



ISSN: 2249-894X  
IMPACT FACTOR : 5.7631 (UIF)  
UGC APPROVED JOURNAL NO. 48514  
VOLUME - 8 | ISSUE - 8 | MAY - 2019



## COMPOSITION OF LABOUR FORCE IN UTTARAKHAND- AN ANALYSIS

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### ABSTRACT:

The labour composition refers to changes occurring in labour input. The changes in the composition of labour force reflect the changes in characteristics of population by location, gender, sector, age structure, level of education etc.

The development experience of Uttarakhand over a nearly one and half decade has been quite encouraging in respect to achieving high economic growth. But the question is how far the people of Uttarakhand have benefitted from this growth. As we are aware, the main issue behind the struggle

for separate state of Uttarakhand was the aspiration of mountain people from the new state for creating gainful employment opportunities through people centred development programmes. So, in this paper by studying composition of labour force we will try to analyse that after eighteen years of the formation of Uttarakhand state is there any change in Labour force composition and if yes is it beneficial for Uttarakhand.

**KEYWORDS:** Labour composition, labour force participation

### INTRODUCTION:

Uttarakhand economy has made healthy progress since its inception. Growing at one of the fastest rates, Uttarakhand is poised to bridge the gap in per capita income from the average of all India to become part of the leading states in the country and in the recent period between 2011-12 and 2016-17 has maintained a high annual rate of growth ( at constant prices ) of GSDP at around 7 percent. The CAGR for this period is 7.1 percent .The per capita income in the state ( at current prices) for 2017-18 is

Rs.1,77,356, which is much higher than the corresponding national average of Rs.1,12,764 . Uttarakhand state has several positives that act as enablers in its favour for example High economic growth and per capita Income, Good social and human development indicators and low rate of poverty.

So the development experience of Uttarakhand over a nearly one and half decade has been quite encouraging in respect to achieving high economic growth. But the question is how far the people of Uttarakhand have benefitted from this growth. As we are aware ,the main issue behind the struggle for separate state of Uttarakhand was the aspiration of mountain people

from the new state for creating gainful employment opportunities through people centred development programmes.

### OBJECTIVES AND METHODOLGY

In this paper by studying composition of labour force we will try to analyse that after eighteen years of the formation of Uttarakhand state is there any change in labour force composition and if yes is it beneficial for Uttarakhand. The primary focus of the study is on the following objectives:

- To examine the composition of labour force by type of workers.
- To analyse the

- composition of labour force by sector .
- To analyse the composition of labour force according to activity status.
- To analyse the growth of employment in Uttarakhand

The study is mainly based on the secondary data. The data used for this study was taken from various reports of NSSO, research journals, government publication, government reports and books. In this study we will analyze the changes in the composition of labour force through trend analysis.

### COMPOSITION OF LABOUR FORCE IN UTTARAKHAND-AN ANALYSIS

Labour is the physical or mental efforts of human beings that undertake any production process: It is known as primary factor. As a corollary, labour force is an inseparable aspect of the economy of the nation. According to the definition adopted by the 66<sup>th</sup> round of national sample survey (2009-10), labour force comprises of people who are either 'working' or are 'seeking or available for work'. The labour composition refers to changes occurring in labour input. The changes in the composition of labour force reflect the changes in characteristics of population-by location, gender, age structure, level of education etc. Changes in composition of labour force, on these lines, indicate the characteristics of those who would seek work in the labour markets and also set before the employers the broad agenda for creation of employment opportunities. The composition of labour force is a matter of concern in the context of productivity measurement, as it provides not only a more accurate indication of the contribution of labour to production but also the impact of compositional changes of productivity. There is a close relationship between development of an economy on the one hand and change in composition of labour on the other hand, as the process of Economic development proceeds structural changes take place in economies, these changes result in changes in the proportion of national product and of the labour force.

In order to analyse changes in the composition of labour force in Uttarakhand following indicators were studied:

- Composition of labour force participation
- Labour force participation by sector's
- Labour force participation rate by activity status
- Growth in employment

### 1. COMPOSITION OF LABOUR FORCE PARTICIPATION

Changes in the Composition of labour force participation is studied under following heading:

#### A. District wise composition of percentage of workers and non-workers

Table-1 shows the district wise composition of percentage of workers and non-workers. It clearly depicts that among the total 13 districts seven districts show continuous fall in the percentage points of main workers except three plain districts Dehradun (2.5 percent points) of main workers, USnagar (3.05 percent points) and Haridwar (1.76 percent points) and only two hill district Pithoragarh (3.25 percent points) and Chamoli (3.3 percent points). Nainital (2.08 percent points) too shows increase in main workers as it is understood that a part of the district lies in plains. In the case of marginal workers, a marginal fall is observed only in four districts namely Chamoli, Pithoragarh, Champawat and Haridwar. As far as total workers category is concerned most districts have shown an increase but the increase is not very significant. On examining the non-working population it is observed that except Pauri and Almora all other districts show an increase in total workers in the percentage of non-working population over the span of time. All those who had not worked at all during the year before the census year, are recorded as non-workers. Person engaged in household duties, students, dependents, retired persons, rentiers, beggars are some of the categories grouped into non-workers. It is interesting to note that while the change in non-workers category from 2001-2011 for average of all hill districts have not been very remarkable, the change is very significant in average of three plain districts (52.39 to 87.71).

