

Unemployment in India – Some Reflections from Data*

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Abstract

In this paper we have made an attempt to understand the situation of unemployment in India. We have tried to see the rate of unemployment, magnitude and age-specific unemployment. It has been noted that the unemployment have been higher with time. The paper also uses the Labour Bureau data also and highlights the employment change overtime. It is also noted that the Job-creation has been falling after 2014. Although it got some stability during 2012 and 2014 and again shows a downward trend. To understand this phenomenon of falling job-creation, we tried to analyses the investment pattern in India. It is noted that the investment had been continuously been falling and if not falling slowing down to a very low growth rate. We have considered overall and the various sector of the economy and observed that almost the trend had been similar barring a few sector like construction and real estate etc. We have also used the Centre of Monitoring Indian Economy (CMIE) data to look into the extent of job lost in the Indian economy during 2016 and 2017. It is observed that there were around 15 millions job lost during that period. We have also tried to analyse the fluctuations rate in unemployment in India through CMIE data and find that there are wide fluctuation rates in the unemployment.

Overall, it may be stated that if we have to revive the economy and create new jobs which is the primary objective of any government then we have to make investment in the economy i.e., into various sectors.

Introduction

Employment has been the utmost objective of any government world over. It is more important in the case of India. It is more so because we have comparatively a large population and chronic poverty. Every year around two (2) crores people gets added to the labour force. But unfortunately the generation of jobs is not sufficient. They adjust themselves to low paid jobs and also get underemployed somewhere or other. The tenth five year plan document suggests that although the population growth has fallen but the addition to the labour force is increasing year by year. The population has fallen from 2.0 percent to 1.9 percent. The pace of employment also had fallen from 2.7 percent to 1.07 percent during 1983-1993/ 94 and 1993/.94- 1999-2000 (Tenth Plan).

Ministry of Labour and Employment claimed national unemployment hovers around 3.7 percent in 2015-16. However, the data is based on usual principal *subsidiary* status (UPSS) approach that requires only 30 days of work in a year to call the person employed. It is further stated that around 77 percent of the families reportedly have no regular wage earner and more than 67 percent have income less than ₹11,000 per month. Around 58 percent of unemployed graduates and 62 percent of unemployed post graduates cited non-availability of jobs matching with education/skill

* The views expressed in this paper are of the authors and not of the institute in which they are working.

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than ₹11,000 per month. Around 58 percent of unemployed graduates and 62 percent of unemployed post graduates cited non-availability of jobs matching with education/skill and experience as the main reason for unemployment. As per the National Skill Development Mission Document, as much as 97 percent of the workforce in India has not undergone formal skill training. About 76 percent of the households did not benefit from employment generating schemes like MGNREGA, PMEGP, SGSY, SJSRY, etc.

A significant change in inequality in income and wealth is possible only in a longer term prospective. Employment structure of an economy is the normal instrument that can cause a change in inequality either way i.e. an increase or a decrease in inequality. Since the government functions within the administrative and fiscal constraints, the target group programmes normally have a marginal impact on income redistribution. Income of labour enables flow of resources across income classes of people and across the social and ethnic groups. Flows of income across locations are influenced both by assets available and modes of creating employment opportunities. However, income generated by employment of migrant labour, facilitates flow of resources across regions of a given regional distribution of capital assets. Employment and equity of income across classes of people and across regions are therefore, closely related to each other in the long term.

According to India Skills Report launched in the 3rd CII National Conference on Skill Development, 96 percent were found unemployable out of 100,000 candidates. The Report not only captured the skill levels of talent pool but also brought out the hiring estimates across major Industry sectors in the country. The report also brings out a

general trend amongst the employers to look for skills rather than qualifications in candidates.

In this paper we seek to highlight the issue of unemployment in India. We have considered the unemployment from all angles. We have gone in to the details of as to why do we have the unemployment and for this purpose we have explored the investment levels in different sectors and years in India.

UNEMPLOYMENT RATE

The unemployment rate is the ratio of the number of unemployed persons in the labour force per thousand. The unemployment rates are given in table 1 below. We may note that unemployment figures are given for various years starting from 1977-78 to 2011-12 and also through three techniques of measurement i.e. usual status, current weekly and current Daily etc. On the outset one may note that the unemployment rate lowest for the usual status increases for weekly status and goes higher for the current Daily status. Table also shows the rural-urban scenario that too for male and female. It may be observed from the table that unemployment in male is lower than female. This is true for rural as well as for urban areas.

Table 1: Unemployment Rates in India (Percent)

Years	Status	Rural		Urban	
		Male	Female	Male	Female
1977-78	(I) Usual Status	2.2	5.5	6.5	17.8
	(ii) Current Weekly	3.6	4.1	7.1	10.9
	(iii) Current Daily	7.1	9.2	9.4	14.5
1983	(I) Usual Status	2.1	1.4	5.9	6.9

	(ii) Current Weekly	3.7	4.3	6.7	7.5
	(iii) Current Daily	7.5	9.0	9.2	11.0
1987-1988	(i) Usual Status	2.8	3.5	6.1	8.5
	(ii) Current Weekly	4.2	4.4	6.6	9.2
	(iii) Current Daily	4.6	6.7	8.8	12.0
1993-1994	(i) Usual Status	2.0	1.3	5.4	8.3
	(ii) Current Weekly	3.1	2.9	5.2	7.9
	(iii) Current Daily	5.6	5.6	6.7	10.4
1999-2000	(i) Usual Status	2.1	1.5	4.8	7.1
	(ii) Current Weekly	3.9	3.7	5.6	7.3
	(iii) Current Daily	7.2	7.0	7.3	9.4
2004-2005	(i) Usual Status	2.1	3.1	4.4	9.1
	(ii) Current Weekly	3.8	4.2	5.2	9.0
	(iii) Current Daily	8.0	8.7	7.5	11.6
2005-2006	(i) Usual Status	2.5	2.2	4.8	7.9
	(ii) Current Weekly	4.3	3.3	5.8	7.7
	(iii) Current Daily	8.3	7.5	7.9	10.1
2009-2010	(i) Usual Status	1.9	2.4	3.0	7.0
	(ii) Current Weekly	3.2	3.7	3.6	7.2
	(iii) Current Daily	6.4	8.0	5.1	9.1
2011-2012	(i) Usual Status	2.1	2.9	3.2	6.6
	(ii) Current Weekly	3.3	3.5	3.8	6.7
	(iii) Current Daily	5.5	6.2	4.9	8.0

- Notes: The figures represent size of unemployment as percent of labour force:
- (i) Usual status approach with a reference period of 365 days preceding the date of survey.
 - (ii) Current weekly status approach with each day of the 7 days preceding the date of survey.
 - (iii) Current daily status approach with each day of the 7 days preceding the date of survey as the reference period.
 - (iv) Rates for 2001-02 are based on thin sample.

Sources: National Sample Survey Organisation:
Sarvekshana, Vol. V, July 77-June 78, 32nd Round
Vol. XI, Jan.-Dec.-1983, 38th Round
Special No., July 87-June 88, 43rd Round
Vol. XX, July 93-June 94, 50th Round
Report Nos. 458, 490, 515 and 522, Employment and unemployment Situation in India, 1999-2000, 2004-05 and 2005-06 and 2011-12.

Magnitude of Unemployment

The Table 2 below gives an account of the magnitude of the unemployed in India. It shows rural Urban scenario for male, female and total persons. It is known that every year, the young population joins the labour force. It is therefore necessary that they get the job. Since, it takes time to clear the previous glut new job needs to be created and since every year this force keep adding to the already existing one, the figures look quite similar every year. However, the figures show an increasing trend after 2004-05. It keeps increasing till 2011-12. It is true for male as well as female. The magnitude for unemployment has been highest for year 2011-12.

Table 2: Estimates of Unemployment

years	Rural			Urban		
	Male	Female	Person	Male	Female	Person
1977-78	3.1	3.5	6.6	2.6	1.7	4.3
1983	3.2	0.9	4.1	2.9	0.7	3.6
1987-88	4.5	3.1	7.6	3.5	1.3	4.8
1993-94	3.7	1.0	4.7	3.6	1.2	4.8
1999-2000	3.2	1.0	4.2	2.9	0.9	3.8
2004-2005	4.0	2.0	5.9	1.4	0.4	1.8
2005-2006	4.2	1.4	5.6	3.1	1.1	4.2
2009-2010	6.1	2.7	8.8	2.8	1.3	4.1

2011-2012	6.7	2.5	9.2	3.4	1.4	4.8
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Note; Figures relate to usual status of individuals.

