

Public Sector Employment What has changed?*

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Abstract

This paper, first, reports the trends in the size and composition of public sector employment – a crucial strata of the working class in many a political economic explanations of contemporary India. Since 1997, as per official figures, its size has shrunk by 10 per cent – expectedly, with the market-oriented reforms. But the NSS estimates show a boom in public employment in 2000s, growing annually at 3.4 per cent (compared to 1.5 per cent in the economy as a whole). In reconciling the contradictory trends, one realizes how little things have changed. Why is it so, despite an official ban on fresh recruitment? The reasons, the paper contends, seem to lie in the demands placed on public employees by the electoral politics.

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Picture



“Why has no one turned up at the office today? Is a cricket match on somewhere in the world?”



“Don't you fellows read newspapers or listen to ministers speak? India is shining and feel-good factor is spreading all over, and you chaps have come with good old demands?”

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No careful account of India's political economy is complete without reckoning with the size and composition of public employment, invariably described as a leviathan, bloated, dysfunctional and inefficient – and, as caricatured in R K Laxman's countless cartoons in *Time of India* for decades (see Picture). Public employees form a vital constituency in the electoral politics: most political parties have a trade union wing representing the white-collar workers. Moreover, the unity of this section of the working class – cutting across party lines – is also evident in how it protects its interest in securing periodic pay rise every decade under the Central Pay Commission.

That the white-collar workers form a significant constituency is widely accepted in varied analyses of India's political economy. If they were part of the “intermediate regimes” in K N Raj's (1973) account, they were also a constituent of Bardhan's (1984) “professional in the public sector” as a propertied classes; they were the *salariat* in Patnaik and Rao's (1977) formulation of a mixed underdeveloped economy (emphasis as in original); and, they were among the rent-seekers in T N Srinivasan's (1985) neo-classical economic story.

Scholars, in line with their preferred view, have all too readily accepted one of the above characterizations as self-evident, without examining the evidence on the size, structure and evolution in public employment. Perhaps it was Ashok Desai and Ena Desai – interestingly, from a libertarian political perspective – made the only careful and critical analysis – in a multi-country volume edited by Gus Edgren (1986) for the ILO-ARTEP, titled *The Growing Sector*. Piecing together evidence from diverse sources, Desai and Desai explained the growth in public employment as determined by India's ability to tax and spend.

More recently, if there was one aspect of the market-oriented reforms that had wide appear cutting across theoretical perspectives and political persuasions, it was to curb the size of the bureaucracy – as a means of reigning in the fiscal deficit. While the political right believed in shrinking the state as an end itself, most others advocated modernization and decentralization of bureaucracy for better services delivery, by getting rid of the “unproductive” army of unskilled and semi-skilled workers that is mostly concentrated in the capital cities.

Nearly three decades after Desai and Desai's account of the “growing sector”, and over two decades of the market-oriented reforms, where does the public employment stand now? Has the leviathan been tamed? Has it been restructured responding to people's rising aspirations for better public services delivery, in tune with the changing state's role in the economy? Has the bureaucracy become more productive with office automation? How does the reform of public employment in India compare with similar efforts elsewhere?

This short paper seeks to address some, but not all, of these questions. Section I presents a factual account of the long-term trends in employment and wages in public sector, drawing from many studies and official sources. Section II presents a contrasting statistical picture for the last

decade using the NSS sample survey data. Reconciling the divergent trends, Section III offers a tentative, political economic explanation. Summarizing the main findings Section IV concludes the study.

Section I A Factual Account

Employment Size: In 2009-10, as per the *Economic Survey*, public sector employed 18 million persons, aggregated over all levels and forms of government – constituting 4 per cent the national work force, and their wages 8 per cent of GDP. Contrary to popular belief and scholarly writings, compared to other countries the size of the public employment in India is not large, relative to its population. Though, international data are hard to come by, the few available figures attest this fact.

For instance, in the US, in 2012, all the levels of the government put together, employed 22 million persons constituting 15 per cent of the workforce (Rampell, 2012). As per a news report, in 2011, for every 100,000 residents, India had 162.3 government servants; the figure for the US was over four times larger at 768.1 (*The Hindu*, January 30, 2012). Considering that the size of public sector in the US is small, relatively to other developed countries, one can reasonably infer that public sector employment (relative to population) in the advanced countries is, in general, much higher than in India.

