



CREDIT FLOW AND INDEBTEDNESS
IN TELANGANA

3

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1. Introduction

Credit facilitates the meeting of various social, economic and cultural needs of households. Apart from issues of timely, adequate and trouble-free access to credit by households in general, the issue of distribution of credit among various sections of people is also essential from the viewpoint of inclusiveness and social justice. The present chapter deals with access to credit for different social groups in Telangana. The analysis is based on unit level data from Debt and Investment Survey and National Sample Survey, 70th Round, for the year 2012-13.

The theme of access to credit by households (Hh) in the state covers various aspects such as whether or not Hhs has a bank account, the ownership value of land and other assets, agency wise (institutional and non-institutional) access to credit, average loan outstanding per Hh, agency wise distributional share in total credit, average annual interest rate and the aspects of purpose, term/duration, security and type of loan. The analysis of credit access covers social groups and location.

2. Households with bank accounts

A bank account is a pre-requisite for accessing institutional credit from commercial banks and co-operative societies by a credit-seeking household. The data reveals that in Telangana, 77.3 per cent of Hhs had bank accounts in 2012-13 (Table 3.1).

Table 3.1: Proportion of households with bank accounts

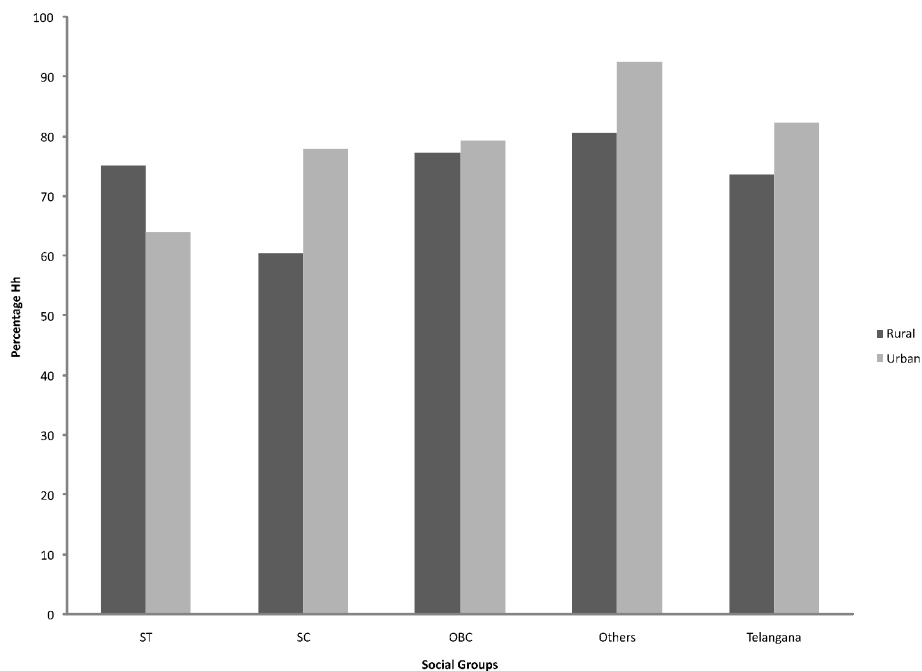
	Rural	Urban	Total
Social group			
ST	75.2	64.1	72.8
SC	60.5	78.0	65.5
OBC	77.3	79.4	78.1
Others	80.6	92.5	88.5
All	73.7	82.3	77.3
District			
Adilabad	88.0	90.7	88.6
Nizamabad	67.8	81.5	71.4
Karimnagar	67.7	87.3	71.2
Medak	84.5	87.2	85.3
Hyderabad	-	83.3	83.3
Ranga Reddy	74.8	79.2	76.6
Mahbubnagar	57.6	58.9	57.9
Nalgonda	79.5	73.2	78.3
Warangal	73.3	86.0	76.0
Khammam	71.0	74.7	72.0
Telangana	73.7	82.3	77.3

Source : Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

Among social groups, SCs in rural areas and STs in urban areas reported a low level of bank accounts in the state (Figure 3.1). Across districts, Mahbubnagar reports low level of households

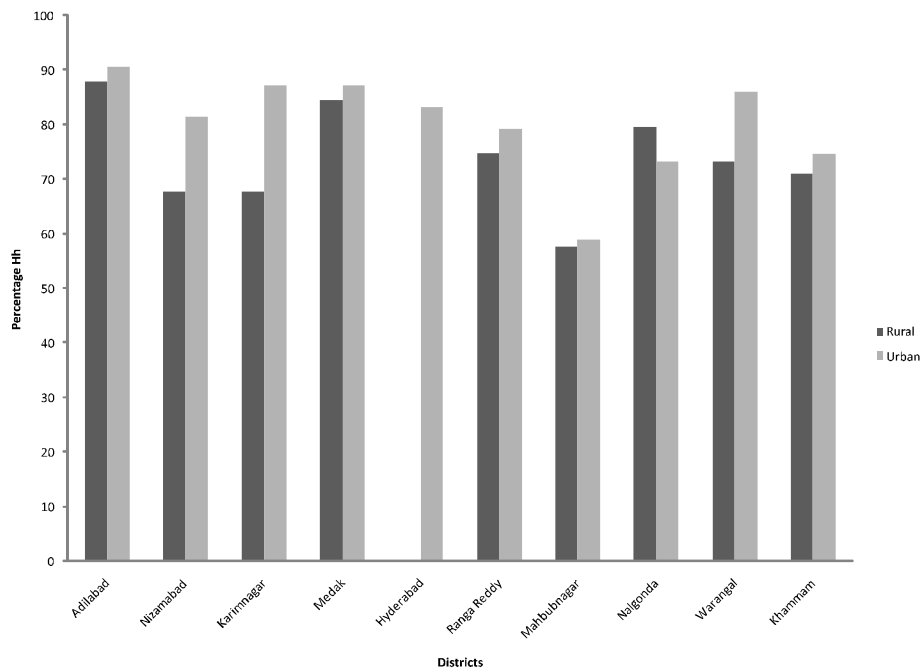
with bank accounts (57.9 per cent), followed by Nizamabad, Karimnagar and Khammam, each of which is below the state average (Figure 3.2).

Figure 3.1: Proportion of households with bank accounts by location and social group



Source : Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

Figure 3.2: Proportion of households with bank accounts by district and location



Source : Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

3. Ownership of assets

Ownership value of household assets like land, building, bullion and ornaments, financial assets etc., influence the access and amount of credit by Hhs as they act as security to loan. It is clear from the data that 83.3 per cent of Hhs own land with an average value of Rs. 7.34 lakh per Hh and 98 per cent of Hhs own other non-land assets with average value of Rs. 6.27 lakh per Hh (Table 3.2).

The rural urban differences are significant when it comes to the average value of asset per Hh; the value of assets owned by the average urban Hh is more than six times the average value of assets owned by a rural Hh.

Significantly wide differences are found across social groups: all socially marginal groups (ST, SC and OBC) own assets (both land and other assets) that are several degrees lower in value per Hh than the socially privileged group (Others). Among all social groups, SCs report grossly lower value of household asset base. These differences in value of household assets across social groups have implications for their access and the volume of credit that each can obtain from institutional sources such as banks and cooperatives. The access of different groups to different sources of credit is discussed below.

Table 3.2: Details of households owning land and other assets

Social Group	Proportion of households owning assets					
	Land			Other assets*		
	Rural	Urban	Total	Rural	Urban	Total
ST	90.8	68.3	86	96.2	94	95.7
SC	98.4	66.2	89.2	99.1	91.8	97.1
OBC	96.3	59.1	81	99.8	96.4	98.4
Others	96.3	77.2	83.6	99.7	98.7	99.1
Total	96.1	65.5	83.3	99.2	96.4	98.1
Average value of assets per household (Rs. lakh)						
ST	5.61	2.74	5.13	1.96	3.46	2.27
SC	2.35	4.61	2.83	1.64	3.75	2.21
OBC	5.09	7.91	5.94	2.53	6.26	4.04
Others	7.75	23.35	17.29	3.51	26.65	18.8
Total	4.81	12.49	7.34	2.38	11.84	6.27

Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

*Other Assets include building, livestock & poultry, transport equipment, agricultural machinery, non-farm business equipment, share & debentures, financial assets and bullion & ornaments.

4. Access to credit

Analysis of data pertaining to access of Hhs to credit reveals that in Telangana, 70.7 per cent Hhs have access to, and are accessing credit from all sources (Table 3.3). However, the access to institutional sources is relatively lower at 45.1 per cent, than that of non-institutional sources at 57.8 per cent.

Among all the sources, moneylenders still play a dominant role in addressing the credit needs of Hhs (50.6 per cent) in Telangana. The institutional sources such as commercial banks reach only 16 per cent of Hhs while the reach of co-operative societies is only 9.3 per cent.

Interestingly, rural areas report relatively higher household access to credit (83.3 per cent) than urban areas (53.4 per cent) but importantly, non-institutional credit sources dominate the scene.

The social group analysis reveals that STs and SCs report relatively lower access to credit from institutional sources, leading to higher dependency on non-institutional sources, especially moneylenders. This dependence on non-institutional sources has adverse impacts because of the well-known fact of higher and exploitative nature of interest rates charged by moneylenders.

The average amount of borrowing per Hh indicates vast differences between social groups, and between rural and urban locations (Table 3.4). The average amount of borrowing per household accessing from all sources in Telangana stands at Rs 5.98 lakh with wide differences between rural (Rs 3.23 lakh) and urban (Rs 11.92 lakh) Hhs. The amount is higher in case of non-institutional sources than institutional ones. Among the institutional sources, commercial banks lend, on average, a higher amount than others.

Rural areas report a relatively meager average amount of borrowing from all sources indicating that they play a marginal role in the overall credit scenario of the state. Socially marginalised groups, especially STs and SCs, are lent relatively very small amounts i.e. more than nine times less

than 'Others'. The reason could be their poor asset base (Table 3.2).

It is important to understand the distributional share of total credit amount by different agencies. The data illustrates that commercial banks stand first with a 45.8 per cent share in the total credit of all the Hhs in Telangana, followed by professional money lenders (31.3 per cent), and co-operative societies (12 per cent) (Figure 3.3 & Table 3.5).

The dominance of the bank in the total credit share is present only in urban areas but not in rural areas; in the latter, professional money lenders dominate with 50.7 per cent of the total credit amount (Figure 3.4).

Interestingly, across social groups, there is significant dependence on professional moneylenders in rural areas. While SCs and OBCs access upwards of 55 per cent of their credit needs from moneylenders, STs access 48 per cent while 'Others' also access 32 per cent. The overall picture (rural plus urban) also reveals a significant dependence on money lenders for all groups, with STs, SCs and OBCs accessing upwards of 50 per cent from money lenders, and with 'Others' accessing almost 33 per cent.

Given this scenario, what needs to be explored in some depth is the implication of this dependence on moneylenders rather than institutional sources such as commercial banks or cooperatives. The differential asset base of each of the social groups means that, at one level, SCs and STs in particular (groups that have low assets but whose requirement for credit could be more) cannot access institutional sources to any great extent. At another level, the more such groups depend on non-institutional sources, such as money lenders, the more their vulnerability increases since money lenders generally charge usurious rates of interest, even as they provide loans for consumption purposes, which are generally not provided by institutional sources. What is also important to explore is the reason for 'Others' in rural areas to depend on moneylenders despite their decent asset base which should enable them to access institutional sources for credit.

