

Rural Employment in Himachal Pradesh

*** Prof. Sanjeet Singh and Arun Kumar****

**Head Department of Economics, Central University of Himachal Pradesh, Sapt Sindhu Parisar-I, Dehra,
Distt. Kangra, Himachal Pradesh (India)-177101
Email: thakursanjeet55@gmail.com*

****Arun Kumar**

Research Scholar

*Department of Economics, Central University of Himachal Pradesh, Sapt Sindhu Parisar-I, Dehra, Distt.
Kangra, Himachal Pradesh (India)-177101
Email: arunchhatrari99@gmail.com*

Abstract

This article examined the sector-wise share of employment in Himachal Pradesh. It observed that agriculture shares of agriculture in GDP as well as employment decreased and the non-farm sector increased, this is a sign of the structural transformation of the Indian economy. About 58.71 percent of the workforce is engaged in the primary sector out of which 58.37 are in agriculture and only 0.34 percent in the mining and quarrying sector. Similarly, 16.94 percent of the state workforce engaged in the secondary sector where the share of manufacturing is 6.93 percent, construction 8.41 percent, and elect, gas water utility 1.60 percent. The government of India as well as Himachal Pradesh also implemented schemes like MGNREGA, and Mukhya Mantri Swavalamban Yojana to provide self-employment opportunities in the state All these schemes push the rural workforce from agriculture to the non-agriculture sector for employment.

Keywords: *Employment, non-farm sector, structural transformation.*

I. Introduction

India is a rural economy where 68.8 percent of the nation & population and 72.4 percent of the workforce reside in rural areas. Agriculture is the main occupation of most of the population (Census 2011). The agriculture sector faces a multitude of challenges including underemployment, low productivity, unskilled labor, low land-man ratio, and mono-cropping. Due to various obstacles, the agriculture sector cannot generate sufficient employment opportunities in rural areas, leading to a significant gap between the job supply and demand in these regions. To improve the socio-economic status of rural households, generate employment opportunities in rural areas, and prevent unplanned migration from rural areas to urban, there is an urgent need to make the rural economy stronger and generate employment. Over period the government of India has taken several measures to tackle the problem of rural-to-urban migration. After 1991, economic reforms government also took several measures to enhance employment opportunities via wage employment and self-employment in rural areas, therefore several schemes launched by the government such as Swarnajayanti Gram Swarozgar Yojana, National Rural Livelihood Mission, and Mahatma Gandhi National Rural Employment Guarantee Act. All these schemes were implemented in rural areas to enhance employment opportunities and control rural-urban migration.

For migration, in rural areas mainly two factors are responsible. Pull factors (better education, healthcare, transport, and better employment opportunities), and the second push factors (lack of facilities for road, transport, education health care, and lack of employment opportunities). political migration (Carbajal et al., 2021).

To enhance livelihood opportunities, the major strategies that are required to be taken into consideration are poverty alleviation, innovative approaches to creating better livelihood opportunities, provision of basic amenities and infrastructure facilities, and wage and self-employment (Netar, 2017). To generate employment opportunities and improve the socio-economic living standard of the deprived section of society, there is an immediate need to strengthen the rural economy via the generation of decent & sustainable employment. The Government of Himachal Pradesh has taken various measures to improve the lives of the people in the state and ensure speedy progress. These measures have been achieved through efficient policies and cooperation with the central government. The state's economy is vibrant due to the hard work of its people and the implementation of progressive policies by both the central and state governments. Himachal Pradesh is now one of the fastest-growing and most prosperous economies in the country. Out of all the Indian hill states, Himachal Pradesh achieves the highest level of economic development (Dutt et al., 2020).

II. Review Of Literature

Haggblade (1992) examines the supply-side linkages between agriculture and rural non-farm economy. It examines the price endogenous model and the agriculture growth non-farm employment income and price. **Chadha (2003)** analyzed the trend and pattern of non-farm employment in the rural area. the study was based on NSS data from 1951 to 1991. They analyze the inter-state differences and similarities and pattern changes of employment sector-wise. **Kundu et al. (2003)** analyzed the decrease in casual and self-employment in rural India sectoral shift in rural employment in India. **Davis (2004)** this paper examines the emerging and conceptual issues surrounding the development of the rural non-farm economy in less developed and transition economies. **Ventakesh (2013)** shift of rural employment pattern trend of rural employment they analyzed the sector-wise shares of employment and labor force participation rates in different sectors and gender-wise shares of employment. **Reddy et al. (2014)** shifted labor from predominately agriculture to non-agriculture activities seasonal work patterns and low productivity in the agriculture sector. Issues in village labor in the agriculture sector. **Kumar (2021)** MGNREA plays an important role in employment generation in India. the study was based on all the districts of Himachal Pradesh 2011-12 and 2018-19 it uplifted the deprived class of the society and empowered the women. **Kumar et al. (2021)** this study analyzed the employment diversification within the state study based on secondary data of NSSO from 1983 to 2009-10 significant growth in the non-farm sector in India.

