

INDIA

Statistical Profile

Compiled by Rucha Bhate

INTRODUCTION TO REPUBLIC OF INDIA



About this Statistical Profile -

Organizations striving to be employers-of-choice in different countries around the world need access to current information about the economic, social, political, and demographic characteristics of the countries where their employees live and work.

The Country Profile Series focuses on statistics that can guide decision making at the workplace: workforce highlights, economic highlights, and population highlights. This Country Profile is part of a set of resources about India available on the website of the Global Perspectives Institute: www.bc.edu/agingandwork.

After two centuries of British colonial rule, India gained independence and became a sovereign nation on August 15, 1947. The Republic of India occupies an area of 2,042,908 square miles (3,287,590 square kilometers), which is slightly more than one-third the size of the United States¹ and borders Bangladesh, China, Pakistan, Burma, and Nepal. Along with a unique distinction of being a pluralistic, multilingual, and multiethnic society, India is the birthplace of some of the world's major religions such as Hinduism and Buddhism. The latest population estimate of 1.17 billion makes India the second-most-populous country and the most populous democracy, with 16% of total world population but only 2.4% of total land area.²

Since independence, India's economy has undergone a transformation. Once a predominantly agricultural economy, India is now experiencing more growth in the service sector. The share of agriculture in aggregate GDP has declined from more than one-half in 1950 to about one-sixth in 2008³; however, agriculture continues to employ more than half of the Indian labor force. Services now account for more than 50% of India's GDP but employ less than a third of the labor force. In 1991, plagued by a severe balance-of-payments crisis that crippled the Indian economy, the incumbent government initiated a wave of economic liberalization consisting of reforms that ended the License Raj and shifted the policy focus from inward-looking protectionism to industrial deregulation, privatization, and measures allowing foreign trade and investment. Consequently, India has gradually established itself as a powerful emerging economy with an average real GDP growth of 8.9% since 2003. According to the BRIC³ report by Goldman Sachs, Brazil, Russia, India, and China taken together are projected to eclipse the current rich, world economies by 2050, with India exhibiting the fastest growth potential.

Today, India is regarded as a preferred outsourcing hub, capitalizing on a vast pool of educated, English-speaking labor. However, a burgeoning fiscal deficit, widespread poverty, and inequality are some of the challenges that will continue to worry India in the future. India is a member of the G-20 and the World Trade Organization and has bilateral and multilateral agreements with several Asian countries. India is also the founding member of the South Asian Association for Regional Cooperation and the International Labor Organization.

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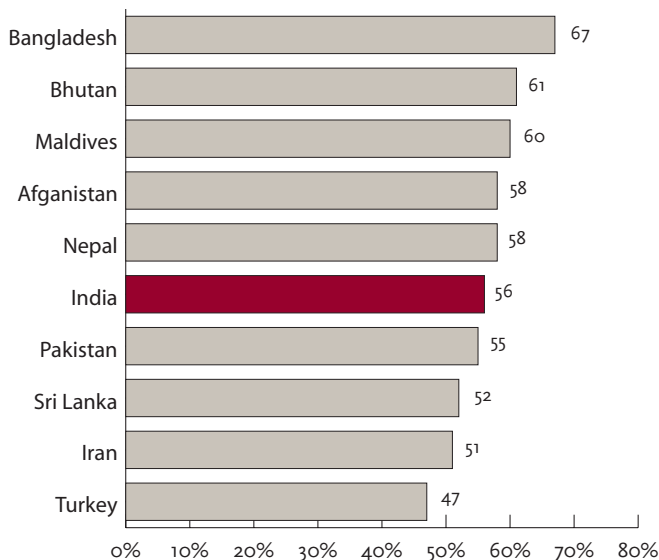


