
GLOBALIZATION, EMPLOYMENT AND SOCIAL PROTECTION IN ANDHRA PRADESH

Dr. K. MadhuBabu

Associate Professor, Head Dept. of Economics, Acharya Nagarjuna University, Guntur, Andhra Pradesh

Dr. D. Rajyalakshmi

Head. Dept. of History, AG&SGS Degree College, Vuyyuru, Krishna (Dt), Andhra Pradesh.

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Abstract: The concept of the “demographic dividend” elucidates the economic benefits that a country can gain if it experiences education and skill in working age group population. The decline in dependency age group increases the ratio of working age to total population, increasing per capita income. The growth of an economy can be estimated by its national income growth rates, per capita income and foreign reserves etc, but these manipulating practices can't conceal the rates poverty, unemployment and low standard of living. It is more agonizing that with the growth of economy centralization of profits is increasing and gainers are providing only subsistence to them who are the cost nearer of this growth. India stands at a critical juncture in history, a period when population dynamics have the potential to catapult it into a phase of high growth and inclusive development. The ongoing demographic changes are likely to contribute to an ever increasing size of labour force in the country. In recent years, demographers Bloom *et.al* have studied the composition of age structure of population and its effect on economic growth. Hence, in this background the following are the objectives of present study. To study the demographic dividend and employment of India and Andhra Pradesh. To examine the linkages between working age group population and economic growth in India and the state. To examine the labour force participation rates and sectoral employment growth trends in Andhra Pradesh. To suggest suitable measures for better utilization of demographic dividend in the study area. Even to the extent that growth has occurred it has not been such as so to absorb the rapidly rising labour force being generated by the demographic dividend. Despite the growth of employment, unemployment rates have also been increasing, and are now the highest ever recorded. Further, the changing age structure of the population is likely to change the pattern of the disease burden substantially. Moreover generating employment opportunities especially for women who it is observed seem to be withdrawing from the labour force especially from agriculture and are unable to find opportunities in non-agriculture sector, is a task ahead for the Five Year Plans.

Key Words : Globalization, demographic dividend, employment, Human Development, Jobless growth.

INTRODUCTION: The growth of an economy can be estimated by its national income growth rates, per capita income and foreign reserves etc, but these manipulating practices can't conceal the rates poverty, unemployment and low standard of living. It is more agonizing that with the growth of economy centralization of profits is increasing and gainers are providing only subsistence to them who are the cost nearer of this growth. India stands at a critical juncture in history, a period when population dynamics have the potential to catapult it into a phase of high growth and inclusive development. The ongoing demographic changes are likely to contribute to an ever increasing size of labour force in the country. Population distribution can broadly be classified into three age group viz., 0-14 years, 15-59 years and 60 and above in the Indian context.

THE PROBLEM:

As generally defined, a view has gained ground that what matters is not the size of the population, but its age structure. A population “bulge” in the working age groups, however large the total population, is seen as an inevitable advantage characterized as a “demographic dividend” (Jayati Ghosh – 2009). This is why India – which is beginning to be characterized by such a bulge – is seen as advantaged, despite its large population. Economist focused on the size of population and the growth of the country, but the

composition of age structure of population was not considered until the study of Coale and Horver (1958). In recent years, demographers Bloom *et.al* have studied the composition of age structure of population and its effect on economic growth. Hence, in this background the following are the objectives of present study.

Objectives:

- 1) To study the demographic dividend and employment of India and Andhra Pradesh.
- 2) To examine the linkages between working age group population and economic growth in India and the state.
- 3) To examine the labour force participation rates and sectoral employment growth trends in Andhra Pradesh.
- 4) To suggest suitable measures for better utilization of demographic dividend in the study area.

Data Methodology: The present study is based on secondary data compiled from India Human Development Reports by planning commission of India, and various issues of statistical abstracts of Andhra Pradesh. Simple statistical tools like percentages and growth rate techniques are used.

Demographic Dividend In India: The ongoing demographic changes are likely to contribute to an ever increasing size of labour force in the country. The proportion of population in the working age group (15-59 years) is likely to increase to more than 64 per cent by 2021. While other countries are expected to face decline in labour force as population age, India is expected to experience declining age – dependency ratio's till 2035.

