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Growth of Employment in Manufacturing Industries of Punjab under New Economic Policy

KEYWORDS: Multi Drug Resistant Gm –ve bacteria, Cassia angustifolia leaves, Inhibition zone, Neonatal Intensive Care Unit.

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Manufacturing industries the main source of economic growth is a result of an increase in employment opportunities of a country. In the Indian economy manufacturing industries holds a key position for nearly sixteen per cent of real Gross Domestic Product (GDP) and employment 12.0 percent of the Indian labour force (GOI, 2014-15). The growth in the sector has been matching the strong place in overall GDP growth under the past few years.

The government of India introduced major reforms during New Economic Policy. Under this policy the advent of Liberalisation, Privatisation and Globalisation (LPG), the manufacturing industries of Punjab faced many challenges. To compete in the global world, employment in manufacturing industries is crucial factor.

Realising the importance of manufacturing industries, it has decided to conduct a study on these industries. The main object of the study is to examine the growth of employment in manufacturing industries of Punjab. The whole study based mainly on the secondary, but primary data has also collected from concerning units. Time period was taken from 2003-04 to 2012-13 for evaluation of study. To know the growth rate of employment, the Annual Growth Rate (AGR) and Compound Annual Growth Rate (CAGR) has calculated. The review of some studies regarding 'employment of workers' given as following:

Dawes (1934) has pointed out that the higher proportion of workers was working in the iron and steel manufacturing industry in Penistone area during the worldwide depression. In this study he found more effect of depression on the workers in the age group of 45-55 years as their employment decreased.

Witt, Mason, and Pinch (1989) have examined the relationships, between labour flexibility in manufacturing industry and the growth of 'sunbelt' areas. They considered the utility of the 'sunbelt' concept in the light of recent work on evolving spatial divisions of labour in capitalist economics. Evidence from the manufacturing sector in the Southampton city-region over the period 1981 to 1987 reveals a relatively slow rate of job loss which can be attributed to the changing status of manufacturing plants in the area in relation to their corporate hierarchies. Omvedt (1991) has revealed that the big factories of steel manufacturing employed high proportion of contract workers. Further he pointed out that about three-fourth of workers in Rourkela plant primarily came from other regions of India. He also examined that the contract labour suffered from some of the most exploitative conditions in the manufacturing industry of India. (2008) have traced that the growth of labour was decreased under the liberalisation period, while capital increased with high growth rate in registered working manufacturing industries in India under New Economic Policy.

Trend of Employment

Growth of persons employed in selected manufacturing industries during 2003-04 to 2013-14 has been worked out in the table 1.1. Data in the table examined that annual growth rate (AGR) of employment in 'food product industry' was 1.92 per cent in 2003-04 then it was remained negative continuously up to 2006-07 and it was found positive during other years the study except in 2011-12 (lowest one -13.49 percent). The highest rate came to be 22.10 per cent in 2012-13. The compound annual growth rate (CAGR) remained very low (0.32) during the above given period. The (AGR) of employment in 'cotton textile industry' was 3.70 per cent in 2003-04 after negative (-1.31 per cent) in 2004-05, it remained positive during the study except 2010-11. The CAGR came to be 2.75 per cent. Almost the same trend of employment was found in case of 'paper and paper product industry' as found in cotton textile industry, which is clear from the table. The CAGR of employment in this industry compiled to be only 0.92 per cent.

As 'rubber, plastic, petroleum and coal product' industry is concerned, the AGR of employment in this industry examined to be positive in percentage i.e. 2.92, 4.81, 5.25 and 43.55 during 2003-04, 2006-07, 2007-08 and 2012-13, respectively. It was remained negative during the other year of study. The highest AGR was found in 2012-13. The CAGR of employment came to be negative i.e. -0.43 per cent in this industry. The annual growth rate (AGR) of employment in 'non metallic mineral product' industry was 2.06 per cent in 2003-04 after stable rate up to 2005-06, it decreased continuously to the lowest rate (-2.19 per cent) in 2008-09. Lastly it was raised to the highest rate (5.91 per cent) in 2012-13. The compound annual growth rate (CAGR) remained 0.92 per cent during the research period.

The annual growth of employment was 15.36 per cent in 2003-04 in 'chemical and chemical product (except product of petroleum)' industry, which was the highest rate as compare to other years. It was decreased drastically to a negative rate (-14.92 per cent) in 2004-05, then overall trend remained in large fluctuations in deferent years in this industry, which is clear from the table. But this rate came to be the lowest in negative rate i.e.-41.79 per cent in 2009-10. The CAGR of employment remained negative (-4.12) during the research period. Besides, the annual growth of employment in 'basic Mattel and alloy industry' examined to be the negative in the beginning year, with the fluctuations trend it was decreased to the lowest

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negative rate (-29.19 per cent) in 2010-11, which is clear from the table. This rate traced to the highest rate i.e. 32.35 per cent in 2012-13 as compare to other years. The CAGR of employment in this industry remained only 1.90 per cent during overall period.

