

The question is :

"That leave be granted to introduce a Bill to provide for population control through compulsory sterilisation of certain persons, measures for promoting small family norm and for matters connected therewith."

*The motion was adopted*

DR. T. SUBBARAMI REDDY : I introduce the Bill.

15.54 hrs.

### CONSTITUTION (AMENDMENT) BILL

#### Amendment of Eighth Schedule

[Translation]

PROF. RASA SINGH RAWAT (Ajmer) : Mr Chairman, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

[English]

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India"

*The motion was adopted*

[Translation]

PROF. RASA SINGH RAWAT : I introduce the Bill

15.54½ hrs.

### PRIVATE MEMBERS'

#### Resolution Re. Unemployment

[English]

MR. CHAIRMAN : The House shall now take up further discussion of the Resolution moved by Shri Prabhu Dayal Katheria.

The time allotted is three hours.

Time already taken is two hours.

Now, Shri Ompal Singh - Absent, Shri R.L.P. Verma - absent, Shri Santosh Kumar Gangwar - absent.

Now, Shri Radha Mohan Singh.

[Translation]

SHRI RADHA MOHAN SINGH (Motihari) : Mr. Chairman, Sir, The resolution moved by my friend, Sh. Prabhu Dayal Katheria contains the most burning question facing the country. On this question of unemployment, all the hon. Members of this House

should think jointly and try to find a solution to it. We have about five crore educated unemployed people in the country who have got their names registered but a large number of them living in villages do not reach the employment exchanges. If we add the number of the uneducated unemployed people living in villages to the total number of the unemployed, we will find that we have a large army of the educated and uneducated unemployed people in country. This large army of the unemployed is increasing in its number very fast.

Besides, terrorism, poverty and starvation are also keeping pace with this monster of unemployment.

All the Governments since independence, made announcements that they would solve the problem of unemployment by setting up a network of small scale industries in the country... (Interruptions)

[English]

SHRI SURESH PRABHU (Rajapur) : Who is the Minister who is going to reply to this debate? Is he present here in this House?

MR. CHAIRMAN : One Minister should be present at any given point of time. So, he is here.

PROF. RASA SINGH RAWAT (Ajmer) : Is he noting down anything? Is he aware of the responsibility?

MR. CHAIRMAN : You cannot question that. He is the Minister. He is the Rt. hon. Member as you are.

SHRI G.M. BANATWALLA (Ponnani) : How many State Ministers are equal to one Cabinet Minister?

MR. CHAIRMAN : You calculate yourself.

SHRI G.M. BANATWALLA : Where is he? You call him or send the Martial to call him.

MR. CHAIRMAN : He is the Cabinet Minister.

[Translation]

SH. RADHA MOHAN SINGH : I was stating that all the Governments that came into power in this country after independence made announcements that they would solve the problem of unemployment by setting up networks of small industries in the country. In this connection, a committee was formed in under the chairmanship of Shri T.R. Naik in 1991, which was assigned the task of making a special study and reassessment and to submit its report so as to meet the need of providing working capital to small-scale industries through the Reserve Bank of India.

On the 15th Dec. 1995, when an hon'ble Member raised a question about the committee formed for protection and promotion of small scale industries in this House, it was stated in the reply that the single window scheme of the Small Scale Industries Development Bank of India would be implemented in the districts and it would be ensured that no delay takes place in the sanction and distribution of loans to the

small scale industries. I would like to draw the attention of the Government that on the 12th when I went to my district to attend a meeting of DRDA, while recounting the achievements of 1995-96.

16.00 hrs.

It was disclosed that the Banks did not fulfill even 10% of the target in respect of grant of loans for setting up small-scale industries to the unemployed the people under various schemes including the Prime Minister Employment Scheme. In 1990-91 a committee had been formed and it had made certain suggestions.

These days the persons who want to set up small scale industries in the villages have to face many difficulties.

I come from Bihar. North Bihar is a very backward area in Bihar in the field of small-scale industries. Per capita income of that area is also very low. This area is the most backward area in the entire country and six hundred small-scale industrial units have been lying closed there. Government had set up North Bihar Industrial Development Authority in 1975. Even after 20 years, the condition today is that buffalows are being kept in the offices opened for industrial development. Today Bihar is passing through a very strange situation. Industrial units are lying closed and there is acute shortage of electricity. Today in Bihar, in the name of industries, these is only one industry flourishing there and it is the industry of kidnaping. In this occupations, some people have definitely got employment. Industries enjoying patronage of those in power are managing to survive others are lying closed. There is shortage of electricity. In North Bihar, persons engaged in the small-scale industries are levied Rangdari tax. The result is that the industrialist are leaving Bihar. The small-scale industries get loans quite late. A sizeable portion of the loan is spent is running from pillar to post in government departments and in setting up the industry. (Interruptions) Government have made no arrangements for the sale of their products with the result that the small-scale industries are facing closure. It is the most sensitive area of Bihar. The Government of India is not paying the needed attention to this area.

On 2nd March, 1994 an hon. Member in this House asked as to what amount has been earmarked for Bihar for this purpose for the current Five-year Plan and how it compared with that of the previous Five-year Plan. In the reply sent at that time, it was stated that the outlay shown, in the eighth Five-year Plan, for the rural and small-scale industries in Bihar was Rs. 120.32 crore while the outlay in the Seventh Five Year Plan for rural and small-scale industries was Rs. 70 crore while the total outlay was Rs. 87.85 crore. This shows that the Government is not very alive to the situation of the rural and small-scale industries. We agree with the Resolution brought forward by my friend. Our friend Sh. Ajay Chakraborty suggested that the right to work should be included in this fundamental rights. This question had been raised

earlier in 1989 by Shri Hannan Mollah through a Private Member's Bill in this House. Today also, there is a Bill to this effect. If the right to work is included in fundamental rights we shall have to spend more funds on it. My submission is that if the amount involved in the scams and scandals going on in the country are deposited with the Government exchequer, I feel that the funds required for the inclusion of the right to work in fundamental rights would become available. If the Government is really exercised over the matter it should take concrete steps.

