



**Report
on
Effect of Economic
Slowdown
on Employment in India
(July - Sept, 2010)**

Government of India
Ministry of Labour & Employment
Labour Bureau
Chandigarh
November, 2010

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.

So far seven quick quarterly surveys have been conducted and reports thereon have been released. The present report is based on the employment data collected for the period July-Sep, 2010 during the eighth quarterly survey. I appreciate the wholehearted efforts of the staff of Labour Bureau towards collection of data and preparation of the report in such a short time.

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 in making this survey successful.

B.N.Nanda
Director General

Place: Chandigarh
Date: 23.11.2010

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Questionnaire canvassed in the
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Executive Summary

- The present survey is the eighth in the series of “Quarterly Quick Employment Surveys” conducted by Labour Bureau to assess the impact of economic slowdown on employment in India.
- The survey was conducted in the month of October, 2010 and covers the period July-September, 2010.
- A total of 2,558 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 4.35 lakh during the period Sep, 2010 over June, 2010.

- At industry level, the maximum increase is seen in the textile sector where the employment has increased by 2.45 lakh during the period Sep, 2010 over June, 2010.
- The maximum increase in employment is seen in the direct category of workers where it has increased by 3.85lakh at overall level during the period Sep, 2010 over June, 2010.
- In the export oriented units, the employment at the overall level has increased by 3.05 lakh whereas in the non-exporting units the increase is 1.30 lakh during the period Sep, 2010 over June, 2010.
- The results of the last four quarterly surveys period i.e. Sep, 2010 over Sep, 2009, indicate that the employment at overall level has increased by 12.96 lakh.

Chapter I

INTRODUCTION

Labour Bureau is conducting quarterly quick employment surveys since January, 2009 to assess the impact of global economic slowdown on employment in India. These surveys are being conducted in selected sectors of the economy supposed 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 of 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. 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 the mid of 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 of 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/ non-contact with the owner etc. Employment during this quarter declined by 1.31 lakh, which could be 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 is collected from 2,873 units as the information from remaining units could not be 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 the same as covered in the previous surveys. At overall levels, 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 covered, employment increased by 1.62 lakh during the quarter June, 10 over Mar, 10.

The present survey is the eighth such survey covering the reference period July-September, 2010. The field work for the survey was conducted in the month of October, 2010. During the current survey also, the units covered in the previous survey has been revisited to see the direction and rate of change in the employment during the period September, 2010 over June, 2010. The sector-wise number of units covered in the present and the previous surveys are given in the table below.

Table: Sector-wise units covered

Sl. No.	Industry Group/State	No. of Units covered during	
		Apr-June, 2010	July-Sep, 2010
1	Textiles including Apparels	856	807
2	Leather	187	183
3	Metal	877	868
4	Automobiles	133	129
5	Gems & Jewellery	197	195
6	Transport	77	73
7	IT/BPO	206	199
8	Handloom/Powerloom	102	104
Overall		2635	2558

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 allotted to different sectors in proportion to the units in the frame in these sectors at All India level.

Chapter II

Analysis of Employment

The current survey is the eighth quarterly quick employment survey for the reference period July-Sep, 2010. The field work for the survey was conducted in the month of October, 2010. In the present survey, the units covered in the previous survey are revisited to assess the direction and rate of change in the employment during the period July-Sep, 2010 over June, 2010. The sector wise changes in the employment estimates are presented below in Table 2.1.

The survey result shows that the employment has increased by 4.35 lakh at overall level during the period July-Sep, 2010 over June, 2010. In each

selected sector, the employment has increased during the period.

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

Sl. No.	Industry/ Group	Changes in employment during				
		Dec,09 over Sep, 09	Mar,10 over Dec,09	June,10 over Mar,10	Sep, 10 Over June, 10	Sep,10 over Sep,09
1	Textiles including Apparels	0.16	-1.19	-0.63	2.45	0.79
2	Leather	0.09	0.00	0.21	0.04	0.34
3	Metals	0.23	0.04	0.45	0.27	0.99
4	Automobiles	0.06	0.29	0.51	0.29	1.15
5	Gems & Jewellery	0.07	0.24	0.04	0.04	0.39
6	Transport	-0.02	-0.02	-0.21	0.13	-0.12
7	IT/BPO	5.7	1.29	1.29	1.08	9.36
8	Handloom/ Powerloom	0.09	-0.05	-0.03	0.06	0.07
	Overall	6.38	0.61	1.62	4.35	12.96

The textile sector, which was showing decline in employment during the last two quarters survey, has now shown an increase of 2.45 lakh employment during the period July - Sep, 2010 over June, 2010.

