



सत्यमेव जयते

**Report
on
Effect of Economic Slowdown
on Employment in India
(October - December, 2010)**

Government of India
Ministry of Labour & Employment
Labour Bureau
Chandigarh
February, 2011

Acknowledgement

I, sincerely thank the Secretary, Ministry of Labour & Employment, Government of India for entrusting the important task of conducting Quarterly surveys on effect of economic slowdown on employment in India, to the Labour Bureau. We conducted the first such national survey for the quarter October-December, 2008, though on a small sample basis, during January, 2009 and submitted report within a period of one month.

Eight quick quarterly surveys had been conducted earlier and reports thereon had been released. The present report is the ninth quarterly quick employment survey based on the employment data collected for the period Oct, 2010-Dec, 2010. I appreciate the wholehearted efforts of the staff of Labour Bureau towards collection of data and preparation of the report.

I am thankful to the Labour & Employment Adviser and DDG (ESA) of the Ministry in guiding us. I am also grateful to the State Labour authorities and the management of sample units for their active support and co-operation extended to the Labour Bureau in making this survey successful.

B.N.Nanda
Director General

Place: Chandigarh
Date: 25.02.2011

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Executive Summary

- The present survey is the ninth in the series of “Quarterly Quick Employment Surveys” conducted by the Bureau to assess the impact of economic slowdown on employment in India.
- The survey was conducted in the month of January, 2011 and covers the period October-December, 2010.
- A total of 2,510 sample units have been covered during the survey in eight selected sectors viz. textiles, leather, metals, automobiles, gems & jewellery, transport, IT/BPO and handloom/powerloom.
- At overall level, the employment has increased by 2.07 lakh during the period September, 2010 to December, 2010.

- At industry level, the maximum increase is observed in the IT/BPO sector where the employment has increased by 1.41 lakh followed by 0.40 lakh in the textile sector, 0.18 lakh in automobiles, 0.16 lakh in leather and 0.03 lakh in handloom/powerloom sector. While employment has marginally declined in gems & jewellery and transport sectors, it has remained unchanged in metals during the reference period.
- In the direct category of workers, the employment has increased more rapidly than in the contract category of workers during the period December, 2010 over September, 2010. At overall level, 1.61 lakh increase in employment is visible in the direct workers during the quarter.
- Out of a total increase of 2.07 lakh employment at the overall level during the period December, 2010 over September, 2010,

1.41 lakh increase has been registered in the export oriented units.

- Results of the four quarterly surveys conducted in the calendar year 2010 (i.e. Jan-Dec, 2010) indicate that the employment at overall level has increased by 8.7 lakh during the year.

INTRODUCTION

In order to study the impact of global economic slowdown on employment in Indian economy, Labour Bureau is conducting a series of quarterly quick employment surveys since January, 2009. These surveys are being conducted in selected sectors of the economy likely to be badly affected by the global economic slowdown. Although, the scope of this survey is limited; the trends of the employment scenario in the specific sectors covered under the study facilitate policy making and for taking corrective measures based on the survey results.

The first quarterly survey was conducted in the month of January, 2009 to study the impact of slowdown on employment during the quarter Oct-

Dec, 2008. The survey was conducted in seven important sectors of the economy viz. Textiles, Metals, Automobiles, Gems & Jewellery, Transport, IT/BPO and Mining. The findings of the survey were released in the last week of January, 2009. In the survey, a sample of 2,581 units was covered from 20 centres spread across eleven States/UTs. About half a million workers lost their jobs during the quarter in the sectors studied.

Construction sector was also covered in the first quarterly survey but due to non-cooperation of the sample units and unavailability of reliable data, results could not be compiled. Hence, the sector is not being covered in the subsequent quarterly surveys.

The second survey was conducted in the month of April, 2009 to study the impact on employment during the quarter Jan-March, 2009. In this survey, two additional sectors namely leather and handloom/ powerloom were covered whereas the

mining sector covered during the first survey was excluded. The detailed report of the survey was released in May, 2009. A sample of 3,192 units from 21 centers spread across eleven States/UTs was covered during the survey. More than a quarter million jobs were added during the quarter. There appeared to be a modest recovery in employment probably due to stimulus measures undertaken by the Union Government.

