Chapter - IV

UNEMPLOYMENT

4.1 Definition and concepts

Unemployment as understood in theory can be classified in many categories such as open, partial, visible and invisible. The open unemployment comes under visible category revealed in the form of full continuous unemployment. The invisible type in the form of disguised unemployment results in low or zero marginal productivity.

Unemployment as it exists in the west and underemployment found in underdeveloped countries like India are basically distinct phenomena. It is contended that due to the peculiar nature of underdeveloped economies, the unemployment of labour-force does not express itself as so many people out of job, but as lack of continuous work. Mostly, this is due to preponderance of self-employment in agriculture.[1] Rural industry and trade are also organised as household enterprises based on family labour. This results in more disguised and latent unemployment than open. But, as the economy gets commercialised and the ties of family kinship and custom are substituted by the 'laws' of the market, unemployment also tends to assume more open and less disguised form.[2]

Unemployment is the difference between the labour force (supply of labour) and employment (demand for labour). The supply is the product of population and the participation rate. The demand may be treated as the product of capital stock and labour intensity. Amartya Sen remarks that unemployment is a state of being without fruitful work and the perception of the fruitfulness of work is to large extent, a result of social conditioning. The volume of unemployment at any point of time can be taken as the difference between the labour force available and the number of persons actually employed. The available labour force includes the number of persons employed in gainful occupation as well as the persons who are willing to work at the prevailing wage rate, but do not get work.

Unemployment is more complex and its measurement involves quite a few methodological intricacies. It is therefore necessary to understand the concepts to begin with.

A worker or a gainfully employed person is one at work as employer, employee, own account worker or unpaid family helper engaged in farm or non-farm occupations.

All persons who are working, and those who are not working, but seeking and available for work are deemed to be in labour force. Correspondingly, the rest of the population

who do not come under above categorisation are considered to be out of the labour force and hence do not figure in employment and unemployment statistics. Contrary to general belief, the composition of labour force is not determined by lower or upper age limits such as 15 to 59 years.

The unemployed are those who have no work but are seeking work. However, without reference to a time dimension such a definition will have little meaning. The activity status of a worker may change from employed to unemployed after few days. To avoid this ambiguity - a reference period, such as year, month or week - is to be specified. In the present study, information regarding two reference periods were collected, one to ascertain the "usual status" and the other to ascertain the "current status". The "usual status" refers to employment/unemployment status prevailing over a long period, say one year or so, and which is likely to continue in future. The "current status" means the status prevailing during the week preceding the survey. Based on "priority criterion",[3] those who have worked even for a single day in the reference week or worked for considerable period in the last one year before survey, irrespective of the number of days employed, their age and sex, are included in the labour force.

It is better to consider a year as reference period than a week as the activity status of rural workforce will change

frequently. At the same time it may not be valid to consider that a labourer is active for all the 365 days in a year. Some allowance has to be made for non-labourforce days. Hence Ashok Rudra[4] used 300 days to make a person year, whereas Kanta Ahuja[5] considered 300 days for male workers and 225 days for female workers. Bhattacharjee[6] used 313 days for both male and female workers. Dantwala[7] Committee recommended the use of 300 days to make one person-year. Parthasarathy et al[8] used 300 days and 200 days for male and female workers respectively. Recently the debate on unemployment has shifted its focus more on the incidence of person-days unemployment than on the number of unemployed persons. In this context the number of days that constitute a standard person-year has become significant. The Sixth Five Year Plan - Revised Draft: 1980-85 present tables based on 27th round of NSS. It has mentioned that 273 days of 8 hours each will make a standard person year. This has been quoted by Dantwala[9] also. The rationale behind this lower cut-off point of 273 days to make a standard person-year is not that clear. However, it appears that the authors of this norm thought that probably out of 12 months in a year, workers will actively be in the labourforce for a minimum of 9 months, i.e., from January to September (Calendar year) or July to March (Agricultural year). These 9 months make a total of 273 days.

