

ANNUAL AREA EMPLOYMENT MARKET REPORT

1. INTRODUCTION:

The policy of liberalization in India was started in 1991-92 and after this policy Indian economy has increasingly globalised. A long term trend in the India's trade of commodity essentially indicates a steady and sustained growth both in imports as well as exports. India's trade share to national income (Gross National Product or GNP) rose from barely less than 10% during the period of pre-liberalization to approximately 14% by the beginning of this century and reached 27% during 2008-09. After liberalization period, it was only during the second half of 2008 that India's trade for the first time reflected a sign of downturn or least stagnation. However, the trend picked up soon and the year of 2009 started showing increase in the share of total trade to India's GNP. These developments have not only led the Indian economy on trajectory of higher economic growth but also impact Indian Labour Market significantly.

Although the overall impact of the economic slowdown is not considered to be acute on India, the same had moderate impact on the Indian Labour market as well. A detailed study (conducted by V.V. Giri National Institute for the Ministry of Commerce, Ministry of commerce & Industry, Government of India) in this regard indicated that most of the job losses during the economic slowdown had taken place in unorganized sector. In the organized sector, the job loss was minimal as indicated by the Labour Bureau study.

Now the Indian economy is back on the road to recovery as reflected by rising manufacturing and overall economic

growth, which will minimize the job losses. Efforts to increase the job opportunities and to overcome the problem of unemployment are being made.

For formulation and monitoring of plans to solve the unemployment problem in the country, the importance of up-to-date and reliable statistics on various aspects of unemployment need not be over emphasized. Keeping in view this need, such types of statistics are already being collected by various agencies in the country. However, much more needs to be done to improve the quality and coverage of statistics on employment and unemployment, presently being collected by various agencies. The EMI is one of the important sources of information on employment in organized sector of the economy. It also provides information about the structure of employment, occupational compositions and educational profile of employees, assessment of manpower shortages in the organized sector, etc. One of the major limitations of EMI is that it does not cover the vast unorganized sector with enough employment avenues.

The main function of Employment Market Information Scheme is to assess employment trends in organized sector i.e. Public & Private Sector at regular intervals. Employment data in respect of all Public Sector Establishments and non-agricultural Establishments in Private Sector employing 25 or more persons is collected under the provisions of Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and Rules framed there under.

The main objectives of the Employment Market Information Programme are:

- (i) To provide information at short intervals about the structure of employment in the Public & Private Sector Establishments at the Districts and State level.
- (ii) To present occupational composition.
- (iii) To assess the manpower shortages & surpluses in the organized sector.

Under the Employment Market Information Programme, information is collected through 'Establishment Reporting System'. The entire establishment is required to furnish quarterly details at regular intervals about the number of persons they are employing, vacancies that have occurred and the type of persons which are in short supply.

The employment information collected from the individual employers, after compilation and preparation is finally concluded in Employment Market Reports which are prepared and issued at various levels. The objective of these reports is to bring out precisely the factors responsible for the prevailing employment situation so that whenever necessary timely remedial action could be initiated at the proper level. Area Employment Market Report is one of such reports.

The purpose of Area Employment Market Report is to present in a simple form an analysis of the employment trends, unemployment trends, demand for personnel and imbalances between the supply of and demand for Labour leading to shortages or surpluses in specific occupations.

The data collected, compiled and prepared by State Employment Market Information Unit at Directorate of Labour & Employment Himachal Pradesh (SEMI Unit) on the basis of quarterly EMI statements, during the quarter ended March,2008 to Quarter ended March, 2010 has been shown in Table –I.

