

# Nature of Occupational Structure and Workforce Participation in Economy in India

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## ABSTRACT

The occupational structure is the percentage of the nation's workforce that is employed in the Nation. The number of people in the total working population, are employed in Agricultural, as well as allied activities along with, people involved in the Manufacturing and the Service sectors. Different Nations have various proportions of the population working in various sectors. A developing country like India has a fair share of its population employed in Primary, Secondary, and Tertiary sectors. Developed countries like the USA have a major share of technology, research, and development professionals. The focus of the study in the article remains on the nature of occupational structure and workforce participation in the economy and the workforce of an entire country effectively manages to contribute to their growth and development. When changes occur in the occupational structure, it is a direct result of a change in the economic development of the nation. As more and more of the working population shifts from the primary sector to the secondary and tertiary sectors, the rate of economic development along with the GDP growth rises.

**Key Words:** *Labor; Occupation; Services; Workforce*

## INTRODUCTION

### The Occupational Structure of Colonial India

During the colonial period, India was involved in allocating the working class in different industries and services sectors. During the period, the agricultural sector had highest level of share of the working population, normally prevailing at 70-75%, while the manufacturing sector along with the services sector of the nation was only 10% and 15-20% respectively. Another prospect during colonial times was increasing the geographical variation of the nation. Several parts of known to be the Madras Presidency (including those areas that form the present-day states of Tamil Nadu, Andhra Pradesh, Kerala, as well as Karnataka), Bengal, as well as Bombay where the workforce in the agricultural sector. During the same time, states such as Orissa, Rajasthan, and Punjab, witnessed a significant increase in the share of the working population in the agricultural sector.

In countries that are underdeveloped, the population is still involved in agriculture and other types of primary activities. The development of an economy, is backward in nature, leading to the gradual decline importance of primary activities, as more and more industries along with the tertiary sector grow.

### Changing Trends in India's Workforce and Occupations(Nature of Workers)

(a)The workers working in the public sector or other enterprises who hire other workers to get the work done are known as formal workers.

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(b)The workers working in a primary sector (farmers, agricultural laborers), owners of small enterprises, are self-employed and do not hire workers. They are known as informal workers.

(c)Formal workers account to only about 6% of the workforce in India, while the other 94% of the workforce are informal workers.

(d)In the formal sector, only 21% of the workers are women whereas in the informal sector, about 31% of the workers are women.

### **Occupational Distribution of Population in India:**

Phase 1-Occupational Structure during 1901-1951: Indian Economy and three major sectors

(1) Agriculture occupied the dominant position and its absorption capacity had increased marginally from 66.9 percent in 1901 to 69.7 percent in 1951.

(2)The commercial policy of the British introduction of machine-made goods in the Indian market led to a decrease in traditional Indian handicrafts and involved the laborers of the household industry to engage themselves in agricultural operations to earn their livelihood.

(3) The increase in the proportion of landless agricultural laborers to the total labor force from 17 percent in 1901 to nearly 20 percent in 1951. The percentage of the population engaged in other allied activities like forestry, livestock, fishery, etc. decreased from 4.3 percent in 1901 to only 2.3 percent of the total workforce in 1951.

(4 )During this period, industrial activity involved to plantation and textile industry and was also supported by imported machinery encourage to industrialization. Thus industrialization had a low impact on the generation of employment opportunities.

(5)Many services associated with modernization under colonial rule expanded, in particular, public, educational, medical, and legal services, etc..

### **Phase 2: Occupational Structure from 1951-2000 :**

After independence, the introduction of planning in India, focused the planning to accelerate the process of industrialization and also changing the occupational structure by transferring a section of the working force from agriculture to secondary and tertiary sectors. According to, the Second Plan (1955-60) initiative for industrialization, by 1975-76, the proportion of agricultural labor force, to the total should come down to 60 percent or so and a fourfold increase in the numbers of workers engaged in mining and factory establishment has to be brought about, and the investment pattern in the plans has to be adjusted to these requirements.

Since the beginning of the present century the occupational structure in India has focused on the primary sector. Over the last 80 years (1901-1981), the proportion of the working force engaged in primary occupations remained very steady, i.e., around 70 percent, and that in the secondary and tertiary sectors was ranging between 28 to 30 percent respectively. Occupational distribution of population affects the degree of development and the diversification achieved in an economy. The occupational structure of India clearly reflects a high degree of backwardness prevailing in the Indian economy.