Table 3.3: Proportion of households who borrowed from different credit agencies

Credit agency	Social group				
	ST	SC	OBC	Others	All
Rural					
Co-operative societies	10.5	7.9	15.9	17.7	13.7
Commercial banks	19.1	12.0	20.3	29.3	19.3
SHGs – Bank linked	21.8	36.5	38.8	28.5	35.3
Other institutional agencies	1.8	1.8	5.1	2.2	3.7
Total institutional agencies	41.9	51.2	67.0	56.9	59.6
Money lenders*	49.6	65.8	69.3	59.3	65.3
Input suppliers	0.5	0.2	0.1	0	0.2
Relatives/friends	2.1	11.8	5.7	0.6	6.1
Total non-institutional agencies	50.2	75.6	73.4	59.5	69.9
All sources	69.0	86.3	86.4	73.6	83.1
Urban					
Co-operatives societies	10.3	2.2	2.6	3.8	3.2
Commercial banks	11.1	8.8	9.7	15.2	11.2
SHGs – bank linked	4.7	11.8	9.9	7.6	9.3
Other institutional agencies	2.3	4.6	4.0	2.2	3.5
Total institutional agencies	25.2	24.8	23.6	27.4	24.9
Money lenders	70.7	38.4	30.8	19.8	30.2
Input suppliers	0	0.5	0	0.1	0.1
Relatives/friends	1.9	10.3	14.4	9.8	12.1
Total non-institutional agencies	72.8	49.3	43.4	28.8	41.4
All sources	76.8	57.7	53.8	47.6	53.4
Total					
Co-operative societies	10.4	6.3	10.4	8.5	9.3
Commercial banks	17.4	11.1	15.9	20.0	15.9
SHGs – Bank linked	18.2	29.5	26.9	14.6	24.4
Other institutional agencies	1.9	2.6	4.7	2.2	3.6
Total institutional agencies	38.3	43.7	49.1	37.3	45.1
Money lenders	54.1	58.0	53.4	33.1	50.6
Input suppliers	0.4	0.3	0.1	0.1	0.1
Relatives/friends	2.1	11.4	9.3	6.7	8.6
Total non-institutional agencies	54.9	68.1	61.0	39.2	57.8
All sources	70.7	78.2	72.9	56.4	70.7

Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014.

* Moneylenders comprise both agricultural and professional types.

Table 3.4: Average amount of loan per accessing household (Rs lakh)

Credit agency	Social group				
	ST	SC	OBC	Others	Total
Rural					
Co-operative societies	0.62	0.80	0.72	2.70	0.99
Commercial banks	0.85	0.54	1.14	2.67	1.27
SHGs – Bank linked	0.21	0.33	0.31	0.48	0.32
Other institutional agencies	4.62	0.18	0.54	2.05	0.81
Total institutional agencies	0.85	0.49	0.74	2.54	0.88
Money lenders	0.91	0.81	1.31	1.82	1.21
Input suppliers	0.38	1.00	0.10	0.00	0.43
Relatives/friends	0.31	0.20	0.41	0.47	0.31
Total non-institutional agencies	1.84	1.62	2.74	4.89	2.60
All sources	2.36	1.91	3.32	6.85	3.23
Urban					
Co-operative societies	1.07	3.15	6.69	28.76	13.09
Commercial banks	2.40	4.03	5.92	36.67	17.57
SHGs – Bank linked	0.28	0.34	0.34	0.38	0.35
Other institutional agencies	2.89	0.94	1.63	4.65	2.11
Total institutional agencies	1.81	2.05	3.57	24.80	10.01
Money lenders	1.50	1.12	2.23	2.93	2.12
Input suppliers	0.00	0.15	1.40	2.15	0.84
Relatives/friends	0.23	0.20	0.42	0.60	0.44
Total non-institutional agencies	3.38	2.44	4.34	16.94	7.25
All sources	3.97	3.32	5.91	31.21	11.92
Total					
Co-operative societies	0.71	1.03	1.33	10.37	2.73
Commercial banks	1.06	1.33	2.34	19.83	6.07
SHGs – Bank linked	0.22	0.33	0.31	0.45	0.33
Other institutional agencies	4.18	0.57	0.93	3.80	1.34
Total institutional agencies	0.99	0.74	1.30	13.36	2.99
Money lenders	1.07	0.87	1.53	2.26	1.44
Input suppliers	0.38	0.55	0.33	2.15	0.57
Relatives/friends	0.29	0.20	0.41	0.60	0.39
Total non-institutional agencies	2.20	1.79	3.23	11.64	4.07
All sources	2.73	2.21	4.10	20.48	5.98

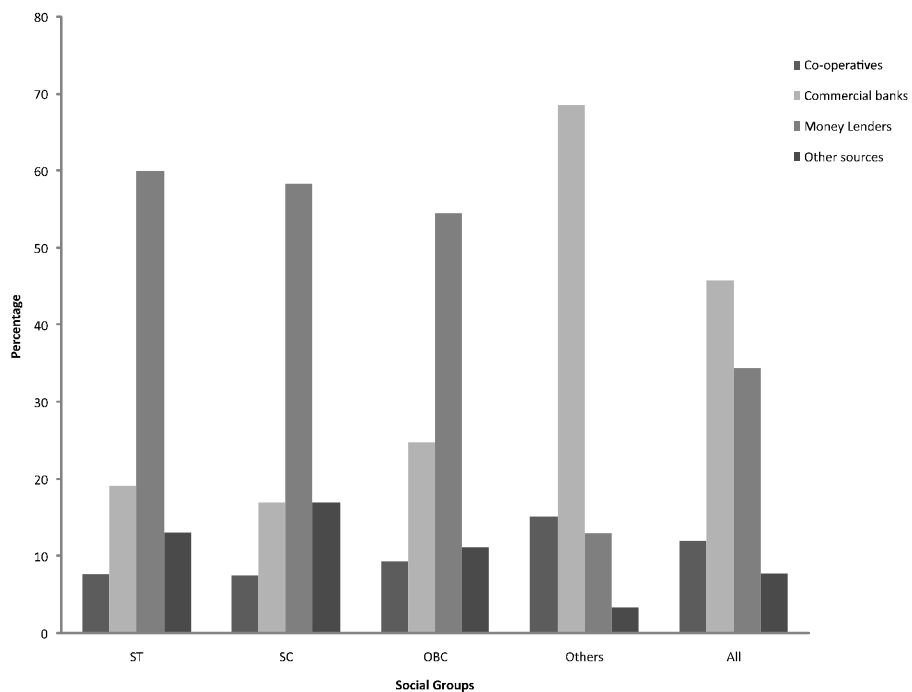
Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

Table 3.5: Proportionate share of different credit agencies in the total credit, Telangana, 2014

Credit agency	Social group				
	ST	SC	OBC	Others	All
Rural					
Co-operative societies	7.9	7.6	8.0	18.9	10.1
Commercial banks	20.0	7.9	16.2	30.9	18.3
Agricultural money lenders	7.0	6.0	8.3	10.1	8.3
Professional money lenders	48.1	58.7	55.4	32.4	50.7
Input suppliers	0.2	0.2	0.0	0.0	0.0
SHGs- Bank linked	5.7	14.5	8.3	5.4	8.4
Other agencies	11.1	4.9	3.9	1.9	4.1
All sources	100.0	100.0	100.0	100.0	100.0
Urban					
Co-operative societies	7.2	7.2	10.9	14.6	13.1
Commercial banks	17.4	37.0	35.8	75.1	61.8
Agricultural money lenders	0.6	0.1	0.7	0.1	0.3
Professional money lenders	69.2	44.7	42.6	7.7	19.8
Input suppliers	0.0	0.1	0.0	0.0	0.0
SHGs- Bank linked	0.9	4.2	2.0	0.4	1.0
Other agencies	4.7	6.8	8.0	2.2	4.0
All sources	100.0	100.0	100.0	100.0	100.0
Total					
Co-operative societies	7.7	7.5	9.3	15.2	12.0
Commercial banks	19.1	17.0	24.9	68.5	45.8
Agricultural money lenders	4.9	4.2	5.0	1.6	3.2
Professional money lenders	55.1	54.2	49.6	11.4	31.3
Input suppliers	0.1	0.2	0.0	0.0	0.0
SHGs- Bank linked	4.1	11.3	5.5	1.1	3.7
Other agencies	8.9	5.5	5.7	2.2	4.1
All sources	100.0	100.0	100.0	100.0	100.0

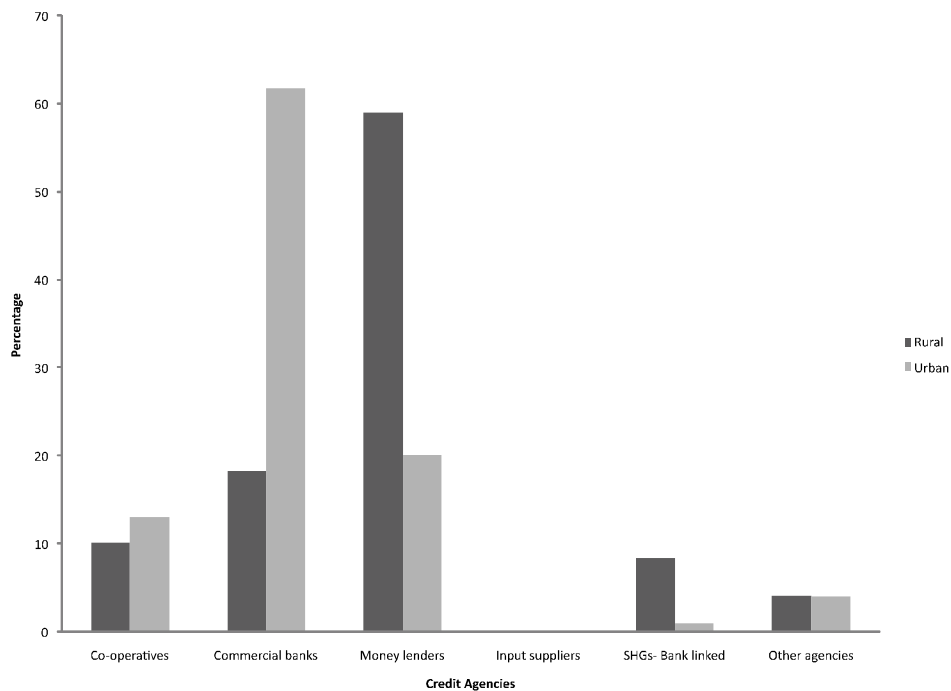
Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

Figure 3.3: Distributional share of credit by source agency



Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

Figure 3.4: Share of credit by location and source of credit



Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

5. Average annual interest rate

The average annual interest rate figures indicate that moneylenders (both agricultural and professional) and input suppliers charge very high interest rates (above 28 per cent), more than commercial banks (9.4 per cent) and co-operatives (9.5 per cent) (Table 3.6). Data on interest rates

needs to be read along with data on share of loan amount from different credit agencies (Table 3.5) to comprehend the magnitude of the rural problem – the more people (especially the most vulnerable among them) depend on money lenders, the more the burden of interest that they will have to shoulder, feeding into a rising spiral of indebtedness (Figure 3.4).

