

A STUDY OF LABOUR FORCE PARTICIPATION RATIO IN INDIA AND KARNATAKA

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Abstract

India has witnessed an impressive GDP growth rate of over 6 per cent since the 1980s. Growth has been predominantly rapid since the post reform period of the 1990s. This high growth has contributed to a sustained increase in per capita income and a decline in absolute poverty, as well as reserved improvement in standards of living. It has also brought important changes in employment conditions in the country. (Employment report 2014).

Karnataka, India's eighth largest state in terms of geographical area (191791 sq.km) is home to 6.11 crores people (2011 Census) accounting for 5.05% of India's population. The state's population has grown by 15.7% during the last decade, while its population density has risen from 276 in 2001 to 319 in 2011, indicating an increase of about 15.6%. In Karnataka 278.73 lakh persons constituting 45.62% of the total population have enumerated themselves as workers. 59% of the total male population and 31.87% of the total female population are workers. Of the total workers in the State, 83.94% are main workers and 16.06% are marginal workers.

The LFPR for persons aged 15 years and above according to PS+SS status approach is 57.8% in Karnataka, whereas this is 55.6% for India. This rate is 81.7% for males in rural Karnataka, which is fourth highest among the neighboring States of Karnataka. Lowest rate of 28.0% is for urban female and this is much more than the all India rate of 19.7% (urban female). The Labour

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force participation rate is highest for the 30 years and above category and the same is lowest for the age group 15-17 years. It explains that, the children in these age groups are normally pursuing their education. Quite interestingly, Kerala has very low LFPR in the age group 15- 17 years which explains the focus of the state on education. In this age group, even Maharashtra and Tamil Nadu are having lesser LFPR when compared to Karnataka. pp21-22, 2015-16.

Introduction:

The labour force participation rate, LFPR (or economic activity rate, EAR), is the ratio between the labour force and the overall size of their cohort (national population of the same age range). The term generally excludes the employers or management, and can imply those involved in manual labour. It may also mean all those who are available for work.

Objectives:

- To know the Labour Force Participation Ratio among the various states in India.
- To compare the Labour Force Participation Ratio between the India and Karnataka

In the policy context, the most critical factor that impinges on labour supply is the Labour Force Participation Rate (LFPR). Other than Labour Force Participation Rate, Worker Population Ratio and Unemployment Rates are also very important indicators in social and economic area. Low LFPR primarily implies high dependency ratio. Annual Employment and Unemployment Survey, 2013-14 of Labour Bureau, Government of India is fourth in the series. The Usual Principal Status (UPS) and Usual Principal and Subsidiary Status (UPSS] or (PS+SS) approaches are considered for each parameter. The parameters considered are

- a) Labour Force Participation Rate (LFPR),
- b) Worker Population Ratio (WPR),
- c) Proportion of Unemployed (PU) and
- d) Unemployment Rate (UR).

1. Labour / Work force Participation: Labour Force Participation Rate (LFPR), is a measure of the proportion of countries or states working-age population which actively engaged

in the labour market, either actual working or seeking for work. It provides an indication about the availability of the labour force for the production of goods and services.

2. Worker Population Ratio (WPR): is the number of persons employed per 1000 persons.

3. Proportion of Unemployed (PU): Proportion Unemployment is the ratio of number of unemployed persons to the total population.

4. Unemployment Rate (UR): is the number of persons unemployed per 1000 in the labour force.

In this paper, two approaches for each parameter are considered. They are **Usual Principal Status (UPS)** and **Usual Principal and Subsidiary Status (UPSS)** or **(PS+SS)** approach. Here the age criterion is 15 years and above for all the estimates.

1. Usual Principal Status (UPS):

The activity in which a person spends relatively longer time during the reference period is termed as usual principal activity of the person.

2. Usual Principal and Subsidiary Status (UPSS):

A person may have pursued some other activity for more than 30 days or more other than his usual principal activity. This status is termed as usual principal activity and subsidiary activity status (PS+SS) or (UPSS) approach.