The third quarterly survey was conducted in the month of July, 2009 to study the employment situation during the quarter April-June, 2009 by revisiting the same sample units covered in the second survey. The objective of revisit was to assess the change in the direction and rate of change in the employment during April-June, 2009 over March, 2009. All the sample units were revisited; however, information was collected from 3,003 sample units. The rest 189 units could not be covered because of non-cooperation or hesitation of the owner to part with data. Employment during this quarter

declined by 1.31 lakh, which could be partly attributed to seasonality factors as the migrant workers prefer to visit their places of origin during this period.

The fourth quarterly quick employment survey was conducted in the month of Oct, 2009 to assess the employment situation during the period July-September, 2009. In this survey also, the units covered in the previous two quarterly surveys were revisited to assess the changes in employment in the selected sectors. All the 3,003 sample units covered in the previous quarterly survey were revisited; however, information were collected from 2,873 units as the information from remaining units could not collected due to non-cooperation and/or non-availability of the owner etc. In all the sectors studied, except leather; employment increased during the quarter. Overall employment increased by 4.97 lakh during the reference period.

The Fifth quarterly survey covering the period Oct-Dec, 2009 was launched in the third week of January, 2010 and was completed in the first week of February, 2010. In the earlier quarterly surveys, the units covered in the second quarterly survey were revisited to assess the direction and rate of change in the employment. However, in the fifth survey a fresh sample was drawn to assess the employment trends. In the sample drawn, about 70 per cent of the units were selected afresh and the rest were kept the same as covered in the previous surveys. At the overall level, employment increased by 6.4 lakh during the quarter October-December, 2009.

The sixth quarterly quick employment survey was conducted in the month of April, 2010 which covers the period Jan-March, 2010. In the survey, the sample units covered in the previous survey were revisited. All the units covered in the fifth quarterly survey (2953 units) were approached; however, information was collected from 2,815 units. At the

overall level of the sectors covered, employment increased by 0.61 lakh during the quarter January-March, 2010.

The seventh quarterly quick employment survey was conducted in Sep, 2010 for the reference period April-June, 2010. The units covered in the previous survey were revisited in the survey, to see the direction and rate of change in the employment trends during the period June, 2010 over March, 2010. All the units covered in the sixth quarterly survey (2815 units) were approached; however, information was collected from 2,635 units. At the overall level of the sectors combined, employment increased by 1.62 lakh during the quarter June, 10 over Mar, 10.

The Eighth quarterly quick employment survey was conducted in the month of October, 2010 for the reference period July-September, 2010. During the survey, the units covered in the previous survey were revisited to see the direction and rate of

change in the employment during the period September, 2010 over June, 2010. All the units covered in the previous survey were approached; however information was collected from 2558 units. Based on the survey results, the employment increased by 4.35 lakh during the period Sep, 2010 over June, 2010 at overall level.

The present survey is ninth quarterly quick employment survey for the reference period October-December, 2010. The field work for the survey was conducted in the month of January, 2011. During the current survey also, the units covered in the previous survey are revisited to see the direction and rate of change in the employment trends. All the units covered in the eighth quarterly survey have been revisited; however information is collected from 2510 units. The sector-wise number of units covered in the present and the previous survey are given in the table below:

Table:1
Sector-wise units covered

Sl. No.	Industry Group/State	No. of units covered during the survey for the quarter	
		July-Sep, 2010	Oct-Dec, 2010
1	Textiles including Apparels	807	782
2	Leather	183	177
3	Metals	868	864
4	Automobiles	129	129
5	Gems & Jewellery	195	192
6	Transport	73	73
7	IT/BPO	199	194
8	Handloom/Powerloom	104	99
Overall		2558	2510

A two stage stratified sampling technique has been adopted. The first stage units; districts/centers are selected using purposive sampling and the second stage units, the establishments are selected using circular systematic sampling. The sample is apportioned among different sectors in proportion to

the units in the frame in these sectors at All India level.

Analysis of Employment

Analysis of the current survey data indicates that five out of eight selected sectors are showing an increase in employment during December, 2010 over September, 2010. In the remaining three sectors, the employment has either remained stagnant or declined marginally. The sector wise changes in the employment during the latest four quarters are presented below in Table 2.1.

