

## **CHAPTER - 6**

### **MANPOWER AND EMPLOYMENT**

6.1 Employment growth in Rajasthan during the past two decades largely followed the national employment growth rate, though the growth in the major sectors like agriculture, industry and services was differed. Employment grew at 2.2% per annum in the State as compared to 2.1% in the country. In Rajasthan, Agriculture & allied activities still provide over 60% of all jobs, with industry (mainly construction and manufacturing) and services (mainly trade, hospitality, Government and Community Services) accounting for the rest of employment.

6.2 Creation of adequate job opportunities for youth is a major challenge before the planners. The State Government has been creating a number of job opportunities under various sectors, but the increase in the job has been more than offset by the rapid growth of population. Consequently there has been gradual increase in the number of job seekers.

6.3 The rate of growth of employment is lesser than the growth of labour force, thus creating a backlog of un-employment. As a result of rapid increase in the labour force, a small percentage of persons has been absorbed in the paid employment in the organised sector. In June, 2004, only 11.75 lacs persons were engaged in organised sector in Rajasthan, comprising of 9.33 lacs under public sector and 2.42 lacs under private sector. The only solution to the problem of unemployment lies through promotion of substantial gainful employment opportunities in the un-organised sector. The data available with the employment exchanges reveals that about 7.93 lakhs unemployed persons were registered in district employment exchanges as on 31st Dec., 2005.

6.4 A mission namely "Rajasthan Mission on Livelihood" has already been set up in the State. The mission is focusing on skill development of youth in various sectors; vocational training programmes and district employment fairs are being conducted for unemployed youth under Chief Minister's Livelihood Promotion Programme. This is generating competency level for employment among the unemployed youth, particularly those coming from poor families and from rural background.

6.5 IT sector is offering great opportunities for employment growth at this juncture. However, these are not fully exploited by youth in Rajasthan owing to lack of training under IT skills. To utilize this opportunity fully in the state, IT training programmes as a part of skill training programme would be taken up in the Eleventh Plan period in a big way.

6.6 Educated youth in Rajasthan, particularly with rural background are deficient in spoken English, communication and confidence in facing

interviews and also have limited access to information about job opportunities available. Some intermediation is, therefore, needed for preparing these people for the job opportunities. This can be better done in public private participation mode on the basis of revenue model, which covers the cost of intermediation to a considerable extent. To address this issue, setting up of Rajasthan Employment Facilitation Society is being considered. This would primarily perform the following tasks:

- Putting information of job seekers on the website so that job providers can access the information directly.
- Putting information about job offers available on the website and making this available to job seekers.
- Raising employability of youth through training in spoken English, communication and facing interviews.
- Dialoging with corporate organizations for job opportunities and preparing youth for benefiting from such opportunities.

6.7 In recent years, employment opportunities have been enhanced especially under industry, services & IT sector in the State. Efforts are being made to increase employment opportunities under the sector like manufacturing, construction, information & technology and tourism sectors such as food processing, leather products, footwear and khadi products, as these sectors have tremendous potential in the State. Providing gainful employment, creating livelihood and improving economic status are the high priority areas of the State government. This is one of the " Six Ideals" that have been announced by the Government as its vision.

### **Labour Force and unemployment Estimates**

6.8 With a view to assessing the extent of the problem of unemployment, it is necessary to estimate the number of persons expected to become available for employment. To arrive at the total number of employment opportunities required to be generated, backlog of unemployed persons at the beginning of the plan and possible addition to the labour force during the Eleventh Plan period (2007-2012) have been estimated on the basis of results of 61<sup>st</sup> field survey conducted by National Sample Survey Organisation in the State.

6.9 The estimates of labour force and unemployment are prepared separately in respect of three categories namely usual activity status, current weekly activity status and current daily activity status for various age group viz., persons in the age group 15 and above (15+). The usual principal and subsidiary status is determined with reference to a longer period than a day or week. Therefore, adoption of usual principal and subsidiary status rates is considered to be more appropriate for the estimation of labour force and backlog of unemployment.

6.10 Based on the Central sample results of 61<sup>st</sup> round of NSS (usual principal and subsidiary status) labour force projections worked out are as given below:

### **Projections of Labour Force**

(in lakhs)

Age group (years)	Total Population as on 1 <sup>st</sup> March		Labour Force as on 1 <sup>st</sup> March		Addition to Labour Force during 2007-2012
	2007	2012	2007	2012	
15 years and above	402.80	463.10	279.21	320.76	41.55

6.11 With a view to maintaining uniformity of concepts and ensure comparability with the all India figures, it is felt that all persons in the age group of 15 and above should be taken to constitute the labour force and all subsequent projections should be based on labour force of all persons of the age 15 and above. Accordingly, the addition to labour force during the Eleventh Plan period in Rajasthan is estimated to be around 46.98 lakh persons including backlog of 5.43 lakh at the beginning of Eleventh Five Year Plan. The age, sex and residence wise break up of the labour force is given below:

### **Estimated Labour Force on Usual Principal and Subsidiary Status Participation Rate (As per 61<sup>st</sup> Round of NSSO)**

(in 000 No.)

