

ESTIMATES COMMITTEE
(1977-78)

(SIXTH LOK SABHA)

TWENTIETH REPORT

MINISTRY OF AGRICULTURE AND IRRIGATION

(DEPARTMENT OF RURAL DEVELOPMENT)

SURVEY OF UNEMPLOYMENT IN RURAL SECTOR



Presented to Lok Sabha on **28 APR 1978**

LOK SABHA SECRETARIAT
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Committee (1977-78) on Survey of Unemployment in
Rural sector.

S.No.	Page	Para	Line
1.	1	1	1 for 'over' read ' <u>overt</u> '
2.	13	37	Add '(in thousands)' above CoIs 384 of the statement
3.	35		5 for 'effort' read ' <u>read</u> from bottom. 'scheme'.

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(1977-78)

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INTRODUCTION

I, the Chairman, Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this twentieth Report on the Ministry of Agriculture and Irrigation (Department of Rural Development)—Survey of Unemployment in the Rural Sector.

2. The Estimates Committee took up for examination the subject of Rural Employment. Study Groups of the Committee visited some of the States and held informal discussions with the representatives of the State Governments on various aspects of the subject. The Committee came to know that though sample surveys of unemployment and under-employment were conducted by the National Sample Survey Organisation of the Government of India after every five years, there was no standing machinery in the States to keep a regular and current account of the number of unemployed and under-employed persons in each State and in each District. The Committee have felt that in view of the decision of the Government of India to remove unemployment in the country in the next 10 years, it is necessary, nay vital, to have a clear picture of the size of the problem of unemployment at more frequent intervals than at present, not only to know the magnitude of the challenge before the country but also to watch the rate of progress of the various employment generating schemes in solving this problem. As the in-depth examination of other aspects of "Rural Employment" is likely to take more time and as in the opinion of the Committee the need for evolving a new mechanism to make a survey of unemployment in the rural sector from season to season and year to year is not only imperative but also urgent for the successful implementation of the 10-year plan to remove unemployment, the Committee have decided to present this interim report on the pattern of machinery to be set up for the purpose in the States and at the Centre.

3. The Committee took evidence of the representatives of the Ministries of Agriculture and Irrigation (Departments of Rural Development and Irrigation), Planning (Department of Statistics) and Labour, Planning Commission, National Sample Survey Organisation and the Registrar General of India on the 17 March, 1978. The

Committee wish to express their thanks to the officers of these departments for placing before them the material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

4. The Report was considered and adopted by the Committee on 24 April, 1978.

5. A summary of the recommendations/observations contained in the Report is appended to the Report (Appendix III).

NEW DELHI ;

April 25, 1978.

Vaisakha 5, 1900 (Saka).

SATYENDRA NARAYAN SINHA,

Chairman,

Estimates Committee.

CONCEPTS AND DEFINITIONS

It is generally recognised that the dividing line between over-unemployment and under-employment is thin in our country with the preponderance of unorganised sectors like agriculture and household and small-scale industries. It is also recognised that labour force sample surveys and the population censuses would be the agencies for collecting data on over-all employment and unemployment in the economy. There have however been variations in definitions and concepts of unemployment and under-employment and the methods adopted for collecting data at different points of time by these organisations and other studies. In this connection, the Central Statistical Organisation had evolved a set of definitions and concepts in 1961. The matter has been examined by Committee of Experts on Unemployment Estimates (Dantwala Committee) in 1970 and the Committee on Unemployment (Bhagwati Committee) in 1973.

2. Declaring Government Policy on removal of destitution the Vice-President (acting as President) in his address to Parliament on 28th March, 1977 stated:—

“In the economic sphere, the Government is pledged to the removal of destitution within a definite time frame of 10 years. Relative neglect of the rural sector has created a dangerous imbalance in the economy leading to migration of people from rural areas to urban centres. The farmer has been denied reasonable and fair price for his products. Allocations for agriculture and related developments have been grossly inadequate and the need to improve conditions in the villages has received scarce attention. More than a lakh of villages do not even have the most elementary facilities for drinking water. My Government will follow an employment-oriented strategy in which primacy will be given to the development of agriculture, agro-industries, small and cottage industries especially in rural areas.”

3. Speaking in the Lok Sabha on the motion regarding unemployment problem on 28th July, 1977 the Prime Minister reiterated

Government's determination to remove unemployment in the country. He stated:—

"Government has declared its aim of removing unemployment within ten years."

4. During their visit to some States, the Committee were given an impression that the concepts and definitions of unemployment and under-employment used in the National Sample Surveys (NSS) did not lead to the correct results.

5. It has been stated in a memorandum furnished by the Government of Orissa that:—

"No reliable estimates of the employment situation either for the State or for the country as a whole are yet available. The results of the National Sample Survey have not been able to throw any comparable result on account of adoption of varying concepts and techniques in each round. The Planning Commission's estimates based on the backlog concept involves the projection of the past experience into the future for estimating the employment generated under different Plan programmes and suffers from several limitations inherent in the system."

6. It will be relevant in this context to make a mention of the concepts and definitions of unemployment and under-employment in the population censuses and National Sample Surveys and also the recommendations made by Expert Committees.

Census of India, 1961

7. In the 1961 Census, those persons were regarded as workers who were engaged in gainful activity (i) not less than one hour a day throughout the greater part of the working season in case the person was engaged in seasonal work, or (ii) for at least one day during the fortnight preceding the date of enumeration in case the person was engaged in regular work.

8. Among the non-workers, two categories, namely (i) persons seeking employment for the first time, and (ii) persons seeking employment not for the first time, constituted the unemployed.

9. No data regarding the under-employed was collected in the 1961 census.

Census of India, 1971

10. In 1971 Census it was envisaged that a person would be eligible for the main activity status of a worker if the person participated in any economically productive work (i) during the "last

one year", in case the person was engaged in seasonal work. or (ii) on any one day of the week preceding the date of enumeration in case the person was engaged in regular work.

11. Among the persons whose main activity was that of non-worker, a residual category 'others' (after exhausting categories like housewife, student, retired person or rentier, dependent, beggars, institutional inmates etc.) was considered constituting the unemployed.

12. In 1971 Census also data regarding the under-employed was not collected.

13. The Committee on Unemployment (1973) have pointed out the following difference in the concepts and definitions adopted in the Censuses of 1961 and 1971:—

"The main difference between the concepts and definitions adopted for the 1961 Census and those for the 1971 Census was with regard to the basis of work. In the 1961 Census, any person engaged in gainful work even to a marginal extent (i.e. for one day in the reference week, or for one hour a day in the greater part of the working season) was counted as a worker. In the 1971 Census, the basis of classifying a person as a worker was his having a gainful activity as his main activity. Thus, the 1961 Census classification of workers was much wider than that of the 1971 Census. Due to this, a number of persons, who according to the 1961 Census classification would have been counted as workers, were classified as non-workers in the 1971 census. This has resulted in a lack of comparability between the data derived from the two Censuses."