Source; National Sample Survey Organisation:

(i) Sarvekshana Special Number, 43rd Round.

(ii) Report Nos. 409,458,515 & 522 Employment and Unemployment situation in India, 1993-94, 1999-2000, 2004-05 & 2005-06, 2011-12.

Age-specific Unemployment

Table 3 depicts the age-wise unemployment rates. It gives four different age groups i.e., 15-29, 30-44, 45-59 and 60 and above. In addition to this it also gives for total which include all age groups male female distribution has been given for all the categories. It is apparent from the table that the unemployment has been highest in the age group 15-29. This is true for male as well as for female. Afterward the unemployment rate falls.

Table 3: Age-specific Unemployment Rates

Years	Age Group									
	15-29		30-44		45-59		60 and above		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
RURAL										
1977-78	4.9	8.5	0.6	4.1	0.4	3.0	0.3	2.0	2.2	5.5
1983	4.7	2.8	0.5	0.5	0.2	0.4	0.2	0.6	2.1	1.4
1987-88	6.2	5.4	0.9	2.4	0.5	1.9	0.5	1.8	2.8	3.5
1993-94	4.9	3.1	0.4	0.6	0.1	0.2	0.0	0.0	2.0	1.4
1999-00	4.3	2.7	0.4	0.2	0.3	0.0	0.0	0.0	2.1	1.5
2004-05	3.0	1.8	0.4	0.5	0.0	0.3	0.0	0.0	1.0	0.7

2005-06	4.6	3.0	0.4	0.4	0.2	0.1	0.3	0.4	1.9	1.3
URBAN										
1977-78	14.0	31.4	1.3	10.4	1.0	4.8	1.5	2.2	6.5	17.8
1983	12.2	15.5	1.4	2.1	0.7	0.7	0.6	9.1	5.9	6.9
1987-88	13.6	18.8	1.2	3.5	0.7	1.1	1.1	1.1	6.1	8.5
1993-94	10.8	19.5	1.1	2.8	0.4	0.4	0.2	0.0	5.4	8.3
1999-00	10.8	13.9	1.3	2.2	0.4	0.5	0.0	0.0	4.8	7.1
2004-05	6.0	3.2	1.0	1.2	0.7	0.0	0.0	0.0	2.4	1.3
2005-06	10.5	13.6	1.3	2.5	0.6	0.1	0.2	0.0	4.4	6.5

Notes: The figures represent size of unemployment as percent of labour force.
The figures of different Rounds relate to the usual status.
* Total includes figures for age 5-14 also.

Source: National Sample Survey Organisation:
Report Nos. 409, 458,515 & 522 Employment and Unemployment Situation in India, 1993-94, 1999-2000 & 2005-2006.

Employment Change

Table 4 below shows the quarterly changes in the employment. The data suggests sharp fall in the employment during 2011 and 2012 and again a marginal rise upto 2014. The employment fell again from 2014 and then show slightly upward trend after 2015.

Table: 4 Quarterly Changes in Employment in India.

QES Round	Reference Period	Sample Units (No.)	Change in Employment(in lakh)
1	Oct-Dec, 2008	2581	5.00 (-)
2	Jan-Mar, 2009	3192	1.17 (-)
3	Apr-Jun, 2009	3003	1.31 (-)
4	Jul-Sep, 2009	2873	4.97 (+)
5	Oct-Dec, 2009	2953	6.40 (+)
6	Jan-Mar, 2010	2815	0.61 (+)

7	Apr-Jun, 2010	2635	1.62 (+)
8	Jul-Sep, 2010	2558	4.35 (+)
9	Oct-Dec, 2010	2510	2.07 (+)
10	Jan-Mar, 2011	2406	1.74 (+)
11	Apr-Jun, 2011	2289	2.15 (+)
12	Jul-Sep, 2011	2215	3.15 (+)
13	Oct-Dec, 2011	2188	2.26 (+)
14	Jan-Mar, 2012	2086	0.81 (+)
15	Apr-Jun, 2012	2724	0.73 (+)
16	Jul-Dec, 2012	2514	1.68 (+)
17	Jan-Mar, 2013	2344	1.07 (+)
18	Apr-Jun, 2013	2301	0.86 (+)
19	Jul-Sep, 2013	2303	1.43 (+)
20	Oct-Dec, 2013	2160	0.83 (+)
21	Jan-Mar, 2014	2204	0.36 (-)
22	Apr-Jun, 2014	2200	1.82 (+)
23	Jul-Sep, 2014	2078	1.58 (+)
24	Oct-Dec, 2014	2077	1.17 (+)
25	Jan-Mar, 2015	2013	0.64 (+)
26	Apr-June 2015	2013	0.43 (-)

(+) indicates net increase in employment

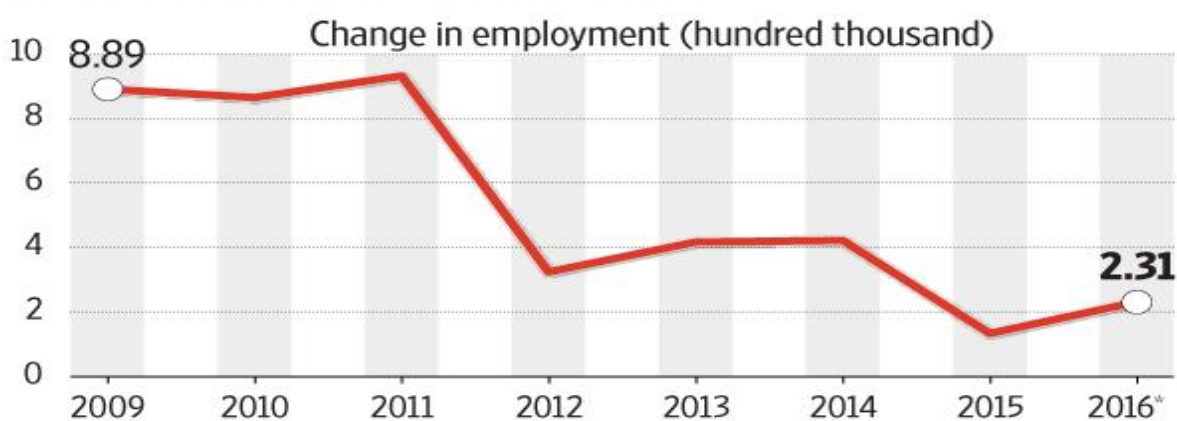
(-) indicates net decrease in employment

Source: Quarterly Report on Changes in Employment in Selected Sectors (July, 2015 to September, 2015), Labour Bureau, Ministry of Labour & Employment, Chandigarh, March, 2016.

The same view has been shown in figure 1 below:

Figure-1 Showing the change in the employment.

LABOUR BUREAU STATISTICS SHOW A COLLAPSE IN JOB-CREATION SINCE 2014



*January to March 2016 numbers are not available

Source: Labour Bureau, Government of India

Investment

One of the important factor in employment is the level of investment. Higher the investment in the economy higher would be the employment. In this section we would look in detail the investment in various sector and in the economy.

One of his interview Mahesh Vyas (January, 2018) to NDTV, he told that the employment is not increasing in India for the simple reason that India in recent years has reduced the investment levels. The growth rate of investment has been lower.

In this section we are trying to analysis the investment levels in India and to what extent it is true. If we look at the table below we find that the investment levels have been going down measurably. The growth rates in the most recent year had been sharply falling. It had been -9.09 percent in 2013-14 and then rose to 2.00 percent in the following year. The investment had been good during 2004-05 to 2011-12 and afterward it had been falling. It is basically the reason for less generation of employment. In a huge economy like India, it is not expected that the investment fall so sharply since it is most populated country just after China.

