



सत्यमेव जयते

Report
on
Effect of Economic Slowdown
on Employment in India
(April - June 2010)

Government of India
Ministry of Labour & Employment
Labour Bureau
Chandigarh
October, 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 six 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 April-June, 2010 during the seventh 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: 11.10.2010

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Executive Summary

- The current survey is the seventh 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 September, 2010 and covers the period Apr-June, 2010.
- A total of 2,635 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 1.62 lakh during the period June, 2010 over March, 2010.
- The maximum increase in employment is seen in the direct category of workers where it has increased by 1.22 lakh as compared to 0.40 lakh in the contract category of workers at overall level during the period June, 2010 over March, 2010.
- In the export oriented units, the employment at the overall level has increased by 1.77 lakh whereas in the non-exporting units it has declined by 0.15 lakh during the period June, 2010 over March, 2010.
- While comparing the results of the last four quarterly surveys period i.e. June, 2010 over June, 2009, the employment at overall level has increased by 13.58 lakh with highest increase in IT/BPO (8.54 lakh) followed by 1.52 lakh in textiles and 1.37 lakh in metals during the same period.

INTRODUCTION

Labour Bureau is providing quarterly estimates on employment scenario in the selected sectors supposed to be badly affected by the economic slowdown since January, 2009. 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, if necessary.

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 centres 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 present survey which is seventh in the series covers the period April-June, 2010. The field work of the present survey was due on July, 2010 but the work couldn't be started because of preoccupation of staff in the first National Household Employment-Unemployment survey conducted by the Bureau. The field work of the present survey was launched in the month of September, 2010. The units covered in the previous survey were revisited in the present survey also, to see the direction and rate of change in the employment trends during the period June, 2010 over March, 2010. The sector-wise number of units covered in the present and the previous surveys are given in the table that follows:

Table: Sector-wise units covered

Sl. No.	Industry Group/State	No. of Units covered during	
		Jan-Mar, 2010	Apr-June, 2010
1	Textiles including Apparels	946	856
2	Leather	190	187
3	Metal	924	877
4	Automobiles	133	133
5	Gems & Jewellery	206	197
6	Transport	85	77
7	IT/BPO	223	206
8	Handloom/Powerloom	108	102
Overall		2815	2635

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

Analysis of Employment

The present one is the seventh quarterly quick employment survey for the period April-June, 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 April-June, 2010 over March, 2010. The sector wise changes in the employment estimates 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				
		Sep, 09 over Jun, 09	Dec,09 over Sep, 09	Mar,10 over Dec,09	June,10 over Mar,10	June,10 over June,09
1	Textiles including Apparels	3.18	0.16	-1.19	-0.63	1.52
2	Leather	-0.08	0.09	0.00	0.21	0.22
3	Metals	0.65	0.23	0.04	0.45	1.37
4	Automobiles	0.24	0.06	0.29	0.51	1.1
5	Gems & Jewellery	0.58	0.07	0.24	0.04	0.93
6	Transport	0.0	-0.02	-0.02	-0.21	-0.25
7	IT/BPO	0.26	5.7	1.29	1.29	8.54
8	Handloom/ Powerloom	0.15	0.09	-0.05	-0.03	0.16
	Overall	4.97	6.38	0.61	1.62	13.58

It may be observed that the upward trend in employment reflected by the previous four quarterly surveys has sustained during the quarter March-June, 2010 as well.

The survey results reveal that the employment at overall level has increased by 1.62 lakh in June, 2010 over March, 2010. At the sector level, a maximum increase of 1.29 lakh in employment during the period June, 2010 over March,

2010 is in IT/BPO sector followed by 0.51 lakh in automobile industry, 0.45 lakh in the metal industry, 0.21 lakh in leather and only 0.04 lakh in gems & jewellery.

On the other hand, in the textile sector the employment has declined by 0.63 lakh in June, 2010 over March, 2010 followed by a decline of 0.21 lakh in transport sector and a marginal decline of 0.03 lakh in handloom/powerloom. It is interesting to note that the third quarterly quick employment survey results covering the period April-June, 2009, also showed a decline in employment of the textile sector to the tune of 1.54 lakh over March, 2009.

While comparing the results of last four quarterly quick employment surveys, it may be seen that the employment in June, 2010 over June, 2009 has increased by 13.58 lakh in all the sectors studied. At industry level, the highest increase (8.54 lakh) in the employment is seen in IT/BPO sector during June, 2010 over June, 2009.

