

Balance Sheet of a Decade!

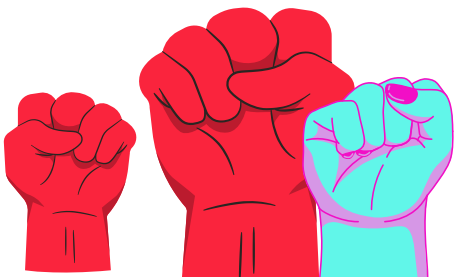


Employment

Report Card 2014-24



The essence of democracy requires that we hold governments to account vis-a-vis their claims and promises. But one of the biggest casualties of the recent years has been the idea of accountability. The divisive and jingoist hyperboles in the media facilitate a collective amnesia. This report card (though not conclusive) is part of a series, by the Financial Accountability Network India, that attempts to glance through and highlight a few of the claims and reality of the government's performance across various sectors from a financial and economic lens.



Claims

1

BJP government had promised **2 crore new jobs each year** if they came to power in 2014. If realised, by March 2024, 20 crore new jobs should have materialised.

2



Prime Minister Narendra Modi has said his government has given **1.5 times more jobs** in its 10 years than the previous dispensation did in the same duration.

3

Skill India has been flaunted as part of a new National Skills Policy in 2015. It laid out the goal of skilling 40 crore workers by 2022.

4

The BJP govt's promise on assuming power was: increasing the share of employment in **manufacturing** by **100 million** and a rise in share of its contribution to GDP from 17% to 25%.



5

“We are committed to making **women** equal partners and equal beneficiaries of the progress and prosperity of the nation. We will formulate a comprehensive ‘Women in Workforce’ roadmap focussed on dramatically increasing female workforce participation over the next 5 years. We will also encourage industries and corporates to generate better employment opportunities for women”.

7

Nirmala Sitharaman said after her interim budget in 2024 that “Now, since post-Covid, many of those who had been in the urban areas and acquired some kind of skills..are saying that the rural areas are giving them [similar] **opportunities** to utilise and monetise their skills. Many of them have not even returned [to urban centres].”

6

The country has been dragged through 10 years of Jobless Growth by the Congress-led UPA Government. Under the broader economic revival, the BJP will accord high priority to **job creation** and opportunities for entrepreneurship.



8

This significant jump in the female labour force participation rate is an outcome of the decisive agenda set by the Government for ensuring **women’s empowerment** through policy initiatives aimed at their long term socio-economic and political development.



Reality



Open unemployment was barely 2.1% in 2012. It had already nearly tripled to 6.1% in 2018, the highest rate in 45 years of India's labour force surveys.

- ⊘ According to the CMIE India's workforce has remained virtually stagnant at a little over 400 million over the last 5 years, which means that employment has not increased at all. CMIE, which started an employment survey back in March 2016, shows that the unemployment rate in India was **6.64%** of the labour force in December 2018. It was **5.27%** in 2019 rose to **8%** in 2020, and remained at **5.98%** and **7.33%**, respectively, in the next 2 years; and it has gone up still further in 2023 (around **8.1%**).
- ⊘ The stock of unemployed in 2023 October is **42 million**, at 10% of the workforce. A stock to which a regular flow of at least 80 lakh young people who are looking for work are added (and it continues to grow each year), as the share of the working-age population rises at an accelerating pace.
- ⊘ **Manufacturing began shrinking** from 2016 onwards, falling to all time low of **13% of GDP** in the next four years. It has also only just climbed back up to pre-Covid levels (17%). Employment in manufacturing fell as a share of total employment, from 12.8% in 2012 to **11.5%** in 2018 (which is way below that of Bangladesh's 16%). It has finally managed to catch up to the 2012 level by 2022. This is what is being called the lost decade.





After the stringent and abrupt Covid19 lockdowns were imposed in India, millions of workers were forced to migrate back adding a whopping **6 crore** workers to agriculture between April 2020 and June 2023 as determined by an Oxford study.

