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EMPLOYMENT ISSUES AND URBAN POLICY
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In May 1989, the Asian Regional Team for Employment Promotion (ARTEP)/ILO entrusted to the National Institute of Urban Affairs a study on Employment in Asian Metropolises : A Case Study of India. While entrusting the study ARTEP/ILO proposed that the study may give special attention to the changes that have taken place in the urban labour market in India, and examine the extent to which the urban development policies have been able to address them. This paper which has been retitled as Employment Issues and Urban Policy is the outcome of the study.

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HIGHLIGHTS

1. Growing unemployment and underemployment in the urban areas is one of the most formidable problems that India is currently faced with. Statistics show that open unemployment in the urban areas is high and is increasing.
2. The problem of unemployment and underemployment in the urban areas is very complex, with complexity having been added by rapid changes that are taking place in the urban labour market.
3. The urban labour pool defined as the number of persons in the 15-59 age group which, in a sense, is the potential labour force, is quantitatively very large. Even if an allowance is made for those who, out of the labour pool, are not job seekers, the number is still very substantial.
4. The urban labour pool is continuing to expand at rates which are higher than the urban population growth rates. According to the indications, this expansion may well continue at least until the year 2011 AD.
5. The gender composition of the labour pool is gradually but noticeably changing in favour of females.
6. As opposed to the changes in the size and composition of the urban labour pool, the size of the work force has not witnessed any appreciable change. The participation rates have remained essentially unchanged over the period 1961-81.

However, changes have taken place in the work force composition. Lead sectors like manufacturing now accounts for a much higher percentage of the urban work force.

7. The urban labour market is becoming increasingly casualised, in the sense that the proportion of those who are "casually employed" has increased between 1972-73 and 1983-84. The trends towards casualisation is also supported by data from other micro level studies which have indicated that anywhere between 50-75 per cent of urban employment is in the informal sector.
8. Open unemployment in India's urban areas is currently running at 6.1 per cent among males and 8.5 per cent among females. It has shown clear signs of increase over time.
9. The metropolises, particularly the four largest among them, present a somewhat different set of problems. The population growth rates of most one-million cities have begun to taper off. Only Delhi, Bangalore, Pune and Jaipur out of the 12, one million cities recorded during 1971-81 growth rates which were higher than the national urban average. Calcutta, Bombay and Madras registered growth rates that were lower than the national average growth rate.
10. Despite the declining population growth rates, the pressures on the labour market in the large metropolises continue to be severe, and are manifested in the very high, higher than

the national urban average, proportions of persons in the age group of 15-59 years.

11. The work force proportions are also higher in the large metropolises; however, the gap between the work force and the number of persons in the 15-59 age group is still very large.
12. Impressionistic data reveal a large and growing informal sector in the large metropolises. It constitutes a highly heterogeneous group of individuals and households whose age and sex composition as well as space needs are very different from the other sections of the work force.
13. The Indian planning framework is slowly beginning to recognise that urban policies can also directly contribute to goals such as poverty reduction, unemployment and under employment. Earlier, urban policies were concerned with questions of city size; housing, slum clearance, improvement and upgrading; preparation of Master Plans; and municipal and civic administration. Employment issues did not form a part of the urban development policies until the Seventh Plan.
14. The Seventh Five Year Plan marks a breakthrough by explicitly recognising that a large number of the poor live in the urban areas, and that the problem of the urban poor

is vitally linked with the creation of employment opportunities.

16. The urban planning practices and premises are also slowing admitting the existence of informal sector activities; it is in sharp contrast with the position taken in the sixties and early seventies when the City Master Plans almost entirely ignored the informal sector activities.
17. The Nehru Rozgar Yojna - an urban employment programme launched in October 1989, is the first comprehensive attempt to incorporate the employment issues within the framework of urban development policy. Of its three components, however, only one i.e. the promotion of micro enterprises has been extended to metropolitan cities. The other two components dealing with urban wage employment and employment generation via the housing and shelter upgradation programmes do not apply to the metropolitan cities.
18. While there is a growing sensitivity on the part of the Indian planning framework to urban unemployment issues and a number of programmes to promote employment in the urban areas have begun, these bear little relationship to the size and complexity of the urban labour market in general and the labour market of the metropolises in particular. Much more is needed in terms of recognising that sectors like shelter, infrastructure and services, can, on the one hand, effectively contribute to the national goal of employment creation, and on the other, the sectoral goals themselves.

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INTRODUCTION

Growing unemployment and underemployment in the urban areas is one of the most formidable problems that India is currently faced with. Statistics show that open unemployment in the urban areas is high, being more than twice the average unemployment rates in the rural areas, and has risen noticeably in recent years. Nearly 15 per cent of the male work force and over 26 per cent of the female work force are only "casually employed". Many more particularly in the low-income households are employed at best at subsistence levels, and are not able to earn adequately to stay above the poverty line. The initial expectation that urbanisation will bring with it an expansion in the demand for employment from the manufacturing and other allied sectors and absorb the additions to the labour force has not materialised. The process of urbanisation, that is, the way in which it has come about in the country has left a large number of persons either without employment or with partial employment.

The problem of urban employment, unemployment and underemployment is highly complex, and can not be explained merely in terms of the gap between the demand for and supply of labour. For one thing, the urban labour market in the country is under severe pressure from the supply side. During the last census decade of 1971-81, the urban labour pool - this term being used in a simple sense to represent the total urban population in the age group of 15-59 years grew by a little over 51 per cent as compared to the urban population growth of 46 per cent. The important point is that given the age cycle, the pressure on the

labour market is not likely to subside at least until the year 2011 AD. The growing acceptance in the country that urbanisation is inevitable and that any attempt to either slow it down or change its course and direction will be costly in financial terms, will allow the labour pool to expand further in the years to come.

Secondly, major changes are taking place in the composition of the labour pool and the work force. As this study will show, the proportion of females in the labour market is increasing rapidly. Besides the trends towards feminisation of the labour force, the age profile and other characteristics of persons who are entering the labour market are also undergoing dramatic changes, placing different kinds of pressures on the labour market. This change has major ramifications for future urban employment policies.

Continuing pressures on the labour market from the supply side are not the only complicating feature of the unemployment and underemployment problems. Several problems have arisen on the demand side too. Firstly, the demand for labour in the urban areas though not stagnant has not been growing in any substantial manner. During the past 10-15 years or so, employment in the formal, organised sector is reported to have increased by less than 1.5 per cent per annum. Manufacturing (excluding household industry) absorbed only about 28 per cent of the total addition to the work force during the period, 1971-81. Secondly, while it is a fact that informal sector employment grew at a much higher rate, it is not clear if it was demand-led growth, that is,

propelled by the increased demand for goods and services produced in the informal sector, or on account of the push factors like the non-availability of adequate employment opportunities in the formal sector.

Until the introduction in 1986 of the Self Employment Programme for the Urban Poor and in 1989 of the Nehru Rozgar Yojna (a package of employment programmes in the urban areas), public policy responses to urban unemployment and underemployment were essentially indirect and passive. The main concern of urban policies was with questions of city size, preparation of land use and Master Plans, slum improvement and upgrading, strengthening of physical infrastructure, and revitalisation of municipal administrative systems. Employment issues as to where should the incremental labour which migrate to urban areas be absorbed have not formed a part of urban policies and strategies. No serious and systematic attempt was ever made to assess the employment potential of sectors such as shelter, physical infrastructure and services. The city Master Plans too were largely concerned with the space requirements of formal sector activities, ignoring in most cases the space needs of the fast growing urban informal sector.

During the past one year, urban policies have begun to show concern for employment issues essentially in relation poverty redressal programmes in the urban areas. In October 1989, the Government of India launched an employment programme aimed at creating employment opportunities for the urban poor and low-

income population. The recently published Housing Policy (1990) has also shown sensitivity to the employment goals of the shelter sector.

It is the submission of this paper that the labour market imbalances that we see in the country are, in part, attributable to the insensitivity of urban policies to employment and labour market conditions. It is the submission of the paper that future urban policies should widen their perspectives, take specific note of the size, composition and other characteristics of the labour market, and use urban sector programmes more effectively to promote employment, reduce the incidence of poverty, and contribute directly to the national economic growth processes.

This paper focuses on the employment issues of India's four largest metropolises, namely, Calcutta, Bombay, Delhi and Madras which together account for nearly 17 per cent of the country's total urban population, and a substantial proportion of the country's GNP. These metropolises have had planning and development authorities for several years. With the exception of Delhi, the other three metropolises are covered by comprehensive urban development projects with external credit and assistance. This paper has looked at the role of these authorities, and attempted to identify the extent to which employment and underemployment issues have been addressed by them.