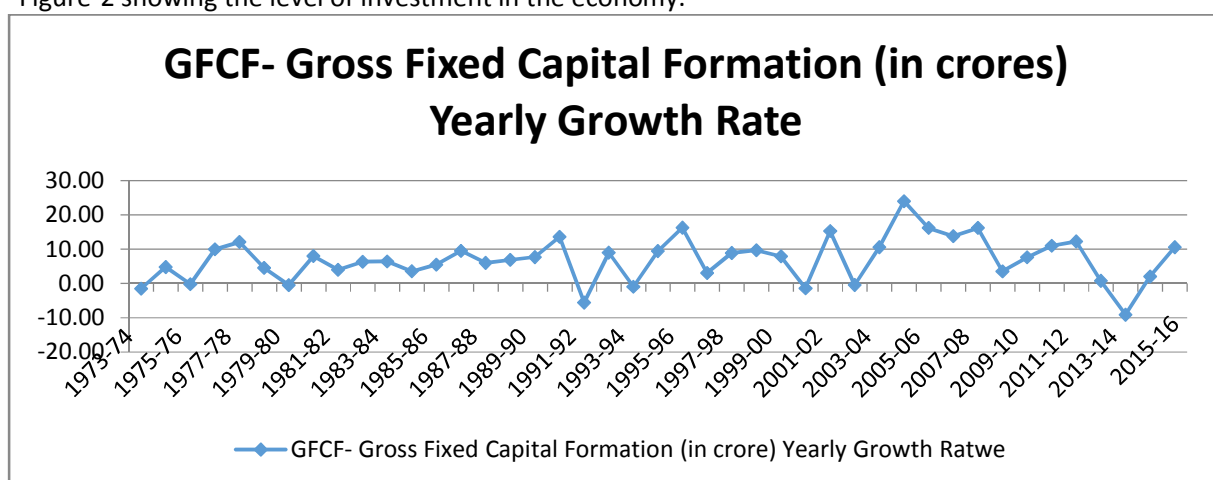
Table 5 : Gross Fixed Capital Formation and its Growth Rate

Year	GFCF Gross Fixed Capital Formation (in crore)	GFCF Yearly Growth Rate	Year	GFCF Gross Fixed Capital Formation (in crore)	GFCF Yearly Growth Rate
1972-73	124911.9		1994-95	388410.1	9.46
1973-74	123058.4	-1.48	1995-96	451596.2	16.27
1974-75	128950.9	4.79	1996-97	465355.3	3.05
1975-76	128682.6	-0.21	1997-98	506706	8.89

1976-77	141513.4	9.97	1998-99	555912.6	9.71
1977-78	158619.5	12.09	1999-00	599972.9	7.93
1978-79	165842.2	4.55	2000-01	591609.6	-1.39
1979-80	165092.4	-0.45	2001-02	682143.4	15.30
1980-81	178287.5	7.99	2002-03	679169.8	-0.44
1981-82	185401.4	3.99	2003-04	750939.5	10.57
1982-83	197159.4	6.34	2004-05	931028	23.98
1983-84	209780	6.40	2005-06	1081792	16.19
1984-85	217282.7	3.58	2006-07	1231266	13.82
1985-86	229214.8	5.49	2007-08	1430764	16.20
1986-87	251020.3	9.51	2008-09	1480943	3.51
1987-88	266071.9	6.00	2009-10	1594474	7.67
1988-89	284466.1	6.91	2010-11	1769793	11.00
1989-90	306310.7	7.68	2011-12	1986645	12.25
1990-91	347965.8	13.60	2012-13	2002046	0.78
1991-92	328594.4	-5.57	2013-14	1819977	-9.09
1992-93	358161.7	9.00	2014-15	1857670	2.07
1993-94	354848	-0.93	2015-16	2054354	10.59

Source : Office of the Economic Adviser, Ministry of Commerce and Industry, Government of India.

Figure-2 showing the level of investment in the economy.



Sector-wise Scenario

Agriculture, Forestry and Fishing

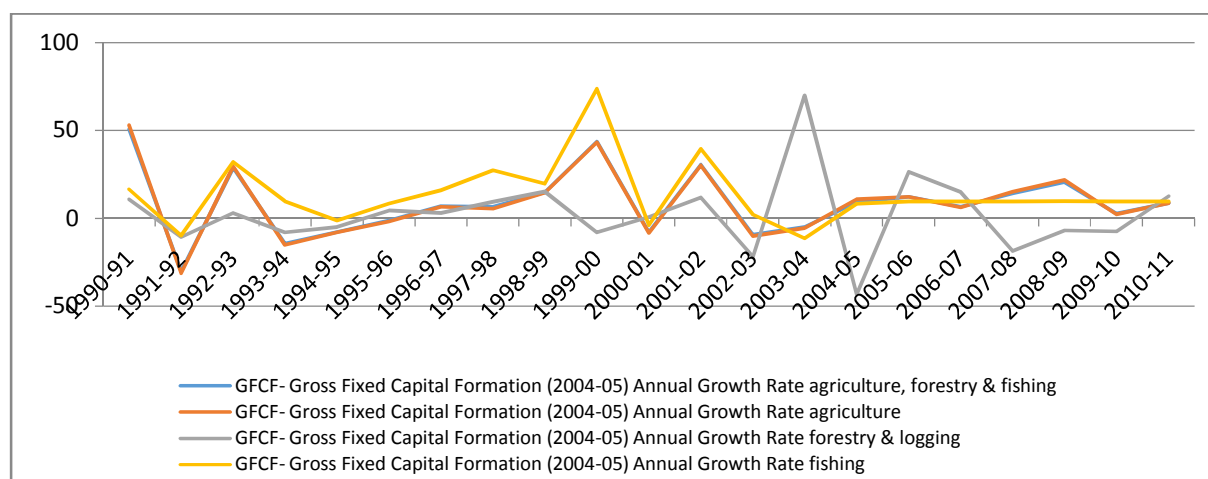
The trends were different for agriculture sector in India. The investment in agriculture even otherwise remains lower as compared to the industry. In the table below shown that the investment have been keeping low in the agriculture sector.

Table 6 : Capital Formation By Industry Of Use (At 2004-05 Constant Prices) Rs crores

GFCF- Gross Fixed Capital Formation (2004-05)									
Sino..		1		1.1		1.2		1.3	

Year	item	agriculture, forestry & fishing	Annual Growth	agriculture	Annual Growth	forestry & logging	Annual Growth	fishing	Annual Growth
1990-91	GFCF	50514	50.59	48285	52.91	1162	10.60	1067	16.32
1991-92	GFCF	35193	-30.33	33195	-31.25	1037	-10.81	961	-9.92
1992-93	GFCF	45291	28.69	42956	29.40	1067	2.89	1268	32.03
1993-94	GFCF	38807	-14.32	36435	-15.18	981	-8.03	1391	9.64
1994-95	GFCF	35786	-7.78	33482	-8.11	931	-5.12	1373	-1.26
1995-96	GFCF	35318	-1.31	32860	-1.86	972	4.38	1487	8.25
1996-97	GFCF	37732	6.84	35009	6.54	1000	2.92	1723	15.92
1997-98	GFCF	40210	6.57	36925	5.47	1092	9.21	2193	27.27
1998-99	GFCF	46117	14.69	42238	14.39	1256	15.04	2623	19.61
1999-00	GFCF	66169	43.48	60459	43.14	1154	-8.14	4555	73.64
2000-01	GFCF	60950	-7.89	55416	-8.34	1160	0.52	4375	-3.96
2001-02	GFCF	79490	30.42	72091	30.09	1296	11.74	6102	39.50
2002-03	GFCF	71985	-9.44	64742	-10.19	1012	-21.94	6231	2.11
2003-04	GFCF	68366	-5.03	61131	-5.58	1717	69.69	5518	-11.44
2004-05	GFCF	74657	9.20	67708	10.76	972	-43.39	5977	8.31
2005-06	GFCF	83678	12.08	75903	12.10	1228	26.34	6547	9.54
2006-07	GFCF	89131	6.52	80551	6.12	1409	14.74	7171	9.53
2007-08	GFCF	101692	14.09	92693	15.07	1145	-18.74	7855	9.54
2008-09	GFCF	122525	20.49	112854	21.75	1064	-7.07	8607	9.57
2009-10	GFCF	125757	2.64	115345	2.21	983	-7.61	9428	9.54
2010-11	GFCF	136655	8.67	125221	8.56	1106	12.51	10328	9.55
CAGR		4.38%		4.26%		4.83%		7.56%	

Figure-3 showing the fluctuations in the growth rates of Agriculture and allied sectors.



