

Chapter 6**Income, Employment and Unemployment****6.1 Introduction**

In this chapter we examine the growth pattern and changes in economic structure of Meghalaya. We have primarily focused on the increase in Net State Domestic Product (NSDP) and Per Capita Income that are considered to be the most important indicators of growth and development. We have also taken into consideration changes in the employment and unemployment structure of the state. An attempt has been made to carry out a disaggregated analysis at the district level as well wherever possible.

Augmenting welfare of the people and improving the quality of life by achieving faster growth and development is a primary concern of most of the developing countries of the world today. In other words, promoting human development is at the back of all developmental efforts.

Traditionally, income or per capita income has been considered to be the most important yardstick of economic development and level of well being. However, it is widely accepted now that increase in income alone does not necessarily lead to human welfare. A lot depends on the uses to which income is put. Nevertheless, income continues to be an important indicator of human development. It plays an important role in promoting well-being of individuals by improving access to all other human choices.

Improvement in the standard of living is also reflected in the level of employment, its composition and the growth in employment opportunities. Therefore, the workforce participation is an important indicator in the process of development in any economy. It is also an indicator that, in most cases, directly captures the economic attainments and hence the level of well being of individuals.

There are however many factors which pull down the rate of development or are the result of slow development. One of these factors is poverty. An important consequence of poverty is the problem of child labour. As pointed out by Basu and Van (1998), child labour is a reflection of stark poverty. Child labour brings an economy into the vicious circle of poverty as it acts as a cause as well as the effect of poverty. There may be many more reasons for the emergence of child labour but the end result of child labour is colossal wastage of human resource and, therefore, a significant loss in GDP. The other factor, which acts as a cause as well as the result of slow development, is unemployment.

Development process has to be ultimately assessed for impact on quality of life and human well-being. Consequently, income and the level of employment are important indicators to identify improvement in human well being. The economy of Meghalaya has shown development in various aspects but it is also beset with many problems. In this chapter we have made an attempt to identify the problems that plague the economy of Meghalaya. Growth and change constitute development. The growth is significant in various spheres of the economy but the change is not much evident. However, this young state now stands poised for a future of growth and progress.

The rest of this chapter is organized in the following manner. Section 6.2 examines the growth pattern in the state in terms of changes in Net State Domestic Product (NSDP) and Per Capita Income. In addition, this section also throws light on the growth rate of the Primary, Secondary and Tertiary Sectors and the structural change in Meghalaya over the years. Section 6.3 reports the work force participation rate in Meghalaya and also explains the occupational structure of the workers. The

problem of child labour is also highlighted in this section. This is followed by a discussion on the prevailing unemployment situation in Meghalaya in section 6.4. Finally, section 6.5 summarizes and concludes the chapter.

6.2 Income

6.2.1 GROWTH OF SDP AND PER CAPITA SDP

In terms of Net State Domestic Product (NSDP) an economy is said to be growing when the State's income increases for a long period of time.

In table 6.1 we report the NSDP for Meghalaya as well as the seven districts separately along with the average annual growth rate during the period 1993-94 to 2007-08. South Garo Hills recorded the highest average annual growth rate (13.66 percent) followed by Ri Bhoi (12.12 percent). Jaintia Hills (11.54 percent) followed closely. The rest of the districts had a growth rate of about 8 to 9 percent on an average.

In absolute terms, the NSDP (at constant 1999-00 prices) rose somewhat slowly from Rs. 210151 lakh in 1993-94 to Rs 505959 lakh in 2007-08. On the whole, there has been a rise in the NSDP for all the districts but the rise was rather steep in case of South Garo Hills.

Per capita income is the average income and is arrived at by dividing the total output of the state by the total population of the state. An increase in per capita income is considered to be an index of economic growth. It is pointed out that if the increase in total product in an economy exceeds the growth of population, per head availability of goods and services will also increase (Kindleberger and Herrick, 1977). This will mean an increase in the welfare and improvement in the standard of living of the people.

In table 6.1 we have also reported the per capita income of Meghalaya by district. The per capita income for all the districts of Meghalaya had a significant increase. The average annual growth rate of the per capita income in the period 1993-94 to 2007-08 for Meghalaya was 5.9 percent. South Garo Hills again registered the highest growth rate of per capita income at 8.64 percent. West Khasi Hills district, on the other hand, registered the lowest growth rate of 4.44 percent. The growth rate of per capita income was about 5 - 6 percent on an average for the other five districts.

The per capita income (NSDP) at factor cost in real terms is estimated at Rs.20094 for the year 2007-08 against Rs.10993 during 1993-94. The per capita income of South Garo Hills again showed a remarkable increase from Rs. 11894 in 1993-94 to Rs. 26283 in 2007-08. East Khasi Hills now is the richest district in Meghalaya in terms of per capita income followed by South Garo Hills and Jaintia Hills. The per capita income of Jaintia Hills is estimated at Rs. 23618 in 2007-08 as against Rs. 12087 in 1993-94. Similarly, in East Khasi Hills the per capita income is estimated at Rs. 27825 in 2007-08 as against Rs. 14829 in 1993-94.

Table 6.1: Net Domestic Product and Per Capita Income of Districts of Meghalaya at Constant 1999-2000 Prices and Average Annual Growth during 1993-94 to 2007-08

(NSDP: Rs Lakhs
Per Capita Income: Rs)

Year	Category	Jaintia Hills	East Khasi Hills	West Khasi Hills	Ri Bhoi	East Garo Hills	West Garo Hills	South Garo Hills	Meghalaya
1993-94	NSDP	29276	83558	16780	13569	16743	40462	9956	210151
	Per Capita	12087	14829	7030	9350	8112	9372	11894	10993
1994-95	NSDP	31737	85475	17612	13346	16890	40695	11480	217183
	Per Capita	12730	14856	7167	8824	7987	9212	13230	11068
1995-96	NSDP	34598	93196	19923	15541	19221	46468	13149	242104
	Per Capita	13491	15769	7850	9875	8835	10262	14806	12018
1996-97	NSDP	35809	96693	20599	16269	19912	48041	13438	250758
	Per Capita	13586	16136	7896	9888	8902	10324	14790	12126
1997-98	NSDP	38346	103971	21340	17846	20832	51216	13488	266895
	Per Capita	14112	16985	7936	10394	9066	10762	14520	12570
1998-99	NSDP	48078	112860	23402	18295	22776	54612	15969	296006
	Per Capita	17179	18056	8449	10229	9656	11192	16820	13580
1999-00	NSDP	49143	121418	25386	21033	25830	60213	18107	321130
	Per Capita	17064	19031	8907	11308	10674	12043	18476	14355
2000-01	NSDP	53138	130175	27826	22746	25771	61706	20811	342173
	Per Capita	17984	19888	9517	11920	10380	12029	20699	14910
2001-02	NSDP	60295	135868	29331	24449	27052	64806	23330	365131
	Per Capita	19904	20246	9784	12496	10628	12322	22633	15518
2002-03	NSDP	55431	144846	29184	26961	28802	68303	22410	375934
	Per Capita	18298	21584	9735	13781	11315	12987	21740	15977
2003-04	NSDP	60762	158300	29384	27266	29291	70937	23361	399301
	Per Capita	19690	23156	9622	13681	11296	13240	22247	16658
2004-05	NSDP	63756	171616	30692	29769	31630	74764	24796	427024
	Per Capita	20405	24793	9926	14752	12047	13782	23321	17595
2005-06	NSDP	66721	180985	33229	31601	33737	83530	24953	454756
	Per Capita	21084	25817	10611	15462	12687	15204	23173	18501
2006-07	NSDP	72220	189710	35196	34102	35780	85294	27674	479975
	Per Capita	22547	26735	11103	16485	13294	15338	25389	19292
2007-08	NSDP	76563	199822	36567	36595	37821	89598	28992	505959
	Per Capita	23618	27825	11399	17479	13885	15920	26283	20094
Growth Rate 93-94 to 07-08	NSDP	11.54	9.94	8.42	12.12	8.99	8.67	13.66	10.05
	Per Capita	6.81	6.26	4.44	6.21	5.08	4.99	8.64	5.91

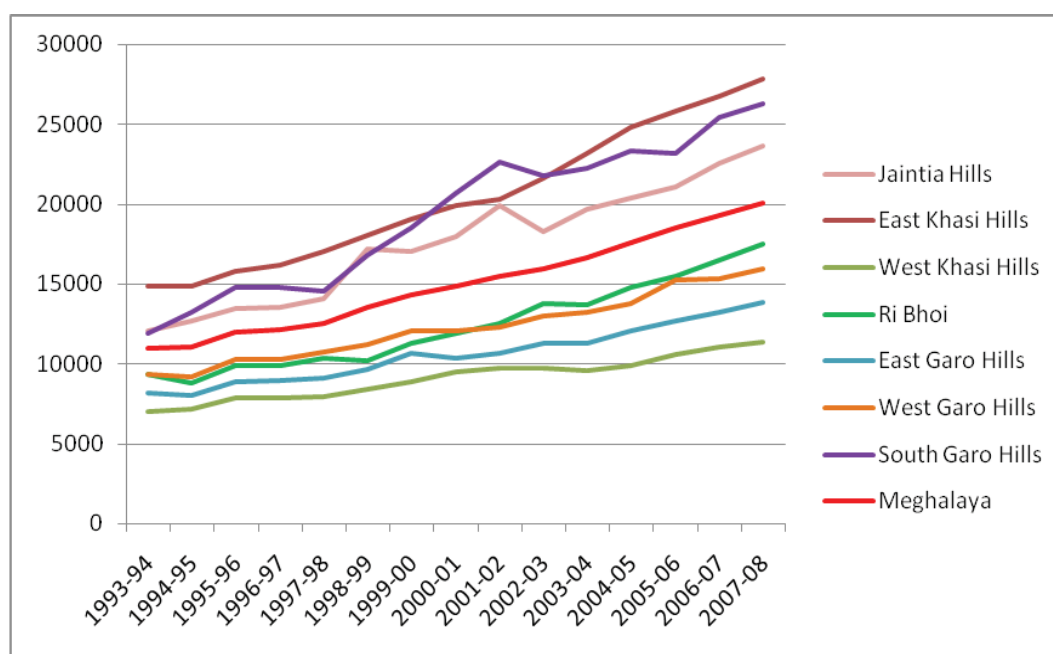
Source: Directorate of Economics and Statistics, Shillong

The growth performance when viewed in overall terms, exhibits a persistent rise in both the state income and the per capita income. The growth rate is of great importance for reasons of welfare and since the growth rate of NSDP has been higher than the population growth, there has been a rise in the per capita income. Though there have been years when the per capita income has not risen much or has even fallen, yet for most of the time, it has been on the rise.

In table 6.2 we have shown the NSDP and Per Capita Income at current prices for 1993-94, 1999-00 and 2005-06 for all the northeastern states of India. In 2005-06, the per capita income of Meghalaya at Rs. 23420 is higher than that of Assam and Manipur. It is lower than the per capita income of all the other NE states. The figures at current prices reflect (i) the rise in real income and (ii) the rise in prices. Lack of data prevents us from calculating the growth rates of real (at constant prices) income. Nevertheless, table 6.2 does indicate that the rise in the NSDP as well as per capita income has been substantial and persistent in case of all NE states. Assuming a more or less uniform rate of inflation across the states in the region, we may say that the growth rate of NSDP as well as per capita income of Meghalaya is higher than the growth rate of other NE states except Manipur and Tripura. Therefore, it may be said that in terms of growth of NSDP and Per Capita income, the position of Meghalaya is not very bad vis-à-vis other states in the region.

However, compared to other economically developed states of India, Meghalaya is far behind. The per capita income of Meghalaya at Rs. 19572 in 2004-05 is way below the per capita income of Goa (Rs.58184), Haryana (Rs.32712), Punjab (Rs. 30701) and others¹.

Figure 6.1: Growth of Per Capita Income of Districts of Meghalaya (at Constant 1999-2000 Prices) during 1993-94 to 2007-08



Source: Directorate of Economics and Statistics, Shillong

¹For details refer Economic Survey 2006-07, p. S.12. and Economic Survey 2007-08, pp. A-12 and A-13

Table 6.2: NSDP and Per Capita Income at Current Prices of the North Eastern States of India in 1993-94, 1999-00 and 2005-06

State	NSDP (Rs. Crore)				Per Capita Income (Rs)			
	1993-94	1999-00	2005-06	Annual growth rate (%) 93-94 to 05-06	1993-94	1999-00	2005-06	Annual growth rate (%) 93-94 to 05-06
Arunachal Pradesh	812	1504	2767	20.06	8733	14054	23788	14.37
Assam	13477	31978	52500	24.13	5715	12269	18598	18.79
Manipur	1141	2954	5120	29.06	5846	13260	20326	20.64
Meghalaya	1309	3269	5757	28.32	6893	14611	23420	19.98
Mizoram	618	1410	2181*	22.99	8319	16443	22417*	15.41
Nagaland	1251	2556	4980*	27.10	9129	13819	20998*	11.82
Sikkim	364	765	1527	26.63	8402	14890	26412	17.86
Tripura	1619	4496	8375	34.77	5534	14119	24706	28.87
All India	792150	1600932	2871731	21.88	7698	15839	25716	19.51

Note: * Figures are for 2004-05

Source: Economic Survey 2006-07 and 2007-08

Having taken up the growth of state income it would be interesting to see the growth rate of each sector in the economy. An economy is broadly classified into three sectors, viz., primary, secondary and tertiary. The Primary Sector comprises of Agriculture, Forestry and Logging, Fishing, Mining and Quarrying. The Secondary Sector comprises Manufacturing, Construction, Electricity, Gas and Water supply. The Tertiary sector comprises of Transport and Communication; Trade, Hotel and Restaurant; Banking and Insurance; Real Estate; Public Administration and Other Services.

