

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

UNSTARRED QUESTION NO:3590
ANSWERED ON:15.12.2014
INEQUALITY IN INCOME
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government is aware of the aggravating income inequality and jobless growth in the country;
- (b) if so, the reaction of the Government in this regard; and
- (c) the measures taken by the Government to reduce income inequality and eradicate unemployment problem in the country?

Answer

MINISTER OF STATE (IC) FOR LABOUR & EMPLOYMENT (SHRI BANDARU DATTATREYA)

(a) & (b): Reliable estimates of employment and unemployment are obtained through labour force surveys on employment and unemployment conducted by National Sample Survey Office (NSS), Ministry of Statistics and Programme Implementation. As per the results of the recent surveys conducted during 2004-05, 2009-10 and 2011-12 total employment increased from 45.91 crore in 2004-05 to 46.55 crore in 2009-10 to 47.41 crore persons in 2011-12 and the sector-wise estimates of growth of employment are given below:

Workforce by	2004-05	2009-10	2011-12
Major Sector	Per- In crore	Per In crore	Per In crore
	centage persons	centage persons	centage persons

Primary	58.44	26.83	53.15	24.74	48.90	23.18
Secondary	18.18	8.35	21.48	10.00	24.25	11.50
Tertiary	23.38	10.73	25.37	11.81	26.85	12.73
Total	100.00	45.91	100.00	46.55	100.00	47.41

The estimates of workforce by major sectors show an increase in the overall level of employment and particularly in the secondary and tertiary sectors. The estimates released by Central Statistical Office, Ministry of Statistics & Programme Implementation for Gross Domestic Product (GDP) growth is at Annex-I.

The data on distribution of income is not compiled centrally. However, the data on household consumption expenditure collected by the National Sample Survey Office (NSSO) could be used as a proxy to capture the economic inequality in terms of consumption expenditure. According to information received from Planning Commission, the Gini coefficient (measuring the inequality between different expenditure classes of the population) based on consumption expenditure data in rural areas is observed to be almost same in 2004-05 and 2011-12 at 0.27 and 0.28 respectively. In the urban areas, the Gini coefficient has increased marginally from 0.35 in 2004-05 to 0.37 in 2011-12.

(c): To reduce income inequality and eradicate unemployment problem in the country, Government has taken various steps for generating employment in the country like encouraging private sector of economy, fast tracking various projects involving substantial investment and increasing public expenditure on schemes like Prime Minister's Employment Generation Programme (PMEGP) run by Ministry of Micro, Small & Medium Enterprises, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA), Pt. DeenDayalUpadhyaya GrameenKaushalyaYojana (DDU-GKY) scheme run by Ministry of Rural Development and National Urban Livelihoods Mission (NULM) run by Ministry of Housing & Urban Poverty Alleviation.

The National Manufacturing Policy of the Government targets to create 10 crore jobs by the year 2022. The 12th Five Year Plan projects 5 crore new work opportunities to be generated in the non-farm sector and provide skill certification to equivalent numbers. In order to improve the employability of youth, 21 Ministries run skill development schemes across 73 sectors.