

THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

A Broad Analysis over the Current Trend of Employment Growth in Rural Odisha, India

Lopamudra Lenka Samantaray

Research Scholar, Symbiosis Centre for Research and Innovation, Pune, India

Abstract:

The present research article makes an attempt to discuss on the current trend of employment growth in rural Odisha. The rural segment of Odisha persistently suffers from the problem of unemployment, poverty and distress migration with a higher magnitude. Agriculture is considered as the prime source of livelihood for Odisha. It delivers both direct and indirect employment opportunities to more than 60 percent of the population. Unfortunately, due to socio-economic and environmental factors, the share of this sector towards GSDP is gradually declining. The share of agriculture & animal husbandry sector to GSDP of Odisha has remained to be 15.1 percent, 13.1 percent and 12.3 percent for the years 2012-13, 2013-14 and 2014-15 respectively. However, with the detail analysis over the growth, issues, sources and schemes of employment, this article suggests corrective measures for socio-economic development of rural Odisha.

Keywords: Rural, employment, Odisha, growth, development

1. Introduction

The need of employment is considered as a pioneer to various policy decisions, strategy, and programmes for socio-economic growth and development of a country. The working population of India is predominately found in its rural sectors. The persistent discrepancy and deprivation in rural areas has led to the problems like unemployment, distress migration, and extreme poverty in rural Odisha. Majority of people in Odisha live in rural sector for which rurality is said to be the way of life. During 11th plan, the state economy is significantly observed with the rise in per capita income. The economy grew in real terms at the rate of 7.05 percent with the contribution of both Industry and Service sector. Also people started migrating to other states due to natural hazards like drought, flood and calamities. Unfortunately, the rate of growth and employment became slow in agriculture sector of Odisha. It is believed that the state economy continued to achieve some resilience from natural shocks due to the transformation of the economy from "agriculture based" to "industries and service sectors driven". In India more than 30 million people are seasonal migrant labourers, out of which about 3 million migrate from Odisha to other states. Odisha has emerged as a major labour sending state across all other regions of the country.

1.1. Objectives of the Study

- i. To identify the problem of employment for rural Odisha.
- ii. To figure out the factors responsible for declining trend of employment in rural sector.
- iii. To identify various measures taken by the state as well as central government in augmenting the employment opportunities.
- iv. To suggest corrective steps to expand the scope of employment opportunities for rural Odisha.

1.2. The Problem of Livelihood for Rural Odisha

Among various policy objectives of a country the strategy of employment growth plays a pivotal role for overall economic development. During 1980s the agriculture was considered as the main stay of life for rural sectors. Then with the rising trend of non-farming sectors, people chose to sustain with various non-agricultural activities. Moreover, a stagnant employment growth in industrial sector and declined employment growth in farming sector are found in the states like Odisha. The problem of unskilled labourers is quite prominent in rural sector where labourers are unproductively engaged in various public works like construction of roads, bridge, irrigation projects, afforestation and soil conservation. In the year 2013-14 the total share of agriculture, industry and services constitutes to 15.18%, 25.40% and 59.02% respectively, whereas it was 17.1%, 25.16% and 57.83% as per the year 2012-13. Consequently, a substantial growth of employment in both industries and service sector has been found which in turn has fuelled migration from rural to urban sector. So far the total workers participation rate is concerned, the share of total workers in the agricultural sector has declined from 64.7 percent in 2001 to 61.8 percent in 2011. On the other hand, the overall workers participation rate, both in Odisha and India follow rising path.

Following figure exhibits a comparative workers participation ratio both for Odisha and India in the census years.

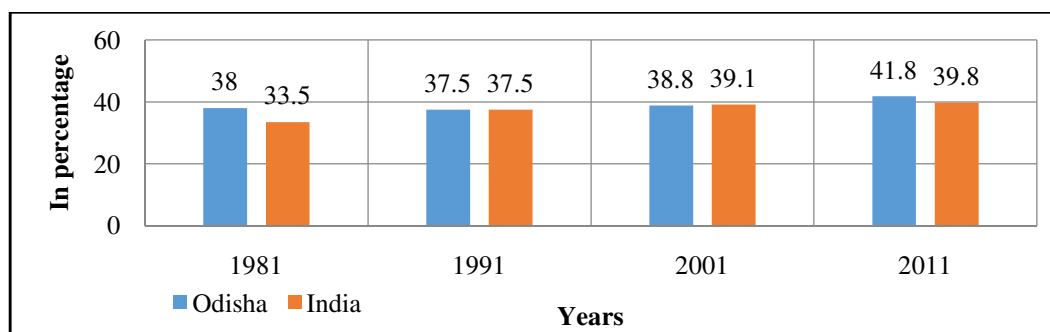


Figure 1

Source: Odisha Economic Survey 2014-15.

