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UNIT 11: LIVELIHOOD, LABOUR MARKET AND LABOUR MOBILITY

UNIT STRUCTURE

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11.1 LEARNING OBJECTIVES

After going through this unit, you will be able to :-

- identify the changing behaviour of livelihood and labour mobility in the organised and unorganised sectors of India
- explain the sectoral growth and changes of workforce in India, Northeast and also in Assam
- discuss the unemployment and underemployment challenges in India, Northeast and Assam
- describe how brain drain is occurring in our country and how it affects the backbone of our economy

11.2 INTRODUCTION

In a society, a rational adult person always puts effort to ensure the means for securing the basic necessities of life such as food, water, shelter and clothing for herself/himself and their dependents. To ensure the basic necessities a person needs a decent form of livelihood. Livelihood is defined as a set of activities or work, done either individually or as a group by using endowments (physical and mental), and also with the support of mechanical instruments to enhance human productivity. How decent is the livelihood, the monetary or physical returns depends on the capacity and skills of the person, the level of resource endowments which could be personal, of the community and of the State; as well as supportive regulations of the State to ensure law and order in the society and economy. Consider a person who has no land to make a living from farming, or possesses limited education, skills and money to take a concrete initiative, or enter a job in government or private sectors to ensure livelihood. He or she may have no other alternative than to work as daily wage earner in agriculture field, construction sites; pull rickshaw or do vending of certain basic goods. In this context, the role of the State is meant to ensure certain supportive regulations – that there is fixation of a decent minimum wage and fare, that no law and order anomalies that affect their daily earnings, and so on. The prime responsibility of a welfare State is to ensure that the initiatives for livelihood of common people do not get disturbed and are sustainable and dignified.

The avenues of livelihood (or employment) and income however do not always go as desired or towards sustainable direction. There emerge certain externalities (overcrowding of the unskilled, frequent *bandh* or political instability, natural calamities such as flood and erosion, decline in public spending in social and infrastructural sectors to name some of them) which force people to change their livelihood avenues or even to change the place of occupation in search of a better living. This applies for all people irrespective of their level of skills and educational attainments. Such developments bring in the issues relating to labour mobility in the labour

markets. Labour mobility or worker mobility is in general the occupational and geographical movement of the workers.

This **Unit** tries to address and understand the issues relating to labour mobility in terms of *five* perspectives. The First Section provides a brief overview of the changes in workforce across the main economic/ industrial categories. A look into the changes of workforce in the economic categories is important. This is because a decline in workforce in the agriculture and manufacturing sectors and a rise in construction or trading sector, have some inherent causes and explanation. The Second Section discusses the issues of underemployment (persons compelled to work intermittently) and unemployment, which indicate that there are not enough jobs—a condition which forces the people to move out from a particular geographical location in search for better opportunities. The Third Section uses empirical data to examine the outward movement of the people in search of employment from the northeast region of India. Underemployment and unemployment are the reasons that force people to look for opportunities in different places. The Fourth **Section** looks at the changes in the work status of the people belonging to the salaried, self-employed and casual labour classes, as these three forms indicate a differentiated level of dignity in our society. The Fifth Section looks at certain critical issues associated with the movement of skilled personnels from our country. Contrary to the unskilled, the movement of skilled personnels or brain drain give birth to some serious repercussions in the home country.

11.3 SECTORAL GROWTH/CHANGES OF WORKFORCE IN INDIA/NORTHEAST INDIA/ ASSAM

This section tries to explain how the data on changes of the workforce across the economic sectors help to infer the scenario of labour mobility to a significant extent.

In India, the workforce is classified into the National Industrial classification (NIC). The NIC 2008 (see Table 1.1) shows vast modification over the earlier classifications. NIC, 2008 now has 21 sections, 88 divisions, 238 groups, 403 classes and 1304 sub-classes of activities performed by people. The classification takes into account and accommodates the changes the world of work has seen in contemporary times and all the activities incorporated into NIC 2008 are comparable with workforce classifications across the countries of the world. Moreover, the detailed classification of activities helps to keep a time series comparison with earlier NIC classifications (NIC, 2004, NIC, 1998, NIC 1987 etc), which had limited coverage of occupations. For examples, the NIC 1987 had covered 10 sections at one digit level, 72 divisions at two digit level and 461 classes at three digit levels. Such industrial classifications help to look/review at the changes in the world of work and labour market.

Table 1.1 Descriptions of main occupations in NIC, 2008

NIC 2008-	Description		Earlier board 9 industrial Sections divisions– followed
			till recent times
A	Agriculture, forestry and fishing	1	Agriculture
B	Mining and quarrying	2	Mining
C	Manufacturing	3	Manufacturing
D	Utility–Electricity, gas, steam and air conditioning supply	4	Utility
E	Water supply, sewerages, waste management & remediation activities		
F	Construction	5	Construction

G	Wholesale and retail trade, repair of motor vehicles and motorcycles	6	Trade and restaurants
H	Transportation and storage	7	Transport
I	Accommodation and food services activities	6	Trade and restaurants
J	Information and communication services	9	Public administration and community services
K	Finance and insurance activities	8	Financial services
L	Real estate activities		
M	Professional, scientific and technical activities	9	Public administration and community services
N	Administrative and support service activities		
O	Public administration and defence, compulsory social security		
P	Education		
Q	Human health and social work activities		
R	Arts, entertainment and recreation		
S	Other services activities		
T	Activities of households as employers		
U	Activities of extraterritorial organisations and bodies		

Along with the industries or sectors (NICs) in India, activities of the people are also captured in terms of occupations. Descriptions of occupations of the main categories in National Classification of Occupation (2004) are as follows-

Table 1.2: National Classification of Occupation, 2004, India

Occupational division code	Description of occupation
1	Legislators, senior officials and managers
2	Professionals
3	Technicians and Associate Professionals
4	Clerks
5	Service Workers and Shop and
	Market sales workers
6	Skilled Agricultural and fishery workers
7	Craft and related trades workers
8	Plant and machine operators and Assemblers
9	Elementary occupations
x	Workers not classified by occupations

The activity sectors are also classified as ***primary*** (agriculture), ***secondary*** (mining, manufacturing, utility and constructions) and ***tertiary*** (trade, transport, financial services and public administration and community services).