How would India compare with developing economies? Available data is dated and scanty, but the information put together in an IMF study does not suggest India to be a positive outlier (Kraay and Rijckeghem, 1996). Therefore, India's public employment – to get the facts right – is not bloated, adjusted for population size, in a comparative perspective.

Figure 1 shows public sector employment in 2012 by type of government. State and local governments accounted for about one-half of the employment: expectedly so, as the local administration is responsible for service delivery – as in most countries. The central government employs only 14 per cent of the total, the rest is in quasi-government that includes public sector enterprises (PSEs), electricity boards, road transport corporations and so on.

However, public sector employment in India, as per the official estimates, has declined in recent years. It rose from 7 million in 1960-61, to about 20 million in 1997, declined thereafter by about 10 per cent by 2012, to 17.6 million (Figure 2). The decline is however sharper relative to the population: it fell by 36 per cent, from 2271.4 per thousand in 1991 to 1465 in 2012 (Figure 3). Evidently, the reforms are responsible for the decline. It is similar to what has happened in the advanced economies after the Thatcher-Reagan right-wing revolution since the late 1970s.

Employment Structure:

Table 1 shows the absolute numbers of employees, and percentage change in employment over the years by types of government, for half a century (1961 to 2012). During the employment boom, i.e., 1961 to 1981, most of the increase occurred in (i) quasi government broadly representing the widening role of the state in the production of goods and services, followed by

state governments to provide the welfare services. During the contraction (1991-2012), central government bore the brunt – both in absolute and in percentage terms – followed by the quasi governments.

Figure 4 depicting just the growth – netting out the effect of the levels by indexation – shows employment rose most rapidly in the earlier decades, in quasi government. A similar picture also emerges from the data just for the central PSEs – clearly related to growth in public investment into ‘heavy’ industry initially, and later into energy sector (Figure 4). But interestingly this is also the branch of government has witnessed most rapid decline after the reforms. In other words, the long-term expansion and contraction in public employment is clearly related to the changing perceptions of the economic role of the state.

Table 2 provides data on the sectoral distribution of public employment from 1961 to 2011. Little over one-half of it has been in community, social and personal services (including public administration and defense). Sectors that have lost employment share in recent times are manufacturing, construction (state’s withdrawal from producing goods) and transport and communication (technological change; move from coal to electric locomotives, and from electromechanical telephone exchanges to electronic).

As is widely known, the pyramidal structure of government employment has a large base of unskilled and semi-skilled employees – consisting mainly of clerks, peons, drivers and attendants – supporting a small fraction of career bureaucrats and political executives at the top – largely a colonial legacy. Liberal reforms during the last two decades have sought to rationalize the bureaucratic structure, with modest efforts (improve). One suspects, much of the reduction in employment is on account of contracting out of the auxiliary services like, transport, maintenance, running canteens, security services etc – besides the natural attrition.¹

Data for the recent 6 years show that senior bureaucrats – that is, “gazetted” officers – remain a small share (5 per cent) of total government (Table 3). The decline in central government employees is mostly on account of Group D (or class IV) employees. In fact, after the recent pay revision in 2009-10, the central government has, in principle, abolished this category of employees, signaling the official commitment to restructure the lower end of the bureaucracy.

The other reason for the decline in public employment is natural attrition, on retirement: those who joined the service in 1960s and the 1970s would have retired in the 1990s, and 2000s, contributing to a decline in the pay roll. Moreover, after the reforms as a policy matter, central government froze fresh recruitment, leaving posts vacant, amounting to 18 per cent of the sanctioned positions in 2012.

Occupational distribution of public employees:

Population census data can be analysed for this purpose, as DGET has stopped providing the information. Considering the preponderance of group C and Group D employees, it is safe to

¹ Organizationally, PSEs were the old post-war style not just vertically integrated manufacturing enterprises, but also townships (often located in remote places) providing most civic services. After the reforms PSEs were allowed to contract out most of these services, thus reducing their direct employment.

assume that majority of them perform unskilled and semi-skilled jobs (barring teachers and nurses who also belong to group B and C employees). The fact that the distribution has remained roughly the same (and that public schools and hospitals have declined relatively), it is safe to infer that not much occupational restructuring in public employment has occurred [needs to be confirmed].

Public sector wages:

Have public sector wages – as popularly believed – grown faster than those in the rest of the economy? Considering that these workers are unionized, and form a vital constituency in the electoral politics, there are reasons to believe that this segment of the organized workers have managed to grab a growing large share of the national cake. But, if public employment is based on meritocracy – that is, often selected on competitive examinations – it is reasonable to expect such employees to receive efficiency wages (to compensate for qualification, skill, experience etc), not competitive wages.