Age Group	Rural		Urban		Total
	Male	Female	Male	Female	
<b>AS ON 1ST MARCH 2007</b>					
15 years and above	13408	9343	3889	1281	27921
<b>AS ON 1ST MARCH 2012</b>					
15 years and above	15359	10708	4521	1488	32076

### **Employment Scenario in Rajasthan**

6.12 The employment scenario in Rajasthan indicates that while the present status may not appear alarming, the trends certainly call for urgent interventions to increase employment opportunities to meet the needs of the increasing work force. The characteristic features of the employment scenario in Rajasthan are:

- Low productivity of the Agriculture and Livestock Sector which employs about 66% of the rural labour force
- Low skill levels of the working population and their inability to get good prices

- unemployment is more serious among rural youth quite a few among whom are educated
- Growth of employment in manufacturing sector declining (Jobless Growth)
- 7 lac new hands entering labor market annually
- Planning Commission's estimates in the XIth Plan that even if the State achieves the projected growth of 7.4%, there will be a shortage of 7.11 lakh jobs

### **Strategy**

6.13 The following strategy will be adopted in the Eleventh Plan period for providing employment opportunities to youth in the State.

- Reducing incidence of under employment both in rural & urban areas and both for male and female. People have to be assisted through relief works during droughts / famines.
- Providing employment to the educated youths under both organized and un-organised sectors.
- Various development programmes, with the primary objective of poverty alleviation and creation of employment opportunities in both rural and urban areas will be implemented. Efforts would be made to implement the programme like District Poverty Initiative Project (DPIP) being assisted by World Bank and National Rural Employment Guarantee Scheme (NREGS) in all districts of the State.
- Greater focus will be on livestock, dairy, forestry and other rural off-farm informal activities.
- Constitution of a special group of experts to estimate employment elasticity for different sectors and changes taking place therein from time to time will be considered.
- Identifying the potential sectors and preparing youth for such jobs by capacity building, training & skill development will be given high priority.
- Special focus will be given to effective market intervention and design improvements for Khadi as this is a major source of employment in the State.
- Development of skills among the unemployed youths and expansion of higher education will be major thrust area.
- Organisation of "Employment Fairs" at the district level, in which representative of trade, industry and corporate participate will be encouraged.

- Special Economic Zone (SEZs) and IT Parks for IT & ITeS industries will be set up in different parts of the State.

6.14 Information Technology Education has been made mandatory in all the secondary schools and colleges. The State Government will be taking several more steps through public private partnership for talent development of trained manpower, especially for IT & ITeS sector. Stress will be on Business Process Outsourcing (BPO) sector.

6.15 Conducting a SWOT analysis of sorts, the picture that emerges is:

### **Strengths**

- **Unique cultural heritage and strong in-built drivers for tourism**
  - distinct art, culture and heritage; provide leverage in travel and tourism industry
  - the desert, wild life add to the uniqueness
  - 50% of all heritage hotel rooms are in Rajasthan
- **Proximity to large markets**
  - opportunity for setting up manufacturing units that can cater to these markets and take advantage of relatively low land and labour costs
  - 700 km. national highway (GQ) passing through the State - will improve connectivity to other areas
- **Diversified agriculture production (oilseeds, spices, milk, wool, meat products)**
  - 60% of total agricultural production is cereals;
  - significant portion of oilseeds - 44% of total mustard and rape seed produced in India
  - spices - largest producer of fenugreek, cummin seeds and coriander
  - 3rd largest producer of milk (9% of total)
  - largest producer of wool (40% of total)
  - livestock products (milk and meat) contribute to over 13% to NSDP
  - increase in production of fruits and vegetables.
- **Large mineral deposits – manufacturing, mining**
  - industrial, ceramic, fertilizer, ferrous and non-ferrous metal mineral deposits
  - the entire production of zinc, calcite, asbestos and gypsum
  - leading producer of several other minerals

- 30% of total value of minor minerals
- 95% of all marble, 70% of India's sandstone production, 70% of India's flaggy limestone kota stone);
- **Existing industrial and raw-material base**
  - agro-based industries have registered good growth
  - largest producer of cement - known deposits mean continued scope for being used in construction
  - peaceful industrial climate - peaceful law and order situation