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

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

Sl. No.	Industry/ Group	Percentage changes in employment based on various quarterly survey results			
		Sep, 09 over Jun, 09	Dec,09 over Sep, 09	Mar,10 over Dec,09	June,10 over Mar,10
1	Textiles including Apparels	1.26	0.12	-0.76	-0.38
2	Leather	-0.70	0.94	-0.01	2.0
3	Metals	1.22	0.43	0.09	0.84
4	Automobiles	1.21	0.30	1.43	2.30
5	Gems & Jewellery	5.07	0.74	2.70	0.44
6	Transport	0.03	-0.19	-0.18	-1.84
7	IT/BPO	0.25	4.15	1.15	1.13
8	Handloom/ Powerloom	0.66	0.71	-0.37	-0.25
	Overall	1.03	1.70	0.16	0.40

The survey results show that the average monthly percentage increase in the employment during June, 2010 over March, 2010 is 0.40 per cent at overall level. The maximum average monthly increase is seen in the automobile sector, where the employment has increased by 2.30 per cent in June, 2010 over March, 2010 followed by 2.0 per cent in leather sector and 1.13 per cent in IT/BPO sector during the same period.

On the other hand, among the sectors registering a decline in employment, the maximum decline is registered in transport sector (1.84 per cent) followed by 0.38 per cent in textile sector and 0.25 per cent in handloom/powerloom sector during the same period.

The employed category of workers is classified into two categories, namely, i) Direct Workers and ii) Contract workers. The survey results reveal that major

part of the employment increase is seen in the direct category of workers during June, 2010 over March, 2010. The sector wise changes in the direct and contract category of workers are depicted 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	Sep, 09 over Jun,09		Dec,09 over Sep, 09		Mar, 10 over Dec, 09		June,10 over Mar,10		June,10 over June, 09	
		Direct	Contract	Direct	Contract	Direct	Contract	Direct	Contract	Direct	Contract
1	Textiles including Apparels	2.59	0.59	-0.09	0.25	-1.59	0.40	-0.31	-0.32	0.6	0.92
2	Leather	0.00	-0.08	0.09	0.00	-0.01	0.01	0.17	0.04	0.25	-0.03
3	Metals	0.31	0.34	0.04	0.19	0.01	0.04	0.42	0.03	0.78	0.60
4	Automobiles	0.11	0.13	0.00	0.06	-0.03	0.32	0.29	0.22	0.37	0.73
5	Gems & Jewellery	0.52	0.06	0.06	0.01	0.22	0.02	0.08	-0.04	0.88	0.05
6	Transport	0.00	0.00	-0.03	0.01	-0.03	0.01	-0.57	0.37	-0.64	0.39
7	IT/BPO	0.25	0.00	5.67	0.03	1.25	0.04	1.19	0.10	8.36	0.17
8	Handloom/ Powerloom	0.14	0.01	0.05	0.04	0.06	-0.11	-0.04	0.01	0.21	-0.05
Overall		3.92	1.05	5.79	0.59	-0.13	0.74	1.22	0.40	10.80	2.78

The employment of direct category of workers has increased by 1.22 lakh during the period June, 2010 over March, 2010 at overall level. Whereas the contract category of workers has also registered an increase of only 0.40 lakh during the same period.

At the sector level, the maximum increase in employment of direct category of workers is seen in IT/BPO sector (1.19 lakh) followed by 0.42 lakh in the metal sector and 0.29 lakh in the automobile sector during June, 2010 over March, 2010.

While analyzing the last four quarterly survey results i.e June, 2010 over June, 2009, it may be seen from the above table that most of the employment increase is in the direct category of workers (80 per cent). At industry level, the major contributor to the increase in employment of direct category of workers is the IT/BPO sector, wherein 8.36 lakh direct workers have been added during this period.

The survey results have also been analysed 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 present survey results indicate an increase in employment of export sector units by 1.77 lakh in June, 2010 over March, 2010. 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	Sep, 09 over June, 09	Dec, 09 over Sep, 09	Mar, 10 over Dec, 09	June,10 over Mar,10	June,10 over June,09
1	Textiles including Apparels	1.20	0.47	0.69	-0.04	2.32
2	Leather	-0.10	0.09	-0.04	0.22	0.17
3	Metals	0.17	0.21	0.08	0.31	0.77
4	Automobiles	0.09	0.05	0.10	0.13	0.37
5	Gems&Jewellery	0.44	0.06	0.17	-0.11	0.56
6	Transport (*)	-	-	-	-	-
7	IT/BPO	0.08	4.87	0.89	1.33	7.17
8	Handloom/Powerloom	0.15	0.05	-0.02	-0.06	0.12
Overall		2.04	5.80	1.87	1.77	11.48

(*) No exporting unit was covered.