We have begun this paper by first analysing the size, composition and industrial structure of the overall urban labour market and then proceeded to briefly discuss in the following section the labour market characteristics of the four metropolises. In the third section, we have looked at the evolution of urban policies and strategies in India, and pointed out that it is only the Seventh Five Year Plan, 1985-90 that has directly addressed the employment issues; earlier plans did not address these issues presumably under the belief that these were too complex to be dealt within the framework of the urban policies. We have discussed in the final section of this paper the recently announced package of employment promotion programmes for the urban areas, and argued that while this is a step in the right direction, it does not adequately take into account the quantitative dimensions and the qualitative complexities of urban labour markets in general, and the metropolises in particular. We have concluded that urban policies should address more directly the employment and poverty issues, and use sectors such as housing, infrastructure and services to contribute simultaneously to the sectoral goals as also the national goals of income growth and employment generation.

URBANISATION AND THE URBAN LABOUR MARKET

It is best to begin this paper by pointing out that India is on the throes of extremely rapid pace of urbanisation. In 1961, the total urban population of the country stood at 79 million persons; today (1990), it is estimated to have crossed 215-220 million persons, having grown during 1971-81 by an annual growth rate of approximately 3.9 per cent and continuing to grow at roughly the same pace.

One of the distinguishing features of India's urbanisation is that the share of large cities in total urban population has been consistently rising. In 1961, as may be seen from Table 1 below, large cities with more than 100,000 population accounted for 50.3 per cent of the total urban population; at the time of last census held in 1981, this share had risen to 60.3 per cent. According to the various projection, it is poised to rise to 65-66 per cent by 1991. Equally, the share of metropolises - cities with a population of one million and more, has also risen very sharply during the period 1901-81. In 1901, the share of Calcutta - India's only metropolitan city at that time was estimated at 5.84 per cent of the total urban population. By 1981, the number of metropolitan cities had risen to twelve, and their share in total urban population to 26.4 per cent. The 1991 Census is expected to show many more cities in the one-million category.

Table 1

Distribution of Urban Population by City Sizes

Year	Urban population		Population in cities with (million)		
	Total (million)	Decadal growth rate %	One million population+ over	100,000+ 1 million	Less than 100,000
1961	79.1	-	17.85 (22.6)	21.87 (27.6)	39.35 (49.7)
1971	109.1	38.23	27.42 (25.1)	33.41 (30.6)	48.23 (44.2)
1981	159.7	46.29	42.12 (26.41)	54.09 (33.9)	63.46 (39.7)

Figures in parenthesis are the % shares of each classes in total urban population.

This pace and pattern of population growth has brought about various types of strains and pressures on the economy of the urban areas. One of the disturbing features has been the spread of poverty and proliferation of slums and squatter settlements. According to the last official estimates made in 1987-88, 18.49 per cent of the total urban population or approximately 39 million persons were below the poverty line. It is further estimated that nearly 30 per cent of the urban population reside in slums and squatter settlements under sub-human conditions. In metropolitan cities, the percentage of slum population is even higher: Calcutta, 32.9%; Bombay, 34.3%; Delhi, 31.4%; Madras, 32.1% .

The most pressing strain of the process of urbanisation, however, has been on employment and labour market. A closer

examination and analysis of its size, composition and other characteristics show that --

1. **The size of the urban labour pool* which in quantitative terms is very large has expanded faster than the rate of growth of urban population.** In 1961, the number of persons in the urban labour pool was placed at 43.83 million persons. Between 1961-81, approximately 47.68 million persons were added to the labour pool which constituted nearly 60 per cent of the net increment to urban population during the same period. The annual average growth rate of labour pool during 1961-81 was estimated at 3.75 per cent; in comparison, urban population increased by 3.29 per cent annually.

Table 2
Growth of Urban Population and Labour Pool, 1961-81

Years	Net Increment (Million)		Annual Average Growth Rate %	
	Urban Population	Labour Pool	Urban Population	Labour Pool
1961-71	30.18	16.47	3.59	3.24
1971-81	50.61	31.21	3.87	4.26
1961-81	80.79	47.68	3.29	3.75

2. **The size of the labour pool in proportionate terms is larger in metropolitan cities and cities with over one million population relative to small and medium sized cities.** As may be seen in Table 3, there is a positive correlation between the size of the labour pool and city-sizes. Larger the city size class, higher is the proportion of persons in the labour pool. For

* Representing the total number of persons in the 15-59 years age group.

instance, labour pool accounted for in 1981, 61.45 per cent of the total population of over one million cities ; in comparative terms, this proportion was 56.19 for cities and towns in population size class of less than 500,000. The table also shows that the rate of expansion of the urban labour pool is higher in cities with over one million population, indicating that the pressures on the labour market are much more severe in them than in the relatively small and medium-sized cities.

Table 3
Growth of Labour Pool by Population Size Classes, 1961-81

Size Classes	Labour Pool as a Proportion of Population in Respective Size-Class			Annual Average Growth Rate %		
	1961	1971	1981	1961-71	1971-81	1961-81
4 metropolises	62.44	61.43	62.81	5.73	3.54	4.63
1 million +	60.86	60.30	61.45	7.82	7.07	7.45
500,000-1 million	57.35	55.24	58.32	4.67	12.18	8.36
Less than 500,000	54.99	54.44	56.19	2.13	3.02	2.57
All India Urban	56.23	55.71	56.32	3.24	4.26	3.75
All India	51.73	52.61	53.19	2.00	2.59	2.29

3. The urban labour pool has undergone a major qualitative change in recent years. If we look at the gender composition of the urban labour pool, we would find that the female population in the age group of 15-59 years in proportionate terms has become larger with every successive decade. In 1961, the proportion of

female labour pool was placed at 53.88; in 1971, it rose to 54.0, and further increased to 56.45 in 1981. **Relative to males, the growth rate of female labour pool has been higher during the two decades** of 1961-71 (3.39 per cent as against 3.12 per cent for males) and 1961-81 (3.93 per cent as compared to 3.60 per cent for males). This change shows that the gender selective migration that dominated the earlier decades is gradually being substituted by a pattern of migration where males and females migrate together. This change, as explained later, will bear substantially on future urban employment policies.

Table 4

Average Annual Growth Rate in the Labour Pool by Sex (%)

Years	Males	Females	Total
1961-71	3.12	3.39	3.24
1961-81	3.60	3.93	3.75

When we extend the analysis of the urban labour pool to the "urban labour market", i.e. consisting of those persons who constitute the work force and who are "seeking work"*, we find that --

1. **Work force as a proportion of the total urban population is small.** Table 5 which gives data on the size of the work force shows that the proportion of work force to total population (participation rate) has remained within a range of 29 per cent

* The Census of India defines the labour force as consisting of "workers" and persons who are seeking work.

and a high of 33 per cent during 1961-81\$, which is very low as compared to the size of the urban labour pool. The work force proportions are slightly higher in the metropolitan and other large cities but even in those cases, the difference between the labour pool and work force proportions are very substantial.

Table 5
Size of the Work Force, 1961-81

Size class	Urban work force (million)			Per cent of urban Population		
	1961	1971	1981	1961	1971	1981
1 million +	5.28	8.70	13.06	35.63	31.76	30.99
5000,000 - 1 million	1.31	1.86	5.79	32.07	27.76	28.03
Less than 500,000	19.50	21.04	28.45	32.99	28.55	27.05
All India Urban	26.09	31.69	47.30	33.44	29.32	29.61

\$ There has been a change in the definition of workers in the various Censuses. In the 1961 Census, a person was classified as a worker if he/she had worked regularly during the last season or if he/she had worked at least for a day in regular (non-seasonal) work during the preceding fortnight.

In the 1971 Census a person was treated as a worker only if he/she spent his time mainly in work or if he worked at least for a day in regular (non-seasonal) work during the preceding week.

In 1981, a person was classified as a main worker if he/she was engaged in work for the major part of the year i.e. at least 183 days in the preceding one year, while those who worked for sometime during the last year but not for the major part of the year were treated as marginal workers. The main worker of 1981 corresponds to the worker of 1971 and the main worker and marginal worker together of 1981 corresponds to the worker of 1961.