Mining and Quarrying

Mining and quarrying sub-sector reflects that the investments are responding quite sluggishly. The investment had been higher in the middle years. But later, again it came down.

Table 7 : Capital Formation By Industry Of Use (At 2004-05 Constant Prices) Rs
crores

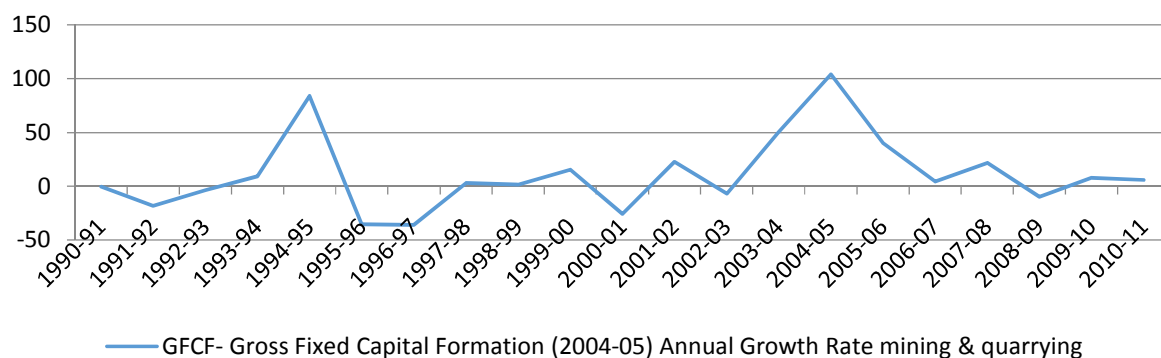
GFCF- Gross Fixed Capital Formation (2004-05)

Year	item	mining & quarrying	Annual Growth
1990-91	GFCF	17532	-0.47
1991-92	GFCF	14347	-18.17
1992-93	GFCF	13817	-3.69
1993-94	GFCF	15114	9.39
1994-95	GFCF	27819	84.06
1995-96	GFCF	17977	-35.38
1996-97	GFCF	11520	-35.92
1997-98	GFCF	11855	2.90
1998-99	GFCF	12037	1.54
1999-00	GFCF	13890	15.40
2000-01	GFCF	10292	-25.91
2001-02	GFCF	12605	22.47
2002-03	GFCF	11732	-6.92
2003-04	GFCF	17655	50.48
2004-05	GFCF	36013	103.99
2005-06	GFCF	50435	40.05
2006-07	GFCF	52632	4.36
2007-08	GFCF	64036	21.67
2008-09	GFCF	57707	-9.88
2009-10	GFCF	62232	7.84
2010-11	GFCF	65761	5.67
CAGR		9.07%	

The figure 4 shows graphically the same.

Figure-4 showing the fluctuations in the growth rates of Mining and Quarrying.

GFCF- Gross Fixed Capital Formation (2004-05) Annual Growth Rate mining & quarrying



Manufacturing Sector

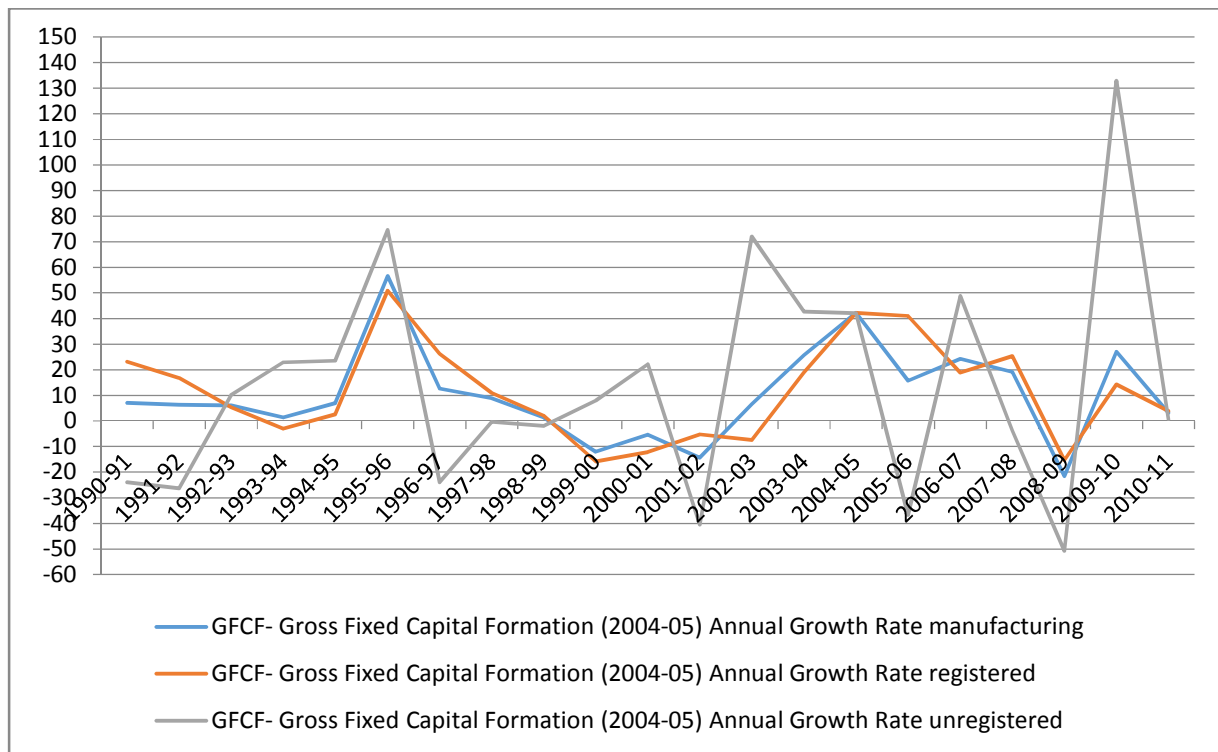
Government had always been planning to make the manufacturing sector as the engine of growth for the economy. But alas, it could not become the investment pattern tells it failure story. Although in some year, there had been very good investment but again overall position is different. Investment had been having lots of fluctuations as the figure 5 shows it clearly.

Table 8 :Capital Formation By Industry Of Use (At 2004-05 Constant Prices) Rs crores
GFCF- Gross Fixed Capital Formation (2004-05)

Year	item	manufacturing	Annual Growth	registered	Annual Growth	unregistered	Annual Growth
1990-91	GFCF	89151	7.12	67732	23.05	21420	-24.00
1991-92	GFCF	94855	6.40	79051	16.71	15803	-26.22
1992-93	GFCF	100695	6.16	83278	5.35	17416	10.21
1993-94	GFCF	102105	1.40	80701	-3.09	21404	22.90
1994-95	GFCF	109183	6.93	82741	2.53	26441	23.53
1995-96	GFCF	170956	56.58	124783	50.81	46173	74.62
1996-97	GFCF	192552	12.63	157448	26.18	35103	-23.97
1997-98	GFCF	209675	8.89	174689	10.95	34987	-0.33
1998-99	GFCF	212551	1.37	178220	2.02	34332	-1.87
1999-00	GFCF	187020	-12.01	149957	-15.86	37064	7.96
2000-01	GFCF	176998	-5.36	131722	-12.16	45276	22.16
2001-02	GFCF	151658	-14.32	124728	-5.31	26930	-40.52
2002-03	GFCF	161694	6.62	115346	-7.52	46349	72.11
2003-04	GFCF	203175	25.65	137003	18.78	66172	42.77
2004-05	GFCF	288884	42.18	194837	42.21	94047	42.13
2005-06	GFCF	334222	15.69	274725	41.00	59497	-36.74
2006-07	GFCF	415093	24.20	326525	18.86	88568	48.86

2007-08	GFCF	494456	19.12	409204	25.32	85252	-3.74
2008-09	GFCF	388087	-21.51	346094	-15.42	41993	-50.74
2009-10	GFCF	492828	26.99	395012	14.13	97816	132.93
2010-11	GFCF	508679	3.22	410079	3.81	98600	0.80
CAGR		7.40%		7.04%		12.11%	

Figure-5 Showing fluctuations in the growth rates of investment in Manufacturing Sector.