Labour and workforce data in India are collected and published largely by two major government agencies—Census of India and the National Sample Survey Office (NSSO). Census of India collects information from every household in the country. Census of India collects information on

population and socio-economic issues in every decadal interval. On the other hand, NSSO conducts rounds of sample survey to address specific queries – employment, unemployment, consumer expenditure, morbidity and health care, unorganised services and manufacturing etc. Till June 2012, NSSO has conducted 68 rounds of survey to address certain issues which help in the planning process for development of the country, and some issues are repeated in regular interval of rounds. For example, the survey on employment and unemployment and consumer expenditure is conducted in every five years. It is evident from NSSO and Census data that the job sectors in the states of India as well as of Northeast India have shown a clear shift towards tertiary sector or *petty tertiarisation* (mostly in informal activities). The sectors, which show increasing trends in offering opportunities to rural people, are now the construction and the transport sectors. Construction, trade, hotel, restaurant and transport sectors have shown significant growth in recent times in terms of workforce in urban areas of the region (all are tertiary sector activities). NSSO data also reveal deceleration of manufacturing activities (industries) in the states of Northeast region. Moreover, public administration and community services sectors have been offering lesser opportunities to the labour force in both rural and urban areas (see Table 2.3). Opportunities in these sectors largely depend on public spending by the State. It is observed that in contemporary times opportunities in the government sector job has declined significantly. On the other hand, it is estimated from the 57th round of NSSO survey that in the states of northeast India, the unorganised services (hotel and restaurants, transport and communications, real estates and renting, education, health and social works etc.) account for 10 to 18 percent of the total workforce in the service sector jobs of the region. In this sector, for example, if a person is engaged in private tuitions or practices medicine individually we can classify the person in unorganised services activity.

Rise in workforce in petty activities/ unorganised sectors reflect the constraints of an economy. Table 2.3 shows clear decline in the absorption of people in the agriculture sector. Apart from the rising population pressure and alienation from land, the agriculture sector at the present time is facing

numerous constraints. People need access to resources, education and skill for survival following which they put effort to enter any form of odd jobs, for whatever may be the payment or return. Such lower end jobs provide a scope/platform to survive, and it is considered easy to enter such jobs compared to the jobs in organised or the formal sectors.



LET US KNOW

Organised sector: The work which are officially recognised and the timing hours are fixed, regular and paid under legal terms and conditions where jobs are under the protection of social security, are called organised sector. The organised sector or formal sectors in India refer to licensed organisations, that is, those who are registered and pay sales tax, income tax, etc. These include the publicly traded companies, incorporated or formally registered entities, corporations, factories, shopping malls, hotels, and large businesses.

Unorganised sector: In the unorganised sector, jobs are purely temporary i.e. not regular and treated as part time work. The works under the unorganised sector are not officially recognised and counted. It provides the short term sustenance of living. Unorganised sector, also known as informal sector or own account enterprises, refers to all unlicensed, self-employed or unregistered economic activity such as owner- manned general stores, handicrafts and handloom workers, rural traders, farmers, etc.

11.3.1 Jobs in the Agriculture Sector

The agriculture sector in Northeast India provides livelihood to the majority of people. It is reflective that the sector now has become unattractive, though it may be wrong to say that the sector is not

accommodative. The sector contributes not more than 35 percent to NSDP in any of the states of the region. The crisis in the agriculture sector is reflected in declining prices of several crops and widening disparities in earning between the agriculture and non-agriculture sectors.

On the issue of accommodativeness, the figures of landlessness in the region, particularly in Tripura, (about 58 percent households has no cultivable land) and Assam (about 36 percent) are very high. This issue is alarming considering the fact that land is the prime source towards assurance of livelihood. Contrary to this the unutilised proportion of cultivable land (Tripura 9 percent, Manipur 15 percent, Assam 20 percent, Arunachal 37 percent, Nagaland 58 percent, Mizoram 75 percent and Meghalaya 80 percent) could raise other additional issues. Unaccommodativeness and unattractiveness of the agriculture sector in the northeast region is reflected by low proportion of double cropped area (overall 41 percent in the region), lack of irrigational facilities (Manipur has the highest proportion of net irrigated areas which is 46 percent), low delivery of institutional agriculture credit and absence of insurance in agriculture sector. All these reflect certain institutional drawbacks towards creation and assurance of livelihood in this sector.



CHECK YOUR PROGRESS

Q 1: Try to understand the difference between the organised and unoraganised sectors in our economy.

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Q 2: Explore the constraints the farmers/cultivators face in your locality to sustain livelihood.

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ACTIVITY 11.1

Have interaction with few construction workers and street vendors. Is it easy to enter such activities for living? Try to understand their life histories (social and educational background) and struggle for living in such occupations.