Table 2.1
Changes in estimated employment based on various quarterly survey results (In lakh)

Sl. No.	Industry/ Group	Changes in employment during				
		Mar,10 over Dec,09	Jun, 10 over Mar,10	Sep, 10 over June, 10	Dec, 10 over Sep, 10	Dec,10 over Dec,09
1	Textiles including Apparels	-1.19	-0.63	2.45	0.40	1.03
2	Leather	0.00	0.21	0.04	0.16	0.41
3	Metals	0.04	0.45	0.27	0.00	0.76
4	Automobiles	0.29	0.51	0.29	0.18	1.27
5	Gems & Jewellery	0.24	0.04	0.04	-0.10	0.22
6	Transport	-0.02	-0.21	0.13	-0.01	-0.07

7	IT/BPO	1.29	1.29	1.08	1.41	5.07
8	Handloom/ Powerloom	-0.05	-0.03	0.06	0.03	0.01
Overall		0.61	1.62	4.35	2.07	8.70

It may be seen from the above table that the employment in the eight selected sectors has increased by 2.07 lakh in December, 2010 over September, 2010. The main contributor to the increase in employment during the reference period is IT/BPO sector wherein it has increased by 1.41 lakh. The second highest contributor to the employment increase is textile sector which has registered an increase of 0.40 lakh during the reference period. Automobiles, leather and handloom/powerloom sectors have also experienced an increase in employment during this period.

A marginal decline in employment is observed in gems & jewellery and transport sector during the period December, 2010 over September, 2010. In the gems & jewellery sector, employment has declined by 0.10 lakh during the period followed by a decline

of 0.01 lakh in transport sector. Employment in the metals sector has remained stagnant.

While viewing the results for the year 2010 (January-December, 2010), it may be seen from the above table that employment in the selected sectors has increased by 8.70 lakh during this one year period. About 60 per cent of the increase in employment during the year 2010 is registered in IT/BPO sector, where the employment has increased by 5.07 lakh. The second highest contributor to the employment increase during the year 2010 is Automobile sector where it has increased by 1.27 lakh followed by 1.03 lakh in textile sector.

The average monthly percentage changes in the employment of selected sectors are also derived based on the survey results. Such changes in the employment of selected sectors during the latest four quarters are presented in Table 2.2.

Table 2.2
Average Monthly Percentage changes in
Employment based on various quarterly survey
results (per cent)

Sl. No.	Industry/ Group	Percentage changes in employment based on various quarterly survey results			
		Mar,10 over Dec,09	June,10 over Mar,10	Sep, 10 over June, 10	Dec, 10 over Sep, 10
1	Textiles including Apparels	-0.76	-0.38	1.44	0.22
2	Leather	-0.01	2.0	0.32	1.40
3	Metals	0.09	0.84	0.50	0.00
4	Automobiles	1.43	2.30	1.26	0.75
5	Gems & Jewellery	2.70	0.44	0.38	-0.91
6	Transport	-0.18	-1.84	1.78	-0.12
7	IT/BPO	1.15	1.13	0.91	1.13
8	Handloom/ Powerloom	-0.37	-0.25	0.42	0.17
Overall		0.16	0.40	1.07	0.48

Based on the survey findings, the average monthly percentage increase in the employment during the period December, 2010 over September, 2010 is registered at 0.48 per cent at the overall level. The maximum average monthly increase in employment during the reference period is seen in leather industry where it has registered a growth of 1.40

per cent followed by 1.13 per cent in IT/BPO sector and 0.75 per cent in Automobiles sector during December, 10 over September, 10.

In gems & jewellery sector, the survey results show an average monthly percentage decline in the employment by 0.91 per cent followed by 0.12 per cent in transport sector during the period December, 2010 over September, 2010.

The employment trends based on the survey are compiled separately for direct category of workers and contract workers. As seen in the previous survey, the major increase in employment was registered in the direct category of workers. In the current survey also, the major growth in employment is in direct category of workers during the period December, 2010 over September, 2010. The sector wise changes in the employment trends of direct and contract category of workers are presented below in Table 2.3.

Table 2.3

Changes in employment of direct and contract workers based on the various quarterly survey results during 2009-10 (in lakh)

