



सत्यमेव जयते

**Report
on
Effect of Economic Slowdown
on Employment in India
(July- September, 2011)**

Government of India
Ministry of Labour & Employment
Labour Bureau
Chandigarh
November, 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.

Eleven quick quarterly surveys had been conducted earlier and reports thereon had been released. The present report is the twelve quarterly quick employment survey based on the employment data collected for the period July-September, 2011. 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: 29.11.2011

Contents

Executive Summary

I Introduction

II Analysis of Employment

Annexure

Questionnaire canvassed in the
survey

Executive Summary

- The present survey is the 12th 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 October & November, 2011 and covers the period July-September, 2011.
- A total of 2,215 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 3.15 lakh during the period September, 2011 over June, 2011.
- At industry level, the maximum increase is observed in the IT/BPO sector where the

employment increased by 2.04 lakh during the reference period.

- In the direct category of workers, the employment has increased by 3.18 lakh during the period September, 2011 over June, 2011.
- During the reference period, employment in the exporting units has increased by 1.96 lakh at overall level of the sectors covered in the survey.
- Results of the last four quarterly surveys conducted (i.e. September, 2010 to September, 2011) indicate that the employment at overall level has increased by 9.11 lakh during the period.

Chapter I

INTRODUCTION

Labour Bureau is conducting a series of quarterly quick employment surveys since January, 2009 to study the impact of global economic slowdown on employment in Indian economy. 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 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 ninth quarterly quick employment survey for the reference period October-December, 2010 was conducted during the month of January, 2011. During the survey, the units covered in the previous survey were revisited to see the direction and rate of change in the employment trends. All the units covered in the eighth quarterly survey were revisited; however information was collected from 2510 units.

The tenth quarterly quick employment survey for the reference period January-March, 2011 was conducted during the month of April & May, 2011. During the survey, the units covered in the ninth quarterly survey were revisited to see the direction and rate of change in the employment trends. All the units covered in the ninth

quarterly survey were revisited; however information was collected from 2406 units.

The eleventh quarterly quick employment survey for the reference period April-June, 2011 was conducted in the month of August & September, 2011. During the survey, the units covered in the previous survey were revisited to see the direction and rate of change in the employment trends. All the units covered in the tenth quarterly survey were revisited; however information was collected from 2289 units.

The present one is the twelfth quarterly quick employment survey in the series. The survey is conducted during the month of October & November, 2011 and it covers the period of July-September, 2011. All the units covered in the previous survey are revisited to see the direction and rate of change in the employment trends. However, information is collected from 2215 units only. The sector-wise number of units

covered in the present and the previous survey are given in the table below:

Table: 1 Sector-wise unit covered

Sl. No.	Industry Group/State	No. of units covered during the survey for the quarter	
		Apr-June, 2011	Jun-Sept, 2011
1	Textiles including Apparels	708	688
2	Leather	153	153
3	Metals	814	772
4	Automobiles	117	115
5	Gems & Jewellery	179	171
6	Transport	58	57
7	IT/BPO	168	168
8	Handloom/ Powerloom	92	91
Overall		2289	2215

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.

Chapter II

ANALYSIS OF EMPLOYMENT

The findings of the current survey indicate an increase in employment in the selected sectors under study at overall level. Analysis of the current survey data indicates that employment in all the sectors under study has increased except a marginal decline in leather and transport sectors during September, 2011 over June, 2011. The sectors 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				
		Dec, 10 over Sep, 10	Mar, 11 over Dec, 10	June, over March, 11	Sep, 11 over Jun, 11	Sept,11 over Sept,10
1	Textiles including Apparels	0.40	-1.21	-0.33	0.42	-0.72
2	Leather	0.16	-0.08	0.01	-0.02	0.07
3	Metals	0.00	0.16	0.53	0.38	1.07
4	Automobiles	0.18	0.13	0.18	0.22	0.71
5	Gems & Jewellery	-0.10	-0.02	0.13	0.07	0.08
6	Transport	-0.01	0.06	-0.02	-0.05	-0.02
7	IT/BPO	1.41	2.87	1.64	2.04	7.96
8	Handloom/ Powerloom	0.03	-0.18	0.01	0.09	-0.05
Overall		2.07	1.74	2.15	3.15	9.11