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Table1.3: Percentage distribution of usually working persons in principal status by board industry divisions

Rural

		Agri	Mining	Mfg	Utility	Const	Trade & Restau-rants	Transport	Finance, Busines	Pub. adm
Arunachal	1993-4	86.4	0.1	0.8	0.8	2.6	0.2	1.6	0.4	6.8
Pradesh	2004-5	81.9	0.0	0.4	0.9	4.1	2.2	0.6	0.6	9.2
	2009-10	75.6	0.9	1.3	0.9	5.5	3.3	1.7	0.3	10.6
Assam	1993-4	79.2	0.2	3.5	0.3	0.7	6.9	1.3	0.3	7.7
	2004-5	71.2	0.3	3.1	0.2	2.8	10.2	2.8	0.2	9.3
	2009-10	69.4	0.3	3.6	0.0	3.6	9.8	2.8	0.5	9.9
Manipur	1993-4	63.8	0.1	12.3	0.3	2.8	4.5	1.5	1.0	13.7
	2004-5	67.8	0.6	7.7	0.0	3.5	7.0	2.4	0.2	10.8
	2009-10	55.0	0.3	8.8	0.0	10.6	11.6	2.1	0.2	11.3
Meghalaya	1993-4	86.0	0.5	1.0	0.3	1.6	3.8	1.1	0.0	5.8
	2004-5	81.9	1.3	3.5	0.4	2.3	5.4	1.1	0.0	4.2
	2009-10	71.7	3.1	2.6	0.1	3.8	8.0	2.9	0.1	7.6
Mizoram	1993-4	88.9	0.0	0.5	0.2	1.2	1.9	0.1	0.1	7.1

		Agri	Mining	Mfg	Utility	Const	Trade & Restau-rants	Transport	Finance, Busines	Pub. adm
	2004-5	87.5	0.0	0.8	0.0	1.0	3.5	0.5	0.2	6.6
	2009-10	83.4	0.2	1.2	0.0	1.9	3.9	0.6	0.0	8.7
Nagaland	1993-4	74.9	0.6	0.2	0.3	1.8	4.5	0.6	0.0	17.1
	2004-5	77.2	0.0	2.0	0.5	1.9	4.7	1.7	0.3	11.5
	2009-10	72.0	0.2	0.3	0.6	2.4	7.0	2.7	0.1	14.7
Tripura	1993-4	47.6	0.0	5.4	0.2	6.8	10.7	3.2	4.0	26.3
	2004-5	42.8	0.0	4.9	0.0	11.6	11.1	3.8	0.1	25.8
	2009-10	35.4	0.4	6.6	0.0	29.8	12.4	4.5	1.5	9.5

Urban

		Agri	Mining	Mfg	Utility	Const	Trade	Transport	Finan-cial	Pub. adm
Arunachal	1993-4	7.4	0.0	13.3	3.6	9.3	15.0	5.3	2.9	42.5
Pradesh	2004-5	11.2	0.0	3.6	0.2	8.1	22.7	2.4	1.3	50.4
	2009-10	14.0	0.2	1.5	2.5	9.6	19.4	4.5	1.3	47.2
Assam	1993-4	2.6	6.3	10.4	0.6	2.8	19.0	7.5	2.0	38.6
	2004-5	3.8	1.4	10.4	2.9	5.8	28.6	13.4	2.5	32.5
	2009-10	1.4	2.0	9.3	2.5	7.9	34.7	11.7	3.3	27.2
Manipur	1993-4	27.1	0.0	14.4	1.2	2.6	13.7	3.1	2.2	33.3
	2004-5	25.9	0.0	13.7	0.0	4.8	19.7	4.4	1.4	30.0
	2009-10	20.0	0.0	11.0	0.0	7.5	28.9	3.5	2.3	27.0
Meghalaya	1993-4	2.3	0.1	2.2	0.6	8.0	25.2	1.7	1.8	56.9
	2004-5	2.0	0.2	5.5	1.7	4.8	15.3	4.5	1.7	64.3
	2009-10	5.8	1.2	3.9	1.4	9.8	22.8	8.8	1.9	44.4
Mizoram	1993-4	41.1	0.1	4.4	0.3	4.8	14.0	1.3	0.1	33.1
	2004-5	36.2	0.1	5.1	0.0	4.9	17.1	2.6	1.2	32.8
	2009-10	36.2	0.6	4.7	0.1	8.3	16.7	3.9	0.3	29.1
Nagaland	1993-4	5.4	0.5	4.1	0.4	7.8	22.0	3.7	1.7	53.5
	2004-5	9.1	0.0	5.7	1.5	3.9	40.1	5.5	0.9	33.3
	2009-10	14.8	0.0	1.0	1.3	7.1	21.1	9.9	0.3	44.4
Tripura	1993-4	5.2	0.7	8.7	0.3	2.8	17.3	6.0	3.9	53.8
	2004-5	4.2	0.0	7.2	0.5	6.6	27.2	4.4	1.9	48.1
	2009-10	2.2	0.0	9.0v	0.0	16.9	23.1	10.7	4.2	33.9

11.4 UNEMPLOYMENT AND UNDEREMPLOYMENT

Unemployment is a serious issue for a country like ours. It refers to a situation in which people are unable to have a minimum livelihood for living. Unemployment leads a country into the line of poverty where people have to stay in empty stomach and hunger.

In terms of underemployment, people are relatively deprived to have a decent standard of living. There are many reasons behind the unemployment and underemployment like population explosion, holding part-time job despite having desiring fulltime work, over qualifications where the employees have education, skills, experiences beyond the requirements of the job etc. On the other hand, due to the lack of manpower planning of the Government and insufficient employment opportunities in the varied socio-economic sectors, people suffer a lot and they become unemployed despite having the sufficient qualification, education, skills and experiences.