Table No. 1

Labour force participation rate for the persons aged 15 years and above in India

(in percentage)

| State | Rural | | | Urban | | | Total | | |
|----------------|-------|--------|-------|-------|--------|-------|-------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Andhra Pradesh | 84.2 | 57.8 | 70.8 | 78.7 | 35.1 | 56.7 | 82.6 | 51.3 | 66.8 |
| Gujarat | 82.4 | 34.0 | 59.2 | 75.9 | 11.0 | 44.7 | 79.8 | 24.7 | 53.3 |
| Karnataka | 81.7 | 39.6 | 61.1 | 75.2 | 28.0 | 52.0 | 79.3 | 35.3 | 57.8 |
| Kerala | 74.3 | 36.7 | 54.3 | 71.5 | 30.2 | 49.9 | 73.4 | 34.7 | 52.9 |
| Maharashtra | 79.4 | 47.6 | 64.2 | 70.9 | 19.9 | 46.5 | 75.6 | 35.4 | 56.4 |
| Tamil Nadu | 80.2 | 52.4 | 66.6 | 76.7 | 29.0 | 52.8 | 78.6 | 41.6 | 60.3 |

| | | | | | | | | | |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Telangana | 83.4 | 70.0 | 76.7 | 72.9 | 28.2 | 51.3 | 79.4 | 54.6 | 67.2 |
| India | 76.4 | 36.4 | 58.8 | 74.0 | 19.7 | 47.9 | 75.7 | 31.1 | 55.6 |

Source: Employment and Unemployment Survey 2013-14 by Labour Bureau Government of India

Labour Force Participation Rate:

The above given table clearly indicates that, employment and unemployment situation in Karnataka as well as India. This table indicates that LFPR for the persons aged 15 years and above according to Principle Status and Subsidiary Status approach it is about 57.8% in Karnataka, where as it is 55.6% for the India. Within India, the lowest LFPR is found in Kerala and the Highest rate found in Telangana. As compared to rural and urban areas, LFPR found 81.7% rural areas of Karnataka, which is the forth-highest comparable state, lowest rate is 28.0%, which found in urban female.

Table No. 2

Labour force participation rate for persons of different age groups according to UPSS status approach

(in percentage)

| State | 15-17 years | 18-29 years | 30years and above |
|----------------|--------------------|--------------------|--------------------------|
| Andhra Pradesh | 18 | 63.4 | 72.1 |
| Gujarat | 16.2 | 51.2 | 58.9 |
| Karnataka | 13.3 | 54.2 | 63.8 |
| Kerala | 2.8 | 50.1 | 57.8 |
| Maharashtra | 8.5 | 49 | 65 |
| Tamil Nadu | 9.5 | 54.7 | 67 |
| Telangana | 13.5 | 59.3 | 76 |
| India | 14.1 | 52 | 62.8 |

Source: Employment and Unemployment Survey 2013-14 by Labour Bureau Government of India.

It is evident from the above table that, LFPR for the different age group persons aged 15 years and above according to UPSS, among the given three age groups the Work Participation

Rate is highest in the 30years category, where as the lowest is in the 15-17 years age groups. It generally indicates that, the children in this age group are normally concentrating on the education without participating as a child labour. Within this given table compares among the states, the LFPR is High in the Andhra Pradesh among the all age group of People, the Kerala has achieved lowest rates among the all three age groups persons, as compared to Maharashtra, Tamil Nadu and Karnataka.

Table No. 3

Worker Population Ratio (WPR) for the persons aged 15years and above according to UPSS approach (in%)