### **Weaknesses**

- Rajasthan ranks lower on key economic parameters - SDP, per capita income
- High dependence on agriculture and allied activities - the sector accounts for 30% of the State's NSDP and about 60 to 70% of employment; heavy dependence on monsoon - recurring droughts
- Rate of growth of the agriculture sector has been low in recent years (in fact negative)
- Trade and tourism (16% of NSDP) has also not grown given the potential
- Sharp slowdown in the manufacturing sector - decline in investment
- infrastructure penetration is low - low in rankings as a choice of investment destination (at best 1% of total FDI in the country)
- Low per capita development expenditure

6.16 These have direct and indirect implications for the employment scenario in the State - the cost of doing nothing would be the worsening of this scenario.

### **Opportunities**

- **The tourism opportunity**
  - About 50% of international tourists come for reasons of culture and wild life - Rajasthan has competitive advantage
  - Domestic tourism has seen a steady 10% growth
  - Tourism has significant employment multiplier effect - every rupee changes hands 13 times, each room gives direct employment to three and indirect employment to eight persons

- scope for increasing the share of domestic (4%) and foreign (10%) tourists coming to the State
- **Emergence of transportation corridors** – the GQ and the east-west corridor passing through Rajasthan provides opportunity for investment and logistics-based industries
- **Value addition to agriculture and allied products**
  - agro-based industries in Alwar, Ganganagar, Jaipur, Jhalawar (producers fruits and vegetables)
  - increase in incomes shifts consumption pattern from cereal to non-cereal (milk poultry meat) products - must take advantage of this
  - Rajasthan is the largest producer of maize; this can be leveraged as this is an input in many industries - poultry feed (export of poultry products)
  - oils-seeds and spices - can be a market / trading centre
  - wool processing units
- **Unexplored mining potential and opportunity for value addition**
  - lignite, oil and gas reserves - can be leveraged
  - rich in minerals that serve as inputs in construction (this sector has seen significant growth)
- **High percentage of manufacture exports**
  - Cottage and handicrafts industry has seen high growth rates (13% plus) and forms a significant portion of the exports of the country
  - Skilled artisans and a strong base can be strengthened and leveraged for increasing employment opportunities

6.17 This analysis clearly shows a convergence between the strengths and opportunities mentioned above and provides the direction that the State should take if it wishes to work towards the increasing employment opportunities as part of the larger strategy for growth and better quality of life for its citizens.

6.18 The following sectors are important from the view point of generating huge employment opportunities for youth in the State.

- Agriculture and allied activities - horticulture, animal husbandry, poultry
- Food-processing and agro-industries - non-farm activities
- Mining

- Manufacturing - significantly, handicrafts and cottage industries
- Construction
- Services sector - tourism, health and nutrition, education and information technologies

6.19 It has already been stated that it is the unorganized sector, and not the organized sector, that will generate the required employment opportunities. By virtue of this fact alone, it is the private sector that will take the lead in generating additional employment opportunities; Government's role as a provider of jobs is going to be limited at best in the key social sectors of education and health where also the private sector is fast gaining an important role.

6.20 The Government will have to focus on its role as a facilitator. An employment-focused planning process would require that the Government direct private investment to those sectors that have high employment potential through a reorientation of priorities and through changes in sector-wise policies, create a positive environment for growth in these sectors.

6.21 Sector-wise policy initiatives that will be required to allow the identified sectors to meaningfully contribute to employment generation would be:

#### **Agriculture**

- For higher agriculture production what is needed is higher investment in irrigation, power and roads; this can be made possible only when we reduce drastically the subsidies in these sectors. Serious initiatives in this direction are needed.
- Increase irrigation potential through better watershed management and better use of rain-water.
- Encourage diversification to crops that require less water.
- Focus on post-harvest technologies and improved marketing infrastructure.

#### **Food Processing**

- Prepare a comprehensive policy that helps in managing chain from farming to food processing to marketing.
- Identify area specific requirements for post-harvest infrastructure - harvesting equipment, cold storage / cold chains, sorting, grading, packing, pre-cooling, washing operation etc. Facilitate this through the private sector.
- Set up a network of quality testing/certification laboratories.



### **Non-farm activities - KVIC, handicrafts and cottage industries**

6.22 This holds the key to effectively drought-proofing the rural poor from recurring droughts that the State experiences. Incomes from crafts clearly shields the artisans from loss of agriculture incomes.