I agree with the suggestion made by Sh. Ajay Chakraborty that a separate ministry should be set up for attending to the problems, providing there with employment opportunities and drawing up programmes for them. With these words, I whole heartedly support the Resolution and its four elements.

[English]

SHRI RAMESH CHENNITHALA (Kottayam) : Mr. Chairman, Sir, I rise to support the Private Member Resolution moved by my hon. colleague, Shri Katheria.

Every now and then we are discussing this burning problem of unemployment. Unemployment and underemployment are the chronic features of all the developing nations.

The steady increase in the population and the slow pace of industrialisation are the main reasons for unemployment. Even the developing countries like U.S.A. and the European countries are also facing this problem. If my memory is correct, Sir, the rate of unemployment in U.S.A. is six percent. In Europe, one out of ten persons is on the dole. So, no country in the world is out of this very grave problem.

Sir, as per the ILO estimates, 820 million unemployed people are in this world and of which, 35 million unemployed people are in the developing countries. In India, more than 26 million unemployed people, as per the statistics that is available, have registered their names in the Employment Exchanges. Sir, this is a very serious problem. This is a burning problem and now this is increasing alarmingly.

This august House discussed this problem several times without any result. That is what is happening. In all the Five Year Plans it was the endeavour of the Government to try to solve this problem or at least to minimise the rate of unemployment through various schemes and various measures. But, unfortunately, every year, the number of people who are registering in the Employment Exchanges is increasing. All the Five year Plans promised that the level of unemployment would be brought down but that is not happening.

The number of educated unemployed is increasing a lot. Moreover, people are coming from the rural areas and settling down in the urban areas. This is also causing a very serious problem in our country. I think, cutting across the party line, everybody will agree that

this problem has to be attended to immediately and very seriously. The youth of this country, even after coming out from the collages, are not in a position to get any job. They are registering their names in the Employment Exchanges and waiting for a job. Even after repeated requests and sending a lot of applications, if they are not in a position to get any job, ultimately, they become frustrated and with frustration they are going out of control and doing a lot of things, which is not at all good for our society.

Sir, I am not blaming the youth in Punjab. I am also not blaming the youth in Jammu and Kashmir especially and in certain other parts of our country. They were misguided by certain anti-national elements. It is easy for the anti-national forces to misguide these youth, who have already been frustrated and the anti-national forces are able to exploit this youth power.

This youth power is now directed against the very interest of the nation. That is what is happening. Guns and other things are supplied to them. Money is supplied to them and even drugs are supplied to them. Slowly the youth of the country is misguided by these elements. It is not only happening in India but it is also happening in other parts of the world. We can see that those who are engaged in grave terrorist activities, are guided by certain elements who are promoting terrorism. This is a world wide phenomenon that we can see. So, this is a very important issue to be addressed immediately.

Everywhere we can see this problem. Especially, I can cite my State as an example. When I was a student, the total number of unemployed people registered in Employment Exchanges was only 26 lakhs. Now it is more than 43 lakhs. So this problem is increasing day by day.

What is happening now ? Are the State Governments or the Central Government attending to this problem seriously ? It is very unfortunate to say and it will be very surprising to say that even though we are faced with a very terrible problem of unemployment, the ban on employment can be seen in most of the State Governments and in the Central Government. There is no fresh recruitment for the posts which are lying vacant. There is a general ban on employment.

Sir, the Railways is one of the most important Departments, where we can give more employment to the people. A total ban can be seen there and also in all other Government Departments. This morning also, in the Question Hour, one or two hon. Members have raised a very valid question of filling up of the vacancies in the Ministry of Information and Broadcasting. Many qualified people are seeking jobs. They are in the queue but there is a ban. There is no effort on the part of the Government to advertise for the posts which are vacant in the Government. Therefore, the Government should immediately lift the ban on employment.

Moreover, the Government is also not taking adequate steps to create more employment opportunities. When there is no effort to create more employment opportunities, how will our educated youth get the opportunities ? From the side of the Government, there should be a concerted effort to create more employment opportunities. We have to see that a number of employment programmes are started. Every Government should announce a lot of employment programmes.

The NDC Sub-Committee had said that there would be total employment by the year 2002. Can we achieve that ? Are we in a position to achieve that ? The main elements of the strategy which has been endorsed by the ND Sub-Committee on Employment are the 11 proposals. I do not want to go into all the details. These proposals were discussed in the NDC Sub-Committee on Employment. They accepted them. As a principle, it was adopted that by the year 2002, total employment will be provided in our country. This is only a dream. We cannot achieve it. There is no effort for that. Take for example, the agricultural sector. This can give more employment opportunities.

Till now, there is no concerted effort for creating more employment opportunities in the agricultural sector. Of the 11 proposals which they have mentioned, one is about agriculture. No substantial step has been taken by the Government for giving more employment in the agricultural sector. I do not want to go into all the details of those 11 proposals which they discussed in the NDC Sub-Committee on Employment.

But one thing is sure that by the year 2002 A.D. we cannot achieve full employment. That is the reality. Now, another Government has come. They will contemplate or ponder over this situation and they will come out with some suggestions. What about the existing schemes ? There are a number of employment guarantee schemes like the Prime Minister's Rojgar Yojana etc.

In this august House, I raised two or three questions regarding the Prime Minister's Rojgar Yojana. Hundreds of people have registered their names for getting the loans under the Prime Minister's Rojgar Yojana. It was a very good programme and we will welcome it. But ultimately what is happening is that the youth of the country are not at all benefiting by that Scheme. The Scheme is named after the Prime Minister of India - whoever may be the Prime Minister of India - who is the constitutional head of the Government and in his name the Rojgar Yojana, has been formulated. In every district, a lot of people and educated youth have applied under this scheme...*(Interruptions)*

MR. CHAIRMAN : Please conclude.

SHRI RAMESH CHENNITHALA : Sir, I have only just started.

MR. CHAIRMAN : You started ten minutes earlier.

