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Aspects of Labour Planning

by Heinz Werner, Erlangen *

According to the latest census of April 1, 1971, India had a total population of about 547 million, of which 184 million were the potential labour force (i.e., all employed persons and all the unemployed, taken together). As the population growth is still accelerating, it is foreseen that the country's population will reach about 695 million by 1981 which means that new jobs should be found every year for six million potential workers.

As in most LDCs, the *General Census*, which is taken every ten years, contains the most comprehensive collection of basic data for our purpose in India (see Table 1).

Table 1
Percentage Distribution of the Working Force
in India, 1901–1961 (Males)

	1901	1911	1921	1931	1951	1961
1. Cultivators	49.9	51.8	54.6	50.8	51.9	51.3
2. Agricultural Labour	15.9	16.8	15.3	18.2	17.4	16.7
3. Plantations, Forestry, Fishing, etc.	4.5	5.0	4.5	5.0	2.4	3.7
4. Mining and Quarrying	0.1	0.2	0.3	0.3	0.5	0.6
5. Manufacturing	10.4	9.5	9.2	8.9	9.7	10.1
6. Construction	1.1	1.2	1.1	1.3	1.3	1.7
7. Elec., Gas, Water Supply	0.5	0.5	0.4	0.4	0.4	0.4
8. Trade and Commerce	5.7	5.5	5.8	5.7	6.2	5.3
9. Transport, Storage and Communications	1.5	1.5	1.2	1.3	2.0	2.3
10. Other Services	10.7	8.0	7.6	8.2	8.2	7.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note: Census figures for female labour are unreliable since the frequent variations in both the overall conception and methods of Indian statistics have a stronger impact on the figures for women. For this reason, only male labour has been counted in this context.

Source: Planning Commission: Report of the Committee of Experts on Unemployment Estimates. Delhi 1970. P. 198

Difficulties for Planning of Labour

Though a statistical breakdown by types of employment is available for India (National Sample Survey, Employment Market Information Programme, Live Register Statistics), it must be stated that, apart from the General Census, there are detailed records only of regular surveys for so-called "organised" employment. In 1970, this "organised" sector consisted of only 17 mn

workers, which was equivalent to about 9. p.c. of total labour available. Most workers — about 72 p.c. of the total — exist in peasant farming, and the next largest group fills the "Traditional Sector", (consisting mostly of family-run craft workshops) with 19. p.c. The "Organised Sector" is again subdivided into the Public Sector, which employs 10.4 mn hands, whilst privately-owned, non-farming businesses account for 6.7 mn in all units that employ more than ten persons¹.

Since each individual subsection of the Public Sector is in charge of its own staff planning, training, and programmes, there is no scope for direct influence on them by the general planning agencies. There is not even a central coordinating authority for the Public Sector, which might be able to find out about total labour requirements, either overall or by vocational divisions in the public services, or plan them.

This means that controlled planning of labour deployment by centralised controls can operate only in a section of the labour market which offers jobs to about a mere 4 p.c. of the entire labour force, to wit: the organised, non-farming, private sector. The other two big sectors, farming and traditional trades, offer no scope for purposeful planning because, except for the General Census repeated every ten years, no data about their structure and changes from one year to the next exist.

But even if Indian labour statistics were better supplied with data, overall forecasts of labour requirements for each division of the economy and for individual trades and professions would have scant practical value for planning the de-

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¹ DGE & T: Employment Review 1969–1970, New Delhi 1971, p. 9.

ployment of labour for India. The individual states of the Indian Union display vast differences in their economic structure, and overall planning for the whole nation would make sense only if the employable part of the population were highly mobile between different regions.