It may be seen from the above table that the employment at overall level has increased by 3.15 lakhs in September, 2011 over June, 2011. During the current survey, the main contributor to the increase in employment is IT/BPO sector where in the employment has increased by 2.04 lakhs during September, 2011 over June, 2011. Other sectors which contributed to the increase

in employment during the reference period are textiles (0.42 lakh), metals (0.38 lakh), automobiles (0.22 lakh), gems & jewellery (0.07 lakh) and handloom/powerloom (0.09 lakh).

On the other hand, as was the case in the previous quarterly survey, the employment in the transport sector has further declined marginally by 0.05 lakh during the reference period.

While analyzing the results for the last four quarters (September, 2010-September, 2011), it may be seen from the above table that employment in the selected sectors has increased by 9.11 lakh during this period. About 87 per cent of the increase in employment during the period is in IT/BPO sector, where the employment has increased by 7.96 lakh. The second highest contributor to the employment increase during the period is seen in metals sector where it has increased by 1.07 lakh followed by 0.71 lakh in automobile sector during the period September, 2010 to September, 2011.

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			
		Dec, 10 over Sep, 10	Mar, 11 over Dec, 10	Jun, 11 over Mar, 11	Sep, 11 over Jun, 11
1	Textiles including Apparels	0.22	-0.64	-0.17	0.23
2	Leather	1.40	-0.65	0.08	-0.17
3	Metals	0.00	0.30	1.00	0.68
4	Automobiles	0.75	0.55	0.71	0.87
5	Gems & Jewellery	-0.91	-0.17	1.20	0.58
6	Transport	-0.12	0.52	-0.23	-0.66
7	IT/BPO	1.13	2.30	1.13	1.28
8	Handloom/ Powerloom	0.17	-1.28	0.08	0.67
Overall		0.48	0.39	0.47	0.68

Based on the survey findings, the average monthly percentage increase in the employment

during the period September, 2011 over June, 2011 is registered at 0.68 per cent at the overall level. The maximum average monthly increase in employment during the reference period is seen in IT/BPO sector where it has registered a growth of 1.28 per cent followed by 0.87 per cent in automobiles sector and 0.68 per cent in metals sector during September, 2011 over June, 2011.

Leather & transport sectors, show an average monthly percentage decline in employment by 0.17 and 0.66 per cent respectively during the period September, 2011 over June, 2011.

The employment trends based on the survey are also compiled separately for direct and contract categories of workers. As observed in the previous survey, in the current survey also, the major increase in employment is in the direct category of workers during the period September, 2011 over June, 2011. The sector wise changes in employment of direct and contract categories 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	Dec, 10 over Sep, 10		Mar, 11 over Dec, 10		June, 11 over Mar, 11		Sep, 11 over Jun, 11		Sept, 11 over Sept, 10	
		Dire ct	Contr act	Dire ct	Contr act	Dire ct	Contr act	Direc t	Contr act	Dire ct	Contr act
1	Textiles including Apparels	0.06	0.34	-1.20	-0.02	-0.14	-0.19	0.65	-0.23	-0.63	-0.1
2	Leather	0.10	0.06	0.00	-0.08	0.04	-0.03	-0.03	0.01	0.11	-0.04
3	Metals	-0.03	0.03	0.17	-0.01	0.39	0.14	0.29	0.10	0.82	0.26
4	Automobiles	0.19	-0.01	0.14	0.00	0.04	0.14	0.12	0.10	0.49	0.23
5	Gems & Jewellery	-0.09	-0.01	-0.02	0.01	0.10	0.03	0.06	0.01	0.05	0.04
6	Transport	-0.04	0.03	0.01	0.06	-0.01	-0.01	-0.05	0.00	-0.08	0.08
7	IT/BPO	1.36	0.05	2.86	0.01	1.39	0.24	2.06	-0.02	7.67	0.28
8	Handloom/ Powerloom	0.06	-0.03	-0.16	-0.02	0.08	-0.07	0.08	0.01	0.06	-0.11
Overall		1.61	0.46	1.80	-0.06	1.90	0.25	3.18	-0.02	8.5	0.63

