force participation:
 - Males: 55.7% Females: 23.3%
- Rural workers in agricultural sector:
 - Males: 63% Females: 79%
- Urban workers:
 - Regular wage/salary: Males: 42% Females: 39%
 - Self employed: Males and females : 41% each

Labour force - concerns

- Low educational levels
- Lack of employability of persons
 - Training
 - Communication skills, language
 - High attrition rates in some sectors
- Increase in labour force due to
 - Demographic momentum
 - Urbanisation
- Structural changes, occupational shift

Education - concerns

- Drop out rates in schools are still high
 - 26% in primary education in 2007-08
- Gross enrolment ratio (GER) in university education
 - Plans to increase 12.5% to 21% in 2007-12
- To get GER of 30% additional requirement:
 - 700 universities and 22,000 colleges
 - Investment – funds and manpower

Education - concerns

- Change in aspirations
 - The best students opt for subjects with better job prospects
 - Shortage of quality students in pure sciences and humanities
 - Shortage of well qualified teachers
 - Increase in retirement age - a short term solution
- Unused capacities and shortages
 - Large number of engineering college seats reported vacant from several states

Migration

- Employment related migrations have been increasing
- More than 1% of the population migrate for less than 6 months, mostly for employment
- Emigration for employment is only about 1% of all migrations
 - Concentration of emigrations in certain areas

Future

- Population age group 15-64 would go up by about 192 million in the next 15 years
 - Maintaining the current level of WPR would require more than 100 million additional jobs
 - Female labour force participation may go up
 - Due to more educated females taking up/ searching for jobs
 - More males leaving rural areas in search of jobs and females filling up the vacuum

Future - Concerns

- Quality of labour force – education, training
 - It can not take advantage of the new opportunities
 - Those entering labour force in next 15 years has already reached school/college
 - little scope for improvement unless acted soon
- Little scope for the country to benefit from its young population

Statistics - Concerns

- Significant fluctuations in work participation depending on international economic situation
- Require real time data on employment
 - Present systems provide data only annually
 - Monthly or at least quarterly data on a regular manner required
 - more sector specific data required