Out of the remaining 3 months or 92 non-labourforce days 52 may be apportioned for weekly holidays. For the remaining 40 days, the labourer may voluntarily abstain from work for some days to take part in fairs, festivals, mela and religious ceremonies. Some days may be taken away by reasons of sickness and fatigue. A few other days will be spent in fulfilling social and domestic obligations. Hence this 273 days of 8 hours each will reasonably make a standard person-year. The same is adopted in the present study for the calculation of incidence of unemployment by person-days based on usual status.

Labour force multiplied by 273 will give total man days in a year. By deducting the total man days employed from the above we get number of man-days unemployed. The ratio of unemployed person-days over total number of labour force days will give the rate of unemployment. The percentage of the same will give a more faithful picture of what may be termed as incidence of unemployment.[10]

4.2 Methods of measurement

The Dantwala Committee[11] on Unemployment Estimates recognises the problem of defining and measuring unemployment. The lack of homogeneity among workers and widely varying degrees of response to the labour market between different categories make the problem of measuring unemployment very complicated.

Varied methods were adopted in the past to measure the incidence of unemployment. Dandekar and Rath[12] plead for adoption of poverty norm to estimate the desired level of additional employment. They argue that an adequate level of employment must be defined in terms of providing minimum living. They assert that the acceptance of a national norm of minimum desirable level of per capita consumer expenditure automatically gives a national norm of an adequate level of employment in terms of earnings.

Raj Krishna[13] enumerates four major criteria by which unemployed may be identified. One is time criterion according to which a person may be unemployed, if he is gainfully occupied during the year for a number of days less than some normal days defined as full employment days. The next criterion is that of the income. A person is considered to be unemployed if he earns an income per year less than some desirable minimum. The third criterion is of willingness. A person may be called unemployed/underemployed, if he is willing to do more work than he is doing at present. According to the fourth criterion, a person may be called unemployed, if he is removable from his present employment and his removal would would not reduce total output. This is the case of disguised unemployment.

K.N. Raj[14] suggests income and recognition aspects for measuring unemployment. The income aspect is related to the impact of emoluments on the nature of work performed. This concept based on conditionality of income has some analytical and pedagogic value, but has little to offer beyond that. Recognition aspect arises out of job satisfaction. When the occupation fails to satisfy the minimal expectations of the job seeker, then as per the recognition aspect, he will be regarded as unemployed. It becomes rather an open ended criterion and one can easily end up categorising all occupationally frustrated persons as unemployed. Even remaining in this category as misemployed does not solve the problem, since the expectations and aspirations of many people are not necessarily related to their capability.

Parthasarathy and Vasaradha Rama Rao[15] refer to three norms namely in terms of minimum employment, availability and poverty. All these criteria admissible in themselves are often deficient to apply to the hetrogeneous and complex problem of underemployment that prevails in our country.

Measurement[16] cannot be separated from causality on the one hand and policy on the other. In this sense, rural unemployment cannot be studied in isolation from the conditions of the rural economy as a whole, since other factors such as the distribution of productive resources and modes of production

directly influence the utilisation of labour. S.K. Rao[17] observes that as most of the workers in the rural areas were wage paid, it seems their income was low, not because they were unemployed or underemployed, but because the wage rates were low. The employment was not self created, it was offered in the market. Hence Damdekar and Rath method yields an estimate which is only an approximation of the unemployed. To be exact, it is only an estimate of the poor and not of unemployed.

Raj Krishna's time and willingness criteria together give the voluntary flow rate, while the time criteria alone give the normative flow rate. Whereas, C.T. Kurien[18] feels that this willingness criterion is subjective and ex-ante - the preference on the part of labour to offer themselves for extra employment is difficult to rely, as the nature of the work and non-specification of wage makes it ambigous. Productivity criterion, on the other hand, is objective and ex-post. The existence of low average and marginal productivity however is too obvious to require proof; it is reflected in low incomes. Therefore for the operational purpose of measuring unemployment by statistical survey, the time criterion may be deemed to be good alternative over the productivity, willingness and income criteria.[19]

Sravin Visaria[20] remarks that the determination of economic activity status of an individual - that is, to identify him to be in or outside the labour force and employed or unemployed during a specified period of time - requires the use of a rather arbitrary cut-off line. The difficulty is greater when the reference period is longer than say one week. It can be argued that what reference period one chooses is entirely arbitrary and so will any estimate of unemployment be. The sensitivity of the estimate to the length of the reference period arises due to the fact that unemployment is not really a timeless concept, but can be thought in terms of waiting periods for employment for how many people, whom we call as unemployed, depends where we draw the line.[21]