As public sector wages data are not readily available, it is difficult to come up with definitive evidence. We have however put together all the available evidence to make an considered assessment. Compiling the information from the central wage commission reports, Eapen (1980) showed that the real earnings of officers has declined by about 40 per cent between 1960 and 1972, though the wages of peons has remained roughly constant. In a similar but wider exercise for a longer period, from 1960 to 1983-84, Desai and Desai (1985) found that the wages of all categories of public servants, have declined in absolute terms rather steeply: the indexed value of real earnings fell from 100 in 1960-61 to 34 in 1983-83 for the highest category employees. However, the lowest category employees' real earnings rose to 135 during the same period. Thus, during the early decades, public sector real wages declined in absolute terms, and the wage differential between the lowest and the highest category of workers narrowed – indicating progressivism in the wage setting mechanism.

For the more recent years, we have examined the data for six years from 2005-06 to 2011-12 for central government employees – a period in which the 6th pay commission award was granted. During this period, on average, for all categories of central government employees, real wages rose at 7.9 per cent per year – compared to per capita income growth of 6.8 per cent per year.

Before drawing firm inference from the forgoing findings, however, the data limitations need to be borne in mind. The wage data do not include imputed value of the non-wage benefits of government employment – for instance, subsidized housing (for small fraction of employees), access subsidised schooling, and health facilities; and above all, defined-benefit pension (until recently) for the employee and his family. In an economy with practically no universal social security and poor public services, monetary value of these non-wage benefits, therefore, could be substantial, and hence the real earnings reported above could underestimate the true compensation of public employment.

Yet another, though partial, measure of public sector earnings is to look at the wages in the central public sector enterprises, as reported in the annual *Economic Survey*, available since 1972. This series may not exactly track the government wages, but is likely to be close to it.

Over the 42 years, on a trend basis, the average earnings in central PSEs rose 5 per cent per year, compared to per capita growth at 3.6 per cent. The apparent gain for PSEs' workers may however disappear considering their qualification, skill and experience. Moreover, such a comparison overlooks the divergence in the trend during the periods of employment boom and contraction. During the employment boom (from 1972 to 1988), earnings roughly kept pace with per capita income growth; but during the contraction, earnings rose very steeply. *Prima facie*, the finding vindicates the standard inverse relationship between wages and employment.

Or, does it? Whether the rising earnings represent the collective bargaining power of the organized workers, or, if the rising wages reflect efficiency wage considerations are hard to distinguish. But it is widely admitted that since the 1990s, organized workers are on the back foot, as they lost the bargaining strength, with "reforms by stealth" taking hold in the labour market. Therefore, it seems reasonable to infer that rising real earnings after the reforms represent efficiency wage considerations. As many sectors reserved for public sector were opened up, government had to concede higher wages to match the wages offered in the private sector retain skilled and experience employees in relatively higher technology industries.

In sum, it seems hard to sustain the view that over the long run, real wages in public sector have risen at a disproportionately faster rate than per capita income, albeit such an inference needs to take into account the non-wage advantages, and the job security enjoyed by these workers, in an economy with practically no social security benefits outside the formal sector.

Section II

An Alternative Estimate of employment

We now report alternative estimates of public employment, using the NSS sample surveys of employment and unemployment (the thick rounds) for the years 1999-2000, 2004-05 and 2009-10 (Table 4).² In 1999-2000, public employment was lower (at 16.2 million) than the comparable official estimates (at 19.4 million) reported earlier – a clear difference of 20 per cent.

But while the official data show an 8 per cent contraction in employment in the last decade, the NSS data reveal a whopping 40 per cent rise (to 22.6 million). In other words, the NSS reports an annual employment growth rate of 3.4 per cent, more than twice faster than the economy-wide employment growth at 1½ per cent per year. This is true of all major states (accounting for over 90 per cent of the total), barring Karnataka; Bihar, Jharkhand, Himachal Pradesh and Jammu and Kashmir have in fact more than doubled their employment (Table 5). Interestingly, the Left front ruled West Bengal reported a growth rate just about the average of the states, despite its avowed political sympathy for the organized labour.

To get a sense of perspective on the above-mentioned NSS estimates, Table 6 shows decadal compound growth of public employment since 1961 using the official estimates. Interestingly, the boom in 2000s, is similar to those achieved in the 1960s and 1970s (in the heydays of public sector).