2. The structure of the urban labour market in terms of the sectoral composition of work force has changed noticeably in recent decades. During 1961-81, there has been a noticeable change in the sectoral composition of the work force. Changes are particularly conspicuous in sectors like manufacturing, trade and commerce, transport and communications, and even in activities related to agriculture. In all these activities, employment has increased appreciably. Manufacturing which

Table 6
Sectoral Distribution of Work Force in Urban Areas (%)

Occupational categories	1961*	1971*	1981*
Cultivators	6.59	5.11	5.13
Agriculture Labourers	3.51	6.05	6.05
Livestock, Forestry, Fishing Hunting & Plantations, Orchards and Allied Activities	1.72	1.68	1.81
Mining and Quarring	0.80	0.99	1.05
Manufacturing, Processing, Servicing and Repairs			
a. Household Industries	7.93	4.98	4.94
b. Other than Household Industries	21.02	22.98	24.69
Construction	3.67	3.49	4.13
Trade & Commerce	16.24	19.96	19.87
Transport, Storage and Communication	7.97	9.91	9.07
Other Services	30.55	24.85	23.26
Total	100.00	100.00	100.00

* Excluding Assam. For 1971, while Assam is included, information for Mizo district is included.

accounted for 21.02 per cent of the total work force in 1961 increased its share to about 25 per cent in 1981. In trade and commerce too, employment increased by over 3.6 per cent points during this period.

3. **Open unemployment in the urban area is high and increasing.** According to the National Sample Survey (July 1987-June 1988), 3.5 million males and 1.1 million females were reported to be unemployed. In percentage terms unemployment rate was 6.1 among males and 8.5 among females. In 1983, the National Sample Survey had revealed this rate to be 5.9 among males and 6.9 among females. It is important to point out that unemployment in the urban areas is more than twice the rate in the rural areas, and the difference between rural-urban rates has increased.

Table 7

Urban Unemployment by Usual Status

Year	Males	Females
1983	5.9 (2.9)	6.9 (0.7)
1987-88	6.1 (3.5)	8.5 (1.1)

Figures in parenthesis give aggregate in millions.

4. **The urban labour market has become increasingly casualised in recent years.** Another indication of the change in the structure of the labour market is provided by the National Sample Survey data which show that a significant proportion of workers in the

urban areas are either "casually employed" or "self-employed". According to the survey data, 55 per cent of the male workers and nearly three-fourths of female workers constitute this category. A key point to note in this connection is that the proportion of those who are employed on a casual basis has been growing consistently since 1972-73. As the following table shows, the share of casually employed increased to 14.75 per cent in 1983-84 from about 10 per cent in 1972-73 among males and to 27.27 per cent from 23.71 per cent in the case of females. To a much lesser degree, the Census of India also shows the same trend towards increasing proportion of workers in the category of "marginally employed".

Table 8

Percentage Distribution of Workers According to Usual Status of Employment Categories, Urban

Employment categories	Male			Female		
	72-73	77-78	83-84	72-73	77-78	83-84
Wage Employment	50.69	46.41	44.58	27.89	24.94	26.23
Non-wage Employment						
a. Self Employment	39.25	40.38	40.67	48.40	49.47	46.50
b. Casual Employment	10.06	13.21	14.75	23.71	25.51	27.27

Table 8

Work Participation Rates for Marginal, Main and Total Workers, Urban (%)

Workers categories	1971			1981		
	Total	M	F	Total	M	F
Marginal	0.26	0.06	0.50	0.77	0.53	1.04
Main	29.32	48.80	6.65	29.23	48.54	7.28
Total	29.58	48.86	7.15	30.00	49.07	8.32

Trends towards self employment and casualisation have been noted in several other micro level studies which have shown that anywhere between one-half to three-fourths of the urban workers work in informal sector activities. Since the formal sector in the country has a relatively small base, it is to be expected that a significant proportion of the new entrants to the labour force will seek absorption in the informal sector.

5. The participation of females in economic activities is higher than shown in either the Census or the National Sample Surveys. According to the Census of India, 1981, only about 8.32 per cent of the total females are "workers". They constitute 11.39 per cent of the total number of workers (0-14 years and over) in the urban areas. However, a number of studies that have been carried out to assess the participation rate of females in the work force show that their number is much higher than what is captured by the Census or the NSS operations. For instance, a recent study placed the participation rate of females in the low-income households at anywhere between 42 and 93 per cent. The same

study showed that roughly 60 per cent of the low income households have at least one female worker. A majority of them, 74 per cent of the total, are either casual workers, self-employed, or piece-rate workers.

6. **The literacy levels of workers in the urban areas are low.** Contrary to the general belief, the literacy levels of workers in the urban areas are very low. According to the National Sample Survey, 43rd Round, 20.3 per cent of male workers and 55.1 per cent of female workers are "not literate" and another 30.9 per cent of male workers and 19.4 per cent of female workers have studied upto only the primary level.

Table 10

Educational Status of Urban Work Force 1987-88 (%)

Educational status	Males	Females
Not Literate	20.3	55.1
Literate, up to Primary	30.9	19.4
Middle and Higher	48.8	25.5

The above represents a brief analysis of the urban labour market in India, and of the changes which have come about in its size composition and structure in recent years. The next section looks at the main features of the labour market in the large metropolitan cities of the country.

Table 2.1

India : Urban Population, 1901-81

India	Urban population	Percentage of urban population to total population	Decadal urban growth rate (percent)
1901	25,851,873	10.84	0.00
1911	25,941,633	10.29	0.35
1921	28,086,167	11.17	8.27
1931	33,455,989	11.99	19.12
1941	44,153,297	13.85	31.97
1951	62,443,709	17.29	41.43
1961	78,936,603	17.97	26.41
1971	109,113,977	19.90	38.23
1981	159,727,357*	23.31	46.39

Source : Census of India, 1981

* Including projected population of Assam State of India's Urbanisation.

Table 2.2

Percentage Distribution of Urban Population by Size Classes, 1901-1981

Year	Size classes		
	Large (+100,000)	Medium (20,000-100,000)	Small (-20,000)
1901	25.95	26.96	47.09
1911	27.30	26.75	45.95
1921	29.50	26.24	44.26
1931	30.68	28.71	40.61
1941	37.89	27.81	34.30
1951	44.14	25.83	30.01
1961	50.57	28.35	21.08
1971	55.82	27.63	16.55
1981	60.46	25.84	13.70

Table 2.3
India : Shift in the Industrial Classification
of Urban Work Force, 1961-81

Industrial classification	1961*	1971*	1981*
Cultivators	1723080 (6.59)	1615517 (5.11)	2365532 (5.13)
Agricultural Labourers	917792 (3.51)	1914007 (6.05)	2786682 (6.05)
Livestock, Forestry, Fishing, Hunting & Plantations, Orchards and Allied Activities	450337 (1.72)	530346 (1.68)	832148 (1.81)
Mining and Quarrying	210405 (0.80)	315797 (0.99)	484835 (1.05)
Manufacturing, Processing, Servicing and Repairs			
Household Industries	2071974 (7.93)	1574861 (4.98)	2278231 (4.94)
Other than Household Industries	5496276 (21.02)	7263725 (22.98)	11377150 (24.69)
Construction	958205 (3.67)	1104890 (3.49)	1901916 (4.13)
Trade & Commerce	4245146 (16.24)	6309324 (19.96)	9155731 (19.87)
Transport, Storage and Communication	2082255 (7.97)	3131758 (9.91)	4181352 (9.07)
Other Services	7986472 (30.55)	7854987 (24.85)	10719107 (23.26)
Total	26141942 (100.00)	31615212 (100.00)	46082684 (100.00)

Note : * Excluding Assam

1. For industrial classification of workers, 297853 persons (males 147100, Females 150753) of North East Frontier Agency (Arunachal Pradesh) have not been taken into account as the abridged family schedules was canvassed instead of general all India schedules in some area of NEFA in 1961

(-) Figures in parentheses are the percentages of workers, engaged in different occupational categories.

For : 1971 Assam is excluded but information for Mizo district is included.

