

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:3181
ANSWERED ON:23.08.2006
LOW RATE OF EMPLOYMENT GENERATION
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Will the Minister of PLANNING be pleased to state:

- (a) whether the employment generation has been very low vis-à-vis increasing labour force despite economic growth in the country;
- (b) if so, the reasons therefor;
- (c) whether the growth rate of employment which was 2.7 in 1983-84 has come down to one per cent;
- (d) if so, the reasons therefor;
- (e) the reaction of the Government thereto;
- (f) whether the Asian Development Bank has expressed its concern over the aforesaid trend;
- (g) if so, whether the Government has fixed any target to increase annual employment generation rate;
- (h) if so, the details thereof; and
- (i) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a) & (b): As per quinquennial rounds on employment and unemployment of National Sample Survey Organisation conducted in 1983 (38th round), 1993-94 (50th round) and 1999-2000 (55th round), between 1983 to 1993-94, labour force growth was 2.43 per cent per annum and employment growth was 2.7 per cent per annum on CDS basis. During the period 1993-94 and 1999-2000, labour force increased by 1.31 per cent per annum and employment increased by 1.07 per cent per annum. Both labour force and employment declined sharply during this period.

(c) & (d): The growth rate of employment in various sectors of the economy for the periods 1983 to 1993-94 and 1993-94 to 1999-2000 are given in the table below:

Table: Growth Rate of Employment on Current Daily Status basis

Sectors Employment Growth (% per annum)

	1983 and 1993-94	1993-94 and 1999-2000
Agriculture	2.23	0.02
Mining and Quarrying	3.68	-1.91
Manufacturing	2.26	2.58
Electricity, Gas and Water	5.31	-3.55
Construction	4.18	5.21
Trade, hotels & Restaurant	3.80	5.72
Transport, Storage etc.	3.35	5.53
Financing Insurance etc.	4.60	5.40
Community Social Services	3.85	-2.08
All Sectors	2.70	1.07

It may be seen that employment in the later period has declined mainly due to decline in employment in the sectors like agriculture, mining, electricity and community services.

(e): The Tenth Plan envisaged creation of 50 million employment opportunities over the plan period. For employment generation, the Tenth Plan identified labour intensive sectors and sub sectors like agriculture and allied activities, agro forestry, energy, plantation for bio-mass power generation, small and medium enterprises including village industries, information and communication technology and provision of education, health, family and child welfare services. Stress has also been given to wasteland and watershed development to increase employment.

(f): Asian Development Bank has mentioned in their `Country Strategy and Programme Update 2006-2008: India` that employment growth has lagged in India.

(g), (h) &

(i): No target has been fixed to increase annual employment generation rate beyond the Tenth Plan.