² We have restricted the analysis to a few broad aggregates, as the quality of the estimates for finer classification may not be accurate, given the sample size and its design.

If the NSS estimates are to be believed (most economists and policy makers do), what could possibly account for the boom, especially in times of fiscal stringency, and an official ban on fresh recruitment? Arguably, rapid economic growth improved public resources for the expansion of employment, responding to citizens' demand for better public services (with many rights based benefits enshrined in the constitution lately). To check if such a proposition is empirically valid, we estimated the simple correlation coefficient between the following variables for the cross-section of the 17 major states, separately for 1999-2000 and 2009-10:

1. Public employment per 1000 population and per capita income,
2. Public employment per 1000 population and HDI

For 1999-2000, (1) above is statistically significant with a positive sign, for 2009-10 the correlation coefficient is not significant. In (2), for 1990-2000, the correlation coefficient is zero; in 2009-10, the correlation coefficient is positive but weak (significant at 90% level of confidence). These findings, therefore, do not offer a clear evidence for the foregoing proposition.

A suggested hypothesis:

The NSS data for 2004-05 and 2009-10 have information on the length of the job contract, as given in Table 7. It shows a growing proportion of public employees have short-term contracts, implying these are temporary workers.

The contradiction in the trends described above seems to tell a deeper story. While the government pay roll has declined, employment in the sub-contracted (or out-sourced) services is likely to have gone up. This probably is the underlying reason for the contradiction. As those working for service providers usually have short-term contracts, which is perhaps captured in the increasing share of workers with less than one-year contract, as shown above.

If so, however, one may wonder why workers employed by outsourced agencies are recorded as public sector employees. Our impression – based on an earlier experience of studying sub-contracting in manufacturing industries – is that the NSS surveys do not seem so finely designed as to distinguish between those directly employed *by government*, and those by the service provider *for government*.³

Further, the fact that central government does not have any class IV employee on its rolls since 2009-10, it clearly indicates that the services rendered by these employees are now outsourced with workers having short term labour contracts.

If the foregoing interpretation is valid, then the decline in public employment is factually correct, but materially not. It is yet another instance of informalisation of formal employment, with a

³ This is consistent with what we observed in our survey of workers employed in small enterprises living in the outskirts of Bangalore (Nagaraj, 1989). Semi-literate workers do not know, or would not want to reveal, that they work for an outsourced agency. These employment arrangements tend to be informal with practically no formal job contract, or even a letter of appointment. However, in terms of worker's social standing, it is always better to tell that he or she works for government or for a large, publicly recognizable organization.

poorer service conditions. The decline in the official employment figures seems as deceptive as the abolition of child labour in industries such as carpet weaving, bidi rolling or firecracker manufacturing, where the employment is driven “underground”, into households away from public glare, and official records.

What does forgoing discussion imply for the structure of public employment? Little restructuring seems to have happened towards the much-needed skill intensive professional services, but simply out-sourcing of a few basic services like housekeeping, security services, gardening, transport services etc. Whether such a move has improved the service quality at reduced costs (as popularly argued) remains to be seen.

Section III **Understanding the Size and Trends**

With 4 per cent of the total work force, the size of public employment is not large – in fact, small by the standards of the advanced economies. But, its composition seems archaic, quite in contrast to advanced economy, where the bureaucracy is decentralized; mostly consisting of professionals serving the social needs.

Official figures show a 10 per cent contraction in public employment since 1997, most of which is in central government and in PSEs – not much in state and local government administration, and some of it could simply represent retirement and VRS. However, impressionistically, the ban on fresh recruitment in the central government after the reforms seem to have created shortage of qualified professionals like statisticians, city planners, doctors and so on, without really denting the archaic employment structure.

For improving the delivery of social services and meeting the growing demand, the need is perhaps not for contraction, but of restructuring and modernization of public services – away from the colonial pattern, towards a contemporary welfare needs, and being responsive to the growing democratic aspirations. Now with many rights-based entitlements enshrined in the constitution, the need to re-orient public employment is all the more greater.

But what has been accomplished is contracting out of a few basic civic services. Rising public employment as per the NSS estimate during the last decade seem to support our argument. There have been many official committees and commissions to reorganized public administration – most recent one being the Veerappan Moily commission on administrative reforms – but no government has had the inclination to implement them. Why so? The answer, we contend, perhaps lies in the political economy – tied to the electoral politics – for two reasons.