The changes revealed by data on our livelihood sectors (Table 2.3) reflect crisis in our economy and society. It may also appear that people with education and skill may not be able to find an appropriate job for decent living. Thus, if a person is available for work and do not have a job, whether sought work or not, is considered unemployed. In India, the figures of unemployment are given by NSSO reports. Data on unemployment are made available in every five year interval by the survey on the employment and unemployment situation in India. The NSSO data over the years reveal the rising trend of unemployment rate in the states of northeast India. However, the proportion of overall unemployed people is still smaller compared to the significant proportion of people living under poverty in the northeast region particularly in the populous states of Assam and Tripura (about 40 percent in rural Assam and about 20 percent in rural Tripura live under poverty as par 2009-10 data). In Assam, the unemployment rate among rural male is just 3.6 percent and urban male is 4.4 percent; in Tripura the figures are 6.3 and 9.3 percent respectively. This indicates that

the numbers of the working poor outnumbers the unemployed. This is true for the country as a whole. The reason for this is that a person cannot remain unemployed for long, unless she/he gets some supports to sustain. This forces the people to engage in any form of work. It is evident that unemployment rates cannot represent the picture of a crisis situation in a country.

Along with the working poor people (it is inferred that the people under poverty are not necessarily unemployed), the figures of unemployed youths (in the 15-29 age group) reflect a scenario closure to the crisis of livelihood. Youth unemployment rate in urban areas was as high as 22.3 percent in Assam, 40.3 percent in Tripura, 19.6 percent in Manipur and 50.6 percent in Nagaland, much higher than the country average of 9.6 percent during 2009-10; and the situation has worsened over the years with the increasing pressure of population. The reason for youth unemployment rate, which shows a higher rate than the general rate of unemployment, is that a youth till a certain age can avail some support from her/his family. This may not be possible after a certain age, compelling him/her to enter any form of job. Moreover, low level of educational and skill attainment has compelled the majority of the people to shift or get engaged in certain upper end jobs that boomed in the liberalised environment (example - high paid jobs in IT and corporate sectors).

It may also be noted that school dropout rate is a serious cause of concern in many north eastern states, which inhibits the process of better human capital formation. Dropout rates for classes I-X are as high as 64.9 % in Arunachal, 77.6 % in Assam, 56.8 % in Manipur, 77.9 % in Meghalaya, 62.9 % in Mizoram, 74.9 % in Nagaland, 62.9 % in Tripura; all are much higher than the national average of 52.9 % in the year 2009-10 (school dropout data are made available by Ministry of Human Resource Development, Government of India) and a large section of dropouts becomes supplier of labour primarily to petty lower end job markets. This is the reason for which we see overcrowding of people in certain job sectors such as

vending, sales, construction works and wages, and earning in these sectors are comparatively low to ensure a decent living. All these factors push the youth to look for job outside the region. The nature and extent of crisis in some pockets (infected by flood, erosion, conflicts) determine the degree of mobility of the labour force in some areas (Dhemaji and Marigaon in Assam) and show huge outflow of workforce.

Underemployment is commonly defined as under-utilisation of the labour time of the workers. Some persons are apparently employed, do not have work throughout the years due to seasonality of work, or there is no sufficient work for them. Sometimes, underutilisation of such workforce and their earnings are not visible and one needs to ask specific questions to find out the rate of underemployment. NSSO calculates the indicators of such invisible underemployment through a set of probing questions. These are addressed to the employed persons on their availability for additional and alternative works and the reasons for seeking such additional/alternative work and their status of work (regular salaried, self-employed and casual workers).

NSSO (2009-10) data revealed that in Assam 7 percent rural male and 6.2 percent urban male did not work regularly during the year. Moreover, 13 percent rural male and 9.1 percent urban male were available for additional work. In addition to this, 11.1 percent rural male and 9.6 percent urban male were available for alternative work.



CHECK YOUR PROGRESS

Q 3: What do you mean by unemployment and underemployment?

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Q 4: Why do you think that people in our locality/village are looking for additional and alternative work?

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11.5 LABOUR MOBILITY IN NORTHEAST INDIA

Labour mobility is a current issue that can change the entire working nature in the world. Today, developing countries like India, China, Bangladesh, and Pakistan are facing so many challenges, problems, issues and constraints in terms of population and employment. Even in the competitive world we need skills as well as skilled population, that can be appropriately called manpower, which can bring the positive social transformation in society. But, unfortunately, due to the lack of proper planning and employment opportunities as well as economic inflation in the country, many people have to lose their job. They are not capable enough to get recruited in the public sector as well as in the private sector, and thus lead the boom in the economy in a country. On the other hand, there are so many people who have to look for employment opportunities in another country or place for their sustenance of living.

Thus, the underemployment and unemployment are the reasons that force people to look for opportunities in different places.

NSSO data on migrations (49th round of 1993 and 64th round of 2007-08) show the rising trend of out-bound people from the states of northeast region of India. The data show that among the total out migrants of the respective states in the region, the share of migrants to other states in the India (inter-state migrants) is as high as 37.2 percent in Manipur and 25.9 percent in Tripura which are higher than the country average of 23.2 percent (the rest of the out migrants are intra-district and inter-district migrants or it can be said as movement within the state). The rest of the

states in the region (Sikkim 21.1 percent, Meghalaya 20.9 percent, Arunachal 18.8 percent, Assam 16.2 percent, Mizoram 15.6 percent and Nagaland 13.4 percent) also show significant share of out-migrants to other states of the country among the total out migrants. It means that out of the every 100 persons leaving home for longer duration for some reasons, 16 persons move out of their own state in Assam. Census of India data also shows the rising trend of out migration from the region.

