

Preface

From the historical experience of the present-day developed nations, we note that one important determinant of economic growth is industrialization. The role of industry is crucial in generating high-productivity employment and enhancing the standard of living of the population. In the process of development, there takes place a structural shift both in the value added growth and in the workforce composition away from the primary sector first towards the secondary and later towards the tertiary sector. This structural change is accompanied not only by a rise in per capita income but also improvement in many other development indicators. It involves upward mobility of individual occupations and incomes and a shift in rural–urban composition of the population. However, in the Indian context, the share of manufacturing in the total workforce has been dwindling at a low level of 11 % or so even after experiencing rapid economic growth in the last several years.

This study focuses on the manufacturing sector in the Indian context. Though both the components—organized and unorganized—have been looked into, the emphasis is laid on the employment aspect of the organized manufacturing group so as to identify the subsectors which have the potentiality to grow and generate productive employment opportunities. Since the unorganized segment is often characterized by low productivity, generating meagre earnings, the policy focus has to be on reducing the vulnerability of these units. The organization of the study is as follows. In Sect. 2, we briefly review some of the existing studies on manufacturing employment. Section 3 presents an empirical analysis of the organized manufacturing at a fairly detailed level of three-digit groups of industries. It analyses growth, employment, productivity and capital–labour ratio across various industry groups. Remunerations to workers and contractualisation process are discussed in the backdrop of the labour market regulation issues. Section 4 focuses on the unorganized manufacturing component. The inter-industry linkages are considered in Sect. 5 through the input–output framework. Section 6 refers to issues relating to skill shortage and the poor employability of the workforce. Based on the firm-level data, Sect. 7 examines the issues related to innovation and employment. Finally, Sect. 8 summarizes the major findings.

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