**TABLE 1-DISTRICT WISE COMPOSITION OF PERCENTAGE OF WORKERS AND NON-WORKERS**

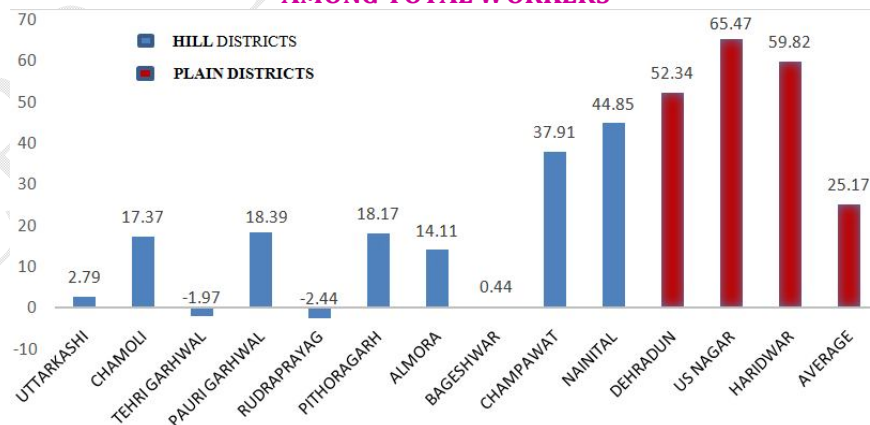
	PERCENTAGE OF WORKERS						PERCENTAGE OF NON-WORKERS	
	MAIN WORKERS		MARGINAL WORKERS		TOTAL WORKERS			
	2001	2011	2001	2011	2001	2011	2001	2011
Uttarkashi	38.93	35.86	7.14	8.76	46.07	47.65	48.2	58.58
Chamoli	26.16	29.4	18.31	16.81	44.48	46.2	52.51	56.88
Tehri Garhwal	29.96	26.81	13.81	18.5	43.77	45.31	54.94	55.97
Pauri Garhwal	24.62	23.93	14.09	15.96	38.71	39.89	62.16	59.26
Rudraprayag	33.44	32.59	11.42	14.07	44.86	46.65	51.76	56.83
Pithoragarh	26.84	30.09	16.15	14.69	42.98	44.78	54.52	57.75
Almora	32.34	32.3	13.83	15.6	46.17	47.9	54.36	51.24
Bageshwar	34.64	30.04	13.44	17.53	48.08	82.2	50.26	55.13
Champawat	25.01	24.15	15.16	14.2	40.17	38.35	51.74	71.29
Nainital	28.97	31.05	7.6	8.35	36.56	39.41	50.7	75.82
Average Hill Districts	30.09	29.62	13.09	14.44	43.18	47.83	53.11	59.87
Dehradun	26.25	28.77	4.99	5.58	31.23	34.34	51.96	86.88
U.S Nagar	24.29	27.34	7.45	8.53	31.74	35.87	51.15	85.58
Haridwar	24.43	26.19	4.95	4.39	29.39	30.58	54.06	90.68
Average Plain Districts	24.99	27.43	5.79	6.16	30.78	33.59	52.39	87.71

Source: Census 2001 and Census 2011

### B. Percentage change in population, district-wise engaged as other workers among main worker

The figure 1 shows the percentage change of population engaged as other workers among total workers according to census 2001-2011. It shows that the decadal change of percentage of the population engaged as other workers among main workers have decreased only in Tehri and Rudraprayag districts. It is very interesting to observe that the entire plain districts show more than average change of population engaged as other workers among total workers and is a clear indication of the skewed change pattern of the workforce in hills and plains of the state.

