

## AN ASSESSMENT ON STATUS OF EMPLOYMENT DURING PRE AND POST REFORMS ERA IN INDIA

G. L. PARVATHAMMA

Associate Professor, Department of Economics, Bangalore University, P.G. Centre, Kolar, Bangalore, India

### ABSTRACT

The present paper entitled “**An Assessment on Status of Employment during Pre and Post Reforms Era in India**” mainly focused on impact of reforms on GDP growth, employment in organized and unorganized sectors. The expansion and creation of employment opportunities have been the unstated objectives of economic reforms being followed since the early 1990s in India. As industrial controls and trade restrictions are lifted, it is argued that this would result in higher output growth leading to the creation of new employment opportunities and visible fall in poverty and inequality. But the emerging evidence in India in the 1990s on the employment front has been rather dismal. It clearly shows that, GDP growth during 1993-94 to 1997-98 has averaged to more than 7 per cent per annum during post reforms era. The rate of growth of employment was of the order of 2.04 per cent per annum during 1983 and 1993-94, which was just equal to the rate of growth of labour force during this period. But unfortunately the period of reforms (1993-94 to 1999-2000) reveals that the overall growth rate of employment was only of the order of 0.98 per cent per annum. Employment elasticities are typically expected to be less than unity because productivity per person employed is expected to increase over time, which implies that employment increase proportionally less than output. The growth rate of employment in the organized sector also decelerated to 0.53 per cent during 1993-94 to 1999-2000 as against 1.20 per cent per annum witnessed in pre-reform period of 1983-1993-94. The employment elasticity in agriculture has become virtually null. The employment elasticity in the secondary and tertiary sectors has also declined in the post-reforms period and witnessed a casualisation of labourers.

**KEYWORDS:** GDP, Casualisation, Elasticity, Output



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