2. EMPLOYMENT TRENDS—

TABLE-I

Total Employment and establishments covered under EMI (both Public & Private Sector)

Quarter ended	No. of Establishments		Estimated Employment		Total Employment (Pub & Pvt.)	%age change
	Pub. Sector	Pvt. Sector	Pub. Sector	Pvt. Sector		
31.03.2008	3839	1161	260588	104525	365113	NA
30.06.2008	3838	1037	261972	107388	369290	1.14
30.09.2008	3841	1151	261135	107170	368305	(-)0.26
31.12.2008	3842	1222	260458	113569	374027	1.55
31.03.2009	3806	1217	257837	114481	372318	(-)0.46
30.06.2009	3858	1233	265537	115599	381136	2.37
30.09.2009	3872	1193	266422	118257	384679	0.92
31.12.2009	3877	1269	267579	118848	386427	0.45
31.03.2010	3908	1235	267647	119915	387562	0.29

(a) TOTAL (PRIVATE AND PUBLIC SECTOR) EMPLOYMENT-----

Table-I depicts quarter wise detail of total employment. It reveals from the table that during the year 2009-10 there is an increase in employment through out the year. At the quarter ended March, 2009 total employment was **372318** and during the quarter ended March, 2010 it was **387562**. Total Employment has increased by 4.09% during the year 2009-10. An increase of 0.29% in total employment has been observed during last two quarter of 2009-10 i.e. quarter ended December, 2009 to March, 2010. Employment has increased in Public sector from **267579** to **267647** and increase in Private Sector Establishment was 118848 to 119915 during the last two quarter of the year 2009-10. Increase in Employment of Public Sector establishment is 0.02% and in Private Sector establishment increase is 0.89%. During the quarter ended March, 2010 total 5143 establishments of Public & Private Sector were being covered as compared to 5023 Establishments of quarter ended March, 2009. Thus coverage of EMI has been increased by 2.38% during the year 2009-10.

(b) PRIVATE SECTOR ----- EMPLOYMENT

Table-II depicts the analysis of changes in Employment in Private sector establishments.

Table-II

Total Employment and establishments covered under EMI (Private Sector)

Quarter ended	No. of Establishments	Estimated Employment	%age change
	Pvt. Sector	Pvt. Sector	
31.03.2008	1161	104525	N.A.
30.06.2008	1037	107388	2.73
30.09.2008	1151	107170	(-)0.20
31.12.2008	1222	113569	5.97
31.03.2009	1217	114481	0.80
30.06.2009	1233	115599	0.98
30.09.2009	1193	118257	2.29
31.12.2009	1269	118848	0.49
31.03.2010	1235	119915	0.89

(c) PUBLIC SECTOR –EMPLOYMENT

Table-III depicts the data of employment in the Public sector establishments. During the period under review, continuous growth has been noticed in employment of Public Sector Establishments.

TABLE-III

Total Employment and establishments covered under EMI (Public Sector)

Quarter	No. of Establishments	Estimated Employment	%age change
	Pub. Sector	Pub. Sector	
31.03.2008	3839	260588	N.A.
30.06.2008	3838	261972	0.53
30.09.2008	3841	261135	(-)0.31
31.12.2008	3842	260458	(-)0.25
31.03.2009	3806	257837	(-)1.0
30.06.2009	3858	265537	2.98
30.09.2009	3872	266422	0.33
31.12.2009	3877	267579	0.43
31.03.2010	3908	267647	0.02

TABLE-IV**Detail of Public Sector Employment, Sector-Wise.**

Quarter ended	Center Govt.		State Govt.		Quasi Govt. Center		Quasi Govt. State		Local bodies		Total	
	Employment	%age change	Employment	%age change	Employment	%age change	Employment	%age change	Employment	%age change	Employment	%age change
31.03.2008	14946	NA	177945	NA	16995	NA	46643	NA	4059	NA	260588	NA
30.06.2008	15291	2.3	180150	1.23	17223	1.34	45425	(-2.61)	3883	(-4.33)	261972	(-0.53)
30.09.2008	14295	(-6.51)	179968	(-0.10)	17271	0.27	45623	0.43	3978	2.44	261135	(-0.32)
31.12.2008	14226	(-0.48)	180395	0.23	17527	1.48	44348	(-2.79)	3962	(-0.40)	260458	(-0.25)
31.03.2009	14172	(-0.37)	178942	(-0.80)	17196	(-1.88)	43570	(-1.75)	3957	(-0.12)	257837	(-1.00)
30.06.2009	14159	(-0.09)	186896	4.44	17108	(-0.51)	43445	(-0.28)	3929	(-0.70)	265537	2.98
30.09.2009	14403	1.72	188100	0.64	16433	(-3.94)	43584	0.31	3902	(-0.68)	266422	0.33
31.12.2009	14162	(-1.67)	189464	0.72	17047	3.73	42950	(-1.45)	3956	1.38	267579	0.43
31.03.2010	13812	(-2.47)	189495	0.01	17067	0.11	43333	0.89	3940	(-0.40)	267647	0.02

