

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:2845
ANSWERED ON:12.12.2011
SHORTAGE OF LABOUR
Nagar Shri Surendra Singh;Singh Shri Yashvir

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government is aware that Indian industrial sector is facing acute shortage of labour due to implementation of MGNREGS in the country;
- (b) whether FICCI has expressed concern over shortage of labour in industries due to MGNREGS;
- (c) if so, the details thereof alongwith the details of its repercussions of Indian industries; and
- (d) the steps taken by the Government in this regard?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE)

(a) Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims at enhancing the livelihood security of the people in rural areas by guaranteeing hundred days of wage employment in a financial year to a rural household whose member volunteers to do unskilled manual work. It does not prevent anyone of taking up any other livelihood means of one's choice. According to the information available with the Ministry of Labour and Employment 39.9 million job seekers, were registered in Employment Exchanges across the country as on 30.08. 2011.

(b) & (c) Based on a short questionnaire circulated among member associations and amongst individual companies during the month of August and September, 2011, FICCI has mainly reported that members of Indian Industry are facing a serious problem with regard to availability of labour; that their workers have started demanding higher wages and that companies are already beginning to face difficulties in terms of meeting confirmed orders on account of shortage of workers. It has also been reported that companies are trying to minimize the impact of shortage of labour by:

- # Organizing and attending recruitment camps
- # Offering special training to unemployed youth and hiring them for company operations
- # Offering better benefits and working environment to new recruits
- # Introducing incentive schemes like `attendance bonus scheme`
- # Increasing shift timings
- # Going for greater mechanization

(d) Institutional arrangements of Employment Exchanges with 39.9 million job seekers registered with them as on August, 2011 are available across the country. In addition, the Government has started coordinated Action Plan for Skilling 500 million persons in the Country by 2022.