Table 3.6: Average annual rate of interest on loans from various credit agencies (Per cent)

Credit agency	Social group				
	ST	SC	OBC	Others	All
Rural					
Co-operative societies	9.5	10.2	8.7	9.0	9.0
Commercial banks	7.5	9.2	8.1	9.2	8.4
SHGs-Bank linked	6.6	6.7	6.0	7.5	6.3
Agricultural money lenders	34.2	29.6	28.7	24.8	28.7
Professional money lenders	30.2	28.4	27.6	25.4	27.8
Input suppliers	33.8	36.0	31.6		33.8
All sources	20.1	19.5	18.3	16.4	18.5
Urban					
Co-operative societies	17.4	15.6	11.4	10.9	12.1
Commercial banks	9.8	10.5	11.5	12.4	11.7
SHGs- Bank linked	5.6	9.0	7.0	6.9	7.3
Agricultural money lenders	24.0	36.0	22.8	32.5	24.7
Professional money lenders	37.6	32.6	27.4	26.9	29.4
Input suppliers		60.0	25.0	14.2	39.0
All sources	32.0	22.1	17.0	15.1	18.3
Total					
Co-operative societies	10.9	10.7	9.0	9.4	9.5
Commercial banks	7.8	9.5	9.0	10.9	9.4
SHGs- Bank linked	6.6	7.0	6.2	7.3	6.5
Agricultural money lenders	33.8	29.7	28.5	24.9	28.6
Professional money lenders	32.6	29.0	27.6	26.0	28.2
Input suppliers	33.8	44.7	30.6	14.2	35.4
All sources	22.7	19.9	18.0	15.8	18.4

Source : Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

6. Purpose of loan

The purpose of loan indicates how disbursed loans are utilised by households, whether for production or non-production purposes. While overall the data indicates that expenditure on housing constitutes the major purpose for which loans are taken (28 per cent), followed by non-farm expenditure (26 per cent), and household expenditure (20 per cent), disaggregation of data by location provides interesting patterns (Table 3.7)(Figure 3.5).

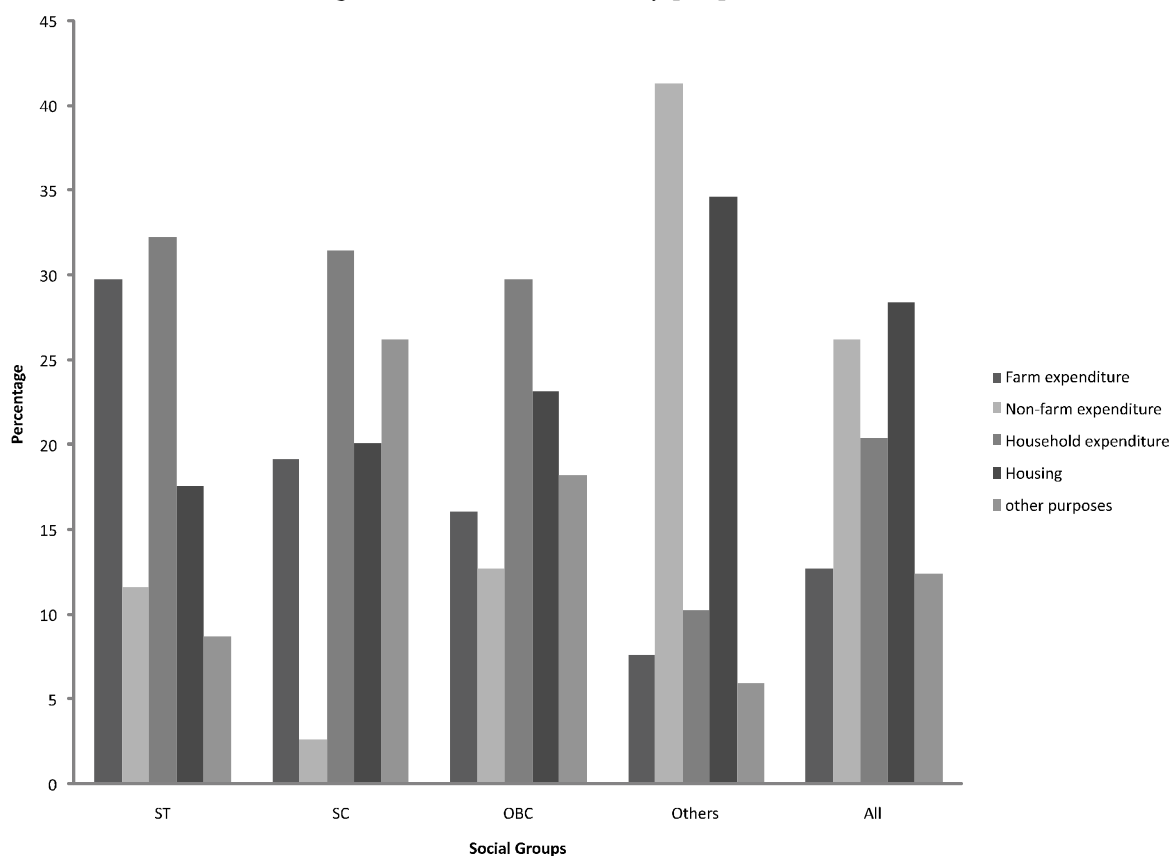
In rural areas, farm and household expenditure constitutes the major purpose for which loans are taken. For SCs and OBCs, household expenditure is more than that taken for expenditure on farms. For 'Others', loans for expenditure on farms (46.8

per cent) and education (14 per cent) is more than that for household expenditure. Interestingly, SCs take more loans (8 per cent) for education than OBCs (1 per cent).

In urban areas, across all social groups, loans for expenditure on housing are high. Additionally, for STs and SCs, while loans for household expenditure are significant, 'Others' and 'OBCs', take significant amount for non-farm expenditure.

What emerges clearly from the examination of data is the significant amounts that STs and SCs borrow for household expenditure, whether in rural or urban areas (Table 3.7). It is important to investigate why these groups borrow so heavily for consumption rather than for production purposes.

Figure 3.5 Share of credit by purpose of loan



Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

Table 3.7: Proportion of total loan amount across purposes, Telangana, 2014

Purpose of loan	Social group				
	ST	SC	OBC	Others	All
Rural					
Farm expenditure	43.3	27.8	27.1	46.8	32.1
Non-farm expenditure	12.3	1.7	1.9	4.7	3.2
Household expenditure	27.1	31.1	38.3	11.5	31.2
Housing	8.9	11.1	13.8	8.3	12.0
Medical treatment	4.7	8.2	7.9	0.7	6.3
Education	1.6	8.0	1.1	14.1	4.6
Repayment of debt	0.1	1.2	0.7	2.3	1.1
Financial investment expenditure	0.0	1.4	0.0	0.1	0.2
Other	2.2	9.6	9.2	11.2	9.2
All	100.0	100.0	100.0	100.0	100.0
Urban					
Farm expenditure	2.8	0.7	2.0	0.9	1.2
Non-farm expenditure	10.3	5.1	26.5	47.7	39.6
Household expenditure	42.9	32.9	19.0	10.1	14.0
Housing	34.7	39.7	35.2	39.2	38.0
Medical treatment	6.0	2.8	3.5	0.3	1.4
Education	1.7	5.1	2.0	0.4	1.0
Repayment of debt	0.1	1.5	0.5	0.0	0.2
Financial investment expenditure	1.1	0.0	0.2	0.3	0.3
Other	0.4	12.3	11.1	1.1	4.3
All	100.0	100.0	100.0	100.0	100.0
Total					
Farm expenditure	29.8	19.2	16.1	7.6	12.7
Non-farm expenditure	11.6	2.7	12.7	41.3	26.2
Household expenditure	32.3	31.5	29.8	10.3	20.4
Housing	17.6	20.1	23.2	34.6	28.4
Medical treatment	5.1	6.5	6.0	0.4	3.2
Education	1.6	7.0	1.5	2.4	2.4
Repayment of debt	0.1	1.3	0.6	0.4	0.5
Financial investment expenditure	0.4	0.9	0.1	0.2	0.2
Other	1.5	10.5	10.0	2.6	6.1
All	100.0	100.0	100.0	100.0	100.0

Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

7. Duration of loan

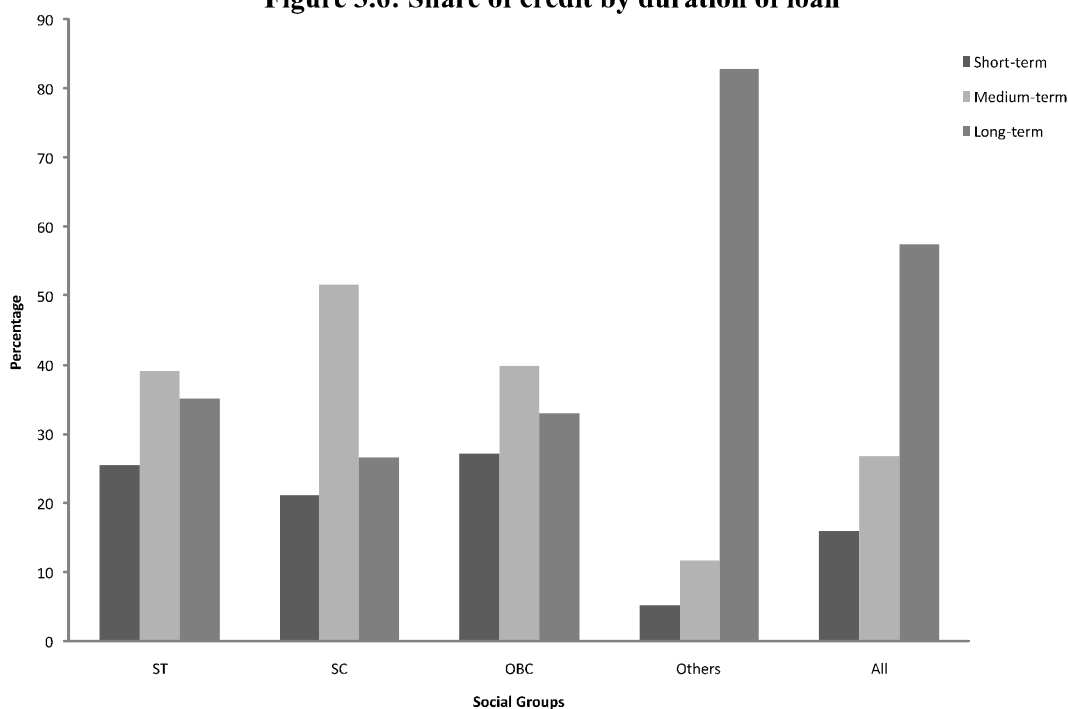
The duration of the loan is important for effective utilization and repayment by the Hh¹. It is expected that long and medium term loans are more favourable than short term ones, since there is enough time for benefits to accrue from the investment made using the borrowed amount. However, this condition applies only when the loan is used for direct production purposes, but not for non-production or household consumption. The data reveals that, overall, a major share of the loan amount is taken under long term (57.5 per cent) in Telangana, followed by medium term (26.9 per cent) and short term (15.9 per cent) (Table 3.8). Disaggregating data by location and within location by social groups provides interesting patterns (Figure 3.6).

Uniformly across all social groups, medium term loans are the norm in rural areas, with SCs, dominating this scene (55 per cent). STs figure

more in the short-term category (35 per cent), while 'Others' dominate the long-term (38.6 per cent). In urban areas, the long-term loan category is dominated by 'Others' (90 per cent) and STs (73 per cent); SCs figure prominently in the medium-term loan category (Table 3.8).

What would be interesting to explore is the relation between the duration of the loan and the purpose for which loans are taken. If, as mentioned earlier (based on Table 3.7), household expenditure dominates the purpose for which loans are taken, especially by SCs and STs, whether in urban or rural areas, and again, if the share of loans taken from money lenders is high and at rates of interest higher than institutional sources, then the longer the duration, the higher the debt burden. Also, unlike institutional sources, non-institutional sources such as moneylenders may not find it lucrative to park their money in long duration loans.

Figure 3.6: Share of credit by duration of loan



Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

¹Loans are generally given for a specific period that is categorised in three types such as short-term, medium-term and long-term. Short-term loans are advanced for a period of up to 12 months, medium-term for a period ranging from 1 to 3 years and long-term for a period exceeding 3 years.