National Sample Survey (NSS)

14. The NSS experience may be divided into three periods, namely (a) upto 1959-60 (NSS—15th round), (b) from 1960-61 to 1968-69 (NSS—16th to 23rd rounds), and (c) after the NSS 26th round (after September, 1972). During the period upto 1959-60 various concepts and definitions, activity statuses, criteria for recording statuses, etc., were experimented with. On the basis of a study, among other things, of the NSS experience of this initial period the Central Statistical Organisation had evolved a set of concepts and definitions for use in labour force surveys (Appendix I). These standards were in force in the NSS rounds during the period 1960-61 to 1968-69. On the basis of a review of the entire

situation relating to estimation of unemployment, the Dantwala Committee recommended in 1970 certain measures of unemployment which, the NSS incorporated suitably in its programme during the period after September, 1972 in its two rounds namely, NSS 27th round (October, 1972—September, 1973) and 32nd round (July, 1977—June, 1978).

Expert Committee on Unemployment Estimates (Dantwala Committee)

15. A Committee of Experts on Unemployment Estimates (Dantwala Committee) was set up by the Planning Commission in 1968 to go into the estimates of unemployment worked out for the previous plans and the data and the methodology used in arriving at them and advise the Planning Commission on the various issues connected therewith, in particular the alternative methods of the analysis, computation and presentation that may be adopted for the Fourth Five Year Plan (1969—74) in the ten year perspective of 1969—1979.

16. The Committee of Experts on Unemployment Estimates in their Report (1970) had recommended that:—

- (i) the concepts of labour force and of measurement of unemployment and under-employment in terms of man-years as adopted in developed economies, are unsuitable for an economy like ours with its preponderance of self-employment and production within the household enterprises;
- (ii) estimates of unemployment and under-employment presented in one-dimensional magnitude are neither meaningful nor useful as indicators of the economic situation;
- (iii) studies should be undertaken to obtain data on different segments of the labour force, taking into account important distinguishing characteristics such as region, rural-urban residence, status of workers, educational attainments, age and sex; and
- (iv) various improvements should be made in the collection and presentation of data by agencies such as the Census, National Sample Survey and the Employment Exchanges.

17. The important recommendations of the Committee are given in Appendix II.

18. In view of these recommendations, the Planning Commission discontinued making estimates of backlog of unemployment. No estimates are, therefore, available with the Planning Commission for the Fourth and Fifth Plans.

Committee on Unemployment

19. The Department of Labour and Employment appointed a Committee in December, 1970 to assess the extent of unemployment and under-employment and to suggest remedial measures. In their report submitted in May, 1973, the Committee made the following recommendation regarding the concepts and definitions of employment and under-employment:

“The concepts and definitions of employment and unemployment which are in use in the 27th round of the NSS conform as closely as practicable to the recommendations of the Dantwala Committee on this point and they may be sufficient for our present needs. We would, however, emphasise that in a dynamic situation there can be no finality about the concepts and definitions of employment, unemployment and under-employment and the subject has to be reviewed at suitable intervals, so that while comparability is maintained as far as possible, the changing conditions and requirements of the users of data can be taken note of and satisfied by suitable modifications in the concepts where considered necessary.”

Concepts adopted in NSS 27th and 32nd Rounds

20. In a written reply furnished to the Committee by the Department of Rural Development, the concepts adopted for the National Sample Survey—27th Round (October, 1972 to September, 1973) and 32nd Round (July, 1977—June, 1978) were stated as follows:—

“A person is classified as ‘employed’ if he/she pursues some gainful activity, ‘Unemployed’ if he/she has no gainful work but is seeking or available for work, and outside the labour force if he/she does not belong to either of the earlier two categories.

The appropriate status of the person is ascertained with reference to two alternative periods, one as long as a year and the other as short as a week preceding the date of inquiry. The activity status associated with the one year as reference period is termed as “usual status” while one

associated with one week as reference period is known as the "current status."

Usual Status

Under this approach the appropriate status of the person is the one which is usual for the person during the "last year or so", but this definition has been made more precise by the recent NSS Survey (32nd round) by the stipulation that the 'usual status' must account for the major part of the period of 365 days preceding the date of enumeration.

Current Status

According to this approach a person is accorded the status of being employed if he/she has pursued some gainful work for at least one hour at least on one day during the 7 days preceding the date of enumeration. If a person had no gainful work during the entire period of 7 days but sought or was available for work, he/she is treated as unemployed. If a person had neither any gainful work nor sought or been available for work during the period under reference, the person is treated as "outside the labour force."

For assessing the average level of utilisation of the labour force, additional information is collected in respect of all persons whose 'current status' is either employed or unemployed. This relates to their detailed status (employed, unemployed, or out of labour force) separately for each of the 7 days constituting the reference period. The day by day account of the work pattern gives an idea of the level of utilisation of the labour force. Estimates of person-days of unemployment based upon the day by day account of the work-pattern have also been worked out."

21. Although under-employment was not precisely defined in the survey, the following categories of persons working and available for additional work, were considered eligible for being noted as under-employed:—

- (i) working as regular wage/salary earner;
- (ii) working in household enterprise;
- (iii) casual wage labour;
- (iv) unpaid family helpers working in household enterprises.

Concepts and Definitions adopted by I.L.O. (1976)

22. The definitions relating to unemployment adopted by International Labour Organisation (1976) are as follows:—

Persons in unemployment consist of all persons above a specified age who on the specified day or for a specified week, were in the following categories:—

- (a) workers available for employment whose contract of employment had been terminated or temporarily suspended and who were without a job and seeking work for pay or profit;
- (b) persons who were available for work (except for minor illness) during the specified period and were seeking work for pay or profit, who were never previously employed or whose most recent status was other than that of employee (i.e. former employers etc.), or who had been in retirement;
- (c) persons without a job and currently available for work who had made arrangements to start a new job at a date subsequent to the specified period;
- (d) persons on temporary or indefinite lay off without pay.

23. The following categories of persons are not considered to be unemployed:—

- (a) persons intending to establish their own business or farm, but who had not yet arranged to do so, who were not seeking work for pay or profit.
- (b) former unpaid family workers not at work and not seeking work for pay or profit.

24. According to definition adopted by I.L.O. under-employment exists when a person's employment is inadequate, in relation to specified norms or alternative employment, account being taken of his occupational skill (training and working experience) Two principal forms of under-employment may be distinguished: visible and invisible.

Visible under-employment is primarily a statistical concept directly measurable by labour force and other surveys, reflecting an insufficiency in the volume of employment. It occurs when a person is in employment of less than normal duration and is seeking or would accept, additional work.