The workers participation as percentage of population in last four censuses of 1981, 1991, 2001 and 2011 compared to the all India level, have been exhibited in the above figure. It reflects rising trend for both Odisha and India from 1981 to 2011.

As per census of India-2011, the number of rural units (villages) in India have increased from 6,38,588 to 6,40,867 from the year 2001 to 2011. Whereas the absolute increase in population in rural areas has declined from 72.19% to 68.84% respectively. The rise in the population of urban sector in absolute terms is associated with the factors like migration, natural increase of population and inclusion of new areas with urban sector. The following table represents the growth rate of population in both rural and urban sectors including EAG states and Non-EAG states.

Category	1991-2001	2001-2011	Difference
India	21.5%	17.6%	-3.9%
Rural	18.1%	12.2%	-5.9%
Urban	31.5%	31.8%	0.3%
EAG	25.0%	20.9%	-4.1%
Rural	23.5%	18.7%	-4.8%
Urban	31.6%	29.9%	-1.7%
Non-EAG	18.9%	15.0%	-3.9%
Rural	13.2%	5.7%	-7.5%
Urban	31.5%	32.7%	1.2%

Table 1

Source: Census of India 2011

The declining rate in overall growth rate of population is due to the sharp fall in the growth rate of population in rural areas, while the growth rate of population in urban areas remains almost same. The states like Rajasthan, Uttar Pradesh, Odisha, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh and Uttarakhand are included under EAG states. Though the growth rate of population in rural areas of EAG States is nearly three times that of the rural areas in non-EAG States, it is for the first time that significant decline of growth rate is found in the rural areas of EAG States (Census of India 2011). The Growth of rural areas in Non-EAG States during 2001-11 has sharply declined to 5.71%. As per the census 2011, the decline in the growth rate of Non-EAG States were observed since 1971-81 whereas for EAG States, it happened only during the last decade. Similarly, Odisha suffers from the highest rate of unemployment compared to other developed states. The Planning Commission Vision 2020 document says that from 9th Plan onwards, the overall unemployment rates in the state shows a declining trend but the conditions of work are far from ideal. However due to an adverse impact of natural factors such as flood, droughts, cyclone, this sector generates very negligible share towards the growth rate during last decade between the years 2004-5 to 2014-15. The following table shows the composition of Odisha's economy for the year 2004-5 to 2014-15 at factor cost as per the CSO estimation in percentage for three sectors of the Odisha economy.

Year	Agriculture	Industry	Service
2004-5	23.49	34.12	42.39
2005-6	22.97	33.14	43.89
2006-7	20.75	35.65	43.61
2007-8	19.57	37.73	42.7
2008-9	18.5	36.86	44.64
2009-10	19.07	34.32	46.61
2010-11	17.99	34.35	47.66
2011-12	17.2	34.21	48.59
2012-13	18.39	32.72	48.89
2013-14	16.3	33.08	50.62
2014-15	15.39	33.45	51.16

Table 2

Source: Odisha Economic Survey 2014-15

In the above table it is quite clear that the contribution of service sector towards the growth of the Odisha's economy is relatively high from the year 2004-5 to 2014-15. The composition of agricultural contribution is continuously decreasing every year. Only a slightest growth was found in the year 2010-11 and 2012-13. The contribution of industry moreover remains to be stagnant in the respective years, except 2007-09.

2. Followings are Main Sources of Livelihood for Rural Odisha

2.1. Agriculture

This sector includes the multiple activities such as agriculture, animal husbandry, fisheries and forestry. The share of this Sector in Odisha's GSDP is around 15.4 percent as per the advance estimate in 2014-15. This Sector delivers both direct and indirect employment opportunities to more than 60 percent of the population. Due to natural calamities the food grains production generally fluctuates from year to year. The food grain production was 83.60 lakh tones in the year 2013-14 in comparison to 102.10 lakh tones in the year 2012-13 and 63.16 lakh tones in the year 2011-12. With the introduction of HYV and improved irrigation schemes the production of paddy has increased abundantly. The percentage share of irrigated area under principal crops in Odisha was 28.30 percentage as against all India share of 44.90 percentage, (Odisha Economic Survey 2014-15). However due to shift of workers from agriculture and allied activities lead to declining trend of worker's participation in agricultural sectors. The same can be observed with the following figure.