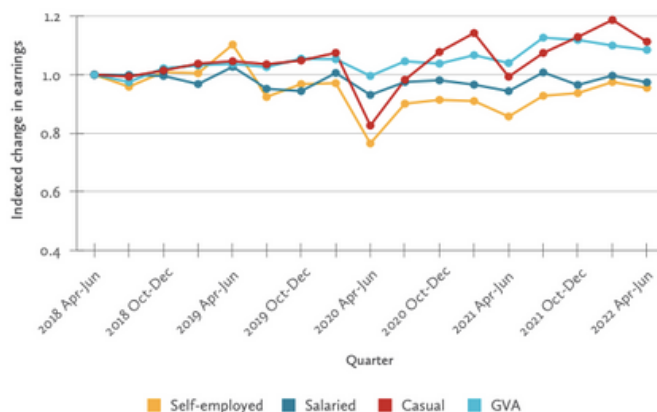
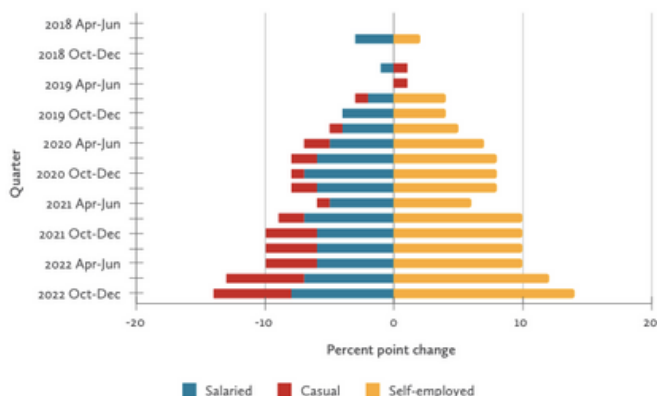
Under-employed workers in agriculture in 2023 constituted **46%** of the workforce and contributed only 15% of India's **GDP**. The FM's claim of they utilizing and monetizing their skills seems rather wishful.



While the wages of **construction workers and agricultural workers** have increased by only **10.5%** and **12%** respectively in rural India from April 2021 to March 2023, the cost of **cereals** have increased by a whopping **22%**.

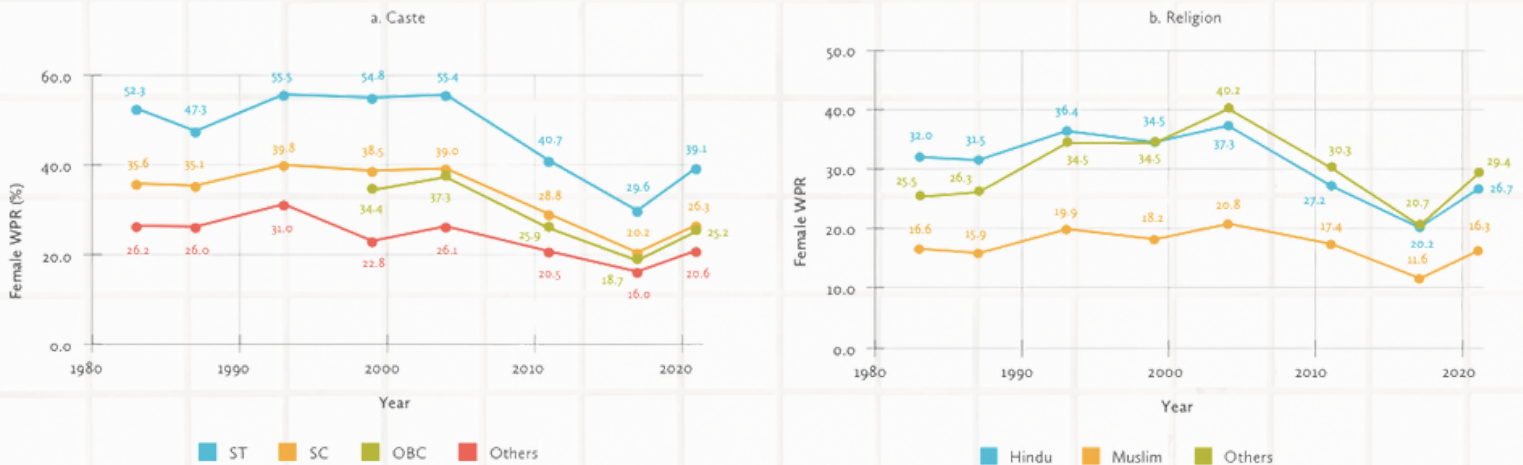
After falling for years, **women's Workforce Participation Rate** is rising, but not for the right reasons. It has risen since 2019 due to a **distress-led increase in self-employment**. Before Covid, **50%** of women were self-employed. After Covid this rose to **60%**. Also earnings from self-employment declined in real terms over this period. Economists in the Conference on Finance and Economy in India discussed how more than 50% of women are self-employed, of whom half are employed in **unpaid family work** or working in family farms. Most of is distress driven unpaid jobs that do not build empowerment.

