

LEVEL OF EDUCATION AND EMPLOYMENT IN PUNJAB

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ABSTRACT:

Punjab, which holds the status of the most prosperous state in India, has been going backward for the last one and a half decades. The labor force of Punjab is also shifting from agriculture sector to non-agriculture sector. The sectoral shift from agriculture to non-agriculture requires that the labor force be more educated and skilled. So in the context of the above discussion, we analyze the state of education in Punjab on the basis of literacy rate and level of education. Labor participation rate and educational level of workers are looked at to see the level of employment. The Punjab government has also evaluated the expenditure on education in the annual plans. Education and manpower planning should become an important issue of the state government. The government should adopt its strong policy on education and employment and not shrink the organized sector but expand it to make this state a leader again.

Key Words: Backward, Education, Employment, Literacy, Planning,

I. INTRODUCTION

Punjab, which holds the status of the most prosperous state in India, has been going backward for the last one and a half decades. Its neighboring state Haryana has become in a strong position. The growth rate of Gross State Domestic Product of Punjab is increasing at a slow pace. The primary sector, which includes agriculture and allied sectors, has a lower growth rate than other sectors. The growth in the secondary sector mainly in the manufacturing sector is also not at a satisfactory level. The rapid development of the services sector and its share in the total state domestic product hovering around 42 percent indicates that the future of Punjab's economy is shifting towards the development of the non-agricultural sector. Even though this sector has outpaced industrialization, industrialization cannot be neglected for the vital need of economic growth. Industrialization should not even be undertaken to achieve sustainable economic growth (ASEAN Development Outlook, 2007). The labor force of Punjab is also shifting from agriculture sector to non-agriculture sector. Whereas in 1971 62.66 per cent of the total labor force was employed in the agricultural sector and 37.34 per cent in the non-agricultural sector, the situation has now reversed. According to Census 2001, 39 percent of the state's labor force is employed in the agricultural sector and 61 percent of the labor force is employed in the non-agricultural sector.

The sectoral shift from agriculture to non-agriculture requires that the labor force be more educated and skilled on the one hand in order to increase the productivity of the agricultural

sector and make optimum use of technological progress and on the other hand the industrial sector should grow rapidly can be developed if the labor force is qualified. The development of the services sector in the right direction also depends on the highest qualification of the workers. So, in the context of the above discussion, we analyze the state of education in Punjab on the basis of literacy rate and level of education. Labor participation rate and educational level of workers are looked at to see the level of employment. The Punjab government has also evaluated the expenditure on education in the annual plans.

II. LITERACY RATE AND LEVEL OF EDUCATION

Punjab is famous all over the world for its hardworking and enthusiastic people and efforts to educate this nation are also paying off. Literacy rate and labor force participation rate in Punjab are shown in Table 1. Literacy rate in Punjab has almost doubled from 33.67 percent to 69.7 percent during the last three decades. According to Census 2001, 147.56 lakh people are literate in Punjab. Out of them 84.42 lakh are male and 63.14 lakh are female. 94.35 lakh people are illiterate in the state. The literacy rate of women is increasing rapidly. It was 24.65 percent in 1971 and increased to 63.55 percent in 2001. On the other hand, male literacy rate increased from 42.23 percent to 75.63 percent during 1971 to 2001. During these last three decades, although the female literacy rate has been lower than the male literacy rate (i.e. there has been a gender-gap in terms of literacy), the female literacy rate has improved rapidly. The literacy rate of women has increased by 38.90 percentage points while the literacy rate of men has increased only by 34.40 percentage points. The female literacy rate in Punjab is 10 percentage points higher than the national literacy rate.