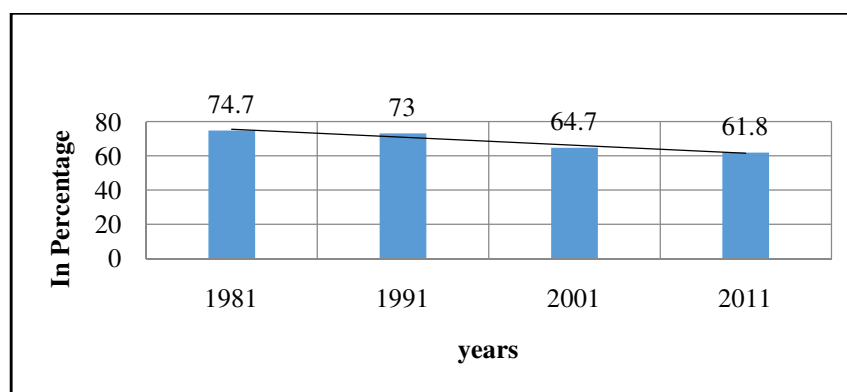


Figure 2

Source: Odisha Economic Survey 2014-15

The percentage of cultivators in the agricultural sectors has been declining since 1981. It reached from 74.7% to 61.8% from the year 1981 to 2011.

2.2. Rural Non-Farm Employment

During last few years a dynamic change has been found in the composition of population for different sectors. One of the significant changes in the rural production structure is the growing share of the non-farm sector, which increased from 37% in 1980-81 to 65% in 2009-10. It has been observed that the rural male participation of labor force remains to be stable at about 55% from last two decades. On the other hand, a sharp decline in the female work force is found from 30% to 22% in the year 2011-12. However, the reduction amount of agriculture work force is found due to presence of alternative options of employment and mechanization of farming sector. With the existence of regional disparities some of the rural regions are found with abundant amount of labor force whereas some states adopt capital intensive techniques for farming. The eastern states like Odisha has not been able to get maximum coverage with mechanisation of farming. The shift from rural farming to rural non-farm employment (RNFE) especially is quite substantial from the year 1993-94. Some of the factors like relatively higher growth in sectors especially, infrastructure and construction, combined with better-quality transportation and communication, differential wage rates, improved literacy and implementation of Government programs are the drivers of change, D Narasimha Reddy et.al (2014).

2.3. Infrastructure projects

The participation of people in the infrastructure projects is the basis for employment in rural sector of Odisha. Through MNREGA (Mahatma Gandhi National Rural Employment Act), farmers are able to engage themselves in various infrastructure projects during off seasons. Similarly, Odisha is pioneer in power sector reforms although the transmission and distribution (T & D) losses continue to be a matter of concern. Over 80% of villages in Odisha are now electrified. This situation is likely to improve further project works like Rajeev Gandhi Grameen Vidyutikaran Yojana, Biju Gram Jyoti and Biju Saharanchal Vidutkaran Yojna. Similarly, Agriculture Promotion and Investment Wasteland Development Programme (IWDP), River Valley Project (RVP), Integrated Watershed Development programme (IWDP) are some of the examples of infrastructure development projects. The State Government launched in 2009-10 two innovative irrigation schemes namely construction of check dams and sustainable harvesting of groundwater through installations of bore wells have brought massive benefits for both employment and growth.

2.4. Small Scale and Cottage Industries

Odisha represents itself in both national and international level for its unique collection of cottage and handicrafts products. People of the state have inherited an excellent legacy in preparing these products. Odisha is considered as the land of handicrafts which are an integral part of our cultural heritage. About 50 different crafts are practised by about 1.30 lakh artisans, dispersed throughout the State. During 2013-14, 1,204 cottage industries have been established with an investment of Rs.3.45 crore and providing employment to 1,507 persons, (Odisha Economic Survey 2014-15). Over the past one decade, United Nations Industrial Development Organization (UNIDO) has contributed extensively in the field of micro, small and medium enterprises (MSMEs) cluster development in India. It in turn helps to fight against the problems of poverty and unemployment. Following figure shows the growth of small and medium scale industry in Odisha.

