

***STUDY OF SECTOR WISE GROWTH AND TRENDS IN  
EMPLOYMENT IN MAHARASHTRA***

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**Abstract:**

Maharashtra enjoys a historical reputation of being among progressive and well administered States in the country. Maharashtra is the one of the most industrialized and progressive states of India, Study of sector wise growth and trends in employment plays an important role in the process of economic development of Maharashtra. The socio-economic development of any region depends on the number of persons who are economically active in different sectors it shows the distribution of workforce among different sectors of the economy. The objective of this research paper is to study sector wise growth and employment situation in Maharashtra with the help of various reports given by planning commission of India.

**Key Words:**

**Sectoral growth, trends, employment, economic development, Maharashtra**

**Introduction:**

Maharashtra is one of the most industrialized and progressive states of India, it is high time the state's economic policies related to sectoral growth and employment are reviewed and corrective steps taken whenever necessary. Maharashtra occupies the western and central part of the country and has a long coastline stretching nearly 720 kilometers along the Arabian Sea. Maharashtra has maintained leading position in the industrial sector in India. The State is pioneer in Small Scale industries. The State continues to attract industrial investments from both, domestic as well as foreign institutions. It has become an Economic Survey of Maharashtra 2012-13 leading automobile production hub and a major IT growth centre. It boasts of the largest number of special export promotion zones which are showing effect on sectoral composition and employment situation.

**Objective of study:**

- 1) To study sectoral composition in Maharashtra state
- 2) To study contribution of sectors like primary ,secondary and tertiary
- 3) To study Trends in employment with the help of planning commission report.
- 4) To bring into light the transformation of working population.
- 5) To depict the pattern of employment status

**Research Methodology and Data Collection:**

Methodology is the way of achieving the goal through the drawing of inference by observation, Collection and differential analysis of relevant data relating to the study of sectoral transformation of working population and nature of employment status in Maharashtra. Secondary data was collected from Different government and non government agencies like Maharashtra Development Report Various Economic Surveys of Govt. of India, Census of India, Economic Survey of Maharashtra, and Tata Statistical Outline are used for data analysis.

## FINDINGS AND ANALYSIS:

### Sectoral composition of India's national income:

The sectoral composition of GDP in India has changed substantially on account of the growth of the economy. The share of GDP originating from agriculture and allied activities has steadily declined, while that originating from industry and services sector has increased. These changes show that Indian economy has transformed from the production structure of a backward economy to that of a developing economy. This is shown in the following table.

Estimates of GDP by Industry of origin (percentage distribution)(India)

Industry	1990-1991	1999-00	2008-09	2010-11
Primary	34.0	30.5	18.0	16.7
Secondary	23.3	23.8	25.6	25.9
Tertiary	42.2	45.7	56.4	57.4
<b>Total</b>	100	100	100	100

Source: *Various Economic Surveys, Govt. of India.*

The components of the GDP explain the anatomy of the economic structure. The changes in the sectoral composition of India's national income bring out the effect of process of economic development in India in the following way:-

1. The share of agriculture & allied activities in GDP has declined over a period of time.
2. The share of secondary sector has steadily increased at a modest rate.
3. The share of tertiary sector has increased at a substantial rate.

So, it is a well-established fact that the sectoral contribution of the GDP has witnessed considerable shift over a time with economic development.

### Changes in occupational structure at all India level

Occupational structure in the Indian economy has changed with the economic development but at a slow pace.

The following table helps us see the shift taking place from agricultural sector to secondary and tertiary sectors of the economy in terms of employment.

Occupational distribution of working population in India (%)

<b>Sector</b>	<b>1991</b>	<b>2001</b>
Primary	67.5	57.3
Secondary	11.7	17.6
Tertiary	20.4	25.2
<b>Total</b>	<b>100</b>	<b>100</b>

Source: *Tata Services Limited: Statistical outline of India 2006-07.*

We observe the following changes in the occupational structure of India.

1. Agriculture even today is the main occupation of the people in India. It employs a very large proportion of working population. However, the dependence of the workforce on agriculture and allied activities has declined by 10.2% from 1991 to 2001. Low investment, imbalance in fertilizer use, low seeds replacement rate, a distorted incentive system, low post harvest value addition and erratic rain fall have affected the performance of agriculture sector. With more than half the population directly depending on this sector, low agricultural growth has serious implications for the 'inclusiveness' of growth.
2. As the industrialization spreads during the growth process, the share of secondary sector rises. The process of transition from an agricultural economy to an industrialized one is taking place in India, but at a slow pace. The share of secondary sector in the employment has increased by 5.9% in this period  
This is mainly due to increase in employment in manufacturing in consumer goods industries and small sector and also increase in employment in the construction which is a labor intensive sector.
3. The process of growth takes place with an improvement in the share of service sector. This is taking place in India largely due to expansion of transport and communication, banking and insurance, IT, Entertainment, Health Care, public administration and other services. This sector has acted as an important engine of overall growth of

Indian economy in the recent years. There has been an increase in the share of tertiary sector in the employment in the above activities.