The other sector which is showing a significant increase in employment during the period is IT/BPO, where the employment has increased by 1.08 lakh during July-Sep, 2010 over June, 2010.

Comparison of the results of last four quarterly quick employment surveys reveals that the employment in Sep, 2010 over Sep, 2009 has increased by 12.96 lakh at all sectors level, It may be observed that during this period employment has increased in all the sectors studied except a marginal decline in Transport sector (0.12 lakh). At sector level, the highest increase (9.36 lakh) in employment is seen in the IT/BPO sector during Sep, 2010 over Sep, 2009.

Based on the information collected during the survey, sector-wise average monthly percentage changes in the employment are also derived. Sector-wise such percentage changes derived on the basis of data collected during the latest four quarterly surveys are presented in Table 2.2.

Table 2.2**Average Monthly Percentage changes in Employment based on various quarterly survey results**

Sl. No.	Industry/ Group	Percentage changes in employment based on various quarterly survey results			
		Dec,09 over Sep, 09	Mar,10 over Dec,09	June,10 over Mar,10	Sep, 10 over June, 10
1	Textiles including Apparels	0.12	-0.76	-0.38	1.44
2	Leather	0.94	-0.01	2.0	0.32
3	Metals	0.43	0.09	0.84	0.50
4	Automobiles	0.30	1.43	2.30	1.26
5	Gems & Jewellery	0.74	2.70	0.44	0.38
6	Transport	-0.19	-0.18	-1.84	1.78
7	IT/BPO	4.15	1.15	1.13	0.91
8	Handloom/ Powerloom	0.71	-0.37	-0.25	0.42
	Overall	1.70	0.16	0.40	1.07

The survey results show that the average monthly percentage increase in the employment during Sep, 2010 over June, 2010 is 1.07 per cent at overall level. The maximum average monthly increase is seen in the transport sector, where the employment

has increased by 1.78 per cent in Sep, 2010 over June, 2010 followed by 1.44 per cent in textile sector and 1.26 per cent in automobile sector during the same period. In the transport sector, the employment was showing a declining trend in the last three quarters results.

The employed category of workers is further classified into two categories, namely, i) Direct Workers and ii) Contract workers. The survey results reveal that though the employment of both categories has increased during Sept, 2010 over June, 2010, most part of the employment increase is in the direct category of workers. Out of a total increase in employment of 4.35 lakh during the quarter, 3.85 lakh increase is in the direct category. The sector wise changes in the direct and contract category of workers during various quarters are given 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,09 over Sep, 09		Mar, 10 over Dec, 09		June,10 over Mar,10		Sep, 10 over June,10		Sep,10 over Sep, 09	
		Direct	Contract	Direct	Contract	Direct	Contract	Direct	Contract	Direct	Contract
1	Textiles including Apparels	-0.09	0.25	-1.59	0.40	-0.31	-0.32	2.08	0.36	0.09	0.69
2	Leather	0.09	0.00	-0.01	0.01	0.17	0.04	0.05	-0.01	0.30	0.04
3	Metals	0.04	0.19	0.01	0.04	0.42	0.03	0.28	0.00	0.75	0.26
4	Automobiles	0.00	0.06	-0.03	0.32	0.29	0.22	0.14	0.14	0.40	0.74
5	Gems & Jewellery	0.06	0.01	0.22	0.02	0.08	-0.04	0.10	-0.06	0.46	-0.07
6	Transport	-0.03	0.01	-0.03	0.01	-0.57	0.37	0.12	0.00	-0.51	0.39
7	IT/BPO	5.67	0.03	1.25	0.04	1.19	0.10	1.05	0.03	9.16	0.20
8	Handloom/ Powerloom	0.05	0.04	0.06	-0.11	-0.04	0.01	0.00	0.06	0.07	0.0
Overall		5.79	0.59	-0.13	0.74	1.22	0.40	3.85	0.50	10.73	2.23

The survey results further reveal that during the last one year period (September, 2010 over September, 2009) also the major increase in the employment is in direct category of workers. During the period, the employment of the direct category of workers has

increased by 10.73 lakh out of a total 12.96 lakh increase in employment.