Invisible under-employment is primarily an analytical concept reflecting a misallocation of labour resources or a fundamental im-

balance as between labour and other factors of production. Characteristic symptoms might be low income, under-utilisation of skill, low productivity. Analytical studies of invisible under-employment should be directed to the examination and analysis of a wide variety of data including income and skill levels (disguised under-employment) and productivity measures (potential under-employment).

Points of difference in the definitions and Concepts

25. The Ministry of Agriculture and Irrigation (Department of Rural Development) in a written reply furnished to the Committee have indicated the points of difference in the various concepts and definitions adopted by various organisations/bodies.

I.L.O. Concepts

26. It has been stated that ILO concepts and definitions on unemployment and under-employment relate to persons above a specified age and to short reference periods like a week or a day. And these, in their formal form, would not be suitable for India where even young children are engaged in gainful activities and the employment market is so unorganised as to give rise to practical difficulties of ascertaining precise activity status of persons in any reference period in unambiguous form.

Concepts adopted by Censuses and NSS

27. Regarding the Censuses of India, 1961 and 1971, *vis-a-vis* NSS Surveys, it has been stated that based on the C.S.O. (Central Statistical Organisation) standards of 1961, the chief differences are as follows:—

“While the NSS estimates would summarise the annual position, spread as the NSS Surveys are over one year minimising the seasonal effects, the same thing cannot be said of census data, because the Census is a one time operation at a given point of time. Secondly, while the NSS data related to a common (though moving) reference period of one week for all activities, the census had laid down two differing reference periods one each for the seasonal work and regular work. Thirdly, the overall effect of the census data on unemployment would be akin to the usual status concepts of unemployment followed in the 27th and 32nd rounds of NSS, while the NSS estimates for the earlier rounds using the CSO standards would be strictly based upon the current status approach.”

28. Regarding the NSS rounds 16th to 23rd, *vis-a-vis* the NSS 27th and 32nd rounds it has been stated that in the NSS 27th and 32nd rounds, concepts and definitions would, in addition to including those of the 16th to 23rd rounds, have certain additional alternative concepts built therein. Firstly, while the NSS 16th—23rd rounds restricted themselves to adopting only the current status approach, the 27th and 32nd rounds, have, in addition, collected data based upon the usual status approach also. Secondly, while the former rounds collected labour time disposition of the employed by the number of hours worked by them during the reference week, the latter two rounds collected data on the activity status (of each person in the labour force) on each of the seven days of the reference week after ascertaining his/her activity status for each half of the day without going into the detailed labour-time disposition in terms of hours worked during the day. Thirdly, the former rounds of the NSS had restricted labour force status in urban areas only to the persons in the age group 15—59 years, the latter two rounds have realistically avoided such age-restriction.

29. When asked whether the present definition adopted by NSSO was sound and precise to serve the purpose, the Ministry of Agriculture and Irrigation have stated in a written reply that the definition adopted for the 32nd round has been arrived at after considerable discussion in the working group of experts on the subject set up by the NSSO and is satisfactory for the purpose in view.

Position in other countries.

30. The Committee desired to know whether any attempt had been made to compare the definition adopted in India with the definitions in vogue in other countries with comparable socio-economic conditions. In a written reply the Ministry have stated that regarding the employment situation, India is really comparable in socio-economic situation, pressure on land, industrial structure, urbanisation and population-size only to China in respect of which country no reliable data are available. Attempts made in comparative study of the developing countries in Asia bring out the fact that most countries, particularly the smaller ones, depend upon statistics of job seekers registered in the employment offices or employment exchanges for regular serial data on unemployment. In the case of the Philippines, a quarterly labour force survey of about 12,000 households yield estimates of unemployment, among other things. In this survey, only persons of 10 years of age and above are eligible for the status of being employed or unemployed.

(i.e. the labour force). Except for this age restriction, this survey is akin to the NSS surveys of the 1960's. Similar labour force surveys were conducted in some developing countries in Asia from time to time broadly in conformity with the I.L.O. recommendations and their concepts of unemployment are broadly similar to that of NSS—27th round based upon current status approach with the week as reference period.

MAGNITUDE OF UNEMPLOYMENT

Three Rates of Unemployment

31. During evidence the representative of the Planning Commission stated that according to the employment situation in the country, three different types of employment/unemployment estimates were needed. First was the estimate of chronic unemployment which would be measured by the number of persons remaining unemployed throughout the year. The second estimate related to weekly unemployment which would bring out the number of persons who did not have a single hour's work on any day, during the reference week. The third estimate was attempted to bring out overall position of unemployment and under-employment which was measured in the terms of person days. Each person was asked whether he was employed on each day of the reference week or he was seeking employment for half-a-day. Each person's daily activity during the reference week was taken into account. The witness added that they would have liked this information to be precisely collected in terms of number of hours. But keeping in view the general socio-economic condition obtaining in the country and the limitations of conducting rural studies, it was not considered feasible to get the information in terms of number of hours. The witness further stated that in the Planning Commission it had been felt that for generating adequate employment opportunities in the country, the estimate of person days would bring out clearly, the additional work opportunity needed to be created to keep all persons seeking work fully employed.

Estimates of unemployment brought out by 27th NSS Round (1972-73).

32. The 27th round showed an estimate of about 4 million chronically unemployed persons who reportedly remained unemployed throughout a long period and it may be interpreted that they formed the core of the unemployed in the country. They were about equally distributed between rural and urban areas.

Number of unemployed person weeks

33. In view of the fact that a large number of persons, particularly the wage and salary earners and small artisans in rural

areas and the self-employed in small enterprises and casual workers in urban areas, intermittently become idle for lack of work and keep their enterprises shut or lose their jobs and come out in search of work, attempt was made in the survey to identify and measure the nature and extent of this kind of intermittent or seasonal unemployment. In addition to asking persons as to what they usually did, it was also asked what the persons did during the week previous to the day the investigator visited their households? A number of them reported that throughout the reference week they did not have even an hour's work and they sought work or were available for work. As the survey samples were distributed over the entire survey period of one year, provision was so made both in data collection and subsequent tabulation of data that estimates of such persons for four different consecutive quarters or roughly for four different seasons of the year could be obtained. These are estimates of unemployed person-weeks or number of unemployed persons per week.

34. According to the survey results, 7.45 million persons in rural areas and 2.60 million persons in urban areas (total 10.05 millions) were unemployed per week. The survey results reveal a variation of the rate over the year, the rate being highest in the 3rd sub-round i.e. during April-June, 1973, a relatively lean period in agriculture and lowest in the first sub-round, i.e. during October-December, 1972—a relatively busy period in agriculture. Expressed in terms of estimated number of person-weeks the unemployed persons-weeks varies—the lowest being 8.61 million during October-December, 1972 and the highest being 12.34 million during April to June, 1973.