Electricity, gas and Water Supply

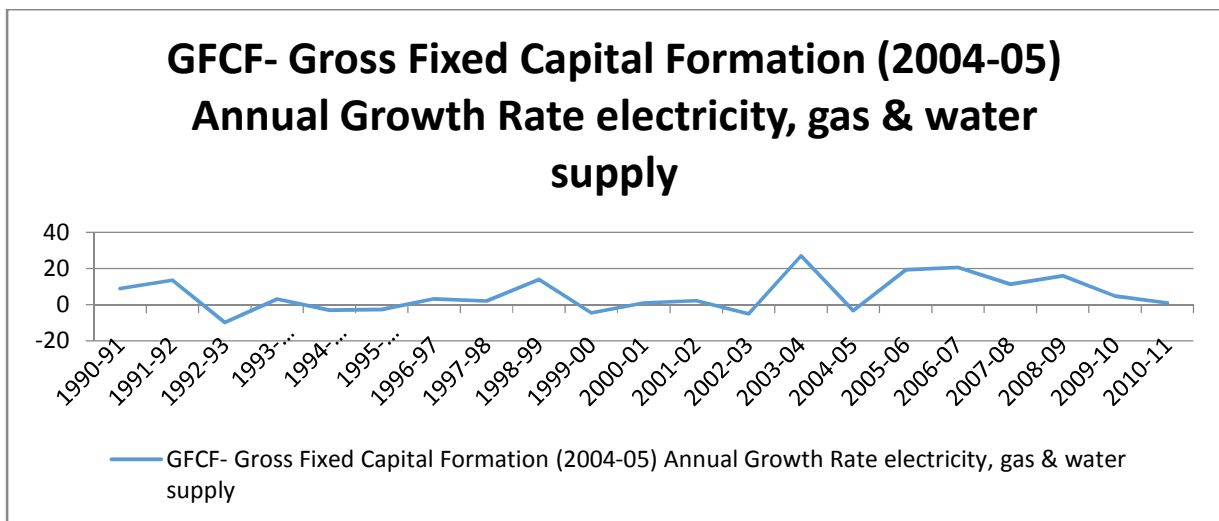
The story in this sector is similar to the earlier sectors, the investment had been higher till 2008-09 and later it started falling.

Table – 9 : Capital Formation By Industry Of Use (At 2004-05 Constant Prices) Rs crores
GFCF- Gross Fixed Capital Formation (2004-05)

S.No..		4	
Year	item	electricity, gas & water supply	Annual Growth
1990-91	GFCF	38173	8.85
1991-92	GFCF	43299	13.43
1992-93	GFCF	38990	-9.95
1993-94	GFCF	40176	3.04
1994-95	GFCF	38985	-2.97

1995-96	GFCF	37928	-2.71
1996-97	GFCF	39112	3.12
1997-98	GFCF	39853	1.90
1998-99	GFCF	45348	13.79
1999-00	GFCF	43297	-4.52
2000-01	GFCF	43697	0.92
2001-02	GFCF	44630	2.14
2002-03	GFCF	42366	-5.07
2003-04	GFCF	53791	26.97
2004-05	GFCF	51971	-3.38
2005-06	GFCF	61918	19.14
2006-07	GFCF	74711	20.66
2007-08	GFCF	83181	11.34
2008-09	GFCF	96435	15.93
2009-10	GFCF	101020	4.75
2010-11	GFCF	101867	0.84
CAGR		8.81%	

Figure-6 Showing fluctuations in the growth rates of investment in Electricity gas and Water supply.



Construction

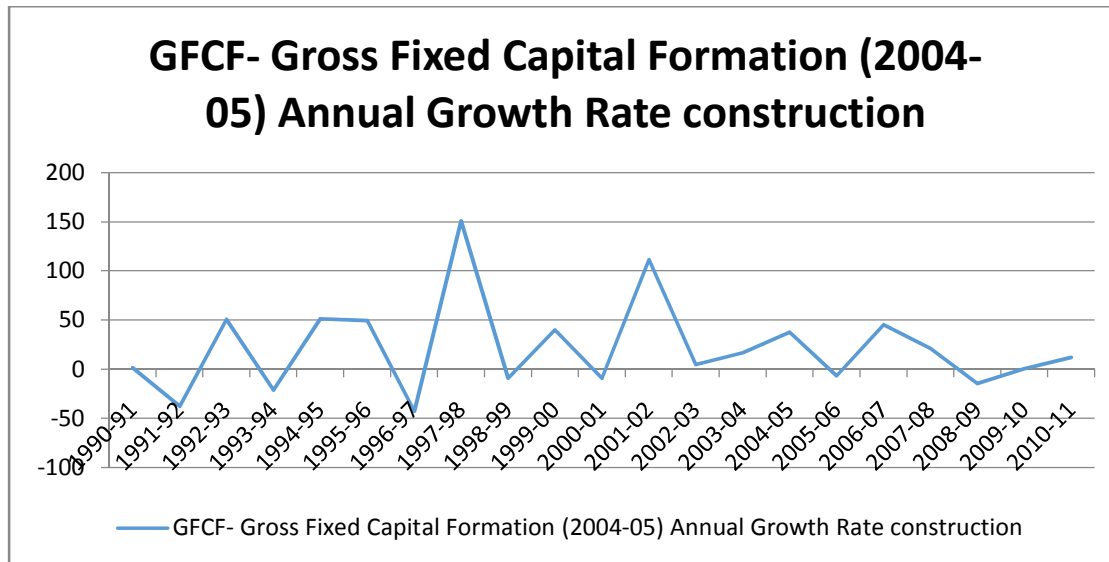
The scenario is a bit different for the construction sector. Here in this case the investment had been maintaining its level. It may have been happening due to the demand for housing by the people.

Table 10 : Capital Formation By Industry Of Use (At 2004-05 Constant Prices) Rs crores

GFCF- Gross Fixed Capital Formation (2004-05)

S.No.		5	
Year	item	construction	Annual Growth
1990-91	GFCF	5268	1.77
1991-92	GFCF	3278	-37.77
1992-93	GFCF	4942	50.76
1993-94	GFCF	3897	-21.16
1994-95	GFCF	5897	51.35
1995-96	GFCF	8815	49.47
1996-97	GFCF	5050	-42.71
1997-98	GFCF	12663	150.76
1998-99	GFCF	11501	-9.17
1999-00	GFCF	16088	39.88
2000-01	GFCF	14619	-9.13
2001-02	GFCF	30927	111.55
2002-03	GFCF	32368	4.66
2003-04	GFCF	37818	16.84
2004-05	GFCF	52061	37.66
2005-06	GFCF	48593	-6.66
2006-07	GFCF	70601	45.29
2007-08	GFCF	85631	21.29
2008-09	GFCF	73081	-14.66
2009-10	GFCF	73503	0.58
2010-11	GFCF	82368	12.06
CAGR		10.97%	

Figure-7 Showing fluctuations in the growth rates of investment in Construction.



Trade, hotel & Restaurants

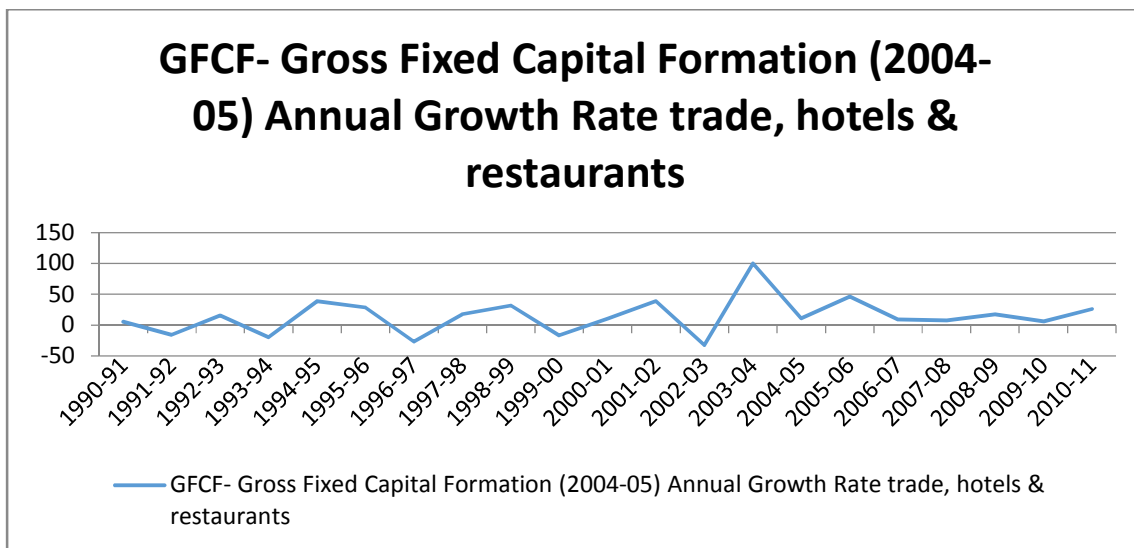
The investment in the trade hotel and restaurants had been quite steady barring few years where the growth rate of investment had gone negative.

