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IMPACT OF NEW ECONOMIC POLICY ON LABOUR MARKET IN INDIA

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Abstract: In 1967-68 due to green revolution agriculture income has raised till 1977. India becomes strong in goods and export of goods. In 1980 foreign currency has decremented due to this economic problems are increased. In 1990-91 to get recovery from economic crisis, India has taken help of national institute and India get economic help from gold loan. In 1991 economic reforms and implementation of economic reform has started. India accepted mix economic scheme in starting of 1950-51 is nothing but labor intensive technique. In 1991 it was found that labor development happen in economic development. Following research paper gives idea of economic reforms labour market in India.

Introduction: Rural labor condition becomes critical as economic reforms or new economic policy has primarily accepted liberalization, privatization, globalization, capital intensive technique and labor intensive.

Objectives of the study:

1. To understand the meaning of economic reforms.
2. Explaining the nature of Indian labor market.
3. To arrange labor reforms in economic reforms.
4. To study the effect of economic reforms on rural labour market.
5. To give solution for various rural labor market in India.

Indian Labor Market-

There are two types of labour market India- organized and unorganized labour. While doing this structure of labor market has constructed. Secondary sector and third sector is surplus in organized labor and especially primary field and related field having more labor in unorganized field. Most of labor in unorganized field found especially in primary field and related field. In unorganized field labor supply demand was found more as compare to other field.

Table No-1**Economic activities and Labor Divisions**

Labour Division	Rural	Urban	Total
Total Population	83.33	37.71	121.05
Total Labour	34.86	93.31	48.17
Marginal Labour	10.28	6.64	11.92
Main Labour	24.57	11.66	36.24
Cultivators	11.20	0.37	11.86
Non-Agriculture	13.70	0.73	14.43

Craft	1.97	0.64	2.61
Other Labour	8.47	11.57	20.02

Source: RudraDatta and K.P.M.Sundaram: Indian Economy – 2016

Above table shows that population of India was 121 cores in 2011. In this population labour was 48.70% in cores. It was 37.86% in rural area and 13.31% in India. Labor percentage in agriculture field was 14.43% and in that 13.70% was rural and 0.73% was urban.

Table No-2

Employment in India in Public and Private Sector

Sector	Year	Year	Year		
	2009	2010	2011	% In 2009-10	% In 2010-11
Public Sector	17795	17862	175.48	6.4	1.8
Private Sector	103.77	108.68	114.99	4.5	5.6
Total	281.72	287.18	287.99	11.9	7.4
Female	55.80	58.59	59.54	51	1.62

In above chart it can be clear that organized employment was less as compare to public and private sector.

New Economic policy and Labour:

Various agreements in economic reforms has been plant and started to implement. From 1950-51 to 1990-91 forest income was used capital intensive techniques instead of labor intensive techniques. Following are some improvements done on new economic policy:

1. **Higher & Fire policy-** Multinational company can easily take entry in India, as rules and regulation has been relaxed. Any labor can be higher and fired according to company rule because of relaxation of public rule.
2. **Free entry and free exit-** In liberalization permission of various companies has been canceled. Reserved firms and Industry reduced in number and private investment was increased. Various companies (national & multinational) has started in India because of investment or permission strategy. For this government of India applied free entry and free exit scheme for labor reform. According to this any labor can freely take entry into agriculture or industry and they can terminate labor.
1. **Labor termination-** Various silence companies get entry in India due to liberalization and globalization. In this era there was a big growth in number of national company
 - **VRS scheme-** Various multinational and domestic companies through VRS and surplus amount terminate marginal labor. This is till happening somewhere.
 - **Capital Intensive Technique-** At the starting of economic reforms labor intensive technique has converted into capital intensive technique. The use of capital and machine

increased in manufacturing hence the number of labour gets decreased. Because of computerized technology human power used less by the company. Due to above reasons labor gets less opportunity and less payment. As per above various labour intensive reforms are done. Along with this there is whole India level rural labor in various field participation can be studied as follow.