Table 2.4

Share of the Labour Pool and Work Force in the Total Urban Population 1961-81

Size Class	% Share of the Labour Pool to Total Urban Population									% Share of the Work Force to total Urban Population								
	1961			1971			1981			1961			1971			1981		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
All India Urban (excluding Assam)	58.21	53.88	56.23	57.69	54.00	55.71	59.48	56.45	58.06	52.36	11.11	33.44	48.81	6.64	29.32	49.07	8.32	30.00
All India Urban less than 5 lakhs	56.36	53.44	54.99	55.58	53.17	54.44	57.54	55.20	56.43	51.21	12.26	32.99	47.64	7.14	28.55	48.26	9.19	29.72
5 lakhs - 1 million	60.02	53.96	57.35	56.75	53.49	55.24	59.90	57.41	58.74	52.16	6.59	32.07	47.13	5.25	27.76	48.55	7.25	29.21
1 million and above (excluding 4 Metros*)	57.89	53.94	56.05	59.23	55.19	57.37	60.49	57.10	58.91	50.40	8.95	31.13	48.87	5.81	29.06	48.48	6.72	28.93
4 Metros*	66.61	56.52	62.44	64.69	57.10	61.43	65.10	59.98	62.81	58.51	6.74	37.10	53.32	5.49	32.79	52.48	6.78	32.09
1 Million and above (including 4 Metros*)	64.60	55.83	60.86	63.23	56.54	60.30	63.53	58.95	61.45	56.64	7.34	35.63	52.13	5.59	31.76	51.10	6.76	30.99

* Calcutta, Delhi, Bombay and Madras.

Table 2.5

Over time Change in the Work Force by Size
Classification of Cities/Towns, 1961-81

Size class	Per cent annual growth rate in work force, 1961-81					
	Male		Female		Total	
	1961-71	1971-81	1961-71	1971-81	1961-71	1971-81
Four Metros*	4.64	3.74	4.14	5.03	4.60	3.84
1 million & above (excluding four metros)	7.33	6.94	2.93	5.68	6.83	6.77
500,000-1 million	3.60	7.57	3.19	9.08	3.56	7.73
Less than 500,000	1.43	2.07	-3.09	1.04	0.76	1.91
All India Urban	2.49	3.15	-1.81	2.20	1.93	3.02

* Calcutta, Bombay, Delhi and Madras.

**POPULATION GROWTH AND EMPLOYMENT STRUCTURE
IN LARGE METROPOLISES**

In 1981, India had 12, one-million cities which accounted for 26.7 per cent of the country's total urban population. The four largest among them, i.e., Calcutta (9.19 million), Bombay (8.24 million), Delhi (5.73 million), and Madras (4.29 million) comprised 17.2 per cent of the total urban population. The fact that India (also China) has several large metropolises distinguishes it from many developing countries where a single city dominates the country's economy, and which are characterised by high degree of urban primacy. Manila, for instance, accounts for 30 per cent of the Philippines total urban population. Bangkok's population is nearly 70 per cent of the Thailand's urban population. The share of these cities in major economic activities and gross national product is equally overwhelming. India's large metropolises present a different picture. The share of Calcutta in India's urban population, for instance, is only 5.76, while the cumulative population share of Bombay, Delhi and Madras is only 11.44 per cent. Their contribution to the GDP though high is nowhere as overwhelming as it is in other developing countries.

There are several aspects with regard to the pattern of growth of large metropolises which need to be noted and recognised. **Firstly, the population growth rate of one-million cities is beginning to show signs of tapering off.** During the 1971-81 period, population of only four out of 12, one-million cities, namely Delhi, Bangalore, Pune and Jaipur registered

growth rates which exceeded the national urban average. Of the four largest metropolises, only Delhi's population growth rate was higher than the country's average; Calcutta's population in comparison grew by 30.8 per cent and of Bombay and Madras by 38.1 and 35.3 per cent respectively.

Secondly, notwithstanding the slow down in the population growth rates, the labour market pressures on these large metropolises are severe. As the following table shows, the percentage of population in the 15-59 age-group - i.e., the labour pool, is very high in these cities. In 1981, 62.8 per cent of the total population constituted the labour pool; in the previous censuses too the size of the labour pool in the metropolitan cities was higher than the urban areas in general, suggesting that these cities continue to be the principal magnets in the country.

Table 11

Labour Pool as a Proportion of the Total Urban
Population of the Four Metropolises

Year	Share %		
	Male	Female	Total
1961	66.61	56.52	66.44
1971	64.69	57.10	61.43
1981	65.10	59.98	62.81

Thirdly, the participation rates in the four metropolises are higher in comparison with urban areas in other size groups. In fact, the participation rates in these four metropolises have been consistently higher atleast in the three census years for which data are given in the above table. At the time of the last census, it was estimated to be 32.09 per cent as against 30 per cent average participation rate for All India Urban.

Table 12

Share of the Work Force in Total Urban
Population % (Four Metropolises)

Year	Share %		
	Male	Female	Total
1961	58.51	6.74	37.10
1971	53.32	5.49	32.79
1981	52.48	6.78	32.09

Fourthly, the sectoral distribution of work force in the four metropolitan cities is noticeably different from other urban areas. As shown in an earlier table, manufacturing employed in 1981, 24.96 per cent of the total work force in urban India. Against this, manufacturing employed 35.31 per cent of the work force in the four metropolitan cities. Another distinctive feature of the sectoral distribution of employment is that the proportion of workers who are engaged in activities allied to agriculture and other primary activities is considerably lower than in rest of the urban India. Also, the proportion of workers in household industry is lower in the four metropolitan cities.

Table 13

Industrial Classification of Work Force in
12 Metropolitan and 4 Major Metropolitan Cities, 1981

Industrial classification	12 Metropolitan cities	4 Major metropolitan cities	India (urban)
Cultivators	68367 (0.53)	27896 (0.32)	2365532 (5.13)
Agricultural Labourers	98405 (0.76)	56100 (0.64)	2786682 (6.05)
Livestock, Forestry, Fishing, Hunting & Plantations, Orchards and Allied Activities	114904 (0.89)	79086 (0.91)	832148 (1.81)
Mining and Quarrying	22122 (0.17)	13075 (0.15)	484835 (1.05)
Manufacturing, Processing, Servicing and Repairs			
Household Industries	338221 (2.62)	201475 (2.31)	2278231 (4.94)
Other than Household Industries	4382305 (33.98)	3076106 (35.31)	11377150 (24.69)
Construction	536347 (4.16)	354219 (4.07)	1901916 (4.13)
Trade & Commerce	2717328 (21.07)	1916087 (21.99)	9155731 (19.87)
Transport, Storage and Communication	1300250 (10.08)	876840 (10.06)	4181352 (9.07)
Other Services	3319399 (25.74)	2112028 (24.24)	10719107 (23.26)
Total	12897648	8712912	46082684

Recent data on the formal and informal sector employment in the metropolitan cities are not available. Studies which were carried out in early 1970s showed that the informal sector played an extremely important role in their economy. The study of Calcutta showed that approximately 60 per cent of the work force was engaged in activities which could conveniently be termed as "informal". The impressionistic evidence which many experts have used indicate that in other metropolitan cities too the proportion of work force in informal sector activities ranges anywhere between 50 to 70 per cent.

The problems and perspectives of the labour market of the metropolitan cities are thus quite different from those presented by the urban labour market in general. Equally, many more changes have taken place in the economic and employment structure of these cities since the 1981 Census was held (eg. in the textile industries) whose implications for future employment policies are still to be fully assessed.

Table 3.1

Population

4 Major metropolitan cities	Population			Growth rate	
	1961	1971	1981	1961-71	1971-81
1. Calcutta U.A.	5983669	7031382	9194018	17.51	30.76
2. Greater Bombay (M.Corp.)	4152056	5970575	8243405	43.80	38.07
3. Delhi (U.A.)	2359408	3169930	5729283	54.57	57.09
4. Madras (U.A.)	1944502	3163930	4289347	63.02	35.31

General Population Tables 1981 Part II-A (iii)

Table 3.2
Shift in Industrial Classification of Work Force
in the Four Metropolitan Cities

Industrial classification	1971	1981
Cultivators	19981 (0.31)	27896 (0.32)
Agricultural Labourers	39339 (0.60)	56100 (0.64)
Livestock, Forestry, Fishing, Hunting & Plantations, Orchards and Allied Activities	54692 (0.84)	79086 (0.91)
Mining and Quarring	3555 (0.05)	13075 (0.15)
Manufacturing, Processing, Servicing and Repairs		
Household Industries	111592 (1.72)	201475 (2.31)
Other than Household Industries	2244875 (34.54)	3076106 (35.31)
Construction	218321 (3.36)	354219 (4.07)
Trade & Commerce	1441216 (22.18)	1916087 (21.99)
Transport, Storage and Communication	762047 (11.73)	876840 (10.06)
Other Services	1603081 (24.67)	2112028 (24.24)
Total	6498699 (100.00)	8712912 (100.00)