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LABOR FORCE HIGHLIGHTS

- 🌐 42% of the total Indian population belonged to the workforce (according to the usual status)⁴ in 2004-05.⁵
- 🌐 In 2004-05, 43.9% of rural population and 24.1% of urban population in India was in the labor force.⁵ The participation rate is the highest for age group 30-49.
- 🌐 The economically active population in India is projected to increase from 1.18 billion in 2008 to 1.37 billion in 2020. The economically active population comprises all persons of either sex who furnish the supply of labor for the production of goods and services during a specified time reference period.⁶
- 🌐 The unemployment rate for India (defined as the number of persons unemployed per 1000 persons in the labor force, according to the usual and subsidiary status) according to the 2004-05 survey was 1.7% in rural areas and 4.5% in urban areas.⁵ Despite India's moderate overall unemployment rate, urban unemployment significantly outweighs its rural counterpart.
- 🌐 Educated unemployment (both in urban and rural areas) is higher than for lower than secondary education level. Among the educated, the unemployment rate for females is much higher than males.
- 🌐 Underemployment rate was 9.7% in rural India and 6.2% in urban India during 2004-05.⁵ Underemployment in this sense measures the number of persons who sought or were available for additional work per 1000 persons (aged 15+) in the labor force.
- 🌐 In 2004-05, 56.5% of the rural population and 43.3% of the urban population in India was self-employed.⁷

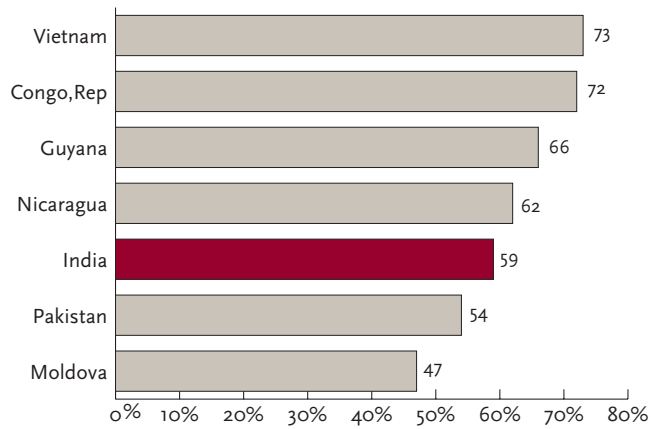
Figure 1a. Employed as Percent of Total Population (aged 15+) - Selected South Asian Countries, 2008



56% of the Indian population aged 15 and above is employed, compared to 67% in Bangladesh and 55% in Pakistan. (see Figure 1a)

Source: United Nations Economic and Social Commission for Asia and the Pacific.⁸

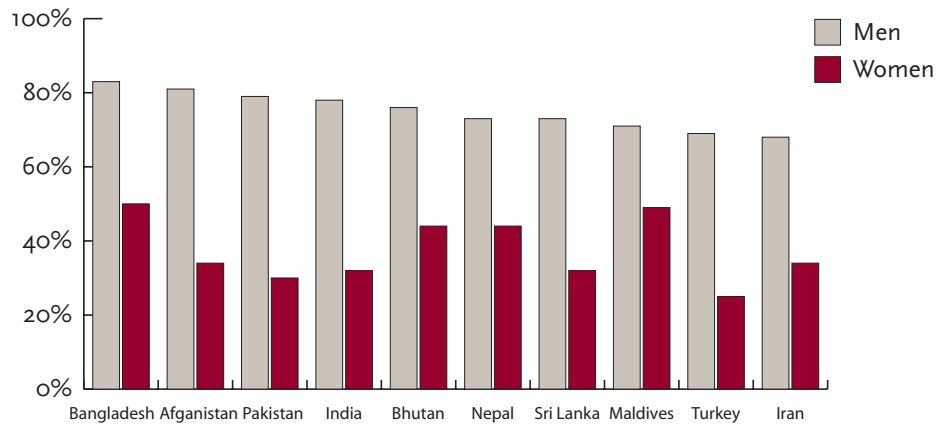
Figure 1b. Labor Force Participation Rate (as % of population aged 15+) Selected Low PCGNI countries, 2007



Source: United Nations Economic and Social Commission for Asia and the Pacific.⁸

India has one of the lowest employment-to-population ratios for women compared to other South Asian Countries (see Figure 2)