### **Occupational Structure in Post-Independence India (Types of Occupations)**

An occupation of a person is the principal work or business that a person carries out on a daily basis to earn their primary earning. An occupation or a job provides for a person to earn whatever is necessary to cover all the basic amenities of his life. Occupation in any country can be broadly divided into three major categories. These are the building blocks of occupational structure, Primary occupations of any country include agriculture, construction, and animal husbandry. The secondary set of occupations includes the people who work in the manufacturing and servicing industries. The tertiary branch of occupations encompasses the part of the population working in communications, transport, administration, and other remaining services.

After 1947, Occupational structure and industrialization changed in India. Many people who work in primary occupations, now focus on secondary and tertiary sectors. The Indian Government paid attention to planning and transferred a part of the workforce to industries and helped the Indian economy and the entire population equally. As the National Economy depended on primary sectors before Independence, after independence equal amounts of revenue were being collected from all the occupational sectors, and the balance among different sectors started to grow. The population began to earn from different sources. They depend only on agriculture for their primary source of income and increased employment opportunities in the whole country, People living in rural areas focus on agriculture, and those living in urban areas focus attention on secondary and tertiary zones of occupational structure, which now fetch equal amounts of revenue.

### Features of Occupational Structure in India

- (1) At the time of Independence, almost 75% of the total population was engaged in agricultural activities, as a result of which there still lies backwardness in the Indian economy.
- (2) All three sectors of the nation witnessed unbalanced advancement.
- (3) The growth in regional variations, the states like Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra, West Bengal, and Kerala to be served a significant shift in their dependence on the working population from the agricultural sector to the manufacturing as well as tertiary sectors.

### Growing Regional Dissimilarities

- a. States like West Bengal, Karnataka, Tamil Nadu, and Maharashtra have a significant number of people, previously working in the agricultural sector, moving away from it. They started working in other secondary and tertiary occupations, which then started to balance the unbalanced occupational structure of the country.
- b. At the same time, states like Punjab, Orissa, and Rajasthan shifted their focus hugely to agriculture and have continued to do it even now.
- c. This whole process helped the Indian economy to balance itself, with all sectors contributing equally to the economy at present.

### Nature of Various Professions in Primary ,Secondary, Tertiary Sector in India(Table-1)

Sr.No.	Profession	Profession	Profession	Profession
1	Agriculture , Agriculture machinery handling	Chikan work, Cloth printing	Handloom weaving	Rice milling
2	Angan-wadi Workers	Clubs and canteen service	Hawking and vending	Rickshaw pulling
3	Animal Husbandry	Coaching service	Head-load work	Salt pan work
4	Arrack and Liquor production and vending	Confectionery	Health service	Sand mining
5		Construction work	Honey gathering	Sawmill work
6	Audio and visual workers	Construction of tents and pedals supply of utensils and decoration for function	Horticulture and Floriculture	Scavenging
7	Automobile work	Courier service	Hotel and Restaurant service	Security service
8	Bakery work	Dairying and allied activities	Lock making	Sericulture (Silk rearing)
9	Band playing	Data entry operation	Manual operation on unspecified jobs	Service station work
10	Band playing	Data entry operation	Masala making	Shepherding

11	Dhoop -Agarbatti making	Distribution of petroleum products	Matches manufacture	Shoe shining work
12	Bangle manufacturing, Beads making/ piercing, Beautician, Bindi work	Domestic work	Mid-Day Meal Worker	Shop and establishment service
13	Beedi- manufacture	Dyeing	Minor forest produce gathering	Small scale industries
14	Bicycle repair	Electronic electrical goods repairs	Minor mineral and mines work	Soap manufacture
15	Black-smith	Electroplating	Newspaper vending	Sports good manufacture
16	Boat/Ferry occupation	Embroidery work	NGO service	Steel vessels and utensils manufacture
17	Book binding	Envelop making	Oil extraction	Stone crushing
18	Brick Kiln work	Fire work cracker production	Packing and Packaging	Sweeping
19	Brush making	Fishery production, Fish processing	Panwalla Service	Tanning (including hides and skin production) leather goods manufacture
20	Breweries Distilleries	Floral work and Garland making	Pappad making	Telephone booth service
21	Bulb manufacture	Footwear production	Petrol bunk/pump and allied service	Timber Industry (Furniture manufacturing etc)
22	Bullock/Camel-cart operation	Forestry operation	Pickle making	Tobacco processing
23	Butchery	Gardening and parks maintenance	Plantation (Other than those covered under Plantation Labor Act, 1951 (Act No. 69 of 1951))	Toy making
24	Cable TV operation	Garment manufacture	Plastic manufacture	Transport service (driving conducting, cleaning etc.)
25	Carpanter	Gem cutting	Pottery	Laundry Work
26	Carpet weaving	Glassware manufacturing	Power-loom weaving	Wayside Mechanics and workshop service
27	Cashew processing	Gold-smithy	Printing press work	Welding
28	Catering	Hair dressing	Rag picking	

