



## Insights From Labour Bureau Survey with Reference to Employment in IT The Sector in India

Arundhati Agte<sup>1</sup> & Prof. Dr. Manasi Kurtkoti<sup>2</sup>

<sup>1</sup>Ph.D. Scholar, Department of Economics, Baburaoji Gholap College, New Sanghvi, Pune, Affiliated to Savitribai Phule Pune University, Pune, Assistant Professor, S.P. College, Pune

<sup>2</sup> Professor, Head, Department of Economics, Dr D.Y Patil Arts, Commerce, Science College Pimpri, Pune

Corresponding Author – Arundhati Agte

DOI - 10.5281/zenodo.18922917

### Abstract:

Periodic surveys to examine labour market conditions in India are conducted by the Labour Bureau, under Ministry of Labour and Employment, Government of India. These surveys provide a perspective of employment and unemployment in India on an annual basis and also on quarterly basis. The recent change in the quarterly survey is the addition of sectoral trends in employment. The earlier NSSO data and PLFS figures did not clearly reveal the sectoral trends. The quarterly survey gives nine classifications of industries and provides data regarding labour market trends in these sectors. Earlier IT used to be the part of broader service sector, now it is added as a separate sub sector under services, providing an opportunity to analyse the trends in sectoral employment and unemployment. The growth of the IT sector post 1991, led to the growth of participation of skilled labour in the economy. This participation is not just in terms of organised registered establishments, but is also seen from the growth of the informal platforms and household level establishments. Though the annual and quarterly surveys do not capture these gig economy employees and establishments, the surveys definitely point at the growing contribution of the IT and BPO sector in total employment. This paper tries to examine the Labour Bureau data and understand the trends in IT sector employment outcomes.

**Keywords:** Labour Bureau, Employment, IT And BPO, Sectoral Trends

### Introduction:

The growth of Information Technology and Business Process Outsourcing and IT enabled services (IT/BPO/ITES) industry in India is one of the most prominent achievements in the post reform period. India has gained a position as one of the largest offshore destinations for many of the IT companies. The IT/BPO sector contributed around 7% in GDP in the year 2024-25 as per NASSCOM and Statista reports. The share is expected to increase to almost 10% in the year 2025. The share of IT services exports in the total exports which was 8.77% in the year 2015-16 rose to 11.6% by 2023-24.

The sector is a source of employment generation especially for the skilled youth employees. The data from Ministry of Electronics and Telecommunication records that around 5.8 million people are currently employed in the sector. The quarterly surveys conducted by the Ministry of Labour (2020-21) estimate that IT/BPO sector has approximately 7% share in the total employment. The sector also creates multiple job opportunities indirectly through the dissemination of information and communication. The liberalisation of the economy in 1991, paved the way for the development of software sector with establishment and growth of the business

entities like Infosys. It also led to the increase in the demand for skilled labour. The associations like NASSCOM, Labour Bureau and Periodic Labour Force Surveys have been recording the employment statistics of the IT sector. Though the data is mainly confined to the organised business entities, there is also significant growth of employment in the informal and gig economy. The paper aims to understand the trends and patterns in IT sector employment and gender trends and its comparison with the other sectors in the first four rounds of quarterly employment surveys

### Review of Literature:

**Mathur M** in the article Does IT Matter discusses the role of the IT sector in India with respect to its contribution in GDP, and exports. Using the total factor productivity theory, the paper states that IT sector has brought in substantial technological changes leading to positive implication on the growth of exports and GDP. **Dhanya M** in the article Facets of IT Industry in India (June 2025) discusses the role of IT sector in India with respect to employment, revenue and exports. The author states that more than 10 million people have received indirect employment due to the IT sector along with more than 3 million people receiving direct employment. **Sarkar S and Mehta B** in their article discuss the data of employment given by Enterprise Survey 2001. They reveal that IT sector employment is growing over a period with major employment generated by formal sector was more than half of the total IT employment indicating the regular employment, The report by **NITI Ayog, India's Services Sector (2025)** highlights that from 2011 to 2025, the modern services like computers and information services have gained momentum and have provided employment to around 7million people in 2022 compared to 1.1 million in 2011.