Table No-3

All India shares of all sectors in rural employment for male, female and persons (%)

Persons	1993-94	1999-2000	2004-05	2009-10
Share of agriculture in rural development	78.40	72.30	72.20	67.90
Share of manufacturing in rural development	7.00	7.40	8.10	7.20
Share of construction in rural development	2.40	3.30	4.90	9.40
Share of trade, hotel & restaurant in rural development	4.30	5.10	6.10	6.40
Share of transport in rural development	1.40	2.10	2.50	2.90
Share of other services in rural development	5.70	5.20	5.00	5.40
Share of mining and quarrying	0.60	0.50	0.50	0.60
Share of electricity	0.20	0.20	0.20	0.20
Total	100	100	100	100

Sources- Employment and unemployment situation in India report 65 round (2008-09).

Impact of New Economic Policy on Labour market in India:

- **Effect of new economy policy on Labour market-** Annual rate of rise in employment was 20.39% in 1983 to 1990-91 but unfortunately annual rate of rise was depends on

agriculture. Annual rate of rise in employment in 1983 to 1990-91 was 20.39% but unfortunately annual rate of rise in employment in 1990-91 to 1997-98 was 1%.

- **Effect on unorganized labour-** The rate of rise in rural employment was 0.60% in 1990-91 to 1997-98. As opposed to this rate before economic reform was 1.1% in 1983 to 1990-91 in 7 years. It was 2.41% in seven years in 1983- 91. It means that economical rise rate was near about 8%, till unemployment was increased due to effect of economic reform in rural labor and Indian labor.
- **Strike and Seal Increased-** It is observed that strike and seal before economic development, total waste days of human being was 46.2%. it is observed before economic reform, strike and seal was in force because the waste of human resource up to 46.2% and it raised up to 60.2% while the economic reform period. It means the interest of labor increased towards the strike and seal increased in the period of economic reform due to this labor employment gets unfavorable effect and employer closed their old business and started their business in different places. It clearly indicates that due to increase in mentality it effects on economy in the medal of economic reforms.
- **Priority of secondary and third sector-** There was monopoly of public sector before economic reform but due to liberalization and privatization the value of public sector decreased and when the public sector, private companies started high ring labor on contract basis due that they can easily remove them from job any time. In the period of economic reform capital intensive technique was used instead of using labor intensive technique for export lead growth. Main drawback of economic reform is various scheme were implemented for secondary and third sector and its implementation is started. Investment of irrigation sector gets decreased due to negligence which is basis for agriculture. As the effect of above, investment of private sector and public sector in agriculture field has reduced and small farmer and marginal farmer get favorable effect. Business depends on agriculture also affected and it effect on labor also. Investment of agriculture field was 2.8% in 1999-00 in one annual year and it was 2.9% in 2010-11 considered above effect economic reform has good impact on rural labor in case of economic condition. To keep this continues we should take efforts continuously.

Measures for Improvement of Labour market:

1. Small scale business should be developed for rural labor so that employment will be more.
2. Agriculture field has neglected by economic reform planner.
3. To improve condition of rural labour we should concentrate on business depends on agriculture.
4. To improve labor commission labour scheme should reach to micro level with their pattern of research and instruction.
5. Due to green revolution has started the income of agriculture get increased.
6. Agriculture should implement national agriculture policy properly.

7. To improve the condition of rural labor cooperating and cooperating financial institute, economic institute should become strong.
8. New economic equality should be according to scheme with economic reforms. International business should be given special subsidy.
9. In rural area ability of labour should be implemented unorganized labour so that they will get benefit of this for employment.

Conclusions:

While doing this study of new economic reform policy non rural human capital it has found that female and children's are in big proportion .That's why rural labor condition becomes critical as economic reforms or new economic policy has primarily accepted liberalization , privatization , globalization, capital intensive technique and labor intensive. Rural labor condition becomes critical due to VRS and deduction. If we trace on various ability of employment business programmer will developed and this will help to improve the condition of rural labour hence it will help to complete the end of development of inclusive.

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