A positive facet of development as pointed out by some economists is that the growth rate of secondary sector and tertiary sector should be higher than the growth rate of the primary sector (Rao, 1983). Table 6.3 reports the average annual growth rate of each sector along with its components. This table would, therefore, give the vivid details of the growth rate of economy and thereby enable us to infer whether the economy of Meghalaya is a progressive one or not.

Clearly, the primary sector in Meghalaya registered a higher growth rate than the other two sectors. During 1993-94 to 1999-00 the growth rate of the primary sector was 7.92 percent, the secondary sector had a growth rate of 7.23 percent while the tertiary sector had a growth rate of 6.37 percent.

The high growth rate in the primary sector can be evaluated by looking at the growth rate of each components of the primary sector. Agriculture, the most important component of the primary sector, registered a growth rate in the state of about 7.80 percent. Mining & Quarrying showed a growth rate of 12.64 percent. The other two components 'Fishing' and 'Forestry & Logging' had a growth rate of 3.45 percent and 1.17 percent, respectively.

Table 6.3: Average Annual Sectoral Growth Rate of Different Districts of Meghalaya during 1993-94 to 1999-00 at Constant 1993-94 Prices

(in percent)

Industry	Jaintia Hills	East Khasi Hills	West Khasi Hills	Ri Bhoi	East Garo Hills	West Garo Hills	South Garo Hills	Meghalaya
Agriculture	7.12	5.79	6.25	12.47	10.32	7.82	9.32	7.80
Forestry & Logging	1.19	0.96	1.22	1.14	1.15	1.26	1.19	1.17
Fishing	32.95	-4.94	3.48	-1.56	3.55	3.46	3.58	3.45
Mining & Quarrying	11.32	-1.78	37.76	23.34	18.05	20.59	26.50	12.64
Primary	8.73	4.87	7.47	10.43	9.41	7.42	13.32	7.92
Manufacturing	5.04	3.80	4.75	10.03	8.24	4.01	4.69	4.42
Construction	10.33	13.65	12.09	8.73	10.40	10.73	10.05	11.65
Electricity, Gas & Water Supply	2.22	2.08	2.29	2.02	2.04	2.24	2.62	2.04
Secondary	7.48	7.39	10.00	4.87	6.32	7.25	8.18	7.23
Transport, Storage & Communication	7.08	3.86	11.31	24.97	15.98	12.72	48.37	6.84
Trade, Hotel & Restaurant	7.83	7.83	7.83	7.87	7.81	7.83	7.84	7.83
Banking & Insurance	12.27	13.30	12.16	11.49	11.61	12.64	4.70	12.52
Real Estate, Ownership of dwelling & Business Services	2.58	3.08	2.64	2.53	2.71	2.64	2.59	2.80
Public Administration	5.87	6.03	5.75	5.59	5.79	5.95	9.91	5.98
Other Services	9.09	8.78	8.28	8.40	8.42	8.73	8.39	8.71
Tertiary	6.57	6.24	6.23	7.03	6.31	6.45	6.69	6.37
NSDP of District	9.27	6.46	7.20	7.78	7.61	6.94	10.70	7.37

Source: As in Table 6.1

Table 6.3a: Average Annual Sectoral Growth Rate of Different Districts of Meghalaya during 1999-2000 to 2007-08 at Constant 1999-00 Prices

(in percent)

Industry	Jaintia Hills	East Khasi Hills	West Khasi Hills	Ri Bhoi	East Garo Hills	West Garo Hills	South Garo Hills	Meghalaya
Agriculture	2.65	10.37	4.64	6.41	1.71	4.11	6.91	5.52
Forestry & Logging	6.41	6.64	6.27	6.92	6.49	6.04	6.67	6.42
Fishing	3.32	0.65	3.74	4.81	5.14	5.72	4.75	4.09
Mining & Quarrying	9.77	10.15	9.72	9.36	9.54	9.61	9.74	9.77
Primary	7.32	10.09	5.49	6.35	2.12	4.23	8.15	6.53
Manufacturing	37.82	5.90	1.22	101.76	107.13	8.46	0.90	26.02
Construction	7.24	14.29	7.73	10.63	8.84	11.29	13.57	11.13
Electricity, Gas & Water Supply	8.43	8.39	8.42	8.40	8.38	8.33	8.50	8.39
Secondary	8.98	12.05	7.53	27.03	19.15	10.69	11.61	12.42
Transport, Storage & Communication	10.63	17.82	12.48	13.24	18.86	15.58	12.27	15.45
Trade, Hotel & Restaurant	9.45	9.76	9.29	9.92	8.85	9.24	9.30	9.55
Banking & Insurance	11.71	11.71	11.71	11.71	11.71	11.71	11.71	11.71
Real Estate, Ownership of dwelling & Business Services	1.60	1.78	1.61	1.62	1.59	1.64	1.60	1.68
Public Administration	4.19	4.46	4.11	4.49	4.11	4.00	3.76	4.34
Other Services	2.72	3.79	2.85	3.45	2.84	3.03	2.52	3.24
Tertiary	5.68	6.86	4.76	6.36	5.07	6.18	5.17	6.27
NSDP of District	6.97	8.07	5.51	9.25	5.80	6.10	7.51	7.19

Source: As in Table 6.1

Among the districts, South Garo Hills had the highest growth rate in the primary sector of around 13.32 percent with mining and quarrying being the major component with a growth rate of 26.5 percent. East Khasi Hills, however, had a low growth rate of 4.87 percent in the primary sector. The low growth rate can be accounted for by the negative growth rate of 1.78 percent in 'Mining & Quarrying' and 4.94 percent in 'Fishing'. Moreover, agriculture in this district grew by only 5.79 percent which is the lowest growth rate recorded during this period. It is noticed that 'Mining and Quarrying' recorded a high growth rate in all the districts barring East Khasi Hills. West Khasi Hills had the highest growth rate in 'Mining and Quarrying' with a growth rate of around 38 percent during the period 1993-94 to 1999-00. Fishing improved only in the Jaintia Hills with a growth rate of around 33 percent during the same period. Barring Ri Bhoi and East Khasi Hills, the other districts showed a marginal improvement in fishing of around 3 percent. 'Forestry and Logging' had a very low growth rate of around 1 percent and for the entire state it had a growth rate of only 1.17 percent. Agriculture in all the districts showed a high growth rate with Ri Bhoi district having the highest growth rate of 12.47 percent.

Secondary sector in Meghalaya had a growth rate of 7.23 percent. Construction is the major component in this sector with a growth rate of 11.65 percent. Manufacturing grew by 4.42 percent and the other component i.e. electricity, gas and water supply had a growth rate of 2.04 percent.

Among the districts the highest growth rate in the secondary sector is seen in West Khasi Hills, which had a growth rate of 10 percent. In this district the increase in growth rate in the secondary sector is mainly because of construction. Construction alone had a growth rate of 12.09 percent. South Garo Hills registered second highest growth next to West Khasi Hills with a growth rate of 8.18 percent. Construction is the major component in South Garo Hills as well with a growth rate of 10.05 percent. Jaintia Hills and East Khasi Hills had a growth rate of 7.48 and 7.39 percent, respectively. Construction in East Khasi Hills showed the highest growth rate of 13.65 percent. Similarly, in Jaintia Hills the construction had a high growth rate of 10.33 percent. Ri Bhoi had a very low growth rate in the secondary sector of about 4.87 percent. However, this district showed a remarkable improvement in manufacturing with a growth rate of 10.03 percent.

Thus, secondary sector in Meghalaya has seen a higher growth rate mainly because of construction. Manufacturing in almost all the districts barring Ri Bhoi has shown a lower growth rate. Electricity, Gas and Water supply have also shown a very low growth rate of around 2 percent in all the districts of Meghalaya.

Tertiary sector in Meghalaya showed the lowest growth rate of 6.37 percent. Banking and insurance also had a significant growth rate of 12.52 percent. The other components had an average growth rate of about 7-8 percent while business services had a low growth rate of 2.68 percent.

Ri Bhoi district showed the highest growth rate in the tertiary sector (7.03 percent), 'Banking and Insurance' having a growth rate of 11.49 percent. While the overall growth in the tertiary sector in the East Khasi Hills district in the period 1993-94 to 1999-00 was 6.24 percent, Banking and Insurance showed the highest growth rate of 13.3 percent in this district. The other districts also had a growth rate of about 6 percent with banking and insurance being the dominant component. In South Garo Hills, however, Transport, Storage and Communication had the major share in the tertiary sector with a very high growth rate of 48.37 percent.

During the period 1999-00 to 2007-08, we note from table 6.3a that the growth rate of the primary sector has declined whereas the tertiary sector maintained the same rate of growth. The secondary sector, however, accelerated with an average growth rate of 12.42 percent per annum. This is largely on account of higher growth of manufacturing and electricity, gas and water supply. The other component, construction, maintained a steady growth rate of about 11 percent per annum as during the period 1993-94 to 1999-00. Growth of manufacturing activities took place mainly in Ri Bhoi and East Garo Hills districts and to a certain extent in Jaintia Hills district.

During 1993-94 to 1999-00 we observe that the primary sector in Meghalaya had the highest growth rate followed by the secondary sector and then the tertiary sector. This goes against the theory of economic development, which states that, the secondary sector and the tertiary sector should grow at a higher rate than the primary sector. Economic development can take place when there is a marked improvement in the secondary and tertiary sectors and the growth rates of these two sectors surpass the growth rate of primary sector (Rao, 1983). However, during 1999-00 to 2007-08, the growth rate of the secondary sector has surpassed the growth rates of the other two sectors. This is a welcome development.

6.2.2 STRUCTURAL CHANGES

Along with growth in income, development is associated with changes in the structure of the growing economies. In other words, development is followed by a change in the composition of output and deployment of labour in various activities. This in turn leads to a change in the distribution of income and also in the consumption pattern of the people. Structural change along with a sustained growth over a long period signifies a progressive economy.

The broad trends in the changing composition of the domestic product in Meghalaya during 1993-94 to 1999-00 are shown in table 6.4. Table 6.4a reports the figures for the period 2000-01 to 2007-08.

Table 6.4: Structural Composition of the Net Domestic Product in the Districts of Meghalaya for the Period 1993-94 to 1999-00

(in percent)

District	Sector	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Jaintia Hills	P	49.44	51.23	48.62	49.24	48.51	53.52	51.51
	S	10.17	8.99	9.89	10.02	11.14	9.95	10.02
	T	40.39	39.78	41.49	40.74	40.35	36.54	38.47
East Khasi Hills	P	17.04	17.10	16.63	17.68	16.30	15.56	15.80
	S	14.11	13.49	13.84	14.58	15.23	15.47	15.06
	T	68.85	69.40	69.53	67.73	68.47	68.97	69.14
West Khasi Hills	P	33.18	34.85	36.27	35.93	31.48	31.13	33.05
	S	17.42	15.88	16.39	17.38	20.41	21.05	20.05
	T	49.41	49.27	47.35	46.68	48.11	47.82	46.90
Ri Bhoi	P	31.64	33.10	34.74	36.77	35.79	35.27	37.11
	S	27.39	22.58	23.15	21.99	23.91	21.90	22.49
	T	40.97	44.32	42.11	41.24	40.30	42.83	40.40
East Garo Hills	P	36.33	36.63	37.59	38.44	37.02	37.23	40.24
	S	15.29	13.70	14.75	14.91	14.98	14.66	14.14
	T	48.39	49.67	47.66	46.64	48.01	48.11	45.62
West Garo Hills	P	38.12	37.53	39.12	40.04	38.45	37.55	39.04
	S	12.41	11.63	11.93	12.10	13.21	13.10	12.54
	T	49.47	50.84	48.95	47.87	48.34	49.35	48.42
South Garo Hills	P	55.26	61.89	62.78	62.02	57.36	60.26	62.46
	S	10.24	7.91	8.09	8.58	10.70	9.53	9.01
	T	34.50	30.20	29.13	27.34	31.94	30.21	28.53
Meghalaya	P	31.60	32.77	32.88	33.61	31.73	32.70	33.28
	S	14.27	12.92	13.47	13.87	15.03	14.62	14.33
	T	54.13	54.31	53.65	52.40	53.24	52.68	52.40

Note: P- Primary Sector, S - Secondary Sector, T- Tertiary Sector.