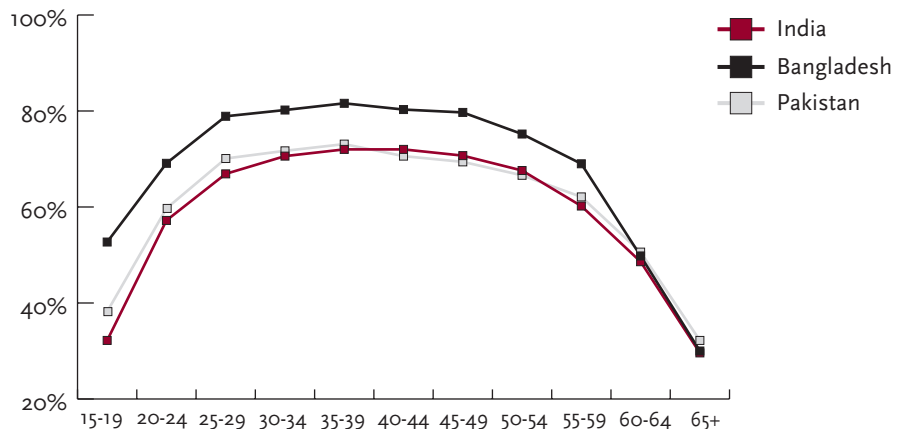
Figure 2. Employment-to-Population Ratio by Gender, India and Comparable South Asian Nations, 2008



Source: UN Statistic Division, 2006⁹

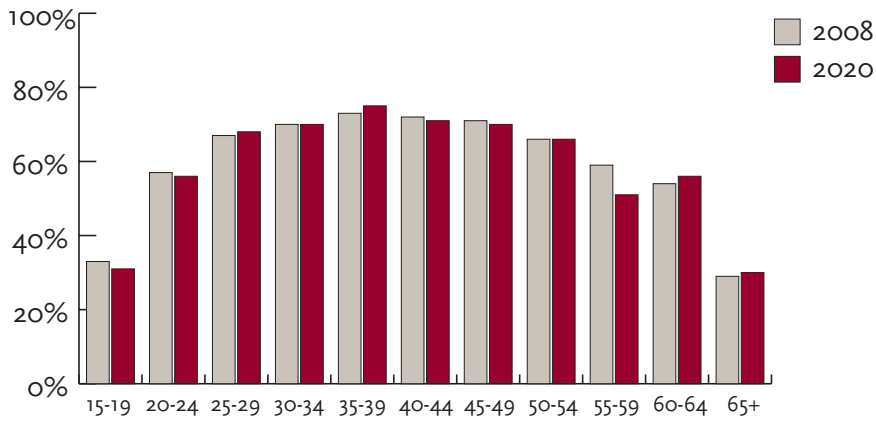
In 2007, the employment rate for people aged 25-29 was lowest in India and highest in Bangladesh. (See Figure 3 for comparisons of employment rates for each age group in India with Pakistan and Bangladesh)

Figure 3. Economically Active Population in India Compared to Selected South Asian Countries, within age group, 2007



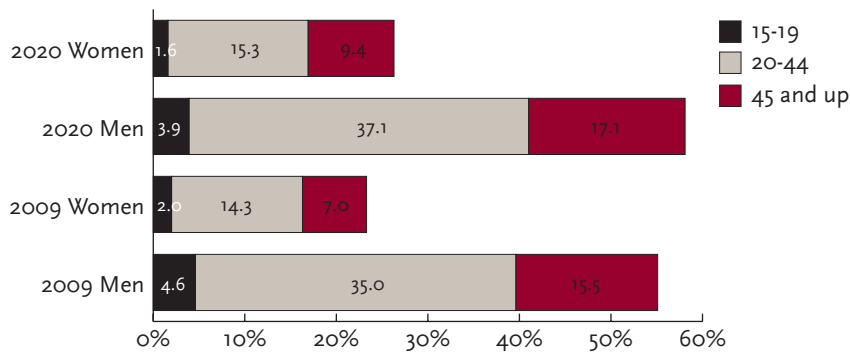
Source: International Labor Organization.⁶

Figure 4a. Current & Projected Economically Active Population Estimates and Projections in India, within age group, 2008 and 2020



Source: International Labor Organization.⁶

Figure 4b. Current and Projected % of Total Population Economically Active in India for years 2007 & 2020 for males and females