Table 3.8: Proportion of loans across various durations, Telangana, 2014

Term duration	Social group				
	ST	SC	OBC	Others	Total
Rural					
Short-term	34.8	26.6	28.9	23.8	28.1
Medium-term	49.2	55.3	44.8	37.3	44.9
Long-term	15.9	18.1	26.4	38.6	27.0
All	100.0	100.0	100.0	100.0	100.0
Urban					
Short-term	7.5	10.0	25.0	2.1	8.8
Medium-term	19.0	44.7	33.9	7.4	16.2
Long-term	73.2	45.4	41.3	90.5	75.0
All	100.0	100.0	100.0	100.0	100.0
Total					
Short-term	25.6	21.3	27.3	5.3	15.9
Medium-term	39.2	51.8	39.9	11.8	26.9
Long-term	35.2	26.7	33.0	82.9	57.5
All	100.0	100.0	100.0	100.0	100.0

Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

8. Securities of loan

Loans are lent to households under different securities. The data shows that the majority share of total loan amount is lent on personal security (44.4 per cent), followed by mortgage of property (33.9 per cent). In rural areas, loans on personal security are phenomenally high among SCs (79 per cent) and OBCs (72 per cent) followed by STs (58 per cent) and 'Others' (47 per cent). For 'Others', mortgage of immovable property constitutes an equally important security (40 per cent) for loans availed. In urban areas, personal security forms an important basis for loans taken by STs (70 per cent), OBCs (49 per cent) and SCs

(48 per cent) in that order. For 'Others', however, mortgage constitutes the major security under which loans are given (53 per cent) (Table 3.9).

The type of mortgage is mostly of conditional sale in urban areas and simple mortgage in rural areas (Table 3.10).

The above patterns call for micro-level explorations that enable comprehension of the linkage between purpose of loan, source of loan, duration of loan and type of security against which loans are provided across social groups and location.

Table 3.9: Distribution (Per cent) of loan across securities, Telangana, 2014

Security type of loan	Social group				
	ST	SC	OBC	Others	All
Rural					
Personal security	57.7	79.0	71.5	46.7	66.7
Third party surety	5.1	5.4	3.6	3.1	3.9
Crop surety	19.0	3.1	5.9	6.6	6.5
Mortgage of immovable property	14.7	4.5	14.0	40.4	17.9
Bullion & ornaments	2.6	4.2	2.0	2.0	2.3
Other surety	1.0	3.9	3.1	0.8	2.6
All	100.0	100.0	100.0	100.0	100.0
Urban					
Personal security	69.6	47.8	48.7	22.1	31.2
Third party surety	3.5	11.1	8.8	1.3	3.8
Crop surety	1.1	0.1	0.3	8.1	5.5
Mortgage of immovable property	17.4	34.1	23.1	52.5	43.1
Bullion & ornaments	6.3	3.6	4.4	0.6	1.9
Other surety	2.0	3.4	14.7	15.3	14.4
All	100.0	100.0	100.0	100.0	100.0
Total					
Personal security	61.7	68.9	61.4	25.7	44.4
Third party surety	4.5	7.2	5.9	1.6	3.8
Crop surety	13.0	2.2	3.4	7.9	5.9
Mortgage of immovable property	15.6	13.9	18.0	50.7	33.9
Bullion & ornaments	3.8	4.0	3.1	0.8	2.1
Other surety	1.3	3.7	8.2	13.1	10.1
All	100.0	100.0	100.0	100.0	100.0

Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014

Table 3.10: Proportion of total loan amount across different mortgage types

Mortgage type	Social group				
	ST	SC	OBC	Others	All
Rural					
Simple	99.4	99.0	87.6	94.3	91.6
Conditional sale	0.6	0.0	3.9	0.0	1.9
Other	0.0	0.9	6.4	5.8	5.6
All	100.0	100.0	100.0	100.0	100.0
Urban					
Simple	38.5	16.4	74.2	2.4	13.7
Conditional sale	60.3	83.8	24.3	97.2	85.8
Other	1.2	0.0	1.6	0.4	0.6
All	100.0	100.0	100.0	100.0	100.0
Total					
Simple	76.7	34.7	80.3	13.2	29.0
Usufructuary	0.0	0.0	0.9	0.0	0.2
Conditional sale	22.8	65.0	15.4	85.8	69.2
Other	0.5	0.2	3.7	1.1	1.6
All	100.0	100.0	100.0	100.0	100.0

Source: Calculated from Unit Level Data from Debt and Investment Survey, NSSO, 70th Round, 2014



SOCIAL DIMENSIONS OF
THE LABOUR FORCE IN TELANGANA:
Special Focus on Youth and Skill Gap

4

SOCIAL DIMENSIONS OF THE LABOUR FORCE IN TELANGANA: Special Focus on Youth and Skill Gap

D. Shyjan

1. Introduction

Most of the development goals set at the global level invariably give prime importance to generating additional employment and ensuring its quality. For India, nationally and at the regional level as well, the quality of employment becomes vital as there is a significant share of working poor and informal workers; it also acquires relevance if the country is expected to take advantage of the window of opportunity (often referred to as the demographic dividend) by 2040. For Telangana, the newest state in the country, addressing this issue could become a step towards attaining globally set goals such as the MDGs and SDGs. Against this background, the main objective addressed in this chapter is to provide a situational analysis of employment and unemployment across different social and spatial locations and gender. Alongside this, an attempt is made to understand the existing skill gap and the potential of the state to take advantage of the demographic dividend. Throughout the analysis, the situation of Telangana has been compared to that of national averages.

For the purpose of this chapter, the Employment and Unemployment Surveys (henceforth the EUS) of NSSO has primarily been considered. From the district-wise information available from NSSO unit level, data relevant to the ten districts comprising Telangana has been extracted from that of undivided Andhra Pradesh. The latest NSSO major rounds of 2004-05 (NSSO 61st round) and 2011-12 (68th round) have been mainly considered.¹

In the sections that follow we examine Labour Force Participation, Workforce Participation, type of employment, sectoral employment and MGNREGA. The themes of wage, demographic dividend and skill gap are examined in the last section.

2. Labour Force Participation Rate (LFPR)

The Labour Force Participation Rate (LFPR), defined as the total of working and unemployed as a proportion of the total population, is calculated both in terms of Principal Status as well as Usual Status (Principal and Subsidiary Status taken

¹The district wise number of sample households and persons surveyed are given in Annexure 4.1.

together) for two time points, namely, 2004-05 and 2011-12.² It shows that compared to the national average, the LFPR was higher in Telangana during 2004-05. Similar to the national pattern, the LFPR in Telangana too declined in 2011-12. However, in Telangana the difference in LFPR between Principal Status and Usual Status is much narrower than all-India. This indicates that the subsidiary proportion of labour force is much lower in Telangana over the same period (Table 4.1).

Table 4.1: Labour force participation (LFPR), India and Telangana, 2004-05 & 2011-12 (Per 1000)

State	LFPR Principal Status (PS)		LFPR Principal plus Subsidiary (PS+SS)	
	2004-05	2011-12	2004-05	2011-12
India	392	364	430	395
Telangana	504	459	508	461
Adilabad	518	552	519	552
Nizamabad	544	578	545	579
Karimnagar	548	545	550	545
Medak	503	456	510	456
Hyderabad	354	368	355	368
Ranga Reddy	501	408	503	409
Mahbubnagar	539	503	547	522
Nalgonda	544	459	546	461
Warangal	509	485	522	486
Khammam	517	461	517	461

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

It should be noted that LFPR is lowest in Hyderabad and highest in Karimnagar during both periods. Even though there is a general tendency among districts to follow the state pattern of declining LFPR from 2004-05 to 2011-12, three districts, namely, Adilabad, Nizamabad and Hyderabad, show increasing rates from 2004-05 to 2011-12 (Table 4.1).

If we look at the social group-wise differences in LFPR, it is found that there is a caste dimension. The 'Others' category has the lowest LFPR during both periods in Telangana and is similar to the all-India pattern (Table 4.2).

Table 4.2: Social group-wise distribution of LFPR, India and Telangana, 2004-05 & 2011-12 (Per 1000)

State/ category	Social Group	LFPR PS		LFPR PS+SS	
		2004-05	2011-12	2004-05	2011-12
Telangana	Total	504	459	508	461
	ST	483	587	483	587
	SC	530	475	534	475
	OBC	528	470	533	473
	Others	434	368	438	369
	India	Total	392	364	430
ST		468	423	507	459
SC		395	367	438	404
OBC		393	359	432	389
Others		368	353	401	378

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

²Principal Status refers to an activity status if a person engages in economic activity for more than 180 days during the reference year; and subsidiary status refers to an activity status if a person spends less than 180 days but more than 30 days during the reference year.

In Telangana, the LFPR among STs was lower than for SCs and OBCs during 2004-05, but becomes highest during 2011-12 (Figure 4.1). ST is the only category which registers increase in LFPR from 2004-05 to 2011-12 across the state, unlike the all India pattern. The highest LFPR among STs could mean either a higher proportion of workers or a higher proportion of unemployment, which we will examine later.

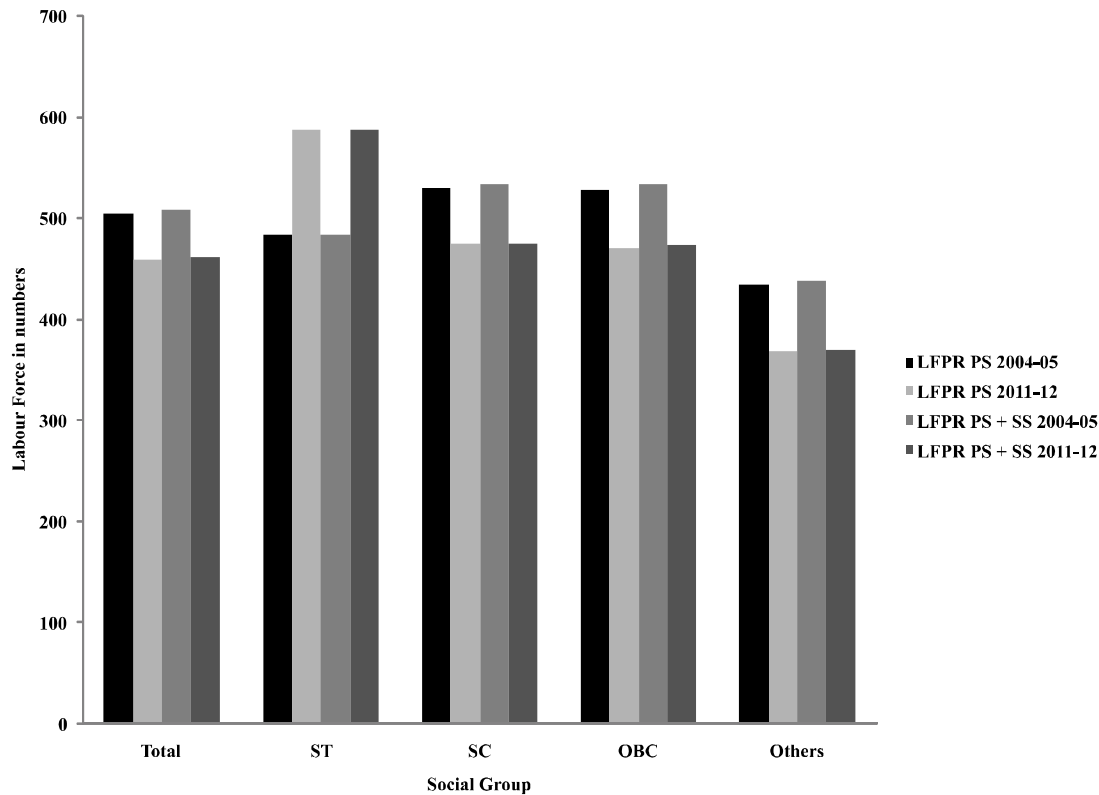
Telangana, similar to all India, has higher LFPR in rural areas, which declines over the two time points, 2004-05 to 2011-12 (see Annexure 2). The decline in rural labour force is higher than that of urban. It is worth noting that the rural urban gap is higher in Telangana than that all of India. When we look at the gender difference in LFPR, it is found that there has been a decline among both males and females from 2004-05 to 2011-12, but the decrease

is sharper among females than males (see Annexure 3). This means that the decline in LFPR is mainly due to the withdrawal of females from the labour force. For both males and females in Telangana, even as LFPR has declined between the two time points, it is still higher than the national average. Further, the gender difference in LFPR is narrower in Telangana than all India.