Table 1 Percentage share of Punjab and India in Literacy rate and Participation Rate of Labor

		1971	1981	1991	2001	Growth During 1971-2001
Literacy Rate in Punjab	Total	34.12	43.37	58.51	69.95	35.83
	Male	42.23	51.23	65.66	75.63	34.40
	Female	24.65	34.35	50.41	63.55	38.90
Participation rate of Labor in Punjab	Total	28.87	31.50	30.88	37.58	8.71
	Male	52.82	53.76	54.22	54.10	1.28
	Female	1.18	6.16	6.78	18.68	17.50
Literacy Rate in India	Total	34.45	43.56	52.21	64.84	30.39
	Male	45.95	56.37	64.13	75.26	29.31
	Female	21.97	29.75	39.29	53.67	32.30
Participation rate of	Total	33.08	36.70	37.50	39.26	6.81

Labor in India	Male	52.61	52.62	51.61	51.93	-0.68
	Female	12.11	19.67	22.27	25.68	13.57

Source: Census of India, 1971, 1981, 1991 and 2001

Of course the literacy rate is improving, but Punjab ranks 16th out of 28 states and 7 Union Territories in India. Kerala (90.92), Mizoram (88.46), Lakshadweep (87.52), Goa (82.32), Chandigarh (81.76), Delhi (81.82), Pondicherry (81.49), Andaman and Nicobar (81.18), compared to Punjab (69.95) in literacy rate. The states of Daman and Diu (81.09), Maharashtra (77.27), Himachal (77.13), Tripura (73.66), Tamil Nadu (73.47), Uttaranchal (72.28) and Gujarat (69.97) are ahead (Census of India, 2001). The social gap in literacy rate in Punjab is also very high. The literacy rate of scheduled castes (56.2) is much lower than the literacy rate for general classes (74.9). In several districts of Punjab like Muktsar (38.1), Ferozepur (40.1), Bathinda (41.5), Faridkot (42.2), Moga (42.2), Sangrur (44.4), Amritsar (46.8), the literacy rate of Scheduled Castes is less than 50 percent. It is clear from this that reforms in the education sector in Punjab are mandatory. Apart from this, when we look at the statistics regarding the level of education, the situation is even more unpleasant. Among the literate people, 44 percent are those who have studied up to primary level or below and only 22 percent are those who have studied up to matriculation. Only 6.6 percent have a graduation or higher education. The good thing is that this percentage is higher among women (6.7) than men (6.4).

The above facts describe the situation of low level of education in Punjab i.e. lack of high and middle level manpower. Such lack of manpower hinders economic growth and such a warning has been given by economists from time to time. For example, Martin Carnoy (1977) gave a similar warning for industrially backward countries three decades ago.

In the constitutional amendment of 1976, education was included in the concurrent list. Here we take the example of primary education only. Regarding primary education which is the foundation of higher education, the Punjab Primary Education Act-1960 was made for free and compulsory primary education in Punjab. Similarly, National Policy on Education (NPE) 1986 and Program of Action, 1986 (which was revised in 1992) have been made by the Central Government. District Primary Education Programme, Sarva-Sikkhya Abhiyan, Mid-Day Meal Scheme and Kasturba Gandhi Balika Vidyalaya Scheme-vargiya schemes have been launched with the aim of making primary education universal. Despite all these efforts, the structural framework related to education in Punjab is not fully developed. There is no improvement in student-teacher ratio in government schools due to non-recruitment of teachers as required. It was 42:1 at primary stage in 2000, 26:1 at middle stage and 24:1 at high/senior secondary stage which has increased to 43:1, 28:1 and 26:1 respectively in 2006. In some districts of Punjab, the pupil-teacher ratio in primary schools is much higher than the norm of 40:1. Of these, Mansa (59:1), Ferozepur (54:1), Sangrur (52:1), Muktsar (51:1) and Moga (50:1) should be given special attention (i.e. early recruitment of new teachers). is required. 80 percent of government schools in Punjab are without principals (The Tribune, 2009).

The school dropout rate reflects the status of students' persistence in studies at different levels. At primary, middle and secondary levels, the dropout rate has increased rather than decreased. According to the data of the year 2004-05, 24 percent of the students drop out in primary, 34 percent in middle and 44 percent in matriculation. The percentage of girls who drop out in education up to middle and matriculation is higher than that of boys.

Special attention needs to be given to each district of Punjab to fulfill the objective of universalization of education. Unfortunately, more than 91 lakh children between the ages of 5 and 14 are child laborers in Punjab. Of these, 69.6 lakh are boys and 21.7 lakh are girls. All these need to be brought under the purview of education.