Table 3.3

Major Metropolitan Cities : Work Force
as a Percentage of Population

Major metropolitan cities	Percentage of total workers to total population						Percent change		
	1971			1981			1971-81		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
1. Calcutta U.A.	52.36	4.09	32.51	50.68	4.55	30.45	20.69	54.99	22.47
2. Greater Bombay (M.Corp.)	57.66	7.72	36.82	54.86	8.56	34.70	27.26	59.85	30.11
3. Delhi (U.A.)	51.22	4.82	30.63	52.97	6.53	32.21	61.56	114.12	65.23
4. Madras (U.A.)	49.18	5.22	28.31	48.05	6.76	28.15	30.39	77.79	34.54

Table 3.4

Calcutta U.A.: Industrial Classification of Work Force

Industrial classification	1971	1981	Growth rate (1971-81)
Cultivators	4857 (0.21)	10718 (0.38)	120.67
Agricultural Labourers	17029 (0.74)	26430 (0.94)	55.21
Livestock, Forestry, Fishing, Hunting & Plantations, Orchards and Allied Activities	12999 (0.57)	20752 (0.74)	59.64
Mining and Quarring	1200 (0.05)	1460 (0.05)	21.67
Manufacturing, Processing, Servicing and Repairs			
Household Industries	41192 (1.80)	72935 (2.61)	77.06
Other than Household Industries	851921 (37.26)	1094213 (39.08)	28.44
Construction	48805 (2.13)	76245 (2.72)	56.22
Trade & Commerce	513647 (22.47)	599951 (21.43)	16.80
Transport, Storage and Communication	263320 (11.52)	288393 (10.30)	9.52
Other Services	531177 (23.23)	608686 (21.74)	14.59
Total	2286147 (100.00)	2799783 (100.00)	22.47

General Economic Tables 1981 Part III-A (i)
 General Economic Tables 1971 Part II -B (i)

Table 3.5

Greater Bombay : Industrial Classification of Work Force

Industrial classification	1971	1981	Growth rate (1971-81)
Cultivators	2672 (0.12)	3177 (0.11)	18.90
Agricultural Labourers	2958 (0.13)	2467 (0.09)	-16.60
Livestock, Forestry, Fishing, Hunting & Plantations, Orchards and Allied Activities	20088 (0.91)	30601 (1.07)	52.33
Mining and Quarrying	1944 (0.09)	3095 (0.11)	59.21
Manufacturing, Processing, Servicing and Repairs			
Household Industries	29142 (1.33)	71245 (2.49)	144.48
Other than Household Industries	900361 (40.96)	1112902 (38.91)	23.61
Construction	67012 (3.05)	95768 (3.35)	42.91
Trade & Commerce	491515 (22.36)	623615 (21.80)	26.88
Transport, Storage and Communication	236899 (10.78)	287274 (10.04)	21.26
Other Services	445507 (20.27)	629912 (22.02)	41.39
Total	2198098 (100.00)	2860054 (100.00)	30.11

General Economic Tables 1981 Part III-A (i)
 General Economic Tables 1971 Part II -B (i)

Table 3.6

Delhi U.A.: Industrial Classification of Work Force

Industrial classification	1971	1981	Growth rate (1971-81)
Cultivators	5176 (0.46)	5851 (0.32)	13.04
Agricultural Labourers	3603 (0.32)	4320 (0.23)	19.90
Livestock, Forestry, Fishing, Hunting & Plantations, Orchards and Allied Activities	8989 (0.80)	12919 (0.70)	43.72
Mining and Quarrying	102 (0.01)	4747 (0.26)	4553.92
Manufacturing, Processing and Servicing and Repairs			
Household Industries	25107 (2.25)	31142 (1.69)	24.04
Other than Household Industries	242733 (21.73)	506498 (27.44)	108.66
Construction	61517 (5.51)	118272 (6.41)	92.26
Trade & Commerce	239719 (21.46)	412790 (22.37)	72.20
Transport, Storage and Communication	107324 (9.61)	167482 (9.07)	56.05
Other Services	422667 (37.84)	581536 (31.51)	37.59
Total	1116937 (100.00)	1845559 (100.00)	65.23

Table 3.7

Madras U.A.: Industrial Classification of Work Force

Industrial classification	1971	1981	Growth rate (1971-81)
Cultivation	7276 (0.81)	8150 (0.67)	12.01
Agricultural Labourers	15749 (1.75)	22883 (1.90)	45.30
Livestock, Forestry, Fishing, Hunting & Plantations, Orchards and Allied Activities	12616 (1.41)	14814 (1.23)	17.42
Mining and Quarrying	309 (0.03)	3773 (0.31)	1121.40
Manufacturing, Processing, Servicing and Repairs			
Household Industries	16151 (1.80)	26153 (2.17)	61.93
Other than Household Industries	249860 (27.84)	362493 (30.02)	45.08
Construction	40987 (4.57)	63934 (5.29)	55.99
Trade & Commerce	196335 (21.88)	279731 (23.17)	42.48
Transport, Storage and Communication	154504 (17.21)	133691 (11.07)	-13.47
Other Services	203730 (22.70)	291894 (24.17)	43.27
Total	897517 (100.00)	1207515 (100.00)	34.54

General Economic Tables 1981 Part III-A (i)
 General Economic Tables 1971 Part II -B (i)

EMPLOYMENT IN INDIA'S URBAN POLICIES

(a) Evolution of Urban Policies : First to the Sixth Five Year Plan

Public policy responses to urban unemployment and underemployment have been extremely slow to develop in India. If we review the urban policy framework in a historical framework we will find that until the Sixth Five Year Plan (1980-85), urban policies focused largely on three aspects, namely :

- i. Housing; slum clearance, improvement and upgrading
- ii. Preparation of master plans
- iii. Municipal and civic administration

Employment issues did not form a part of the urban policy concerns.

The Second Five Year Plan, 1956-61, for instance, noted that the existence of slums which in its perception was synonymous with pockets of poverty was a matter of serious concern, and observed that unless steps were taken to make it impossible for new slums to come into existence, the problem of slums and implicitly of poverty will become larger. It further pointed out that in relation to urban development, three problems needed to be given special attention, namely, (a) methods of securing planned development in urban areas, (b) expansion of housing facilities, and (c) development of civic administration along sound and progressive lines.

The Third Five Year Plan, 1961-66, made a more pointed reference to urbanisation, and observed that it was an important aspect of the process of economic and social development. The Third Plan further pointed out that urbanisation was closely connected with problems such as migration from village to towns, levels of living in rural and urban areas, relative costs of providing economic and social services in towns of various sizes, provision of housing and various facilities and planning of land use. It suggested that the broad objective of urban policy should be to secure balanced development between urban and rural areas; towards this objective, the Third Plan suggested that new industries should be established away from large and congested cities, and that the rural and urban components of development should be knit into a composite plan based on schemes of strengthening economic interdependence between towns and the surroundings rural areas. It also noted that the deteriorating living conditions in the rapidly growing towns was due to the high costs of urban development, and, therefore, actions should be taken to control the urban land values, prepare master plans, lay down minimum standards for housing and other services, and strengthen the municipal administration for undertaking new development responsibilities. Physical as opposed to economic aspects of urbanisation and urban development formed the core of most public policy responses to urban issues in the Third Plan.

The Fourth Five Year Plan, 1969-74 began to exhibit for the first time biases in favour of small and medium-sized towns and cities, by stating that the social and economic costs of

servicing large concentrations of population were prohibitive. It stated that beyond a certain limit, unit costs of providing utilities and services increased rapidly with increase in the size of cities. The Fourth Plan suggested that it was not adequate to prevent the growth of population of places like Bombay and Calcutta; rather, policies to disperse population from these places had to be put into effect. It argued in favour of stabilisation of population of such cities.

The Fifth Plan reinforced the need to tackle the problem of metropolitan cities, on the one hand, and promote the development of small towns, on the other. It also proposed that given the nature of urban problems, it was necessary to devise innovative institutional arrangements and augment civic services in the urban areas.

It was, however, during the Sixth Five Year Plan that specific programmes to develop small and medium towns were initiated, and the approach initially proposed during the Fourth Plan period put into effect. The Sixth Plan also recognised that "urban development" as a sector deserved serious attention in its own right in the context of overall development planning, and proposed that rational policy on urban development should view the whole range of urban settlements as having a role to play in the national development process. Also, this Plan recognised for the first time the existence of large scale poverty in the urban areas as well as along with it, the limits of the "income approach" to reducing the incidence of poverty. Placing a very high priority on alleviation of poverty, the Sixth Plan proposed

- Provision of gainful employment to the unemployed.
- Raising the earnings of those in low-paid jobs;
- Stepping up the productivity and earnings of self-employed workers, and
- Improving the access of the urban poor to basic amenities such as education, health care, sanitation and safe drinking water.