The highest decline in LFPR is observed among rural females, followed by urban females. It is also important to note that the LFPR among urban females is very low, at around one-third of the rural females.

As we noted earlier, the changes in LFPR may either be due to the changes in the proportion of workers or due to changes in the rates of unemployment, which we will examine next.

Figure 4.1: Distribution of labour force participation by social group



Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

3. Worker Population Ratio (WPR)

According to the principal status, Telangana had the highest worker population ratio (WPR) in 2004-05 compared to all India. But this declines over time, although it remains higher in 2011-12 than the national average. The decline in WPR, therefore, may be the main reason for the decline in LFPR, and this in turn indicates relatively higher unemployment in the state, which we examine later. As we noted for LFPR, in WPR too, the difference between Principal Status and Usual Status is much narrower in Telangana than all India. This indicates that employment in subsidiary activities is relatively lower and coming down in the state (Table 4.3).

Table 4.3: District-wise worker-population ratio: Telangana and India, 2004-05 & 2011-12

State/ districts	Principal Status (PS)		Usual Status (PS+SS)	
	2004-05	2011-12	2004-05	2011-12
India	380	354	420	386
Telangana	496	444	500	446
Adilabad	512	538	513	539
Nizamabad	538	576	539	576
Karimnagar	541	527	544	527
Medak	499	449	506	449
Hyderabad	339	344	341	345
Ranga Reddy	496	404	498	406
Mahbubnagar	528	488	536	507
Nalgonda	536	444	539	446
Warangal	503	481	516	482
Khammam	506	443	506	443

Source: Computed from NSSO, 61st Round, 2004-05 68th Round, 2011-12

Similar to the district level pattern observed for LFPR, in terms of WPR too, the lowest rate is observed in Hyderabad and highest in Karimnagar during both periods. Similarly, the three districts of Adilabad, Nizamabad and Hyderabad register improvement in WPR over the two time periods; for all other districts, WPR has come down between 2004-05 and 2011-12.

The caste dimension of WPR in Telangana is the opposite of the national pattern (Table 4.4). While there is a sharp decline in WPR among STs at the national level, the ST WPR is increasing in Telangana. Therefore, the improvement in LFPR observed earlier in ST category may be because of the improvement in WPR. The highest fall in WPR is among the 'Others' category in Telangana. The rate is lowest among the 'Others' category.

Table 4.4: Social group dimension of WPR, Telangana and India, 2004-05 & 2011-12

State/ category	Social group	Principal Status (PS)		Usual Status (PS+SS)	
		2004-05	2011-12	2004-05	2011-12
Telangana	Total	496	444	500	446
	ST	481	584	482	584
	SC	521	461	525	462
	OBC	520	457	526	460
	Others	423	345	427	346
India	Total	380	354	420	386
	ST	462	415	502	452
	SC	383	357	428	395
	OBC	382	350	423	382
	Others	353	341	389	368

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

The WPR has a rural-urban dimension. Even though it is higher in rural areas, its decline over the period is sharp when compared to the trend in urban WPR. This is true at the national level as well (see Annexure 4). Therefore, the decline in rural LFPR we observed earlier appears to be mainly because of decline in the rural WPR. It should also be noted that the rural-urban gap is higher in Telangana during both time points (Table 4.5).

The gender gap in WPR is lower in Telangana than it is in all India. However, there is a sharp fall of 9 percentage points in WPR from 2004-05 to 2011-12 (see Annexure 5). Therefore, it may be argued that the major reason for the decline in WPR is the decline in female participation.

Table 4.5: Ratio of rural to urban WPR, Telangana and India, 2004-05 & 2011-12

State/category	Principal Status (PS)		Usual Status (PS+SS)	
	2004-05	2011-12	2004-05	2011-12
Telangana	1.5	1.5	1.5	1.5
India	1.1	1.0	1.2	1.1

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.6: WPR (in percent) across gender and location (based on principal status), Telangana and India, 2004-05 & 2011-12

State	Period	Rural Male	Rural Female	Male female ratio	Urban Male	Urban Female	Male female ratio	Total
Telangana	2004-05	57.4	51.0	1.1	55.2	17.9	3.1	49.6
	2011-12	56.0	46.2	1.2	53.7	14.9	3.6	44.4
India	2004-05	53.5	24.2	2.2	54.1	13.5	4.0	38.0
	2011-12	53.5	17.6	3.0	54.2	12.5	4.3	35.4

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.6 provides some interesting patterns relating to WPR, especially among rural and urban female WPRs in Telangana, and when compared to all-India. One, WPR among rural females is much higher in Telangana than it is in all-India. Two, the male-female ratio in rural WPR is low (close to one) in rural Telangana, but three times higher at the national level. Three, the male-female ratio in urban WPR is high in Telangana but lower than India. Further, the male-female ratio in urban WPR, which is about three times the rural ratio, has widened between 2004-05 and 2011-12. Four, within Telangana, WPRs have declined for both rural and urban females between the two time points. Five, the difference between rural and urban WPRs for females is sharp and not decreasing, as revealed between the two time

points. Six, for males, the above picture does not hold.

Overall, the higher WPR in rural Telangana is not necessarily an indication of development but rather raises a question of quality and security of employment which requires further investigation.

4. Type of employment

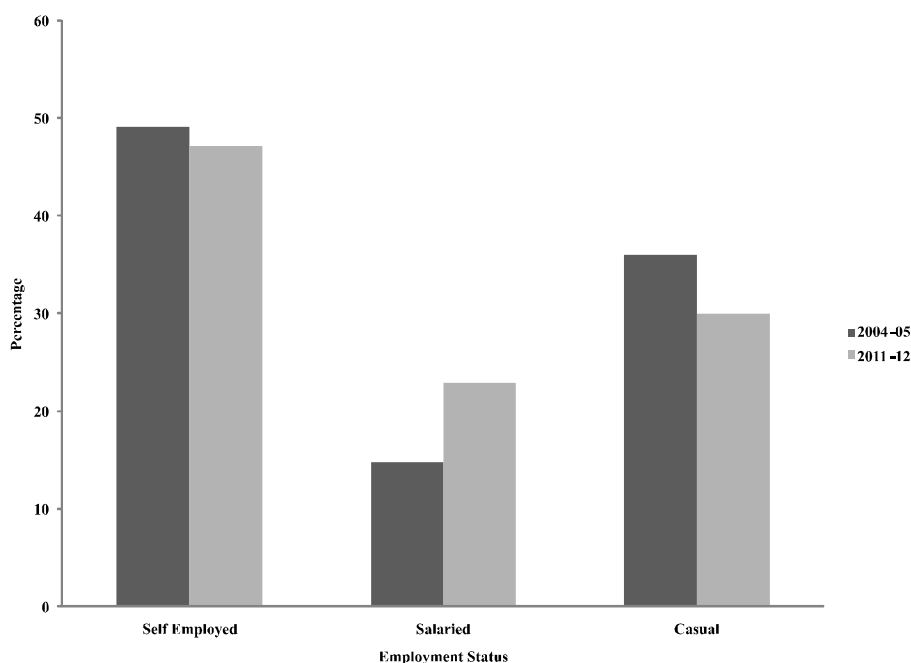
This section examines the nature of employment and changes, if any, between the two time points. The classification of employment into different types is based on the NSSO definition of Self-employed, Regular/Salaried and Casual. The analysis has been done across districts, different social groups, gender and place of residence.

The aggregate picture of employment type in Telangana shows that there is reduction in casual and self-employed categories of employment and increase in the regular/salaried employment over the time period (Table 4.7). Though this pattern holds true for India, the proportion of

regular/salaried employment was higher in Telangana in 2011-12 than all-India (Figure 4.2).

The pattern in type of employment according to Principal and Subsidiary Status taken together is also more or less the same (see Annexure 6).

Figure 4.2: Type of employment in Telangana, 2004-05 & 2011-12



Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.7: Type of employment across districts, Telangana and India, 2004-05 & 2011-12 (Per cent)

State/ districts	Self-Employed		Regular Salaried		Casual		Total
	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12	
India	54.1	50.3	15.5	19.3	30.3	30.5	100
Telangana	49.1	47.1	14.8	22.9	36.0	30.0	100
Adilabad	64.8	70.6	14.3	12.3	20.8	17.1	100
Nizamabad	56.3	69.4	16.1	8.8	27.6	21.8	100
Karimnagar	53.1	57.8	14.4	12.7	32.4	29.5	100
Medak	35	42.3	7.5	12.7	57.5	45	100
Hyderabad	41.8	31.4	45.2	59.8	12.9	8.8	100
Ranga Reddy	49.8	50	13	23.8	37.2	26.2	100
Mahbubnagar	51.5	56.9	8.6	5.3	39.9	37.8	100
Nalgonda	38.9	37.2	9.5	16.7	51.7	46	100
Warangal	55.7	46.5	10.3	10.4	34.1	43	100
Khammam	43.8	32.2	14.3	14.6	41.9	53.2	100

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.7 depicts district-wise variation in the type of employment in Telangana. In Medak and Nalgonda districts, more than half the workers are employed as casual workers. Warangal and Khammam are the only districts where the proportion of casual employment to total workers increased (casualisation) from 2004-05 to 2011-12.

dropped from 63.9 per cent to 48 per cent. More than half the OBC group is in the 'Self-Employed' category. In the case of the salaried category, across the board, there has been an increase between the two time points, with the larger proportion of increase being in the case of SCs from 11.9 in 2004-2005 to 25 per cent in 2011-12. The 'Others' category continued to lead in the regular type of employment.