Source: As in Table 6.1

Table 6.4a: Structural Composition of the Net Domestic Product in the Districts of Meghalaya for the Period 2000-01 to 2007-08

(in percent)

District	Sector	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
JaintiaHills	P	52.07	55.80	50.54	53.55	53.48	52.40	52.81	53.04
	S	14.85	12.87	14.39	12.54	13.02	13.83	14.69	14.64
	T	33.08	31.33	35.07	33.91	33.50	33.77	32.50	32.32
East Khasi Hills	P	15.69	15.27	15.72	17.25	17.38	15.85	15.71	15.98
	S	14.95	14.55	15.56	16.06	16.36	17.33	17.64	17.05
	T	69.36	70.18	68.71	66.69	66.27	66.82	66.65	66.97
West Khasi Hills	P	36.68	37.62	36.13	35.24	34.73	35.70	35.53	35.41
	S	19.37	18.11	18.33	17.54	18.03	18.55	19.82	19.70
	T	43.95	44.26	45.54	47.21	47.24	45.76	44.65	44.89
Ri Bhoi	P	34.02	34.89	33.21	28.97	27.24	27.50	28.33	27.11
	S	13.51	13.40	18.28	20.37	22.75	22.77	23.62	25.43
	T	52.47	51.72	48.51	50.67	50.02	49.73	48.06	47.46
East Garo Hills	P	33.90	33.56	32.81	30.56	30.55	30.37	30.37	29.83
	S	15.07	14.70	17.24	17.93	19.42	20.13	21.41	22.56
	T	51.03	51.74	49.95	51.51	50.03	49.50	48.22	47.62
West Garo Hills	P	32.47	32.04	32.34	30.96	30.80	33.37	31.18	31.19
	S	14.88	14.32	14.65	15.06	15.67	15.72	16.75	16.47
	T	52.64	53.65	53.01	53.98	53.53	50.91	52.06	52.34
South Garo Hills	P	65.49	67.09	64.41	63.40	63.84	61.52	63.83	64.06
	S	7.66	7.01	8.05	8.61	8.88	9.95	9.55	9.32
	T	26.85	25.90	27.54	27.99	27.28	28.53	26.63	26.62
Meghalaya	P	31.69	32.72	30.92	31.01	30.73	30.27	30.26	30.28
	S	14.75	13.97	15.31	15.45	16.10	16.79	17.44	17.35
	T	53.56	53.32	53.76	53.54	53.18	52.93	52.30	52.37

Note: P- Primary Sector, S - Secondary Sector, T- Tertiary Sector.

Source: As in Table 6.1

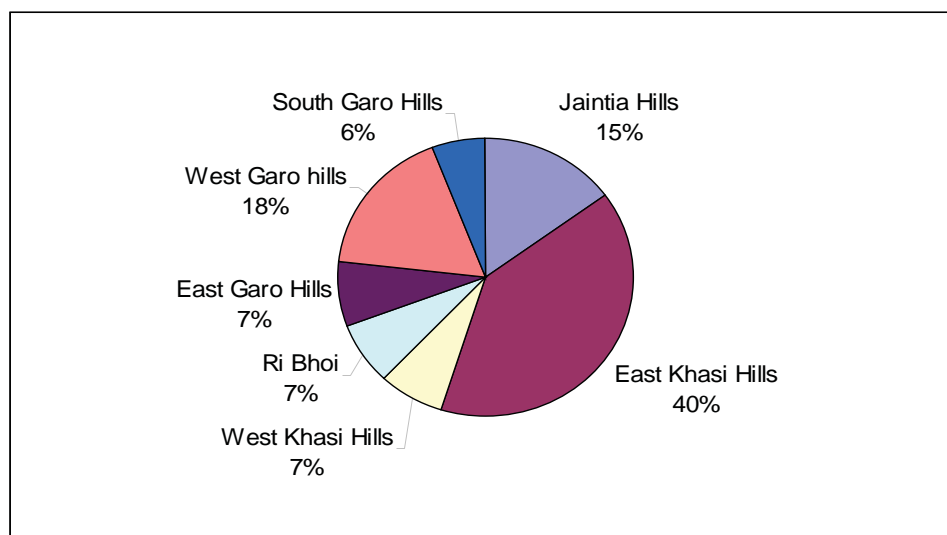
The share of the primary sector has slightly decreased in Meghalaya from 31.60 percent in 1993-94 to 30.28 percent in 2004-05. Agriculture, mining and quarrying contribute the bulk share to the primary sector. There has been an increase in the share of the primary sector in some of the districts of Meghalaya. In South Garo Hills the primary sector had the highest share at 55.26 percent in 1993-94, which further increased to 64.06 percent in 2007-08. In Jaintia Hills the share of the primary sector increased from 49.44 percent to 53.04 percent during the period 1993-94 to 2007-08. In West Khasi Hills, the share of the primary sector increased from 33.18 percent to 35.41 percent during the same period.

Figure 6.2: Change in Structural Composition of Net Domestic Product of Districts of Meghalaya, 1993-94 to 2007-08



Source: Directorate of Economics and Statistics, Shillong

Figure 6.3: Percentage Contribution of Each District to the NSDP of Meghalaya, 2007-08



Source: Directorate of Economics and Statistics, Shillong

In Ri Bhoi and East Garo Hills as well the share of primary sector increased significantly by 4 to 5 percentage points during 1993-94 to 1999-2000. West Garo Hills saw a marginal increase in the share of the primary sector during 1993-94 to 1999-2000. However, by 2007-08, the situation in these three districts has changed due to the growth in the secondary sector. The share of the primary sector was the lowest in East Khasi Hills district at 17.04 percent in 1993-94 which further declined to 15.98 percent in 2007-08.

The share of the secondary sector to the NSDP in Meghalaya increased marginally from 14.27 percent in 1993-94 to 17.35 percent in 2007-08. Among all the districts, the share of the secondary sector was the highest in Ri Bhoi district. It was 25.43 percent in 2007-08, which however came down from 27.39 percent in 1993-94. The secondary sector had the lowest share of District Domestic Product in South Garo Hills at 9.32 percent in 2007-08. The figure was 10.24 percent in 1993-94. In the other five districts, we observe an increase in the share of the secondary sector although at varying degrees. The share of the secondary sector increased by about 2 percentage points in West Khasi Hills, 4 percentage points in Jaintia Hills and West Garo Hills, by 3 percentage points in East Khasi Hills and by 7 percentage points in East Garo Hills during the period 1993-94 to 2007-08. Thus, the largest increase is seen in East Garo Hills district where almost 23 percent of the District Domestic Product came from the secondary sector in 2007-08.

The tertiary sector contributes the highest share to the NSDP of Meghalaya as is the case with the rest of the country. More than 52 percent of the NSDP came from the service sector. This percentage share has remained constant between 1993-94 and 2007-08. There are large variations across the districts. In East Khasi Hills 67 percent of the District Domestic Product came from the service sector, whereas in South Garo Hills only 27 percent was contributed by this sector.

In tables 6.5 and 6.5a, we have shown the sectoral contribution of the districts to the NSDP. The tables show the contribution of each district to the total product of the state. The tables reveal that East Khasi Hills had the highest share in the NSDP. This is to be expected considering that 29 percent of the population of Meghalaya resided in this district as per 2001 census. In 1993-94 the share of East Khasi Hills to the State Domestic Product was 38.71 percent, which increased marginally to 39.49 percent in 2007-08. East Khasi Hills had the highest share to the NSDP in all the three sectors. The district contributed 49.23 percent in 1993-94 and 50.50 percent in 2007-08 to the tertiary sector of Meghalaya. Its share in the primary sector was 20.84 percent in 2007-08 and in the secondary sector was 38.81 percent in the same year.

Jaintia Hills district, home to 13 percent of the people of Meghalaya (2001 census), contributed 15 percent to the NSDP of Meghalaya in 2007-08. It had a very high share in the primary sector of the state. This is mainly due to mining and quarrying which had a very high share in all the years under consideration. In 1993-94 the share of Jaintia Hills in the primary sector was 24.98 percent, which increased marginally to 26.5 percent in 2007-08. The district contributed 12.77 percent and 9.34 percent respectively to the output of the secondary and the tertiary sectors in 2007-08.

South Garo Hills district with a population share of 4 percent in 2001 contributed almost 6 percent to the NSDP of Meghalaya in 2007-08. The other four districts, namely West Khasi Hills, Ri Bhoi, East Garo Hills and West Garo Hills contributed smaller percentage shares to the NSDP relative to their population shares. For instance, West Khasi Hills with a population share of 13 percent (2001) contributed only 7 percent of the NSDP in 2007-08. Ri Bhoi had a population share of 8 percent and had a share of 7 percent in the NSDP. East Garo Hills with a population share of 11 percent and contributed 7.5 percent to the NSDP. West Garo Hills housed 22 percent of the people of Meghalaya in 2001 and contributed 18 percent to the NSDP in 2007-08.

Table 6.5: District-Wise Percentage Contribution to the State NSDP for the Period 1993-94 to 1999-00

Sector	District	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Primary	Jaintia Hills	24.98	25.71	25.71	19.12	19.85	28.73	25.42
	East Khasi Hills	20.87	19.97	19.97	21.26	21.06	17.70	17.58
	West Khasi Hills	9.23	9.52	9.52	10.19	9.26	8.42	7.61
	Ri Bhoi	6.71	6.40	6.40	8.00	8.53	7.00	7.61
	East Garo Hills	8.72	8.27	8.27	9.46	9.49	8.47	9.38
	West Garo hills	20.94	19.39	19.39	22.66	23.14	19.42	20.24
	South Garo Hills	8.55	10.74	10.74	9.31	8.67	10.26	10.93
	Total	100	100	100	100	100	100	100
Secondary	Jaintia Hills	11.38	11.44	11.44	12.30	12.80	11.94	11.49
	East Khasi Hills	38.29	39.94	39.94	39.20	37.75	39.37	38.92
	West Khasi Hills	10.73	11.00	11.00	13.40	14.04	12.73	10.72
	Ri Bhoi	12.86	11.07	11.07	7.37	7.96	9.71	10.72
	East Garo Hills	8.13	7.83	7.83	8.20	7.39	7.46	7.65
	West Garo hills	15.10	15.24	15.24	15.54	15.81	15.16	15.10
	South Garo Hills	3.51	3.48	3.48	3.99	4.25	3.63	3.66
	Total	100	100	100	100	100	100	100
Tertiary	Jaintia Hills	11.91	12.05	12.05	11.88	11.75	12.17	12.05
	East Khasi Hills	49.23	48.89	48.89	47.71	48.10	48.70	48.86
	West Khasi Hills	8.02	8.12	8.12	8.46	8.35	8.02	7.97
	Ri Bhoi	5.07	5.17	5.17	5.43	5.39	5.27	5.26
	East Garo Hills	6.78	6.76	6.76	6.94	6.92	6.79	6.75
	West Garo hills	15.87	15.85	15.85	16.25	16.21	15.85	15.94
	South Garo Hills	3.12	3.16	3.16	3.33	3.28	3.20	3.17
	Total	100	100	100	100	100	100	100
NSDP	Jaintia Hills	15.97	16.44	16.44	14.44	14.53	17.55	16.42
	East Khasi Hills	38.71	38.26	38.26	37.57	37.95	37.20	37.02
	West Khasi Hills	8.79	8.95	8.95	9.62	9.37	8.84	8.90
	Ri Bhoi	6.70	6.34	6.34	6.54	6.74	6.48	6.83
	East Garo Hills	7.58	7.39	7.39	7.96	7.82	7.44	7.76
	West Garo hills	17.36	16.93	16.93	18.39	18.43	16.92	17.25
	South Garo Hills	4.89	5.69	5.69	5.48	5.16	5.57	5.82
	Total	100	100	100	100	100	100	100

Source: As in Table 6.1

Table 6.5a: District-Wise Percentage Contribution to the State NSDP for the Period 2000-01 to 2007-08