Number of Unemployed Persons-days

35. The employment situation in the country is such that the nature of employment sometimes varies from day to day even during the small span of one week. But while classifying a person by current weekly status, employment for even one hour on even one day of the week qualified a person to be categorised as employed, no matter if on other days the person either sought work or was available for work. The rate of unemployment obtained by using weekly status classification procedure, therefore, understated the incidence of unemployment as the priority to employment over unemployment was in-built in the data collection procedure. To overcome this conceptual constraint, data on labour time disposition for each day or even for each half-day of the reference week for all those categorised as belonging to labour force by weekly

status classification were collected in the 27th round survey. In other words collection of data on day to day labour time disposition for reference week ensured classification of persons in the sample households for each day and for some persons who had more than one activity on a day for each half day of the reference week. In view of the adoption of the above procedure it was possible to generate estimates of person-days employed, person-days unemployed and also person-days out of labour force on the average for the entire survey period and also for each sub-round period of the survey quantifying the extent of under-utilisation of the available labour supply.

36. On the average over the entire survey period, about 19 million person-days remained unutilised on each day of the year 1972-73. The extent of under-utilisation, varied from one period of the year to another being influenced by and large by the tempo of agricultural activity in the country. It was found to be the highest in the months April to June, the lean period and lowest in months October to December the busy period in agriculture.

37. A statement showing person-days seeking and/or available for employment in rural and urban areas in different States/Union Territories during the survey period 1972-73 is given below:—

State/Union Territory		Rural	Urban
1	2	3	4
1.	Andhra Pradesh	1904	419
2.	Assam	77	12
3.	Bihar	1877	177
4.	Gujarat	480	181
5.	Haryana	104	43
6.	Himachal Pradesh	8	4
7.	Jammu & Kashmir	123	14
8.	Karnataka	936	246
9.	Kerala	1585	295
10.	Madhya Pradesh	589	126
11.	Maharashtra	1639	580
12.	Manipur	17	3
13.	Meghalaya	8	1
14.	Nagaland*	*	1
15.	Orissa	950	60
16.	Punjab	172	63

*The Survey was conducted in urban areas only.

Source :—National Sample Survey Organisation—27th round (1972-73).

1	2	3	4
17.	Rajasthan	394	93
18.	Tamil Nadu	1822	526
19.	Tripura	31	4
20.	Uttar Pradesh	1043	174
21.	West Bengal	1211	424
22.	Chandigarh*	*	2
23.	Delhi	5	73
24.	Goa, Daman & Diu	58	9
25.	Pondicherry	22	8
ALL INDIA		15,058	3,515

*The Survey was conducted in urban areas only.

Source :—National Sample Survey Organisation—27th round (1972-73).

Dimensions of Under-employment

38. According to the N.S.S. 27th Round Survey results out of the total labour force of 240.12 million, about 62.05 million persons were estimated as not having stable and adequate employment as per break-up given below:—

	Rural	Urban	Total
(1) Working as regular wage salary earner in farm non-farm enterprise and also seeking work or available for additional work	2.17	2.04	4.21m.
(2) Working in own farm or non-farm enterprise and also seeking work or available for additional work	14.13	1.06	15.19 m.
(3) Casual wage labour intermittently un-employed and seeking work or available for work	29.65	2.99	32.65m.
(4) Helpers in farm and non-farm enterprises, who in view of work inadequacy in the farm or non-farm enterprises, would have found work or would have reported available for work	10 m.
TOTAL			62.05 m.

Estimates by Prof. Raj Krishna

39. Estimates of the number of persons unemployed in the country in 1971 given by *Prof. Raj Krishna include the unemploy-

*Reproduced from Bhagavati Committee Report, p. 54.

ed as well as those under-employed and available for additional work, based on the average percentage derived from the 17th, 19th and 21st rounds of the NSS, of the persons who were unemployed, severely under-employed (working for 28 hours or less in the reference week) or moderately under-employed (working for more than 28 but less than 42 hours in the reference week). According to two estimates given by him, the unemployed persons in 1971 included 9.1 million persons who were wholly unemployed as well as either (a) 9.4 million persons who were severely unemployed and available for additional work, or (b) 20.2 million persons who were severely or moderately unemployed and available for additional work. Thus, he has arrived at one estimate of 18.5 million persons including the unemployed and those severely under-employed and another estimate of 29.3 million persons including the unemployed and those severely or moderately under-employed.

Estimates by Bhagavati Committee

40. According to the Bhagavati Committee Report the persons who worked for less than 14 hours a week could appropriately be treated as requiring full time employment and the estimates of the unemployed should, therefore, include the persons who were wholly unemployed as well as those who had worked for less than 14 hours in a week. The likely number of unemployed persons in 1971 could in the opinion of this Committee be taken as 18.7 million, including 9.0 million who were unemployed, and 9.7 million who worked for less than 14 hours a week and who may be treated on par with the unemployed. These would include 16.1 million persons in rural areas (7.6 million males and 8.5 million females) and 2.5 million persons in urban areas. These figures could only very roughly indicate the dimensions of the problem.

Estimates of unemployment at the beginning of each plan.

41. According to a note received from the Department of Rural Development estimates of unemployment at the beginning of each Plan period were as follows:—

First Plan (1951-56)	No estimate
Second Plan (1956-61)	5.3 million (2.8 rural and 2.5 urban)
Third Plan (1961-66)	9 million
Fourth Plan (1969-74)	No estimate
Fifth Plan (1974-79)	No estimate

42. It was stated that Planning Commission discontinued making estimates of backlog of unemployment in view of the recommendation of the Committee of Experts on Unemployment Estimates, 1970 (Dantwala Committee).

STATISTICS COLLECTION MACHINERY

43. The Census Commissioner, the National Sample Survey Organisation (NSSO) and the Director General of Employment and Training are collecting information regarding employment and unemployment at the Central level. At the State level, the State Statistical Bureaus have been set up and they collect the same information as NSSO.

Census Data

44. The Census is conducted every ten years. The data on unemployment, collected in 1961 census, were published by 1966. With reference to the data on unemployment referred to earlier so far as it relates to the 1971 census, it has been stated that the data on employed and unemployed based on one per cent sample were published in October, 1972. The data on employment on full count were published by December, 1972. The Committee have been informed that further data on employment and unemployment based on 10 per cent rural and 20 per cent urban samples are being published in instalments and some of them have already come out.

National Sample Survey Organisation

45. The National Sample Survey Organisation collects data through sample survey based on scientific technique of random sampling through household enquiry both in rural and urban areas. In the ten years programme drawn by the NSSO, the subject of employment and unemployment is covered every five years.