TABLE - 1
Age Composition As Percentage Of Total Population

Age Group	1961	1971	1981	1991	2001	2007	2009-10	2011
0 – 14	41	42	39.6	37.3	35.4	32	30.6	28.48
15 – 59	53.3	52	53.9	56.7	57.1	60.8	61.5	63.38
60+	5.6	6	6.5	6	7.5	7.2	7.9	8.14

Source: Registrar General of India, 2007 and NSSO-2011, "Key Indicators of Employment and Unemployment in India (2009 – 10)" NSSO 66th Round.

According to twelfth five year plan documents projection has shown that the share of working age group will be 80.3 percent during 2012-17 (GoI – 2008). Table – 1 shows the age-wise population distribution between 1961 and 2011 in India. It may be noted that the India's working age was 53.3 percent in 1961, comedown to 52 percent in 1971. Between 1971 and 2007, the working age share to the total population has increased significantly and reached to 63.38 percent in 2010-11. The share of dependent age group was 46.6 percent in the total population in 1961 and it comes down to 39.2 percent in 2007 and 36.62 percent in 2010-11. It is observed that the working age population significantly accelerated during 1980's to 2000's.

TABLE – 2: Indicators And Linkages Between Working Age Group And Economic Growth In Andhra Pradesh And India 2010-11 (Percentage)

Sl. No.	Indicators	Andhra Pradesh	India
1.	Working Age group population (15-59 years age group)	69.3	63.5
2.	Worker population Ratio (15-59 years age group))	53.8	46.5
3.	Labour Force Participation Rate (15-59 years age group)	58.4	51.1
4.	CAGR of NSDP (2004-05 to 2010-11)	8.59	8.62
5.	Literacy Rate	67.7	74.0
6.	Distribution of unemployment (15-59 years age group)	7.8	9.5
7.	Distribution of unemployment (All the Ages)	7.6	9.4

Source: NSS Employment and Unemployment Survey, 67th round.

In case of Andhra Pradesh it was 53.8 percent which good single for WPR to economy. Labour Force Participation Rate is one of the important determinants of Production. Andhra Pradesh is in the good position in the case of LFPR, when compare with the Indian average. It is clear that NSDP and LFPR are closely associated. Through economic development is determined by several factors, labour force recognized as a unique influential factor. It can be observed from this analysis that the advantage in the LFPR in the state is not translated into economic growth due to some economic conditions. In Andhra Pradesh LEPR and WPR were higher than the national average but the economic growth was not proportionately higher between 2004-05 and 2010-11, due to a relatively low level of literacy rate (67.7%) and a serious political disturbance since 2004.

Employment Status In Andhra Pradesh: An embedded objective of economic development is to provide people opportunities for meaningful employment. Andhra Pradesh is one of those Indian states which are having the highest (around 53%) work participation rate (WPR) duly contributed by higher female work participation in the State. Around half of the population in Andhra Pradesh is found to be working in one or the other economically gainful activity. Of the 83.6 million population estimated in the state for the year 2009-10, 39.8 million are in the workforce. Around one-fourth of the total workforce in the state is located in rural Andhra Pradesh (Economic Survey, 2013-14).

TABLE – 3. WORK PARTICIPATION RATE (WPR) IN ANDHRA PRADESH AND INDIA BY GENDER AND LOCATION.

Year	Andhra Pradesh					All-India				
	Total	Male	Female	Rural	Urban	Total	Male	Female	Rural	Urban
1	2	3	4	5	6	7	8	9	10	11
1993-94	52	60.8	43.3	57.6	37.5	42	54.5	28.6	44.4	34.7
2004-05	50.2	59.3	41.3	54.4	39.2	42	54.7	28.7	43.9	36.5
2009-10	47.6	58.2	36.8	52.1	36.4	39.2	54.6	22.8	40.8	35

Source: NSS Employment and Unemployment Survey.

Note: 1. WPR-Percentage of working population to the total population; 2. Figures are presented in percentage; 3. Usual Status – Principal and Subsidiary Status.

However, a cause of the concern is the declining WPR and decline in growth of employment. The decline in female WPR is significantly higher than that of males. The growth of employment during 2004-05 and 2009-10 turned out to be negative (Table-3). The fact that the employment growth in the State turned negative when the State economy is on a high growth path raises policy concerns. Three explanations can be given for this turn of events. Firstly, the demographic transition and consequent

declining growth of population in the state will act as a limiting factor for the growth of labour force unless the WPR increases.