Sector	District	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Primary	Jaintia Hills	25.51	28.17	24.10	26.28	25.99	25.40	26.26	26.50
	East Khasi Hills	18.84	17.37	19.59	22.05	22.73	20.83	20.52	20.84
	West Khasi Hills	9.41	9.24	9.07	8.36	8.12	8.62	8.61	8.45
	Ri Bhoi	7.13	7.14	7.70	6.38	6.18	6.31	6.65	6.48
	East Garo Hills	8.06	7.60	8.13	7.23	7.36	7.44	7.48	7.36
	West Garo hills	18.48	17.38	19.00	17.74	17.55	20.25	18.32	18.24
	South Garo Hills	12.57	13.10	12.42	11.96	12.07	11.15	12.16	12.12
	Total	100	100	100	100	100	100	100	100
Secondary	Jaintia Hills	15.64	15.21	13.85	12.35	12.08	12.08	12.67	12.77
	East Khasi Hills	38.55	38.75	39.16	41.21	40.83	41.08	39.99	38.81
	West Khasi Hills	10.68	10.42	9.29	8.35	8.05	8.07	8.33	8.21
	Ri Bhoi	6.09	6.42	8.56	9.00	9.85	9.42	9.62	10.60
	East Garo Hills	7.69	7.80	8.62	8.51	8.94	8.89	9.15	9.72
	West Garo hills	18.19	18.19	17.38	17.32	17.05	17.19	17.07	16.81
	South Garo Hills	3.16	3.21	3.13	3.26	3.20	3.25	3.16	3.08
	Total	100	100	100	100	100	100	100	100
Tertiary	Jaintia Hills	9.59	9.70	9.62	9.64	9.41	9.36	9.35	9.34
	East Khasi Hills	49.27	48.98	49.25	49.38	50.08	50.24	50.37	50.50
	West Khasi Hills	6.67	6.67	6.58	6.49	6.39	6.32	6.26	6.20
	Ri Bhoi	6.51	6.49	6.47	6.46	6.56	6.53	6.53	6.56
	East Garo Hills	7.18	7.19	7.12	7.06	6.97	6.94	6.87	6.80
	West Garo hills	17.73	17.86	17.92	17.91	17.62	17.66	17.69	17.70
	South Garo Hills	3.05	3.10	3.05	3.06	2.98	2.96	2.94	2.91
	Total	100	100	100	100	100	100	100	100
NSDP	Jaintia Hills	15.53	16.51	14.74	15.22	14.93	14.67	15.05	15.13
	East Khasi Hills	38.04	37.21	38.53	39.64	40.19	39.80	39.52	39.49
	West Khasi Hills	8.13	8.03	7.76	7.36	7.19	7.31	7.33	7.23
	Ri Bhoi	6.65	6.70	7.17	6.83	6.97	6.95	7.10	7.23
	East Garo Hills	7.53	7.41	7.66	7.34	7.41	7.42	7.45	7.48
	West Garo hills	18.03	17.75	18.17	17.77	17.51	18.37	17.77	17.71
	South Garo Hills	6.08	6.39	5.96	5.85	5.81	5.49	5.77	5.73
	Total	100	100	100	100	100	100	100	100

Source: As in Table 6.1

Thus, in Meghalaya the service sector is the dominant sector since more than 52 percent of the NSDP came from this sector. However, more than 50 percent of the output of this sector came from East Khasi Hills District. West Garo Hills contributed 18 percent. The two major towns, namely Shillong and Tura, are located in these districts and various economic activities in the service sector are urban based. Therefore, one measure to increase economic growth and productivity is urbanization or rather Providing Urban amenities and services in the Rural Areas. This is also known as the PURA model advocated by former President Dr. A. P. J. Abdul Kalam.

6.3 Employment

6.3.1 WORK FORCE PARTICIPATION RATE

Labour being a primary factor of production, the size of the labour force is of great importance in determining the level of economic activity in any country. The level of employment, its composition and the growth in employment opportunities is a critical indicator of the process of development in any economy. It is also an indicator that, in most cases, directly captures the economic attainments and hence the level of well being of individuals (National Human Development Report, 2001).

The 1981 census defined worker as a person whose main activity is participation in any economically productive work by his physical or mental activity. Work involves not only actual work but also effective supervision and direction of work. The census classifies workers into main and marginal workers. Main workers are those who work for major part of the year, i.e. 6 months or more, while marginal workers are as those who do not work for major part of the year i.e. they work for less than 6 months. Here we have considered the total workers including main and marginal workers.

The term labour force or 'economically active' population refers to the population, which supplies or seeks to supply labour for production and therefore, includes both employed and unemployed. Work Participation rate refers to the number of persons usually employed. Unemployment rate on the other hand refers to the number of persons who are seeking or are available for work out of the total labour force.

The adoption in 1991 and 2001 census of almost the same definition and concept of workers (main and marginal) of 1981 census has rendered the direct comparison of the results possible. Table 6.6 reports the work force participation rate in the different districts of Meghalaya in 1981, 1991 and 2001.

Table 6.6: Work Force Participation Rate in the Different Districts of Meghalaya in 1981, 1991 and 2001

(in percent)

Year	Districts	Total			Rural			Urban		
		Persons	Males	Females	Persons	Males	Females	Persons	Males	Females
1981	Jaintia Hills	49.36	55.90	42.67	50.61	56.76	44.31	35.49	46.30	24.60
	East Khasi Hills	41.62	52.44	30.17	46.41	54.88	37.66	32.85	48.11	16.04
	West Khasi Hills	51.24	54.05	48.28	51.48	54.05	48.79	41.55	54.23	25.60
	East Garo Hills	45.59	52.36	38.40	45.94	52.50	39.02	34.76	48.37	17.12
	West Garo Hills	48.21	55.85	40.29	50.44	57.25	43.44	29.55	44.62	12.56
	Meghalaya	45.92	54.12	37.49	48.85	55.09	42.05	32.63	61.66	16.12
1991	Jaintia Hills	46.44	52.65	40.05	47.66	53.64	41.50	34.62	43.04	25.98
	East Khasi Hills	39.20	49.70	28.11	42.43	50.63	33.97	33.14	48.03	16.70
	West Khasi Hills	43.82	47.46	40.00	44.67	47.93	41.23	31.70	40.68	22.15
	East Garo Hills	44.09	48.66	39.32	44.97	49.19	40.60	31.17	41.32	19.57
	West Garo Hills	44.66	51.15	37.90	46.68	52.46	40.70	28.04	40.72	14.00
	Meghalaya	43.06	49.09	36.69	45.95	50.63	41.07	30.47	42.59	17.06
2001	Jaintia Hills	42.42	47.95	36.86	43.56	49.01	38.06	29.95	36.00	24.16
	East Khasi Hills	38.82	48.54	28.92	43.15	50.56	35.53	32.85	45.71	19.88
	West Khasi Hills	43.61	46.36	40.76	44.96	47.33	42.50	33.39	38.96	27.73
	East Garo Hills	44.69	47.97	41.30	46.19	48.74	43.55	35.77	43.44	27.73
	West Garo Hills	40.19	47.80	32.34	41.78	48.77	34.57	27.86	40.27	14.83
	South Garo Hills	47.38	50.94	43.61	48.27	51.07	45.32	37.90	49.57	24.58
	Ri Bhoi	46.38	51.79	40.62	47.12	52.31	41.60	36.21	44.63	27.35
	Meghalaya	41.84	48.34	35.15	44.11	49.43	38.62	32.51	43.82	20.98

Source: Census of India, 1981, 1991 and 2001.

In 1981 the total work force participation rate in the rural and urban areas was 54.12 percent for men and 37.49 percent for women, respectively. The female participation rate was relatively less than the male participation rate. Again, we observe that the rural work force participation was higher in relation to the urban work force participation. For instance the rural work force participation in Meghalaya in 1981 was 48.85 percent and urban work force participation was 32.63 percent. The female workers in the urban sector were lower than the female workers in the rural sector i.e. 16.12 percent of the women in the urban areas were in the workforce while 42.05 percent of the women in the rural areas were in the work force.

This picture is seen in all the districts of Meghalaya. West Khasi Hills with the highest rate of work force participation of about 51.24 percent also shows the similar difference in men and women participation in the work force. The male work force participation in this district was 54.05 percent and female work force participation was 48.79 percent i.e. a difference of 3 percentage points. However, the difference is seen to be the least in West Khasi Hills. The other districts had a difference of about 14-15 percentage points in male and female participation in the work force.

We also observe here that the Work Force Participation Rates of rural women were higher than that of urban women. This gap is wider in East Khasi Hills, East Garo Hills and West Garo Hills. The difference in these districts in the women participation in the rural and urban areas was that of 29-30 percentage points. The difference exists in the other districts like Jaintia Hills and West Khasi Hills also but the urban participation in these two districts is marginally higher. In Jaintia Hills the difference in women participation in the rural and urban areas was that of 20-percentage points while in West Khasi Hills it was 23 percentage points.

In 1991 the work force participation rate in Meghalaya was 42.67 percent, with 50.07 percent of males and 34.93 percent of females being in the work force. Accordingly, the rural participation in the workforce was 45.04 percent and urban participation was 32.3 percent for both males and females taken together. A difference in male and female work participation as well as rural and urban work participation rate is apparent in this period as well. This difference between male and female participation in the work force is evident in all the districts of Meghalaya, which we have noticed in 1981 as well. The difference is, however, wider in districts like East Khasi Hills and West Garo Hills.

In 2001, 41.8 percent of the population was reported as workers, 48.3 percent being male workers and 35.1 percent being female workers, i.e., a difference of 13 percentage points. In 1981 there was a difference of 16 percentage points. This implies that the gender disparity continued even in 2001 but it narrowed down significantly. Similarly, the rural and urban difference that we have seen earlier has also narrowed down in 2001. For instance, 44.1 percent of the population in the rural areas and 32.5 percent of the population in the urban areas was in the work force, i.e., a difference of 11 percentage points as against a difference of 13 percentage points in 1981.

Among the districts, South Garo Hills had the largest work force participation rate with 47.4 percent workers. The male participation in the workforce was 50.9 percent and female participation in the workforce was 43.6 percent. The gender disparity and the difference in rural and urban participation in all the districts of Meghalaya are clearly evident.

Comparative analysis of the three census periods i.e., 1981, 1991 and 2001 shows a declining trend in the work force participation rate. The work force participation rate was 45.92 percent in 1981 and it declined to 41.8 percent in 2001. The decline in the work force participation rate is more perceptible in the rural areas where it declined from 48.85 percent in 1981 to 44.1 percent in 2001. The urban work force participation hovered around 32 percent. In case of male participation in the work force there has been a consistent decline from 54.35 percent in 1981 to 50.07 in 1991 and finally to 48.3 percent in

2001. The fall during this period is conspicuous both in the rural areas as well as in the urban areas. In the rural areas the male work force participation declined from 55.65 percent in 1981 to 50.6 percent in 2001 while in the urban areas it declined from 49.14 percent in 1981 to 45.7 percent in 2001. The work force participation rate for females showed an increasing trend in the urban areas. During 1981-2001 the female work participation rate increased from 16.12 percent in 1981 to 21.2 percent in 2001 while in the rural areas there has been a slight decline from 42.05 percent to 38.6. This explains narrowing down the disparity among male and female participation in the work force.

Similar trend is pictured in all the districts of Meghalaya. The decline in work force participation is more obvious in the rural areas than in the urban areas. In Jaintia Hills there is a significant decline in work force participation rate from 49.36 in 1981 to 42.4 percent in 2001. This decline in work participation rate is evident for both males and females. For example, there is a decline of 7 percentage points in case of males and 6 percentage points in case of females during the same period. Similarly, there is a decline of about 2 percentage points in rural and urban work participation.

In East Khasi Hills there is a decline in the work force participation rate of males by one percentage point but there is a significant increase in the female workforce participation rate by about 10 percentage points in the period 1981-2001. Again, in this district there has been a decline in the rural participation rate from 46.41 percent in 1981 to 43.1 percent in 2001. However, the urban participation remained constant at around 32.85 percent in 1981 to 32.8 percent in 2001.

In West Khasi Hills the work force participation of both males and females declined by about 8-9 percentage points in the same period. The decline is evident in both the rural and urban sector. In the rural areas it declined from 51.48 in 1981 to 45 percent in 2001 and in the urban areas it declined from 41.55 percent in 1981 to 33.4 percent in 2001.

In East Garo Hills we find that the male work force participation rate declined by 4 percentage points. However, the female workforce participation rate increased by 2 percentage points. There has also been an increase in the work force participation in both the rural and urban sector from 45.59 and 34.76 percent respectively in 1981 to 46.2 and 35.8 in 2001. Similarly, in West Garo Hills the work force participation of both males and females declined by 4-5 percentage points. The work force participation in the rural and urban areas declined from 50.44 and 29.55 percent respectively in 1981 to 41.8 and 27.9 percent in 2001.

Thus, we find that the workforce participation rate declined for most of the districts. The decline in work force participation is more perceptible in case of males. The female participation rate has also declined barring few districts like East Khasi Hills and East Garo Hills. Therefore, the gender disparity in work participation, which we have noticed in all the three periods, has narrowed down gradually in 2001.

Table 6.7 reports the work force participation rate in all the northeastern states of India and the whole of India according to the 2001 census. Interestingly most of the northeastern states, barring Assam and Tripura have a much higher work force participation rate than the all India work force participation rate. Mizoram have the highest work force participation rate (52.57 percent) of all the northeastern states in India. About 57 percent of the men and 47 percent of the women are in the work force. Similarly Arunachal Pradesh and Nagaland also have a very high work force participation rate. The work force participation rate in Meghalaya is around 42 percent which is little lower than the above mentioned states but much higher than that of the all India work force participation rate (39.10 percent). A noteworthy feature of the northeastern states is that the female work force participation in this region is very high. Compared to 26 percent of the female workforce participation rate in India most of the northeastern states have higher than 35 percent female participation in the work force. However, Assam and Tripura stand much below the average where the work force participation rate is only 21 percent.