III. Objectives:

- To examine sector-wise employment share in Himachal Pradesh.
- To study the trend of non-farm employment in Himachal Pradesh.

IV. Data and Methodology

The present study was undertaken in the Himachal Pradesh state of India. The study is based on secondary data collected from Census 2011 and an economic survey of Himachal Pradesh. After collecting the data on different aspects, data have been analyzed via descriptive statistics.

V. Tables and Figures

Table 5.1: Demographic features of Himachal Pradesh

Population	District												H.P.
	Bilaspur	Chamba	Hamirpur	Kangra	Kinnaur	Kullu	Lahul & Spiti	Manali	Shimla	Sirmour	Solan	Una	
Total Population 2011 (in lakhs)	3.82	5.2	4.55	15.1	0.84	4.38	0.32	10	8.14	5.3	5.8	5.21	68.65
Total Population 2011 (in Lakhs)	4.07	5.56	4.84	16.3	0.84	4.79	0.32	10.66	8.79	5.78	6.34	5.7	74.13
Rural Population	93.22	93.04	93.09	94.29	100	90.55	100	93.73	75.26	89.21	82.4	91.38	89.37
Urban Population	6.58	6.96	6.91	5.71	0	9.45	0	6.27	24.74	10.79	17.6	8.62	10.03
SC Population	25.92	21.52	24.02	21.15	17.53	28.01	7.08	29.38	26.51	30.34	28.35	22.16	25.19
ST Population	2.8	26.1	0.67	5.6	57.95	3.84	81.44	1.28	1.08	2.13	4.42	1.65	5.71
Female Population	49.53	49.66	52.27	50.29	45.02	48.52	47.13	50.18	47.08	47.86	46.8	49.4	49.28

Source: Census of India 2011-H.P. *Total population for the year 2018 is the projected population collected from the 'Statistical Abstract of Himachal Pradesh, 2018-19'

Table 5.2: Sector-wise share of employment in Himachal Pradesh in (%)

Sector	Share in Employment	
	Himachal Pradesh	India
Agriculture & allied sector	57.03	45.46
Mining & Quarrying	0.20	0.33
Primary	57.23	45.79
Manufacturing	7.61	11.57
Gas Water supply, Electricity, & other utility services construction	0.78	0.55
Construction	11.53	12.43
Secondary	19.92	24.55
Commercial apartments Broadcasting-related transport communication services	11.60	17.73
Real estate, Financial, & professional services	1.13	1.90
Public Administration & other services	10.12	10.33
Tertiary	22.85	29.66
Total	100.00	100.00

Source: Compiled by author from Himachal Pradesh Economic Survey 2021-22

Table 5.2. Shows the sector-wise share of employment in India and Himachal Pradesh. About 57.23 percent of the workforce is engaged in the primary sector out of which 57.03 are in agriculture and only 0.23 per cent in the mining and quarrying sector. Similarly, 19.2 percent of the state workforce engaged in the secondary sector where the share of manufacturing is 7.61 percent, construction 11.53 percent, and elect, gas water utility 0.78 percent. The tertiary sector employed 22.85 percent of the state workforce where the share of trade, hotels transport, communication & services relating to broadcasting was 11.60 percent, public administration & other services 10.12 percent, and financial, real estate & professional services employed only 1.13 percent of the state workforce. However, the picture is the same at the Indian level, the majority of the population is employed in the primary sector followed by the tertiary sector, and then secondary. It is observed that agriculture and allied sectors employed more than 50 percent of the state population and only 13.14 % contributed to the GVA of Himachal Pradesh while manufacturing employed only 7.16 per cent of the state workforce but contributed to state GVA more than double 31.23 percent. The government of Himachal Pradesh also implemented schemes like Mukhya Mantri Swavalamban Yojana to provide self-employment opportunities in the state. The above-mentioned table indicates that the agriculture sector is the most important sector of employment in Himachal Pradesh as well as India.