| State | Rural | | | Urban | | | Total | | |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Andhra Pradesh | 82.3 | 56.7 | 69.3 | 75.9 | 31.8 | 53.7 | 80.5 | 49.6 | 64.8 |
| Gujarat | 81.9 | 33.8 | 58.8 | 75.0 | 10.7 | 44.1 | 79.1 | 24.5 | 52.9 |
| Karnataka | 80.6 | 38.8 | 60.2 | 74.0 | 27.1 | 51.0 | 78.2 | 34.5 | 56.8 |
| Kerala | 71.4 | 30.2 | 49.5 | 69.4 | 22.3 | 44.7 | 70.8 | 27.8 | 48.0 |
| Maharashtra | 77.9 | 47.1 | 63.2 | 69.1 | 18.7 | 45.0 | 4.0 | 34.6 | 55.2 |
| Tamil Nadu | 78.2 | 51.0 | 64.9 | 74.7 | 26.3 | 50.4 | 76.6 | 39.6 | 58.3 |
| Telangana | 82.2 | 68.9 | 75.6 | 70.4 | 23.4 | 47.7 | 77.7 | 52.7 | 65.1 |
| India | 74.3 | 35.1 | 57.1 | 71.4 | 17.5 | 45.5 | 73.5 | 29.6 | 53.7 |

Source: Employment and Unemployment Survey 2013-14 by Labour Bureau Government of India.

The Worker Population Ratio indicates that, the workers and employed persons in the total population. The WPR for the Karnataka is 56.8% which is more than, all over the average rate of India (53.7%). The WPR is more in Telangana (65%), Andhra Pradesh (64.8%) and Tamil Nadu (58.3%). But its WPR is less in Kerala, Gujarat and Maharashtra. The highest WPR found in Karnataka (80.6%) for rural male, and 38.8% for rural female, which is above to the total rural male and female WPR.

Table No.4

Unemployment Rate among Persons Aged 15 Years and above According to

Usual Principle & Subsidiary Status Approach
(in percentages)

| State | Rural | | | Urban | | | Total | | |
|----------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Andhra Pradesh | 2.2 | 1.9 | 2.1 | 3.5 | 9.4 | 5.4 | 2.6 | 3.4 | 2.9 |
| Gujarat | 0.6 | 0.4 | 0.5 | 1.1 | 2.6 | 1.3 | 0.8 | 0.8 | 0.8 |
| Karnataka | 1.3 | 2.0 | 1.5 | 1.5 | 3.1 | 2.0 | 1.4 | 2.3 | 1.7 |
| Kerala | 3.9 | 17.6 | 8.8 | 3.0 | 26.0 | 10.3 | 3.6 | 19.9 | 9.3 |
| Maharashtra | 1.8 | 1.1 | 1.6 | 2.6 | 5.9 | 3.2 | 2.1 | 2.3 | 2.2 |
| Tamil Nadu | 2.5 | 2.6 | 2.5 | 2.7 | 9.3 | 4.5 | 2.6 | 4.8 | 3.3 |
| Telangana | 1.4 | 1.6 | 1.5 | 3.4 | 16.9 | 7.0 | 2.1 | 4.5 | 3.1 |
| India | 2.7 | 3.4 | 2.9 | 3.5 | 10.8 | 4.9 | 2.9 | 4.9 | 3.4 |

Source: Employment and Unemployment Survey 2013-14 by Labour Bureau Government of India.

Another important parameter of employment scenario is Unemployment Rate (UR), which refers to the number of employed persons to the number of persons in the labour force.

The above stated table shows that, the unemployment Rate of Karnataka is 1.7% for all persons, which comprises rural and urban UR. Which is very less than Indian UR (3.4%)? Karnataka has the lowest UR among the all states given in the table, the UR rate is lowest in the Gujarat (0.8%) and Kerala (9.3%) has the highest UR rate among the all states.

Table No. 5

Unemployment Rate for the 18-29 age group as Usual Principle and Subsidiary Status Approach

(In Percentage)

| State | Male | Female | Total |
|----------------|------|--------|-------|
| Andhra Pradesh | 8.3 | 9.9 | 8.9 |
| Gujarat | 2.0 | 2.3 | 2.1 |
| Karnataka | 3.9 | 6.1 | 4.6 |

| | | | |
|--------------|------------|-------------|------------|
| Kerala | 13.6 | 51.9 | 27.9 |
| Maharashtra | 7.2 | 6.7 | 7.1 |
| Tamil Nadu | 8.2 | 13.3 | 9.9 |
| Telangana | 7.3 | 11.2 | 8.9 |
| India | 8.4 | 12.4 | 9.4 |

Source: Employment and Unemployment Survey 2013-14 by Labour Bureau Government of India.