Two programmes aimed directly at employment generation were launched during the Seventh Five Year Plan. The Self Employment Programme for the Urban Poor (SEPUP) established in 1986 focused on the expansion of employment opportunities in all metropolitan and urban centres with population of over 10,000. In its broad thrust, it was an analogue of the old Antyodaya programme for the rural poor who were provided with an income yielding asset in the form of bank loans and an element of capital subsidy. Thirty three categories of urban self-employed were identified for bank loan assistance of up to a maximum of Rs. 5,000. The Nehru Rozgar Yojna (NRY), launched in October 1990 constitutes yet another major attempt in the country to promote employment in the urban areas. The Rozgar Yojna, meaning an employment programme is based on the general code that any programme for promoting employment should not lead to, or promote, further rural to urban migration, and that it should not distort the pattern or pace of urbanisation.

From the above review of the country's five year plans, it would be evident that employment promotion and poverty alleviation have only now become a part of the urban policies.

lifting of 6.1 million persons above the poverty line through the provision of "additional consumption benefits" and better and more equitable distribution of health, education, sanitation, housing and drinking water, and slum upgrading and environmental improvement programmes.

(b) Urban Policies : The Seventh Five Year Plan 1985-90

In terms of the responsiveness of urban policies to employment issues, the Seventh Five Year Plan, 1985-90 stands out quite distinctively. There are three features of the Seventh Plan approach to urban development issues that deserve to be especially brought out here. First, **the Seventh Plan explicitly recognises that urbanisation is an integral part of economic development;** therefore, according to the Plan, planning of urban development should be supportive of economic development.

Secondly, **it takes explicit note of the "growing incidence of poverty in urban areas"**, and points out that persistent migration from rural areas has led, on the one hand, to rapid growth of slums in many cities and towns, and, on the other hand to over crowding in relatively unskilled and low paid jobs in the informal sector. Thirdly, **it notes that for urban poverty problem to be effectively addressed, it is necessary to give a major thrust to employment generation and creation of productive jobs.** In line with this thrust, the Seventh Plan has proposed a strategy that includes --

- Provision of gainful employment to the unemployed.
- Raising the earnings of those in low-paid jobs;
- Stepping up the productivity and earnings of self-employed workers, and
- Improving the access of the urban poor to basic amenities such as education, health care, sanitation and safe drinking water.

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From the above review of the country's five year plans, it would be evident that employment promotion and poverty alleviation have only now become a part of the urban policies.

None of the earlier five year plans identified employment as a sector with which urban policy should be concerned. It is equally important to note that even the employment implications of sectors like housing, construction, physical infrastructure etc. were not assessed or discussed. Urban policies continued to be formulated in the narrow context of housing, slum improvement, provision of services and improvement of municipal administration. The fact that urban and territorial goals are lower level rather than the ultimate national goals, and that urban policies should contribute to the ultimate goals rather than become an end in themselves did not seem to have been explicitly accepted by the Indian planners, i.e. until the Seventh Five Year Plan.

(c) Employment, Master Plans and Development Authorities

Alongwith the changes in the urban development policies, changes have also been gradually taking place in the urban planning philosophy, principles, and practices. Once again, if we review the urban planning practices in the country, we would find that the practices of the sixties and early seventies did not admit or recognise the existence of the informal housing, or informal employment, or other informal sector activities. The City Master Plans accordingly provided for and allocated spaces only for formal manufacturing, commerce and trade, circulation, and formal housing, ignoring the needs of the vast multitudes of individuals who were outside of the formal urban market. The Master Plans viewed the informal sector as external to the urban

ethos and system, and assumed that these constituted a transitional phase in urban development, and will disappear over a period of time.

This position has evidently undergone a major change in recent years. Mention should be made here of the recently published Delhi Master Plan (August 1990), which is a distinct departure from the earlier Master Plan for Delhi. In view of the distinctiveness of this Master Plan, it is useful to produce relevant extracts --

"Large sections of unemployed and underemployed in rural areas and small towns look forward to the metropolitan cities like Delhi for employment and enter the city to move up the economy ladder. This brings forth a multitude of small enterprises, petty trading and casual labour. Thus a metropolis like Delhi has (i) modern wage paid sector and (ii) equally large, if not larger traditional bazar type informal sector. This sector with highly reduced needs of equipment and buildings is important as a source of employment and also for the economic functioning of the city.

The informal sector units locate themselves strategically near work centres, commercial areas, outside the boundaries of schools, colleges and hospitals, transport modes and near large housing clusters. As a single item, eatables constitute the highest number (35.14 per cent) followed by personal services (14.36 per cent). It is

proposed to incorporate the informal sector in trade in the planned development of various use zones".

"Although there are large number of informal sector eating units in the city but there are no organised clusters. There is a need for this to provide for evening and late evening eating places to be located strategically all over the city. On experimental basis this could be started".

The Structure Plan for Madras Metropolitan Area has also provided for the stimulation of employment growth as one of the issues in the preparation of the Plan. The Structure Plan has recognised that sustained growth of the organised sector is likely to improve incomes only in the long run; in the short term, a more productive informal sector is likely to produce the more immediate improvement in incomes for the poor. According to the Structure Plan, informal and small business sectors fulfil a major strategic role within the Madras Metropolitan Area; accordingly the Plan has proposed its expansion via --

- provision of work spaces
- availability of credit
- provision of manpower training courses
- improvement of channels of marketing and raw material procurement.

The development authorities are falling in line with these contemporary changes.

It was stated earlier that Bombay, Madras and Calcutta have been implementing urban development projects with external credit. These projects are broadly aimed at developing and promoting low cost solutions in shelter and urban infrastructure services, making investments responsive to the needs of the poor on a replicable basis, and strengthening metropolitan planning and budgeting systems. The Bombay Urban Development Project envisages a large increase in the public supply of affordable land, infrastructure and shelter, particularly for low-income households and small businesses, and substantially improving local governmental financial and administrative systems for delivering and maintaining the services. The Madras Urban Development Project is also aimed at making investments responsive to the needs of the poor and promoting low cost solutions. The Calcutta Metropolitan Development Authority is implementing a major basti (settlement) improvement programme. The Delhi Development Authority which was created in 1957 by an Act of Parliament to prepare a Master Plan for Delhi is now increasingly involved in slum improvement and upgrading programmes, and is initiating several innovative shelter-service related activities for the poor and low-income households.

The last few years, that is, since the removal of poverty was incorporated as a specific objective of planning, have thus witnessed a gradual but perceptible change in the approach to employment issues. From a stage where public response to employment was mute, it has now reached a point where specific programmes aimed at creation of employment opportunities have

been launched. These years have seen a shift away from a welfare and service-oriented strategy towards an approach which seeks to expand employment opportunities and raise the productivity levels of those engaged in jobs with low productivity, and in the process reduce the incidence of poverty in the urban areas. Changes in the urban planning practices and increasing concern for the poor in the mandate of the metropolitan development authorities provide another evidence of the shift in public policy strategies.

The Nehru Rozgar Yojna

As mentioned earlier, the Nehru Rozgar Yojna (NRY), constituted the first ever conscious and comprehensive in the country to promote employment in the urban areas. The Rozgar Yojna, meaning an employment programme, is based on a set of two principles: (i) any programme for promoting employment in the urban areas should not lead to, or provoke, further rural to urban migration, and (ii) it should not distort the pattern or pace of urbanisation.

The central feature of the Nehru Rozgar Yojna is that it combines some kind of guarantee for wage employment with provision of opportunities for self-employment. The combination of the two is expected to generate approximately one million jobs a year.

The employment programme is in three parts. The first part consists of "wage employment" for settlements in the population range of 10,000 - 100,000. It is the premise here that creation of wage employment should be restricted to only those settlements which provide an interface between the rural and urban areas and strengthen their functional bonds and linkages.

The second part of the Nehru Rozgar Yojna consists of employment promotion through a special thrust on housing and shelter upgradation. This component has been extended to all urban settlements which have populations in excess of 100,000

excluding, however, the four metropolitan cities of Calcutta, Bombay, Delhi and Madras. It has been recognised in this programme that the concept of employment through shelter provision and upgradation has so far been neglected in the country which this component seeks to correct by focusing on the employment intensive nature of such sectors.