Table 5.3: Sector-wise share of employment in Himachal Pradesh in (%)

Sector	Shares in employment	
	Himachal Pradesh	India
Agriculture & allied sector	58.37	45.76
Mining & Quarrying	0.34	0.31
Primary	58.71	46.07
Manufacturing	6.93	11.42
Gas Water supply, Electricity, & other utility services construction	1.60	0.54
Construction	8.41	13.03
Secondary	16.94	24.99
Commercial apartments Broadcasting-related transport communication services	12.22	17.49
Real estate, Financial, & professional services	1.78	2.66
Public Administration & other services	10.35	8.79
Tertiary	24.35	28.94
Total	100.00	100.00

Source: Compiled by author from Himachal Pradesh Economic Survey 2022-23

Table 5.3. Shows the sector-wise share of employment in India and Himachal Pradesh. About 58.71 percent of the workforce is engaged in the primary sector out of which 58.37 are in agriculture and only 0.34 percent in the mining and quarrying sector. Similarly, 16.94 percent of the state workforce engaged in the secondary sector where the share of manufacturing is 6.93 percent, construction 8.41 percent, and elect, gas water utility 1.60 percent. The tertiary sector employed 24.35 percent of the state workforce where the share of

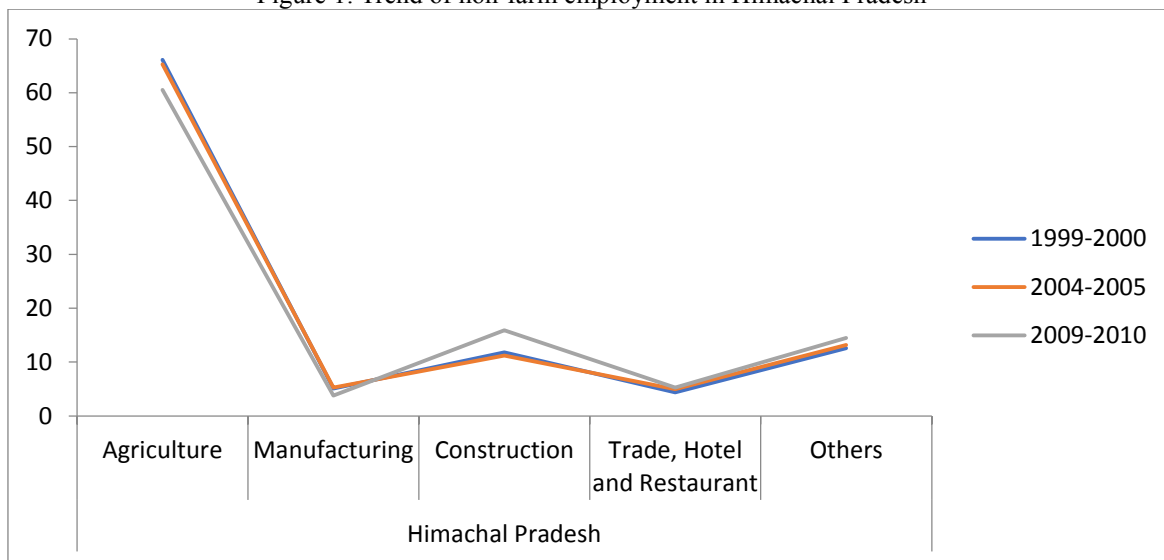
trade, hotels transport, communication & service relating to broadcasting was 12.22 percent, public administration & other services 10.1 percent, and financial, real estate & professional services employed only 1.13 percent of the state workforce. The above-mentioned table indicates that the agriculture sector is the most important sector of employment in Himachal Pradesh as well as India.

Table 5.4: Non-farm employment trend in Himachal Pradesh

State	Sectoral Share in Rural Non-Farm Employment	1999-2000	2004-2005	2009-2010
Himachal Pradesh	Agriculture	66.1	65.3	60.5
	Manufacturing	5.1	5.3	3.8
	Construction	11.8	11.2	15.9
	Trade, Hotel and Restaurant	4.4	5	5.3
	Others	12.6	13.2	14.5

Source: Compiled by author from the NSSO.

Figure 1: Trend of non-farm employment in Himachal Pradesh



The above-mentioned table and figure show the sector-wise trend of rural employment in Himachal Pradesh. The agriculture employment share constantly decreases whereas the non-agriculture employment share increases over time. The construction sector grew by 11.8 percent in 1999-2000, 11.2 percent in 2004-05, and 15.9 percent in 2009-10, whereas other sectors of the non-farm sector grew by 12.6 percent in 1999-2000, 13.2 percent 2002-05 and 14.5 percent in 2009-10. The manufacturing sector grew 5.1 percent in 1999-2000, 5.3 percent in 2004-05, and 3.8 percent in 2009-10. Instead of this, trade, hotel, and restaurant grew by 4.4 percent in 1999-2000, 5 percent in 2004-05, and 5.3 percent in 2009-10. It shows that agriculture's dominance in employment decreased over the period and non-farm employment increased.

