GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:2047
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GROWTH RATE OF EMPLOYMENT
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) the targets fixed for annual growth rate of employment both in the public and private sector and the actual achievements made including job opportunities created for the skilled and unskilled workers during the last three years;

(b) whether the annual growth rate of employment does not commensurate with the growth of economy;

(c) if so, the details thereof;

(d) whether the lack of growth of labour intensive industry a one of the reasons for the above situation; and

(e) if so, the steps taken by the Government to improve this situation and also to increase labour employment both in the organised and unorganised sector?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE)

(a) Eleventh Five year Plan aims at creating 58 million additional job opportunities for skilled and unskilled labour force on current daily status basis at an average rate of growth of 2.73 percent per annum from projected employment of about 402 million in the beginning of the Eleventh Five Year Plan to about 460 million at the end of the Plan. As per results of the two most recent rounds of quinquennial labour force surveys on employment and unemployment conducted by National Sample Survey Office during 2004-05 and 2009-10, about 20 million additional job opportunities were created at an average rate of growth of around 1 per cent per year during 2004-05 to 2009-10.

(b & c) Gross Domestic Product has grown at a compound growth rate of 8.7 percent per annum during 2004-05 to 2009-10 whereas employment estimated on current daily status basis has grown at the rate of about 1 percent during the same period.

(d) Decline in employment elasticity with respect to Gross Domestic Product as employment content of growth from 0.15 during 1999-2000 to 2004-2005 to 0.03 during 2004-2005 to 2009-2010 indicates the declining labour intensive growth.

(e) Approach Paper to Twelfth Plan highlights that for the growth to be inclusive, it must create adequate livelihood opportunities and add to decent employment commensurate with the expectations of a growing labour force. There is a potential for an accelerated pace of creation of more durable rural non-farm jobs/livelihood opportunities. Such job opportunities could come from faster expansion in agro-processing, supply chains and the increased demand for technical personnel for inputs into various aspects of farming that is undergoing steady modernization, and also the maintenance of equipment and other elements of rural infrastructure. The services sector too has to continue to be a place for creation of decent jobs/livelihood opportunities, in both rural and urban areas.