The estimate of weekly unemployment of persons by current status is defective because it measures only the incidence of unemployment continuing for a whole week. We know that in India workers may get work only on some days and no work on other days even in the same week. Therefore, what we need is an estimate which includes both continuous as well as partial unemployment.[22] Hence for evaluating the relationship between economic activities and living standards, the 'usual status' approach (i.e. identification of the usual major activity of a person over a relatively long period such as year) appears advantageous.

Further in Indian villages, as the overt unemployment does not prevail, unemployment is mainly a form of under-employment. Hence person-day unemployment rate is the most significant as it includes unemployment as well as under-employment.

4.3 Dimensions of unemployment

Non-utilisation and under-utilisation of such an important resource as human labour was intimately connected with the mode of economic organisation. Unemployment and under-employment were much more a product of the political, social and economic constraints faced by people particularly the rural poor, rather than of individual choices made by people. The problem of unemployment is massive in quantum and alarming in degree. A recent estimate of unemployment, made by the Thirty Second Round of National Sample Survey, shows that average rate of unemployment in 1980 was 8.2 per-cent, which means 21 million persons were seeking and available for work, but were unable to find it.

The Draft Five Year Plan 1978-83 document admits that investment and output have grown at a high rate but the production-mix and the technology mix have been so capital-intensive that employment did not grow pari passu. Thus given the rate of investment, its efficiency, the rate and pattern

of technological change, to use Raj Krishna's phrase, the country has "skidded into an unemployment trap inspite of positive income growth". Frances Stewart[23] works out that it will take about 100 years for the organised sector in India to begin to absorb the additions to the labour force assuming, on the basis of past trends, that employment in it accounts for 6.8 per cent of the labour force and population increasing at annual rates of 1.9 per cent and 2.2 per cent respectively. Occupations outside agriculture have absorbed new entrants to the labour force only to a limited extent; and most of those who are unemployed, underemployed and poor are in the rural areas.

The severity of the problem of unemployment is found to be true for different states and more specifically for Tamil-Nadu, where we find the incidence of unemployment is very high, next only to Kerala and Pondicherry and significantly higher than the all-India level as shown in the Table 4.1.

Dantwala[24] points out that among the states, the highest incidence of unemployment was found both for males and females in Tamil Nadu and especially in the case of vulnerable groups viz., landless and small farmer households.

Table 4.1

Daily status unemployment rates by States 1977-78 based on N.S.S. 32nd Round

States/Union Territories	Unemployment Rates (%)	Share of State in All India unemployment(%age)	Share of State in All India Labour-force(%)
1	2	3	4
1. Tamil Nadu	15.59	16.48	8.65
2. Andhra Pradesh	10.67	12.37	9.49
3. Kerala	25.69	11.09	3.54
4. Maharashtra	7.99	10.16	10.41
5. West Bengal	10.15	9.03	7.35
6. Bihar	8.01	8.71	9.01
7. Uttar Pradesh	4.12	7.01	13.92
8. Karnataka	9.56	6.61	5.78
9. Orissa	8.13	3.81	3.83
10. Gujarat	6.24	3.80	4.99
11. Madhya Pradesh	5.09	5.21	8.50
12. Rajasthan	2.99	1.92	5.26
13. Punjab	4.82	1.34	2.27
14. Haryana	6.41	1.22	1.56
15. Delhi	10.96	1.10	0.82
16. Jammu & Kashmir	5.70	0.52	0.74
17. Assam	1.81	0.47	2.15
18. Goa	14.63	0.29	0.16
19. Pondicherry	22.62	0.20	0.07
20. Tripura	5.04	0.19	0.31
21. Himachal Pradesh	1.92	0.16	0.66
22. Manipur	2.00	0.04	0.18
23. Chandigarh	4.94	0.02	0.04
24. Arunachal Pradesh	0.35	0.01	0.11
25. Meghalaya	0.41	0.01	0.24
26. Nagaland	1.03	n	0.01
27. All India	8.18	100.00	100.00

Source: Sixth Five Year Plan: 1980-85.