Sl. No	Industry/ Group	Mar, 10 over Dec, 09		June,10 over Mar,10		Sep, 10 over June,10		Dec, 10 over Sep, 10		Dec,10 over Dec, 09	
		Direc t	Contr act	Dire ct	Contr act	Dire ct	Contr act	Direc t	Contr act	Dire ct	Contr act
1	Textiles including Apparels	-1.59	0.40	-0.31	-0.32	2.08	0.36	0.06	0.34	0.24	0.79
2	Leather	-0.01	0.01	0.17	0.04	0.05	-0.01	0.10	0.06	0.31	0.10
3	Metals	0.01	0.04	0.42	0.03	0.28	0.00	-0.03	0.03	0.68	0.08
4	Automobiles	-0.03	0.32	0.29	0.22	0.14	0.14	0.19	-0.01	0.59	0.68
5	Gems & Jewellery	0.22	0.02	0.08	-0.04	0.10	-0.06	-0.09	-0.01	0.31	-0.09
6	Transport	-0.03	0.01	-0.57	0.36	0.12	0.01	-0.04	0.03	-0.52	0.41
7	IT/BPO	1.25	0.04	1.19	0.10	1.05	0.03	1.36	0.05	4.85	0.22
8	Handloom/ Powerloom	0.06	-0.11	-0.04	0.01	0.00	0.06	0.06	-0.03	0.08	-0.07
Overall		-0.13	0.74	1.22	0.40	3.85	0.50	1.61	0.46	6.55	2.12

The survey results show that during the period December, 2010 over September, 2010, employment in the direct category of workers increased by 1.61 lakh at overall level. In IT/BPO sector, about 95 per

cent of the employment increase is reported in the direct category of workers. On the other hand, in the textile sector, employment increase in the contract category of workers outnumbered the direct workers. About 85 per cent of the increase in employment during the period is seen in contract category of workers during the period December, 2010 over September, 2010.

The survey results have also been analyzed separately for exporting and non-exporting units. As observed in the previous quarterly survey results, employment in the exporting units is showing an upward trend during the present survey also. The sector wise changes in employment of the exporting units during the latest four quarters are presented below in Table 2.4.

Table 2.4

Changes in employment of exporting units based on
the various quarterly survey results (in lakh)

Sl. No.	Industry/Group	Mar, 10 over Dec, 09	June,1 0 over Mar,10	Sep, 10 Over June,1 0	Dec, 10 over Sep, 10	Dec,10 over Dec,09
1	Textiles including Apparels	0.69	-0.04	1.64	0.39	2.68
2	Leather	-0.04	0.22	0.04	0.16	0.38
3	Metals	0.08	0.31	0.18	-0.04	0.56
4	Automobiles	0.10	0.13	0.02	-0.07	0.15
5	Gems&Jewellery	0.17	-0.11	0.06	-0.06	0.02
6	Transport (*)	-	-	-	-	-
7	IT/BPO	0.89	1.33	1.09	0.99	4.3
8	Handloom/ Powerloom	-0.02	-0.06	0.01	0.02	-0.05
Overall		1.87	1.77	3.05	1.41	8.1

(*) No exporting unit was covered.

During the current quarterly survey for the reference period Oct-Dec, 2010, employment in the exporting units are showing an increase of 1.41 lakh out of a total increase of 2.07 lakh at overall level. The main contributor in the increase in employment of exporting units is seen in IT/BPO sector where it

is showing an increase of 0.99 lakh during the period.

While comparing the latest four quarterly results during the calendar year 2010, it is seen that about 95 per cent of the increase in total employment is in exporting units. Except a minor decline in the handloom/powerloom sector, all the other sectors studied have shown an increase in the employment in the exporting units. The maximum increase (4.3 lakh) in the employment of exporting units during the year 2010 is seen in IT/BPO sector followed by 2.68 lakh in the textile sector and a moderate increase in other sectors.

The average monthly percentage changes in employment of the exporting units are also derived. The sector wise average monthly percentage changes in the employment of exporting units are presented below in Table 2.5.

Table 2.5

Average monthly changes in employment of exporting units based on various quarterly survey results (in per cent)

Sl. No.	Industry/Group	Mar, 10 over Dec, 09	June,10 over Mar,10	Sep, 10 over June, 10	Dec, 10 over Sep, 10
1	Textiles including Apparels	0.84	-0.04	1.67	0.38
2	Leather	-0.56	2.46	0.46	1.64
3	Metals	0.47	1.93	1.29	-0.22
4	Automobiles	1.92	2.35	0.45	-1.42
5	Gems & Jewellery	4.18	-2.21	1.40	-1.05
6	Transport	-	-	-	-
7	IT/BPO	1.09	1.56	1.39	1.05
8	Handloom/ Powerloom	-1.08	-2.70	0.35	1.35
<i>Overall</i>		<i>0.93</i>	<i>0.82</i>	<i>1.44</i>	<i>0.60</i>

An average monthly percentage changes in the employment of exporting units reveal a growth of 0.60 per cent in December, 2010 over September, 2010 at overall level. In the leather industry, a maximum of 1.64 per cent average monthly

percentage growth is registered during the period December, 2010 over September, 2010 followed by 1.35 per cent in handloom/powerloom sector. On the other hand in automobiles, gems & jewellery and metal industry, the average monthly percentage changes are showing a declining trend. In automobile sector, a maximum decline is registered at 1.42 per cent followed by 1.05 per cent in gems & jewellery sector and 0.22 per cent in metal sector.