**FIGURE 1 -PERCENTAGE CHANGE OF POPULATION ENGAGED AS OTHER WORKERS (2001-2011) AMONG TOTAL WORKERS**

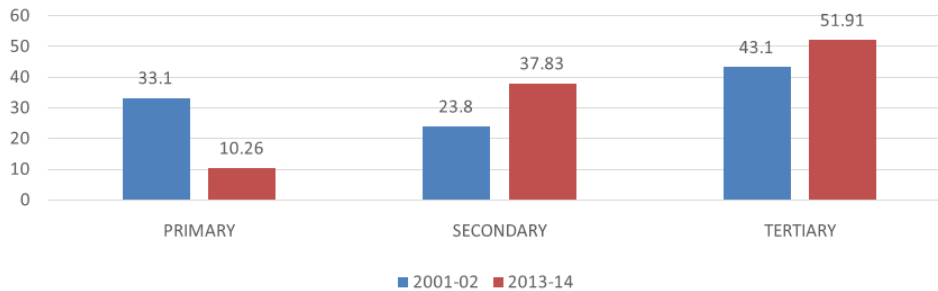


Source: Census2001 and 2011

## 2. LABOUR FORCE PARTICIPATION BY SECTORS

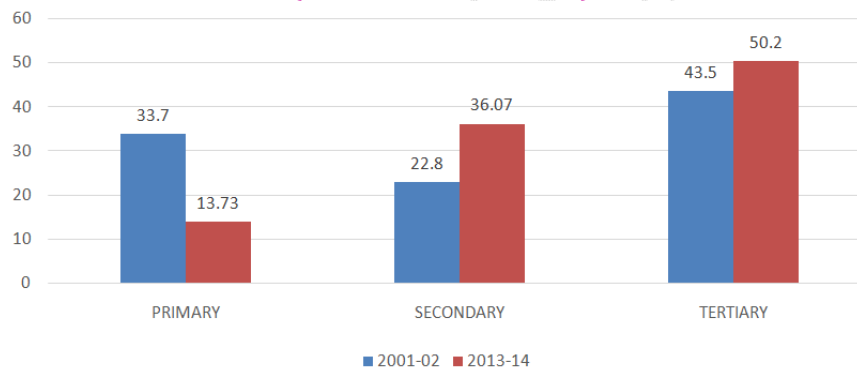
To understand the labour force participation by sectors, the percentage contribution of the three sectors in GSDP is considered. Figure 2A and 2B shows the percentage contribution of major sectors in GSDP at current and constant price in Uttarakhand. It clearly shows that contribution of primary sectors declines. On the other hand, it increases for secondary and tertiary sectors.

**FIGURE 2A-PERCENTAGE CONTRIBUTION OF MAJOR SECTORS IN GSDP (AT CURRENT PRICES)**



Source:DES,Uttarakhand

**FIGURE 2B- PERCENTAGE CONTRIBUTION OF MAJOR SECTORS IN GSDP (AT CONSTANT PRICES)**



Source: DES, Uttarakhand

Changes in labour force participation has significant effect on labour force composition of the state. Table 2 shows a considerable shift in employment in Uttarakhand. The share of agriculture has declined by about three percentage points, from 64.46 percent in 1999-2000 to 61.69 percent in 2004-05 which dropped sharply to 42.11 in 2008. The relative share of the secondary sector has increased over time. The share of construction sector is seen to rise constantly over time. Public administration, education and community services show a persistent increase. The structural shift in employment in the sectors clearly justifies the changes in the contribution of the sectors in GSDP.

**TABLE 2 – SECTOR- WISE STRUCTURAL SHIFTS IN EMPLOYMENT IN UTTARAKHAND (PERCENT)**

INDUSTRY	1993-94	1999-2000	2004-05	2008
Agriculture & allied activities	58.56	64.46	61.69	42.11
Mining and quarrying	0.25	0.00	0.00	1.14
Manufacturing	2.12	5.50	5.54	15.90
Electricity, Water etc	0.18	1.06	0.48	0.69
Construction	3.29	8.23	7.16	12.93
Trade, Restaurant & Hotel	2.83	6.75	10.06	3.32
Transport & Communication	1.26	2.43	3.33	7.44
Finance, Insurance & Business	0.73	1.70	1.05	0.80
Public Administration, Education & Community services	8.09	9.87	10.66	15.68
	100	100	100	100

Source: Various rounds of NSSO

### 3. LABOUR FORCE PARTICIPATION RATE BY ACTIVITY STATUS

Labour force participation rate is the key to evaluating the working -age population in the economy. Labour force Participation rate refers to the total number of people or individual who are currently employed or are looking for a job.