The third component of the programme which is targeted at the "urban poor" is the urban micro enterprises. This is a credit-cum-training scheme and is available to all urban settlements including the four metropolitan cities of Calcutta, Bombay, Delhi and Madras. The only provision that has been made in respect to the four metropolitan cities is that the financial allocation for this component will be Rs. 10 million a year while the balance of the provision will be available to urban settlements of other size-classes.

As pointed out earlier, the Nehru Rojgar Yojna is the first comprehensive attempt to promote employment in the urban areas. Further, the fact that the responsibility for this programme rests with the Ministry of Urban Development, and with urban local bodies at the level of cities and towns, indicates that the urban policies in India have finally begun to look at the employment issues.

Components of the Nehru Rozgar Yojna
(Urban Employment Programme), 1989

Applicable to cities in population range	Components	Characteristics
10,000 - 100,000	Urban wage employment	Extension of rural employment programme to nascent urban settlements lying at the interface between the rural and urban areas.
100,000 & over excluding the four largest metropo- lises of Calcutta, Bombay, Delhi and Madras	Employment genera- tion via the housing and shelter upgradation programmes.	
All urban centres irrespective of size*	Promotion of urban micro enterprises	Urban counterpart of the Integrated Rural Develop- ment Programme, targeted at the urban poor living below the poverty line.

* Limits the financial contribution under this component for the four largest metropolises of Calcutta, Bombay, Delhi and Madras.

Functions of Metropolitan Development Authorities

Madras Metropolitan Development Authority (MMDA)

The MMDA is a statutory body constituted under the Madras Town and Country Planning Act, 1971.

- To prepare development plans for the area or for part of the area under its jurisdiction and to enforce and implement these plans,
- the formulation, subject to approval of the Government, of any other plan or project for the development of the Madras Metropolitan Area or such part thereof as it may deem necessary.
- to coordinate the execution of plans approved by the State Government, for the development of any areas within the MMA.
- to supervise the execution of any project for the development of any area within MMA, as may be entrusted to it by the Government.
- to finance and execute any project in any plan for the development of the MMA or any part thereof.

Calcutta Metropolitan Development Authority (CMDA)

The CMDA was set up under the Presidential order in 1970 which was later replaced by the Calcutta Metropolitan Development Act, 1972.

The jurisdiction of CMDA, extends over 1500 sq. km. and includes 3 corporations, 31 municipalities, 2 Notified Area Authorities and 172 rural units. The population size involved is around 11 million.

The main functions of the CMDA are the following :

- formulation, subject to the approval of the State Government, plans for the development of the Calcutta Metropolitan District (CMDA), or any part thereof as the Authority may think fit.
- coordination of the execution of plans, approved by the State Government, for the development of any area within the CMD.
- supervision of the execution of any project for the development of any area within the CMD.
- the financing and execution of any project in any plan for the development of the CMD or any part thereof.

Another dimension was added to the functions of the CMDA when in 1982 it declared as a Development Authority within the Calcutta Metropolitan Area under the West Bengal Town & Country Planning and Development Act, 1979, and charged with the responsibility to prepare Land Use Maps, Outline Development Plans, and Detailed Development Plans as well as prepare and execute development schemes for the CMD.

Bombay Metropolitan Region Development Authority (BMRDA)

The BMRDA was set up with the main objective of securing the development of the BMR according to the Regional Plan formulated by the Bombay Metropolitan Region Planning Board (BMRPB).

For orderly and planned development of the BMR, the BMRDA is empowered to plan, supervise and coordinate activities emanating from the Regional Plan. The Authority's statute permits it to review, recast, or rephrase Regional Plans or any parts thereof, as well as projects of various functional agencies operating within the BMR.

The BMRDA has to perform the following functions in the context of its main objectives :

- To coordinate plans of other functional agencies and see their relevance to the regional plan.
- To rephrase, modify Regional Plan, as per requirements.
- To execute the Regional Plan.
- To secure development according to plan.
- To undertake Land-use control.

Delhi Development Authority

The objectives of DDA are laid down under the Delhi Development Act, 1957 as follows :

The objectives of the Authority shall be to promote and secure the development of Delhi according to plan and for that purpose the Authority shall have the power to acquire, hold, manage and dispose of land and other property, to carry out building, engineering, mining and other operations, to execute

works in connection with supply of water and electricity, disposal of sewage and other services and amenities.

In order to attain these objectives, the DDA has been entrusted with the following major functions :

- To carry out a civic survey and prepare a Master Plan.
- To prepare Zonal Development Plans.
- To implement the Master Plan.
- To develop land and to provide such works as are necessary for servicing such land.

**World Bank Financed Urban Development Projects
Objectives and Project Components**

	Madras Urban Development Projects (MUDP)	Bombay Urban Development Projects (BUDP)
1.	2.	3.
A. <u>Project Objectives</u>	To help develop and promote low-cost solutions in shelter and urban infrastructure services; to make investment responsive to the needs of the poor on a replicable basis; to help strengthen metropolitan planning and budgeting; and to help strengthen municipal finance and administration. The programme was implemented in two phases i.e. 1977 to 1981 and 1981 to 1986.	The World Bank has identified three key issues in Bombay Development Programme. These are shelter, Transport and water supply & sewerage. Whereas efforts for shelter and basic services in metropolitan region on a replicable basis initiated through the Bombay Urban Development Project (BUDP), the other projects are Bombay water supply and sewerage project (WSSSP) and Bombay Urban Transport Project (BUTP). i) <u>BUDP</u> (Project Period : 1983-1990) to make a large increase in the public supply of affordable land, infrastructure and shelter, particularly for low income house holds and small business; to substantially improve local government financial and administrative capacity to deliver and maintain services, particularly the infrastructure created under BUDP, to strengthen Govt. Institutional capacity to plan, coordinate, imple-

1.	2.	3.
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A. Project Objectives

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ment and evaluate affordable low income shelter programme BUDP Projects, and policies and replicate the achievements to aim at improved public sector cost recovery and a major reduction in the public and private costs of shelter investment; and to direct a larger proportion of private investment in land servicing and shelter construction into low cost units for low income households.

(ii) BWSSP: (Project Period: three stages, commencing from 1973) The Bank goal in this sector is to support the governments overall objective of extending water and sanitation services to a majority of the population and to assist in improving the efficiency of sector operations and distribution. In pursuit of these goals the objectives are to support institutional frame work and formation of water supply & sewerage authorities; to encourage the financial viability and managerial efficiency of sectoral institutions, to assist in formulation of tariff policies and evaluation of design standards and the adoption of low cost technologies.

1.	2.	3.
A. <u>Project Objectives</u>	-	(iii) <u>BUTP</u> : (Project Period: Three Stages, commencing from 1977) With a view to improve the mass transport system (BEST) in Bombay both in terms of its productivity and viability, the project has many objectives such as increase in the bus fleet, examining the most economical mix of single decker and double decker buses and correcting the mix accordingly; improving the quality and quantity of bus repair and maintenance facilities through construction of a new workshop at Wadala; improving the existing workshop at Dadar and building new or upgrading existing depots, shelter and terminuses; purchase of workshop machinery equipments and other hardware; examining existing financial relationship between BMC and BEST; and improving BEST's management and financial management systems.

1.	2.	3.
<u>B. Programme Components & Objectives</u>	<p>i) <u>Sites & Services</u> : Land acquisition, site preparation and provision of on site infrastructure, sanitary core housing, provision of material for self help completion of core housing units with community facilities and off site infrastructure.</p> <p>ii) <u>Slum Improvement</u> : Improvement of on and off site infrastructure with tenure, home improvement loans and community facilities for 50,000 slum house holds.</p> <p>iii) <u>Transport</u> : Purchase of 535 buses, Depot improvements for Pallavan Transport Corporation, Inner city road of 6 Kms., and general improvement for 14 Kms. road net work.</p> <p>iv) <u>Small Scale Business</u> : Construction of 150 sheds on serviced plots provided under sites & services schemes, machinery loans, technical assistance to SIDCO and MMDA.</p>	<p>i) <u>BUDP : Level Infrastructure Servicing Programme</u> : To develop about 85,000 serviced residential commercial and small industrial plots including community facilities, core housing, and house expansion loans on 13 sites in 5 MBR sub-regions.</p> <p>ii) <u>Slum Upgrading Programme</u>: Upgrading of about 300 Hact-are of slum areas mostly in BMC including provision of tenure, improved infra-structural services, home improvement loans and community facilities.</p> <p>iii) <u>Local Government Finance : Administration & Services</u> Equipment and civil works for improving the maintenance of roads, drains and services, collection and disposal of refuse in Bombay Metropolitan region.</p> <p>iv) <u>Technical Assistance, and Equipments</u> : for improving the capacity and efficiency of project implementing and coordinating agencies.</p>

1.	2.	3.
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B. Programme v) Solid Waste Management
Components & and Maintenance of
Objectives Municipal Services :

Provision of civil works equipment, consultancy services for review of organisational, technical and financial aspects of the services.

vi) Technical Assistance :

to MMDA and executive agencies for special studies for identify priorities for long-term and medium term investment and institutional strengthening.