6.23 There are more than four lac artisans in the State - they are mainly engaged in textiles, art-metalware, leather, woodware, carpet-making. Employment in handicrafts is mainly family based - 3.10 of the 3.15 average work force per unit comes from within the family.

6.24 The State Government had in 1995 come up with a comprehensive policy targeting employment generation in the non-farm sector. The sub-sectors identified were KVIC, handlooms, handicrafts, and wool, leather and mineral based small industries. The policy dwelt on:

- training facilities for artisans
- establishment of infrastructure for design development
- market facilitation
- organization of producers' association

6.25 What has been achieved is:

- setting up of the Rural Non-Farm Development Agency (RUDA)
- setting up of the Indian Institute of Crafts and Design (IICD)
- setting up of the Computer-Aided Carpet Design Centre (CACD-Centre)

6.26 However, for want of adequate financial support from both public and private sector, these well conceived units have not been able give their best. This situation has to be reversed.

6.27 Policy initiatives needed for the sector include:

- Similarly, because of its distinctive character, there should be a separate policy for development of handicrafts
- A review of labour laws as applicable to the sector is needed; those that end up restricting the healthy growth of handicrafts need to be done away with or suitably amended.
- Appropriate training facilities in identified handicrafts has to be ensured. Skill development and other entrepreneurial and business management inputs and easy credit facilities can further improve the lot of the artisans and improve the quality of their employment.
- Setting up independent certification agencies will help in marketing and export of handicraft goods

## **Services Sectors**

### **Tourism**

6.28 The Government has had a limited role in generating employment in the tourism sector. The private sector will continue to be the lead player. Therefore, what is needed is a coordinated investment-friendly policy orientation.

- Once tourism has been declared as an industry, it must be ensured that the necessary amendments in the various rules and regulations must be put in place so that the intended benefits do flow to the sector and its ability to compete improves.
- Appropriate policy initiatives will have to be taken for eliciting private partnerships in improving the quality of the tourist products - better maintenance and management of monuments, their environs, wild-life parks etc., this alone can improve the quality of the tourists' experience.
- Coordinated efforts will have to be made towards improvement of airports/ air-services, infrastructure of roads to tourism sites (tourist roads), quality road transport, local transport, improvement of tourist sites, information bureau and travel information services and, above all, safety from unscrupulous operators.
- Making tourism related services more professional through appropriate training programs.
- Mechanisms will have to be worked out whereby adequate funds are available for essential activities pertaining to maintenance and up-keep of monuments that continue to be with the Government and for providing necessary services to tourists.

### **Mining**

- In the State, more than 95% of the total sectoral employment is in respect of minor minerals the largest portion being that of construction related minerals, specially sandstone.
- Efforts will have to be made to ensure that the mining sector takes full advantage of the construction activities though value addition within the State, scientific mining that would result in improved quality and would be less wasteful.
- A clear policy for this will have to be worked out.
- In the long term, lignite holds promise from the point of view of employment.

## **Human Resource Development**

6.29 The unorganized sector can generate employment opportunities in the future only when there is improvement in the technical knowledge and skill levels of those seeking self-employment. For this, the State will have to place primary technical education and training at the top of its agenda. The following will have to be done:

- Introduce vocational courses at the school level
- Expansion of vocational training facilities through greater private and NGO participation, training for in-service workers, adoption of new training delivery mechanisms like distance learning
- Making the existing training program more market oriented and relevant - have courses that support the employment sector, for example, have quality training programs for tour guides, tour operators, information bureau, travel information services etc. besides the regular courses for food craft, catering and hotel management; encourage multi-skilling
- Coming up with a policy framework for training for the informal sector
- Improve basic industrial training institutes - set up model ITIs, expand their number and reach in rural and semi rural areas; lay emphasis on qualified instructors
- Attract investment into skill development activities - vocational skill building as an entrepreneurial activity

## **Conclusion**

6.30 No strategy on employment can succeed in isolation; effective measures will have to be taken to address the requirements dictated by the other pillars of the Eleventh Plan strategy - State finances and governance issues.

6.31 In view of the limited scope for wage employment due to financial constraints, the thrust is now on self-employment. The facilities for vocational guidance and assistance for self-employment to the educated persons are, therefore, being given emphasis. Expansion in education, medical and health, and housing facilities is envisaged creating new opportunities for self employment. Technical training facilities will also be improved and it will be imparted in emerging areas to cater to the changing needs and pattern of industrialisation and advancement of technology. Concerted efforts will be made to provide assistance for employment/self-employment to women. It is proposed to expand technical training facilities for women and introduce new employment oriented courses for them in educational institutions at various levels.