Organisational Set up of NSSO

46. The Committee have been informed that the field work of the surveys is got executed through the Field Operations Division (FOD), of the NSSO. FOD has a Headquarter office at Delhi, 5 Zonal offices located at Nagpur, Jaipur, Allahabad, Bangalore and Calcutta, 41 Regional offices and 115 Sub-regional offices spread over the whole country. Each Sub-regional office normally covers two or three districts. Each State has got 1 to 4 Regional offices depending upon its size. While Sub-regional office is headed by a superin-

tendent, the Regional Office is headed by an Assistant Director. It has been stated that the primary work is done through the staff located at Sub-regional offices as well as the Regional offices. In the case of Socio-Economic Surveys, the Investigator is the primary worker who visits the sample villages and blocks and conducts the enquiry by contacting the households and filling up the schedules. The work of the investigators in the field is supervised and inspected by Assistant Superintendents.

47. A continuous watch is kept on the field work to ensure the quality of data. All technical staff are trained at the five zonal training centres where the staff are given a thorough reorientation in the programme besides fundamentals of the theory of Statistics, Mathematics, Economics and Accountancy. Besides this, regular training camps are also held at all India, Zonal, Regional and Sub-regional levels every year to impart training in field methodology, definitions etc. for the survey of each round.

Publication of National Sample Survey Data

48. In regard to the survey conducted during the 27th round (October 1972—September 1973), the Committee have been informed that the first results giving some summary information for 10 States and 1 Union Territory based on the first two sub-rounds (October 72 to March, 73) were brought out in December, 1974. The results of the remaining States and Union Territories were released in the course of the subsequent one year. The publication of another series of results relating to the 3rd and 4th subrounds (April 73 to September 73) and all the four subrounds combined started in November, 1976. All India results were brought out in June, 1977. It has been stated in a note furnished to the Committee that there has been some delay in publishing the results of these surveys and measures have been taken to reduce the time lag between completion of field work and availability of data.

49. Explaining the reasons for delay in publication of NSS data it has been stated that data on employment-unemployment in the 27th Round survey were collected from about 2 lakh households i.e. in respect of roughly 10 lakh individuals. Commensurate with the huge work involved, the available resources were falling short. The tabulation of data was, therefore, carried out partly manually and partly through the conventional Unit Record Machines. Hence, the results were released in a phased manner.

50. The Committee have been informed that the Governing Council of the NSS Organisation has decided that efforts should be made

to see that the results of each Round of NSS should be released within a period of one year after the completion of field work. Efforts are, therefore, being made to release the results of the current Round of NSS (32nd Round) by June, 1979. The NSSO has taken the following steps in this direction:

- (a) scrutiny of field data has been decentralised.
- (b) progressive use of computerisation is being resorted to.
- (c) an additional shift is being run in the Punching Unit of the Data Processing Centre, Nagpur and Delhi and similar additional shift is being introduced soon in D. P. Centre, Calcutta.

Directorate General of Employment and Training.

51. Information about job seekers registered at various employment exchanges is collected and compiled by DGE&T. This information is based on the registrations at employment exchanges. It has been stated that since the registration is optional and is also open to the employed persons seeking better employment, the figures do not indicate the precise extent of unemployment/under-employment.

52. Information regarding job seekers is sent by employment exchanges to DGE&T in monthly returns. The data are compiled and are generally ready for use within a month and a half. Information with regard to special categories of job seekers as well as vacancies notified to employment exchanges is also collected by DGE&T from employment exchanges through periodical returns. It has been stated that the information is compiled without much delay.

53. It has been stated that the Directorate General of Employment and Training has been compiling Statistics in the limited field of the number of job seekers category-wise, satisfactorily.

54. On the question of feasibility and desirability of allocating the role of collecting statistics about the magnitude of unemployment/under-employment in rural as well as urban areas to Employment Exchanges it has been stated in a note furnished to the Committee that the Employment Exchanges, as is well-known, are acting as a referral agency for promoting employment of those who seek jobs through their assistance. The registration at Employment Exchanges is voluntary. Therefore, the data in respect of registrants at employment exchanges forwarded by the various employment exchanges to the Directorate General of Employment and

Training (Ministry of Labour) is only in respect of candidates who want to avail of the services of the employment exchanges. There being no obligation on the part of employers in the private sector for recruitment exclusively through employment exchanges the figures of job-seekers provided by the employment exchanges do not signify the exact magnitude of unemployment/under-employment.

55. As employment exchanges cater to the needs of the organised sector, they are mainly located in urban centres. The Committee have been informed that there is one employment exchange in almost every district.

56. In view of the fact that registration with employment exchanges is only voluntary in character and in view of the limited number of employment exchanges and their locations, the Ministry of Labour have expressed the view that it would not be possible for employment exchanges to collect statistics about the magnitude of unemployment/under-employment in rural as well as urban areas. Furthermore, the staff available with employment exchanges is limited and the exchanges are themselves under the State Governments. It has therefore been stated that it would be difficult to entrust this work to them.

Data collection at State level

57. At the State level the data is collected by the State Statistical Bureaus and is tabulated by the State Governments themselves.

58. The Committee were informed during evidence that all India figures as well as the State-wise figures were collected on the basis of a Central sample in the NSS. However, the reliability of the State estimates differed depending upon the size of the sample. If the States want estimates of their own they supplement the Central sample by a matching sample, though the concepts and definitions are the same. The training is also the same and is imparted centrally. The States Bureaus of Economics conducted other surveys also. There was a provision for the States to participate in the NSS on matching basis. This was not only for employment and unemployment but whatever sample surveys are conducted by the NSS, the States were equal participants.

59. Asked if there was any kind of coordination with the State Governments, the representative of the NSSO stated:—

"I must admit that we have received reports from only three State Governments. Of all the States which partici-

pated in the 27th Round of NSS only three States (Punjab, U.P. and Goa) have sent their reports. In a number of States the data have been tabulated but the States have not brought out the reports. In a few other States the data are still being tabulated."

60. The representative stated that the Bureaus of Economics and Statistics were aware of the problem. He informed the Committee that in view of the importance that the Government was attaching to the problem of unemployment a scheme had been prepared to pool the Central and States' data. That scheme was stated to be under consideration of the Planning Commission. As soon as the scheme was sanctioned it would be pursued with the States and the tabulation of the Central and States' data would be synchronised. Once the tabulation was synchronised the results would be pooled.

61. The Committee wanted to know how far it was feasible or practicable to evolve on a regular basis a standing machinery to collect statistics regarding unemployment and under-employment at the village level through panchayat samities and Revenue Officers, etc., and then to consolidate them at the State level, for the State, and at the Central level for the whole country.