### Methodology:

The paper uses data from the Employment and Unemployment Scenario in India published by the Labour Bureau (2022) along with 1<sup>st</sup> to 6<sup>th</sup> round of Quarterly Employment Survey.

### Section I:

The employment and unemployment scenario released by the Labour Bureau is a prominent data source for studying the employment in India. The Labour Bureau surveys of establishments with more than 10 workers to understand employment scenario. The Employment and Unemployment Survey (EUS) provide better picture at the macro level with respect to employment and unemployment rates, labour force and workforce participation rates on the demand side.

The annual surveys represent the household data that provides valuable insights on macroeconomic employment indicators for various demographic groups – age, gender and for different states and rural – urban areas. The quarterly surveys produce data for nine different sectors for establishments with ten or more workers. These surveys provide the demand side perspective of the labour market. Hence the inclusion of IT/BPO sector is one of the characteristic features of the quarterly surveys. These nine sectors cover mainly the organised sector market trends across the nine sectors.

The other major source of employment unemployment data is Periodic Labour Force Survey data collected by the National Statistical Office (NSO). This data includes the organised as well as unorganised sector data as per industrywide classification based on the National Industrial Classification. The separate data on IT/BPO is not collected under PLFS. The PLFS data gives supply side and micro level perspective of employment.

**Section II:**

The results of quarterly surveys are declared for the first six rounds from April – June 2022 to July – September 2022. Despite the time lag in data, the statistics is useful for analysing

the overall and sectoral employment trends. The labour force participation rate as per the QES changed from 55.4% in 2011-12 to 52.8% in 2016-17. The workforce participation rate changed from 53.6% to 50.7% in the same period.

**Table 1: Percentage distribution of total workers as per the sector:**

Sector	1 <sup>st</sup> round	2 <sup>nd</sup> round	3 <sup>rd</sup> round	4 <sup>th</sup> round	5 <sup>th</sup> round	6 <sup>th</sup> round
Manufacturing	40.6	39.1	39.4	38.5	44	43
Construction	2.4	2.0	2..	1.9	2	2
Trade	6.6	5.3	5.3	5.3	5	5
Transport	4.3	4.6	4.2	4.2	4	4
Education	21.8	22.0	22.0	21.7	17	17
Health	8.4	10.8	10.4	10.6	11	11
Accommodation and restaurants	2.9	2.5	2.6	2.6	2	2
IT/BPO	6.7	10.7	11.0	12.0	11	12
Financial Services	5.7	2.8	2.8	2.9	4	4

(Soruce: Annual and Quarterly Employment and Unemployment Survey by Labour Bureau)

Compared to the other sectors IT/BPO sector shows an increasing trend. The growth of the IT sector is significant showing that there is increase in the organised sector workforce in the IT/BPO sector. The Covid 19 led to the expansion of the IT and BPO activities along with increase in the application of IT in almost all the sectors. The emergence of new technologies like cloud, robotics, AI/ML, government initiatives like Digital India, Make in India, establishment of IT parks, and data centers, financial innovations have been some of the major reasons behind the growth of employment. The QES data does not

discuss the informal sector or gig economy in the IT/BPO sector. The NITI Ayog Report on India's Booming Gig and Platform Economy points that the digital platforms have grown significantly in India and they all are mainly driven by computer and IT oriented skills. According the report about 47% of the gig work is in medium skilled jobs, about 22% in high skilled which includes IT services.

The IT/BPO sector employment growth rate is also seen by category and gender with 97% as regular salaried.

**Table 2: Percentage distribution of workers in IT/BPO as per category and gender:**

QES Round	Self Employed			Employees		
	Male	Female	Total	Male	Female	Total
1 <sup>st</sup> round	1	0	1	67.2	31.8	99
2 <sup>nd</sup> round	1	0	1	62.3	37.6	99.9
3 <sup>rd</sup> round	0.09	0.01	0.10	61.20	38.70	99.90
4 <sup>th</sup> round	0.09	0.01	0.10	64.09	35.81	99.90
5 <sup>th</sup> round	0.23	0.09	0.33	89.14	10.53	99.67
6 <sup>th</sup> round	0.01	0	0.01	64.45	35.54	99.99

(Source: Annual and Quarterly Employment Survey by Labour Bureau)

The number of male employees in the IT sector are higher than that of females. Around 30 to 35% of females are employed in the organised IT sector. It is the largest employer of females after health and education indicating the changes in the employment patterns for females. The percentage of self employed in the sector has not changed much in all these rounds. The fifth and sixth rounds of QES also reveal that the percentage of contractual workers, fixed term workers and casual labour in the IT/BPO sector is substantially low compared to the other sectors.