During the fourth (July-Sept., 09), fifth (Oct.-Dec.,09) and sixth (Jan.-Mar., 09) quarterly survey periods, the employment at overall level in the exporting units increased by 2.04 lakh, 5.80 lakh and 1.87 lakh respectively. Similar upward trends is seen in the present survey also. At industry level, the major increase in employment is registered in IT/BPO sector where the employment has increased by 1.33 lakh during the present survey covering the period June, 2010 over March, 2010.

By combining the results for the period of last four quarterly surveys i.e. June, 2010 over June, 2009, it is seen that the employment in the exporting units has increased by 11.48 lakh which is 85 per cent of the total increase in the employment during the period.

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 (per cent)

Sl. No.	Industry/Group	Sep, 09 over June, 09	Dec,09 over Sep, 09	Mar, 10 over Dec, 09	June,10 over Mar,10
1	Textiles including Apparels	1.23	0.71	0.84	-0.04
2	Leather	-1.10	1.12	-0.56	2.46
3	Metals	0.72	1.14	0.47	1.93
4	Automobiles	2.26	0.95	1.92	2.35
5	Gems&Jewellery	6.55	1.48	4.18	-2.21
6	Transport	-	-	-	-
7	IT/BPO	0.12	5.23	1.09	1.56
8	Handloom/ Powerloom	1.28	2.54	-1.08	-2.70
Overall		0.91	2.95	0.93	0.82

It may be seen from the above table that the average monthly percentage increase of employment in the exporting units registered a growth of 0.82 per cent in June, 2010 over March, 2010. At industry level, the maximum average monthly percentage increase in employment is in leather industry (2.46 per cent) followed by 2.35 per cent in automobile sector and 1.93 per cent in metal sector during June, 2010 over March, 2010.

In case of non-exporting units, the survey results, however, reveal that the employment during the period June, 2010 over March, 2010 has declined by 0.15 lakh. The sector wise changes in the employment during the last 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	Sep, 09 over June, 09	Dec, 09 over Sep, 09	Mar, 10 over Dec, 09	June,10 over Mar,10	June,10 over June,09
1	Textiles including Apparels	1.98	-0.31	-1.88	-0.60	-0.81
2	Leather	0.02	0.00	0.04	-0.01	0.05
3	Metals	0.48	0.02	-0.03	0.14	0.61
4	Automobiles	0.15	0.01	0.19	0.38	0.73
5	Gems & Jewellery	0.14	0.01	0.08	0.15	0.38
6	Transport	0.00	-0.02	-0.02	-0.21	-0.25
7	IT/BPO	0.17	0.83	0.40	-0.04	1.36
8	Handloom/Powerloom	0.00	0.04	-0.03	0.03	0.04
Overall		2.93	0.58	-1.25	-0.15	2.10

It may be seen from the above tables that out of the eight sectors studied during the survey, the employment in the four sectors has declined in the non-exporting units during the period June, 2010 over March, 2010. The highest decline is seen in the textile sector where it has declined by 0.60 lakh during this period followed by 0.21 lakh in transport. In automobiles sector, the

employment in the non-exporting units has increased by 0.38 lakh during the period June, 2010 over March, 2010 followed by 0.15 lakh in gems & jewellery and 0.14 lakh in metals.

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	Sep, 09 over June, 09	Dec09 over Sep, 09	Mar, 10 over Dec, 09	June,10 over Mar,10
1	Textiles including Apparels	1.28	-0.45	-2.55	-0.82
2	Leather	0.60	0.08	2.36	-0.64
3	Metals	1.62	0.05	-0.10	0.38
4	Automobiles	0.93	0.08	1.25	2.28
5	Gems&Jewellery	2.93	0.14	1.52	2.97
6	Transport	0.03	-0.19	-0.18	-1.84
7	IT/BPO	0.56	2.50	1.32	-0.12
8	Handloom/ Powerloom	-0.03	2.95	-0.24	0.23
Overall		1.13	0.32	-0.69	-0.08

It is observed from the above table that at overall level, the average monthly percentage decline in employment in non-exporting units is registered at 0.08 per cent during June, 2010 over March, 2010 with highest decline in transport (1.84 per cent) followed by 0.82 per cent in textiles and 0.64 per cent in leather industry.

GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT
LABOUR BUREAU, CHANDIGARH
(EMPLOYMENT SCENARIO : April - June, 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.

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f. Name of the Person contacted

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g. Mobile /Contact No.

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h. NIC Code (3- Digit)

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i. Type of goods Manufactured/Produced

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j. Whether the unit is export oriented

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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.)
Mar, 10	Direct		
	Contract		
	Total		
Apr, 10	Direct		
	Contract		
	Total		
May, 10	Direct		
	Contract		
	Total		
June,10	Direct		
	Contract		
	Total		

Name of the Officer	
Signature with date	
Remarks:	