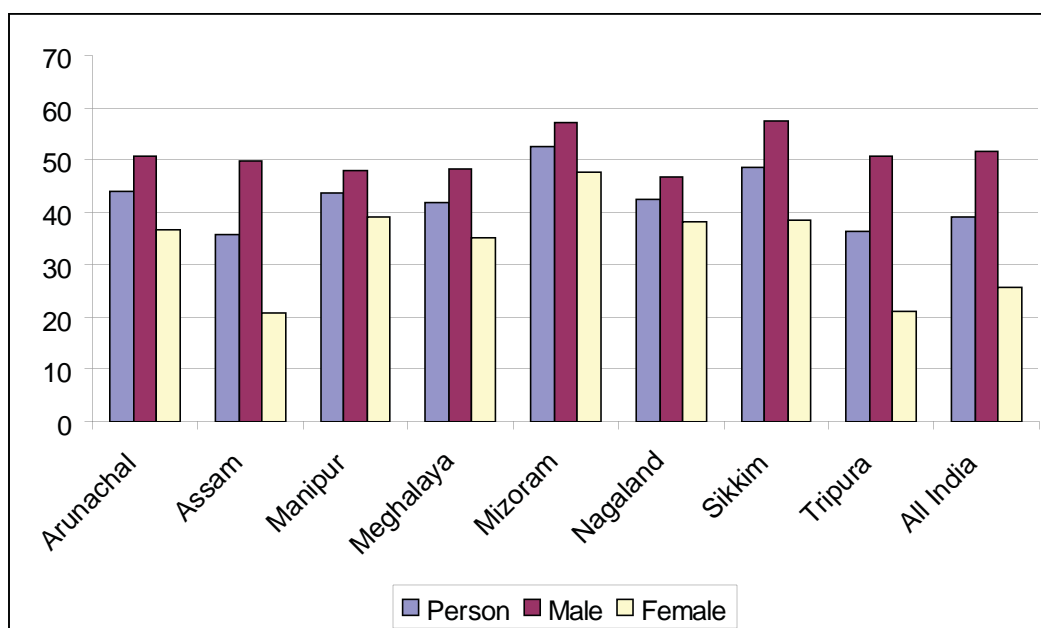
Table 6.7: Work Force Participation Rate in the North Eastern States of India in 2001

States	Total			Rural			Urban		
	Person	Male	Female	Person	Male	Female	Person	Male	Female
Arunachal Pradesh	43.98	50.63	36.54	46.20	50.66	41.33	35.50	50.53	17.15
Assam	35.78	49.87	20.71	36.17	49.41	22.15	33.20	52.90	10.61
Manipur	43.62	48.12	39.02	45.45	49.25	41.53	38.57	44.94	32.25
Meghalaya	41.84	48.34	35.15	44.11	49.43	38.62	32.51	43.82	20.98
Mizoram	52.57	57.29	47.54	57.21	59.66	54.55	47.87	54.84	40.52
Nagaland	42.60	46.70	38.06	45.01	47.32	42.48	31.03	43.81	15.61
Sikkim	48.64	57.44	38.57	49.69	57.69	40.60	40.16	55.51	21.67
Tripura	36.25	50.62	21.08	37.03	50.42	22.87	32.45	51.64	12.45
All India	39.10	51.68	25.63	41.75	52.11	30.79	32.25	50.60	11.88

Source: Census of India, 2001

Classification of the workforce participation rate by place of residence shows that the rural work force participation for both males and females is significantly higher. For instance, in Meghalaya, the rural work force participation rate is 44 percent as against 42 percent in rural India. All the tribal dominated NE states exhibit higher rural work participation rates. Further, the difference in the work force participation rate in these states compared to the all India figures is mainly evident in the female work force participation rate. For instance the female work force participation rate in the rural India is only 31 percent while in rural Meghalaya it is about 39 percent.

Figure 6.4: Work Force Participation Rate in the North Eastern States of India (2001 Census)



Source: Census of India, 2001

On the other hand, the urban work force participation rates are lower. Mizoram with 48 percent has the highest urban workforce participation rate. In Meghalaya it is 32.5, more or less at the same level with the All India rate. However, female participation in the workforce in the urban areas of Meghalaya is significantly higher than the all India level.

As already mentioned, the Census classified workers as main and marginal workers. Main workers are those who had worked for the major part of the year i.e. 6 months or more while marginal workers are those who had not worked for major part of the year i.e. less than 6 months. Table 6.8 reports the distribution of main and marginal workers in the different districts of Meghalaya by gender and place of residence for the year 2001.

In 2001, out of the total working population, 78.03 percent of the workers were main workers while 21.97 percent were marginal workers. The proportion of marginal workers in the rural and urban sector was 23.83 percent and 11.61 percent, respectively. Also the female marginal workers were found to be more than the male marginal workers. For example, 34.21 and 19.22 percent females in the rural and urban sectors, respectively, were marginal workers while the corresponding proportion for male marginal workers was 15.96 and 8.03 percent, respectively. Interestingly, the percentage of main workers out of the total working population has declined significantly since 1981. In 1981, 94.58 and 5.42 percent of the workers were main and marginal workers, respectively while in 2001 the proportion of main workers declined to 78.03 percent and the proportion of marginal workers increased to 21.97 percent. This is apparent in all the districts in Meghalaya. This implies that underemployment may be on the rise. However, the issue needs further investigation.

Table 6.8: Distribution of Total workers into Main and Marginal Workers in Different Districts of Meghalaya in 2001

(in percent)

District	Sector	Main Workers			Marginal Workers		
		Persons	Males	Females	Persons	Males	Females
Jaintia Hills	Total	75.38	82.67	65.84	24.62	17.33	34.16
	Rural	74.16	81.89	64.12	25.84	18.11	35.88
	Urban	94.68	94.61	94.79	5.32	5.39	5.21
East Khasi Hills	Total	85.43	89.93	77.74	14.57	10.07	22.26
	Rural	80.77	86.45	72.47	19.23	13.55	27.53
	Urban	93.88	95.30	90.60	6.12	4.70	9.40
West Khasi Hills	Total	75.75	80.08	70.65	24.25	19.92	29.35
	Rural	76.47	80.40	71.93	23.53	19.60	28.07
	Urban	68.40	77.08	56.02	31.60	22.92	43.98
East Garo Hills	Total	70.37	82.09	56.26	29.63	17.91	43.74
	Rural	70.56	82.31	56.98	29.44	17.69	43.02
	Urban	68.83	80.64	49.41	31.17	19.36	50.59
West Garo Hills	Total	78.23	86.68	65.34	21.77	13.32	34.66
	Rural	77.21	86.02	64.39	22.79	13.98	35.61
	Urban	90.21	92.85	82.68	9.79	7.15	17.32
South Garo Hills	Total	65.52	77.21	51.03	34.48	22.79	48.97
	Rural	65.25	76.92	51.39	34.75	23.08	48.61
	Urban	69.17	80.30	43.55	30.83	19.70	56.45
Ri Bhoi	Total	79.68	87.57	68.99	20.32	12.43	31.01
	Rural	79.58	87.64	68.81	20.42	12.36	31.19
	Urban	81.33	86.40	72.62	18.67	13.60	27.38
Meghalaya	Total	78.03	85.44	67.55	21.97	14.56	32.45
	Rural	76.17	84.04	65.79	23.83	15.96	34.21
	Urban	88.39	91.97	80.78	11.61	8.03	19.22

Source: Census of India, 2001

6.3.2 INDUSTRIAL CLASSIFICATION OF WORKERS

The occupational structure of a country refers to the distribution or division of its population according to different occupations. Economic development is closely associated with the change in the occupational structure of a country.

The Census classified the main and marginal workers into four broad categories. For purposes of the census, a person is classified as cultivator if he or she is engaged in cultivation of land owned or held from Government or held from private persons or institutions for payment in money, kind or share. A person who works on another person's land for wages in money or kind or share is regarded as agricultural labourers. Household Industry is defined as an industry conducted by one or more members of the household at home or within the village in rural areas and only within the precincts of the house where the household lives in urban areas. The type of workers that come under this category of 'OW' include all government servants, municipal employees, teachers, factory workers, plantation workers, those engaged in trade, commerce, business, transport banking, mining, construction, political or social work, priests, entertainment artists, etc.

Table 6.9 reports the industrial classification of the main workers into the above-mentioned four broad categories according to the 1981 census. Meghalaya being an agrarian economy, majority of the main and marginal workers are seen to be cultivators. According to the 1981 census, 62.57 percent of the main workers in Meghalaya were cultivators. In the rural sector 71.8 percent of the workers were cultivators. In the urban areas the dominant group was 'other workers' where 9.7 percent of working population were categorized in this group. Women in the rural areas work mainly as cultivators and their proportion is higher than that of men. For instance, in 1981, 76.34 percent of the females in the rural sector were cultivator as against 68.82 percent of males. The proportion of cultivators in the rural sector was highest in West Khasi Hills with 90.12 percent of the workers working as cultivators. East Garo Hills and West Garo Hills followed West Khasi Hills with 81.57 percent and 80.98 percent of the workers being cultivators. The proportion of agricultural labourers in East Khasi Hills was the highest (11.89 percent) followed by Jaintia Hills (11.47 percent). The proportion of workers in the household industry was very low for all the districts in Meghalaya. In the urban areas, workers were mostly categorized as 'other workers'.

Table 6.10 pictures a similar industrial classification of main workers into four broad categories according to the 2001 census. In 2001 the proportion of cultivator declined to 50.24 percent from 62.57 percent in 1981. The shift has been mainly towards the 'other workers' where the proportion of workers has increased significantly from 26.62 percent in 1981 to 35.38 percent in 2001. In the rural areas a very high proportion of the workers are cultivators while in the urban areas the workers are mainly classified as 'other workers'. In the rural sector 60.03 percent of the workers were cultivators while in the urban sector 92.8 percent of the workers were categorized as 'other workers'. The proportion of cultivators has declined notably for all the districts in Meghalaya while the proportion of agricultural labourers has increased significantly.

Table 6.9: Industrial classification of Main workers in 1981

Districts	Sector	Cultivators			Agricultural Labourers			Household industry-manufacturing, processing, servicing & repairs			Other workers		
		Person	Male	Female	Person	Male	Female	Person	Male	Female	Person	Male	Female
Jaintia Hills	Total	66.33	64.15	69.32	11.47	9.28	14.47	0.62	0.56	0.71	21.57	26.01	15.50
	Rural	70.51	68.75	72.86	12.15	9.89	15.18	0.45	0.36	0.59	16.89	21.01	11.38
	Urban	1.00	1.13	0.76	0.89	1.00	0.70	3.25	3.33	3.10	94.85	94.53	95.45
East Khasi Hills	Total	35.85	31.55	44.11	11.89	11.04	13.51	1.36	0.99	2.07	50.90	56.41	40.31
	Rural	49.39	46.56	53.88	15.74	15.58	15.99	1.31	0.79	2.12	33.57	37.08	28.02
	Urban	1.45	1.29	2.00	2.12	1.90	2.85	1.51	1.40	1.85	94.92	95.40	93.30
West Khasi Hills	Total	88.92	85.54	93.03	5.22	5.75	4.57	0.15	0.16	0.14	5.71	8.55	2.26
	Rural	90.12	87.33	93.47	5.23	5.76	4.56	0.09	0.07	0.11	4.57	6.84	1.85
	Urban	29.96	20.05	56.52	4.91	4.78	5.26	3.23	3.58	2.29	61.90	71.59	35.93
East Garo Hills	Total	81.57	78.00	88.11	7.07	6.60	7.92	0.56	0.46	0.73	10.81	14.93	3.24
	Rural	83.39	80.33	88.90	6.82	6.45	7.48	0.51	0.39	0.72	9.28	12.83	2.89
	Urban	14.75	9.31	36.43	16.13	11.03	36.43	2.34	2.59	1.37	66.78	77.07	25.77
West Garo Hills	Total	75.65	71.24	83.47	10.19	9.88	10.73	0.70	0.82	0.51	13.46	18.07	5.29
	Rural	80.98	77.89	86.15	10.67	10.54	10.89	0.67	0.79	0.48	7.68	10.78	2.49
	Urban	6.43	4.44	15.16	3.95	3.31	6.81	1.08	1.04	1.26	88.53	91.21	76.77
Meghalaya	Total	62.57	57.83	70.49	9.98	9.42	10.91	0.84	0.74	1.01	26.62	32.01	17.59
	Rural	71.80	68.82	76.34	11.12	10.83	11.55	0.72	0.58	0.93	16.36	19.77	11.18
	Urban	3.00	2.29	5.36	2.64	2.31	3.74	1.60	1.51	1.89	92.77	93.89	89.02

Source: Census of India, 1981

The proportion of cultivators is highest in East Garo Hills with 66.79 percent of males and 77.52 percent of females being cultivators. West Khasi Hills is next in the row with 62.51 percent and 73.11 percent of males and females of the total workers being cultivators. The proportion of agricultural labourers is again higher in Jaintia Hills with 16.39 percent of the males and 20.23 percent of females being agricultural labourers. In the urban sector, in all the districts of Meghalaya, the major proportion of the workers is 'other workers'.