III. LABOR PARTICIPATION RATE AND EDUCATIONAL LEVEL OF WORKERS

Linking education and work is given utmost importance in developed countries, but efforts to link such a link are rarely made in developing countries. It has gone India's Eleventh Five Year Plan (2007-12) also only mentions the link between education and employment. The plan also talks about the contribution of education in social and economic progress. "Education is the most critical investment in making people skilled and knowledgeable and providing productive employment" (Eleventh Five Year Plan, 2007-12). Although we have realized that there is a link between education and employment, there is no proper policy of the central or state governments to strengthen their relationship.

It is not that there has been no increase in labor participation rate in the state. It increased from 28.87 percent in 1971 to 37.58 percent in 2001, but it is still slightly lower than India's average labor participation rate (39.26 percent). The female labor force participation rate in Punjab was very low at only 1.18 percent in 1971, though it has increased significantly to 18.68 percent by 2001, but it is still lower than the national female labor force participation rate. 7 percentage points lower. If we talk about the gender gap, there has been an improvement in both literacy rate and labor participation rate. This gap has narrowed from 17.58 percentage points in 1971 to 12.08 percentage points in 2001 in terms of literacy rate and in terms of labor participation rate from 51.64 percentage points to 35.42 percentage points during the same period. It is clear that the gap between male and female literacy rate is not as big as the gap in labor participation rate. It is clear from the data that the labor participation rate has also increased along with the increase in literacy rate, but more concerted efforts are required to increase the labor participation of women in Punjab.

The educational level of workers affects their efficiency and productivity. From this point of view, it becomes necessary to analyze the state of Punjab. Census 2001 data in this regard is not yet available. For this, the data of Census 1981 and Census 1991 have been used. Table 2 shows the percentage of main workers and marginal workers in Punjab on the basis of their gender and educational level. The majority of the labor force (male and female), both major and marginal, is illiterate. This percentage is coming down rapidly. During 1981 to 1991 the percentage of

uneducated male main workers decreased from 52.6 to 41.4 and the percentage of uneducated male marginal workers decreased from 52.6 to 50.1. This means that almost half of the male marginal workers are illiterate.

Table 2: Percentage of main workers and marginal workers in Punjab on the basis of their gender and educational level.

Level of Education	1981				1991			
	Main Worker		Marginal Worker		Main Worker		Marginal Worker	
	Male	Female	Male	Female	Male	Female	Male	Female
Illiterate	52.60	50.99	52.60	84.70	41.40	44.20	50.10	73.90
Uneducated	4.80	1.81	5.96	2.45	3.96	2.20	5.80	2.50
Primary	13.60	5.18	15.10	1.10	14.50	7.10	15.80	12.60
Middle	10.70	2.78	9.90	2.00	12.60	4.00	10.97	4.80
Metric/ Secondary	11.80	11.23	10.90	1.50	18.98	13.60	12.40	5.30
UG	2.60	4.13	2.30	0.20	3.80	4.10	2.50	0.40
Graduation	2.50	6.04	2.30	0.16	5.10	18.30	1.70	0.40
PG	0.40	2.33	0.07	0.01	—	—	—	—
Technical/ Certificate/ Degree Diploma/Post Graduate	1.00	15.33	0.95	0.10	0.60	6.60	0.80	0.17
Total	100 (474964 6)	100 (17811 3)	100 (54698)	100 (30545 4)	100 (583285 2)	100 (26552 2)	100 (1049 1)	100 (15312 4)

Source: Census of India, 1981 and 1991.

Similarly, the proportion of uneducated female main workers and marginal workers declined from 50.91 per cent to 44.2 per cent and from 84.7 per cent to 73.9 per cent during 1981 and 1991 respectively. A higher percentage of working women (in both the main and marginal categories) are illiterate than working men, but a large number (about three-fourths) of working women are illiterate. Another interesting point revealed from the data is that the percentage of female workers with education level up to primary, middle and matriculation level is less than the same level of male workers, but the situation is opposite for workers with higher educational level. The percentage of female key workers who have acquired post-secondary, graduation, post-graduation and certificate/degree/diploma and post-graduate level technical education is higher than that of male key workers with equivalent educational level. We can imagine for ourselves how a state with a low number of highly educated workers can make the necessary progress in this era of competition. Therefore, there is a need to raise the educational and skill level of the existing workers and potential workers.