### Workforce Participation Form (After Economic Reform)

a) During the 1990s and 2000s, under the conditions of several economic reforms and higher rates of economic growth in the country and in the workforce, there were two major constraints in the growth of the workforce, one involves the growth of population at a given labor participation rate and the labor force cannot grow more than the rate of population growth. The other involves workforce participation.

(b) The workers are classified into two categories: main workers and marginal workers. Main workers, work for more than six months in a year, and marginal workers work for less than six months in a year. The census 2011 of India, over the years, has shown that the marginal workers have been growing faster than the main workers in the country and have, one-fourth of the total working population in India. The census of India also reveals the workforce (almost half) in the country is involved in agricultural activities.

(c) In the rural economy of the nation the planners of India have seen slow development to utilize the huge workforce along with raising the productivity of the laborers. The problem of unemployment and underemployment in the country failed to be eradicated because of poor organization in rural areas.

- (d) In India the land reforms is not successful in realizing their goal and diffuse land ownership amongst a large number of marginal workers.
- (e) The government of India provided facilities like cheaper credit, marketing, and subsidies on the prices of fertilizers, beneficial to the rich farmers, and the poor failed to increase their agricultural productivity.
- (f)The efforts made by planners related to the development of the industries become beneficiaries for the large-scale capital sector, while the small-scale and cottage industries respond to slow developments. The large-scale industries are intensively capital-oriented, and their development does not meet to procure employment for the workforce.
- (g)The contemporary status of occupational structure in India involves itself in the development of its sectors, labor-intensive in nature, and generally comprises the small-scale industries along with the service sector so that the development of non-agricultural employment can be fostered.
- (h) In India a rise both in the level of employment, as well as income in the rural as well as the urban areas with the development of the labor-intensive sector, in turn, led to the totality of demands for the different goods and services, produced by the large scale industries.
- (i)The development of the labor-intensive sector, the occupational distribution of the population change from agricultural to non-agricultural occupations, and it provides full support to the large-scale manufacturing sectors by increasing the demand for their products and saving the large-scale industries from the downturn.
- (j) Primary sector has the maximum percentage of workforce, i.e., about 66% in rural area and 9% in urban areas. In the primary sector, men account for about 43% and women account for about 62.8% of the workforce. The total percentage of the workforce in the primary sector accounts for about 48.9%.
- (k)Secondary sector has 16% of the workforce in rural areas and 31% of the workforce in urban areas. In the secondary sector, women account for about 20% of the workforce and men account for about 25.9 percent of the workforce. The total percentage of the workforce in the secondary sector accounts for about 24.3%.
- (l) The Tertiary or Service sector has 17.4% of the workforce in rural areas and about 60% of the workforce in urban areas. In the tertiary sector, women account for about 17.2% of the workforce and men account for about 30.5% of the workforce. The total percentage of the workforce in the tertiary sector is about 26.8%.

<b>Trend of Employments (1970-2022 ).The percentage of workforce in,</b>
(1)Primary sector has decreased from 74.3% (in 1972—73) to 48.9% (in 2011—12 ) and in 2021-22 45.5%
(2)Secondary sector has increased from 10.9 (in 1972—73) to 24.3 (in 2011—12) and in 2021-22 38.5%.
(3)Tertiary sector has increased from 14.8% (in 1972—73) to 26.8% (in 2011—12) and in 2021-22 30.7%.
(4)Self-employed workers has come down from 61.4% (in 1972—73) to 52% (in 2011—12) and in 2021-22 increases to 76.12%.
(5)Regular salaried employees has gone up from 15.4% (in 1972—73) to 18% (in 2011—12) and in 2021-22 ,23.88%.
(6)Casual laborers has gone up from 23.2% (in 1972—73) to 30% (in 2011—12) and in 2021-22 25%-30%.