Women largely entered self-employment and moved away from wage work, reducing earnings from self-employment



Sources and notes: PLFS, various rounds. These are Figures 2.6 and 2.8 in the report.

Long-run female workforce participation rates by caste and religion



Sources and notes: NSS EUS and PLFS various rounds. This is Figure 4.1 in the report.

❌ The State of Work in India 2023 finds that **even in the smallest firm sizes, SC and ST owners are under-represented** compared to their share in the overall workforce. They are barely represented among firms employing more than 20 workers and upper caste overrepresentation increases with firm size.

❌ During COVID, **Muslims suffered** disproportionately among the self employed. In rural areas, for instance, the percentage of persons with no work among the self-employed for the SC/ST population, Muslims and others (non-SC/ST and non-Muslim) shot up from 6.9%, **8.6%** and 5.5%, respectively, to 15.1%, **27.5%** and 13.7%, respectively.



❌ CMIE's October 2023 figures show that there has been a **decrease** of 1.03 crore daily wage labourers in small shops. The number of salaried workers has also decreased by 46 lakh. Additionally, there has been no significant increase in the number of agricultural labourers.

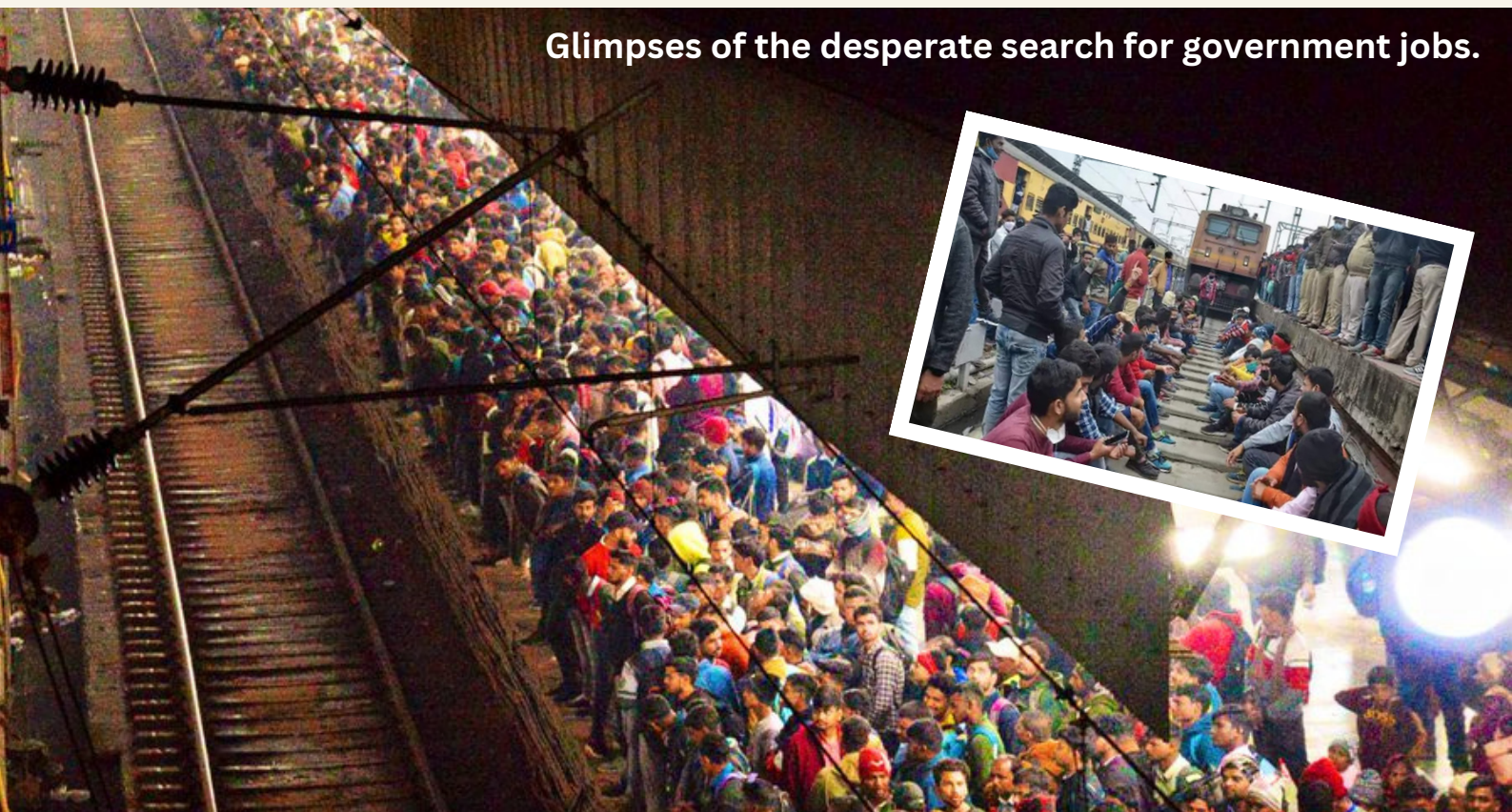
❌ The **four labour codes** of the Modi govt that is to replace the 29 labour laws are brazen attempts to take away whatever remains of the hard-earned rights and protections that workers had in India.