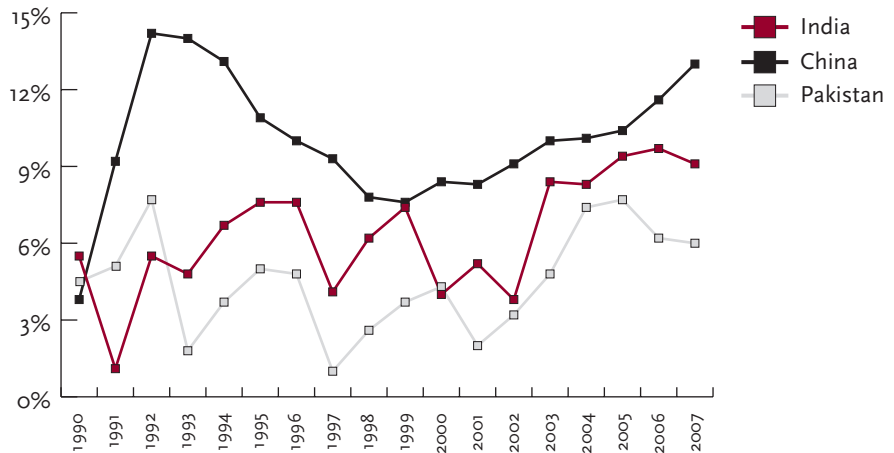


Source: Laborsta ILO

ECONOMIC HIGHLIGHTS

- 🌐 In 2007, Gross Domestic Product per capita at PPP (purchasing power parity) in India was \$2753 compared to \$2525 for Pakistan, \$1242 for Bangladesh and \$5345 for China.⁹
- 🌐 India's GDP growth plunged to a record low of 1.1% in 1991. Thereafter, the economy bounced back with an average GDP growth of 6.7%. Since 2003, the growth rate has consistently been above the 8% mark, reaching 9.1% in 2007.⁹ (see Figure 5)

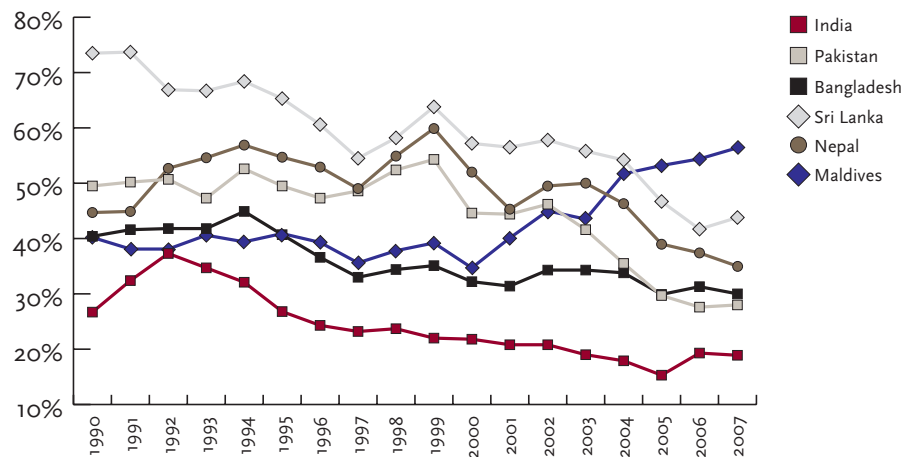
Figure 5. GDP Growth (annual %): India, Pakistan and China (1990-2007)