62. It has been stated in reply that it may not be feasible for the local agencies to collect any comprehensive data on all aspects of unemployment and under-employment similar to those collected by the NSSO, keeping in view the complex nature of the concepts and the difficulty of the level of agency in understanding and putting across such difficult concepts and the problems of organisation on a massive scale. However, what is perhaps possible for them to do is to maintain a simple register of job-seekers, and job-placements in their areas after imparting some elementary training to them. But this registration method, if adopted, at the level of each village Panchayat, would therefore involve provision of regular machinery for registering job-seekers (both unemployed and under-employed). As at present, the State is not legally obliged to provide jobs to job-seekers, the registration could only be voluntary on the part of the job-seekers, as compulsory registration may not be easy or purposeful. It has been the experience of the Employment Exchanges that people sought jobs not only when they were without one, but also when they wished to augment their income by taking up an additional job or when they wished to change over to better jobs than they currently held. This is likely to involve problems of estimating un-registered unemployed and employed registrants and of accounting for multiple registrations for deriving reasonable estimates of rural unemployment. These points need to be kept in

view if and when the registration method is adopted by the local agenices.

Employment Guarantee Scheme of Maharashtra

63. The Employment Guarantee Scheme was introduced in Maharashtra in 1972-73. The aim of the scheme is to provide gainful and productive employment which may be gainful to the individual and productive to the economy. Under the scheme guarantee of unskilled employment is provided to all adult persons residing in the rural areas who have attained 18 years of age. The scheme provides for registration of names and addresses of persons who volunteer to work. Such registration is to be done at the headquarters of the Gram Sewak or Talathi as the State Government may specify within whose jurisdiction the village where the person resides is situated.

IV

RECOMMENDATIONS

64. The Committee have noted the various definitions and concepts of unemployment and under-employment evolved and varying estimates of the number of unemployed and under-employed made by different organisations from time to time. The 1961 and 1971 censuses collected data on unemployment by applying certain concepts and definitions evolved by them but no data regarding under-employment was collected in these censuses. The Planning Commission estimated the number of unemployed in the country at the beginning of Second and Third Five Year Plans but discontinued the practice in view of the recommendation of the Committee of Experts on Unemployment Estimates, 1970 (Dantwala Committee) which, inter alia, observed that the estimates of unemployment and under-employment presented in one-dimensional magnitude were neither meaningful nor useful indicators of the economic situation.

65. The last survey on unemployment and under-employment—the 27th round—was conducted by the National Sample Survey Organisation (NSSO) of the Government of India in 1972-73 and the next in the series—the 32nd survey—is at present under progress. According to the Committee on Employment (Bhagavati Committee), 1973, the concepts adopted in NSS 27th round (with which the Bhagavati Committee agreed) conformed as closely as practicable to the recommendations of the Dantwala Committee on the point and “these may be sufficient for our present needs.” They, however, emphasized that “in a dynamic situation there can be no finality about the concepts and definitions of employment, unemployment and under-employment and the subject has to be reviewed at suitable intervals so that while comparability is maintained as far as possible, the changing conditions and requirements of the users of data can be taken note of and satisfied by suitable modifications in the concepts where considered necessary.”

66. Based on the 27th round of survey (1972-73) the NSSO have brought out three different estimates of unemployment from three different angles. According to the first estimate there were about 4 million “chronically unemployed” persons in India (about 2 million each in rural and urban areas) who had practically no work continuously over a long period and who were available for work

throughout the period. According to the second estimate there were 10.05 million "currently unemployed" persons (7.45 million in rural areas and 2.60 million in urban areas) who were without any job whatever during a short period of one week and available for work. (The "chronically unemployed" would, in general, form part of the number of "currently unemployed"). According to the third estimate on current unemployment including visible under-employment there were about 19 million person-days which remained unutilised on a typical day of the year covering the entire survey period (October 1972—September, 1973). This includes the total number of person-days spent in unemployment (viz., being without a job and being available for work) by both those "currently unemployed" in a week and those, though partly employed in a week, seeking or available for additional work in the week. In addition to the unemployment position stated above the 27th round of survey also estimated the dimension of under-employment situation in the country. According to the findings of the survey there were about 62.05 million persons who were usually employed but were also available for additional work or in other words did not have stable and adequate employment.

67. The Committee have been informed that in the 10-year programme drawn up by the National Sample Survey Organisation (NSSO) the subject of employment and unemployment is covered every five years. The All India results based on the NSS 27th round of survey covering the entire country which was conducted in October 1972—September, 1973 were brought out in June, 1977. The results of the NSS 32nd round of survey on unemployment and under-employment are expected to be available by June, 1979.

68. At this stage, the Committee do not wish to go into the details of concepts of unemployment and under-employment evolved by various experts nor have they any comments to make on the concepts followed or methodology adopted by the National Sample Survey Organisation in collecting data on unemployment.

69. All that the Committee wish to state is that in view of the decision of the Government of India to remove unemployment in the country in the next 10 years, it is necessary, nay vital, to have a clear picture of the size of the problem of unemployment from season to season and year to year not only to know the magnitude of the challenge before the country but also to watch the rate of progress of the various employment generating schemes in solving this problem. The Committee feel that unless comparative figures of unemployed persons are available at frequent intervals in respect of each State and also each District, the Government

may be severely handicapped in devising employment schemes suited to areas where the unemployment position may be acute and in making timely and on-course improvements in the schemes in the light of the results. In the opinion of the Committee the data collected by the National Sample Survey Organisation would not be sufficiently useful to the Government in the implementation of their 10-year plan to remove unemployment in the country firstly because it becomes available after long intervals (5-6 years) and secondly because their data which also includes even those persons, like small children who should be in schools rather than counted in labour force and for whom Government may not be called upon to provide employment on urgent basis, tends to give a rather inflated picture of the problem.

70. Against this background, the Committee feel that there is need to evolve simpler concepts and methodology to assess the magnitude of unemployment at more frequent intervals than those employed by the National Sample Survey Organisation. The Committee are aware that the results obtained under any other system may not be as detailed or scientific as available under the NSS system. But, in the opinion of the Committee, for the success of the time-bound campaign against unemployment, it will be more useful to have for day to day reference purpose even rough and less scientifically collected statistics about actually unemployed persons every 6 months or so than to have more detailed and more scientifically collected statistics after a lapse of 5-6 years. The Committee, therefore, feel that without prejudice to what is being done at present by the National Sample Survey Organisation there is an imperative and urgent need to evolve a new mechanism to feed the Government with estimates of unemployed persons in each State and in each District for successful implementation of their 10-year plan to remove unemployment.

71. It is with this approach in view that, based on their study of the problem of Rural Employment, the Committee wish to make the following suggestions for instituting a system of collecting data on unemployment in the rural sector:—

- (a) There should be a standing arrangement at the level of the basic unit of administration in each State to assess the number of unemployed persons residing in the jurisdiction of that unit. The basic unit may be a village or a cluster of villages, a town, a tehsil headquarter or the like which forms an administrative unit at the local level.
- (b) The task of collecting statistics on unemployment should be entrusted to the already existing agencies at the level

of these units, viz., Panchayat, Panchayat Samiti, Anchal Panchayat, Municipality, any other unit of local self-government or Revenue Officer, assisted by local school teachers, gram sewaks etc.