IV. TYPE OF EMPLOYMENT

A very large number (more than 90 percent) of those employed in Punjab are in the unorganized sector. In 1981 and 1991, 12.0 and 12.9 percent of workers were employed in the organized sector, respectively, which further declined to 9.2 percent in 2001. Table 3 shows the status of workers employed in the organized sector in Punjab. Since 2004, there has been a steady decline in employment in the organized sector (both government and private). According to the data as on 31 March 2007, 439073 (59.35 per cent) employees are in the government sector and the remaining 300679 (40.65 per cent) employees are in the private sector out of the total employment in the organized sector.

Table 3 Employment in Organized Sector in Punjab (Government and Private Sector)

	1971	1991	2001	2002	2003	2004	2005	2006	2007
I. Government Sector									
i.) Central Govt.	67460	72308	79198	75000	70000	71238	70150	68036	67037
ii.) State Govt.	25550 5	29357 7	30212 4	30200 0	29600 0	28971 8	26685 4	29107 6	25794 9
iii.) Semi-State Govt.	11660 6	17161 8	17354 8	17400 0	16100 0	17051 7	15313 8	16659 9	87140
iv.) Local Govt.	28224	32556	31276	30000	29000	33132	29834	29722	26916
Total I	46779 5	57005 9	58616 4	58100 0	56000	56460 5	51997 6	42246 0	43907 3
II. Private	16734 0	22123 0	26108 3	25500 0	24400 0	26133 9	25310 4	27629 0	30067 9
Total Sum I+II	63513 5	79129 8	84724 7	83600 0	80000 0	82594 4	77311 6	76875 0	73975 2

Source: Statistical Abstract of Punjab, Various Years.

The labor force in Punjab is growing faster than the rate of employment growth. The population of the state which was 1 crore 36 lakh in 1971 has increased to 2 crore 44 lakh in 2001. Since 1971, the growth has been at a rate of more than 20 percent. On the other hand, the labor participation rate, which was 28.87 percent in 1971, rose to 37.58 percent in 2001, an increase of 8.71 percentage points. The size of unemployment in Punjab is also a matter of serious discussion. According to the current registers of the State Employment Offices the total number of job seekers (educated and illiterate) as on March 2007 was 4.33 lakh and the total number of educated unemployed persons was 3.08 lakh. As of September 2007, the total educated unemployed had increased to 3.09 lakh, of which 76.23 percent were non-technical and the remaining 23.77 percent were technical (Government of Punjab, 2007-08). On the one hand so many people are unemployed and on the other hand there is a shortage of 1.32 lakh employees in

various government departments (The Tribune, 2008). The government is showing reluctance to fill vacancies and give new jobs. On the other hand, the unorganized sector is also unable to provide employment opportunities in line with the growth of the labor force. Although the government statistics show that the state is progressing well in tackling the problem of poverty and only 5.20 percent of the people have remained below the poverty line in the year 2004-05, compared to 21.80 percent at the national level (Government of Punjab, 2007-08), but due to the absence of a solid state employment policy and the global recession, unemployment is likely to rise and as a result, poverty will increase.

After the progress made in the agriculture and services sectors in the state, now there is a need for an industrial revolution. The industrial sector contributes very little to the gross state domestic product. During the year 2006-07, its contribution to the state's gross state domestic product was less than 15 percent. Since 2001, the services sector has been contributing more than 40 percent and the secondary sector around 20 to 25 percent. It is clear from this that due to the rapid growth of the services sector, the growth of the industrial sector has been neglected. Therefore, rapid economic growth can be brought in the economy by developing the industrial sector through the development of agriculture-based and manufacturing units in Punjab. Unemployed technically trained and skilled manpower can be employed by developing large and medium scale industries. For optimal utilization of human resources and rapid economic growth in the Punjab economy, there is a need for balanced development of all three sectors, increase in physical capital formation, industrialization and increased investment in education. More industries will employ more people and with higher levels of education and improved skills, people will become more efficient, productive and capable of labour, thereby raising incomes and living standards and accelerating economic growth.