*(Interruptions)*

**SHRI RAMESH CHENNITHALA :** Sir, under the Prime Minister's Rojgar Yojana, during the last year, in my own constituency, more than two thousand applications were received by the District Industries Centre. There is a core group which consists of bank officials and other District Industry Centre's officials. They all sit together, scrutinise the applications and forward the applications to different banks to get the loans. But, unfortunately, there are no proper schemes and if there are proper schemes, the attitude of the bank is totally negative. The banks are not prepared to give the loans under the Prime Minister's Rojgar Yojana and their attitude is totally negative. I can cite a number of examples

So, under the Prime Minister's Rojgar Yojana, a very little number of people were given help in our country. If a youth wants on lakh of rupees, they will give only twenty thousand of rupees. With that twenty thousand rupees he cannot start a scheme. So, what will happen after one or two years? This man cannot start the business or the programme. Then, he will be treated as a defaulter and after some time the recovery proceedings will start against this youth who has taken twenty thousand rupees as a loan. Finally, he will be in utter misery. I can cite a lot of examples.

So, for these programmes - whether Prime Minister's Rojgar Yojana or TRYSEM or any other programme - proper monitoring and implementation is not there. The banks are not at all cooperating. They will say that 'We have only a limited target and you have recommended more applications'. The Prime Minister's Rojgar Yojana could not succeed because of the negative attitude of the banks and for all other formalities.

In this Resolution, it is rightly mentioned about the small scale industries. How can we promote the small scale industries in our country? We do not have the infrastructure. Let us first have the infrastructure without which we cannot start anything. Apart from that we do not have any facilities for marketing.

When I was the Rural Development Minister in my State of Kerala, we started an Integrated Rural Development Programme. This Programme was a very good Programme. This was a Programme to uplift the people who are below the poverty line. The poor people who are getting assistance under I.R.D.P. are suffering as their products cannot be marketed. That is the problem.

The poor people who get assistance under IRDP, are not in a position to market their products. So, we found out a way by providing certain outlets. During the festival season, we try to organise some meals so that their products can be marketed through some outlets.

In other States also I experienced that there was a lack of marketing facilities, infrastructural facilities and financial aid from banks. These are the hurdles which are being faced by the small scale industrialists in our

country. So, these problems should be attended to immediately. It is very easy to say that we have to promote small scale industries. The small scale industrialists are facing a lot of problems. The first and foremost problem they are facing is from the banks. The attitude of the banks is negative. They are not prepared to give loans to the upcoming small scale industrialists. They are not in a position to help them. That is the main problem which is being faced by all small scale industrialists.

Regarding Government programmes, I mentioned about the Prime Minister's Rozgar Yojana, IRDP, TRYSEM and Jawahar Rozgar Yojana (JRY). JRY is one of the very important and noble programmes which we have been implementing for so many years. In certain States this Programme is not being implemented properly. This programme is meant for creating more employment opportunities in rural areas. But the employment opportunities are being created only in the muster roll. Nobody is getting the actual jobs. The contractors have their own permanent workers. Only they will do the work and get the money and the contractor will get the money. Nobody in rural areas is getting proper jobs. No job opportunities have been created there. That is the reality in the rural areas. Even the money which is allotted for JRY, is misutilised. There are a lot of complaints about that. I am not criticising the Programme. But the Programme should be implemented properly. It should be monitored properly and its benefit should reach the people. But that is not happening in our country. So, all these programmes which we are formulating with noble ideas, seem to have failed.

I would urge upon the Union Government to ponder over this issue. This is not an issue to be solved only by the Government. The NGOs, the youth organisations and all political parties should be involved in this. I think a meaningful dialogue should be there to find out a way to solve this problem. No doubt, the population problem is one of the major problems which our country is facing and without curbing the population, we cannot achieve anything. So, a meaningful dialogue with all political parties, youth organisations and NGOs will help in arriving at a consensus. The Government programmes should be streamlined so that the benefit reaches the beneficiaries.

**MR. CHAIRMAN :** I have to announce that the time allotted for this Resolution was three hours. Already three hours have been taken. I suggest that this Resolution is very important and the time allotted for it may be extended. I think, if the House agrees, the time for this Resolution may be extended by another two hours.

**SEVERAL HON. MEMBERS :** Yes, Sir.

[Translation]

**SHRI NAWAL KISHORE RAI (Sitamarhi) :** Mr. Chairman, Sir, I thank you very much for the opportunity

given to me to speak on this Resolution concerning the unemployment problem.

SHRI RAMESH CHENNITHALA : You are the Chairman of the House Committee. The newly elected members are facing great difficulty in getting Government accommodation. I request you to look into this matter.

SHRI NAWAL KISHORE RAI : I shall consider the point of the members in all seriousness.

MR. CHAIRMAN : You please speak only on the Resolution.

SHRI NAWAL KISHORE RAI : The problem of unemployment is a very serious problem not only for our country but also for the entire world. The uneducated unemployed are facing great hardships and are living in abject penury. The members have made their points in details. I wish to thank Shri Katheria for the Resolution that he has moved here and provided us an opportunity to give vent to our feelings on this important question facing the country.

Sir, the unemployment problem is, no doubt, assuming gigantic proportions, as stated by Shri Ramesh. What is the solution of this problem? He has rightly said that we should rise above party politics while considering this important question. Today 36 million people are registered with employment exchanges. The persons who could not get themselves registered in rural areas are in quite a large number and this number is increasing day by day. All the members have spoken on this issue at length.

After independence in our country, it was believed that an attempt would be made to eradicate unemployment by setting up a network of small - scale industries. We had thought of setting up small - scale industries during the first fifty years of our independence to solve the unemployment problem. It is my firm belief that unless we introduce comprehensive reforms in our educational system, we would not be able to solve the problem of the educated unemployed. I wish to bring it to the notice of the government that in education, eliticism and 'Doon' culture are on the increase. This must be checked. We should make radical changes in our educational system, and make the education employment oriented. Today our B.As and M.As have only bookish knowledge. They cannot set up their own business. Therefore, government should bring about comprehensive reforms in our education so that people may get employment and thus, the problem of unemployment could be solved to a great extent. Besides, the budget on education should also be increased.