Source: World Bank⁹

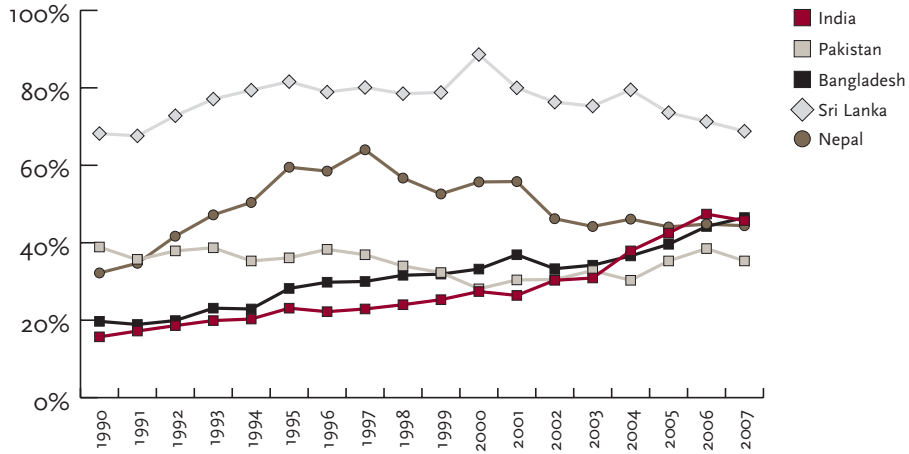
Figure 6. Total External Debt as Percentage of GNI, selected South Asian Countries, 1990-2007

External debt-to-GNI ratio in India has been hovering around 20% in recent years, though it is fairly low for its South Asian counterparts.



Source: World Bank⁹

Figure 7. Trade as a Percentage of GDP, India and selected South Asian Countries, 2008



India seems to be getting more integrated into world trade as evident from the upward trend in the trade-to-GDP ratio post liberalization.

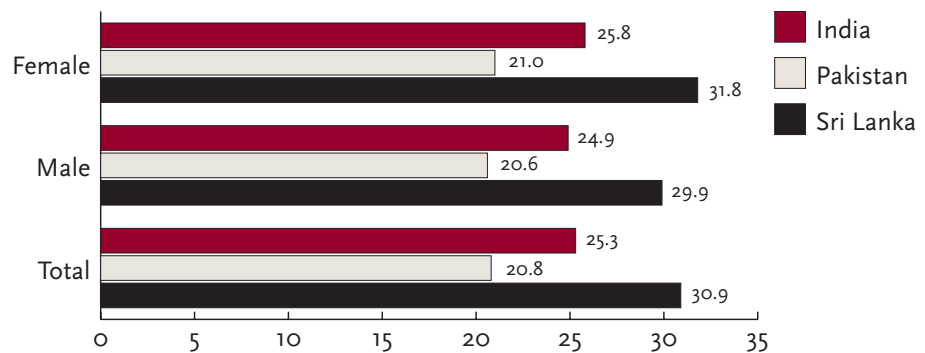
Source: World Bank⁹

DEMOGRAPHIC HIGHLIGHTS

- 🌐 In 2007, India's total population was 1,169,016,000 compared to 1,328,630,000 for China and 163,902,000 for Pakistan.⁸
- 🌐 62.4% of India's total population belongs to the working age group (15-64 years), compared to 59.7% in Pakistan and 71.1% in China. On the other hand, only 5% of the total population in India is aged 65+. China and Pakistan are comparable with 7.8% and 3.9%, respectively.¹⁰
- 🌐 In India, 7% of the male population and 7.7% of the female population is aged 60 years or older.⁵
 - In Pakistan, 6% of the male population and 4.6% of female population are 60 or older.
 - In Bangladesh, 6.6% of the male population and 5.6% of the female population are 60 or older.¹²

Figure 8. Median Age, by Gender, Selected South Asian Countries, 2009 (est.), Comparable by Region

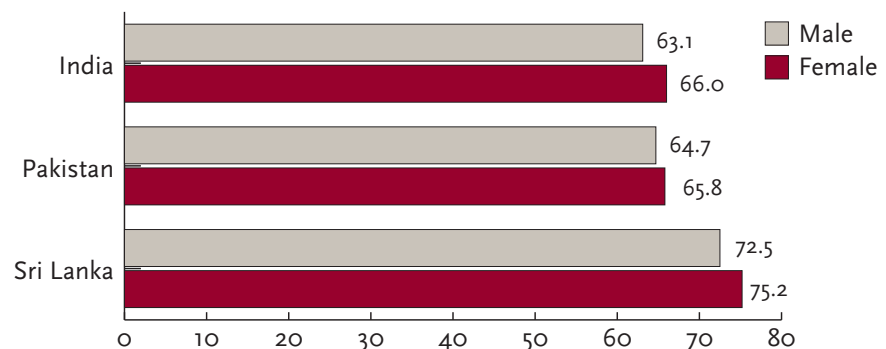
The median age for the Indian population as a whole is estimated to be 25.3 in 2009; 24.9 for men and 25.8 for women. (See Figure 8)