Note: 1. The data relate to all ages five and above.
2. Total figures under columns 3 and 4 may not add upto 100 due to incomplete data in respect of Union Territories. 3. n: Negligible.

Table 4.2 reveals higher incidence of unemployment in both the villages by the first survey in comparison to the second survey due to the adversity of the season in that period. The average of both the surveys for each village (Table 4.3) gives a more balanced picture of the situation as this is free from extremities arising out of seasonality.

Though both the villages had more or less the same levels of labourforce participation ratios, the second village showed higher incidence of unemployment in terms of persons, person-days by current and usual activity status, despite its advantage in terms of better distribution of land holdings, superior soil condition with greater irrigation potential and favourable cropping pattern. The reason is that in the first village, the marginal farmers and landless agricultural labourer households in the total are as high as 65 per cent, who are willing to do any work which comes in their way as their reserve price is low. While in the second village such a group is only a smaller proportion, i.e. 30 per cent. Further the activity status of the labour force in the first village shows a higher proportion of people depending on non-farm occupations. While almost all the migrants from the second village are seasonal agricultural labourers to neighbouring districts for a short duration, in the first village, a sizeable portion of migrants are long term migrants employed in service sectors in distant urban centres. Moreover the

Table 4.2

Levels of unemployment by different norms.

Name of the village	Population	Labour force	Labour force participation Ratio (%)	No. of employed persons	Incidence of unemployed to labour force(%)	%age of unemployed persons to population (%)	%age of unemployment by person days in a week (%)	%age of unemployment by person days in a year (%)
1	2	3	4	5	6	7	8	9
			FIRST SURVEY					
1.Silandagudi	400	204	51.00	35	17.16	8.75	42.72	42.48
2.Siriyur	346	185	53.47	71	38.38	20.52	58.69	47.19
3.Total	746	389	52.14	106	27.25	14.21	50.31	44.72
			SECOND SURVEY					
1.Silandagudi	418	217	51.91	10	4.61	2.39	26.93	44.11
2.Siriyur	357	168	47.06	3	1.79	0.84	26.79	56.13
3.Total	775	385	49.68	13	3.38	1.68	26.83	49.35

Source: The household survey of 1981-82.

Table 4.3

Levels of unemployment by different criteria

Name of the village	Labour force participation ratio	%age of unemployed persons in labourforce (week)	%age of unemployed persons to population (week)	%age of personndays unemployment (current Activity) (week)	Rate of Unemployment by % in labour-force (usual activity) (year)
1	2	3	4	5	6
1. Silandagudi	51.47	10.69	5.50	56.74	38.31
2. Siriyur	50.28	41.93	21.08	57.69	46.33

Source: The household survey 1981-82

presence of socially marginal groups such as scheduled castes and also the diversified caste composition of the population of the second village, bring restrictions on these less privileged groups in their occupational patterns and land ownership. Whereas the homogeneity of caste structure in the first village and the absence of scheduled castes in the population do not give rise to above mentioned problems.

4.4 Determinants of unemployment

The Committee of experts[25] on unemployment estimates criticised the one dimensional approach of the Planning Commission to estimate unemployment at the end of the Plan period as highly aggregative and simple. It recommended to

give up this practice in the light of socio-economic conditions of the rural economy in which unemployment exists. Hence it suggested to adopt suitable measures to estimate and quantify the dimensions of unemployment at the disaggregative level. It is better to identify the unemployed by their location, age, sex, occupation and more importantly the constraints - social, economic, educational, and cultural - from which they suffer as well as their capabilities. Hence it is preferable to know about unemployment with its social, economic and demographic background. The hypothesis is that most of the unemployed would be landless agricultural labourers, that they would belong to the low caste groups and they would be mostly illiterate.

Demographic factors

Labour supply depends on its own demand, especially when the labour markets are unstable and fragmentary. This is particularly important in the rural economy where the major economic activities are often irregular and sporadic with pronounced seasonal fluctuations leading to periodic entry and withdrawal from the labour force, especially on the part of marginal labourers, often women, who shift back and forth between what is reported as domestic work (usually taken as outside the labour force) and gainful work.