In other words, we think in terms of reducing unemployment through small-scale industries. We make plans to achieve the and but our plans do not yield the desired results and we fail to provide the needed employment opportunities. We support the proposal to include the right to work in the fundamental rights. Many

Members have made this proposal. We support it. When the National Front Government was in power, a Bill to the effect was proposed to be brought forward. But that Government ceased to be in power. Now they United Front Government, which move or less follows the policies of the National Front, has come into being. This question should be taken up now. The hon'ble Minister of Parliamentary Affairs is sitting here. I am worried about the Common Minimum Programme of the United Front Government.

In the programme, the unemployment programme, development of youth policy and the need for radical changes in our education have not found mention. The minimum programme is not a final one. We should give due priority to the unemployment problem in the programme. In the 10th Lok Sabha also, we had tried to raise these issues concerning the youth of the country.

In 1986, when Shri Rajiv Gandhi was the Prime Minister, a policy for the youth had been framed. For this, the effort of Shri Rajiv Gandhi was indeed praiseworthy but the needed change for the betterment of the youth could not take place through it. Then in 1989, Shri V.P. Singh's Government came into power. That Government decided to expand the framework of the youth policy. It included in its programme not only the unemployment programme but also all the relevant issues concerning education. That Government lasted 11 months. It had established National Youth Council in the country but the Council was also wound up after the dissolution of the Government. Since 1993, we have constantly been taking up the matter and in the 10th Lok Sabha, we had requested the Minister of Youth Affairs, Shri Mukul Wasnik in this behalf and he had assured us on the floor of the House that Government would take steps for the development of the youth policy by consensus and would accord such a youth policy the constitutional status and give out young people equitable rights. Supporting the Resolution of Shri Katheria, I request the Government to build a national consensus by convening a meeting of the young representatives of all the political parties, and voluntary organisations, freedom fighters, journalists, scholars, professors doing research on the demand of the youth in various universities, and who write articles etc. on the problem of the youth and also of some other prominent people, where the problems of the youth should be discussed threadbare and a consensus hammered out... (Interruptions)

Sir, I would like to take five minutes more. I have worked among the young people. I request the Government of India to form a general consensus through debates for the formulation of the youth policy.

I don't say that the youth policy should be based on the ideas put forward by me. What I want to say is that a national consensus should be hammered out by eliciting the opinions of all concerned and on the basis of that consensus, a youth policy should be framed and given a constitutional status. On the basis of such a

youth policy, changes should be effected in the field of education and education should be made employment oriented and the right to work should be included in the fundamental rights.

Because of the liberalisation the people belonging to SCs/STs and OBCs are losing their jobs because there is no provision of reservation for them in Multinational Companies. Provision of reservation should be enforced in the private sector also on the pattern of public sector by amending the Constitution suitably.

The poor are unable to carry on their studies. They should be provided free education upto the intermediate standard. Free education should be provided upto BA standard to girls. Beside including the right to work in the fundamental rights, education upto matriculation should be made compulsory for all. A National Youth Council should be set up by making necessary amendment in the Constitution. In 1993 we had sent a signed memorandum to the President of India for setting up a National Youth Council for the unemployed youth of the country but the Congress Government did not agree to it. They, however, constituted a National Youth Programme Committee. I was also its member. But that Committee could not function along smooth lines as it enjoyed no constitutional status. In a meeting also, I had submitted and today also as a youngman I am stating that the youth of this country is feeling that nobody in the country is thinking in terms of making the best use of his potential and energy.

I appeal to the Government to think for these young people of the country. In all the revolutions of the world whether it was Bolshevik Revolution or the revolution that had taken place in Japan or independence struggle of our country or the total resolution under the leadership of Loknayak Jaiparkash Narain, it was only the energy of the youth that was consumed. It is only on the strength of the youth that any struggle can succeed. Now time is ripe for the United Front Government to think over this matter seriously. We demand a National Youth Council with constitutional status for our young people. The body that is to function on the strength of our young people should not merely be a recommending authority for our young people. We want it to be an implementing committee enjoying constitutional status. It should be an elected Youth Council.

Shri Ramesh Chennithala pointed out just now that there is a ban on recruitment in all Department including Railways. This ban should be withdrawn. All these matters should be entrusted to the National Youth Council. This council should be formed democratically and given constitutional status. I again demand that it should not only be a recommending authority but should be an implementing authority. We should obtain the opinions of all concerned and entrust to this Council the task of social justice and education also. I earnestly hope that the Government would take it in all seriousness. After independence, we tried to solve the problem of unemployment by spreading a network of

small scale industries in the country. Many Members expressed their views in this regard differently. At the level of State Governments, small corporations were set up for the small scale industries. All these corporations were in bad shape. I had been a Member of the Parliamentary Standing Committee on Industry in the 10th Lok Sabha. Then I had the opportunity to tour Bihar, U.P., M.P. and Haryana. I found that all the State Governments had set up Industrial Development Tribunals. Land was acquired for setting up small scale industries. Shri Katheria referred to the glass industry of Ferozabad. I had been to Ferozabad as well. That is why I support him. I also found that the small industrial units set up by the State Government had become sick and the chances of their revival appeared bleak.

The National Renewal Fund was set up at the Central level for the revival of sick industries. As per my information, the unutilised amount of this fund is not being spent. Provision should be made to spend the unutilized amount on the revival of sick industries in the states. I hope the Government would consider this suggestion.

Mr. Chairman, Sir, the Prime Minister's Employment Scheme has been going on for the last several years. For this scheme a task force has been constituted. This task force selects the unemployed persons who are provided loans under this scheme. These loans are provided to them by the banks. These banks commit to various irregularities in the disbursement of the loans. The unemployed people have to run from pillar to post but they are unable to get the loans. It is very useful scheme. My suggestion is that a special committee should be constituted for this scheme which will listen to the views of all parties and accept suggestions for implementing the scheme. The loan amount prescribed under this scheme should be raised from Rs. 1 lakh to Rs. 5 lakh. There should be a time-bound programme for this purpose and payment should be made through single window system.

The Government should find a lasting solution and make this scheme a success.

Sir, I thank you very much for providing me an opportunity to speak on this subject.

*[English]*

MR. CHAIRMAN : Shri Hannan Mollah

SHRI HANNAN MOLLAH (Uluberia) : I am sorry, Sir, when you called my name earlier, I was not present as I just went to meet a Minister.