Economic Development ,Growth and Occupational Structure in India(India Map)



**Population Growth During 1931-2021(Table 2)**

Sr.No.	Year	Population Growth Rate
1	1931	1.0%
2	1941	1.3%
3	1951	1.3%
4	1961	2.0%
5	1971	2.24%
6	1981	2.22%
7	1991	2.14%
8	2001	1.93%
9	2011	1.72%
10	2021	1.2%

**Various States and Status of Population growth ,Employment and Literacy Rate (Table-3 )**

Sr.No.	States	Formation Dates/Years	Status Unemployment (%age)	Poverty (%age)	Population (%age)	Literacy Rate (%age)	GDP Growth Rate (%age)
1	Andhra Pradesh	1 November 1953	7.7	12.3	0.630	67	11.43
2	Arunachal Pradesh	20 February 1987	7.53	34	1.35	65.38	10.7
3	Assam	1950	4.7	31.98	1.216	72.19	9.1
4	Bihar	1950	19.1	33.74	1.816	61.8	10.98
5	Chhattisgarh	1 November 2000	3.5	39.93	1.548	70.28	7
6	Gujarat	1 May 1960	2.3	16.63	1.549	78	15.5
7	Haryana	1 November 1966	37.4	12.3	1.636	75.6	7.1
8	Himachal Pradesh	1971	7.6	7.62	0.78	82.8	5.56
9	Jammu & Kashmir	14 <sup>th</sup> May 1954	10.35	12.58	14.8	67.2	10.12

10	Jharkhand	15 November 2000	18	36.96	1.67	66.4	6.69
11	Karnataka	1 November 1956	2.5	13.2	0.966	75.4	5.95
12	Kerala	1 November 1956	7.4	0.71	0.627	94	7.75
13	Madhya Pradesh	1 November 1950	3.2	31.65	1.635	69.3	10.12
14	Maharashtra	1 May 1960	2.1	17.35	1.07	82.3	6.8
15	Manipur	21 January 1972	6.5	36.89	0.826	76.94	7.11
16	Meghalaya	21 January 1972	2.7	26.71	2.7	74.4	8.16
17	Mizoram	20 February 1987	23	19.63	1.29	91.33	13.01
18	Nagaland	1 December 1963	9.1	18.88	1.01	79.55	12.13
19	Orissa	1950	0.9	32.59	0.840	72.87	10.19
20	Punjab	1947	6.8	5.59	0.813	7.59	5.33
21	Rajasthan	30 March 1949	28.5	29.46	1.554	6.61	11.04
22	Sikkim	16 May 1975	13.6	13.6	1.01	81.42	6.92
23	Tamil Nadu	1 November 1956	4.1	4.89	0.630	80.1	8.03
24	Telangana	2 June 2014	4.1	4.1	0.586	66.54	10.88
25	Tripura	21 January 1972	14.3	16.65	1.35	87.22	8.95
26	Uttar Pradesh	24 January 1950	4.3	29.46	1.511	67.7	3.81
27	Uttarakhand	9 November 2000	4.2	17.72	1.302	78.8	7
28	West Bengal	1950	5.5	14.7	0.87	763	7.26



The economic development of a nation gives rise to different types of occupations in the economy of that nation. Hence these occupations are classified into three major categories, namely, primary activities, secondary activities, and tertiary activities.

(a) Primary Sector : All the essential activities like agriculture as well as the allied activities, which include forestry, fishery, animal husbandry, poultry, and fishery, etc., as well as the allied activities, which include forestry, fishery, animal husbandry, poultry, and fishery, etc. come under the category of primary activities. The manufacturing industries which are comprised of both the small scale as well as the large scale industries come under the category of secondary activities. But year by year its contribution goes on declining and currently, it contributes only 17% of Indian GDP at current prices. It is worth mentioning that the agriculture sector provides jobs to around 53% population of India.