Table 6.11 shows the industrial classification of marginal workers into four broad categories according to the 2001 census. A significant proportion of the marginal workers are seen as agricultural labourers and cultivators. In 2001, 40.67 percent of the marginal workers were cultivators and 36.01 percent of the workers are agricultural labourers. In all the districts majority of the marginal workers in the rural areas work as agricultural labourers while in the urban areas majority of them are 'other workers'. A very small proportion of the marginal workers are engaged in the household industry. However, the proportion of marginal workers in this category is higher than that of the main workers.

Thus, we see that a very large proportion of the marginal workers working as agricultural labourers indicates prevalence of large-scale underemployment in agriculture and consequently of low per capita labour productivity and prevalence of widespread poverty. **There is no significant change in the occupational structure in the state since 1981.** The Cultivators continue to dominate the rural structure while in the urban sector the major proportions of the workers are classified as 'other workers'.

Table 6.10: Industrial Classification of Main Workers (2001 census)

Districts	Sector	Cultivators			Agricultural Labourers			Household industry-manufacturing, processing, servicing & repairs			Other workers		
		Person	Male	Female	Person	Male	Female	Person	Male	Female	Person	Male	Female
Jaintia Hills	T	54.62	56.41	51.69	17.85	16.39	20.23	1.99	1.82	2.27	25.54	25.37	25.81
	R	58.97	60.65	56.19	19.27	17.62	22.00	2.11	1.91	2.43	19.65	19.82	19.38
	U	0.42	0.38	0.48	0.14	0.14	0.14	0.56	0.60	0.51	98.87	98.87	98.87
East Khasi Hills	T	24.14	20.89	30.57	10.24	10.10	10.53	1.41	1.26	1.70	64.21	67.76	57.20
	R	39.44	35.66	46.02	16.53	17.06	15.62	1.44	1.14	1.96	42.59	46.15	36.40
	U	0.29	0.26	0.37	0.43	0.37	0.57	1.36	1.43	1.20	97.92	97.94	97.86
West Khasi Hills	T	67.06	62.51	73.11	15.49	16.02	14.79	1.42	1.44	1.39	16.03	20.03	10.70
	R	71.81	67.78	77.01	15.74	16.52	14.74	1.37	1.33	1.42	11.07	14.37	6.83
	U	12.97	11.57	15.72	12.63	11.12	15.60	1.99	2.52	0.94	72.41	74.79	67.74
South Garo Hills	T	63.07	56.03	76.27	9.17	9.06	9.39	1.81	1.94	1.58	25.95	32.97	12.76
	R	67.87	61.41	79.36	9.79	9.84	9.68	1.80	1.91	1.60	20.55	26.83	9.36
	U	1.41	1.42	1.39	1.32	1.09	2.31	1.99	2.18	1.16	95.28	95.31	95.14
Ri Bhoi	T	59.23	54.45	67.45	14.82	14.73	14.96	1.36	1.41	1.27	24.59	29.40	16.31
	R	61.17	56.38	69.33	14.40	14.33	14.53	1.37	1.41	1.30	23.06	27.88	14.83
	U	25.53	22.96	30.80	22.00	21.34	23.35	1.24	1.54	0.63	51.22	54.17	45.22
East Garo Hills	T	70.69	66.79	77.52	8.81	9.14	8.24	1.86	1.27	2.90	18.64	22.80	11.33
	R	77.29	74.33	82.23	8.65	9.18	7.77	1.78	1.18	2.79	12.28	15.31	7.21
	U	18.44	15.56	26.16	10.08	8.84	13.41	2.49	1.86	4.16	69.00	73.74	56.27
West Garo Hills	T	56.39	51.49	66.34	12.21	12.58	11.46	2.78	1.92	4.54	28.62	34.02	17.67
	R	61.86	57.25	70.83	13.33	13.94	12.14	2.92	2.03	4.65	21.89	26.78	12.38
	U	1.73	1.58	2.24	0.96	0.75	1.64	1.39	0.90	2.95	95.91	96.77	93.17
Meghalaya	T	50.24	46.23	57.41	12.54	12.39	12.81	1.84	1.54	2.37	35.38	39.84	27.41
	R	60.03	56.43	66.11	14.63	14.78	14.37	1.92	1.56	2.52	23.42	27.23	17.00
	U	3.23	2.80	4.27	2.52	2.21	3.28	1.44	1.44	1.46	92.80	93.55	90.99

Source: Census of India, 2001

Table 6.11: Industrial Classification of Marginal Workers (2001 census)

Districts	Sector	Cultivators			Agricultural Labourers			Household industry-manufacturing, processing, servicing & repairs			Other workers		
		Person	Male	Female	Person	Male	Female	Person	Male	Female	Person	Male	Female
Jaintia Hills	T	24.14	18.71	27.74	61.54	62.59	60.84	2.41	1.69	2.89	11.91	17.00	8.53
	R	24.45	19.07	27.98	62.31	63.76	61.36	2.39	1.64	2.88	10.85	15.53	7.78
	U	0.25	0.42	0.00	1.75	2.52	0.62	4.26	4.62	3.73	93.73	92.44	95.65
East Khasi Hills	T	19.59	16.58	21.91	33.71	33.43	33.93	2.98	1.40	4.20	43.72	48.59	39.95
	R	22.91	20.21	24.85	39.32	40.63	38.37	2.67	0.91	3.94	35.10	38.25	32.83
	U	0.66	0.47	0.89	1.77	1.47	2.13	4.73	3.57	6.08	92.83	94.49	90.91
West Khasi Hills	T	38.83	36.80	40.44	47.85	49.91	46.21	1.97	1.89	2.04	11.35	11.40	11.31
	R	41.95	40.22	43.34	46.46	47.55	45.59	2.12	2.04	2.19	9.46	10.19	8.88
	U	15.15	9.70	19.21	58.38	68.59	50.79	0.85	0.77	0.91	25.62	20.94	29.10
South Garo Hills	T	57.58	51.62	61.02	19.09	19.63	18.79	2.24	2.10	2.32	21.08	26.65	17.87
	R	61.10	55.31	64.36	20.28	21.05	19.84	2.34	2.22	2.41	16.28	21.42	13.39
	U	3.66	5.78	1.96	0.99	2.00	0.18	0.69	0.67	0.71	94.65	91.56	97.14
Ri Bhoi	T	46.55	45.37	47.20	32.48	32.49	32.48	3.63	3.08	3.93	17.33	19.06	16.39
	R	47.31	46.59	47.68	32.12	31.99	32.19	3.73	3.09	4.06	16.85	18.33	16.06
	U	31.99	27.56	35.76	39.51	39.76	39.29	1.80	2.93	0.83	26.71	29.76	24.12
East Garo Hills	T	61.27	60.23	61.78	20.01	21.43	19.31	5.22	2.95	6.34	13.50	15.39	12.57
	R	65.15	64.77	65.33	18.84	20.98	17.82	5.13	2.74	6.27	10.88	11.51	10.58
	U	32.94	32.60	33.16	28.55	24.19	31.29	5.89	4.20	6.96	32.62	39.00	28.60
West Garo Hills	T	47.13	45.96	47.83	31.43	29.30	32.68	4.54	3.18	5.34	16.90	21.57	14.16
	R	48.78	48.37	49.01	32.49	30.86	33.43	4.60	3.24	5.37	14.13	17.52	12.18
	U	2.36	1.72	3.11	2.49	0.80	4.47	2.86	1.95	3.92	92.29	95.52	88.50
Meghalaya	T	40.67	36.80	43.14	36.01	37.08	35.34	3.43	2.27	4.16	19.89	23.85	17.37
	R	43.07	39.67	45.17	37.23	38.84	36.24	3.41	2.21	4.15	16.28	19.27	14.44
	U	13.24	10.22	15.93	22.06	20.72	23.26	3.60	2.81	4.30	61.10	66.25	56.51

Source: Census of India, 2001

6.3.3 CHILD LABOUR

A child is classified as labourer if the child is in the age group 5-14 years and is 'economically active'. In India, despite acceptance of international standards and commitments on restricting the use of child labour, the existence of a national child labour policy, wide-spread national and state level laws and regulations, millions of children are engaged in work, often under hardship or hazardous conditions. It deprives them of their childhood and their dignity and is detrimental to their health, education, and more importantly, in developing capabilities and availing opportunities as normal individuals in the society.

The problem of child labour is also widespread in Meghalaya. The statistics on child labourers in Meghalaya shows that the problem of child labour in Meghalaya cannot be ignored. Table 6.12 reports the proportion of children working in Meghalaya as well as in the seven districts by gender and place of residence in 1991.

Table 6.12: Percentage of Child Labourers in the Different Districts of Meghalaya in 1991

Districts	Total			Rural			Urban		
	Person	Male	Female	Person	Male	Female	Person	Male	Female
Jaintia Hills	10.48	12.88	8.12	11.21	13.92	8.53	2.89	2.00	3.77
East Khasi Hills	4.80	5.46	4.13	6.37	7.32	5.40	1.33	1.32	1.34
West Khasi Hills	8.36	9.12	7.59	8.84	9.63	8.02	1.66	1.65	1.67
East Garo Hills	8.52	9.15	7.90	9.03	9.69	8.37	0.84	0.91	0.76
West Garo Hills	8.52	9.00	8.02	9.33	9.84	8.81	1.59	1.69	1.50
Meghalaya	7.39	8.23	6.54	8.59	9.59	7.57	1.48	1.43	1.52

Source: Census of India, 1991

Clearly, the proportion of children working in the rural areas was more than that in the urban areas. According to the 1991 census, 8.59 percent of the children in rural sector were working. The proportion of male child labourers was again higher than the female child labourers. This is, because, a significant proportion of girl children is found to be 'no-where' children, i.e. they neither go to school nor seen in the labour market as they are more engaged in the household duty or, in other words, engaged in non-wage work.

The proportion of child labourers in Jaintia Hills was high in comparison to the other districts of Meghalaya. In 1991 the percentage of child labourers in Jaintia Hills was 10.48 percent with 12.88 percent being male children and 8.12 percent being female children. This is followed by West Garo Hills and East Garo Hills with 8.52 percent child labourers in both the district. The proportion of boy and girl child labourers in West Garo Hills was 9 and 8.02 percent, respectively. The corresponding proportion in East Garo Hills was 9.69 and 8.37 percent, respectively. In West Khasi Hills, 8.36 percent of the children were labourers with 9.12 percent being boys and 7.59 percent being girls. The proportion of child labourers is least in East Khasi Hills, i.e., 4.8 percent out of which 5.46 percent were boys and 4.13 percent were girls. The proportion of child labour was high in the rural sector in all the districts of Meghalaya. Jaintia Hills reports the largest proportion of child labour both in the rural as well as in the urban sector. In the rural sector, 13.92 percent of boys and 8.53 percent of girls were reportedly child labourers. In the urban sector, 2 percent and 3.77 percent of girls and boys, respectively were workers

in the district. East Khasi Hills reports the lowest proportion of child labourers in the rural sector. Similarly, in the urban sector the proportion of child labour was very low in East Garo Hills where only 0.84 percent of the children were workers, 0.91 percent of them being boys and 0.76 percent being girls.

The Institute of Applied Manpower Research (IAMR), New Delhi conducted a survey in the entire NE region in 2003. The study entitled "Benchmarking Human Development in North Eastern Region of India" aimed at building a database at the sub-state level related to employment and unemployment, human development and development options for the state. The survey found that 4 percent of workers in the rural areas of Meghalaya are below 15 years. The corresponding figure in the urban areas (Shillong and Nongstoin) is 1.1 percent. In rural areas, highest incidence of child labour is found in West Khasi Hills (9.14 percent) followed by Jaintia Hills (7.6 percent). The other districts of East Khasi Hills (2.9 percent), West Garo Hills (2.8 percent), Ri Bhoi (2.6 percent), East Garo Hills (0.4 percent) and South Garo Hills (0.4 percent) show lower proportions of children among workers in 2003.