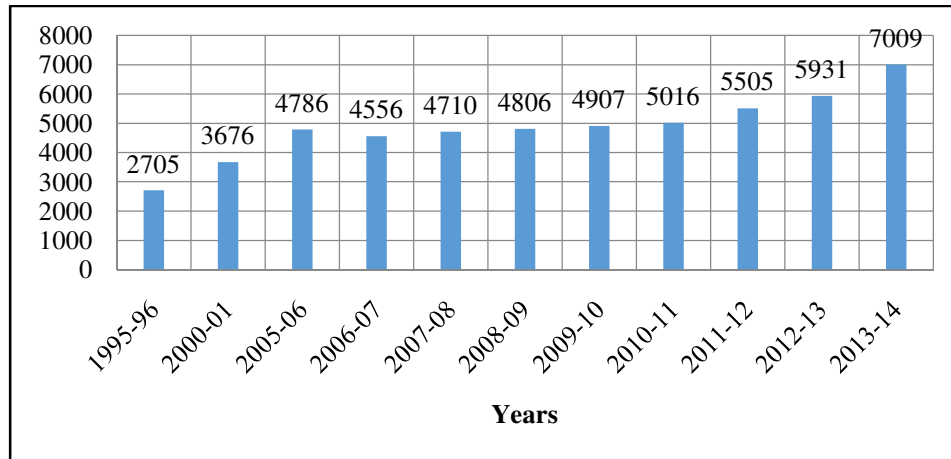


Figure 3

Source: Odisha Economic Survey 2014-15

It is worth noting that the number of MSME units have been increasing over the years. It may however be observed that with the acceptance to new culture and modernization, there has been a drastic shift in peoples’ choice from the products of the cottage industries to alternative goods available from other sources. In order to solve these issues, the State Government have taken various measures for strengthening infrastructure and investment base of this sector. It can be enhanced by assisting co-operatives and artisans of rural sector. Next to agriculture, the micro and small enterprises creates a bulk amount of employment opportunities for rural sector. As per 2011 census, 7.83 lakh workers are engaged in household industries of which 84 percent belong to rural Odisha

2.5. Tourism

Over the decades the tourism has contributed for presenting Indian art, culture, heritage and sculptures in the world map. It has got the potential in generating growth and employment opportunities for both rural and urban sectors. Government is taking various steps and policy decisions to bring sustainable growth of tourism. Currently tourism is increasingly seen as a relevant tool for addressing rural problems in developing countries, (Jarkko Saarinen and Monkogoi Lenao, 2014). Odisha tourism policy 2013 has made an aggressive and proactive approach towards the success of this sector. Those includes, policy initiatives, fund support, professional management input and through institutional arrangement. The tourism policy has too attached the priorities for human resource development, measures to ensure security of tourists and other related projects. Following figure shows an absolute number of tourists from within the state, outside the state and from abroad.

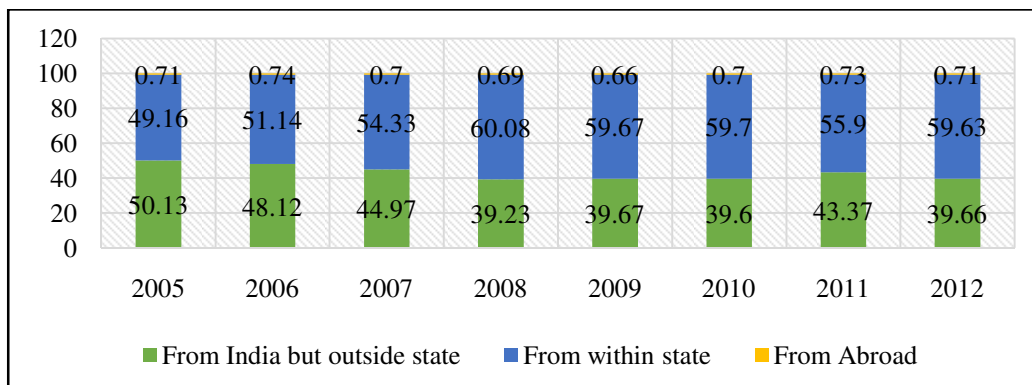


Figure 4

Source: Odisha Economic Survey-2014-15

The above figure depicts that the number of foreign tourists are quite low which is even less than 1% . The number of tourists from outside state has been falling till 2008 then there is found the rising trend .The total number of tourists within state seems to constitute more than 50%.The rural sector is considered as the most appropriate place for leading an eco-friendly living. People would get themselves away from pollutant impact of industries and plants. This in turn helps to develop eco-tourism spots. Leading a life in the rural sector is considered to be more relaxing in comparison to urban life. As per Raymond Williams (1975), village life can be regarded as the powerful evocation of a way of life that contracts from the utilitarian and materialistic values of urban life.

