

Unit-2

Occupational distribution of labour force in India -

~~see~~ Occupations According to 2001 census 66.7% of the main workers labour force was employed in the agricultural sector & allied activities. This reflects the pre dominance of agriculture in the economy. According to 1991 census 66.8% was employed in the

agricultural & allied activity. Thus there was a significant decline in the relative importance of agriculture during the 10 yr period of 1991-2001.

The industrial sector in India still remains small in spite of all the attention that heavy industries got under the various plans. In 2001 industries & allied activities accounted for 18.2% of the main workers force as against 12.7% in 1991. Thus there was a significant rise in the % of the labour force employed in the manufacturing sector during the period 1990's.

According to the 1991 census 20.5% of the main workers were employed in the service sector which comprises trade, commerce, transport, communication & other services. As against this in 2001 25.1% of the workers employed in the sector. This indicates that the relative size of the service sector grew during the period 1991-2001.

Trend in occupation structure during 1951-2001

The trends in India's occupational structure over the period of 1st 5 decades with the help of the data contained in the following table

Occupational distribution of working population in India

Occupation	1951	1961	1971	1981	1991	2001
Agriculture & allied activities	72.1	71.8	72.1	68.8	66.8	56.7
Industry Sector	10.6	12.2	11.2	13.5	12.7	17.5
Service Sector	17.3	16.0	16.7	17.7	20.5	25.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source - C.H.I, Basic Statistics relative to Indian economy.

Over the period 1951-2001, agriculture remained the main occupation of the people as employment in it was never below 56.7%. After independence the % of labour force engaged in agricultural & allied activities remained unchanged at around 72% over the period 1951-71. Although after independence, & what specially after the introduction of planning in India, attempt was made by the planning to accelerate the process of industrialization & also to change the occupational structure by transferring a section of working force from agri to Industry & tertiary sectors.

Again during the next 1971-2001 period, the proportion of work force engaged in primary sector decline marginally to 56.7%. An important change that was recorded was that the proportion of cultivators declined from 50% in 1951-38.4% in 1991 & that of

agricultural labourers increased from 20% to 26% during the same period. This shows the growing concentration of land in the hands of rich & the transformation of small & marginal farmers into land less agricultural labour.

The proportion of work force employed in the industrial sector under goes a very little change during the period 1951-91. In 1991, 12.7% of the working force was employed in this sector as against 10.6% in 1951. During the decade 1991-2001 the proportion of labour force in industrial sector increased significantly from 12.7% to 18.2%. Reflecting the increased activity in the construction sector during the post reform period the proportion of workers employed in this sector rose considerably over the decade 1991-2001, from 1.9% to 3.7%.

The proportion of workers employed in service sector increased from 17.3% to 25.8% over the 50 years period from 1951-2001. Not only this, the relative position of the 3 sub sectors, (i.e. trade & commerce, transport, storage & communication & other services has) also kept on changing. This is a welcome development as it reflects improvement in infrastructure of the country. The expansion of trade & commerce is also linked with economic development. In this sector % of people

employed was 5.2 in 1951 & This rose to 19.4 in 2001

Factor responsible for failure to make any change in occupational structure -

- 1) Indian planners failed to make any serious attempt for development of rural economy. Due to poor organisation the programmes of reducing unemployment & under employment problem of rural areas failed miserably. Moreover planners didn't make any serious attempt to enlarge the scope of non agricultural rural employment.
- 2) Land reforms in India failed miserably to realize its goal & to create small owner holding.
- 3) Efforts of planners to develop industries had helped the large scale capital good sector but the planners could not create much response to the development of small scale & cottage industries. This development of large scale highly capital intensive industries could not create much employment potential & thus created quite a no impact on the occupation structure of the country.
- 4) The high rate of growth of labour force is also an important factor which has been creating serious drags on the path of changing the occupational structure in India.

Factors determining Occupational Structure

Occupational structure in a country depends on a no. of economic, technological & geographical factors. Among these various factors determining occupational structure development of productive factors focus, level of P.C.I., specialization & availability of natural resources are some what more imp.

1) Geographical factor— Until the industrial revolution in Europe geographical factors were ~~very~~ crucial in determining the occupational structure of a country. But after various sources of energy were discovered & rapid improvement made in capital equipment used in industries, the importance of factors like the fertility of soil, climate & availability of mineral resources etc declined in determining the occupations of people. But even in India & such other L.D.C.s geographical factors still play an imp. role in determining the occupational structure. In people have to choose occupations within the constraints of available natural resources.

2) Development of productive focus— Occupational structure in any country depends to a large extent on the development of productive focus. As long as production focus do not develop adequately & technology does not ~~acquire~~ acquire

^{scarcity} ~~specialization~~ ^{and a large} productivity of labour remains low, and a large part of labour engages itself in producing food articles. This is precisely the prob of most U.D.Cs like India. For example the process of industrialization gets accelerated as productive forces are released. This eventually helps in the expansion of service industries. But in India, like in any other 3rd world country, the productive forces are less developed & the available technology is ~~very~~ backward & as a result the people in this country have little choice but to find employment in agriculture & allied activities.

3) Division of Labour & Specializations - with the introduction of division of labour in production, labour productivity rises & transfer of labour force from agri to industries & services take place. This is ~~an~~ inevitable & because of 2 reasons -

a) In any economy based on division of labour, all people need to produce food for themselves.

b) As productivity rises (due to introduction of division of labour) it can met by the production done by a lesser no. of people.

4) Level of per capita income (P.C.I)

The ~~per~~ P.C.I of a country (which reflects the level of his growth) also has a great importance on the occupational distribution of labour force. In all the countries where per capita income is too a substantial, large portion of National income is spent on goods produce in the agricultural sector. As such sizeable labour force in these countries remains employed in agriculture, animal husbandry, fishery & forestry. When growth takes place & per capita income rises, demand for manufacture goods increases & in its response their output is also expanded. This creates more job in the industrial sector.