But before coming to them, it is useful to dispel some popular and simplistic perceptions. That *Prima facie*, the liberal reforms have tamed the bull of the organized public sector workers and their unions. Such a view would gladden the hearts of many a libertarians, who would commend the reformists for shrinking public employment even as the economic growth accelerated.

Yet, public sector workers and their unions may have the last laugh, since overall public employment (as measured by the NSS) has in fact been rising, with practically little

modernization or restructuring of the administrative set up. The central government has abolished Class IV employees by *en mass* promoting them to the next level, without effectively restructuring their job-content or service conditions. It is not known if a similar change has occurred in states and local administration. Our hunch is, probably not: because there has practically been no contraction in their employment.

In the intermediate regime thesis referred to in the introduction, the numerically significant public servants and petty producers were valuable in electoral terms and were perceived as a bulwark against the big business and foreign capital. But now, the erstwhile beneficiaries of the state capitalism seem to have outgrown the need for the state support they received, and have tightly embraced foreign capital and big business (NRIs are a big proxy of this group). If so, with a right ward drift in politics, what prevents the political parties from dumping public employees? My tentative explanation is as follows: In the age of crony capitalism that we seem to be in now, public employees remain the backbone of the political set up – be it top civil servants or a humble peon – needed to grease the wheels the patronage system.

1. As lower level government servants form the foot soldiers for conducting elections, they probably play a vital role in subtly influencing electoral outcomes. Therefore, no political party can afford to confront the non-gazetted officers (NGOs). For example, in the 1980s, NT Rama Rao, the charismatic Telugu film idol and the founder leader of the Telugu Desam Party (TDP) in Andhra Pradesh antagonized the lower bureaucracy by refusing to concede their wage demands; pitting them against the masses of poor in public spending (which he probably thought would fetch him more votes), but lost the elections badly, apparently as the bureaucracy worked insidiously to defeat the TDP.
2. If corruption is the grease, cadres of bureaucracy are the wheels of the patronage system. To put it starkly, winning elections require huge sums of money, mostly obtained by corrupt means (in the absence of state funding). Bureaucracy is the conduit through which corruption flows to politicians. Politics is a labour intensive activity; politicians need to provide a regular source of income to their supporters (to reward loyalty). Doling out public jobs is, as yet, a sure means of doing it, forming the pivots of the patronage network. We would therefore contend, it is the political patronage system that keeps public employment growing (or, keeps it from declining).
3. Fiscal constraints may have restrained the system at the central government, but probably not at the lower levels. Interestingly, despite the hardening of the budget constraint after the passage of the FRBM act, state governments have managed to keep employment growing in all but one state. Regardless of the political party in power all of them have preferred to reduce public investment (foregoing potential output and employment growth), rather than risk shrinking public employment.

Ordinary citizens are often outraged by petty corrupt practices – a traffic cop collecting *mamool*, or a sub-registrar collecting bribes for approving a house plan or, house registration. But what remains unobserved from the common man's eye is that often the cop or the sub-registrar is just the front end (or the last mile) for a local politician or a minister, to whom the bribes get routinely passed on without batting an eyelid. The front man probably gets to keep only a small

fraction of the total collection, to recoup his cost incurred in getting the job. These practices are quite institutionalized, not random occurrences – as many a careful observer of the ground reality can attest. So, the entire network of lower-level bureaucracy is perhaps a necessity for the patronage system to function. Hence, given the cost of running the risky business of electoral politics, it is perhaps hard to expect the political executives to rationalize the system that could cut the umbilical cord of electoral finance.

Surely, the form of corruption has evolved. It is no longer an entirely cash business requiring to change hands physically. In the light of the recent spate of scams, which are of completely different orders of magnitude, it is amply demonstrated how politicians have acquired business acumen in demanding and receiving favour in terms of equity stakes in corporate entities (in complex web of companies and trusts). Though the evolved form of corruption may have become less “labour-intensive”, one suspects, it nevertheless requires labour services to camouflage the operations, and to cover the tracks – lest the information trail (in an internet age) may yet spill the beans. So, despite the more sophisticated forms of corruption, need for such services as yet remains.

If the foregoing propositions (stated perhaps somewhat bluntly) merit attention, then this is what, we would contend, explains the persistence of the “dysfunctional” bureaucracy – without getting modernized to meet the growing need of citizens. While the free-market reformists may take credit for the modest fall in public employment, and trade unions may fret about anti-labour policies under the “neo-liberal regime”, the reasons for the persistence of the size and structure of public employment probably run deeper.