Table 11 : Capital Formation By Industry Of Use (At 2004-05 Constant Prices) Rs crores
GFCF- Gross Fixed Capital Formation (2004-05)

S.No.	Year	item	6 trade, hotels & restaurants	Annual Growth
	1990-91	GFCF	18378	5.47
	1991-92	GFCF	15433	-16.03
	1992-93	GFCF	17849	15.66
	1993-94	GFCF	14303	-19.87
	1994-95	GFCF	19891	39.07
	1995-96	GFCF	25646	28.93
	1996-97	GFCF	18730	-26.97
	1997-98	GFCF	21982	17.36
	1998-99	GFCF	28966	31.77
	1999-00	GFCF	24020	-17.07

2000-01	GFCF	26503	10.34
2001-02	GFCF	36809	38.88
2002-03	GFCF	24841	-32.51
2003-04	GFCF	49711	100.12
2004-05	GFCF	55243	11.13
2005-06	GFCF	81038	46.69
2006-07	GFCF	88426	9.12
2007-08	GFCF	95080	7.52
2008-09	GFCF	111635	17.41
2009-10	GFCF	118207	5.89
2010-11	GFCF	149330	26.33
CAGR		9.08%	

Figure-8 Showing fluctuations in the growth rates of investment in Trade hotel and restaurants.



Transport, Storage and Communications

The pattern of investment in this sector is quite similar to the previous sector. Since these two sectors are in demand, the investment has been properly made.

Table 12 : Capital Formation By Industry Of Use (At 2004-05 Constant Prices)

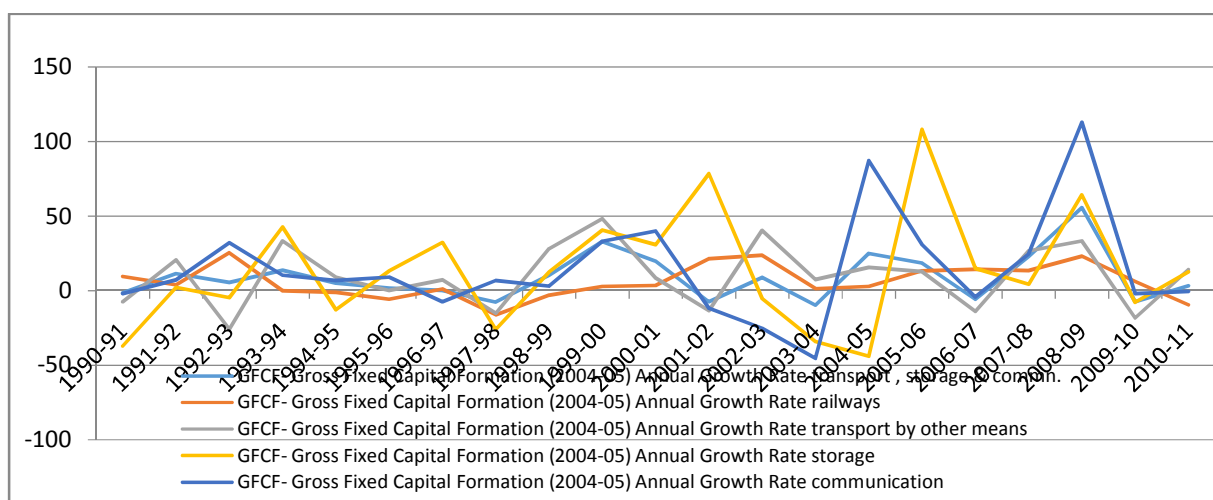
Rs crores

GFCF- Gross Fixed Capital Formation (2004-05)

S.No.		7		7.1		7.2		7.3		7.4	
Year	item	Transport, storage & communication.	A.G.	railways	A.G.	transport by other means	A.G.	A.G.	A.G.	communication	A.G.
1990-91	GFCF	25793	-1.36	7860	9.47	10059	-7.55	102	-37.13	7772	-1.94
1991-92	GFCF	28709	11.30	8155	3.75	12119	20.48	104	2.12	8331	7.19
1992-93	GFCF	30300	5.54	10223	25.36	8972	-25.97	99	-4.83	11006	32.11
1993-94	GFCF	34436	13.65	10198	-0.24	11957	33.27	141	42.68	12140	10.31
1994-95	GFCF	36201	5.12	10077	-1.19	13039	9.05	123	-12.89	12962	6.77
1995-96	GFCF	36785	1.61	9495	-5.78	13024	-0.11	139	13.12	14127	8.99
1996-97	GFCF	36812	0.07	9608	1.19	13946	7.08	184	32.31	13075	-7.45
1997-98	GFCF	33957	-7.76	8047	-16.25	11818	-15.26	136	-26.03	13956	6.74
1998-99	GFCF	37439	10.25	7794	-3.14	15121	27.95	153	12.39	14371	2.97
1999-00	GFCF	49750	32.88	8018	2.88	22397	48.12	215	40.52	19120	33.05
2000-01	GFCF	59581	19.76	8290	3.39	24258	8.31	281	30.71	26752	39.91
2001-02	GFCF	55101	-7.52	10066	21.42	20944	-13.66	501	78.36	23589	-11.82
2002-03	GFCF	59956	8.81	12447	23.65	29388	40.32	474	-5.41	17647	-25.19
2003-04	GFCF	54102	-9.76	12620	1.39	31544	7.34	312	-34.12	9626	-45.45
2004-05	GFCF	67578	24.91	12975	2.81	36417	15.45	175	-43.99	18011	87.12
2005-06	GFCF	80048	18.45	14695	13.26	41084	12.82	714	308.00	23554	30.78
2006-07	GFCF	75455	-5.74	16802	14.34	35278	-14.13	821	14.99	22554	-4.25
2007-08	GFCF	92652	22.79	19064	13.46	44630	26.51	856	4.26	28102	24.60
2008-09	GFCF	144121	55.55	23451	23.01	59448	33.20	1405	64.14	59817	112.86
2009-10	GFCF	133374	-7.46	24877	6.08	48538	-18.35	1293	-7.97	58667	-1.92
2010-11	GFCF	137670	3.22	22517	-9.49	55303	13.94	1456	12.61	58394	-0.47
CAGR		5.44%		2.59%		8.53%		4.54%		8.37%	

The pattern of investment has been depicted in figure -9 below:

Figure-9 Showing fluctuations in the growth rates of investment in Transport, Storage and Communications.



Finance, insurance, real estate and business services

The investment in this sector had gone measurably low after 2001-02 and it improved in 2008-09 and falls in the next year.