Table 4.8: Type of employment across social groups, Telangana and India, 2004-05 & 2011-12 (Per cent)

State	Type of employment	2004-05				2011-12			
		ST	SC	OBC	Others	ST	SC	OBC	Others
Telangana	Self Employed	53.3	24.2	51.7	64.9	42.3	26.7	52.0	55.2
	Salaried	6.4	11.9	13.9	24.8	11.5	25.2	20.2	36.1
	Casual	40.4	63.9	34.4	10.3	46.2	48.1	27.8	8.7
India	Self Employed	53.9	40.1	61.6	62.9	53.6	36.7	55.3	57.7
	Salaried	6.7	12.4	12.1	21.5	8.7	15.3	15.8	26.4
	Casual	39.4	47.5	26.3	15.6	37.6	47.9	28.9	15.9

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

In Adilabad, Nizamabad, Karimnagar, Ranga Reddy and Mahbubnagar districts, a higher proportion of workers are engaged as self-employed. Hyderabad, Medak, Ranga Reddy and Nalgonda are the only districts where the proportion of regular/salaried workers improved over the two time periods. Annexures 7 and 8 provide district-wise percentage of employment *within each type of employment* as well as by location (rural/urban). Of the total salaried/regular workers employed in the state, around 27 per cent were in Hyderabad during 2004-05, which increased to around 57 per cent in 2011-12. *This means that the advantage of better employment opportunities created in the state over this period is confined only to one district – Hyderabad, the most urbanized among all districts in Telangana.*

The percentage of ST, SC and OBC in casual employment is higher for Telangana than the national average (Table 4.8). Casualisation has increased among STs between the two time points. While casualisation is still high among SCs, it has

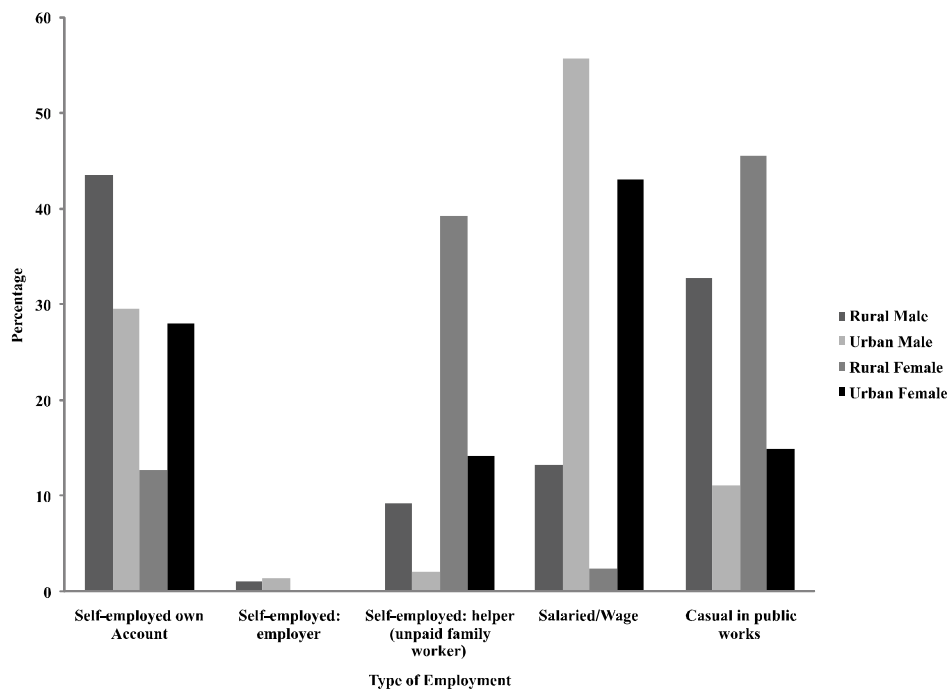
As shown in Table 4.6, the proportion of urban females in WPR was low at 15 per cent in 2011-12. Of this, 43 per cent were engaged in regular/salaried work (Table 4.9). In 2011-12, the WPR for rural females was 46 per cent (Table 4.6), of which only 2.5 per cent are in the regular/salaried category (Table 4.9). Between the two time points, the proportion of regular/salaried workers has increased for urban females from 36 per cent to 43 per cent (Table 4.9); for rural females however, there has been a decline from 5 per cent in 2004-5 to 2.5 per cent in 2011-12. For rural females there has been an increase in the self-employed unpaid family worker category between the two time points (Table 4.9). *Two important policy related conclusions may be made: a) the substantially lower and declining proportion of urban female employment is a serious concern; and b) for the rural females the major concern should be quality of employment; this mandates a quality-cum-quantity emphasis in the employment policy for rural and urban women respectively* (Figure 4.3).

Table 4.9: Type of employment by gender and location in Telangana (Per cent), 2004-05 & 2011-12

Type of employment	Rural male	Rural female	Urban male	Urban female
2004-05				
Self-employed own account	40.0	13.9	33.9	22.7
Self-employed: employer	.6	.1	1.0	.2
Self-employed: helper (unpaid family worker)	12.0	34.9	7.6	21.2
Salaried/wage	11.2	5.3	44.1	36.4
Casual work	36.3	45.8	13.5	19.5
2011-12				
Self-employed own account	43.5	12.7	29.6	28.0
Self-employed: employer	1.1		1.5	.1
Self-employed: helper (unpaid family worker)	9.3	39.3	2.1	14.1
Salaried/wage	13.3	2.5	55.6	43.0
Casual in public works	32.8	45.5	11.2	14.9

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Figure 4.3: Type of employment by gender and location, 2011-12



Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

5. Sectoral dimension of employment

At the national level, the rural farm employment has declined and non-farm activities have taken its place in both rural and urban areas. On the contrary, the rural farm employment is increasing and rural non-farm activities are decreasing, though marginally, in Telangana. In the case of urban non-farm employment, the state has registered an increase and also has a higher share compared to the national average (Tables 4.10).

Nalgonda and Warangal are the only districts where rural farm employment has decreased and rural non-farm employment increased from 2004-05 to 2011-12. For all other districts, the tendency remains skewed in favour of rural farm type of activities. Urban employment is mostly non-farm, but in Karimnagar and Medak the proportion of urban non-farm employment has declined over the two time points. In essence, all of rural Telangana is still farm-based and urban Telangana tends towards non-farm activities (Table 4.11).

Table 4.10: Employment across sector and location, Telangana and India, 2004-05 & 2011-12 (Per cent)

State	Period	Location	Sector	
			Farm	Non-Farm
Telangana	2004-05	Rural	70.2	29.8
		Urban	7.8	92.2
		Total	58.4	41.6
	2011-12	Rural	72.1	27.9
		Urban	1.7	98.3
		Total	49.4	50.6
India	2004-05	Rural	72.7	27.3
		Urban	8.8	91.2
		Total	58.5	41.5
	2011-12	Rural	64.1	35.9
		Urban	6.7	93.3
		Total	48.9	51.1

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.11: Employment by district and location, Telangana, 2004-05 & 2011-12 (Per cent)

Sector	Districts	2004-05		2011-12	
		Farm	Non-farm	Farm	Non-farm
Rural	Adilabad	79.7	20.3	81.3	18.7
	Nizamabad	64.6	35.4	69.4	30.6
	Karimnagar	64.2	35.8	68.7	31.3
	Medak	69.5	30.5	73.4	26.6
	Ranga Reddy	54.3	45.7	54.2	45.8
	Mahbubnagar	73.0	27.0	82.9	17.1
	Nalgonda	73.1	26.9	67.1	32.9
	Warangal	77.1	22.9	73.1	26.9
	Khammam	69.1	30.9	75.5	24.5
	Total	70.2	29.8	72.1	27.9
Urban	Adilabad	8.4	91.6	1.0	99.0
	Nizamabad	--	100.0	3.8	96.2
	Karimnagar	.4	99.6	2.4	97.6
	Medak	3.1	96.9	6.9	93.1
	Hyderabad	5.8	94.2	.1	99.9
	Ranga Reddy	13.8	86.2	15.5	84.5
	Mahbubnagar	16.5	83.5	6.4	93.6
	Nalgonda	23.5	76.5	3.2	96.8
	Warangal	12.9	87.1	11.2	88.8
	Khammam	5.3	94.7		100.0
Total	7.8	92.2	1.7	98.3	

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Similar to the national pattern, the share of employment in agriculture is still high in Telangana but has been declining slowly over time. About 50 per cent of the total workforce is still engaged in the agriculture sector. Manufacturing employment is stagnating and the decline in agricultural employment is mainly compensated by employment generation in services activities and marginally in construction. Even though trade, hotels and restaurants, and public administration have a higher share within the services sector, the changes are more swiftly taking place in terms of financial intermediaries, business and real estate activities, as can be seen from 2004-05 to 2011-12 (Table 4.12).

6. MGNREGA

The relative share of Telangana in terms of MGNREGA card-holders is higher than the national average. Of the total card-holders, only a little more than half got work and about 32 per cent did not even seek work. When we look at the district-wise picture, it is important to note that in Adilabad, almost 71 per cent did not seek work even though 87 per cent are card-holders. Poor performing districts in terms of the lower work share are Warangal and Nizamabad where less than 50 per cent received work. Medak has done better in terms of providing work under MGNREGA (Table 4.13).

Table 4.12: Sectoral share in employment (PS+SS): Telangana and India, 2004-05 & 2011-12 (Per cent)

	Telangana		India	
	2004-05	2011-12	2004-05	2011-12
Agriculture etc	58.4	49.4	58.5	48.9
Mining and Quarrying	1.9	.9	.6	.5
Manufacturing	12.0	11.6	11.7	12.6
Electricity, water, etc	.2	.5	.3	.5
Construction	4.6	6.0	5.6	10.6
Trade, hotel and restaurant	9.6	10.8	10.2	11.0
Transport etc	4.0	5.4	3.8	4.1
Financial inter., business act.etc	1.4	4.8	1.5	3.1
Public Administration, education, community, social and other service, etc	7.9	10.6	7.7	8.7
Total	100.0	100.0	100.0	100.0

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.13: MGNREGA cardholders and beneficiaries, Telangana and India, 2011-12 (Per cent)

State/districts	Total card holders	WAGE SEEKERS		Percentage who did not seek work
		Percentage who worked	Did not get work	
India	61.0	50.6	18.8	30.6
Telangana	76.1	54.1	13.9	32.0
Adilabad	87.0	27.7	1.9	70.4
Nizamabad	64.9	47.5	5.7	46.8
Karimnagar	76.9	60.0	6.8	33.2
Medak	87.9	73.0	10.7	16.3
Ranga Reddy	62.7	60.1	31.1	8.9
Mahbubnagar	73.5	62.0	27.2	10.9
Nalgonda	71.9	55.8	17.5	26.7
Warangal	78.9	39.2	22.9	37.9
Khammam	67.8	56.5	14.3	29.2

Source: Computed from NSSO, 68th Round, 2011-12

Table 4.14: MGNREGA cardholders and beneficiaries: gender and social group, Telangana, 2011-12 (Per cent)

Category	Total card holders	Percentage who worked	Sought and did not get work	Did not seek
Male	78.8	49.1	12.0	38.9
Female	73.5	59.2	15.8	25.0
Scheduled Tribe	77.9	49.3	23.0	27.8
Scheduled Caste	67.1	61.0	13.6	25.4
Other Backward Class	79.8	52.0	12.5	35.5
Others	67.7	68.9	2.7	28.4

Source: Computed from NSSO, 68th Round, 2011-12

The relative share of card-holders is higher among males, but the proportion who engaged in MGNREGA work is higher among females (Table 4.14). It is worth noting that about 40 per cent of male card-holders did not seek work. Importantly, the share of beneficiaries among the tribal community is lower in Telangana than compared to other social groups. About 23 per cent of tribal card-holders could not get jobs despite seeking work.³

The average wage per day for MGNREGA workers, according to NSS 2011-12 (68th Round), is lower (Rs. 98) in Telangana than the national average (Rs. 106).⁴ The official information of Telangana state also confirms that the average daily wage of MGNREGA during the reference period was Rs. 98.5. This rate is found to be lower than the average daily wage rate observed for any

other type of employment categorised into nine sectors according to NIC 2004, which we will examine next. This lower wage may be one of the reasons behind the high proportion of people not seeking employment under this scheme.

7. Wages and wage rates in Telangana

Wage rates are calculated by taking the average wage per day as reported in the current weekly status (CWS).⁵ As suggested by the existing studies on wages in India (Srivastava and Singh 2006; Abraham 2007; and Shyjan 2014), the wage analysis has been done only for three categories of workers, namely, 'regular salaried/wage employee' (Status Code 31); 'casual wage labour: in public works other than NREG' (status code 41); and 'casual wage labour in other types of work' (status code 51). The age group covered is between 15 and 65 years.⁶

The overall wage rate in Telangana is almost equal to that of the national average (Table 4.15). Unlike India, the highest paying sector in Telangana is Mining and Quarrying. This may be because of the higher proportion of skilled workers engaged in this sector (see Directorate of Economics and Statistics, 2015: 227-228). The daily earnings of the labour in coal fields is almost double the rate we observed for the Mining and Quarrying sector as a whole (ibid: 233). Electricity, gas, water supply and financial intermediation, real-estate and business activities are other sectors which have high wages. These are some of the sectors towards which the employment shift took place during 2011-12. A point to note is the recent structural shift in employment towards high-paid activities, and, the disturbingly low wage rates prevailing in agriculture.