Data of Ministry of Overseas Indian Affairs (MOIA) show that in the past five years (2006-11) the number of workers from northeast India granted emigration clearance has increased from about one thousand to more than three thousands. The state of Assam, which accounted for a larger share (99 percent in 2006) of outward bound workers from the northeast region, its share now has declined (78 percent in 2011) with more workers from states like Tripura and Arunachal taking part in the international labour market. MOIA data further show that the share of workers from the northeast region granted emigration clearance to the country's total has increased from 0.16 percent in 2006 to 0.50 percent in 2011. NSSO (2007-08) data show that out of the total out migrants from the respective states of the region, Sikkim (4.9 percent) and Tripura (2.8 percent) lead the share in overseas migration followed by Meghalaya (1.4 percent), Manipur (0.5 percent), Mizoram and Arunachal (0.3 percent each), Assam (0.2 percent) and Nagaland (0.1 percent) compared to all India figure of 3.8 percent.

NSSO data (2007-08, migration) show that people from the states of north eastern region of India move out from their respective states largely for e**mployment** and **studies.** The proportion of people migrated out for these two reasons are much higher than the average of the country. For example, among the rural out-migrants, 62 percent from Arunachal, 48 percent from Assam, 64 percent in Manipur, 47 percent in Meghalaya, 54 percent in Mizoram, 39 percent in Nagaland, 50 percent in Tripura and 30 percent in Sikkim migrated out for employment compared to the country average of 31 percent. Similar trend is visible in the urban areas of the

states. The overall data indicate that in the states of northeast India there is crisis to ensure a decent form of livelihood, and for this, people take efforts to move out in search of better jobs.



CHECK YOUR PROGRESS

Q 5: What do you mean by labour mobility?

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ACTIVITY 11.2

Consult the NSSO reports on Migration and Census of India data/ tables on migration. The tables indicate the type and nature of migrants and the reasons of movements. These are available in the internet.

11.6 WHAT PUSHES OR PULLS PEOPLE TO OUT MIGRATE FOR JOBS FROM THE NORTHEAST REGION

Despite a high literacy rate, the Northeast Indian region is characterised by the lack of adequate avenues for higher or technical education or vocational training. Further, there is a felt mismatch between the demand in the job market and supply of potential workforce from the local educational system – especially to meet the requirements of the new economy occupations and professional service sectors. Issues are also raised against the governments in the states of the region which have failed to create employment opportunities and state like Manipur seems to be

starting to seek employment opportunities outside the state by sending its young generation out.

Unsustainable agriculture in the hill states of the region, severity of flood and land degradation in many pockets of the valleys resulted in low agricultural income. There are evidences of significant decline in agricultural income in the flood affected areas of Assam. NSSO data too revealed that majority of households in rural northeast India cannot ensure food security from home grown food. Data of NSSO 50th round reflected 70 percent rural households in Tripura, 58 percent in Meghalaya, 57 percent in Mizoram, 54 percent in Arunachal, 44 percent in Assam and 36 percent in Manipur depend on market for food items as there are not enough home productions. Moreover, industrialisation processes in the region have been sluggish because of which the region fails to take advantages of its natural resources to use in industries, add value to the goods and ensure good return. Citation of just one example of forest reveals how ineffective regulations imposed by State in the region have failed to ensure sustainable livelihood. There has been rampant exploitation of forest cover in the region and this had led the Supreme Court to impose ban on timber felling in 1997. The fallout was that hundreds of saw mills and plywood factories were closed down since then which could have ensured livelihood for a large section if there were plans to use the forest resources in sustainable manner. Contrary to this, it is now evident that thousands of Assamese out-migrated youths now find jobs in the plywood factories in Kerala.

High rate of human development in certain states of India (such as Kerala and Goa) has created a vacuum in lower end job market. It is obvious that with the attainment of higher education and skills, people generally shift to upper end jobs (managerial and administrative jobs for example) and this creates vacancy in certain lower end (labour class) jobs. A look at this issue indicates that out-migrants from northeast region are mostly engaged in lower end jobs in the states of Goa and Kerala. Moreover, certain job sectors in BPO (Business Processing Outsource) companies like call

centers, shopping malls and hospitality industries of the metro cities of India have emerged. In the services and hospitality sectors, there are preferences for youth, particularly female workers from the northeast region. In such cities, even in the high end sectors, there are creations and opportunities of many lower end jobs (for example an IT sector also requires security services jobs).

11.7 MOBILITY (UPWARDS OR DOWNWARD) OF THE WORKERS IN THE LABOUR MARKET/ JOB SECTORS

There are certain reasons that a worker/person change their work status and establishments. A rational person always looks for upward mobility in the existing job or better opportunities at the labour market (alternative job) with the expectation of better earning. The world of work in contemporary times has become complex and challenging, and it is observed that people around us change their occupation, industry or status of work largely to ensure a decent living and future security. Such situations are commonly observed in day to day life.

On the other hand, people are also compelled to shift jobs for certain reasons. There is loss of existing jobs (due to retrenchment or closure of unit), lack of satisfaction in previous job, lack of job security, work place too far etc are some of the reasons for changing occupation.

NSSO (66th round 2009-10) survey revealed that about 0.4 (female) to 0.6 percent (male, mostly urban male) employed persons had changed their work status during two years preceding the survey. However, when the proportion of the employed person changed their establishments ranging from 4.3 to 5.5 percent; the proportion is higher in rural female than in rural male in all spatial categories (rural and urban). Assumption or observations in day to day life would reveal that with poor level of education and skills, it is difficult to change the work status or have an upward mobility in a job. It is

however relativity easy to change an establishment of work (an attendant can change job to different shops or a teacher can shift to different private educational institutions), availing the same status, wages or salary. It can be agreed that the educational attainment level can help to change the work status, but changes in establishments is more prominent among the illiterate and people with low level of educational attainment. These are the reasons that NSSO data reveal higher proportion of working people changing their work establishments and work status.