It may be seen from the above table, that the employment of the direct category of workers has increased by 3.18 lakh during the period September, 2011 over June, 2011. In IT/BPO sector, a maximum increase of 2.06 lakh is seen in employment of this category of workers

during the period followed by 0.65 lakh in textiles sector.

Employment of contract category of workers, at overall level has, however declined marginally by 0.02 lakh during the reference period September, 2011 over June, 2011.

By analyzing the results of the last four quarters (September, 2010 to September, 2011), it is seen that the total employment in direct category of workers has increased by 8.5 lakh with maximum increase of 7.67 lakh being in the IT/BPO sector..

The survey results have also been analyzed separately for exporting and non-exporting units. As per previous quarterly survey (April-June, 2011) results, employment in the non exporting units had increased at higher rate as compared to the increase in exporting units. However, in the current survey period, reverse trend is observed wherein employment in exporting units has increased at a higher rate as compared to

the increase in non-exporting units. 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	Dec, 10 over Sep, 10	Mar, 11 over Dec, 10	Jun, 11 over Mar, 11	Sep, 11 over Jun, 11	Sept, 11 over Sept, 10
1	Textiles including Apparels	0.39	-0.49	-1.01	-0.44	-1.55
2	Leather	0.16	-0.09	-0.04	-0.02	0.01
3	Metals	-0.04	-0.11	0.49	0.17	0.51
4	Automobiles	-0.07	0.14	0.06	0.02	0.15
5	Gems&Jewellery	-0.06	0.02	0.20	0.03	0.19
6	Transport (*)	-	-	-	0.00	0.0
7	IT/BPO	0.99	2.51	0.98	2.05	6.53
8	Handloom/Powerloom	0.02	0.01	-0.01	0.15	0.17
	Overall	1.41	1.99	0.67	1.96	6.03

(*) No exporting unit was covered.

During the current quarterly survey for the reference period July-September, 2011,

employment in the exporting units shows an increase of 1.96 lakh at overall level. The main contributor to the increase in employment of exporting units is the IT/BPO sector where it has increased by 2.05 lakh lakh during the reference period. However, in the textiles sector, the employment has declined by 0.44 lakh during the period September, 2011 over June, 2011. In the previous survey period also, the exporting units of textile sector had experienced a decline in employment to the tune of 1.01 lakh.

While comparing the results of the last four quarterly surveys covering the period October, 2010 to September, 2011, it is seen that at overall level the employment has increased by 6.03 lakh in the exporting units. In all the sectors studied except textiles sector, employment in the exporting units has increased. The maximum increase (6.53 lakh) in the employment of exporting units during the period is seen in IT/BPO sector followed by 0.51

lakh in the metals sector and 0.19 lakh in gems & jewellery sector.

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	Dec, 10 over Sep, 10	Mar,11 over Dec, 10	June, 11 over March, 11	Sep, 11 over Jun,11
1	Textiles including Apparels	0.38	-0.44	-0.92	-0.45
2	Leather	1.64	-0.88	-0.42	-0.20
3	Metals	-0.22	-0.70	3.58	1.06
4	Automobiles	-1.42	2.30	1.16	0.36
5	Gems & Jewellery	-1.05	0.36	4.10	0.50
6	Transport	-	-	-	-
7	IT/BPO	1.05	2.44	1.03	1.67
8	Handloom/ Powerloom	1.35	0.41	-1.01	10.42
	Overall	0.60	0.78	0.28	0.75

An average monthly percentage changes in the employment of exporting units reveal a growth of 0.75 per cent in September, 2011 over June, 2011 at overall level. In the handloom/powerloom sector, a maximum of 10.42 per cent average monthly percentage growth is registered in employment during the period September, 2011 over June, 2011.