The various factors associated with the poor growth of employment can be stated with the following diagram.

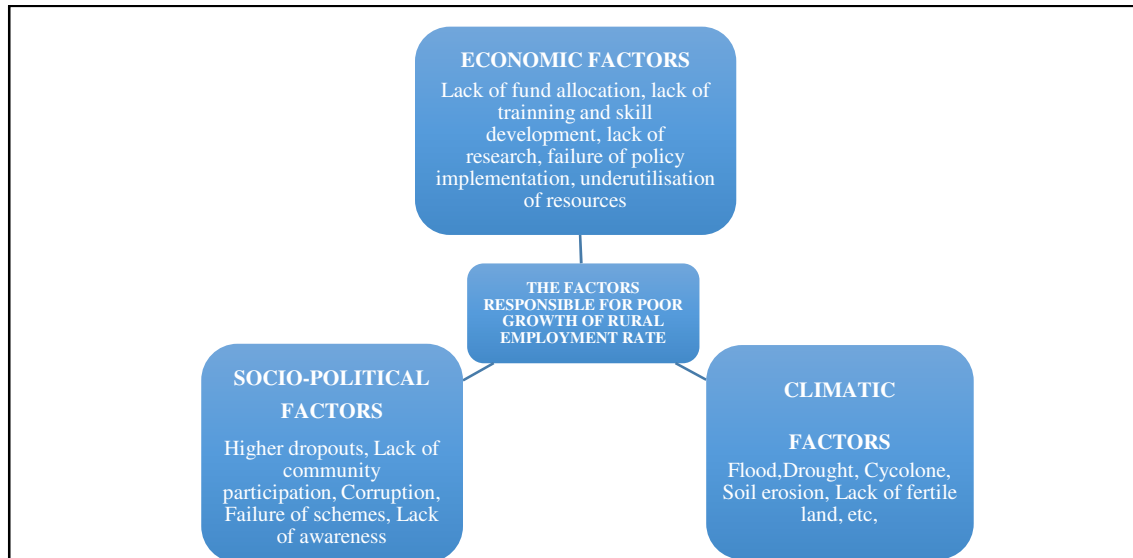


Figure 5

Followings are the main employment programmes, which have been initiated by both state and central government to bring about all round development of rural Odisha.

2.6. Food for Work Programme

The problem in rural areas is of seasonal employment, unemployment and under employment. To provide supplementary employment opportunities in rural areas, this programme was launched in 1977. The wages were paid in the form of food grains. Through this programme food grains were released to the states as per their requirements. It further helps in providing the employment opportunities with various durable infrastructure assets for the villages in the form of roads, tanks etc. during off seasons.

2.7. Integrated Rural Development Programmes

Various Programmes such as Drought Prone Programmes (DPAP), Command Area Development Agency (CADA) and Hill Area Development Agency (HADA) were brought together and new programme called Integrated Rural Development Programmes (IRDP) was introduced in 1978. Initially it covered about 200 backward blocks consist of 15 million families below poverty line during sixth five-year plan.

2.8. National Rural Employment Programme

The National Rural employment Programme (NREP) was introduced during the sixth five years (1980). The basic objectives of the programme were (a) generation of additional gainful employment for the unemployed and underemployed men and women in the rural areas. (b) creation of durable community assets to strengthen the rural infrastructure which would lead to a rapid growth of the rural economy, a steady rise in the income level of the rural poor and improvement in their nutritional status and living standards.

2.9. Rural Landless Employment Guarantee Programme

This programme was launched on 15th August 1983 with the objectives of (a) improving for the rural landless with a view to providing guarantee of employment to at least one member of every landless household up to 100 days in a year and (b) creating durable assets for strengthening the infrastructures so as to meet the growing requirements of the rural economy. Backward areas having majority of unemployed landless labours population and the areas with low wage pockets were to the given priority.