Female labour force participation ratios vary over a wide range being partly determined by cultural factors. Females in

rural areas prefer work in the farm rather than the non-farm occupations. Very few female workers are willing to move outside the village, unless, there are opportunities for family migration. Hence incidence of unemployment is greater for females as evident from Table 4.4

In the first village, while the incidence of unemployment by person-days according to usual activity is 29 per cent for males, it is 84 per cent for females. For the second village, the respective figures are 37 per cent and 80 per cent. This trend is found to be true irrespective of the age group and economic class to which they belong. Further, higher incidence of unemployment is found for those who are in the age-group of less than 14 years and above 59 years, who cannot take to tiresome and full time job equal to youngsters and subsequently their labour force participation ratio will also be comparatively low. For those who are in the most active age-group of 26-35 years, the incidence of unemployment is the lowest. In the case of females in the age groups of 15-25 and above 46 years the unemployment rate is more than 50 per cent.

Social status

Caste continues to play a decisive role in influencing the formation of groups and in determining social behaviour. Groups belonging to castes which are at the bottom of the social hierarchy suffer from added disadvantages. Majority among

Table 4.4

Incidence of unemployment (unemployed person-days as per cent of person-days in labour force) according to usual activity by sex and age.

Age in completed years	Economic Class																
	Marginal Farmers			Small farmers			Medium Farmers			Agril.Labourers			Artisans			Others	
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons	Male	Female
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1.Silendegudi																	
Less than 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5-14	-	67.15	67.15	-	67.15	67.15	-	-	-	-	-	-	-	-	-	-	-
15-25	27.24	41.67	34.07	7.51	67.56	33.28	6.59	-	6.59	35.37	42.41	41.89	17.58	-	17.58	21.89	33.1
26-35	26.29	56.82	36.13	25.07	51.30	35.29	6.59	34.07	20.33	34.65	46.45	42.89	28.57	-	28.57	46.60	53.5
36-45	29.08	54.70	43.06	34.05	85.21	46.20	15.73	42.31	30.96	40.25	56.04	44.55	-	39.50	39.50	20.33	61.3
46-59	43.22	48.66	44.34	-	72.52	45.12	31.84	-	31.92	48.72	62.06	57.06	30.49	-	30.49	45.05	45.2
60+	69.03	-	67.03	67.15	-	67.15	12.98	45.26	23.17	23.00	64.29	50.55	34.31	-	34.30	-	78.1
All	30.44	49.07	38.40	20.67	63.19	39.14	15.75	40.35	22.65	36.77	42.73	43.48	8.44	39.50	29.09	32.69	38.5

2 Sirsinam

the marginal farmers are drawn from groups which are not very inferior in social hierarchy. Caste per se does not contribute to the economic backwardness of this group. The landless labourers on the other hand are drawn, in large numbers from castes which are considered socially inferior such as scheduled castes.

In the last fifty years or so in village India, the phenomenon of caste has assumed new economic and political functions in order to adapt itself to the changing times. A significant aspect of this changing role of the caste is the emergence of a 'dominant caste' in each region, which acts as a liason between the villages and the government as well as a leader group in the villages. In these capacities, the dominant group exploits the other groups openly or clandlestinely. Such a dominant caste need not necessarily be a high caste. However, it sets the tenor of living in the villages.

Hence the population of the surveyed villages were classified into four distinctive sets: dominant, secondary, tertiary and scheduled castes. The highest incidence of unemployment was found with dominant groups in the first and second village as 41 and 49 per cents respectively. In the case of inferior caste groups, the incidence of unemployment is less and lesser with the exception of scheduled castes in the second village, who are with 53 per cent of unemployment, as seen from Table 4.5.

Table 4.5

Incidence of unemployment (unemployed person-days as per cent of person-days in labour force) according to usual activity for different caste groups.