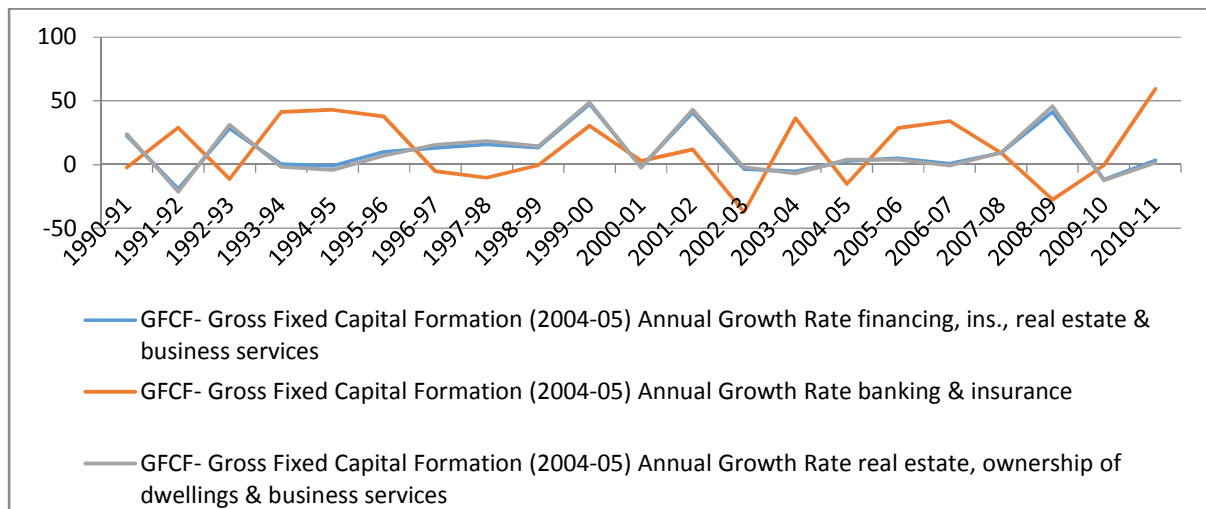
Table 13 : Capital Formation By Industry Of Use (At 2004-05 Constant Prices) Rs crores

GFCF- Gross Fixed Capital Formation (2004-05)

S.No.		8		8.1		8.2	
Year	item	financing, ins., real estate & business services	Annual Growth	banking & insurance	Annual Growth	real estate, ownership of dwellings & business services	Annual Growth
1990-91	GFCF	49661	22.48	2045	-2.32	47615	23.83
1991-92	GFCF	40101	-19.25	2639	29.00	37462	-21.32
1992-93	GFCF	51476	28.37	2335	-11.52	49142	31.18
1993-94	GFCF	51595	0.23	3292	41.03	48302	-1.71
1994-95	GFCF	50970	-1.21	4701	42.78	46270	-4.21
1995-96	GFCF	56022	9.91	6475	37.75	49547	7.08
1996-97	GFCF	63388	13.15	6131	-5.31	57256	15.56
1997-98	GFCF	73340	15.70	5496	-10.36	67843	18.49
1998-99	GFCF	83070	13.27	5461	-0.64	77608	14.39
1999-00	GFCF	122345	47.28	7123	30.44	115221	48.47
2000-01	GFCF	119605	-2.24	7322	2.78	112283	-2.55

2001-02	GFCF	168462	40.85	8179	11.71	160283	42.75
2002-03	GFCF	162211	-3.71	5121	-37.39	157090	-1.99
2003-04	GFCF	153221	-5.54	6975	36.21	146246	-6.90
2004-05	GFCF	157604	2.86	5906	-15.32	151698	3.73
2005-06	GFCF	165094	4.75	7603	28.73	157491	3.82
2006-07	GFCF	166215	0.68	10194	34.08	156021	-0.93
2007-08	GFCF	181355	9.11	11118	9.06	170237	9.11
2008-09	GFCF	256262	41.30	8045	-27.64	248217	45.81
2009-10	GFCF	225603	-11.96	7982	-0.78	217621	-12.33
2010-11	GFCF	233115	3.33	12711	59.25	220404	1.28
CAGR		4.95%		8.57%		4.86%	

Figure-10 Showing fluctuations in the growth rates of investment in Financing, insurance and real estate and business services.



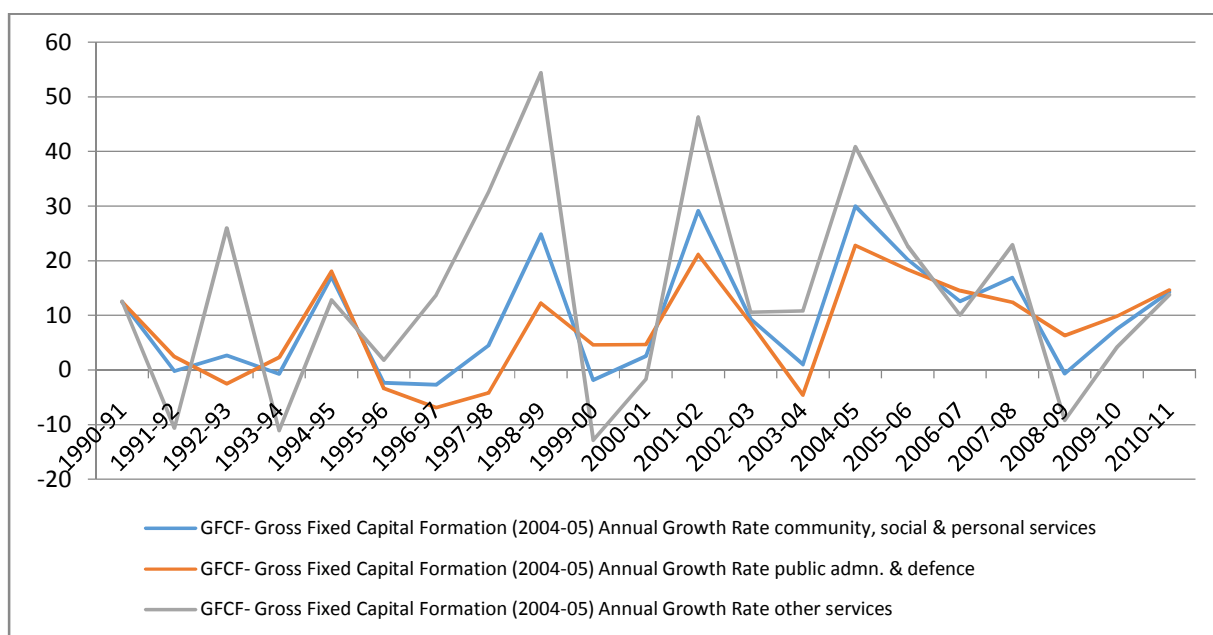
Community, Social and Personal Services

It may be observed that the investment levels in the last years has come down miserably i.e., from 2008-09 onwards. It does not show any recovery afterwards..

Table 14 : GFCF- Gross Fixed Capital Formation (2004-05)

S.No.		9		9.1		9.2	
Year	item	community, social & personal services	Annual Growth	public admn. & defense	Annual Growth	other services	Annual Growth
1990-91	GFCF	53495	12.48	42582	12.46	10913	12.58
1991-92	GFCF	53380	-0.22	43625	2.45	9755	-10.61
1992-93	GFCF	54802	2.66	42510	-2.56	12292	26.00
1993-94	GFCF	54415	-0.70	43490	2.31	10926	-11.12
1994-95	GFCF	63679	17.02	51353	18.08	12326	12.81
1995-96	GFCF	62150	-2.40	49602	-3.41	12548	1.81
1996-97	GFCF	60460	-2.72	46187	-6.89	14273	13.75
1997-98	GFCF	63172	4.49	44245	-4.20	18927	32.60
1998-99	GFCF	78884	24.87	49658	12.24	29225	54.41
1999-00	GFCF	77393	-1.89	51926	4.57	25467	-12.86
2000-01	GFCF	79364	2.55	54330	4.63	25033	-1.70
2001-02	GFCF	102462	29.10	65831	21.17	36631	46.33
2002-03	GFCF	112016	9.33	71498	8.61	40519	10.61
2003-04	GFCF	113101	0.97	68192	-4.62	44909	10.84
2004-05	GFCF	147017	29.99	83744	22.81	63273	40.89
2005-06	GFCF	176767	20.24	99148	18.39	77619	22.67
2006-07	GFCF	199003	12.58	113579	14.56	85424	10.06
2007-08	GFCF	232680	16.92	127690	12.42	104989	22.90
2008-09	GFCF	231089	-0.68	135753	6.31	95336	-9.19
2009-10	GFCF	248419	7.50	149085	9.82	99334	4.19
2010-11	GFCF	283942	14.30	170901	14.63	113041	13.80
CAGR		8.09%		8.92%		7.30%	

Figure-11 Showing fluctuations in the growth rates of investment in Community Social and Personal Services.