The survey results are compiled separately for non-exporting units. Sector wise changes in employment of non-exporting units during the latest four quarters are presented 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	Dec, 10 over Sep, 10	Mar, 11 over Dec, 10	June, 11 over March, 11	Sep, 11 over Jun, 11	Sept, 11 over Sept, 10
1	Textiles including Apparels	0.01	-0.72	0.67	0.85	0.81
2	Leather	0.00	0.01	0.05	-0.01	0.05
3	Metals	0.03	0.27	0.04	0.23	0.57
4	Automobiles	0.25	-0.01	0.12	0.19	0.55

5	Gems & Jewellery	-0.04	-0.04	-0.07	0.04	-0.11
6	Transport	-0.01	0.06	-0.02	-0.05	-0.02
7	IT/BPO	0.42	0.36	0.66	-0.01	1.43
8	Handloom/ Powerloom	0.00	-0.19	0.03	-0.08	-0.24
Overall		0.66	-0.25	1.48	1.16	3.05

It may be seen from the above table that the employment in the non-exporting units has increased by 1.16 lakh during the quarter September, 2011 over June, 2011. The highest increase is seen in textiles sector, where the employment has increased by 0.85 lakh followed by 0.23 lakh in metals sector during the period September, 2011 over June, 2011.

Sector-wise average monthly percentage changes in 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	Dec, 10 over Sep, 10	Mar, 11 over Dec, 10	June, 11 over March, 11	Sep, 11 over Jun, 11
1	Textiles including Apparels	-	-0.90	0.82	1.03
2	Leather	0.10	0.74	2.55	-0.54
3	Metals	0.09	0.71	0.11	0.58
4	Automobiles	1.31	-0.04	0.59	0.96
5	Gems&Jewellery	-0.78	-0.69	-1.23	0.66
6	Transport	-0.12	0.52	-0.23	-0.66
7	IT/BPO	1.42	1.61	1.30	-0.03
8	Handloom/Powerloom	0.02	-1.51	0.22	-0.67
Overall		0.33	-0.13	0.67	0.56

The survey results show an average monthly percentage increase of 0.56 per cent in the employment of non-exporting units at overall level during the period September, 2011 over

June, 2011. The maximum average monthly percentage increase in the employment of non-exporting units is seen in the textiles sector (1.03 per cent) followed by 0.96 per cent in automobiles sector during the period September 2011 over June, 2011.

The results of the 12th quarterly survey reveal that there has been a sustained and consecutive increase in employment in the sectors covered at overall level during the last nine quarters in a row. The total creation of employment during this recovery period is more than 27 lakh at the overall level.

Annexure

GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT
LABOUR BUREAU, CHANDIGARH
(EMPLOYMENT SCENARIO : July-September, 2011)

I Identification Particulars

- a. Zone-State

--	--	--	--
- b. Name of the

--
- c. Name of Unit

--
- d. Complete Address of the Unit

--
- e. D S L No.

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

--
- g. Mobile /Contact No.

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

--
- i. Type of goods

--
- j. Whether the unit is export

--

II Month-wise number of Workers & Earnings

Month	Employment Status	Employees as on last working day	Total Wage/Salary Bill (in Rs.)
June, 2011	Direct		
	Contract		
	Total		
July, 2011	Direct		
	Contract		
	Total		
August, 2011	Direct		
	Contract		
	Total		
September, 2011	Direct		
	Contract		
	Total		

Name of the Officer	
Signature with date	
Remarks:	