It is evident from the above given table that, the unemployment rate in the age group of 18-29 years among these states Karnataka has 3.9% male UR as compared to 6.1% for females where as the Indian average UR is 4.6%. which is half of the Indian Average UR among the age group of 18-29 years age group person. Gujarat has the lowest rate in all the three categories and Kerala has the highest in all the categories with the percentage of 52.

Table No. 6

LFPR, WPR and UR among the different Social Groups in India and Karnataka

(In percentage)

| Social Groups | INDIA | | | | KARNATAKA | | |
|---------------|--------|------|------|-----|-----------|------|-----|
| | | WPR | LFPR | UR | WPR | LFPR | UR |
| SC | Male | 73.9 | 76.1 | 2.9 | 81.1 | 82.0 | 1.2 |
| | Female | 34.0 | 35.3 | 3.6 | 45.4 | 45.9 | 1.1 |
| | Total | 56.5 | 58.3 | 3.1 | 63.6 | 64.4 | 1.2 |
| ST | Male | 8.07 | 82.5 | 2.2 | 81.2 | 81.8 | 0.7 |
| | Female | 47.6 | 48.7 | 2.1 | 38.3 | 40.3 | 5.1 |
| | Total | 65.0 | 66.4 | 2.1 | 59.8 | 61.1 | 2.2 |
| OBC | Male | 73.3 | 75.5 | 2.9 | 78.3 | 79.7 | 1.8 |
| | Female | 30.6 | 32.1 | 4.9 | 35.7 | 36.6 | 2.5 |
| | Total | 54.3 | 56.2 | 3.4 | 57.5 | 58.7 | 2.0 |
| GENERAL | Male | 71.3 | 73.7 | 3.3 | 76.7 | 77.6 | 1.2 |
| | Female | 20.3 | 22.0 | 7.8 | 29.1 | 29.7 | 2.0 |

| | | | | | | | |
|---------|--------|------|------|-----|------|------|-----|
| | Total | 47.7 | 49.8 | 4.2 | 53.4 | 54.1 | 1.1 |
| OVERALL | Male | 73.5 | 75.7 | 2.9 | 78.2 | 79.3 | 1.4 |
| | Female | 29.6 | 31.1 | 4.9 | 34.5 | 35.3 | 0.8 |
| | Total | 53.7 | 55.6 | 3.4 | 56.8 | 57.8 | 1.0 |

Source: Employment and Unemployment Survey 2013-14 by Labour Bureau Government of India.

It is clear from the above table that, the labour force participation among the various social groups such as SC, ST, OBC and GM are considered. The overall LFPR in India is about 55.6% at the same in Karnataka it is about 57.8% which is higher than the India. The LFPR among the SC, OBC, General are higher than the corresponding all India rates for the groups. At all india level LFPR for the ST is 66.4%, Where as in Karnataka LFPR for the STs is 61.1% it means, LFPR for the ST is lower in the Karnataka State, as compared to the National level.

The LFPR among the SC is 58.3% at the national level at the same time the LFPR in Karnataka among SC is 76.1%, which is higher than the India, the LFPR among the OBC is about 56.2% at the India level as well as it is 58.7%.

The LFPR among the general category at the national level is 49.8% at the same time it is 54.1% in Karnataka. Overall LFPR for SC, ST, OBC and GM are higher in Karnataka.

Conclusion:

LFPR is a measure of the proportion of a country's/State's working- age population that engages actively in the labour market, either by actual working or seeking for work. It provides an indication about availability of labour force for production of goods and services. Other than Labour Force Participation Rate, Worker Population Ratio and Unemployment Rates are also very important indicators in social and economic arena. Worker Population Ratio (WPR) is defined as the number of persons employed per 1000 persons. Unemployment Rate (UR) is defined as the number of persons unemployed per 1000 in the labour force. Whereas here in this paper it is given in percentage Low LFPR primarily implies high dependency ratio. The development experience suggests a strong negative correlation between dependency and growth.

References:

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