During the July –September, 2010 quarter, at the sector level, the maximum increase in employment for direct category of workers is observed in textile sector (2.08 lakh) followed by 1.05 lakh in the IT/BPO sector and 0.28 lakh in the metal sector.

While analyzing the last four quarterly survey results i.e. Sep, 2010 over Sep, 2009, it may be seen from the above table that most of the employment increase is in the direct category of workers (83 per cent). At industry level, the major contributor to the increase in employment of direct category of workers is the IT/BPO sector, wherein 9.16 lakh direct workers have been added during this period.

The survey results have also been analyzed separately for the exporting and non-exporting units. As seen in the previous four quarterly survey results, the employment in the exporting units is showing an upward trend during the present quarter 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	Dec, 09 over Sep, 09	Mar, 10 over Dec, 09	June,10 over Mar,10	Sep, 10 Over June,10	Sep,10 over Sep,09
1	Textiles including Apparels	0.47	0.69	-0.04	1.64	2.76
2	Leather	0.09	-0.04	0.22	0.04	0.31
3	Metals	0.21	0.08	0.31	0.18	0.78
4	Automobiles	0.05	0.10	0.13	0.02	0.30
5	Gems& Jewellery	0.06	0.17	-0.11	0.06	0.18
6	Transport (*)	-	-	-	-	-
7	IT/BPO	4.87	0.89	1.33	1.09	8.18
8	Handloom/ Powerloom	0.05	-0.02	-0.06	0.01	-0.02
Overall		5.80	1.87	1.77	3.05	12.49

(*) No exporting unit was covered.

During the fifth (Oct-Dec, 09), sixth (Jan-Mar, 09) and seventh (Apr-June, 10) quarterly survey periods, the employment at overall level in the exporting units increased by 5.80 lakh, 1.87 lakh and 1.77 lakh respectively. A similar upward trend in employment is visible in the data relating to the present survey. At overall level, the employment in the export sector has increased by 3.05 lakh during the period July-Sep, 2010 over June, 2010. At industry level, the major increase in employment of the export units is registered in textile sector where the employment has increased by 1.64 lakh during the period Sep, 2010 over Jun, 2010, followed by 1.09 lakh in IT/BPO sector.

By combining the results for the period of last four quarterly surveys i.e. Sep, 2010 over Sep, 2009, it is seen that the employment in the exporting units has

increased by 12.49 lakh which is 96 per cent of the total increase in the employment during this period.

The average monthly percentage changes in employment of the exporting units have also been derived and are presented below in Table 2.5.

Table 2.5
Average monthly changes in employment of exporting units based on various quarterly survey results (per cent)

Sl. No.	Industry/ Group	Dec,09 over Sep, 09	Mar, 10 over Dec, 09	June,10 over Mar,10	Sep, 10 over June, 10
1	Textiles including Apparels	0.71	0.84	-0.04	1.67
2	Leather	1.12	-0.56	2.46	0.46
3	Metals	1.14	0.47	1.93	1.29
4	Automobiles	0.95	1.92	2.35	0.45
5	Gems& Jewellery	1.48	4.18	-2.21	1.40
6	Transport	-	-	-	-
7	IT/BPO	5.23	1.09	1.56	1.39
8	Handloom/ Powerloom	2.54	-1.08	-2.70	0.35
Overall		2.95	0.93	0.82	1.44

It may be seen from the above table that the average monthly percentage increase in employment of the exporting units is 1.44 per cent during Sept, 2010 over Jun, 2010 period. At industry level, the maximum average monthly percentage increase in employment is in textile sector (1.67 per cent) followed by 1.39 per cent in IT/BPO sector and 1.40 in gems & jewellery sector during Sep, 2010 over Jun, 2010.