³The official data shows a different picture regarding the performance of MGNREGA. The proportion of those who worked among those who registered is much lower than the NSSO estimates.

⁴Wage of MGNREGA workers has been calculated for those who reported as 'worked as casual wage labour in NREG works' (code 42) according to Current Weekly Status. www.nrega.telangana.gov.in/nregs, accessed on 27.10.2016

⁵According to Current Weekly Status, activity status of persons is gathered for each day of the preceding week of the Survey and wage information is reported for the main activity.

⁶As part of the cleaning process the data on wages that was 'not reported' or reported as zero are excluded; also, in order to avoid extreme values, 0.1 per cent of the information on wages was trimmed from both bottom and top of the distribution

Table 4.15: Daily wage rate (nominal) across sectors, Telangana and India, 2004-05 & 2011-12

Sectors	Telangana		India	
	2004-05	2011-12	2004-05	2011-12
Agriculture and allied	36	133	44	124
Mining & Quarrying	190	648	147	417
Manufacturing	70	250	106	248
Electricity Gas Water supply	164	550	273	586
Construction	60	231	75	182
Trade Hotels and Restaurants	66	207	85	212
Transport Storage and Communication	126	310	143	313
Finance Real Estate and Business	343	596	277	596
Public administration, social, community and other services	160	329	183	421

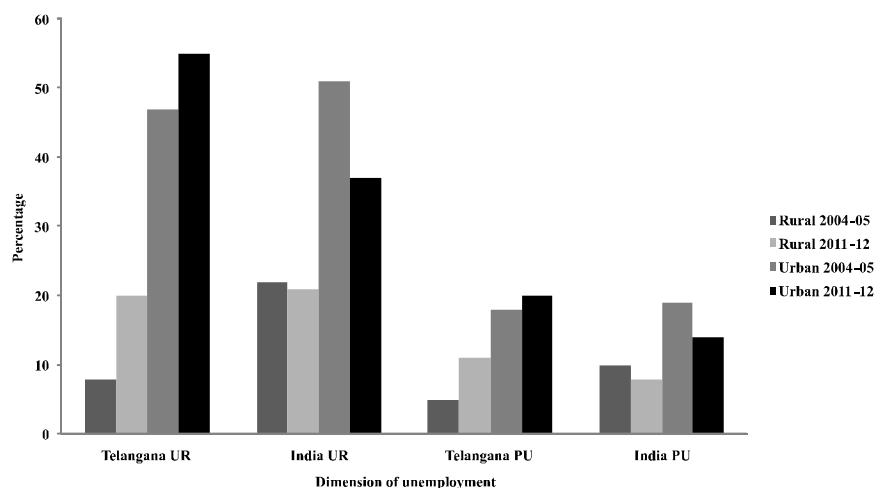
Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

8. Unemployment

Unemployment is measured in two ways: Unemployment Rate (UR) and Proportion Unemployed (PU). While the former means the total number of unemployed as a percentage of labour force, the latter represents the total number of unemployed as a proportion of total persons. In terms of both measures and proportion, Telangana stands higher than the all India average (Table

4.16). Most importantly, Telangana registers and almost doubled unemployment rate from 2004-05 to 2011-12. Although the rate of unemployment is higher in urban areas, the increase in rural is significant from 2004-05 to 2011-12 (Figure 4.4).

Unemployment has increased among males compared to females in Telangana (Table 4.17). But at the national level, unemployment is high among females.

Figure 4.4: Dimension of unemployment according to PS + SS by location, 2004-05 & 2011-12

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

**Table 4.16: Unemployment rate and proportion of unemployed (per 1000),
Telangana and India, 2004-05 & 2011-12**

State	Type	Principal Status		Principal + Subsidiary	
		2004-05	2011-12	2004-05	2011-12
Telangana	UR	16	32	16	32
	PU	8	15	8	15
India	UR	31	27	29	25
	PU	12	10	12	10

Note: UR: Unemployment Rate; PU: Proportion Unemployed

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

**Table 4.17: Unemployment according to PS+SS by location and gender,
Telangana and India, 2004-05 & 2011-12**

State		Rural		Urban	
		2004-05	2011-12	2004-05	2011-12
Telangana	UR	8	20	47	55
	PU	5	11	18	20
India	UR	22	21	51	37
	PU	10	8	19	14
		Male		Female	
Telangana	UR	17	40	13	18
	PU	10	23	6	6
India	UR	27	24	31	28
	PU	15	13	9	6

Note: UR: Unemployment Rate; PU: Proportion Unemployed

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Official data from a different source corroborates the above picture from another angle. Table 4.18 reveals the dimension of unemployment, social group-wise. While unemployment has increased across all categories between the two time points, the rate increases as we move from ST to SC to OBC to 'Others'. Interestingly, for all-India, unlike Telangana, there has been some decline in unemployment for OBC and 'Others' between 2004-05 and 2011-12. The backlog in numbers registered with employment exchanges has been on the rise over the years, especially among women, ST, SC and Backward classes, while placements are negligible (Directorate of Economics and Statistics, 2015: 231)

On one side there is a decline in the number of females in the labour and work force; on the other

the female unemployment rate is lower than that of men. These essentially mean that women are slowly withdrawing from the labour force and/or not reporting themselves as unemployed. The causes of their withdrawal and the high rate of unemployment in the 'Others' category requires further investigation. This should be of serious concern for policy makers.

In order to have a well targeted policy one need to assess the educational levels of the unemployed. For this, we examine data in terms of education level above secondary of the unemployed. Table 4.19 shows that more than 80 per cent of the unemployed in Telangana are educated above secondary level, indicating the presence of educated unemployed in the state. It is also important to note that the proportion of educated

unemployed is higher among rural females and urban males. Across social groups, a higher proportion of educated unemployed is discernible among the Scheduled Tribe and Scheduled Caste population. These results, therefore, have to be

taken seriously while framing employment policies so that the benefits reach rural females, urban males and most importantly, the socially disadvantaged communities in the state.

Table 4.18: Unemployment according to PS+SS by social group, Telangana and India, 2004-05 & 2011-12

State		ST		SC		OBC		Others	
		2004-05	2011-12	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12
Telangana	UR	3	6	17	29	15	28	25	64
	PU	2	4	9	14	8	13	11	24
India	UR	13	16	28	26	26	23	37	32
	PU	6	8	12	10	11	9	15	12

Note: UR: Unemployment Rate; PU: Proportion Unemployed

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.19: Education level among the unemployed, Telangana (per cent)

Category	Education below secondary level	Education secondary level and above
Rural male	34.8	65.2
Rural female	2.2	97.8
Urban male	9.7	90.3
Urban female	18.6	81.4
Scheduled Tribe	0.0	100.0
Scheduled Caste	8.5	91.5
Other Backward Class	29.6	70.4
Others	10.6	89.4
Total	19.5	80.5

Source: Computed from NSSO, 68th Round, 2011-12

9. The youth and skill gap

There is lack of an internationally accepted age cohort for defining 'youth' as the definition of youth in a particular country may depend on various factors, including political and cultural ones. The UN defines 'youth' as people aged between 15 and 24 and young people as people aged 10-19 (UNESCO, 2004). In India, the National Youth Policy (NYP) of 2003 defines it as the age group of 13 to 35. The NYP 2012, however, covers the age bracket of 16 to 30. Here we follow the definition given by the latest National Youth Policy of the Government of India (NYP 2014), which considers 15 to 29 as the age bracket for the youth.

Accordingly, the proportion of youth in Telangana is around 30 per cent, which is higher than that of the national average. Data extracted from Census

of India 2011 also confirm the NSSO figures that the proportion of youth to the total population is about 29 per cent (around 28 per cent in rural and about 30 per cent in urban).

The alarming situation is that about one-fifth of the youth in the state is neither in the labour force nor were in educational institutions during 2011-12, and the percentage was only 14.5 during 2004-05.⁷ If we disaggregate this picture gender-cum-residence wise, we can draw an important conclusion (Table 4.20): those who do not fall in the categories of either labour force or education are highest among urban females, followed by rural females. While for the former, the percentage increased from 18 per cent in 2004-05 to about 28 per cent 2011-12, for the latter the respective percentages were 44 and 54. This is important evidence through which we can specifically locate the withdrawal of females from

Table 4.20: Youth: usual principal status by gender and place of residence, Telangana, 2004-05 & 2011-12 (Per cent)

UPS	Rural male		Rural female		Urban male		Urban female	
	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12
Own account worker	18.0	10.7	9.4	5.6	14.9	5.5	4.8	3.8
Employer	0.3	0.8	0.0	NIL	0.0	0.1	NIL	NIL
Unpaid family worker	16.8	13.2	20.6	18.1	9.8	2.0	4.4	2.3
Regular/salaried	10.4	9.5	4.3	1.4	25.2	34.0	7.3	6.7
Casual public	NIL	0.1	NIL	0.3	NIL	0.2	NIL	0.0
Casual other type	31.3	18.5	34.7	21.2	12.4	8.6	4.0	2.1
Seeking and available for work	2.1	5.7	1.0	0.9	6.0	8.4	3.3	2.9
Attended educational institution	20.4	40.6	10.5	23.7	31.0	40.6	30.7	28.1
Domestic and household duties	NIL	0.4	18.0	27.5	0.1	0.1	44.4	53.8
Rentiers/pensioners	NIL	0.0	0.1	NIL	NIL	NIL	0.1	NIL
Disability	0.6	0.1	0.8	0.7	0.2	0.3	0.1	0.1
Begging/prostitution	0.1	0.4	0.7	0.4	0.3	0.0	1.0	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

⁷ Those who are not seen either in employment, education or training are often referred as NEET category (the missing youth).

Table 4.21: Youth: usual principal status by social group, Telangana and India, 2004-05 & 2011-12 (Per cent)

UPS	Scheduled Tribe		Scheduled Caste		Other Backward Class		Others	
	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12
Own account worker	6.7	9.5	8.6	2.8	14.5	8.2	12.3	4.0
Employer	NIL	NIL	NIL	NIL	0.1	0.4	0.3	0.1
Unpaid family worker	21.2	14.3	4.2	6.7	17.2	11.4	16.3	5.2
Regular/salaried	4.1	13.1	8.8	13.3	9.4	11.6	14.6	12.5
Casual public	NIL	0.7	NIL	0.1	NIL	0.0	NIL	0.3
Casual other type	35.3	21.0	45.9	26.0	24.6	11.9	6.0	3.8
Seeking and available for work	0.3	1.0	2.9	3.1	2.4	4.1	3.2	7.6
Attended educational institution	25.0	24.1	16.7	22.9	18.8	35.0	23.4	40.5
Attended domestic and household duties	6.5	16.1	12.1	24.1	12.1	16.6	21.7	25.8
Rentiers/pensioners	0.1	NIL	NIL	NIL	0.0	0.0	NIL	NIL
Disability	0.8	0.1	0.6	0.3	0.5	0.4	0.3	0.1
Begging/prostitution	NIL	NIL	0.2	0.7	0.2	0.2	1.8	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.22: Youth: sectoral employment, Telangana and India, 2004-05 & 2011-12 (Per cent)

Sectors	Telangana		India	
	2004-05	2011-12	2004-05	2011-12
Agriculture and allied	53.0	44.0	55.6	44.0
Mining and Quarrying	1.2	0.3	0.5	0.6
Manufacturing	15.0	15.0	14.5	16.6
Electricity Gas Water supply	0.0	0.8	0.1	0.2
Construction	6.4	7.5	6.9	12.9
Trade Hotels and Restaurants	10.9	10.6	10.9	11.3
Transport Storage and Communication	4.6	7.1	4.0	4.5
Finance Real Estate and Business	2.0	3.8	1.5	3.0
Public administration, social, community and other services	7.0	10.9	6.0	6.9

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

the labour force, resulting in their ending up in the category of 'attending domestic and household duties'. Table 4.21 indicates that a significant proportion of 'Others' (25.8 per cent), SCs (24.1 per cent) and OBCs (21.7 per cent) have been designated as belonging to the 'Domestic and household duties' category.