V. GOVERNMENT EXPENDITURE ON EDUCATION IN PUNJAB

As the issue of human resource development becomes more important, central and state governments are increasing spending on social sector especially education and training. As far as Punjab is concerned, there is a slightly slower growth in this direction. The actual expenditure on education in various annual plans of Punjab is shown in Table 4.

Table 4 Actual Expenditure on Education in Various Annual Plans of Punjab (In Lakhs)

Year	General Education		Technical Education		Social Services	
	Actual Expenditure	%age of total expenditure	Actual Expenditure	%age of total expenditure	Actual Expenditure	%age of total expenditure
1980-81	626.60	2.09	15.01	0.05	5858.36	19.56
1989-90	2115.27	2.43	505.17	0.58	16461.26	18.94
1992-93	1761.90	1.99	2556.88	2.88	20942.10	23.62
1993-94	3886.75	3.40	2833.98	2.48	30560	26.74

1994-95	5312.97	3.86	3873.10	2.82	37479.73	27.26
1995-96	5130.23	3.23	4141.50	2.61	32587.17	20.54
1997-98	9879.21	4.91	3073.16	1.53	41419.57	20.59
1998-99	15582.50	7.70	2677.70	1.34	45399.17	22.65
1999-2000	18224.86	10.40	4363.04	2.49	63003.35	35.94
2001-02	20414.92	10.22	1085.72	0.54	69390.29	34.29
2002-03	4805.19	2.42	463.83	0.23	50439.43	25.44
2003-04	6237.66	3.92	203.48	0.12	38484.69	24.19
2004-05	10227.07	5.20	216.67	0.11	33911.18	17.32
2005-06	15549.30	4.14	278.80	0.07	101813.77	27.12
2006-07	24095.95	5.82	457.33	0.11	109374.77	26.41
2007-08	37334.39	7.30	2655.00	0.52	158747.66	31.06

Source: Statistical Abstract of Punjab, Various Years.

Statistics show that the actual expenditure on general education as a percentage of total expenditure was 2.09 per cent in 1980-81 which continued to rise till 2001-02 and peaked at 10.2 per cent but thereafter remained between 2 per cent and 6 per cent. is Similarly, expenditure on technical education as a percentage of total expenditure, which was 0.05 per cent in 1980-81, increased to 2.5 per cent in 1999-2000, but after that technical education, which is in high demand and which does not generate employment,

VI. MAIN CONCLUSIONS

Although there is no doubt that the state of Punjab is among the economically advanced regions of India, it has lost its status as the number one state in terms of per capita income. It has also lagged behind in terms of economic growth. The slow pace of growth of the agricultural sector, the rapid growth of the services sector despite the unsatisfactory growth of the industrial sector has changed the entire structure of the economy. This has resulted in regional changes. Labor force is shifting from agriculture sector to non-agriculture sector. More educated and skilled labor is needed to increase the productivity of the agricultural sector and to meet the needs of the secondary and services sectors. There is no doubt that the literacy rate in Punjab is increasing rapidly, but the level of education is still very little developed. Less than one-third of the literate population have attained matriculation and above. The labor participation rate is also increasing, but the very low educational level of the workforce is a matter of concern.

Moreover, more than 90 percent of the workers are working in the unorganized sector where they get very low wages. The scope of the organized sector is shrinking and new employment opportunities are not being created even in the unorganized sector. As a result, unemployment is creating social and personal unrest. From the above discussion we come to the conclusion that neither the human resources are fully developed in this state nor are they being fully utilized. Education and manpower planning should become an important issue of the state government organized. The government should adopt its strong policy on education and employment and not shrink the sector but expand it to make this state a leader again.

[**Note:** This research paper is originally written in Punjabi language by Dr. Harvinder Kaur, Professor of Economics, Punjabi University Patiala and by taking prior permission from Dr. Harvinder kaur, this research paper is translated in English language by Dr. Rajwinder Kaur, Department of Economics, Guru Hargobind Sahib Khalsa Girls College, Karhali Sahib, Distt Patiala.)

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