Analysis of Sector wise employment in Public Sector has been shown in Table-IV. It reveals from the analysis of above data that during the year under review decline in Central Govt. Employment has been noticed. There is an increase of 4.44%, 0.64%, 0.72% and 0.01% in June 2009, September 2009, December 2009 and March 2010 respectively. Decline in first two quarters and increase in last two quarters of the year 2009-10 was there in Quasi Government (Centre) Sector. In Quasi Government Sector (State) decrease in first & third quarter and increase in 2nd & 4th quarter of year 2009-10 has been

observed. In the Local Body Sector of State Government minor decrease of 0.02% has been noticed. Decline is there in Centre Government Employment which is due to transfer of employees to other States & retirement. There is overall increase of 3.80% in employment in Public Sector in the State of H.P. during the year, 2009-10.

(d) EMPLOYMENT OF WOMEN

There were total 67,536 women employed in both Public & Private Sector at the end of March, 2010 which is 17.42% of total employment. Public sector covers 14.12% and Private Sector 3.30% of total employment of women in organized sector. The Table-V depicts the status of Women Employment in H.P. both in Public Sector & Private Sector. Increase in women employment in both sectors (Pub. & Pvt. Sector) has been observed. Total 67536 women were employed at the end of March 2010 as compared to 58140 of quarter ended March, 2009. Thus women Employment has increased by 16.16% during the year 2009-10. Women employment in Public Sector has increased from 45955 to 54717 and in Private sector it has increased from 12185 to 12819 during the quarter ended March 2009 to March 2010. Thus the percentage increase during said period is 19.06% in Public Sector and 5.2% in Private Sector Establishments. Increase is more in Public Sector which is mostly due to recruitments of teachers and Angwari Workers. Considerable increase has also been shown in Private Sector establishment which indicates that opportunities of employment in Private Sector are being grabbed by women.

TABLE-V**Total Women Employment (Public & Private Sector)**

Quarterly	Estimated Employment					
	Pub. Sector	%age change	Pvt. Sector	%age change	Total (Pub & Pvt. Sec.)	%age change Women Employment (total)
31.03.2008	47259	NA	12094	NA	59353	NA
30.06.2008	47931	1.42	11822	(-)2.24	59753	0.67
30.09.2008	46258	(-)3.49	11904	0.69	58162	(-)2.66
31.12.2008	46469	0.45	12568	5.57	59037	1.50
31.03.2009	45955	(-)1.10	12185	(-)3.04	58140	(-)1.51
30.06.2009	52249	13.69	12358	1.41	64607	11.12
30.09.2009	52447	0.37	12525	1.35	64972	0.56
31.12.2009	54382	3.68	12578	0.42	66960	3.05
31.03.2010	54717	0.61	12819	1.91	67536	0.86

3. UNEMPLOYMENT TRENDS –

The day- to- day Registration at Employment Exchanges and notification of vacancies by the Employers generate comprehensive information, which facilitates the appraisal of organized labour market. The Statistical returns from Employment Exchanges relating to various

characteristics of job seekers fresh or otherwise, and the demand pattern of employment in industry and service sectors provide only a broad indication of unemployment situation in the organized labour market. However, registration is voluntary and cannot be deemed to cover all job seekers. Moreover, the number of job seekers is not the number of unemployed persons. Some important statistics relating to unemployment situation are given in table VI & VII.

TABLE-VI

Detail of Registration, Live Register, Vacancies Notified and Vacancies Filled During the year 2008-09 to 2010-11.