There was no clear shift in the work force from the primary to secondary or tertiary sectors in the country during the period 1951-1991. But after 1991, there has been a decisive shift in the occupational structure towards secondary and tertiary sectors. Rapid industrialization and consequent growth of service sector since 1991 have started to provide more employment. This development is also generating the process of occupational shift in favor of secondary and tertiary sectors.

After studying the scenario of occupational structural change at the national level, we were quite interested to know the changes which taken place in occupational structure in the state of Maharashtra.

Before we analyze this, it would be necessary to know changes in economic variables which have been taken place over a period in Maharashtra.

Estimates of GDP by Industry of origin (percentage distribution)(Maharashtra)

Industry	1980-81	1990-91	2000-01	2009-10
Primary	23.5	21.2	16.7	10.5
Secondary	30.4	30.8	25.3	28.0
Tertiary	46.1	48	58.0	60.5
<b>Total</b>	100	100	100	100

Source: MAHARASHTRA'S ECONOMY IN FIGURES, 2010 by Directorate of Economics & Statistics, Government of Maharashtra, Mumbai.

It is very much clear that the sectoral composition of Maharashtra's income is showing the same trend as it is seen at the national level. The share of agriculture and allied activities in SDP has declined, while that of secondary sector has increased at a slower rate but share of tertiary sector has increased at a rapid rate.

**Distribution of workers according to Economic activities:-**

In 1991 census, workers were categorized into nine industrial categories, viz. i) cultivators, ii) agricultural laborers iii) livestock, forestry, fishing, hunting, plantation, orchards and allied activities, iv) mining and quarrying, v) manufacturing and repairs- (a) household industries (b) other than household industries, vi) construction, vii) trade and commerce, viii) transport, storage and communication, ix) services.

But, the 2001 census provided information on four categories of workers only i.e. cultivators, agricultural laborers, household industries and other workers. The first two are related to agricultural activities while the rest are treated as non-agricultural workforce.

In this paper for comparative study of occupational structural changes, 2001 census industrial category pattern is followed.

**Distribution of workers according to economic activities in India**

Industrial category	1991		2001	
	M	F	M	F
Cultivators	39.63	34.22	31.3	32.5
Agri.labourers	21.05	44.93	20.08	39.4
Household industrial workers	2.09	3.53	3.1	6.4
Other workers	37.2	17.3	44.8	21.7

Source: *Census of India-1991 & 2001*

At the national level, the percentage of cultivators and agricultural laborers is declining. There has been marginal increase of in the percentage of male household industrial workers but the percentage females working as household industrial workers has increased.

In case of other workers, percentage of males and females both has increased significantly.

The above analysis of occupational structure shows encouraging shift in the occupational pattern of the country. It would be interesting to know the changes taken place in category-wise distribution of workers in Maharashtra with help of following table.

The distribution of workers according to economic activities in Maharashtra (in %)

Category	Maharashtra					
	1991			2001		
Cultivators	32.81	29.79	39.07	28.7	24.9	35.8
Agricultural Labourers	26.81	18.67	43.7	26.3	18.3	41.1
Workers In Household Industries	1.61	1.61	1.6	2.6	2.1	3.6
Other Workers	38.77	49.93	15.63	42.4	54.7	19.4

P=Persons, M=Male, F=Female

Source: *Census of India-1991 & 2001*

It can be stated from the above data that the percentage of people engaged in primary sector both for male and female (combining categories 1 and 2) in Maharashtra has declined at a faster rate. The percentage of people engaged in household industries has increased but we see a greater increase in the percentage of people as other workers over a period of 10 years from 1991-2001. This goes with the national occupational structural change in India.

#### **Analysis of Total, Main and Marginal workforce**

Labor is a primary factor of production. Therefore, the size of labour force is of great importance for the level of economic activity in a country. Labour force includes the number of people in the age group of 16-60 years. The number of working persons constitutes the working population i.e. work force of a country.

#### **Work force participation rate (WPR):-**

The work force participation rate (WPR) in a country shows the proportion of working population to total population in a country. The work force participation rate depends upon many factors such as age composition, sex composition, attitude towards work, availability of work, life expectancy, definition of workers and other factors. Let us analyze male and female WPR in urban and rural areas from the following table.