The survey results are compiled separately for non-exporting units. The sector wise changes in the employment during the latest four quarters for the non-exporting units are given below in Table 2.6.

Table 2.6

Changes in employment of non-exporting units based on the last four quarterly survey results (in lakh)

Sl. No.	Industry/Group	Mar, 10 over Dec, 09	June,10 over Mar,10	Sep,10 over Jun, 10	Dec, 10 over Sep, 10	Dec, 10 over Dec, 09
1	Textiles including Apparels	-1.88	-0.60	0.81	0.01	-1.67
2	Leather	0.04	-0.01	-0.01	0.00	0.02
3	Metals	-0.03	0.14	0.09	0.03	0.23
4	Automobiles	0.19	0.38	0.26	0.25	1.08
5	Gems & Jewellery	0.08	0.15	-0.02	-0.04	0.17
6	Transport	-0.02	-0.21	0.13	-0.01	0.11
7	IT/BPO	0.40	-0.04	-0.01	0.42	0.77
8	Handloom/ Powerloom	-0.03	0.03	0.05	0.00	0.05
Overall		-1.25	-0.15	1.30	0.66	0.55

It may be seen from the above table that the employment in the non-exporting units have not increased in the same pace as seen in the exporting units. During the current quarterly survey results, the employment in the non-exporting units is showing an increase of 0.66 lakh in December, 2010 over September, 2010. In IT/BPO and automobile sectors the employment in the non-exporting units during the period December, 2010 over September, 2010 has increased by 0.42 lakh and 0.25 lakh respectively. In rest of the sectors, the change in the

employment of non-exporting units is very moderate.

The sector-wise average monthly percentage changes in the employment of non-exporting units are presented below in Table 2.7.

Table 2.7

Average monthly changes in employment of non-exporting units based on various quarterly survey results (in per cent)

Sl. No.	Industry/Group	Mar, 10 over Dec, 09	June,10 over Mar,10	Sep, 10 over Jun, 10	Dec, 10 over Sep, 10
1	Textiles including Apparels	-2.55	-0.82	1.12	-
2	Leather	2.36	-0.64	-0.54	0.10
3	Metals	-0.10	0.38	0.22	0.09
4	Automobiles	1.25	2.28	1.51	1.31
5	Gems&Jewellery	1.52	2.97	-0.35	-0.78
6	Transport	-0.18	-1.84	1.78	-0.12
7	IT/BPO	1.32	-0.12	-0.02	1.42
8	Handloom/ Powerloom	-0.24	0.23	0.43	0.02
Overall		-0.69	-0.08	0.66	0.33

The survey result shows an average monthly percentage increase of 0.33 per cent in the non-exporting units at overall level during the period

December, 2010 over September, 2010. A maximum average monthly percentage increase in the employment of non-exporting units is seen in the IT/BPO sector (1.42 per cent) followed by 1.31 per cent in automobile sector during the period December, 2010 over September, 2010.

The results of the ninth quarterly survey reveal that there has been a sustained and consecutive increase in employment in the sectors covered at overall level during the last six quarters. The total creation of employment during this recovery period is 20 lakh at the overall level.

Annexure

GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT
LABOUR BUREAU, CHANDIGARH
(EMPLOYMENT SCENARIO : October – December, 2010)

I Identification Particulars

- a. Zone-State

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- b. Name of the District/Centre

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- c. Name of Unit

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- d. Complete Address of the Unit

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- e. D S L No.

--	--	--	--	--	--	--	--
- f. Name of the Person

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- g. Mobile /Contact No.

--
- h. NIC Code (3- Digit)

--
- i. Type of goods

--
- j. Whether the unit is export

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II Month-wise number of Workers & Earnings

Month	Employment Status	Employees as on last working day	Total Wage/Salary Bill (in Rs.)
Sep, 2010	Direct		
	Contract		
	Total		
Oct,2010	Direct		
	Contract		
	Total		
Nov,2010	Direct		
	Contract		
	Total		
Dec,2010	Direct		
	Contract		
	Total		

Name of the Officer	
Signature with date	
Remarks:	