Caste Groups	Economic Classes						
	Marginal farmers	Small farmers	Medium farmers	Agril. labourers	Artisans	Others	All
1	2	3	4	5	6	7	8
1. Silandagudi							
i)Dominant	37.71	44.08	23.08	44.16	29.09	58.22	40.93
ii)Secondary	61.54	1.10	22.45	23.13	-	23.17	23.39
iii)Tertiary	-	44.09	-	45.05	-	-	28.83
iv)Scheduled castes	-	-	-	-	-	-	-
All	38.40	39.14	22.65	43.48	29.09	33.12	38.31
2.Sirivur							
i)Dominant	46.59	48.01	48.69	55.31	-	-	48.60
ii)Secondary	41.41	69.78	41.76	-	-	43.88	44.41
iii)Tertiary	-	-	-	49.12	28.91	25.27	29.30
iv)Scheduled castes	-	-	-	55.28	-	36.19	52.66
All	46.09	49.78	49.75	54.71	28.91	40.75	46.33

Source: The household survey 1981-82.

In the case of secondary and tertiary caste groups from both villages, as most of them take to non-farm occupations and some of them are artisans and less attached to land with higher propensity to migrate, face lesser incidence of unemployment. Whereas the scheduled caste groups constitute the socially and economically less privileged strata of the society and

their primary occupation as dependent labourers are mostly employed as casual agricultural labourers and toddy tappers. These account for the higher incidence of unemployment in their case.

Educational attainment

It is quite but natural as the levels of education improves, the perspective about their horizons will be widened which will result in greater labour force participation ratios and ultimately less incidence of unemployment. Incidence of unemployment is inversely related to educational attainments.

Table 4.6 shows that in the first village, the incidence of unemployment is 44 per cent and becomes insignificantly small in the case of labour force educated upto and above secondary level. In the second village, the highest for the illiterates in 49 per cent and it gradually declines in primary and middle school level educated labour force and becomes 30 per cent for secondary and above levels.

This overall trend is more or less found in both villages for different economic classes also with the exception of medium farmers in the first village and small farmers and agricultural labourers in the second village. This may be due to the inclusion of school going children, who are part time jobbers as cow-boys etc. and got included in the labour force.

Table 4.6

Incidence of unemployment (unemployed person-days as per cent of person-days in labour force) according to usual activity for different levels of educational attainment.

Educational attainment	Economic classes						
	Marginal farmers	Small farmers	Medium farmers	Agri. labourers	Artisans	Others	All
1	2	3	4	5	6	7	8
1.Silandagudi							
i)Illiterate	41.33	44.81	24.18	48.32	47.77	47.47	44.47
ii)Primary	36.21	31.01	35.23	30.69	20.33	31.32	31.62
iii)Middle	27.16	17.58	13.70	48.35	-	23.13	25.89
iv)Secondary & above	23.08	-	17.58	-	-	-	1.13
All	33.40	39.14	22.65	43.48	29.09	35.12	30.31
2.Sirigur							
i)Illiterate	52.28	47.09	60.73	54.60	49.49	29.21	49.24
ii)Primary	13.91	61.02	37.73	61.54	25.55	6.89	32.76
iii)Middle	34.31	37.68	29.07	12.41	12.09	40.70	31.07
iv)Secondary & above	56.04	56.04	19.51	-	-	12.09	29.07
All	46.05	49.78	49.79	54.71	28.91	40.75	46.83

Source: The household survey 1981-82.

Economic Classes

It is generally presumed that incidence of unemployment for different economic classes based on occupation and land size will be varied and also expected to be relatively of higher magnitude for marginal farmers and agricultural labourers. Contrary to this belief, the incidence of unemployment for different economic classes in the survey villages were found to be more or less equal on different counts such as in terms of unemployed persons as well as persons days by current and usual activity status. The same was found to be true with their respective labour force participation ratios also, as evident from the Table 4.7.

With the exception of artisans in the first and second villages, the level of unemployment for different economic classes is more or less uniform. Among them, the agricultural labourers show slightly higher percentage over other economic groups viz., 43 per cent and 55 per cent in the two villages respectively. In the first village, marginal and small farmers report about 39 per cent of unemployment, while it is around 50 per cent for the same group in the second village. The medium farmers of the first village showed the lowest incidence of unemployment while for the same group in the second village, it is as high as 50 per cent like any other farming groups within the village. However one thing is certain that the cultivator households report greater degree of unemployment

Table 4.7

Incidence of unemployment by different norms for different economic classes.