Table 6.13: Proportion of Child Laborers in 2001 in the North Eastern States of India by Sex and Place of Residence

States	Total			Rural			Urban		
	Person	Male	Female	Person	Male	Female	Person	Male	Female
Arunachal Pradesh	6.06	5.22	6.94	6.80	5.95	7.69	3.04	2.19	3.90
Assam	5.07	6.03	4.06	5.30	6.37	4.17	3.03	3.00	3.06
Manipur	5.75	5.57	5.94	6.73	6.50	6.96	2.72	2.64	2.80
Meghalaya	8.22	8.64	7.79	9.36	9.86	8.84	2.75	2.68	2.82
Mizoram	12.34	11.86	12.83	16.52	15.63	17.45	7.42	7.37	7.47
Nagaland	8.48	8.25	8.73	9.44	9.14	9.76	3.58	3.68	3.47
Tripura	2.79	2.85	2.72	2.91	3.05	2.77	1.94	1.52	2.37
India	5.00	5.14	4.85	5.94	5.94	5.95	2.12	2.69	1.49

Source: Census of India, 2001

Table 6.13 reveals that among all the north eastern states Mizoram and Meghalaya have the highest proportion of child labourers. For instance, in Meghalaya and Mizoram about 8 percent and 12 percent of the children respectively are in the work force. The proportion in these two states is also higher than that of the all India rate, which is only 5 percent. Again the proportion of both boys and girls in the labour force in Meghalaya, is exceedingly high. The proportion of child labourers in the rural sector of Meghalaya is much higher than that of entire rural India. Among the north eastern states the proportion of child labourers in the urban sector of Meghalaya is the third lowest next to Tripura and Manipur, while in the rural sector it is second only to Mizoram.

6.4 Unemployment

Unemployment refers to the unutilized labour force that is willing to or available for work. Unemployment arises when there is inadequate productive capacity to create enough jobs for all those able and willing to work. In this section we attempt to explain the magnitude of unemployment in Meghalaya and compare with the rest of the NE states and the all India level.

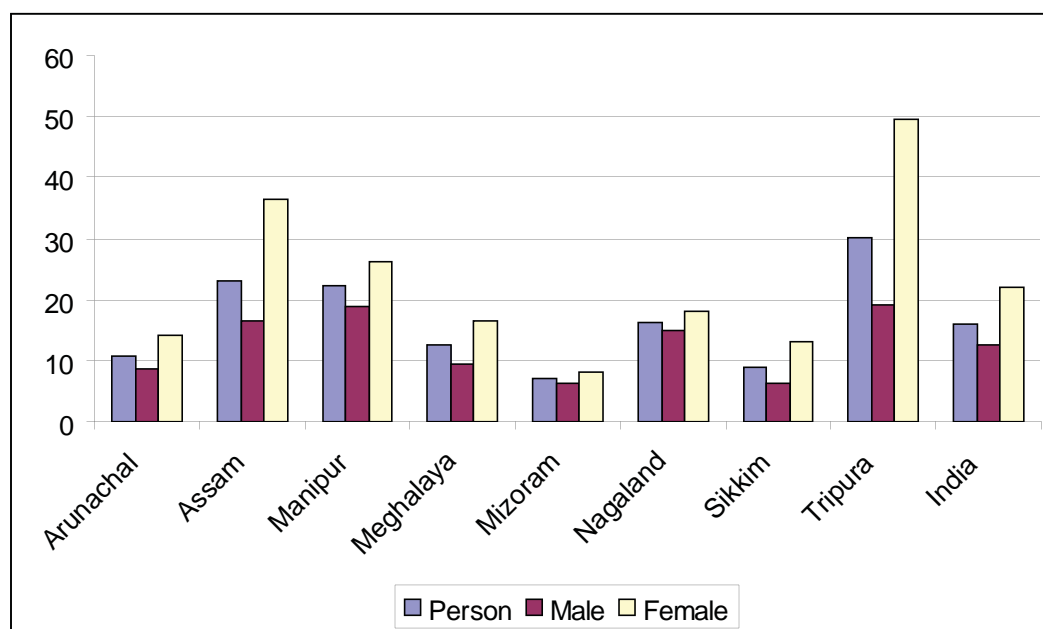
Table 6.14: Unemployment Rate in the North Eastern States of India in 1991

(in percent)

States	Total			Rural			Urban		
	Person	Male	Female	Person	Male	Female	Person	Male	Female
Arunachal Pradesh	0.61	0.53	0.74	0.57	0.49	0.69	0.93	0.72	2.25
Assam	4.50	3.74	6.34	3.86	3.29	5.13	10.20	6.95	29.86
Manipur	2.03	1.84	2.26	1.60	1.50	1.72	3.49	2.90	4.36
Mizoram	0.80	0.69	0.95	0.58	0.50	0.68	1.08	0.92	1.32
Nagaland	1.53	1.58	1.47	1.15	1.13	1.18	3.97	3.44	6.71
Tripura	11.21	6.70	24.54	10.09	6.06	21.72	17.42	10.12	22.49
Meghalaya	0.54	0.39	0.76	0.43	0.32	0.56	1.21	0.67	2.75
India	3.24	2.43	5.22	2.46	1.87	3.66	6.14	4.08	16.80

Source: Census of India, 1991

Figure 6.5: Unemployment Rate (in percent) in the North Eastern States of India (2001 Census)



Source: Directorate of Economics and Statistics, Shillong

In 1991, among the northeastern states of India, Tripura had a very high unemployment rate followed by Assam (table 6.14). Meghalaya had the lowest unemployment rate among all the states in the northeast. The unemployment rate of Meghalaya in both rural and urban sector for both males and females was much lower compared to the other north eastern states. Further the unemployment rate of Meghalaya in the rural sector was less than 1 percent as against 2 percent in rural India. Similarly in the urban areas the unemployment rate of Meghalaya was around 1 percent while in urban India it was 6 percent.

Table 6.15: Unemployment Rate in the North Eastern States of India in 2001
(in percent)

States	Unemployment Rate			Adjusted Unemployment Rate		
	Person	Male	Female	Person	Male	Female
Arunachal Pradesh	10.78	8.57	14.02	7.53	5.69	10.24
Assam	23.00	16.59	36.31	16.42	10.81	28.06
Manipur	22.20	18.94	26.16	14.15	12.57	16.06
Meghalaya	12.57	9.55	16.62	7.68	5.56	10.52
Mizoram	7.05	6.27	8.05	3.81	3.19	4.60
Nagaland	16.31	14.93	18.14	12.43	11.24	14.01
Sikkim	8.83	6.22	13.01	6.37	4.22	9.81
Tripura	30.15	19.02	49.62	23.08	13.34	40.13
India	15.86	12.64	22.12	10.22	7.32	15.86

Note: The unemployed are those who are seeking work or available for work. The unemployment rate is calculated by dividing the Number of Unemployed by the total Labour Force (i.e. working + unemployed). The adjusted unemployment rate excludes the marginal workers who are seeking/ available for work from the numerator.

Source: Calculated for the Report based on Census Reference Tables, B Series, Census of India, 2001.

Table 6.15 reveals that unemployment has increased substantially during the period 1991 to 2001 for all the NE states as well as for the country as a whole. Unemployment in Meghalaya is however, slightly lower than the all India level. Arunachal Pradesh, Mizoram and Sikkim exhibit unemployment rates that are lower than Meghalaya. The situation in Tripura is alarming, to say the least.

The NSSO uses four concepts to estimate the unemployment in the country. The Usual Status Approach measures chronic or long-term unemployment during the reference year. However, some people who are reported to be unemployed on the basis of the usual status might be working in a subsidiary capacity during the reference period. Therefore, in order to capture the exact degree of unemployment prevailing in the state, we have excluded those working in a subsidiary capacity from the usually unemployed. This approach is also called the Usual Status Adjusted Approach.

Table 6.16 shows the unemployment rate in Meghalaya in the most recent five rounds of NSS survey. We observe that the unemployment rate has decreased from 1.42 percent in 1983 to 0.18 percent in 1987-88. However, the unemployment rate increased marginally from 0.18 percent in 1987-88 to 0.21 percent in 1993-94 and further to 0.83 percent in 1999-00. It declined marginally to 0.62 percent in 2004-05. The decline in unemployment rate was perceptible both in the rural and urban areas. In the urban areas the unemployment rate declined from 8.50 percent in 1983 to 1.42 percent in 1987-88 and then increased to 1.68 in 1993-94. It further increased to 4.35 percent in 1999-00. There is a marginal decline to 3.5 percent in 2004-05. The urban unemployment rate in all the rounds of survey was higher than the rural unemployment rate. A possible explanation for this might be the people migrating from rural areas to urban areas in search of work and also due to the presence of large-scale disguised unemployment in the rural areas. The prevalence of unemployment among the educated youth also leads to higher unemployment rate in the urban sector.

Table 6.16: Unemployment Rate in Meghalaya (NSSO)
(in percent)

Year	Sector	Male	Female	Person
1983	Rural	0.65	0.09	0.42
	Urban	8.32	8.98	8.50
	Total	1.83	0.81	1.42
1987-88	Rural	0.02	0.00	0.01
	Urban	1.63	1.09	1.42
	Total	0.23	0.11	0.18
1993-94	Rural	0.10	0.00	0.06
	Urban	1.05	3.37	1.68
	Total	0.21	0.20	0.21
1999-00	Rural	0.31	0.44	0.37
	Urban	3.60	5.86	4.35
	Total	0.76	0.93	0.83
2004-05	Rural	0.07	0.54	0.28
	Urban	3.53	3.43	3.49
	Total	0.45	0.84	0.62

Source: Special tabulation by the authors of the background paper using unit record data on Employment and Unemployment conducted by the National Sample Survey Organisation.

Coming to **youth unemployment**, the unemployment rate in Meghalaya as per the 1991 census was relatively high at 4.4 percent in the age group 15-19 with 3.14 percent of males and 7.74 percent of females being unemployed. The unemployment rate of the female youth was also high in the age group 20-24 with 3.5 percent being unemployed. In Table 6.17, we report the unemployment rate of the youth as per estimates based on the NSS data in 1983, 1987-88, 1993-94, 1999-00 and 2004-05.

The NSSO figures also show high unemployment rate in the age group 15-19 and 20-24. In 1983, the unemployment rate in the age group 15-19 years and 20-24 years was 1.90 percent and 3.98 percent, respectively. The unemployment rate was particularly high in the urban areas in this age group. During the same period 26.06 percent of the urban population in the age group 15-19 years was unemployed. The female unemployment rate was high in the age group 15-19 years with 43.13 percent of females being unemployed as against 18.97 percent males. The unemployment rate was also high in the age group 25-29 years with 20.38 percent of the urban labour force being unemployed. The proportion of unemployed males in this age group in 1983 was 21.49 percent as against 16.97 percent of females. In 2004-05, the urban unemployment rate further increased to 14.33 percent for the age group 15-19 years and 8.08 percent for the age group 20-24. The unemployment rate in the urban sector for the age group 25-29 years was also significant at 10.75 percent. This undoubtedly reflects the existence of large scale youth unemployment in the urban areas of Meghalaya. This is a matter of serious concern.

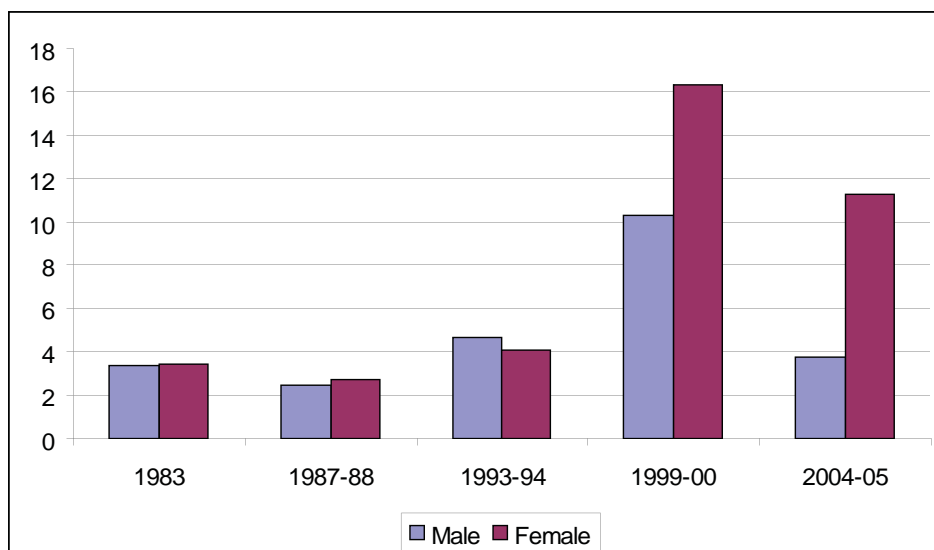
Table 6.17: Unemployment Rate by Age Group in Meghalaya

Age Group	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
1983									
15-19	0.00	0.00	0.00	18.97	43.13	26.06	1.64	2.29	1.90
20-24	1.32	0.61	0.96	0.00	0.00	0.00	5.92	1.89	3.98
25-29	1.38	0.00	0.77	21.49	16.97	20.38	2.81	0.89	2.01
1987-88									
15-19	0.04	0.00	0.02	2.20	2.77	2.49	0.26	0.28	0.27
20-24	0.00	0.00	0.00	11.49	1.42	6.18	1.12	0.16	0.66
25-29	0.00	0.00	0.00	1.21	4.19	2.42	0.17	0.39	0.28
1993-94									
15-19	0.05	0.00	0.03	9.71	0.00	6.64	0.53	0.00	0.33
20-24	0.65	0.00	0.30	6.70	16.10	10.53	0.98	0.50	0.72
25-29	0.00	0.00	0.00	0.84	11.41	3.66	0.08	0.56	0.28
1999-00									
15-19	1.23	0.00	0.69	3.25	16.19	8.56	1.34	0.76	1.09
20-24	1.00	2.30	1.62	13.28	8.83	11.58	2.87	3.00	2.93
25-29	0.00	0.53	0.26	11.40	18.75	14.73	1.17	2.20	1.67
2004-05									
15-19	0.00	0.00	0.00	29.41	3.01	14.33	1.55	0.35	1.10
20-24	0.42	2.49	1.48	2.56	14.86	8.08	0.61	3.38	2.02
25-29	0.06	1.08	0.53	11.12	10.36	10.75	1.27	2.14	1.68

Source: As in Table 6.16

Unemployment rate and Education: Tables 6.18 and 6.19 show the unemployment rate at different levels of educational attainment. In 1983 and 1987-88, we find that with the increase in the level of educational attainment the unemployment rate increases. The unemployment rate of the educated tends to be high. We observe that the unemployment rate of the illiterate is almost negligible while the unemployment rates of the graduates are relatively very high. In 1983, the unemployment rate of the illiterates was 0.06 percent while that of the graduates was 4.19 percent. Unemployment rate was observed to be very high among the people with secondary level of educational attainment with 12.15 percent of them being unemployed in 1983. In 1987-88, the unemployment rate of the graduates declined to 2.75 percent. The unemployment rate in this period was high for the graduates in professional subjects at 4.21 percent. In 1993-94 the unemployment rate of the graduates increased to 4.48 percent and in 2004-05 it increased further to 8 percent.