BUTP

Part A (BEST)

Purchase of 465 single and 235 double decker buses, equipments and machinery, construction of one large workshop at wadala, three new depots, eleven shelters and terminals, improvement of the workshop at Dadar as well as three depots, and technical assistance and training.

Part B (BMC)

Construction of eight fly overs, twelve channelisation works, two street widening, one bridge widening, three pedestrian bridges, five pedestrian tunnels, signalisation, equipments, technical assistance and training.

Part C (BMRDA)

Technical assistance comprising consultancies and expert assistance for development and traffic planning, and preparation of Regional Investment Plans.

1.	2.	3.
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B. Programme
Components &
Objectives

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BWSSP

I. Each stages of the project provides 100 mgd. of water to BMC, construction of storage tank, treatment plant, distribution mains; sewerage improvement extension of sewage collection system including renovation and construction of sewage pumping stations; Technical Assistance and training to technical staff; and institutions involved.

II. Water Supply - Completing the Bhatsai Dam to its full design height and supplementary 450 mld filtration plant at Panjrapur, construction of 120 mld balancing reservoir and 35 Kms. of distribution mains, additional pumps and mains at Bhandup, distribution of system including renovation of reservoirs, existing mains, pumping stations, etc., public taps in slums, leakage detection equipments, meters etc., Sewerage - Renovation of existing sewage treatment plant, construction of new plants, technical assistance and training programme for technical staff.

1.

2.

3.

B. Programme
Components &
Objectives

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BWSSP

III. With a view to reduce the water deficit by about 18% of the total demand, The project envisages an increase in the treatment capacity by the construction of a 455 mld. water treatment plant, installation of pumping capacity of 2233 mld in 17 units; construction of 144 million litres clear water storage in four service reservoirs, equipments & machinery, etc.

Sewerage - Construction of sewer trunk mains, and installation of pumping capacity of 150 mld; provision of low cost on site waste disposal facilities in selected unserviced areas alongwith provision of suction tanks, local pumping arrangements, tubewells etc, to serve the slum population. In addition to this, the project has technical assistance and consultancy component covering training for project staff, vehicles for operations, improvement of the capability of WSSD, and review and development of design parameters in various waste disposal systems.

Tamil Nadu Urban Development Projects (TUDP)	Calcutta Urban Development Projects (CUDP)
5.	6.

A. Project Objectives: Project has three broad objectives such as :-

i) Institutional Development: Strengthening financial and functional capabilities of urban institutions with a view for efficient management and urban - economic development of the state;

ii) Shelter Development : Supply of legal, environmentally acceptable and affordable private and public serviced land by way of extension of various low income housing schemes. Stemming the growth in absolute number of households living in slums is the main objective of shelter development programme;

A. Project Objectives

(iii) Transport :

To strengthen the procedures and institutions for revising bus fares and enhance the accountability of the Pallavan Transport Corporation (PTC) with a view to producing sufficient funds from internal cost generation to finance upwards of 20% of PTC's bus operations investment program; and to improve the cost - effectiveness in urban road and traffic management schemes.

The principle objective of World Bank was to provide assistance for a new phase of efforts for Calcutta Development in the perspective of a sustained support over long run, and in the process to activate further reforms toward systems strengthening of programmes management and operations, maintenance and finance of urban services.

5.

6.

<u>B. Programme</u>	i) <u>Institutional</u> :	Out of 160 subjects
<u>Components &</u>	a) <u>Municipal Urban Development</u>	in the CMDA programme,
<u>Objectives</u>	Fund - loan and grant financing	World Bank picked up
	for equipment and civil works,	only 44 and were con-
	maintenance and delivery of	fined to the following
	services and remunerative enter-	broad areas :-
	prises primarily in 80 municipi-	- Water Supply, Sewerage &
	palities in 10 project cities.	Drainage;
	b) <u>Technical Assistance</u> -	- Urban Transport,
	training, and related equipments	- Garbage Disposal &
	for project coordinating and	Environmental Hygine,
	implementing agencies.	and
		- Housing & Area Deve-
		lopment Sectors
	ii) <u>Shelter</u> :	
	a) <u>Land Development</u> - Construction	
	of serviced residential plots, core	
	housing for about 70,000 low -	
	income house holds (350,000 people)	
	with community facilities and	
	provision of shelter loans in	
	10 major cities of the state.	
	b) <u>Guided Development</u> - purchase	
	of 7000 low-income serviced plots	
	from plot developers in Madras	
	and provision of off-site infra-	
	structure, community facilities	
	and home expansion loans.	
	c) <u>Slum Improvement</u> -	
	Construction of on and off-site	
	infrastructure, provision of	
	tenure and community facilities	
	for about 84,000 households on	
	public and 10,000 households on	
	private land in 10 cities.	

6.

7.

B. Programme
Components &
Objectives

iii) Transport :

a) Traffic Management and Transport-
construction and improvement of
roads, bridges, signals, and
pedestrian facilities in 10 cities.

b) PTC - provision of about 1000
buses and related civil works and
equipments including depots,
terminals, workshop and passenger
shelters in Madras.

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CONCLUDING REMARKS

Most estimates suggest that India will enter the twentyfirst century with an urban population of approximately 320-330 million persons, increasing at an estimated rate of 3.5 per cent per annum between now and the year 2000 A.D. Estimates further suggest that the urban labour market consisting of workers and those "who will seek work" will probably expand at a faster rate, and may cross the 110-120 million mark by the turn of the century. It is further projected that notwithstanding the slowing down of the population growth rate of metropolitan cities, their labour force will continue to register substantial increments.

How should this challenge of the expanding labour market particularly as it affects the metropolitan cities be faced? What changes should be made in the existing urban policies so as to facilitate the absorption of new entrants to the metropolitan labour market? This paper on Employment Issues and Urban Policy has grown out of these concerns.

A number of points stand out from this paper and need to be once again restated in the concluding remarks. First, it is obvious that issues relating to the metropolitan labour market will become increasingly important in the coming years. The proportion of the labour force in such cities is not only high compared with cities of other sizes; it is continuing to increase despite the tapering off of the population growth rates. These issues are also expected to become important on account of

the structural changes that the metropolitan labour market have been experiencing in respect, on the one hand, of gender composition, that is, the rising share of female workers, and, on the other hand, of growing importance of the informal sector in such cities.

Secondly, this paper has brought out, employment as a direct concern of urban policies is of a comparatively recent origin. The urban policies of the 1950s, 1960s and 1970s were concerned with the problem of slums, provision of basic services, and strengthening of municipal systems and administration but not with employment promotion or poverty alleviation. These were viewed as larger development issues, and, by assumption, outside the framework of urban policies. The urban planning practices which are best exemplified, for instance, in the Master Plan for Delhi, the Basic Development Plan for Calcutta and the Structure Plan for Madras too remained largely preoccupied with the provision of space for formal sector activities, paying little or no attention to the millions of activities and transactions taking place in the informal market.

Thirdly, the few initiatives that have been taken in the recent years to promote employment through the urban sector programmes are too new to suggest any definite trends in the development of urban policies. Also, as indicated earlier, these programmes discriminate against the metropolitan cities on the ground that any scheme to promote employment there could trigger inward migration, and frustrate in this process the very purpose of such programmes.

The central question, therefore, is about the content and orientation of future urban policies, and about the changes in the existing policies in order that the absorption of new entrants to the labour market becomes easy. Some tentative ideas emerge from this study --

- i. The future urban policies need to address directly the issues relating to unemployment and underemployment and poverty. The assumption that reduction of unemployment and alleviation of poverty are higher level goals and, therefore, outside the urban policy framework is unsustainable in the present context.
- ii. There is need to systematically assess the employment implications of urban sector programmes such as shelter, infrastructure development and provision of urban services. At this point of time the employment potential of such subsectors not known, and, therefore, the extent to which these sectors can contribute to the goal of employment generation can not be determined.
- iii. There is an urgent need to reorient the urban planning practices such that firstly, they recognise and provide spaces for informal sector activities, and, secondly, space can be used as an instrument to promote employment.

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