

MA4207

Full Marks: 20

19.02.2019

1. Read the following introduction to a paper and write an abstract for the paper. Suggest a title as well. [8+2]

This paper examines the changes in India's labour market during the last three decades, and in the 2000s in particular. During a good part of the 2000s, India was second only to China, among the large economies of the world, in the growth of gross domestic product (GDP). The 2000s are the second decade of the wide-ranging economic reforms that India embarked on in 1991. There is greater recognition today of the potential of India's young, working-age population. It is frequently argued – notably in the western media – that the “demographic dividend” will take India to the front lines of the global economy. Given such a context, it is worthwhile to examine if India's labour force is undergoing a modernisation process that would justify the rapidly growing GDP numbers.

Development experience, especially since the mid-1950s, suggests that two features stand out during the modernisation of a country's labour market. First is the movement of “surplus labour” from the traditional (also agricultural or informal) sectors to the modern (also industrial or formal) sectors – as famously modelled by Arthur Lewis. With the exhaustion of surplus labour reserves in agriculture, the share and absolute size of the agricultural labour force fall and real wages begin to rise in the economy (Fields 2004). Fei and Ranis (1975) note that the east Asian tiger economies, Taiwan and South Korea, had reached such a turning point in development by the mid-1960s. Some observers point out that China too is now moving to a stage in which it has little surplus labour left in agriculture (Xiaobo et al 2011).

Second, modernising changes in the labour market involve an improvement in the skill and educational levels of the workforce, along with the emergence of new industries or sectors that demand higher labour skills. This was clearly witnessed in the case of east Asian economies when they began climbing up the technology ladder in the 1970s, transforming from being low-wage exporters (Fei and Ranis 1975). The significant achievements by the east Asian countries in education and human development aided these countries' industrial transformation (Amsden 1989).

In this paper, we seek to examine whether the long un-changed landscape of India's labour market is finally being re-shaped by the country's rapid economic growth. The analysis is based mainly on the National Sample Survey Office's (NSSO) reports on Employment and Unemployment in India. The paper finds that the much-delayed movement of the labour

force away from agriculture has clearly begun in India, with the 2009-10 survey providing firm evidence on this. There has also been a noticeable improvement in the educational levels of the country's workforce. However, the modernisation of the labour force in India is hitting a roadblock, given the slow rate of non-agricultural job generation. In fact, the size of the manufacturing workforce in the country declined between 2004-05 and 2009-10. Also, the large-scale withdrawal of women from the labour force is a continuing challenge for India's progressive transformation.

Section 1 of this paper discusses the broad trends in labour absorption in the Indian economy. Section 2 tries to explain the seemingly sharp divergences between the first and the second half of the 2000s in employment growth. Section 3 deals with the continuing challenges to labour market modernisation, mainly the slow diversification of the country's employment structure. Section 4 addresses the low levels of female labour participation in India, while Section 5 concludes.

2. Is the section "Discussion" of a paper restatement of the sections "Introduction" and "Abstract"? Justify your answer. [3]

3. Read the following lines and find out mistake(s), if any. [2]

(a) Define a set of "nonincreasing" vectors:

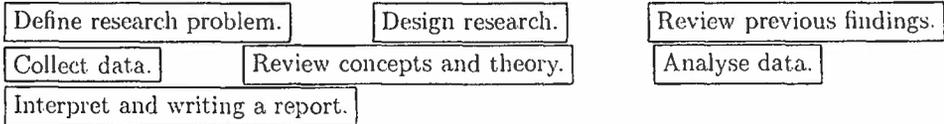
$$A_n = \{(a_1, \dots, a_n) \in \mathbb{N}^n : a_1 \geq \dots \geq a_n\}$$

(b) If C and P are subsets of \mathbb{N}^n , let:

$$L(C, P) = \dots$$

4. Explain the word "plagiarism" in context of research ethics. [3]

5. Suppose a (new) researcher who is doing his/her research in applied science has come to know the following points about research from his/her seniors. However, he/she does not know the correct direction to follow. Help him/her ~~by~~ by providing correct directions. [2]



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