TABLE - 4
GROWTH AND ELASTICITY OF EMPLOYMENT IN ANDHRA
PRADESH AND INDIA

S. No	Period	Growth (%)				Elasticity of Employment (EE)	
		Employment		GSDP		AP	India
		AP	India	AP	India		
1	2	3	4	5	6	7	8
6	1993-94 to 1999-2000	0.37	1.02	5.30	6.51	0.070	0.156
8	1999-2000 to 2004-05	1.62	2.87	4.73	5.98	0.343	0.479
9	2004-05 to 2009-10	-0.01	0.25	10.36	8.51	-0.001	0.029

Source: Computed based on NSS data for Employment and CSO for GSDP/GDP.

Note: (1). Based on Usual Status (Principal and Subsidiary Status) of Employment; (2). Growth is CAGR for both the Employment and GSDP or GDP; (3). EE – Elasticity of Employment with respect to Growth of GSDP; 4. GDP or GSDP are at Constant (1999-2000) prices.

Secondly, the decline in overall WPR in the state is associated with the decline in work participation rates across age group especially that of younger age group owing to increasing focus on schooling and policy measures to eliminate child labour. The decline in work participation rate is not only in the 5-14 years age group but also among teenagers (15-19 years age group) and young adults (20-29 age group) mostly due to increasing demand for education in these groups. The above table-4 reveals, performance of the state in terms of change in the structure of employment during 1980's is impressive. Nevertheless the share of and rate of increase in the non-agricultural workforce in the state was relatively lower than that of the national average.

Table - 5:: Growth Of Employment In Andhra Pradesh By Sectors

Sl. No.	Sectors	Growth of Workforce (%)			Employment Elasticity		
		1983-94	1994-2005	2005-10	1983-94	1993-2005	2004-10
	1	2	3	4	5	6	7
1	Agriculture	2.28	-0.37	-1.32	0.936	-0.122	-0.248
2	Non-Agriculture	3.08	3.22	0.47	0.417	0.464	0.046
3	Mining and Quarrying	6.34	3.33	-6.26	.0737	0.453	-0.671
4	Manufacturing	1.57	2.56	1.35	0.161	0.440	0.139
5	Electricity, Water & Gas	8.64	-4.84	10.49	0.814	-0.879	3.522
6	Construction	6.05	5.21	11.90	1.883	0.575	0.845
7	Trade	3.46	4.21	-0.74	0.433	0.667	-0.076
8	Transport & Communication	2.20	6.47	1.12	0.285	0.766	0.095
9	Banking & Finance	6.48	7.09	7.94	1.094	0.961	0.629
10	Pub Admn. & Community Services	3.30	0.64	-1.94	0.436	0.097	-0.296
11	All	2.53	0.94	-0.01	0.467	0.162	-0.001

Source: Computed based on NSSO data for Employment and DES data for GSDP.

Note: Employment Elasticity is sector specific one and with respect to sector specific GSDP of the state.

Now, it is interest to analyse the performance of sub-sectors in terms of sector specific growth of workforce has shown a negative growth in agriculture. As a matter of fact Andhra Pradesh is the only major Indian state that has experienced such as situation. Table-5, reveals that, in non-agricultural sector growth of employment was 3.2 per cent per annum between 1993-94 and 2004-05 but thereafter declined to 0.47 per cent per annum between 2004-05 to 2009-10.

Conclusion: The concept of the “demographic dividend” elucidates the economic benefits that a country can gain if it experiences education and skill in working age group population. The decline in dependency age group increases the ratio of working age to total population, increasing per capita income. Even to the extent that growth has occurred it has not been such as so to absorb the rapidly rising labour force being generated by the demographic dividend. Despite the growth of employment, unemployment rates have also been increasing, and are now the highest ever recorded. Further, the changing age structure of the population is likely to change the pattern of the disease burden substantially. Moreover generating employment opportunities especially for women who it is observed seem to be withdrawing from the labour force especially from agriculture and are unable to find opportunities in non-agriculture sector, is a task ahead for the Five Year Plans.

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