MR. CHAIRMAN : Anyway, you are not denied the opportunity.

SHRI HANNAN MOLLAH : Sir, firstly I support the resolution moved by our good friend Shri Katheria. Unemployment is the most popular phenomenon in our country and every house is affected by it. You will not find a house in India where there is no unemployed young man or woman.

In that situation, we all are thinking as to how to solve this problem of unemployment. We have completed eight Five Year Plans and the aim was to reduce the number of unemployed people. But unfortunately, the queues of unemployed are increasing longer and longer. In spite of all the planning, in spite of all the programmes implemented during the last 50 years, the number of unemployed is increasing and it is very difficult now to ascertain the exact number of unemployed people. Earlier, we could get the figure of unemployed from the Employment Exchanges, but now these Employment Exchanges are not giving the real figures pertaining to the unemployed.

The Planning Commission and the learned people, every year, they increase the figures by two per cent or one per cent without undertaking any physical verification. Some time back, I was just talking with one of our great intellectuals, Dr. Ashok Mitra, who is a Member of the other House, and I told him that intellectual people like him, sitting at the office, just give the figures every year by adding some more without undertaking any physical verification. This is the situation and we know that the number of unemployed is around 15 crores or 20 crores because half of our women, the housewives, are unemployed; also, underemployment is there.

When we were building up the youth movement in this country, we felt that instead of demanding employment we should demand work. We had this concept of employment from the imperialist agencies where it means a clerical job. The whole country cannot become a place full of clerks. If the whole nation becomes a place full of clerks, then the nation had no future. We know how these things work. That is why, all along, we felt that we should have a culture of respect for the labour. Unfortunately, in our country, there is no respect for labour. I do not understand why a young peasant in a village, who grows plants out of seeds, is looked down. What is it that a peasant, who grows plants out of seeds, is given less importance when compared to a poet who writes poetry? Of course, a poet is creating something, but at the same time, the uneducated peasant in the village is also creating something by growing plants out of seeds. We forget to honour the labour. Normally, we think that they are low class people, but they are the people who toil, who create, and who are in a majority. We never accepted their dignity. In the case of those people, who are sitting in the offices doing planning and formulating policies, those involved in corruption and destroying the country, we have respect for all of them. They get all the amenities, all the respect, but we do not have any respect of those who toil, who work and who actually build up the nation in the villages and in the cities.

Sir, first, we have to create work which can give some source of income and with which we can survive. We have to create that type of work.

It is not enough to create only clerical jobs in the country. In this Resolution, there is no scope for discussing general unemployment. My friend has mentioned about the role of small scale industries in eradicating unemployment. Generally everybody knows what is unemployment, how it is created, who are responsible for this and how things are going on. The Resolution is actually about the role of small scale industries in eradication of unemployment. This is a very important Resolution.

I would first request the Government to stand by the small scale industries because out of four lakh industries in our country which are sick or closed, 90 per cent to 95 per cent of them are small scale industries. Only five per cent of them may be big industries. There are about 3,85,000 or 3,90,000 small scale industries. There are various types of small scale industries. How can we revive them? How can we sustain those small scale industries? These small scale industries should be given top priority by the United Front Government.

We know that we have a policy of giving protection to the small scale industries. But every Government that comes is reducing the list of industries which are specifically fixed for small scale industries and where big and medium industries are not included. This list of industries is meant for absorbing the unemployed. But every Government reduced the list and took out some items of production from the purview of the small scale industries. There is also some apprehension in the mind of the people that some more reductions may be made in this list.

So, I request the Government that the reserved list for the small-scale industries should not be touched and that this list should be allowed to continue and we should help those small scale industries which are included in this List.

Secondly, as regards the role of the financial institutions, they are not playing their role properly. Lot of complaints have already been received. It is a very difficult task to get a loan. Lot of paraphernalia is involved in getting a loan. Corruption is also involved in it. Every unemployed youngman gets frustrated if he does not get a loan. It takes three or four long years for him to get a loan of Rs. 30,000/- or Rs. 40,000/- or Rs. 50,000/-. He has to spend in advance a portion of this loan on account of corruption. Because of this corruption, the poor people, the lower level people and the small income group people engaged in small scale industry or cottage industry or, village and cottage industries, are suffering. How can we help them? This problem should be given top priority by this Government so that whatever amount of money is allocated for these small scale and cottage industries should reach them and that amount can be fully utilised.

The third problem is about raw materials. Various types of small scale industries need various types of

raw materials and the availability of raw materials is a big problem whether it is carpet industry or handloom industry, hosiery industry or other small industry. Everywhere there is shortage of raw materials. So, the Government should plan properly to see that raw materials are available easily and at a proper price. There should not be any blackmarket for these raw materials.

The fourth problem is marketing of production. They cannot go to market to sell whatever they produce. In between, there are many middlemen who loot them. If a product is priced at Rs. 5, it is sold at Rs. 50/- and the producer gets only Rs. 5/- maximum, but the middleman takes Rs. 40/-.

If we can reduce the role of the middlemen for in-between, then the actual producers and the small scale industries can get the benefit. So, proper arrangements should be made in respect of their easy access to market and other aspects. If the Government takes care of all these things, then only unemployment can be solved. I hope that the United Front Government is committed to that. The Prime Minister, time and again, announces that we will be helping not only the elitist sections, not only those rich people but also the common people, the small scale industries among the industrialists, the cottages industries etc. Among the industries, the small scale industries and the cottage industries are run by common men, ordinary men and the rural people.

So, I would request the Government to keep its promise in full and stand by the small scale and the cottage industries. This Government stands against all the pressures from the monopolists, multinationals and all the big people. If the Government can withstand those pressures and stand by the small-scale industries, then only large number of unemployed persons can be absorbed. The small scale industries and the cottage industries provide the largest number of jobs in our country. If we can stand by them, then only the large number of unemployed can be absorbed. I hope the Government will take note of these suggestions and take necessary steps in this directions.

With these words, I conclude my speech.

SHRI SURESH PRABHU (Rajapur) : Sir, I really welcome the Resolution moved by Shri Prabhu Dayal Kataria not because he has Prabhu in his name but because he touches a very important aspect of unemployment. I am also happy that he has not only talked about unemployment but also linked it with another important issue of small-scale industries. So, maybe, in many ways these are interrelated issues as I can talk about them a little later.