VI. Conclusion And Policy Recommendation

From the above discussion, it is observed that primary sector dominance decreased over the period and other sector employment increased. It shows the structure shift of the economy from farm to non-farm sector, where in 1999-2000 the agriculture sector provided 66.1 percent of employment which decreased by more than two percent in the year 2022-23. Instead of this, increasing skills and education in rural areas pushes the workforce to the non-farm sector, where skills and educated labor are required. With the declining share of agriculture in GDP and the gradual growth of population in rural areas, greater attention is being given to non-farm activities not only for their importance in generating income but also for their increasing importance in creating employment, particularly for rural women and the poor. Apart from this, in several rural development programs implemented by the government of India, many households in rural areas shift their occupation choice due to distress-driven factors. The study concluded that there is a structural transformation of the Indian economy where the agriculture sector shares in GDP as well as employment and non-agriculture share in GDP and employment increases with economic growth

Diversification of agriculture-agriculture is the main occupation in Himachal Pradesh diversifying the people from agriculture to horticulture, pisciculture, etc. Promotion of agro-based industries- open new agro-based industries and fruit processing plants. Promotion of tourism -Himachal is a beautiful tourism destination in India. They can provide employment and promote the local culture. Enhancing skill-based programs- gives skillful education to the young generation. provide new equipment and new tools. Infrastructure development- rural infrastructure road, transport, electricity, water and internet services

References

- [1]. Dutt, S., Singh, S., & Department of Economics Vallabh Govt P.G College Mandi H.P. (2020). Infrastructure and economic development in Himachal Pradesh: An inter-district study. *IOSR Journal of Economics and Finance*, 11(3), 70–74. <https://doi.org/10.9790/5933-1103017074>
- [2]. Kumar, S. (2021). Physical Aspects of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in Himachal Pradesh. *Indian Journal of Economics and Development*, 9, (1-12).
- [3]. Netar, T. (2017). Impact of institutions on rural livelihoods Case study of Village Mundoti. MPRA Paper. <https://ideas.repec.org/p/pra/mprapa/87287.html>
- [4]. Acharya, S.S. (2006). Sustainable Agriculture and Rural Livelihoods. *Agricultural Economics Research Review*, 19, 205-217.
- [5]. De Almeida, A. N., & Bravo-Ureta, B. E. (2017). Assessing the sensitivity of matching algorithms: The case of a natural resource management program in Honduras. *Studies in Agricultural Economics*, 119(2), 107–114. <https://doi.org/10.22004/ag.econ.262424>
- [6]. Kundu, A., Sarangi, N., & Dash, B. P. (2003). Rural non-farm employment: An analysis of rural-urban interdependencies (p. 196). London: Overseas Development Institute.
- [7]. Singh, S., & Sharma, K. R. (2023) The Role of Cooperative Societies in the Development of Social Entrepreneurship in Himachal Pradesh: A Case Study of CD Cooperative Credit Society of Mandi District. *IOSR Journal Of Humanities And Social Science (IOSR-JHSS) Volume 28 (12)*, pp. 67-79.
- [8]. Saith, A. (1992). The rural non-farm economy: Processes and policies. International Labour Organization.
- [9]. Akshay, B. V., & Manish, V. An Empirical Analysis of the Socio-Economic Status of Handloom Workers in Himachal Pradesh.
- [10]. Dutt, S., Singh, S., & Paul, D. (2020), Infrastructure and Economic Development in Utrakhand: An Inter District Study. *IOSR Journal of Economics and Finance (IOSR-JEF)*, Volume 11, Issue 4, PP 76-80.
- [11]. Haggblade, S., & Liedholm, C. (1992). Agriculture, rural labor markets and the evolution of the rural non-farm economy.
- [12]. Bezemer, D., & Davis, J. (2004). The development of the rural non-farm economy in developing countries and transition economies: key emerging and conceptual issues. Social Science Research Network.
- [13]. Reardon, T., Stamoulis, K., Balisacan, A., Cruz, M. E., Berdegue, J., & Banks, B. (1998). Rural non-farm income in developing countries. *The state of food and agriculture, 1998*, 283-356.