Low Mobility of Labour

No data are available to date about actual labour mobility. Answers to questionnaires collected during the National Sample Survey on internal migrations only confirm that mobility of labour rises with higher educational levels and skills.²

However, it must be taken for granted that, on a longer sight, the mobility of the population will remain very restricted. The majority of labour will hardly be capable of reacting to regional differences in the employment situation. Outside the native state of each worker, linguistic differences and deep cleavages between cultural traditions and customs, the ties with which employed persons are bound to the extended family group, transport, traffic, and housing difficulties will all tend to restrict the mobility of impoverished workers of a low potential income level.

All these obstacles might suggest that the whole notion of planning the deployment and training

of labour on a national scale be waived, since some of the individual states are too large and too incompatible in their relative development to be suitable areas for central planning. Planning that makes sense, therefore, can operate only the district and sub-provincial levels. For this, regular analytical studies on regional employment and of the variables which are needed for all regional planning must be compiled, and the need for such studies was officially acknowledged already by the third Five-Year Plan³. But so far, few Indian states have started such surveys.

Problems of Schooling and Vocational Training

In addition to the difficulty of mere size — to create jobs for an annual population growth of 6 mn — another big problem looms over Indian planning for the deployment of labour: schooling and training for industrial skills. Table 2 summarises the actual and planned figures of the student population at universities and other institutes of higher learning. It is astonishing how many students attend Indian universities, whose quality, incidentally, is fully comparable with international levels, and these totals are continuing to rise. The high numbers of students successfully finishing secondary education and taking diplomas and degrees at specialised institutes of higher learning and universities, relative to very low

² Indian Statistical Institute: The National Sample Survey. Eighteenth Round, February 1963–January 1964. No. 186: Tables with Notes on Internal Migration, Urban, Calcutta, 1968. No. 195: Tables with Notes on Internal Migration, Rural, Calcutta, 1969.

³ Planning Commission: Third Five Year Plan, 1964–1969, New Delhi, 1964, p. 161.

Table 2
Enrolment at Various Stages of Education

Stage (age-group)	1960–61		1968–69		1973–74 (target)	
	Enrolment (in million)	Percentage of age-group	Enrolment (in million)	Percentage of age-group	Enrolment (in million)	Percentage of age-group
1	2	3	4	5	6	7
(i) Primary classes (6–11 years)						
(a) total	34.99	62.4	55.49	77.3	68.58	85.3
(b) boys	23.59	82.6	34.92	95.2	41.25	99.6
(c) girls	11.40	41.4	20.57	58.5	27.33	70.1
(ii) Middle classes (11–14 years)						
(a) total	6.70	22.5	12.27	32.3	18.10	41.3
(b) boys	5.07	33.2	8.76	45.4	12.19	54.3
(c) girls	1.63	11.3	3.51	18.8	5.91	27.7
(iii) Secondary classes (14–17 years)						
(a) total	3.03	11.1	6.58	19.3	9.69	24.2
(b) boys	2.47	17.5	4.95	28.5	7.00	34.3
(c) girls	0.56	4.3	1.63	9.8	2.69	13.7
(iv) University classes (17–23 years))						
Total	0.74	1.5	1.69	2.9	2.66	3.8

Source: K. N. Butani, A Review of India's Experience in Manpower Planning. Institute of Applied Manpower Research, New Delhi, 1971, p. 34.

output of labour showing skills learned in more practically-directed training courses, sets up, in fact, one of the major weaknesses of Indian education: that it is focussed mainly on general and theoretical knowledge, neglecting subject matter suitable for practising a definite skill, which would have to be taught in classes and courses geared, in their organisation, for such aims.

The level and size of Indian industry (which virtually stagnates) on the other hand make it unfit to offer a sufficient number of high-powered jobs with general responsibilities. The figures of Table 2 reveal clearly that, already a present, a large proportion of educated manpower, notably the younger graduates, are unemployed.