We always say that unemployment is a global phenomenon and we should ignore it like we say many times that corruption is a global phenomenon and it should not really bother us because in the process of

globalisation this unemployment problem and corruption are bound to be there. So, I do not think this is what is really meant by learning from globalisation.

This unemployment is an issue which is of great importance not only from the economical point of view but also from the social point of view. It is like a social stigma for the entire society when some people say that they are prospering while others are languishing in poverty. Many problems in many parts of our country, particularly in the North Eastern area, Eastern part of our country and also in some other parts of the country which are really backward where we see the increasing incidence of terrorism, are due to the basic fact that we cannot provide jobs and we cannot create more employment opportunities to those who are seeking it in the job markets. We have got some very interesting statistics in this regard. Of course, statistics can prove anything.

We have got the statistics. I am citing the figures from the report of the CMIE. It says that in 1961, there were nearly 327 employment exchanges in the country and in 1995 the number of employment exchanges have increased to 891. The number of people who had really registered themselves for jobs in the live employment exchanges, as we call them, was approximately 18.33 lakh in 1961 and it grew to 372.84 lakh in 1995, after thirty-five years. But, Sir, if we really try to compare this projection and this statistics with the ground reality, it would be entirely a different thing. One of my learned friends said that in every household there is an employed person now. That is the situation. We know the number of households that we have got in the country. So, unemployment must be definitely close to more than 22 per cent as was assessed by one very reputed agency which did a survey on the unemployed people in the country. Thus, this problem of unemployment assumes serious proportions. If this problem is not tackled in the shorter possible time, it may really assume very serious proportions in times to come with severe repercussions. Thus, this problem is related to the small scale industries also. As we know, any job to be created in an economy would arise from three sectors.

17.00 hrs.

They are, services, agriculture or industry and manufacturing sector. In the last few years, we have seen that the manufacturing sector has been growing at a very good rate. It has even grown at the rate of almost ten per cent. But the number of jobs created by this sector has not kept pace with its increase in industrial production. This is a new phenomena which is taking place in the country wherein we are now going into new technology seeking to replace and displace workers and trying to make it more production efficient, cost efficient and thus the number of jobs in the manufacturing sector is going down.



The other alarming feature is that agriculture is not growing at the rate at which it should have grown. In fact, it is not even growing at a rate at which the population is growing. This is another alarming feature of the economy. It is not a part of today's discussion.

The third sector is the services sector. It is, of course, growing as it is growing world-wide and also creating new jobs. But the jobs which are created in the services sector do not relate to the ground realities of unemployment which exists in rural India. And as we know, 70 per cent or 80 per cent of India is rural. That is why we are really concerned about unemployment in that part of the country. We must now really try to find out solution to this problem. The small-scale industries can really play an important part and can really address itself to the situation. Small-scale industry is something which can be started by anybody. There is no entry barrier. As we discussed some other industries, we are now creating entry barriers by way of saying that unless you have so much capital you cannot enter this sector; unless you have so much of expertise, you cannot enter this sector whereas this particular sector, the small-scale sector would be entered into by anybody and thus it is very important. By doing this, as is proposed by some of my hon. friends here, it cannot be done by starting another scheme. Just to illustrate the point, we have several schemes in the country. Had these schemes been going to solve the problem, then there would not have been one young person unemployed in the country. We have got the Poverty Eradication Programme, Rural Poverty Alleviation Programme, Integrated Rural Development Programme, Jawahar Rozgar Yojana, Employment Assurance Scheme, Urban Poverty Alleviation Programme, Nehru Rozgar Yojana, Prime Minister's Integrated Urban Poverty Eradication Programme, Scheme for Slum Dwellers again in the name of removing unemployment. The net result and the bottom line of all these schemes is that more than 22 per cent of the people are unemployed in the country. Thus we need to really find out how the small-scale industries could survive in the country because they could solve the unemployment problem, they could create purchasing power in the hands of lot many people more than what is done by creating jobs in the manufacturing sector in the country in all bigger sectors.

17.02 hrs.

(Mr. Deputy-Speaker in the Chair)

One of my learned friends, Shri Ramesh Chennithala has also quoted a very important statistics, a report from the International Labour Organization (ILO) which also illustrates and in fact makes us all concerned about the shape of things to come. I would also share the same perception about the problems that are going to take place in the country. In that perspective we must realize how to address ourselves to solve the problems of the small-scale industries. One of the earlier speakers, in fact, the one who spoke a little earlier than

this, said that there are several problems pertaining to raw material, pertaining to other areas. I would not touch upon that.

One point I would like to mention which is of a very great importance. We passed a law in this very House saying that if a cheque issued by a company is dishonored, it becomes a cognisable offense. Small-scale industries are not paid on time by the companies for the goods which they buy from them. If they are not paid in time, the small-scale industries do not get paid for nine months, even for twelve months. They really face a serious problem of non-payment. This is an issue which also needs to be addressed. At least, the Small-scale Industries Act needs some sort of an amendment to provide some more teeth so that the small-scale industries could get paid well in time for getting over the problems of liquidity.

Another problem which, I think, the Government must really address itself very quickly is the problem pertaining to infrastructure. I know the country itself is facing a problem of infrastructure. The Common Minimum Programme of the United Front Government says that the requirement of infrastructure, according to its estimate, is 200 billion dollars which is close to Rs. 7 lakh crore. I do not know in how many years it is going to meet this requirement. According to the same Common Minimum Programme, the country can absorb only the billion dollars a year from foreign direct investment in infrastructure.

So, going by the same estimate, probably we need another twenty years before we can really solve the problem of infrastructure at today's rate and at today's requirement if ten billion dollars of investment goes into this sector every year. This is a problem of the country. But even the small scale sector is facing the problem of infrastructure. I think the hon. Member who was lucky enough to have been the Minister of Power in the Union Government would also share this perception that power is an important constraint which all the small scale industries are facing. The rate at which they have to buy power from the various Electricity Boards is ridiculous. Sometimes they have to pay the minimum charges even when they are not getting power. This is an instance which I can quote from the constituency which I represent in this Parliament that the industrialists of some of the under-developed areas of Konkan are required to pay electricity charges for which they have not received power. This is a very ridiculous situation. We have to get over these infrastructural bottlenecks of the small scale industries which also means that we have to provide water, road, etc., to them. I am sure, the Government will address itself to this problem.