Figure 6.6: Unemployment Rates (in percent) of Graduates in General Subjects in Meghalaya



Source: National Sample Survey Organisation

Another point worth noting is that the unemployment rate of females who are graduates or post graduates is much higher compared to males with the same educational level. For instance, in 2004-05 the unemployment rate in this educational category was about 22 percent for females and 2 percent for males in the rural areas. The corresponding figures in the urban areas were 7.43 percent and 4.34 percent, respectively.

Table 6.18: Unemployment Rate by Education in Meghalaya in 1983 and 1987-88

Education Code	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
1983									
1	0.00	0.00	0.00	3.86	0.00	1.97	0.10	0.00	0.05
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	0.81	0.00	0.51	4.12	24.54	9.84	1.18	1.87	1.43
4	1.40	1.24	1.35	7.17	19.84	8.82	3.27	3.78	3.40
5	2.15	0.00	1.49	21.21	14.64	20.10	12.72	5.32	10.97
6	0.00	0.00	0.00	0.00	7.39	1.91	0.00	3.32	1.17
7	0.00	0.00	0.00	3.87	4.26	3.99	3.37	3.42	3.39
Total	0.42	0.10	0.29	8.57	10.06	8.93	1.73	0.86	1.38
1987-88									
1	0.01	0.00	0.00	2.55	0.00	1.28	0.06	0.00	0.03
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	2.64	3.81	3.02	0.63	0.90	0.72
5	0.00	0.00	0.00	1.48	0.00	0.90	0.77	0.00	0.50
6	12.83	0.00	10.33	0.00	0.00	0.00	5.10	0.00	3.65
7	0.00	0.00	0.00	2.77	3.58	3.00	2.47	2.72	2.55
Total	0.03	0.00	0.01	1.75	1.23	1.55	0.27	0.13	0.21

Note: (i) 1-illiterate, 2-literate below primary, 3-primary, 4-middle, 5-secondary, 6-graduate and above in professional subjects, 7- graduate and above in general subjects

(ii) The Unemployment rate is calculated for the age group 15 and above

Source: As in Table 6.16

Table 6.19: Unemployment Rate by Education in Meghalaya in 1993-94, 1999-00 and 2004-05

Education Code	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
1993-94									
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	0.03	0.00	0.02	0.00	0.00	0.00	0.03	0.00	0.02
3	0.00	0.00	0.00	1.47	0.00	1.06	0.12	0.00	0.08
4	0.00	0.00	0.00	1.01	0.00	0.79	0.22	0.00	0.16
5	0.00	0.00	0.00	0.00	14.46	4.95	0.00	5.85	1.60
6	0.00	0.00	0.00	0.73	0.00	0.57	0.43	0.00	0.33
7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	12.00	0.00	7.15	2.27	6.72	3.39	4.66	4.05	4.48
Total	0.10	0.00	0.06	1.05	3.38	1.68	0.21	0.20	0.21
1999-00									
1	0.11	0.00	0.06	0.00	0.00	0.00	0.10	0.00	0.06
2	0.65	0.00	0.38	0.00	2.11	0.94	0.63	0.08	0.40
3	0.00	0.00	0.00	4.09	3.15	3.80	0.21	0.10	0.16
4	0.00	0.00	0.00	2.32	1.06	1.93	0.70	0.21	0.50
5	0.00	8.84	5.00	0.00	0.00	0.00	0.00	7.39	2.75
6	4.03	0.00	2.86	3.46	8.04	4.79	3.68	4.94	4.05
7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	5.29	32.29	16.31	11.16	13.86	12.33	10.31	16.33	12.89
Total	0.32	0.44	0.37	3.60	5.95	4.37	0.78	0.94	0.85
2004-05									
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.28	4.45	1.72	0.01	0.09	0.05
3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	0.00	1.75	0.62	5.32	6.10	5.54	0.71	2.18	1.22
5*	0.78	1.36	0.96	3.97	0.00	2.42	2.00	0.73	1.56
7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	1.87	22.26	13.86	4.34	7.43	6.06	3.76	11.29	8.01
Total	0.07	0.55	0.29	3.57	3.62	3.59	0.46	0.85	0.64

Note: (i) 1-illiterate, 2-literate below primary, 3-primary, 4-middle, 5-secondary, 6-higher secondary, 7-graduate and above in professional subjects, 8- graduate and above in general subjects

* includes higher secondary

(ii) The Unemployment rate is calculated for the age group 15 and above

Source: As in Table 6.16

The prevailing employment market scenario and the relative status of various occupations in the society, greatly influence the job aspirations of the persons entering the active working life. The IAMR has found that regular salaried job in government is the most sought after work by the unemployed, followed by self employment in business or trade.

Table 6.20: Desired Type of Work by the Unemployed in Meghalaya, 2003

Type of work desired	Rural			Urban		
	Male	Female	Total	Male	Female	Total
Self-employment in business/trade	30.1	14.0	22.6	11.8	7.7	9.5
Self-employment in agriculture	8.3	12.5	10.2	0.8	0.7	0.7
Regular salaried job in govt sector	46.3	63.2	54.2	71.4	77.4	74.8
Regular salaried job in pvt sector	4.6	2.6	3.7	4.2	7.1	5.8
Agricultural wage labour	3.8	3.8	3.8	NA	NA	NA
Non-agricultural wage labour	4.6	2.6	3.7	0.8	0.0	0.4
Any other	2.3	1.3	1.8	10.9	7.1	8.8
Total	100	100	100	100	100	100

Source: Institute of Applied Manpower Research, New Delhi, IAMR Report No. 8/2006.

6.5 Conclusion and Suggestions

The main observations are:

- The Net State Domestic Product has shown a significant growth rate in all the districts of Meghalaya with South Garo Hills having the highest growth rate during the period 1993-94 to 2007-08.
- The rate of growth of NSDP exceeded the growth rate of population, which resulted in a positive growth rate of per capita income. Again, the South Garo Hills district showed the highest growth rate in per capita income.
- During 1993-94 to 1999-00, the primary sector in Meghalaya had the highest growth rate followed by the secondary sector and then the tertiary sector. However, during 1999-00 to 2007-08, the growth rate of the secondary sector has surpassed the growth rates of the other two sectors. This is a welcome development.
- There has been no significant change in the structure or composition of the NSDP of Meghalaya. The tertiary sector is the major component in the composition of NSDP followed by the primary sector and then the secondary sector.
- More than 50 percent of the output of the tertiary sector came from East Khasi Hills District. West Garo Hills contributed 18 percent.
- The work participation rate shows a declining trend in both the rural and urban areas. The male work participation rate declined while that of the female participation rate increased in some of the districts in Meghalaya.
- Work Participation Rate of females in Meghalaya is much higher than the all India level.
- The proportion of marginal workers increased between 1981 and 2001 while the proportion of main workers declined. Is underemployment on the rise?
- The occupational structure of the labour force shows that in the rural areas majority of the main workers were cultivators while in the urban areas most of the workers are categorized

as 'other workers'. The marginal workers in the rural areas mainly work as agricultural labourers.

- There has not been a significant change in the occupational structure of the labour force since 1981. Cultivators and agricultural labourers constituted 75 percent of total main workers in 2001 in the rural areas. 'Other workers' constituted 93 percent of total main workers in the urban areas in 2001.
- High incidence of child labour is observed in the rural areas of all the districts of Meghalaya.
- There is high prevalence of youth unemployment in the state. Unemployment of the educated also has increased in the recent years.

Some suggestions to enhance growth and increase employment opportunities:

- Various economic activities in the service sector are urban based. One measure to increase economic growth and productivity is decentralized urbanization or rather Providing Urban amenities and services in the Rural Areas (PURA).
- The type of employment that is desired by most youth is in the government sector and the rate of unemployment is highest among general graduates. Therefore, there is a need to give high priority to vocational and technical education including professional courses in the state, so that people have better scope and wider choices to exercise. This is imperative since there is a serious shortage of skilled professionals amongst the people of Meghalaya working in different fields.
- A strategy for employment generation for the state has to be in line with the strengths of the state and its resource base. Majority of the population in the state is engaged in agriculture and allied activities. There is tremendous scope of improvement in these sectors. Training can be imparted in areas like Seed production technology, Plantation and management of crops, floriculture, crop cultivation, plant protection, etc.
- Fisheries also have a huge potential in generating employment opportunities in the state. Fish processing, inland fisheries, fish seed production and fishing technology are some areas where greater employment opportunities can be explored.
- As most of the people are non-vegetarian there is a lot of scope in sheep, pig and goat rearing, dairying, poultry production, veterinary pharmacist-cum-Artificial insemination assistant, etc.
- Other than the above mentioned, agro-based industries, sericulture, apiculture, repair and maintenance of power driven farm machinery, medicinal and aromatic plant industry and soil conservation are some other areas that can be focused to generate employment opportunities in the state.
- Even though Meghalaya is not an industrial state, areas like travel, banking, marketing and salesmanship, export-import practices and documentation, and purchasing and store keeping can be focused and training can be provided to those seeking jobs but do not have the requisite skills.
- The institutes providing vocational training can include courses like civil construction and maintenance, mechanical servicing, audio-visual technician, maintenance and repair of Electrical Domestic Appliances and road construction. Candidates who pass out from these

institutes can then be motivated to form groups like 'Dial-a-service'. This may help in addressing the problem of unemployment persisting in the state.

- People can be motivated to take up courses like Medical Laboratory/Technology Assistant, Health Worker, Nursing, Health Sanitary Inspector/Surveyor, Hospital Documentation, Hospital Housekeeping, X-ray Technician, Bio Medical Equipment and Technician, Multi Purpose Health Worker, Auxiliary Nurse and Mid Wives, Primary Health Worker. This will not only provide job opportunities to the needy but will also help in the development of better medical infrastructure in the state.
- A revolution has been brought about in the banking and telecom sectors by private sector participation in these sectors. Growth of these sectors has created a large demand for IT-Enabled services in the areas of back-office processing, collections, customer care and call services, etc. This is a major opportunity for Meghalaya to emerge as a hub for the delivery of these services to the entire region. This will however, require the creation of necessary infrastructure and an enabling environment for encouraging private sector investment in the IT-Enabled Services.
- The state has immense tourism potential most of which is at present unexploited. There has been a tremendous spurt in the travel and tourism industry around the world. India is among the fastest growing travel and tourism economies in the world. The "Incredible India" campaign has brought a lot of recognition to the country among international holiday seekers. The state can capitalize on this recognition to promote itself as a favoured ecotourism destination. Tourism industry is also known to generate the highest employment per rupee of investment. As the state's effort to promote tourism bears fruit, a large number of jobs are expected to be created in the hospitality industry. This will, however, require the creation of requisite infrastructure for capacity building to serve the tourism industry.
- The state has very rich mineral resources, especially coal, limestone, granite, silimanite, clay, kaolin and uranium. However, coal and limestone are the only minerals that are being widely exploited. Even for these two minerals the mining practices are largely unscientific and sub-optimal. The mining operations are concentrated in a few hands preventing the benefits of the state's mineral resources to flow to the masses. Regularization and modernization of mining practices in the state can provide a large number of employment opportunities in the state. This is a must since the present mining practices are unattractive to the residents of the state leading to influx and change in the demographic pattern of the mining areas.
- The above suggestions in creating employment opportunities can be implemented only if the infrastructure base of the state is strengthened. **Therefore, development of basic amenities and infrastructure especially in the rural areas has to be accorded high priority.**