- (c) Each designated authority should open a Register of Job Seekers and enter therein names of all those persons (men and women) residing within its jurisdiction, who offer themselves for employment. The registration should preferably be twice a year—once during cropping season and again during non-cropping season.
- (d) If at any time, unusual seasonal conditions, like drought, develop in any part of India or some natural calamity occurs, special efforts should be made to collect data about persons who seek work during that period.
- (e) To ensure regular and timely collection of statistics it will be desirable to offer incentives to the agencies (including corporate bodies) and personnel engaged in this task.
- (f) As regards minimum age for registration in the Register of Job Seekers, the Government may determine the age limit keeping in view the I.L.O. Convention on the subject, provisions of Article 45 of the Constitution, the Employment of Children Act, 1938 and the Employment Guarantee Scheme of the Maharashtra Government. But children who should be studying in educational institutions should not be registered as job-seekers for this purpose. The age limit thus determined should be observed uniformly in all the States and Union Territories.
- (g) The statistics collected at the basic unit level should be consolidated at the level of Tehsil/Block, District and State Headquarters under the guidance of the Statistical or Planning Unit of the State Administration. The All India figures should be consolidated by a central agency to be nominated for the purpose.
- (h) The statistics collected and consolidated at each level should be subject to sample checking.
- (i) As conditions may vary from State to State or even from region to region in the same State, the details of machinery and methodology for each region/State may be carefully worked out to suit the local conditions. In doing so, the machinery and methodology evolved in

Maharashtra for the purpose of registering the names of job-seekers may also be studied.

- (j) The State Governments should be made responsible for all operations in this process within the States and the Central Government should co-ordinate the work among the States.**

72. The Committee need hardly stress that the success of this experiment would depend on the active cooperation and willing participation of the State Governments and they would, therefore, like the Central Government not to spare any efforts to persuade the State Governments to join in this scheme whole heartedly and earnestly.

73. The Committee would be keenly watching the progress of implementation of this scheme and would like to be informed of it within a period of six months.

**NEW DELHI;
April 25, 1978**

SATYENDRA NARAYAN SINHA,

Vaisakha 5, 1900 (Saka)

**Chairman,
Estimates Committee.**

APPENDIX I

Concepts and Definitions in Regard to Employment and Unemployment Adopted By C. S. O. (1981)

(Vide para 14, page 3)

In urban areas.

The 'unemployed' category consists of all persons who having no jobs or enterprises of their orders had not worked even on a single day during the reference week and were currently looking for full time work. It includes:

- (i) persons whose employment or means of self-employment was discontinued whether temporarily, indefinitely or permanently, except for such reasons as those mentioned in the definition of sub-category (ii) of the "employed" category; and
- (ii) persons who were looking for work for the first time; but excludes persons below the age 14 (i.e. persons who have not completed 14 years of age) and above the age of 60 i.e. persons who have completed years of age or more. "Full-time" means the normal full-time hours of work for the type of work (occupation) looking for and may differ from occupation to occupation. In case of doubt, six hours or more per day may be considered as full-time. The undermentioned persons, are to be regarded as "looking for work"—
 - (a) those who were on the live registers of employment exchanges at the end of the reference week;
 - (b) those who had put in written applications for jobs during the two months preceding the end of the reference week and were awaiting the results of the applications;
 - (c) those who had contacted prospective employers at least once during the reference week for employment;
 - (d) those who could not contact prospective employers during the reference week because of ill-health, disability, bad weather or other similar reasons, provided they had contacted them for jobs before the contingency and in any case within the preceding two months;

- (e) those who did not make any tangible effort to secure employment as per (a) to (d) above under an expectation or re-call to jobs which they had temporarily left, believe that no alternative opportunities existed in the locality or other similar reasons that could not be helped.

The "employed" category consists of—

- (i) all persons who had worked for pay or profit on at least one day during the reference week on some economic activity;
- (ii) all persons who had jobs, or own enterprises, professions or vocations but were temporarily absent from work during the reference week for reasons of illness, injury or other physical disability, bad weather, strike or lock-out, paid lay-off, paid vocation for rest or recreation, or any other causes including social or religious necessitating temporary absence from work.
- (iii) unpaid helpers who had assisted in the operation of an economic activity on at least one day during the reference week.

Paid apprentices are included under (i) or (ii) as the case may be depending on whether they worked during the week or not. Unpaid apprentices are included under (iii).

All person not classifiable either as "employed" or as "unemployed" according to the above definitions are automatically to be categorised as "not in labour force". They may consist of:

- (a) persons below the age of 14 and above the age of 60 not already in employment; and
- (b) students, housewives, pensioners, non-working proprietors, rentiers, beggars, and others not already in employment and not currently looking for work.

In Rural areas.

The under-mentioned persons are categorised as "unemployed".

All persons who owing to lack of work had not worked even on a single day during the reference week and were currently available for work are categorised as "available for work". They include—

- (i) persons seeking work through employment exchanges, intermediaries, applications or direct contacts; and

- (ii) persons not seeking work but available for work at current rates of remuneration in prevailing conditions of work.

The under-mentioned persons are categorised as "working":

- (i) all persons who had worked for pay or profit on at least one day during the reference week on some economic activity;
- (ii) all persons who despite availability of work, had abstained from work during the reference week for reasons of illness, injury or other physical disability, bad weather, festivals social or religious functions or other contingencies, necessitating temporary absence from work;
- (iii) unpaid helpers who had assisted in the operation of an economic activity on at least one day during the reference week.

All persons who are not classifiable either as "working" or as "available for work" according to the above definitions are automatically to be categorised as "economically inactive." They may consist of persons too young or too old to work, disabled or infirm, persons living on past savings or properties without working, pensioners and rentiers, students, housewives, beggars etc.

"Under-employment" according to a resolution of the Ninth International Conference of Labour Statisticians, "exists when persons in employment who are not working full time would be able and willing to do more work than they are actually performing, or when the productivity or income of persons in employment would be raised if they worked under improved conditions of production or transferred to another occupation, account being taken of their occupational skills". The resolution mentions, in particular, two categories of under-employment, viz.

- (a) visible under-employment which involves shorter than normal periods of work and which is characteristic of persons involuntarily working parttime;
- (b) invisible under-employment which is characteristic of persons whose working time is not abnormally reduced, but whose earnings are abnormally low or whose jobs do not permit full use of their capacities or skills (sometimes called disguised under-employment), or who are employed in establishments of economic units whose productivity is abnormally low (sometimes called potential under-employment)."