In case of non-exporting units, the survey results reveal that the employment during the period Sep, 2010 over June, 2010 has increased by 1.30 lakh. The sector wise changes in the employment of the non-exporting units during the last 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, 09 over Sep, 09	Mar, 10 over Dec, 09	June,10 over Mar,10	Sep,10 over Jun, 10	Sep, 10 over Sep, 09
1	Textiles including Apparels	-0.31	-1.88	-0.60	0.81	-1.98
2	Leather	0.00	0.04	-0.01	-0.01	0.02
3	Metals	0.02	-0.03	0.14	0.09	0.22
4	Automobiles	0.01	0.19	0.38	0.26	0.84
5	Gems & Jewellery	0.01	0.08	0.15	-0.02	0.22
6	Transport	-0.02	-0.02	-0.21	0.13	-0.12
7	IT/BPO	0.83	0.40	-0.04	-0.01	1.18
8	Handloom/ Powerloom	0.04	-0.03	0.03	0.05	0.09
	Overall	0.58	-1.25	-0.15	1.30	0.48

It may be seen from the above table that out of the eight sectors studied during the survey, the employment of non-exporting units has increased in five sectors during the period Sep, 2010 over Jun, 2010. The maximum increase is registered in Textile sector where the employment has increased by 0.81 lakh in the non-exporting units followed by 0.26 lakh in automobile sector, 0.13 lakh in transport

sector, 0.09 lakh in metals and 0.05 lakh in handloom/powerloom.

In the remaining three sectors', namely leather, gems & jewellery and IT/BPO non-exporting units have registered marginal decline in employment during this period. 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 (per cent)

Sl. No.	Industry/Group	Dec09 over Sep, 09	Mar, 10 over Dec, 09	June,10 over Mar,10	Sep, 10 over Jun, 10
1	Textiles including Apparels	-0.45	-2.55	-0.82	1.12
2	Leather	0.08	2.36	-0.64	-0.54
3	Metals	0.05	-0.10	0.38	0.22
4	Automobiles	0.08	1.25	2.28	1.51
5	Gems&Jewellery	0.14	1.52	2.97	-0.35
6	Transport	-0.19	-0.18	-1.84	1.78
7	IT/BPO	2.50	1.32	-0.12	-0.02
8	Handloom/ Powerloom	2.95	-0.24	0.23	0.43
Overall		0.32	-0.69	-0.08	0.66

It is observed from the above table that at overall level, the average monthly percentage increase in employment of non-exporting units works out to be 0.66 per cent during Sep, 2010 over June, 2010 period with highest increase in transport sector (1.78 per cent) followed by 1.51 per cent in automobiles and 1.12 per cent in textiles during the period Sep, 2010 over June, 2010.

GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT
LABOUR BUREAU, CHANDIGARH
(EMPLOYMENT SCENARIO : July- Sep, 2010)

I Identification Particulars

a. Zone-State	<table border="1"><tr><td></td><td></td><td></td><td></td></tr></table>							
b. Name of the District/Centre	<table border="1"><tr><td></td></tr></table>							
c. Name of Unit	<table border="1"><tr><td></td></tr></table>							
d. Complete Address of the Unit	<table border="1"><tr><td></td></tr></table>							
e. D S L No.	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>							
f. Name of the Person	<table border="1"><tr><td></td></tr></table>							
g. Mobile /Contact No.	<table border="1"><tr><td></td></tr></table>							
h. NIC Code (3- Digit)	<table border="1"><tr><td></td></tr></table>							
i. Type of goods	<table border="1"><tr><td></td></tr></table>							
j. Whether the unit is export	<table border="1"><tr><td></td></tr></table>							

II Month-wise number of Workers & Earnings

Month	Employment Status	Employees as on last working day	Total Wage/Salary Bill (in Rs.)
June, 10	Direct		
	Contract		
	Total		
July,2010	Direct		
	Contract		
	Total		
August,2010	Direct		
	Contract		
	Total		
Sep, 2010	Direct		
	Contract		
	Total		

Name of the Officer	
Signature with date	
Remarks:	