

## Employment and poverty

**1.52** No official poverty estimates are available beyond 1999-2000, the year of the 55<sup>th</sup> round of the National Sample Survey (NSS). However, the NSS 56<sup>th</sup> round (July 2000-June 2001) report on household consumer expenditure and employment-unemployment situation in India, for 2000-01, albeit on a thin sample, provides some insights into developments in labour markets and monthly per capita consumption expenditure.

**1.53** The work force participation rate (WFPR) - which is the number of persons employed per 1,000 persons - for rural (urban) males according to 'usual status' went up from 522 (513) in the 55<sup>th</sup> round (July 1999 - June 2000) to 532 (525) in the 56<sup>th</sup> round when only "principal status" is considered, and from 531 (518) to 544 (531) when principal plus subsidiary status (all) are taken into account. The corresponding increase for rural (urban) males according to the current weekly status is from 510 (509) to 525 (519). However, there is a decline in WFPR for rural (urban) females from 231 (117) in the 55<sup>th</sup> round (July 1999-June 2000) to 221 (116) in the 56<sup>th</sup> round, when only principal status is considered. When principal plus subsidiary status are both taken into account, female WFPR, between the two rounds, shows a decline from 299 to 287 in rural areas, but a marginal increase from 139 to 140 in urban areas. According to the current weekly status, WFPR for females declined from 253 to 217 in rural areas and from 128 to 117 in urban areas.

**1.54** WFPR for rural males (usual status-all) in the age group of 15-59 years was 87 percent in the 55<sup>th</sup> and 56<sup>th</sup> rounds. For rural females, WFPR declined from 48 percent in the 55<sup>th</sup> round to 46 percent in the 56<sup>th</sup> round. For urban males, WFPR during this period increased from 78 percent to 79 percent. However, for urban females, WFPR was about 21 percent in both rounds. During the period 1998 to 2001, for the age group 15-59 years, the WFPR has tended to increase for three categories, namely, rural males, urban males, and urban females. In urban areas, the increase was larger for females than for males.

**1.55** In rural India, according to the 'usual status', about 69 percent of the male workers and 82 percent of the female workers are engaged in agricultural activities. In urban India, about 58 percent of the male workers and about 48 percent of the female workers are engaged in tertiary sector activities.

**1.56** Between the 55<sup>th</sup> round and the 56<sup>th</sup> round, the all-India average for monthly per-capita consumption expenditure went up from Rs. 486.16 to Rs. 494.90 for rural areas, and from Rs. 854.92 to Rs. 914.57 for urban areas.

**1.57** Organised sector employment has witnessed some positive trend in the private sector, which, in the current state of buoyancy of the industrial sector, should further accelerate if some of the rigidities in the labour laws are removed. The Industrial Disputes Act, 1947, Contract Labour Act, 1970, and Payment of Wages Act, 1936, are some of the legislative instruments that the government is considering for amendment. Simultaneously, the government is also proposing to bring forth a comprehensive legislation for the welfare of workers in the unorganised sector. Under the Minimum Wages Act, in January 2002, wages were raised for workers of mining and construction sectors in respect of scheduled employment in the Central sphere.

**1.58** According to the data from the NSS rounds, between July 1999-June 2000, and July 2000-June 2001, the number of 'chronically hungry' households (not getting enough food everyday during even some months of the year) per thousand households, declined from 12 to 6 in the rural areas, and 7 to 2 in the urban areas. The decrease in the number of 'seasonally hungry' (getting enough to eat everyday in only some months of

the year) per thousand households, fell from 26 to 19 in rural areas and from 6 to 4 in urban areas. Against this evidence of continued 'seasonal hunger', this year's drought has caused enhanced distress in a number of chronically deficit areas. With the drought affecting large parts of the country, the pursuit of active food management policy helped in containing the incidence of poverty and deprivation. The off-take of foodgrains under various welfare schemes such as Annapurna, World Food Programme, Sampoorna Grameen Rozgar Yojana, indigent people, nutrition programme, hostel for scheduled caste/scheduled tribe/other backward castes, food for work, and mid-day meal, at 5.48 million tonnes during April-October, 2002, was considerably higher than 3.15 million tonnes during the same period of the previous year. The stability in prices of essential items, including food, through the management of the adequate buffer stock has helped in protecting the poor from some of the suffering that is traditionally associated with droughts in the country.

**1.59** Apart from drought relief, the Government has taken a few other measures for improving living conditions in both rural and urban areas. Central allocation has been stepped up under the Accelerated Rural Water Supply Programme (ARWSP). The corpus of the Rural Infrastructure Development Fund (RIDF) has been enhanced in the current year along with a reduction in the rate of interest on loans from the Fund. The rural housing initiative is being carried forward through the ongoing Indira Awaas Yojana (IAY) scheme. Housing activity in the country, on the whole, has shown distinct signs of pick-up, as reflected in the higher outflow of credit to housing during the current year, primarily on account of encouraging fiscal incentives for housing finance. The Housing and Urban Development Corporation (HUDCO) has been the key player in stepping up housing finance. HUDCO has also been instrumental in implementing the low cost sanitation scheme in urban areas, which intends to eliminate manual scavenging, and under which 860 schemes have been sanctioned in almost 1,500 towns till the end of December 2002.