**TABLE 3-LABOUR FORCE PARTICIPATION RATE BY USUAL ACTIVITY  
(Principal status plus Subsidiary Status)**

56 <sup>TH</sup> ROUND NSSO	WORKING		
	SELF-EMPLOYED	REGULAR WAGE/SALARIED	CASUAL LABOUR
URBAN MALE	46.87	38.18	14.95
URBAN FEMALE	55.14	39.25	5.61
URBAN PERSON	48.22	38.51	13.27
68 <sup>TH</sup> ROUND NSSO	SELF EMPLOYED	REGULAR WAGE/SALARIED	CASUAL LABOUR
URBAN MALE	51.1	39.4	9.5
URBAN FEMALE	53.4	42.5	4.1
URBAN PERSON	51.45	39.83	8.71

Source:NSSO rounds 56<sup>th</sup>& 68<sup>th</sup>

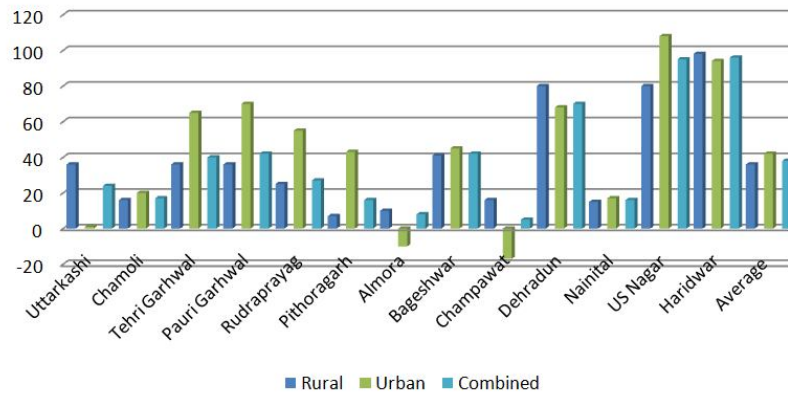
Table 3 shows that while 46.87 percent of the urban male were self-employed in 2001 it rose to 51.1 percent in 2011. However, for the urban female the figure decreased from 55.14 to 53.4 and for total person, it rose from 48.22 percent to 51.45 percent. In regular wage salaried category, the urban male did not show much significant change while the urban female showed an increase from 39.25 percent to 42.5 percent. Casual labour percentage for both urban male and urban female dropped.

### 4. GROWTH IN EMPLOYMENT

Figure-3 shows the growth of employment in Uttarakhand.It clearly shows more than average change in all rural,urban and combined areas for the districts of Haridwar, Udham Singh nagar and Dehradun which are largely the plain districts.Somedistricts like Tehri,Rudraprayag,Pauri have shown more than average growth in the urban category. However, the urban areas in those hill districts are basically of semi urban nature with a few urban characteristics.The districts which have shown more than average increase in combined category are not very significant except the plain districts. The

remarkable growth in plain districts clearly defend the argument of biased development in favour of plain districts.

**Figure 3- GROWTH IN EMPLOYMENT OF UTTARAKHAND**



Source: Economic Census

## CONCLUSIONS

The overall growth path of Uttarakhand has been impressive since its inception. However, this growth has created huge regional inequalities within the state. The growth process could hardly create productive employment and income opportunities in Hill region of Uttarakhand. The inequalities and disparities that exist in access to employment across region remains a huge challenge for the state. This is particularly evident in the composition of labour, which is skewed in favour of plain regions of the state. Thus, it is concluded that the pattern of change in labour composition has been disappointing in Uttarakhand as it appears to be largely distressed driven, particularly in the hill districts of the state. Agriculture still remains a last resort by absorbing the major share of additions in the workforce. Though the structure of employment has been shifting in favour of non-agricultural sector over the years, this has been mainly in the case of male workforce. There has been hardly any shift in the structure of female employment in the state, particularly in its rural areas. They continue to remain the back bone of agriculture in the state, particularly in the hill region.

## SUGGESTIONS

- To generate employment opportunities in agriculture sector many steps should be taken by villagers or by local government. Such as consolidation of farm land, diversification of crops towards high value and less irrigation intensive crops etc.
- To generate employment opportunities in hill region of Uttarakhand the Industrial policy of the state, which has almost remained ineffective in attracting investment to hill areas of the state, needs to be re-looked and made more effective to ensure balanced industrial growth by attracting more capital to backward districts, particularly in the hill areas.
- The banking sector should improve their credit flow facilities to hill region because the banking sector prefers to finance only developed districts and is hesitant to take risks in the hilly districts. Due to this biasness by banks, the gap in development is bound to widen which causes differences in employment opportunities between farm and non-farm sectors of hill districts and plain districts of the state.
- The huge employment potential of horticulture and Agriculture extension services needs to be developed on a wider scale in the Hill region.
- Development of tourism sector of Uttarakhand for generating employment. As this sector has a very high potential for sustaining livelihoods.

- Towards harnessing the potential of employment opportunities skill development of both men and women is crucial for various trades and occupations. Most of the people of the Hill region though are better educated but lack skill training. This severely affects their employability and earnings.
- In the context of climate change the growing emphasis on protection of environment, the role of Hill and mountain regions is being seen very important. In this direction, Eco task Force could be created by recruiting local people, whose services can be used in forestation and their maintenance. This will not only help in improving environment but also provide salaried employment to local youth.

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