Of the total working youth, 44 per cent are in agriculture, where wages are the lowest. Other major employment providers to the youth are Manufacturing (15 per cent) and Trade, Hotels and Restaurants (11 per cent) (Table 4.22).

10. Skill gap among youth

In order to assess skill level, we take into account both general and technical education among the youth (Tables 4.23 & 4.24). *The government's urgent attention is required in recognising the fact that 11 per cent of the youth are not literate* in the state as per 2011-12 data (this was 30 per cent in

2004-05) (Table 4.23). It is also worth noting that almost 96 per cent of the youth do not receive 'technical' education (Table 4.24). However, programmes for skill development must take note of the fact that 62 per cent of the youth have educational attainments above the secondary school level (this was only 35 per cent in 2004-05) (Table 4.23).

Table 4.23: Youth: educational attainments (general), Telangana and India, 2004-05 & 2011-12 (Per cent)

Sectors	Telangana		India	
	2004-05	2011-12	2004-05	2011-12
Not literate	30.0	11.3	22.8	13.2
Literate without formal schooling	0.3	0.0	0.3	0.1
TLC	1.3	NIL	0.6	0.0
Others	1.4	NIL	0.9	0.1
Below primary	6.4	5.0	7.2	7.0
Primary	8.0	6.9	14.7	12.1
Middle	17.2	14.3	23.3	22.8
Secondary	18.7	27.0	14.5	20.1
Higher secondary	8.6	20.4	8.9	14.4
Diploma/certificate Course	1.2	1.4	1.4	1.8
Graduate	5.0	10.5	4.5	6.8
Post-graduate and above	1.8	3.1	1.1	1.6
Total	100.0	100.0	100.0	100.0

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.24: Youth: educational attainments (technical), Telangana and India, 2004-05 & 2011-12 (Per cent)

Sectors	Telangana		India	
	2004-05	2011-12	2004-05	2011-12
No tech education	97.3	96.0	97.4	96.8
Agriculture, engineering, medicine	0.7	1.5	0.3	0.5
Diploma Agriculture			0.0	0.0
Diploma Engineering	0.5	1.0	0.8	1.1
Diploma Medicine	0.1	0.1	0.1	0.1
Diploma crafts	0.1		0.1	0.1
Diploma other subjects	0.5	0.7	0.6	0.7
Diploma above graduate Agriculture	0.0	NIL	0.0	0.0
Diploma above degree Engineering	0.1	0.5	0.3	0.3
Diploma above degree Medicine	0.1	0.0	0.0	0.1
Diploma above graduate crafts	NIL	0.0	0.0	0.0
Diploma above graduate other subjects	0.5	0.2	0.3	0.3
Total	100.0	100.0	100.0	100.0

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Social group-wise, the highest rate of illiteracy among youth has been observed for the Scheduled Tribe and Scheduled Caste categories. However, there is marked improvement in attainment of literacy among these two social groups between 2004-05 and 2011-12. More than 40 per cent of youth each from these two social groups are educated above the secondary level (Table 4.25).

As of now, for the Scheduled Tribe and Scheduled Caste youth, the technical illiteracy is as high as 98 per cent (Table 4.26). The lack of technical education among the youth raises a serious concern regarding their employability in modern and high paid activities.

The Statistical Year Book 2015 (Directorate of Economics and Statistics, Telangana) confirms the

above in another way: of the total number of applications on the live register, as many as 76 per cent do not have any work experience or vocational training (p.228). Moreover, the Government of India (2014:20) notes that only 5.5 per cent of the youth has received vocational training during 2013-14 in Telangana. *Hence, the state has to pay special attention to ensuring technical education and vocational training for the youth so as to enable them to make use of available and emerging opportunities. This is particularly urgent for youth from SC and ST categories, among whom 50 per cent and 40 per cent have education above secondary level respectively, and is indicative of their suitability for skill enhancement in preparation for entry into the job market.*

Table 4.25: Youth: educational (general) attainments by social group, Telangana, 2004-05 & 2011-12 (Per cent)

General education	Scheduled Tribe		Scheduled Caste		Other Backward Class		Others	
	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12
Not literate	50.3	21.4	39.5	21.1	29.6	9.7	13.8	3.2
Literate without formal schooling	NIL	NIL	NIL	0.1	0.4	NIL	0.3	NIL
Tlc	2.2	NIL	2.0	NIL	1.2	NIL	0.7	NIL
Others	1.8	NIL	0.8	NIL	1.2	NIL	2.0	NIL
Below primary	4.2	12.0	5.6	3.0	7.2	5.3	6.0	2.8
Primary	2.9	11.1	6.9	9.3	8.9	6.1	9.0	5.6
Middle	7.4	15.9	16.6	17.2	18.5	14.1	18.9	11.7
Secondary	13.6	19.3	16.7	23.8	19.6	29.8	20.4	25.0
Higher Secondary	11.9	10.7	5.8	13.2	7.1	21.0	13.5	29.2
Diploma/ certificate course	0.5	1.8	2.6	0.3	0.9	1.1	1.3	3.1
Graduate	5.1	7.5	3.6	5.3	4.0	9.7	8.6	18.6
Postgraduate and Above	0.1	0.3	0.0	6.6	1.3	3.3	5.4	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Table 4.26: Youth: educational (technical) attainments by social group, Telangana, 2004-05 & 2011-12 (Per cent)

Technical Education	Scheduled Tribe		Scheduled Caste		Other Backward Class		Others	
	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12
No technical education	99.2	97.9	97.2	98.8	98.4	96.1	93.9	92.2
Agriculture Engineering Medicine	0.3	0.1	0.1	0.7	0.3	1.2	2.6	3.5
Diploma Engineering		1.8	0.6	0.1	0.5	1.0	0.9	1.4
Diploma Medicine			0.3		0.1	0.2		
Diploma crafts	0.2		0.4					
Diploma other subjects	0.3		1.4	0.2	0.2	0.7	0.4	1.6
Diploma above graduate Agriculture		0.2		0.1	0.0	0.4		1.0
Diploma above degree Engineering					0.1	0.0	0.4	
Diploma above degree Medicine		0.1	0.0				0.4	
Diploma above graduate other subjects		0.0		0.0	0.4	0.3	1.4	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

11. Conclusion

This chapter has attempted to assess the social development status of Telangana State in terms of employment and unemployment. Special attention has been given to mapping the comparative status across different social groups, residence and gender. The analysis using two NSSO major rounds of 2004-05 and 2011-12 brings to light a number of important areas that require immediate government attention. Specifically:

- The declining labour force and workforce participation in the state over the period is a major concern.
- On closer examination, the higher percentage of workforce in rural areas as well as among marginalised social groups and rural females in particular is discouraging in terms of type of employment. A majority of rural and marginalised social groups are in the casual and self-employment categories.
- The work participation rate of urban females is low; however, most of those who do work do so in the regular/salaried category.
- Since the declining labour force is mainly due to the decline in workforce, an important result is the increasing rates of unemployment.
- The MGNREGA participation and the relative wage from it is poor compared to national averages.
- There exists wage disparity among workers across different sectors, with the lowest wages being in agriculture.
- Technical education among the youth is nearly absent in the state across all social groups.
- General education above the secondary level is improving as revealed by the data for the two time periods, which is a promising sign.
- The level of unemployment among educated youth is high in the state.

Annexures

Annexure 4.1: District-wise sample households and persons surveyed

Districts	No. of persons surveyed		No. of households surveyed	
	NSSO 61 st (2004-05)	NSSO 68 th (2011-12)	NSSO 61 st (2004-05)	NSSO 68 th (2011-12)
Adilabad	1352	828	319	224
Nizamabad	1112	713	260	192
Karimnagar	1430	1098	370	288
Medak	1397	988	307	224
Hyderabad	1796	1962	396	512
Ranga Reddy	1974	1735	439	416
Mahbubnagar	1677	1162	376	288
Nalgonda	1471	936	359	256
Warangal	1358	1022	358	288
Khammam	1010	793	279	224
Telangana	14577	11237	3463	2912

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12**Annexure 4.2: Rural-urban differences in labour force participation (per 1000)**

State	Sector	LFPR (all ages) PS		LFPR (all ages) PS+SS	
		2004-05	2011-12	2004-05	2011-12
Telangana	Combined	504	459	508	461
	Rural	546	522	551	526
	Urban	382	368	384	368
India	Combined	392	364	430	395
	Rural	401	368	446	406
	Urban	366	356	382	367

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12**Annexure 4.3: Gender dimension of labour force participation (per 1000)**

State	Sector	LFPR (all ages) PS		LFPR (all ages) PS+SS	
		2004-05	2011-12	2004-05	2011-12
Telangana	All	504	459	508	461
	Males	578	574	583	574
	Females	431	340	434	344
India	All	392	364	430	395
	Males	551	550	559	556
	Females	224	168	294	225

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Annexure 4.4: Rural urban dimension of work participation (per 1000)

State	Sector	WPR (all ages) PS		WPR (all ages) PS+SS	
		2004-05	2011-12	2004-05	2011-12
Telangana	Combined	496	444	500	446
	Rural	541	512	547	515
	Urban	364	348	366	348
India	Combined	380	354	420	386
	Rural	391	359	439	399
	Urban	346	342	365	355

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Annexure 4.5: Gender dimension of work participation (per 1000)

State	Sector	WPR (all ages) PS		WPR (all ages) PS+SS	
		2004-05	2011-12	2004-05	2011-12
Telangana	All	496	444	500	446
	Males	568	551	574	551
	Females	425	334	428	338
India	All	380	354	420	386
	Males	536	537	547	544
	Females	215	161	287	219

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Annexure 4.6: Type of employment (per 1000) according to principal plus subsidiary status

State	Self-employed		Salaried		Casual	
	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12
Telangana	493	472	147	228	359	300
India	569	522	143	179	289	299

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Annexure 4.7: District-wise type of employment in Telangana (percentage within employment)

District	2004-05			2011-12		
	Self Employed	Salaried	Casual	Self employed	Salaried	Casual
Adilabad	12.8	9.5	5.6	11.3	4.1	4.3
Nizamabad	9.3	8.9	6.3	11.4	3.0	5.6
Karimnagar	13.4	12.1	11.2	16.0	7.3	12.9
Medak	6.2	4.5	14.0	7.2	4.5	12.0
Hyderabad	7.5	27.3	3.2	14.3	56.7	6.3
Ranga Reddy	5.9	5.1	6.0	6.2	6.1	5.1
Mahbubnagar	13.2	7.4	14.1	11.7	2.3	12.3
Nalgonda	9.4	7.6	17.1	7.2	6.7	14.0
Warangal	14.2	8.7	11.9	9.4	4.3	13.6
Khammam	8.1	8.9	10.6	5.4	5.0	13.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

Annexure 4.8: Type of employment by location (Per cent)

State	Type of Employment	2004-05			2011-12		
		Rural	Urban	Total	Rural	Urban	Total
Telangana	Self employed	50.8	42.8	49.3	53.0	35.0	47.2
	Salaried	8.4	42.2	14.7	8.4	53.0	22.8
	Casual	40.8	15.0	35.9	38.6	12.0	30.0
India	Self employed	60.2	45.4	56.9	55.9	41.9	52.2
	Salaried	7.1	39.5	14.3	8.7	43.3	17.9
	Casual	32.8	15.0	28.9	35.4	14.8	29.9

Source: Computed from NSSO, 61st Round, 2004-05 and 68th Round, 2011-12

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