It is like Abhimanyu that a small scale industrialist will enter the sector because he feels that he can get over his social problem and would not be able to come out because he has started a small scale company, he has borrowed from the banks and now he is not able

to work because there is no infrastructure. This is what happens many a time resulting in the closure of small scale industries or causing sickness in those industries. We are talking about industrial production going up by eight per cent or nine per cent, but we are really not talking about how many of these are coming out of sickness. It is very important because we are a capital starved country. We always invite foreign capital because our domestic savings are not even 22 per cent of that GDP. We always see that our domestic savings will not be sufficient to meet the requirement that we have in the country because we do not have enough capital. If that is the case, the amount of money that is invested, the amount of money that is blocked in these small scale industries which have become sick now, has to be properly brought back into circulation. We must have an action plan to revive these small scale industries by infusion of additional capital, by infusion of new technology into the sector which will make them more competitive to face the challenges of the times to come.

I would like to say that we must always march forward. In life nobody says that you walk forward by looking backwards. This is not only true of human beings, but it is also true of the society. A dynamic society like India could never look back in its march towards prosperity. But we must always learn from history. In our country we had prosperous village industries not many years ago. These industries have created so many jobs. They have also created more craftsmen and the skills of the workers were paid. They were creating jobs and a lot of wealth which was also accepted universally. These village industries somehow were throttled and were killed. In the process we created a lot of social tension. These artisans, these craftsmen are now migrating from rural areas to urban centers. They do not know how to work in the revised or changed world. Their life-style has been completely changed. So they are absolutely out of place in the new world and their skills also are not utilised. On the one hand we have got artisans who are capable of creating wealth, but on the other we are not able to utilise it because we are not encouraging the village industries. I would therefore strongly urge the Government to make a policy framework in which village industries would get back their prominence and the place of pride that they once had. This untapped wealth of our own citizens could be brought into the national mainstream.

We have got another problem which I think my friend Shri Ramesh has also touched. I would like to stress it again. There is the problem of disguised unemployment or disguised employment if I put it the other way round. We always talk about so many jobs created every year, so much of new wealth created every year. But the figure that we give has also got an element of disguise. These jobs which on the face of it appear to be physically employed, are not really fully employed. Hence we should address ourselves to the

fact that when we talk about employment there is the problem of disguised unemployment also.

One important aspect, which, I am sure, has already been touched upon is, whenever we talk about unemployment, we talk about it in two parts. We say, there are the educated unemployed and there are the uneducated unemployed.

The education that we provide fails to meet the economic needs of the person who has been well equipped to seek a job. It is a failure of the system. Education has to bring about enlightenment. Education has that definite role to perform.

In our ancient culture also, people used to go and worship in *in ashrams* so that they could be enlightened. That is the object of education. In the modern society we say, 'if you are not educated, you do not get a job'. You have that misconception. They want to schools, colleges and universities but their going there had failed to provide them jobs.

We must divide education into two broad parts. We must have education which gives knowledge, we must have education which could provide jobs. Hence, even at the national level, we must have an educational policy which divides education into two broad parts: education for knowledge and education for jobs. Education for jobs, which could be called 'vocational education' has to be provided at various levels and particularly so at the village levels utilising the ancient skills of our craftsmen, who have really got that as part of their genes.

Another aspect, which I am sure, is going to be a point of concern for many of us is the problem which my hon. friend has mentioned. He also hails from a place, similar to the one which I belong to a place called Konkan in Maharashtra. It is on the west coast of India. We have got a large number of persons who have been engaged in the occupation of fishing. They are under a serious threat. This is not directly related but this is small scale activity which provides tremendous scope for employment. It is under threat because we have been having offshore fishing by foreign trawlers, deep sea fishing by foreign trawlers. I do not know when did we say that our doors are open for everybody. We never meant that our shores are open for anybody to come in. That is ancient history. We have always welcomed all our guests. But those guests who come and loot us are not the guests whom we want in our country. We would certainly like to welcome anybody to come here and help us out. Or, if they needed help, we can also help them but not at the cost of the lives of the fishermen who have been ruined and totally devastated on account of this onslaught on their legitimate rights. We must have a policy, I am sure the Minister concerned would take note of it and would really get into this.

Another point is this. One of the hon. Members, Shri George Fernandes has introduced a Private Member's Bill which seeks to give to every person the

right to work. I am glad that one of the hon. Members who spoke earlier said that we must provide for dignity of labour. It is not that if you are working, you have to be looked down upon. A person who really works has to be respected and the right to work has to be seen in that perspective. So those who are seeking work, but for whom the system cannot provide work, have to be given a compensation. It is a foreign concept, a Western concept to call it a 'dole'. Whatever name you call it, the nomenclature is not important. What is important is, if a person equipped to get a job is not employed, he has to be compensated for that. I think, this is also a point of the Common Minimum Programme because this is the minimum that a person can expect from the society. As a guardian of the new society that is emerging, I am sure, the Common Minimum Programme does have this minimum point, which is so common and which can be commonly shared by everybody. It has to be there. I am sure the Prime Minister, who is not present here at this moment but hailing from a background of a poor peasant, would certainly share this perception with me though I cannot claim to be one such person.

Lastly, I would like to make one or two points. These are the days of technology which you cannot overlook. The ways of new technology transformation and new technology changes are sweeping our country, not only our country but all the countries across the globe. It is often described by many of the scientists, economists and sociologists as the age of technology. So, we would not like to lag behind in that also. The Government must have a technology bank, a technology transfer situation in which small scale industries could have access to the world known technology in that sector so that they can also upgrade themselves in the art of technology. But technology should be available to the common of the common man so that he can compete with the big players and with the top players. So, we cannot overlook the fact that even in a country like the United States which has the largest GDP in the world, more jobs are created by this sector. More jobs are created by the small sector than large industries in that country also. In fact, they say, 'We want jobs but we do not want Mac jobs' because more jobs are created by *Macdonalds* on hourly basis and there are no confirmed jobs. So, they say that they do not want Mac jobs, the *Macdonald* jobs, but the real jobs. These jobs are provided by the small industries and not by the large industries. So, I would say that it is very important. We should not forget that our small scale industries must also have access to the technology.