(b) Industry Sector: This sector includes Mining & quarrying, Manufacturing (Registered and unregistered), Gas, Electricity, Construction, and Water supply. This is also known as the secondary sector of the economy. Currently, it is contributing around 29.6 % of the Indian GDP (at current prices) in 2018-19 and in 2021-22, 25.92%. The industrial sector contributes 29.02%. The industrial sector contributes 29.02%. While the Primary Sector of the economy i.e. Agriculture and the allied sector contributed 17.32% and 15% in 2021-22.

(c) Services Sector: The services sector includes Financial, Real estate and professional services, Public Administration, Defense and other services, Trade, Hotels, Transport, Communication, and Services related to broadcasting. Currently, this sector is the backbone of the Indian economy and contributes around 54.3% of the Indian GDP in 2018-19 and in 2021-22, 8.4%. The services sector is the largest sector in India. The services sector accounts for 53.66% of GDP. The average growth rate between 2012-21 at constant 2011-12 prices is Agriculture (3.49%), Industry (3.82%), and Services (6.23%). At current prices, growth rates are Agriculture (10.30%), Industry (6.65%), and Services (10.54%). All other activities like communication, transport, trade, insurance, banking, etc. form the base of the tertiary sector.

(d). With the development of small-scale industries, a lot of employment opportunities can be generated as these industries are labor-intensive in nature. The tertiary sector is also deemed extremely important as it is a big source of employment generation. In developed countries, the highest numbers of people are employed in the tertiary sector.

#### Analysis of Structural Development in Indian Economy with Ten States Status (Table -4)

Sr. No	Poorest State	Below Poverty Line	Population State-wise	Population Growth Rate	Largest to Smallest State	GDP Growth rate
1	Chattis Garh	39.9%	Uttar Pradesh	1.511%	Rajasthan	11.04%
2	Jharkhand-	36.9%	Maharashtra	1.07%	Madhya Pradesh	10.12%
3	Manipur	36.89%	Bihar	1.816%	Maharashtra	6.8%
4	Arunachal Pradesh	34.67%	West Bengal	0.87%	Uttar Pradesh	20%
5	Bihar	33.74%	Madhya Pradesh	1.635%	Gujrat	15.5%
6	Orissa	32.59%	Tamil Naidu	0.630%	Karnatka	5.95%
7	Assam	31.98%	Rajasthan	1.554%	Andhra Pradesh	11.435
8	Madhya Pradesh	31.65%	Karnatka	0.966%	Orissa	10.19%
9	Uttar Pradesh	29.43%	Gujrat	1.549%	Chattis Garh	7%
10	Karnatka	20.19%	Andhra Pradesh	0.630%	Tamil Naidu	8.03%

1. Chattisgarh (Poor State), Uttar Pradesh (High Population Growth Rate) and Rajasthan (High Growth Rate).

2. Table shows the state with poverty, growth rate of population and GDP growth as signs to show growth development in various states.

**CONCLUSION**

After independence, the introduction of planning in India encouraged industrialization and changed the occupational structure by transferring a section of the workforce from agriculture to secondary and tertiary sectors. In underdeveloped and developing countries, the majority of the population is still engaged in agriculture and other primary activities. Even in some developed countries like Japan, England, and Norway, fishing continues to be an important occupation, providing employment to a substantial number of populations. The importance of primary occupations gradually declines with the growth of industries and tertiary activities. In the secondary sector, large-scale industries, being more capital-intensive cannot provide many employment opportunities. But it is the development of small-scale and cottage industries, mining activities, etc., being largely labor-intensive, can provide a huge number of employment opportunities. Again tertiary occupations are also considered very important as these have a huge employment potential. In developed countries, the absorption capacity of this sector is very high. According to the World Development Report, 1983, whereas about 45 to 66 percent of the workforce of developed countries was employed in the tertiary sector but India could absorb only 18 percent of the total force in this sector. The average growth rate between 2012-21 at constant 2011-12 prices are in Agriculture (3.49%), Industry (3.82%), and Services (6.23%). At current prices, growth rates are in Agriculture (10.30%), Industry (6.65%), and Services (10.54%). Literacy rate 77.70%, male (84.70%), Female(70.30%), Current population growth rate 0.81% contributing to occupation preference and workforce participation in growth and development.

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