

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

UNSTARRED QUESTION NO:1257
ANSWERED ON:13.07.2009
JOB LOSS DUE TO ECONOMIC DOWNTURN
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether there has been large scale retrenchment, lay-off, lock-outs and closure of industries due to global downturn in various sectors including export-oriented sectors such as textiles, gems and jewellery;
- (b) if so, the details thereof;
- (c) the number of workers/employees rendered jobless as a result thereof during each of the last three years and the current year, State-wise and sector-wise; and
- (d) the steps taken by the Government to provide alternative employment to workers/employees rendered jobless?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT(SHRI HARISH RAWAT)

(a) & (b): Labour Bureau of the Ministry of Labour & Employment has conducted two quick quarterly surveys of a few important sectors to assess the impact of economic slowdown on employment in India. The first survey was conducted in the month of January, 2009 to assess the impact during the quarter October-December, 2008. The second survey was conducted in the month of April, 2009 to assess the impact during January-March 2009. The important findings of the survey for the quarter October-December 2008 are:

- About half a million workers have lost their jobs during October-December 2008.
- The most affected sectors were Gems & Jewellery, transport and automobiles where the employment has declined by 8.58 percent, 4.03 percent, and 2.42 percent, respectively during this period. In Textile sector, 0.91 percent of the workers have lost their jobs.
- The major impact of the slowdown was noticed in the export oriented units.

However, the second survey conducted for the quarter January-March, 2009 indicate that:

- Total estimated employment in the sectors covered increased by 0.6% during January-March, 2009. Non-export units have shown higher rate (0.92%) of increase in employment as compared to export units (0.28%).
- Sectors registering increase in employment during January-March, 2009 are gems & jewellery (3.08%), textiles (0.96%) IT-BPO (0.82%), handloom-powerloom (0.28%) and automobiles (0.10%).
- A decline in employment during Jan-Mar, 2009 has been observed in leather (2.76%), metals (0.56%) and transport (0.36%).

(c): Since the global recession has been observed from the middle of the year 2008, data on number of workers/employees rendered jobless as a result of global meltdown is not available.

(d): Government is concerned about the impact of economic slowdown in the country and several financial and fiscal measures mainly comprising of additional spending, interest subvention and excise duty cuts have been initiated to spur growth and overcome the crisis. These include steps taken by RBI to enhance liquidity in the market and an economic package announced by the Government of India. These measures will prevent large scale job losses and wage cuts. Besides, the Industrial Disputes Act, 1947 also puts restriction on lay-off and retrenchment and provides protection to the workmen in case of lay-off, retrenchment and closure of establishments.