Source: CIA World Factbook, 2008¹

Figure 9. Life Expectancy at Birth, Selected South Asian Countries, 2009 (est.), Comparable by Region

The life expectancy at birth for the Indian population in 2009 is estimated to be 67 years for men and 73 years for women. (See Figure 9)



Source: CIA World Factbook, 2008¹

Figure 10a. Population Distribution of India: by Age, 2005-06



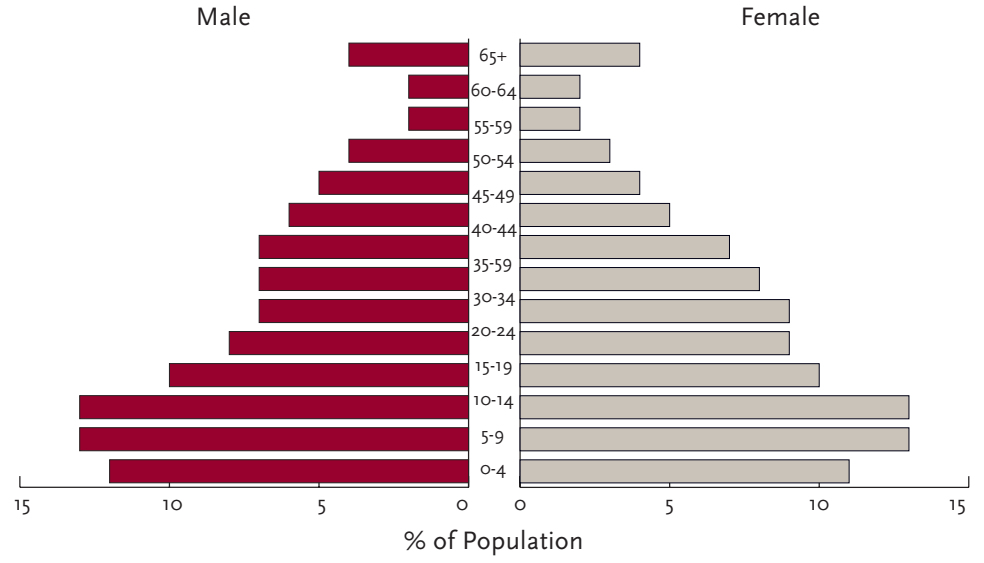
Source: National Sample Survey Organization, India ⁵

Figure 10b. Population Distribution of Pakistan: by Age, 2005-06



Source: Federal Bureau of Statistics, Pakistan.¹¹

Figure 10c. Population Distribution of Bangladesh: by Age, 2004



Source: Bangladesh Bureau of Statistics¹²

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- 4 Usual activity status relates to the activity status of a person (employed, unemployed, or not in labor force) during the reference period of 365 days preceding the date of survey.
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- 7 Persons who operated their own farm or non-farm enterprises or are engaged independently in a profession or trade on own-account or with one or a few partners are regarded as self-employed in the NSSO surveys.
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ABOUT THE INSTITUTE

Established in 2007 by the Sloan Center on Aging & Work, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st-century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute's research, publications, and international forums contribute to:

- 🌐 a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- 🌐 informed decision making by employers who want to be employers-of-choice in different countries; and
- 🌐 innovative thinking about private-public partnerships that promote sustainable, high-quality employment.

Apart from the Mind the Gap series, the Global Perspectives Institute publishes a Statistical Profile Series that highlights workforce demographic trends in different countries as well as a Global Policy Series that focuses on selected workforce policy in certain country contexts.

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The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st-century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Sloan Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

Rucha Bhate is a graduate student in the Department of Economics at Boston College. Before beginning her doctoral studies at BC, she earned her Masters in Economics from Gokhale Institute of Politics and Economics in Pune, India. Thereafter, she worked as a Research Associate with the Indian Institute of Management-Ahmadabad, a premier business school in India, and also at the Aditya Birla Group, a major business conglomerate. Her primary areas of research are macroeconomics and international economics, in particular the economic dynamics of developing countries.

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