Highlights



- ⊘ Compared with 2019, **GDP** has increased by about 16% in 2023 (assuming a 6% growth rate for 2023); despite this, employment has not increased, which says a lot about the nature of the growth process, rather than just the slowness of it. In fact, the Indian experience shows that the proposition - unemployment can be overcome if only the growth rate is accelerated, is utterly invalid; it all depends on how growth is brought about.
- ⊘ Employment in Central Public Sector Enterprises (CPSEs) has decreased on the one hand with an increase in contractual employment over the last decade. The total strength of the employees has fallen from **17.3 lakh in March 2013 to 14.6 lakh in March 2022**. This marks a reduction of about 2.7 lakh employment in the decade in the Modi government. Whereas the total number of employees under the contractual category has increased to **42.5 % in 2022 from 19% in 2013** out of the total employed in these CPSEs. And contractualisation takes away reservations.

Glimpses of the desperate search for government jobs.





- ❌ **Vanishing Vacancies:** There has been a drastic fall in employment opportunities during the last decade in major job vacancies in the country. **Total Job vacancies under the staff selection commission have drastically fallen from 80,650 in 2014 to 36,348 in 2023.** Under this graduate-level vacancies have fallen from 15,549 to 8,440, and secondary-level jobs in paramilitary forces have fallen from 62,390 to 26,146 during the period 2014 to 2023. Major job vacancies under exams conducted by UPSC have also decreased from 1,873 to 1446 during the period. Under this vacancies under Civil services have fallen from 1364 to 1105 & and under defence forces have fallen from 509 to 341 during the period.
- ❌ The staff strength of Public Sector Banks in 2014 was **8,44,445**, whereas private banks, including foreign banks, had a staff strength of only **3,35,615**. In 2023 the **staff strength in Public Sector Banks has come down to 7,56,644**, whereas for private banks, it has increased to **7,45,612**. And we should remember that reservation does not apply to private sector.
- ❌ In 2022 the **Bank Mitras** or business correspondents numbered **35,13,777** which was **more than four times that of bank employees**. If these jobs were regularised, it could have generated decent jobs and also reservation for the marginalised.
- ❌ **Employment in government and the public sector is one of the lowest in India.** It is just about **3.8%** as per ILO data whereas in Argentina it is **16.9%**, Brazil **12.3%**, China **28%**, USA **13.3%**, UK **21.5%**, Russia **40.6%** and Cuba **77%**.



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