Year	Registration	%age change	Live Register	%age change	Vacancies Notified	%age change	Vacancies filled	%age change
2008-09	167437	NA	813782	NA	8310	NA	8280	NA
2009-10	130490	(-)22.06	824340	1.29	4640	(-)44.16	4779	(-)42.28
2010-11	120042	(-)8.00	825764	0.17	7869	69.59	4833	1.13

Table VI depicts the unemployment trends for year 2008-09, 2009-10 & 2010-11. Registration of job seekers has declined by -22.06% in year 2009-10 and -8.00% in 2010-11. Marginal increase of 1.29% and 0.29% was there in 2009-10 and 2010-11 respectively in the Live Register of job seekers. 7,869 vacancies were notified to Employment Exchanges during the year 2010-11 as compared to 4,640 vacancies during the year 2009-10. 4,833 vacancies were filled during the year 2010-11 and 4,779 during the year 2009-10. Special efforts to improve placements in Private Sector are being made by the Department. For the purpose campus

interviews and job fairs are organized at regular intervals so that job opportunities could be made available to job seekers at their nearest possible place and access of job seekers and employers could be made easy to each other.

TABLE-VII

Occupational Analysis of Live Register

Sr No	NCO Code	Occupation	Live Register as on 31.03.2010	Live Register as on 31.03.2011	%age change over previous year
1	0-1 Div.	Professional, Technical and Related Workers	1,48,798	1,55,142	4.26
2	2 Div.	Administrative, Executive and Managerial Workers	4,940	4,650	(-)5.87
3	3 Div. Except 358	Clerical and Related Workers	38,965	37,702	(-)3.24
5	4,5,6 Div. Except 541,542, 574,630	Sales Workers, Farmers, Fishermen, Hunters, Loggers and Related Workers, Service Workers	15,863	9,533	(-)39.90
6	7,8,9 Div. Except 971,980,986,999	Production and Related Workers, Transport Equipment Operators and Labourers	29506	30839	4.51
7	980 to 986	Supervisors and Foremen, Transports Equipment Operation, Drivers	17,761	15,862	(-)10.69
8	541, 542, 358, 574, 941, 999	Unskilled Workers	6019	4313	(-)28.34
9	X- Div.	Workers not classified by Occupation	5,66,488	5,67,723	0.21
	Total		8,28,340	8,25,764	(-)0.31

Occupational analysis of Live Register has been shown in Table-VII. It reveals from the table that total 8,25,764 job seekers in different occupation were registered in employment Exchanges in H.P. Maximum number of job seekers as on 31.03.2011 were in X-Div. i.e. workers not classified by occupation and registered for general vacancies. In professional, technical and related works i.e. 0-1 div. there were 1, 55,142 job seekers on 31.03.2011. Major increase in Live Register in 0-1 division and 7, 8, 9 division has been noticed. An increase of 4.26% in 0-1 division and 4.51% in 7, 8, 9 division was there during the year 2010-11.

4. DEMANDS FOR PERSONNEL-----

Himachal Pradesh Government has announced Industrial Policy 2004 and facilities under industrial package to set up new industries in the State has been given to Employers of Private Sector. As a result new industries are being set up and employment opportunities in Private Sector are increasing. Demands for Personnel are increasing especially in the field of software technology and Pharmaceutical Companies.

5. MANPOWER SHORTAGE AND SURPLUSES

It has been experienced that there is shortage of manpower in highly skilled categories. In the category of Administrative, Executive and Managerial Workers i.e. 2 division only 4,650 job seekers were registered in Employment Exchanges in H.P and decrease of 5.87% was there in this field during the year 2010-11. There is surplus of manpower in the category of X. division i.e. Workers not classified by

Occupation. As many as 5, 66,488 applicants were registered for general vacancies in Employment Exchanges in the State. Marginal increase of 0.21% has been noticed in this division during the year 2010-11.

6. OTHER IMPORTANT DEVELOPMENTS-----

Himachal Pradesh is a hill State. Agriculture and horticulture is the mainstay of Himachal economy, as 71% of people engaged in it. The State has also been gifted with vast natural resources and availability of cheap hydel power. Its priority sectors are agro processing, hydro- electric power, tourism & electronics. Keeping in view the importance of industrialization and to attract industrial investment in the State, Govt. of H.P. has announced Industrial Policy in year 2004. Industrial areas have been developed in Baddi, Barotiwala and Parwnoo in Solan District, Mehatpur, Tahliwala and Amb in Una District, Kalaamb & Paonta Sahib in Sirmaur District and Golthai in Bilaspur District. Over 90% of Industrial investment in Medium and large scale industries have been implemented in these locations. Due to incentives and relaxation announced to investors, new industries are being set up and Employment opportunities in Private Sectors are increasing.