Section IV Conclusions

Public sector employees, as part of the organized working class, form a vital strata in many an account of India’s political economy. But widespread misconceptions about their size, structure and growth persist. In seeking to dispel some of them, we noted the following:

1. Public sector employees of all levels and forms of government put together constitute 4 per cent of the national workforce, their wages 8 per cent of GDP.
2. The employment, relative to the population, is small, just one-fifth of that in the US (which is widely known to have small public sector among the developed nations). Hence, the popular view that India’s public employment is bloated is simply incorrect, adjusted for the population size.
3. Its composition, however, is different from that in the advanced economies. Sector-wise, a large share is in industry and public administration and defense. Skilled and professional services (as proxied by class I and II employees) form just 5 percent of the central government employment; most of public employment consists of low-level semi-skilled workers. In the developed countries, public employment is in services and in skilled occupations – providing health, education and social services.
4. Public sector wages in the early decades declined in real terms, and the wage dispersion narrowed. The trend got reversed in the last decade. But it seems difficult to read very much into the wage trends for two reasons. Public employees form the nation’s

meritocracy needing adequate compensation. Moreover, public sector jobs entitle many non-wage benefits, which probably more than compensate for the decline in the earlier decades and the modest rise in real wages.

5. Official figures show, public employment sector has declined since 1997 by about 10 per cent. Most of the decline is in the central government and in quasi government. This is mainly due to natural attrition (retirement), VRS, and increasing contracting out of basic services of maintenance and logistics. Best evidence for it is the fact that now there are no class IV employees on the rolls of the central government.
6. Those employed *indirectly* by the state (via service providers) has gone up, as shown by the NSS data. In other words, government pay roll has declined, but those employed indirectly has expanded substantially. However, little occupational restructuring towards skill intensive services, office automation and decentralization seems discernible. Because of the employment freeze in the central government, shortages of many kinds of technically skilled staff seems to be adversely affecting the quality of public services.

Why has there been no reorganization of public employment (or the state's the inability to do so) to meet the growing demand for professional services, away from the colonial structure of the bureaucracy. It points to some deeper political economic reasons for the status quo. This paper has suggested two plausible explanations, both pointing to the nature of India's democratic polity.

One, no political party (or formation) would like to antagonize the non-gazetted officers (NGOs), who are in-charge of conducting elections and hence could subtly influence the electoral outcomes. Second, perhaps more important, reason is that the bureaucracy is the machinery or the conduit that delivers the bribes to the political class, who in turn, create or sustain bureaucracy by posting their key men at the suitable cross sections in public decision making.

Surely, modes of political corruption have increasingly become sophisticated – wholesale and corporate – and, hence perhaps less “labour and cash intensive”, as the recent spate of scandals have revealed. Yet bureaucracy is needed to avoid the electronic paper trail, and to cover the tracks, and hence the perpetuation of the status quo. If these propositions are sound and substantial, then the chances of the reorganization and modernization of public employment to meet the felt needs of the citizens seems remote.

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Table 1: Composition of public employment by levels of levels of government.

(in 00,000)

Year	Central Govt	State Govt	Local Govt	Quasi Govt	Total
1961	20.9	30.1	11.7	7.7	70.5
1971	27.7 (32.6)	41.5 (37.9)	18.8 (60.7)	19.3 (150.7)	107.3 (52.2)
1981	32.0 (15.5)	56.8 (36.9)	20.4 (8.5)	45.8 (137.3)	154.8 (44.3)
1991	34.1 (6.6)	71.1 (25.2)	23.1 (13.2)	62.7 (36.9)	190.6 (23.1)
2001	32.6 (-4.4)	74.3 (4.5)	22.6 (-2.2)	61.9 (-1.3)	191.4 (0.4)
2012	25.2 (-22.7)	71.8 (-3.4)	21.1 (-6.6)	58.0 (-6.3)	176.1 (-8.0)

Note: Figures in the brackets refer to percentage change

Table 2: Sectoral distribution of public employment.