Economic classes	Labour force participation Ratio	(week) % age of unemployed persons to labour force	(Week) % age of unemployment by person-days by current activity	(year) % age of unemployment by person-days by usual activity
1	2	3	4	5
1. Silandegudi				
i) Marginal Farmers	49.29	12.32	36.02	38.40
ii) Small farmers	49.06	11.54	32.96	39.14
iii) Medium farmers	60.96	4.00	25.71	22.65
iv) Agricultural labourers	52.59	12.50	37.70	43.48
v) Artisans	51.22	-	19.04	29.09
vi) Others	52.56	7.32	28.92	33.12
All	51.47	10.69	34.06	38.31
2. Siriyur				
i) Marginal Farmers	58.54	29.17	55.65	46.03
ii) Small farmers	53.60	29.85	52.24	49.75
iii) Medium farmers	44.93	18.28	42.70	43.75
iv) Agricultural labourers	50.47	5.56	29.10	54.71
v) Artisans	48.57	5.83	42.66	20.91
vi) Others	50.54	29.63	39.19	40.75
All	50.21	20.96	43.46	46.83

Source: The household survey 1981-82.

than non-cultivator households, because of the seasonality of agricultural employment and inadequacy of the means of production at their disposal.

Time spent in different occupations by the population fall into two broad categories namely economically active and inactive man-days. The former includes days spent in own-farm, in other peoples' farm, days spent on self-employment and non-self-employment and seeking work. Economically inactive man-days include time spent in attending educational institution, domestic work and number of days not available for work due to other reasons. The economically active man-days are contributed by groups such as employers, employees, own account workers and unpaid helpers in farm and non-farm activities.

Table 4.3 shows higher incidence of unemployment for labour force engaged in farming activities irrespective of their occupational status. Females were found with greater unemployment incidence than their counterparts in all categories of occupational status. In the first village, among different occupational groups, unpaid family helpers showed highest incidence of unemployment, as they were solely dependent on farming operations.This is not the case with the second village where the highest incidence of unemployment was found in the category of economically better off group like employers whose reserve price is high and leisure preference is greater. Whereas, the

Table 4.8

Incidence of unemployment (unemployed person-days as per cent of person-days in labour force) according to usual activity for different economic status.

Activity Status	1. Silandegudi			2. Siriyur		
	Male	Female	Persons	Male	Female	Persons
1	2	3	4	5	6	7
I.Employer	53.29	78.02	43.49	82.75	34.31	85.52
On Farm	53.29	78.02	56.82	36.31	34.31	36.31
Non-farm	-	-	-	93.54	-	93.54
II.Employee	25.30	67.59	42.11	30.21	55.27	24.16
On Farm	46.25	39.82	56.80	45.51	57.96	51.17
Non-farm	-	-	-	-	12.15	-
III.Own account worker	27.29	46.89	33.43	37.02	8.44	46.70
On Farm	33.09	52.39	39.55	44.43	8.44	47.72
Non-farm	2.40	19.51	6.55	6.59	-	6.59
IV.Unpaid helper	59.21	60.04	59.93	34.10	47.79	45.71
On farm	59.21	60.04	59.93	57.10	47.41	45.53
Non-farm	-	-	-	45.03	56.20	43.78
ALL	30.04	51.62	38.31	38.72	37.78	46.39

Source: The household survey 1981-82.

category of employees in the second village showed the lowest incidence of unemployment, as most of them are constituted by socially marginal groups such as scheduled castes, who can't afford to remain without gainful work.

Consumption expenditure levels

The level of monthly per capita consumption expenditure (MPCE) of a household is widely used as a proxy for income. Since the consumption expenditure on food is the major component of the family budget of weaker sections especially in rural areas, is a good indicator of levels of living. In Table 4.9 data on unemployment have been tabulated for seven continuous monthly per capita expenditure (on food) intervals arranged in ascending order, which shows the incidence of unemployment in terms of person-days for each MPCE group. It appears that for the two survey villages, there is no clear and consistent relationship between M.P.C.E. intervals and incidence of unemployment. The same is true at the disaggregated level for different economic classes for varied MPCE intervals in both villages.