NSSO data reflects that change in work status is more among the regular wage/salaried person, than among the self employed and casual labourers. This is obvious, as the regular wage and salaried persons are more from the organised or formal activities. It is also revealed by the NSSO data that people having self-employment and doing casual works largely move to regular wage and salaried jobs. It also reveals people's expectation for regular incomes.

However, as the NSSO data reflects, there are evidences of shift or movement of self-employed person to casual jobs (downward movement). Such movement may indicate a crisis situation in the labour market. Several forms of self-employment are commonly observed in a society—from vegetable vendors, grocery shops, manufacturing units to business or consultancy services in architecture and technology. We may observe that it is not always easy to survive in the labour market as self-employed and derive a decent income. Often self-employed people shift or try hands in different activities, because of unsustainable return or income, and in certain extreme cases, there is no alternative than to shift to casual jobs.

11.8 OUTMIGRATION OF THE SKILLED PERSONNEL (BRAIN DRAIN)

In the previous sections we have looked into the labour mobility issues or the issues associated with the movement of the working class assuming

certain crisis situations. We assumed the crisis to be lack of endowments—physical resources (land or money) as well as human capability (attainment of higher skills and education to play command in the labour market). The result, as we see, is the overcrowding of people in certain lower end jobs and subsequently derivation of poor wages or income. We also observe that people in Assam or in India show high disparity in the attainment of capability, and there is a section of people who have achieved very high level of technical skills and education to compete at any level in the international labour market. A segment of this section of people move out of the country for different reasons.

Concept and issues of brain drain

The term 'brain drain' denotes the migration of highly skilled people from one country to another, particularly from the developing world to the developed world. Brain drain or human capital flight is a large emigration of individuals with technical skills or knowledge. The drain is normally due to lack of appropriate opportunities to get engaged, expectation of better life and working conditions, and also because of political instability in their own country.

Thus, brain drain means the immigrations of highly professional, technical manpower as well as human resources and skilled person from the developing to the developed countries. The outflow of the skilled personnels from the developing countries is mainly directed to the USA, UK, Canada, Australia and other advanced countries. Here, the thing is that the brain drain is qualitatively different from the ordinary migration like migrations from rural to urban for searching the work just meet the daily needs etc . The fact of brain drain is related to the intellectual matter.

Brain drain is usually regarded as an economic cost. It is not only that the country loose services of skilled personnels, as their skill acquisition is primarily based on the education and trainings provided/sponsored by

the government. It is considered parallel of capital flight (or movement of financial capital) from the country.

Perception may be that brain drain can be prevented by providing adequate opportunities and provisioning to the individuals who have skill and expertise. This is however not possible for the reasons that in the era of globalisation, wide dissemination and access to the information has helped people to explore, compare and move out for better opportunities and living.

Overall, we may see that brain drain or emigration is generally driven by both push (lack of appropriate opportunity in own country) and pull factors (expectation and existence of a better work environment and life in countries of destination). The main push factors from the home front include dissatisfactions arising out of unattractive remuneration packages; while pull factors include expectation of better living standards. These factors have common global pattern and India is no exception. Khadria (2006) had shown that the percentage of the Indian immigrants among all global immigrated admitted in US had increased from about 5 percent in 1999 to about 25 percent in 2005. This may reveal dominance of India in the knowledge market of the world. Data for the 2012 show that among all immigrants to US, the share from India accounted for about 6.5 percent. The decline in India's relative share is largely because of the significant rise in inflow from other Asian and Latin American countries to the US.

Impacts of Brain Drain

The impact of 'brain drain', on developing nations' economy is quite difficult to estimate. This is because we do not have data on this issue. The state of Kerala has considerable number of out-migrants (work in both upper and lower end jobs) outside India. Considering only the case of remittances sent by the emigrants, an estimate indicates that the effect of remittances on Kerala's per capita income in 2003 was increased by Rs. 5678 in the

total per capita income of Rs. 31,442. The end uses of remittances were mainly for the subsistence of the emigrants' relatives back home. Remittances are also used for construction of houses and it had led to boom of construction activities in Kerala, which subsequently generated employment in this sector.

Economic theories suggest that brain drain has both supply side and demand side effects on an economy. The supply side effect in this case is a reduction in the labour force (Beine et al., 2001), resulting in an inward shift of the home country's production possibility curve (PPC), and so the productive capacity of the country falls. The volume of emigration of people, their education and skills and the amount of money (savings/ investment) taken with them would determine the overall affects.

On the demand side, brain drain affects both public and private consumption and investment spending. It is assumed that people with higher qualification and skill have better income and so the capacity to spend. Brain drain also reduces the revenue base through decreases in incomes and corporate taxes, as well as other forms of tax collections. This inevitably affects a State's tax base and subsequent allocations for welfare provisions.

Contrary to the assumptions stated above, there are opinions that brain drain does not lead to a loss in economic welfare of the home country. This is mainly because there are other workers who can replace the emigrants quite easily. For example, countries like India has surplus labour pool (see NSSO data on educated and youth unemployment and underemployed) from which replacement workers can be drawn easily. There are however argument to contradict this – the surplus pool of labour may not be able to successfully replace the highly skilled workers who have left. This is particularly evident in the areas of health, education and other specialised services.

Moreover, for the State the opportunity costs of investing on emigrated

manpower (skilled) is high—the resources could have been used in upgrading infrastructure and technology in schools, hospitals and other vital public services of the country.