The employment trend in 'machinery except electrical machinery' industry is concerned; the AGR in the industry was calculated 0.79 per cent in 2003-04 and increased gradually to 2.91 per cent in 2005-06. This rate remained in fluctuations trend up to 2010-11 then raised continuously at the highest rate (7.76 per cent) of growth in 2012-13. The compound annual growth rate came to be 1.58 per cent during the survey period. The annual growth of employment in 'transport equipment and parts' industry traced to be the negative i.e. -1.09, -0.20 during 2003-04, 2004-05, respectively. After this period almost remained the same trend as in the case of 'machinery except electrical machinery' industry which is clear from the table. The compound annual growth rate of employment in this industry remained higher (30.11 per cent) as compare to the other manufacturing industries, which given in the table. It may due to the more requirements of transport equipment and parts, than the demand of men power remained higher in this industry. Moreover the employment of all type 'other manufacturing industries' which covered National industrial Codes (NICs) 16, 18, 19, 20, 22, 25, 28, 30, 31, 32, 33, 36, 37, 50-52, 63, 64, 72, 74, 82, 92, 93 are concerned, the annual growth rate in these industries compiled to be negative i.e. -0.31 per cent in the beginning period of the study. After positive trend up to 2005-06, this rate remained in fluctuations trend and fell at lowest negative growth rate i.e. -14.77 per cent in 2010-11. This rate rose drastically at 8.79 per cent in 2012-13 which was the highest growth rate as compare to other years. The overall CAGR of employment remained 0.14 per cent only during the study period.

Table 1.1: Growth Rate of Persons Employed in Selected Manufacturing Industries in Punjab

NIC/Industry	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	CAGR
15/Food Products	1.92	-3.44	-4.91	-4.07	2.29	2.00	5.59	-13.49	0.77	22.10	(0.32)
17/Cotton Textile	3.70	-1.31	0.64	1.70	6.96	0.61	0.94	-23.07	2.91	51.10	(2.75)
21/Paper & Paper Product	5.76	-9.40	2.62	-7.50	5.20	-0.46	3.65	-22.22	1.68	56.50	(0.92)
23/Rubber, Plastic, Petroleum & Coal Product	2.92	-1.40	-1.48	4.81	5.25	-2.87	-3.83	-20.31	-16.37	43.55	(-0.43)
26/Non-Metallic Mineral Product	2.06	0.75	0.75	-0.97	-0.41	-2.19	3.93	1.26	0.39	5.91	(0.92)
24/Chemical & Chemical Product (Except Product of Petroleum)	15.36	-14.9	0.30	-6.93	5.37	0.07	-41.79	12.25	2.00	13.06	(-4.12)
27/Basic Mattel and Alloy Industry	-2.92	2.33	1.65	-5.28	5.79	-1.78	16.78	-29.19	7.72	32.35	(1.90)
29/Machinery Except Electrical Machinery	0.79	0.99	2.91	-0.28	1.71	-0.68	3.57	-2.14	2.30	7.76	(1.58)
34,35/Transport Equipment & Parts	-1.09	-0.20	0.50	-1.18	5.58	-0.68	2.08	-24.98	8.14	59.47	(3.11)
*Other Industries	-0.31	1.47	3.21	-4.26	0.04	-2.75	7.41	-14.77	3.36	8.79	(0.14)
Total	1.44	-0.83	0.94	-2.23	3.18	-0.86	3.33	-16.63	3.06	26.26	(1.16)

Source: Government of Punjab, *Statistical Abstract of Punjab* **(various issues, 2004 to 2014)**

Figures in parentheses depict Compound Annual Growth Rate (CAGR) in percentage.

Figures without parentheses depict Annual Growth Rate (AGR) in percentage.

***** Includes all industries which National industrial Codes (NICs) are 16, 18, 19, 20, 22, 25, 28, 30, 31, 32, 33, 36, 37, 50-52, 63, 64, 72, 74, 82, 92, 93.

Data in the table examined that the annual growth rate of employment in total of manufacturing industries in Punjab was 1.44 per cent in 2003-04, after in fluctuations up to 2010-11, it increased drastically at highest rate at 26.26 per cent in 2012-13. The lowest negative rate was found to -16.63 per cent in 201-12. The compound annual growth rate of employment in manufacturing industries remained 1.16 per cent, which was very low as compare to India average.

From the above analysis it was examined that the Compound Annual Growth Rate (CAGR) of employment in manufacturing industries remained very low. The Annual Growth Rate (AGR) remained in fluctuations trends during the study; it implies that due to lack of proper implementation of wages policy, the growth rate of employment remained very low and exploitation of worker was increased during New Economic Policy. Besides, the year 2010-11 has remained a very depressive year for employment in manufacturing industries of Punjab. It was mainly due to shifting the industry to Himachal Pradesh as told by the owners/managers of the industrial units (primary survey). This shifting took place due to the special incentive policy given to the industry by the Central Government to Himachal Pradesh being a hilly state. It also may due to implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India; consequently the employment growth had decreased at lowest rate in these industries.

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Conclusion and Suggestions:

The New Economic Policy was not remained favourable for persons employed in manufacturing industry of Punjab. Study brought out that the growth rate of persons employed in the industries remained very low. It is because of low growth rate of manufacturing units during the New Economic Policy. Due to world recession a substantial number of units either slowdown the production and/or closed down in Mohali, Rajpura, Mandi Gobindgarh and Ludhiana, etc. to which mainly provided employment for workers.

The challenges for manufacturing industries of Punjab are many and complex under New Economic Policy, however, these challenges can be overcome with the collective efforts by entrepreneurs, research and development institutions, etc. Government and its agencies should come forward not only to provide financial help but also training to the manpower to handle the machinery with new technology. Moreover, the government should provide the social security to labour by reducing the hire and fire practice, even though the policy of liberalization has been adopted.

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