2.10. Jawahar Rozgar Yojana

In order to realize the benefits of the wage employment programme, NREP and RLEGP were merged and new programme Jawahar Rozgar Yojana (JRY) was launched in 1989. Jawahar Rozagar Yojana was started with a view to expand the coverage of wage employment opportunities. The primary objective of JRY was to generate additional gainful employment for the unemployed and the underemployed people in rural areas. The secondary objectives of JRY were to create productive community assets for direct and

continuous benefits to the poor through rural economic and social infrastructure. After evaluating the outcome of JRY it was felt that there was a need to develop village infrastructure based on local needs. Through direct contact with village panchayats, a new focus on the development of rural infrastructure was made. It was renamed as Jawahar Gram Samruddhi Yojana. It further brings additional income levels for the poor an overall quality of life in rural areas.

2.11. National Rural Livelihood Mission (NRLM)

Government of India launched a new supported scheme called National Rural Livelihood Mission (NRLM) since 1st April, 2012. The scheme replaced the old scheme of Swarna Jayanti Gram Swarojgar Yojana (SGSY). NRLM has an objective of poverty reduction by enabling the rural poor households to access gainful self-employment and skilled wage-employment opportunities. The aim is to improve livelihoods on a sustainable basis through building strong grass root level institutions of the poor. During 2013-14, an amount of Rs.50.97 crore was utilized out of Rs.104.56 crore available under this programmes and 0.67 lakh SHG were validated against the target of 0.76 lakh SHG in Odisha.

2.12. Aam Admi Bima Yojana (AABY)

This scheme was launched on 2nd October 2007 under central government of India. This was administered by Life Insurance Corporation of India for the benefit of landless agricultural labour households. In Odisha, the scheme is called "Odisha Aam Admi Bima Yojana". Under the scheme, the rural landless households are provided life and disability cover in both accident and natural death cases. The compensation amount ranges from Rs 30,000/- to Rs 75,000/-. A half yearly scholarship benefit at the rate of Rs 100/- is given to maximum two children of the members under AABY scheme, who are studying in 9th- 12th standards. The Odisha Livelihood mission (OLM) under P.R Department acts as Nodal Agency for implementing the scheme.

2.13. Prime Minister's Employment Generation Programme (PMEGP)

This is a new programme, launched during 2008-09 by merging two earlier programmes, namely, Prime Minister Rojagar Yojana (PMRY) and Rural Employment Generation Programme (REGP). This programme has been successfully implemented in different regions of Odisha. It aims at creating employment opportunities through formation of micro enterprises. The scheme is executed through Khadi and Village Industries Commission, Khadi & Village Industry Board and District Industries Centres. The maximum cost of projects admissible under manufacturing sector is Rs 25 lakh, while it is Rs 10 lakh in service sector. In total 2146 units have been established against the target of 4511 units.

2.14. State Employment Mission

The State Government has given very high priority to self-employment programmes through financial as well as marketing support. In the year 2005-06, the State Government established the State Employment Mission and Odisha State Employment Mission Society (OSEMS) in order to support skill development. The active women participation was found through Self Help Groups (SHG) under the Mission Shakti Programme. Till March, 2014, total 5,36,388 women Self Help Groups have been formed covering 67,60,656 members, out of which 4,77,772 SHGs credit linked and Rs.3011.26 crore of credit advanced to them. The Odisha State Employment Mission conducts various skill development training programmes to create employment and self-employment opportunities for the youth in the State in association with various Departments. About 1.69 lakh youth have been trained till 2012- 13. Defence and para-military job seekers got a large job opening through this mission. During 2012-13, seven Army recruitment rallies were conducted and 1,812 candidates were selected for Army and 1,270 candidates for para military services. As a part of new initiative, the State Employment Mission has entered into Memorandum of Understanding (MoUs) with nine selected training partners under the National Skill Development Corporation (NSDC) for conducting employment linked training programmes under Public Private Partnership (PPP). Under this programme, the training partners are to ensure at least 75 percent placement of trained youth after completion of training. During the 12th Five Year Plan, the State targets to train at least one million employable skilled youth for various job opportunities (Odisha Economic Survey 2014-15).