Generation of Employment Opportunities for local people, especially the educated, skilled, technical youth is a major objective of encouraging industrialization in the State. Therefore, the incentives, concessions provides to industries under this policy are only justified if it contributes in achieving this objective.

After announcement of Industrial Policy and Hydro Power Policy, Projects and Industrial Units are enlarging in the State. The State Government has done well in the field of education, especially in the field of technical education. At present 29 Polytechnics (10 in Govt. Sect. and 20 in Private Sector) and one D-Pharmacy polytechnic, 13 B-Pharmacy Colleges in Govt./ Private Sector, 17 Engineering colleges (1 in govt. Sector & 16 in Private Sector), 77 ITIs are serving under the ambit of Department of Technical, Vocational & Industrial Training, H.P. It resultantly has increased the problem of finding jobs for educated classes. The objective of the State Government is to find jobs for every technically qualified student coming out from these institutions every year. Keeping in view the fact, Government of Himachal Pradesh is trying to ensure 70% employment to Himachalis in Hydro Power Projects and Industrial Units set up in the State.

With a view to provide the manpower to Private Sector Establishments, Department of Labour & Employment is organizing campus interviews and job fairs to maximize the placement in Private Sector. Job seekers are being motivated to grab the employment opportunities in private sector, through vocational guidance.

Department of Labour & Employment has developed a Job Portal (<http://himchal.gov.in/jobportal>) for the employer and job seekers in the State. Under this unique initiative, employer can select candidates with requisite qualifications and experience at the click of mouse. The job seekers too get information from the internet about vacancies available in various Private Sector companies and organizations in Himachal Pradesh. Now the entire database of all the

unskilled, semi-skilled and highly skilled job seekers through out the State is being made available on this portal. This will give a much wider selection field to all the employers. Candidates can also apply directly after seeing availability of vacancies on the Job Portal. Thus, the Job Portal acts as a transparent and efficient interface among the three stake holders viz. the Employment Department, Employer and the Job Seekers as a one stop shop. At present out of 67 Employment Exchanges in the State 62 Employment Exchanges are online through eEMIS web based software and rest of the Exchanges are working offline.

The past trends and all the available evidence suggest that the bulk of the growth in employment in future will come from the unorganized sector. It will be an important challenge to ensure the employment in this sector consists of jobs with safe conditions of work, decent and growing earnings and a measure of income and social security. Moreover, increasing the proportion of organized sector employment will be an important task to accomplish in the near future.

Lack of regular employment is also linked with backwardness of region. H.P. being a agriculture State, have high proportion of self-employed workers alongwith high proportion of casual workers and most of them are subsistence agriculture leading to low levels of living.

Recognizing the serious problem of unemployment, the National Rural Employment Guarantee Act (NREGA) was enacted on 07.09.2005. Renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), it provides for the enhancement of livelihood security of the livelihoods of rural areas of country by providing

at least hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. Thus, MNREGA makes the Government legally accountable for providing employment to those who ask for it and hereby goes beyond providing a social safety net towards guaranteeing the Right to Employment. It has prevented distress migration and helped in empowerment of women.

In H.P. first phase of MGNREGA was introduced in District Chamba & Sirmaur on 2nd February 2006. In the second phase, MGNREGS was started in District Kangra and Mandi w.e.f. 01.04.2007. Now in the third phase, all the remaining 8 districts of the State have been covered under the scheme w.e.f. 01.04.2008.

The data on employment situation is collected from employers on quarterly basis and its accuracy must be ensured. With a view to ensure accuracy and reliability of data furnished by the Employers on mandatory ER-I and Biennial ER-II returns and to ensure the implementation of provisions of Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, a regular and systematic schedule of inspection of employer's record is carried out.

Steps to update the Employer register and to Identify New Establishments are also being taken, so that coverage of Employment Market Information Programme can be maximized.

**Labour Commissioner-cum-
Director of Employment, H.P.**