Highly skilled personnel, products of our public institutions, consume a large share of the country's education budget. As the money for the budget comes from the public funds, contributed through taxes paid by people or even by donor agencies as aid or loan; the country gain little from investing on people who chose to work outside the country.

Shortage of Professionals

Our country is currently experiencing shortage of skilled personnel in certain professions. In such circumstances, the migration of highly skilled manpower makes it difficult or constrained to ensure development interventions. It is often reported that our educational and health institutions suffer from a shortage of staff. Hospitals face not only a shortage of competent doctors and nurses but there are also shortages of medical professionals in all components of health services.

There is an argument that highly skilled emigrants generate a high income in foreign currency for the country of origin. An estimate for 2005-06 show that the remittances account for 3 percent of GDP in India. Information on investments made by the NRI could reveal a picture on this. It may be noted that the money generated in foreign currency alone cannot put a country in the path of development. Regulatory supports of the State are important for establishment of international businesses or investments in the development sectors.

It may be that the remittances (see annual reports of Ministry of Overseas Indian Affairs) made by the skilled migrant contribute essentially to the private and family benefits of the individuals; the country gains somewhat less in the process. Moreover, such form of out- migration could

also induce negative impact at home and society. At home, front impacts are anticipated on loneliness of the family members and elderly people. It appears that there is a dearth of research or studies to understand the impact of brain drain on the development activities for the home country.

***Assumption and issues for exploration*:**

The highly skilled emigrant group do not necessarily remit more, while the unskilled manual workers remit much more living in a hardship at an alien country. The remittance contribution made by non-highly skilled workers provides better public benefit to the home country. Consider the cases of remittance made by workers in lower end jobs engaged outside Assam. Explore where and how the remittances are used (procurement of basic household needs and construction of a house. Also consider the cases of remittances made by highly skilled persons engaged/employed abroad. Do they remit what the probable avenues remittances are spent (consumer durable, land, foreign trips of the relatives)



CHECK YOUR PROGRESS

Q 6: What do you mean by brain drain?

.....

.....

Q 7: Identify some basic causes for which brain drain is happening in our country.

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.....



11.9 LET US SUM UP

In the beginning of the unit, we have learnt about the importance and need of livelihood.

- It is evident from NSSO and Census data that the job sectors in the states of India as well as northeast India have shown a clear shift towards the tertiary sector or *petty tertiarisation* (mostly in informal activities). The sectors, which show increasing trends in offering opportunities to rural people, are now the construction and the transport sectors, mostly in the non-motorised sector.
- Construction, trade, hotel and restaurant sectors and transport sector have shown significant growth in recent times in terms of workforce in urban areas of the region (all are tertiary sector activities). NSSO data also reveal deceleration of manufacturing activities (industries) in the states of northeast region.
- Moreover, public administration and community services sectors have been increasingly offering lesser opportunities to the labour force in both rural and urban areas
- Unemployment refers to a situation in which people are relatively deprived of having a decent standard of living.
- There are many reasons behind the unemployment problems like population explosion, holding part-time job despite having desiring fulltime work, over qualifications, where the employee has education, skills, experiences beyond the requirements of the job etc.
- On the other hand, due to the lack of manpower planning of the Government and insufficient employment opportunities in the varied socio-economic sectors, people suffer a lot and they become unemployed despite having the sufficient qualification, education, skills and experiences.
- There are certain reasons that a worker/person change their work status and establishments. The world of work in contemporary times has become complex and challenging, and it is observed that people around us change their occupation, industry or status of work largely to ensure a decent living and future security. Such situations are commonly observed in day to day life.

- On the other hand, people are also compelled to shift jobs for certain reasons. There is loss of existing jobs (due to retrenchment or closure of unit), lack of satisfaction in the previous job, lack of job security, work place too far etc. are some of the reasons for changing occupation.
- Out migration of the skilled personnel is a serious concern for our country. The continuous migration of skilled personnel affects the entire economy badly.
- The term 'brain drain' denotes the migration of highly skilled people from one country to another, particularly from the developing world to the developed world.
- Brain drain or human capital flight is a large emigration of individuals with technical skills or knowledge.
- The drain takes place due to the lack of appropriate opportunities to get engaged, expectation of better life and working conditions and also due to the political instability in one's own country.



11.10 FURTHER READING

1) Chyrmang, R. (2011). *Magnitude of Migration from North East Region of India in S. I. Rajan (edited), Migration, Identity and Conflict, India Migration Report, 2011.* Routledge, New Delhi

2) Ramesh, Babu P (2012). *'Strangers in their own land: Migrants from the Northeast in Delhi',* Economic and Political Weekly, Vol 47, No22

3) Gazi Mahabubul Alam and Kazi Enamul Hoque (2010) Who gains from "brain and body drain" business -developing/developed world or individuals: A comparative study between skilled and semi unskilled emigrants, *African Journal of Business Management* Vol. 4 (4), pp. 534-548, April 2010; Available online at http://www.academicjournals.org/AJBM

4) Binod Khadria (2006) India. *Skilled migration to the developed countries, labour migration to the gulf.* National University of Singapore

11.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: The organised sector is a formal sector. It is officially recognised and registered. The working hours are fixed and regularly paid under the legal norms and regulations. The employees can access the opportunities under the provisions of social security. But, on the other hand, the unorganised sectors are mainly informal sector. It is under private domain. The working hours are temporary in nature, no formal rules and regulations have to be followed in the unorganised sector. In the Indian context, people are engaged in the informal sectors for getting the daily livelihood. Due to the lack of proper public/Government employment opportunities, even experienced and skilled persons also have to do some work in the unorganised sector that are not officially recognised.