2.15. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

1. The National Rural Employment Guarantee Act (NREGA), 2005 is the most popular legislation that enables guaranteed employment of 100 days to rural poor households as a means of sustenance. This scheme was implemented in 19 districts namely Bolangir, Boudh, Deogarh, Dhenkanal, Gajapati, Ganjam, Jharsuguda, Kalahandi, Kandhamal, Keonjhar, Koraput, Malkangiri, Mayurbhanj, Nawarangpur, Nuapada, Rayagada, Sambalpur, Suvarnapur, Sundargarh. However, the Effectiveness of NREGS depends on the processes followed in implementation and transparency measures adopted. Implementation processes relate to registration, provision of employment, provision of facilities at worksite, conduct of Gram Sabha, Social Audit and people's participation in the Gram Sabha, S Subrahmanyam et. al (2010). Since inception of this scheme, till the end of March, 2013, 62.96 lakh households have registered and 62.87 lakh households including 11.89 lakh SC and 17.74 lakh ST families have been issued job cards.

3. Conclusion and Recommendations

The Socio Economic and Caste Census 2011, published in 2015, says nearly three-fourth of households of the country are living in rural areas and 30.1 per cent of rural households depend on cultivation as their main source of income and employment. Multiple schemes and policies have been formulated from time to time in order to raise the growth, employment and standard of living of the

people in rural Odisha. Special attention has been made to ensure welfare of workforce. About 38.4% workers have been accounted for MNREGAS from the total workers till today. Also the minimum wage rate scheme has been highly prioritised to avoid unnecessary miseries in the rural sector. The success of any employment schemes depends on its implementation and active participation of the stake holders. However due importance must be given with following recommendations for an overall growth and development of this sector.

-A continuous awareness programmes must be carried out to bring effectivity of these schemes. Both transparency and accountability should go hand in hand to avoid corruption in grass root level.

-Extremely poor people must be given special attention with due provisions of livelihood It has been revealed that 54 per cent of rural households are without agricultural land in Odisha. Similarly, out of total about 21 lakh ST rural households, only 0.65 per cent of households are with salaried jobs and only 0.80 per cent of rural SC households are with salaried jobs. The incidence of landlessness is highest among Dalits.

-The percapita income of rural households need to be improved so that their standard of living can be raised. It is found that 75 per cent of the all rural households have an average monthly income below Rs 5,000, whereas only 9.68 per cent of rural households have salaried jobs that include jobs in Government, corporate and private sectors.

- The state government should focus for agriculture and food safety programmes in order to avoid malnutrition in such areas. The food security act, public distribution system, cold storage facilities and all other awareness system must be facilitated to bring overall improvement of these regions.

-The regular monitoring and social auditing need to be carried out to ensure wider coverage for the targeted group. All the developmental schemes should be made sustainable to meet the socio-economic and environmental objectives of the rural sector.

4. References

- i. Balakrishnan, P. (2000), "Agriculture and Economic Reforms: Growth and Welfare", Economic and Political Weekly, March 4-10.
- ii. Census of India Report- 2001 and 2011
- iii. D Narasimha Reddy, A Amarendra Reddy, N Nagaraj and Cynthia Bantilan (2014), "Rural Non-Farm Employment and Rural Transformation in India ", Working Paper Series No. 57 ICRISAT Research Program Markets, Institutions and Policies
- iv. Draft of Annual plan 2015 -16, Odisha.
- v. Jarkko Saarinen & Monkoggi Lenao (2014) "Integrating tourism of rural development and planning in the developing country".
- vi. Lopamudra Lenka Samantaray (2015), "A Study on the Current Trend of Agricultural Productivity in India and its Future Prospects", ARC International Journal of Humanities Social Sciences and Education(IJHSSE), Volume 2, Issue 4, pp16-21.
- vii. Lopamudra Lenka Samantaray (2016), "A Study on the Issues of Distress Migration of KBK Districts of Odisha and the Role of Reverse Migration (Urban-Rural) In Augmenting Various Measures Taken By The Government For Its Solution" IOSR Journal Of Humanities And Social Science, Volume 21, Issue 5, Ver. 5 PP 41-47.
- viii. Lopamudra Lenka Samantaray (2016), "Sustainable Rural Tourism; AnEnabler for the Trend of Reverse Migration in Odisha", International Journal of Applied Research, Volume 2, Issue 1, pp 159-163.
- ix. National Rural Employment Guarantee Scheme in Orissa: A Process Study, National Institute of Rural Development, Hyderabad.
- x. Odisha Economic Survey 2014-15.
- xi. S Subrahmanyam, K Hanumantha Rao, P Aparna (2010), "Planning and Implementation of Sibanarayan Mishra (2014), "Implementation of Various Rural Employment Programmes in Odisha" Odisha Review.