Lesser contractualization is also an indication of lesser financial insecurity for the employees. As the establishments have business relations with the other multi national companies, it also becomes a norm for the owners and management to comply with the basic norms of labour welfare. More than 90% of the employees in this sector get access to employees provident fund, more than 80% of the employees have access to maternity benefits and are also covered under the Payment of Gratuity act as per the QES 6<sup>th</sup> round. Almost 80% of the establishments in the IT/BPO sector provide benefits under Maternity act, EPFO, gratuity act and bonus act. This percentage is highest among the other eight sector.

### Conclusion:

The Annual Employment and Unemployment Survey and Quarterly Employment Surveys have gained significance in the last decade for providing insights into the employment trends in the non-farm organised sector and understanding the formalization of the employment and social security provisions for the employees.

IT/BPO sector that gained importance post liberalisation has been one of the foremost sectors for creating decent work opportunities in

the economy. The increase in the number of employees (both male and female) indicate the importance of the sector in the contribution in terms of GDP and rising incomes especially in the urban areas. The provision of social security benefits indicates implementation of welfare policies for improvement in the human development.

### References:

1. Aabid Firdausi MS, The IT Industry and Employment in India: A Critical Reassessment, 2020
2. Darsana M, An Overview Of Growth Of It Sector In India, International Journal of Interdisciplinary Research and Innovations, Vol. 7, Issue 4, pp: (79-83), Month: October - December 2019
3. Malick M, Velan N, An Analysis of IT software and service exports from India, International Trade, Politics and Development Emerald Publishing Limited, 2020
4. Mathur M, Does IT Matter: The Effect of Information Technology on India's Economic Growth and Development, 2020
5. Sarkar S, Mehta B, Employment Profile Of Ict Sector In India, 2004
6. Singh I, Singh S, Performance of Indian Information Technology Sector An Analysis of Two Decades, Economic and Political Weekly, March 12, 2022 Vol IVII no 11
7. Dhanya M, Facets of IT Sector In Indian Economy, IOSR Journal Of Economics and Finance (IOSR-JEF) e-ISSN: 2321-5933, p-ISSN: 2321-5925. Volume 16, Issue 3 Ser. 4 (May. – June. 2025), Pp 59-62 [www.Iosrjournals.Org](http://www.Iosrjournals.Org)

8. Indian ICT Sector Profile Report, January 2019, Secondary European Standardisation Expert in India
9. Dhar B, Joseph R, India's Information Technology Industry: A Tale of Two Halves, K.-C. Liu, U. S. Racherla (eds.), Innovation, Economic Development, and Intellectual Property in India and China, ARCIALA Series on Intellectual Assets and Law in Asia, [https://doi.org/10.1007/978-981-13-8102-7\\_5](https://doi.org/10.1007/978-981-13-8102-7_5), 2019
10. Niti Ayog, India's Services Sector Insights From Employment Trends And State Level Dynamics, 2025
11. Niti Ayog, India's Booming Gig and Platform Economy, Perspectives and Recommendations on the Future of Work, Policy Brief, June 2022
12. Basant R, Rani U, Labour Market Deepening In The Indian Information Technology Industry: An Exploratory Analysis, July 2004
13. Labour Bureau, Report on the Fifth Round of Quarterly Employment Survey, Government of India, Ministry of Labour and Employment, 2022
14. Labour Bureau, Report on the Sixth Round of Quarterly Employment Survey, Government of India, Ministry of Labour and Employment, 2022
15. Directorate General of Employment, Employment and Unemployment Scenario of India, 2022
16. Teamlease, Q3: Oct - Dec, 2021-22 Employment Outlook Report Intent To Hire
17. Annual Report, Flexi Staffing Industry, Indian Staffing Federation, June 2024, [www.isf.org](http://www.isf.org)
18. Reports of Software Technology Park of India – 2023-24