Hence the said inverse relationship[26] between MPCE and unemployment is not forth-coming. Hence association between income and unemployment is not simple and direct. Even the presumed functional relationship between them is also disputable as there is no consistent trend between these two.

Table 4.9

Incidence of unemployment (unemployed person-days as per cent of person-days in labour force) according to usual activity for different monthly per capita expenditure groups (MPCE)

Village / M.P.C.E. in Rs.	Economic classes						
	Marginal farmers	Small farmers	Medium farmers	Agril. labourers	Arti-sans	Others	All
1	2	3	4	5	6	7	8
1.Silandamudi							
Less than 32	64.29	54.67	-	50.56	55.07	-	54.1
33-48	40.46	68.64	-	52.60	19.78	32.69	46.71
49-64*	40.92	36.91	44.44	37.25	30.40	23.08	36.6
65-80	16.33	22.47	50.55	43.22	-	35.68	29.25
81-96	60.10	-	-	40.93	-	32.97	40.93
97-112	20.32	67.05	16.90	-	-	-	21.11
113 & above	-	43.68	-	50.55	-	67.03	52.99
All	38.07	42.80	25.61	45.00	32.30	35.85	65.39
2.Siriyur							
Less than 32	-	-	-	-	-	-	-
33-48	45.05	45.05	38.46	57.66	-	8.42	41.25
49-64*	45.05	46.34	44.47	63.37	39.56	35.56	43.76
65-80	60.13	46.02	45.46	59.89	30.40	-	51.27
81-96	41.59	64.13	62.04	42.85	31.32	36.13	54.21
97-112	-	-	45.05	45.05	-	50.55	46.77
113 & above	56.04	12.09	48.29	65.20	-	38.95	49.53
All	50.23	51.92	48.91	56.33	32.84	36.74	47.37

Source: The household survey 1981-82

* Poverty line.

4.5 Conclusions

From this study on incidence of unemployment, the following conclusions can be drawn:

(1) For the sake of measuring unemployment the labour-force status of the individual is important. Due to predominance of self-employment in the unorganised sector and seasonal variations, weekly (current) status is not sufficient. This is too short a period.Activity status also is subject to change frequently. It is preferable to rely on usual (annual) activity status.

(2) Out of the four (time, willingness, income and productivity) criteria, the time criterion is reliable. In a survey study similar to the present one, other criteria were found to be difficult to measure.

(3) Incidence of unemployment by percentage of persons in the labourforce will be an underestimation. In rural areas the disguised unemployment is a common feature. Hence measurement of unemployment by person-days in the labourforce will give a more faithful picture. This will include unemployment and underemployment.

(4) It is preferable to reckon person-days in terms of the standard person-year rather than the too short period of reference i.e., weekly status. Again it is more logical to use 273 days of 8 hours each as a standard person-year rather than

using 300 days or more. This modest figure of 273 days in a year make allowance for voluntary withdrawal from labourforce for sickness, holidays and rituals.

(5) The survey reveals that in these villages there is a higher incidence of unemployment among the children below the age of 15 and among the old people who are above the age of 59. This may be because of their inability to takeup certain types of jobs requiring more rigourous work, or the preferences of the employers for youthful works. Hence unemployment incidence is higher.

(6) Most of the women workers are unpaid family helpers. Their entry and withdrawal from the labourforce is intermittent. This causes higher incidence of unemployment in the case of female workers in the rural areas.

(7) Less dominant caste groups of the villages report lesser incidence of unemployment. However the scheduled caste groups in the second village report higher unemployment rate as their hold over the productive assets is negligible.

(8) The incidence of unemployment decreases with the increasing levels of educational attainment.

(9) The agricultural labourers in both the villages are found with higher incidence of unemployment, as they do not have any hold over productive assets.

(10) In the first village, the unpaid family helpers are found with higher incidence of unemployment. On the other hand, in the second village, the employers report higher incidence of unemployment.

(11) The hypothesis of negative association between higher consumption expenditure levels and incidence of unemployment is not found to be valid. In the present study, as the monthly per capita consumption expenditure on food increases, the incidence of unemployment does not show any significant trend.

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