Work Force Participation Rate (WPR)(in %)

		Person		Male		Female	
		1991	2001	1991	2001	1991	2001
India	Total	37.46	39.1	51.55	51.7	22.25	25.6
	Rural	39.99	41.7	52.48	52.1	26.67	30.8
	Urban	30.17	32.3	48.94	50.6	9.17	11.9
Maharashtra	Total	42.97	42.5	52.17	53.3	33.11	30.8
	Rural	49.68	48.9	53.19	53.9	46.06	43.6
	Urban	32.34	33.8	50.62	52.4	11.40	12.6

Source: *Census of India-1991 & 2001*

From the above table:

- The total work participation rate at all India level has increased. However, there has not been a significant change in total WPR in Maharashtra.
- The work participation rate in rural areas at India level has increased. Similarly, the work participation rate in urban areas has also risen. This is mainly due to the nature of rural work, which is largely agriculture where both males and females participate. Further lack of educational facilities and unavailability of other alternative job opportunities in rural areas force people to join family work in the fields/crafts at an early age. But, there has been a decline in rural WPR in Maharashtra and there is an increase in WPR in Urban areas. This pinpoints at rapid urbanization and its impact in Maharashtra.
- The female work participation rate is lower than that of males. This is mainly due to the fact that most of the women are housewives, whose work is not counted as a part of productive work. This also reflects the low status of women in Indian society.
- While the male work participation rate has more or less remained constant, the female work participation rate has risen. This is due to the spread of education among females and change in their attitudes towards work. The female work participation rate is also increasing both in rural and urban areas at national level. However, in

Maharashtra there has been decline in the same in rural areas while increase in urban areas.

- e. At national level, the female work participation rate is much higher in rural areas than in urban areas. This is because in the urban areas women belonging to affluent families, do not work, while in rural areas they join the family work in the fields/crafts. Further, it also shows that the rural women are more burdened. They not only participate in large numbers in the economic activity, but after returning home from work they have also to undertake domestic work. However, in Maharashtra male WPR in rural and urban areas has increased but there is a decline in female WPR in rural area and increase in urban areas.

It is seen that labor force participation rates for males do not vary much but there is an increase in the female work participation rate.

Similarly, it is also seen that total WPR at India level has increased, both for males as well as females. But in Maharashtra total WPR has declined by a small quantity but we see that for females it has declined by a larger quantity. Male WPR both in Maharashtra has increased but female WPR both in Maharashtra has declined.

#### **Main and Marginal workers:-**

The census of India has classified total workers into Main and Marginal workers. The main workers are those who have worked for 183 days or more in a year. The marginal workers are those who have worked less than 183 days in a year.

We analyze changes in the occupational structure on the basis of Main workers and Marginal workers with the help of following tables.

Main Workers(%)

	India		Maharashtra	
	1991	2001	1991	2001
Total	34.10	30.55	39.28	35.9
Male	50.93	45.35	51.24	48.4
Female	15.93	14.68	26.47	22.2

Source: Census of India-1991 & 2001

Marginal Workers (%)

	India		Maharashtra	
	1991	2001	1991	2001
Total	3.36	8.71	3.68	6.6
Male	0.62	6.59	0.92	4.8
Female	6.32	10.99	6.64	8.6

Source: Census of India-1991 & 2001

It is clear from the above tables that percentage of main workers in India, Maharashtra has declined both for male and female workers. In case of marginal workers it is seen that there has been a drastic increase in the percentage for both male and female workers in India, Maharashtra.

The decline in the percentage of main workers and increase in marginal workers is due to a number of factors like.

- Slow growth of industrial development and low growth rate of employment in the organised sector.
- Decay of small scale and cottage industries.
- Replacement of labor by capital i.e. more use of capital intensive technology.
- Insufficient infrastructure reducing productive efficiency.
- Underutilization of resources.
- Industrial sickness.
- Deceleration in the public sector employment.
- Low remuneration contractual agreements.
- Feminization of labor in low-wage jobs.
- Global competition leading to downsizing of workers.

**Conclusion:**

The present analysis discusses changes in the occupational structure at the national level, in the state of Maharashtra.

With economic development there has been a positive change/shift in occupational structure in India from primary to secondary and to tertiary sector. There has been a decline in the percentage of population dependent on agriculture, increase in the percentage of population dependent on industry and increase in the percentage of population dependent on services. The Maharashtra picture is very much similar to the all India situation at the broader level. The same is true for Maharashtra.

In the era of globalization various factors have contributed to the declining importance of agricultural activities in the district viz; migration of agricultural workers, literacy among youth and their dislike for the agricultural activities, educational policy supporting growth of secondary and tertiary sectors, conversion of fertile agricultural land for non-agricultural purposes, use of inappropriate and outdated technology in farm activities and others.

The growing importance of non-agricultural sector in the district is due to numerous factors: flow of FDI and domestic investment primarily in the secondary and tertiary sectors of the district, modernization of the industries with the use of labor saving techniques in production, privatization of public sector undertakings, growing importance of capital based exports, policies of international institutions like WTO, World Bank, IMF and others, declining importance of small and cottage industries and changing cultural values.

This shows that what is true for India is also the same for Maharashtra and Thane with respect to occupational structure.

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