

Jobless in Punjab

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Though prosperous, Punjab is not yet free from the twin maladies of unemployment and underemployment. A sizeable part of the farming population is being rendered surplus, thanks to the declining landholdings levels, coupled with rapid population growth. The rural service and artisan classes find their vocations inadequate and less rewarding. The educated among the rural folks are generally keen to get an urban job. Things are no better in urban areas where a rising number of local unemployed is being joined by unemployed migrants from the neighbouring states.

Indeed, the employment scenario of Punjab has changed much after its reorganization in 1966. Agricultural migration to newly reclaimed lands in other parts of India virtually came to halt. Recruitment to defence forces was linked to the state's population in 1974, much to the disadvantage of Punjab. The number of ex-servicemen, seeking re-employment, is now much larger than the new entrants to the defence forces. Meanwhile, the avenues of emigration to other countries are also getting highly restricted.

The Green Revolution, whose inception virtually coincided with the formation of the state, was benign but had limited capacity to absorb the rapidly growing agricultural population. Moreover, a phase of rapid industrialisation took time to emerge. Above all, many of the national level employment policies were not relevant to Punjab.

All this raises a few questions. First the magnitude and nature of unemployment in the state. This is needed in assessing the degree of effort and kind of strategies required to solve the problem. Second, the role of industry in mitigating the problem. A popular hypothesis was that the state did not industrialise adequately as a follow-up of the Green Revolution, and that resulted in sizable unemployment, which was one of the roots of militancy. Third, identification of specific issues relevant to the situation.

The National Sample Organisation puts the unemployment rate of Punjab at 4.04 percent in 1987-88 – higher than the national average of 3.77 percent, but lower than that of Kerala, West Bengal and Haryana. The unemployment rate of Punjab has been rising, albeit moderately, from nearly 3 percent in 1973 to 3.5 percent in 1979 and to 8.1 percent in 1987-88.

By that token, Punjab has nearly a quarter million unemployed persons at present – 4 percent of the labour force of over 6 million. Underemployed are, at the rate of around 8 percent, estimated at half a million. In addition, about one-seventh of the households in Punjab have at least one person who migrated for work elsewhere, including within the state. But for this, the incidence of unemployment and underemployment would have been considerably higher.

Punjab's unemployed are essentially educated. A field survey revealed that even in rural Punjab, almost 80 percent of the unemployed are matriculates; one-sixth graduates, and amongst them one-eighth are post-graduates. One among every eight is professionally trained. By comparison, 80 percent of the underemployed are below matric and almost a half of them are illiterate, or simply literate without any educational level. It was also found that a large majority of the unemployed is seeking a job in an office or a school. Some are looking for a job as a policeman or driver/conductor. Fancy for a job in the Army is not much evident. By comparison, most of the underemployed prefer self-employment in dairying, poultry farming and retailing/servicing.

About 60 percent of the unemployed are rural by background and 40 percent urban. The ratio of rural-urban populations in Punjab is 70-30. The job aspirations of the two differ. While the rural unemployed may fall in for any job in the organised sector, the urban unemployed prefer high wage, specialised jobs.

Significantly, a rising number of educated females are seeking jobs. About a fourth of the unemployed are females and the proportion is the same for rural and urban areas. Indeed, females are now giving tough competition to males in certain spheres, particularly in office, school and hospital jobs.

By the rule of thumb, the economic growth rate should be thrice the rate of population growth if unemployment is to be avoided. The state's annual economic growth rate has been around 5 percent during 1966-91 while the population growth rate remained at around 2 percent. That explains why the unemployment rate has been rising over the years, though at a moderate pace. It also suggests that the state should aim at an economic growth rate of over 6 percent to take care of unemployment. A distinctly happy feature of Punjab in the recent years has been the progress made by the organised sector. The number of employed in this sector grew from 704,609 in 1985 to 826,428 in 1993. This gives a compound annual growth rate of 2 percent, against 1.5 percent in India.

The public sector accounts for 71.8 percent of the organised sector. Notably its share had declined from 73.7 percent in 1985. The compound annual growth rate of the organised private sector by 2.9 percent was significantly higher than that of the public sector by 1.7 percent. This is a welcome development. With a squeeze on the public sector jobs in coming years, employment avenues of similar nature have to be generated in other spheres. Here the organised private has to play a big role. Some basic issues in finding a solution to the unemployment and underemployment problem of the state are:

- Identification of suitable farm activities in which mechanisation can be promoted to make agriculture more acceptable to the educated rural youth, without displacing the current labour force;

- Identification of the kind and location of jobs that the educated unemployed are looking for; and identification of sectors which have greater job potential;
- Assessment of the comparative cost of generating jobs in different sectors at varying locations;
- The trade-off between creating jobs in rural or urban areas, with special reference to schemes like the Jawahar Rozgar Yojnas.

As things stand, it is most desired that the pace of industrialisation must be accelerated. The government policy of giving incentives has produced positive results and it needs to be strengthened further. The small-scale industry is to be preferred for the state in view of its capacity to generate larger employment. Its integration with large/medium-scale industry is a must. For this, industry must find a rightful place in district planning. This calls for meaningful coordination between different government departments. For example, planting of trees by the forest department be linked with promotion of furniture manufacturing by the industries department with its utilisation in local schools by the education department.

Construction is another activity which can generate jobs in bulk in both the secondary and tertiary sectors. It will be advisable to go in for 'new city' projects. These should be located in proximity to Chandigarh and Ludhiana. In all likelihood, this would attract large investments from the NRIs, reduce pressure on the parent cities, and create jobs for the locals. This apart, some additional avenues of employment must be explored in other spheres and in different ways. In the primary sector, introduction of planters, transplanter and (potato) diggers may tempt even educated youth to join their family vocation. Females could be encouraged to take up part-time employment in the case of divisible jobs like teaching, typing and telephone services.

Also the employment exchanges should not remain just the registration centres. They must do data analysis and advise the government on employment policy. The current policy of advertising even the Class-III job may also be reviewed. Such posts should be filled by inviting candidates registered with local employment exchanges. This will be one way of rendering spatial justice to the unemployed.

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