There are job opportunities both in modern industry and in traditional crafts and trades which cry out for a large number of operators who naturally must have a general grounding in technological and scientific knowledge but whose main skills have been acquired with a view to practical craftsmanship. They must be fit for easy interchange between industrial jobs carrying with them lower or higher degrees of mechanisation and traditional manual crafts. Apart from the vocational skills that are needed for this, the workers' general attitude and behaviour must be such that they get readily used to precise, disciplined, and cost-cutting modes of operation, to team work, to job interchanges, etc. — all of them qualities which can mainly be acquired only in practical work.

A Wider Scope for Training

But instead of meeting these requirements, Indian vocational training⁴ traditionally focusses on formal schooling, which disables its subjects by familiarising them too little — or not at all — with experience from practical application to one or more jobs.

This discrepancy between, on the one hand, the avowed objectives and results of vocational training investments and, on the other hand, the skills required is typical for many LDCs, and equally typical are its adverse effects on the general economy, including mainly a slow rate of produc-

tivity growth, and on individuals, who suffer from unemployment or low incomes⁵.

Acknowledgement of the need for aiming all vocational studies and training up to the institutes of higher learning at closer relatedness to the actual demand for job skills ("vocationalisation") has been growing in India for some years⁶, not least as a sequel of the growing pressure of unemployment among school leavers and graduates at all levels. Special care will have to be taken that the objectives of training and the contents of the subject matter taught must not only be geared to the structure of jobs in modern industrial plants but that school leavers and graduates must be enabled to take up work in small-scale industry and/or to show their mettle as self-employed craftsmen and traders. As the number of jobs offered by big industry will remain relatively small, whilst the Traditional Sector focussed on farming, small craftsmen's workshops and traders' shops can rise to higher productivity only through offering high-grade services and using advanced tools and processes, and into the bargain will continue to offer the main chance for gainful employment, the training of skilled workers, technicians and engineers will have to be much more strongly directed towards enabling its subjects to take up self-employed positions outside big industry, or to seek employment in small-scale industry. This will also arm society to fight the undesirable concentration of skilled labour in the urbanised industrial regions — undesirable for reasons of economics, labour relations, and social reforms⁷.

Intensification of Vocationalisation

Labour planning in India raises up many problems: Every year India has to create fresh employment for another 8 mn people. Industrial development is in stagnation, a sector in which only 6.5 mn people are working. Thus vacancies have to be created mainly in the agricultural sector or in the traditional sector (small scale sector). As exact data do not exist correct planning is almost impossible. The only practicable method is that of trial and error. The surplus of labour-supply also concerns to the great number of high-qualified graduates of high schools and universities. To solve this problem in the educational sector the intensification of vocationalisation is in discussion as well as a better training for self-employed persons outside the industrial sector.

⁴ This kind of education is supplied, under the Indian school system, by the secondary schools (14–18 years) known as vocational and technical schools, where — in 1970 — about 1.2 million students were enrolled. However, these schools do not prepare their students directly for medium-tier sub-managerial jobs but either for their transfer to institutes of higher learning or for an accumulation of general knowledge, to be supplemented later by on-the-job-training. On the other hand, so called Industrial Training Institute (ITI) with courses of one or two years' duration operate under the Directorate-General of Employment and Training, and there are, under the 1961 Apprenticeship Act, also schemes of apprenticeship training (comprising three years of apprenticeship within production units), and these two institutions train their subjects directly for a definite skill. In 1970, the two forms of vocational training registered nearly 140 000 trainees, of which about 100 000 in courses under the Craftsmen Training Scheme, which means, in ITI classes.

⁵ See: OECD, Development Centre Studies, Employment Series No. 1: The Employment Problem in Less Developed Countries, Paris, 1971, pp. 47 et seq.; and Louis Emmerij, Education and Employment: Some preliminary findings and thoughts, in ILO, International Labour Review; Vol. 107, No. 1, January 1973, pp. 31 et seq.

⁶ See: D. P. Nayar, Education and Employment, New Delhi, 1971; p. 35. (Unpublished Manuscript of the Planning Commission).

⁷ Nayar, op. cit., p. 26.