(per cent)

Sector	1961	1971	1976	1986	1991	2000	2011
Agriculture & allied	2.6	2.6	2.7	3.0	2.9	2.7	2.8
Mining	1.8	1.7	5.4	5.5	5.2	4.8	6.3
Manufacturing	5.2	7.5	8.4	10.3	9.7	7.9	5.9
Elec. Gas and water	3.2	4.0	4.0	4.4	4.8	4.9	4.8
Construction	8.6	8.2	7.5	6.7	6.0	5.7	4.9
Trade	1.3	3.1	0.4	0.7	0.8	0.8	1.0
Transport, storage & communication	24.0	20.6	18.2	16.6	15.9	15.9	13.8
Finance, insurance & real estate			3.7	5.8	6.3	6.7	7.9
Community, social and personal services	52.9	52.2	49.8	47.1	48.4	50.6	52.7
Total (in absolute no. in 100,000)					190.6	191.4	172.7

Table 3: Distribution of government employees by type

(Per cent)

		Gazetted officers			Non-gazetted officers		
		Total	Class 1/ Group A	Class 2/ Group B	Class 2/ Group B	Class 3/ Group C	Class 4/ Group D
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1994	4023	5.1	1.8	3.2			
2005-06	3109	5.1	2.5	2.6	1.9	66.6	26.3
2006-07	3109	5.1	2.5	2.4	2.0	66.8	26.3
2007-08	3119	5.0	2.5	2.4	2.0	67.1	26.0
2008-09	3107	4.9	2.6	2.6	2.5	67.4	24.9
2009-10	3068	5.2	2.7	2.6	3.1	91.6	
2010-11	3082	5.2	2.7	2.5	3.8	91.0	
2011-12	3085	5.3	2.9	2.5	3.7	91.0	

Table 4: Alternative estimates of public employment

(in ,000)

Year	NSS	Official	Difference (%)
1999-00	16,148	19,415	(-) 20.2
2004-05	19,784	18,197	8.0
2009-10	22,563	17,795	21.3

Table 5: State-wise distribution of public employment, for 1999-2000 and 2009-10
(per 000)

Principal States	1999-00	2009-10	% change
AP	1,404	1,635	16.5
Assam	411	567	37.9
Bihar+Jharkhand	523	1,094	109.3
Gujarat	937	1,004	7.2
Haryana	378	591	56.2
HP	161	446	176.4
J&K	174	478	174.8
Karnataka	918	857	-6.6
Kerala	579	874	51.1
MP+Chathisgarh	1,251	1,942	55.2
Maharashtra	2,276	2,711	19.1
Orissa	625	892	42.8
Punjab	476	682	43.3
Rajasthan	820	1,546	88.4
TN	1,296	1,791	38.1
UP+Uttarkhand	1,640	2,655	61.9
WB	998	1,451	45.3
Sub-total	14,867	21,215	42.7
% of total	92.1	94.0	

Table 6: Annual Growth in Public Employment
(Per cent)

Years	Growth rate (per cent per year)
1961-70	3.9
1971-80	3.5
1981-90	1.9
1991-00	0.1
2001-10	(-) 0.7
2000-10	3.4

Note: Compound growth rates from 1961 to 2012 computed using official data, for 2000-10, the NSS estimates are used.

Table 7: Length of job contract
(Per cent)

Type of job contract	2004-05	2009-10
Less than a year	26.2	70.0
More than 3 years	37.7	59.9