Overall Performance

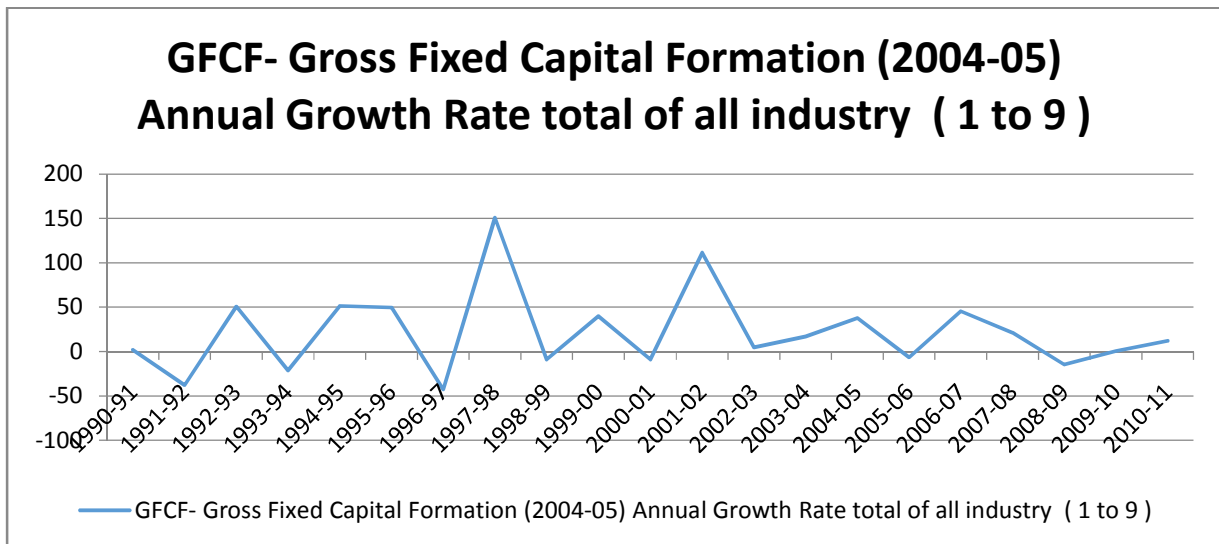
Table below shows the investment by Industry of use. Except 1995-96, 2004-05, 2005-06 and 2007-08, the investment levels were low and sometime its growth had been negative.

Table 15 : Capital Formation By Industry Of Use (At 2004-05 Constant Prices) Rs crores
GFCF- Gross Fixed Capital Formation (2004-05)

S.No.	Year	item	10 total (Industry 1-9)	Annual Growth
	1990-91	GFCF	347966	13.60
	1991-92	GFCF	328594	-5.57
	1992-93	GFCF	358162	9.00
	1993-94	GFCF	354848	-0.93
	1994-95	GFCF	388410	9.46
	1995-96	GFCF	451596	16.27

1996-97	GFCF	465355	3.05
1997-98	GFCF	506706	8.89
1998-99	GFCF	555913	9.71
1999-00	GFCF	599973	7.93
2000-01	GFCF	591610	-1.39
2001-02	GFCF	682143	15.30
2002-03	GFCF	679170	-0.44
2003-04	GFCF	750940	10.57
2004-05	GFCF	931028	23.98
2005-06	GFCF	1081792	16.19
2006-07	GFCF	1231266	13.82
2007-08	GFCF	1430764	16.20
2008-09	GFCF	1480943	3.51
2009-10	GFCF	1580944	6.75
2010-11	GFCF	1699388	7.49
CAGR		6.42%	

Figure-12 Showing fluctuations in the growth rates of investment in All industry.



In all the sectors and overall, it shows that investments had been falling over the year. It is but natural that its impact would come on the employment. Hence the employment has been keeping low.

Jobs lost

Vyas (2017) raised the issue of unemployment in India and bell the alarm for the unemployment. He is of the opinion that around 1.5 million jobs were lost during January-April 2017. The estimated total employment during the period was 405 million compared to 406.5 million during the preceding four months, September-December 2017. These estimates are base on the Consumer Waves of CMIE's Consumer Pyramids Households Surveys (CPHS). These surveys are basically the household surveys where a sample of around 161167 households are covered and this includes around 519285 adults. This survey was conducted during September, 2017 and December, 2017.

Table 16 The Employed Work Force in India

(In Millions)

Sr. No.	Period and Year	Magnitude
1.	January-April,2016	401
2	May-August, 2016	403
3	September-December, 2016	406.5
4.	January – April, 2017	405

Source : Consumer Pyramids Households Surveys (CPHS), CMIE, 2017.

Further from Vyas (2017) and looking at the employed force data, we found that around 401 million were employed in 2016.This had increased to 403 millions in May- August, 2016.This has further had got enhanced to 406.5 millions in September-December, 2016 and later it fell to 405 millions. It may be due to the effect of Demonetisation

Table 17 below shows the month wise fluctuations in the unemployment in India. It may be observed from the table that we have fluctuations every month and the highest fluctuations are

in the month of February 2018 which is overall true for India as well for the Rural and Urban areas.

Table 17 shows the month-wise fluctuation rate in unemployment throughout India:

Month Unemployment Rate (%)

Month	Unemployment Rate (%)		
	India	Urban	Rural
February, 2018	6.06	6.84	5.65
January, 2018	5.04	6.35	4.36
December, 2017	4.76	5.43	4.42
November, 2017	4.76	5.50	4.38
October, 2017	5.05	6.12	4.49
September, 2017	4.65	5.69	4.12
August, 2017	4.11	5.13	3.58
July, 2017	3.39	4.21	9.98
June, 2017	4.15	4.92	3.76
May, 2017	4.04	4.89	3.62
April, 2017	3.89	4.25	3.71
March, 2017	4.71	5.86	4.11

Source : Consumer Pyramids Household Surveys (CPHS), Centre for Monitoring Indian Economy, 2018.

Table 18 below depicts the state wise fluctuations rate in the unemployment. We may observe the wide fluctuations in the unemployment rates of different states. The states with highest fluctuations where fluctuations are in two digit level are Tripura, Haryana , Jammu and Kashmir and Kerala i.e., 30.3, 15.5, 15.1 and 10.7 percent respectively in that order. Next come the states

like Assam, Himachal, Punjab, and Gujarat i.e., 9.8, 9.7, 9.7 and 9.5 percent respectively. The other state where the fluctuations are higher are West Bengal, Chandigarh, and Meghalaya where the fluctuations are of the order i.e., 8.8, 8.0 and 8.0 per cent respectively. As against this the lowest fluctuations are in the state of Uttara Khand, Delhi i.e., 1.2 and 1.5 per cent respectively. The rest of the states as may be seen from the table that they lay in between these states. It is very interesting to see that the fluctuations are on the lower side in the states of Tamil Nadu, Madhya Pradesh and Uttar Pradesh, which are relatively the bigger states. The fluctuations are of the magnitude of 2.1, 2.9, and 4.0 per cent respectively. This suggests that the size of the state actually does not matter so far as the fluctuations are concerned. The bigger may have higher as well the lower fluctuations.

Table 18 : fluctuation rate in unemployment throughout various states of India, as noted in February, 2018:

Unemployment Rate (%)	
State	As in Feb, 2018
Andhra Pradesh	4.0
Assam	9.8
Bihar	7.1
Chandigarh	8.0
Chhattisgarh	2.7
Delhi	1.5
Goa	2.2
Gujarat	9.5
Haryana	15.3
Himachal Pradesh	9.7
Jammu & Kashmir	15.1
Jharkhand	7.2
Karnataka	5.1

Kerala	10.7
Madhya Pradesh	2.9
Maharashtra	3.7
Meghalaya	8.0
Orissa	7.0
Pondicherry	2.1
Punjab	9.7
Rajasthan	6.4
Tamil Nadu	2.3
Telangana	3.5
Tripura	30.3
Uttar Pradesh	4.0
Uttrakhand	1.2
West Bengal	8.8

Source : Consumer Pyramids Household Surveys (CPHS), Centre for Monitoring Indian Economy, 2018.

Conclusions

In this paper we have tried to raised the issue of unemployment in last few years. We have found that the unemployment is rising and that is rising in the absence of enough jobs in the market. However, the labour force is getting accumulating every year. We have observed the investment pattern and find that the investments are falling every now and then. We have seen for the overall economy as well as the sectors and the trend seems to have been more or less same except few sectors like constructions and real estate. The job loss has been yet another problem which is creating the problem in the economy, jobs were lost during 2016 and 2017. The reason for this has been

attributed to the Demonetisation in the economy. The fluctuation rates in the unemployment among the states have been analysed and found that the fluctuation rates differ among states.

Overall, it may be stated that to revive the economy and to increase the employment in the economy, we need to increase the investment in the economy and in various sectors.

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