Ans to Q No 2: The farmers and cultivators are mostly engaged in the unorganised sectors. They do hard labour for their sustenance of living. They are not able to reap the profits of their work. It is because, in the rural areas, there is a lack of market where they are not able to contact directly with the buyers. Eventually, the profit making businesses are done by the third party for whom the actual hard labourers are always deprived to get their rights. Even the farmers who are engaged in the rural areas, are not aware of present market, the use of proper way of fertilisers in the paddy fields and proper care of their framings etc..

Ans to Q No 3: Unemployment means the lack of employment opportunities among the people for living in a decent standard. It leads to poverty and hunger in the nation following which people fail to ensure the security of life.

Unemployment may be caused by population explosion, economic recession and inflation, mismatch in education system and degrees of inflation, bad affect of westernisation, tendency for earning easy money etc.

Underemployment refers to a situation where the employees have to do the work which is not suitable for them against their required degree and qualification. Today we have seen that many peoples in our country have to join certain jobs where the employees have more education, more skills, and more experiences and over qualifications beyond the requirements of the job. Underemployment is commonly defined as under-utilisation of the labour time of the workers. Although, some persons are apparently employed, they do not have work throughout the year due to seasonality of work or there are not enough work for them. Thus, the problems like unemployment and underemployment are happening in our society which is mainly due to over population, lack of employment opportunities, lack of manpower planning in terms of demand and supply of the degrees etc.

Ans to Q No 4: In India, if a person is available for work and do not have a job– irrespective of whether sought work or not, he or she is considered unemployed. The NSSO data over the years reveal the rising trend of unemployment rate in the states of northeast India. However, the proportion of the overall unemployed is still smaller compared to the significant proportion of people living under poverty in the northeast region particularly in the populous states of Assam and Tripura (about 40 percent in rural Assam and about 20 percent in rural Tripura live under poverty; 2009-10 NSSO data). In Assam, the unemployment rate among rural male is just 3.6 percent and urban male is 4.4 percent; in Tripura the figures are 6.3 and 9.3 percent respectively. This indicates that the numbers of working poor outnumbers the unemployed. This is true for the country as a whole. The reason for this is that a person cannot remain unemployed for long, unless she/he gets some supports to sustain. This forces the people to engage themselves in any form of work.

But, the number of unemployed youths is still higher in our state. The reason youth unemployment rate shows a high figure than the general rate of unemployment is that a youth till a certain age can avail some support from her/his family. This may not be possible after a certain age, compelling him/her to enter any form of job. Besides, people want to move to certain upper end jobs e.g. high paid jobs in IT and corporate sectors. Even, the large section of dropouts becomes the supplier of labour primarily to petty lower end job markets. This is the reason of overcrowding of people in certain job sectors such as vending, sales, construction works and wages and earning in these sectors are low to ensure decent living. All these factors push the youth to look for job outside the region. The nature and extent of crisis in some pockets (infected by flood, erosion, conflicts) determine the degree mobility of the labour force, some areas (for example, Dhemaji and Marigaon in Assam) show huge outflow of workforce.

Ans to Q No 5: Labour mobility means shifting the work from one place to another, change the work for getting the better alternative option, promotion of the work, looking for better places etc. Labour mobility leads the migration of people from rural to urban and mini city places. Thus, labour mobility is a current issue that can change the entire nature of work in the world. In fact, underemployment and unemployment are the reasons that force the people to look for opportunities in different places.

Ans to Q No 6: Brain drain means the immigrations of highly professional, technical manpower as well as human resources and skilled persons from developing to developed countries. The outflow of the skilled personnels from the developing countries is mainly directed to the USA, UK, Canada, Australia and other advanced countries. Here, the thing is that the brain drain is qualitatively different from the ordinary migration like migrations from rural to urban for searching the work just meet the daily needs etc . The fact of brain drain is related to the intellectual matter.

Ans to Q No 7: Brain drain is happening in our country because of lucrative

jobs and better employment opportunity in other places. This is however not possible for the reasons that in the era of globalisation, wide dissemination and access to the information has helped people to explore, compare and move out for better opportunities and living. Overall, we may see that brain drain or emigration is generally driven by both push (lack of appropriate opportunity in own country) and pull factors (expectation and existence of a better work environment and life in countries of destination). The main push factors from the home front include dissatisfactions arising out of unattractive remuneration packages; while pull factors include expectation of better living standards. These factors have common global pattern and India is no exception. Khadria (2006) had shown that the percentage of Indian immigrant among all global immigrated admitted in US had increased from about 5 percent in 1999 to about 25 percent in 2005. This may reveal dominance of India in world's knowledge market. Data for the 2012 show that among all immigrants to US, the share from India accounted for about 6.5 percent.



11.12 MODEL QUESTIONS

A) Short Questions (Answer each question in about 150 words)

Q 1: What do you mean by Labour mobility?

Q 2: What do you mean by brain drain?

Q 3: What do you mean by organised sector?

Q 4: What do you mean by unorganised sector?

Q 5: What is unemployment?

Q 6: What is underemployment?

B) Long Questions (Answer each question in about 300-500 words)

Q 1: What are differences between organised and unorganised sector? What types of problems people are facing in the unorganised sector?

Q 2: Explore the constraints the farmers/cultivators face in your locality

to sustain livelihood. Do the farmers perceive the agriculture sector as remunerative?

Q 3: Explain what types of constraints farmers are facing in the labour market today for getting livelihood.

Q 4: Identify some of the causes of brain drain from India to other developed countries in the world.

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