Figure 1: Public Sector employment in 2012

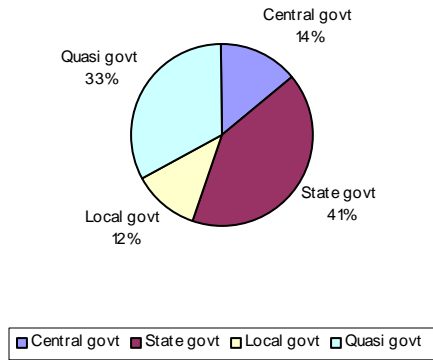


Figure 2: Total public sector employment

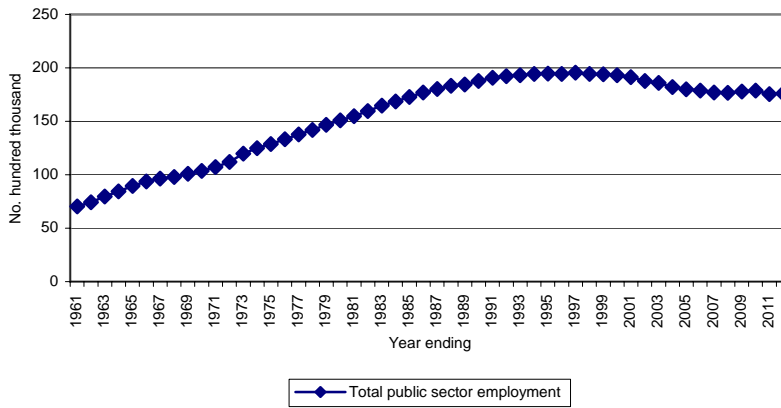
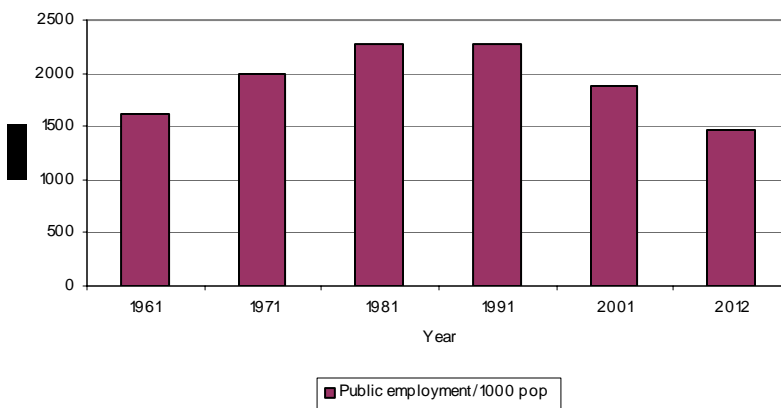
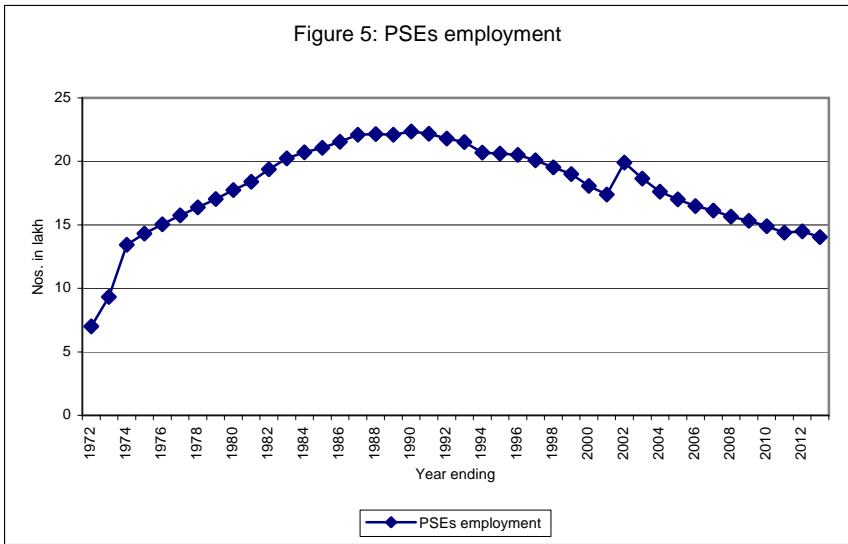
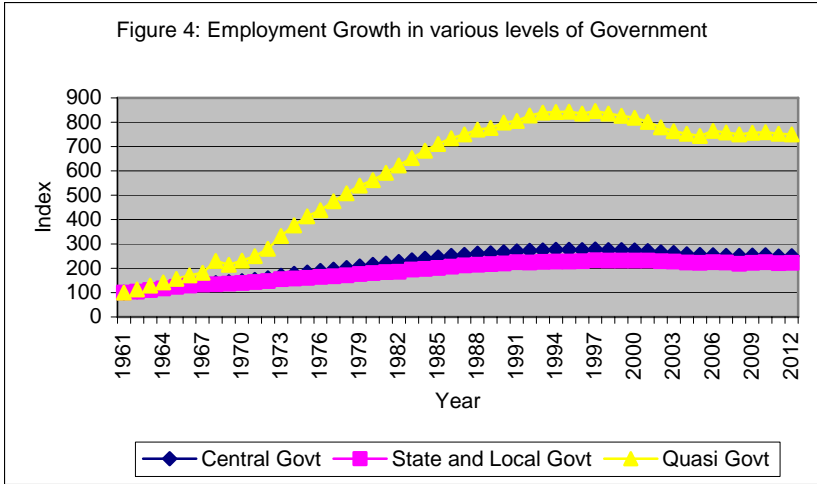


Figure 3: Public Sector Employment per 1000 population





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