APPENDIX II

(Vide para 17 page 4)

Important recommendations of the Committee of Experts on Unemployment Estimates (Dantwala Committee)—1970

1. In the nature of the socio-economic conditions prevailing in the country with the preponderance of the unorganised sector in agriculture and household industry, the dividing line between overt unemployment and under-employment is thin and hence no precise estimates of unemployment for the population as a whole is possible. Hence the procedure hitherto followed to classify the population into categories, viz., employed, unemployed and outside labour force based on the particulars for a period of one week of reference may be given up. Instead a measure of level or rate of employment and unemployment in the economy may be attempted by referring to the daily recorded data on diverse activities pursued by them during a period of, say, 7 days. Under this approach the unit of analysis or more appropriately the reference period is one day, but in order to have more reliability and also to make a more precise analysis of labour time disposition, data may be collected for a period of 7 days preceding the day of enquiry. (Incidentally, the recording of information for 7 days is also expected to link up the data of the past as well as provide for international comparison).

2. The appropriate measure suggested is the number of recorded days of unemployment expressed as a percentage of the total number of days on which the persons are in labour force (employed and unemployed). This measure should also take into account the intensity of unemployment for different days as a whole and not necessarily hours of work which varies over occupations and regions rendering it difficult for aggregation. Since there are seasonal fluctuations in the intensity of employment, reliable estimates should be available for different sub-rounds (seasons). The level of unemployment so measured, will indicate the rate of under-utilisation of the available labour force supply but not provide a simple measure of the level of unemployment in terms of number of persons for different seasons.

3. Analysis should be attempted for different usual-status categories taking into account such important characteristics as region or

State, sectors(age, rural/urban, status or class of worker, industry, occupation and educational attainment and also seasons.

4. For a proper study of unemployment and under-employment, supplemental information on wage rates, hours of work, other factors like frequency of cropping, irrigation facilities, should be collected. Particularly, the category of unpaid family enterprise workers should be segregated for study. In order to gain an insight into the actual conditions of labour supply, probing questions will have to be put to the various categories regarding their commitment to the labour market, availability for alternative work, reasons etc.

5. There may be a comprehensive labour force survey at quinquennial intervals covering both the rural and urban areas. The scale of the survey should be large enough to permit estimates at State level. If, necessary, as an alternative the sample may be spread over on a continuous basis and a kind of moving average built up,

6. The Employment Market Information (E.M.I.) programme organised by the Directorate General of Employment and Training may continue as it serves as an important barometer of the changes in the organised employment.

7. The data relating to persons on the Live Registers of Employment Exchanges have certain limitations for attempting estimates of unemployment and some adjustments will have to be made before use. Even such corrected estimates cannot be regarded as reliable indicators of urban unemployment. Surveys may be organised periodically to provide correction factors to arrive at estimates of urban unemployment from the Live Register Data.

8. The population census Organisation should not be burdened with the task of collecting data on unemployment.

9. Estimates of growth in the labour force, additional employment generated in the plans and of unemployment at the end of the plan period, presented in one-dimensional magnitudes are neither meaningful nor useful as indicators of the economic situation. This practice may be given up. Attempt could be made to identify the demand likely to be generated for particular categories by labour as a result of various developments envisaged under the Five Year Plans. Such efforts should be constituted initially for sectors where the personnel or labour requirements can be clearly recognised. In the meanwhile, detailed studies should be made continuously to permit more precise estimates of employment generated in other sectors of the economy.

APPENDIX III

Summary of Recommendations/Conclusions contained in the Report

Sl. No.	Reference to Para No. of the Report	Recommendation/Conclu- sion
1	2	3
1	68	At this stage, the Committee do not wish to go into the details of concepts of unemployment and under-employment evolved by various experts nor have they any comments to make on the concepts followed or methodology adopted by the National Sample Survey Organisation in collecting data on unemployment.
69 and 70		The Committee feel that there is need to evolve simpler concepts and methodology to assess the magnitude of unemployment at more frequent intervals than those employed by the National Sample Survey Organisation. The Committee are aware that the results obtained under any other system may not be as detailed or scientific as available under the NSS system. But, in the opinion of the Committee, for the success of the time-bound campaign against unemployment, it will be more useful to have for day to day reference purpose even rough and less scientifically collected statistics about actually unemployed persons every 6 months or so than to have more detailed and more scientifically collected statistics after a lapse of 5-6 years. The Committee, therefore, feel that without prejudice to what is being done at present by the National Sample Survey Organisation there is an imperative and urgent need to evolve a new mechanism to feed

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the Government with estimates of unemployed persons in each State and in each District for successful implementation of their 10-year plan to remove unemployment.

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It is with this approach in view that, based on their study of the problem of Rural Employment, the Committee wish to make the following suggestions for instituting a system of collecting data on unemployment in the rural sector:—

- (a) There should be a standing arrangement at the level of the basic unit of administration in each State to assess the number of unemployed persons residing in the jurisdiction of that unit. The basic unit may be a village or a cluster of villages, a town, a tehsil headquarter or the like which forms an administrative unit at the local level.
 - (b) The task of collecting statistics on unemployment should be entrusted to the already existing agencies at the level of these units, viz., Panchayat, Panchayat Samiti, Anchal Panchayat, Municipality, any other unit of local self-government or Revenue Officer, assisted by local school teachers, gram sewaks etc.
 - (c) Each designated authority should open a Register of job seekers and enter therein names of all those persons (men and women) residing within its jurisdiction, who offer themselves for employment. The registration should preferably be twice a year—once during cropping season and again during non-cropping season.
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- (d) If at any time, unusual seasonal conditions, like drought, develop in any part of India or some natural calamity occurs, special efforts should be made to collect data about persons who seek work during that period.
- (e) To ensure regular and timely collection of statistics it will be desirable to offer incentives to the agencies (including corporate bodies) and personnel engaged in this task.
- (f) As regards minimum age for registration in the Register of Job Seekers, the Government may determine the age limit keeping in view the I.L.O. Convention on the subject, provisions of Article 45 of the Constitution, the Employment of Children Act 1938 and the Employment Guarantee Scheme of the Maharashtra Government. But children who should be studying in educational institution should not be registered as job-seekers for this purpose. The age limit thus determined should be observed uniformly in all the States and Union Territories.
- (g) The statistics collected at the basic unit level should be consolidated at the level of Tehsil/Block, District and State Headquarters under the guidance of the Statistical or Planning Unit of the State Administration. The All India figures should be consolidated by a central agency to be nominated for the purpose.
- (h) The statistics collected and consolidated at each level should be subject to sample checking.
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- (i) As conditions may vary from State to State or even from region to region in the same State, the details of machinery and methodology for each region/State may be carefully worked out to suit the local conditions. In doing so, the machinery and methodology evolved in Maharashtra for the purpose of registering the names of job-seekers may also be studied.
- (j) The State Governments should be made responsible for all operations in this process within the States and Central Government should co-ordinate the work among the States.

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The Committee need hardly stress that the success of this experiment would depend on the active co-operation and willing participation of the State Governments and they would, therefore, like the Central Government not to spare any efforts to persuade the State Governments to join in this effort whole heartedly and earnestly.

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The Committee would be keenly watching the progress of implementation of this scheme and would like to be informed of it within a period of six months.