Sir, my last point pertains to the financial bottlenecks of the small scale sector. It is always a good desire to start a business. But to run the business, we should equip them. That is very important. Otherwise, as I said earlier, they will reach a situation like that of *Abhimanyu* who entered the fray but did not know how to come out of it. To prevent that kind of a situation, we must really educate every person in the art of running the business.

It is very important. We generally say that banks do not give money. We know that more than eighty-five to ninety per cent of the money with the banks belongs to us because the entire banking sector, barring a few private banks and foreign banks are all nationalised or cooperatised. Ultimately, this sector's money belongs to us because it is public money. So, funding small scale industries out of goodwill and out of good feelings is not enough. What is more important is to see that this money is well spent and well utilised and to see that this creates more wealth and for that training small scale industrialists is necessary.

I would really urge upon the Government to do two things. One, there is need to create venture capital in our country. When we talk about globalisation, we must try to look at what is happening in the rest of the world. We cannot look at India in isolation and say that *Macdonalds*, *Kentucky Fried Chicken*, and *Pizza Huts* are there all over the world, so they must be in India also. Surely, why not? When we are doing that, then we should not forget that in the United States, there are hundreds and thousands of venture capital companies. There are companies, there are venture capital institutions which provide venture capital to small scale units. Anybody who wants to start a business can get venture capital from these institutions. There are incidents somebody said - when father used to give money to his son because he feels that he has earned it and the son is going to waste it. It is because the father feels that he has earned it by working and his son is going to waste it by doing business because doing business in the Indian culture is something which is not really appreciated.

MR DEPUTY-SPEAKER : Please conclude.

SHRI SURESH PRABHU : Yes, I am concluding.

Therefore, what is important is venture capital fund. Venture capitalists will give you venture capital because when you go to the banks to borrow money, they will give you only seventy or seventy five per cent of your requirement. The remaining twenty five per cent is your equity which you are supposed to contribute. But the problem in India which is capital starved is that people do not have even this twenty five per cent of capital. So, where to find this twenty five per cent capital at lower cost? That money is provided by the venture capitalists. I think we must encourage more and more companies to start venture capital. Here, only one or two companies started it. IDBI started it. ICICI ventured into it. I would not even say that they have started it. But they only tried to start it. There could be a possibility also. We had a scheme in India according to which the banks would require to lend money at four per cent Differential Rate of Interest. The difference between Differential Rate of Interest rate and the actual rate was a sort of subsidy. But they discontinued the scheme. We can request all foreign banks, all Indian banks and other banks to use part of their profits to create a corpus of fund to start

venture capital fund. This in turn will help many small industrialists to start their business and could create more jobs for themselves and in that process will help the country also

Sir, I know that there is a constraint of time. But I will very quickly put forth another point. We started a small Exchange in our country, called the OTCEI, that is, Over The Counter Exchange of India. If that Exchange is made to function properly, it could provide a boon to small scale industries which are wanting to fund the projects by having access to the capital markets. As you know, the capital markets have grown considerably, resulting in a lot of other problems. If this access is made available even to small scale industries, they can enter it through this route and I am sure it will help a lot of new entrepreneurs to enter this field. I feel that OTCEI also needs to be strengthened and streamlined in times to come

Sir, I really thank you very much for giving me the time. I know, I have overstepped my time limit. Anyhow.

SHRI D. VENUGOPAL (Tiruppattur) : Mr. Deputy Speaker, Sir. *(Interruptions)*

SHRI RAMESH CHENNITHALA : Sir, there is no simultaneous interpretation *(Interruptions)*

MR. DEPUTY-SPEAKER : Shri Venugopal, please wait. We are not getting the simultaneous interpretation. It is better if you speak in English

*(Interruptions)*

*[Translation]*

SHRI THAWAR CHAND GEHLOT (Shajapur) : Is the hon. Minister getting it? We are not getting it *(Interruptions)* Besides, there is no one to note down here in your secretariat. The speech is not being translated.

*[English]*

MR. DEPUTY-SPEAKER : They are arranging for interpretation

Now, we are getting. Hon. Member may continue.

\*SHRI D. VENUGOPAL (Tiruppattur) : Mr. Deputy-Speaker, Sir, we must provide job opportunities to the jobless youth. We must put an end to the unemployment problem and we must ensure that all the benefits of the governmental schemes trickle down to all the people of the country. Thousands of youth both educated and uneducated are left unemployed due to the lack of adequate employment opportunities. Those who have completed graduation after spending so many years in educational institutions are waiting endlessly after registering their names with the employment exchanges. It is a painful thing to note that only ten per cent of them could get job while 90 per cent of them are left in the lurch. These educated unemployed most of them graduates knock at the doors of the Government offices

\* Translation of the Speech originally delivered in Tamil

and organisations throughout the country in search of job. It is 50 years since we have won freedom and I wonder when we are going to put an end to this hapless situation. Only then we could acquire a respectable status in the eyes of the world. Only through industrialisation we would be able to create more jobs. We should resort to this one and the only viable process of changing the scenario.

As part of industrialisation we should concentrate more on small scale sector and we should provide ample opportunities for the needy with the required assistance to start small scale units of their own. We should encourage small entrepreneurs to go in for setting up their own units so that small scale sector gets a boost in a big way. We have been giving protection to the small scale sector by way of reserving certain items to be manufactured exclusively by small scale units. In 1967, 47 items were reserved for the small scale sector. After about 20 years in 1996 we find 836 items find this exclusivity. Now at this juncture, we are in the process of evaluating the need to give this exclusivity of reserving certain items for manufacture only in the small scale sector.

As part of the economic liberalisation process, market economy and its impact has come into vogue. These market forces are posing enough of challenge to the small scale sector. So it is imperative that there should not be any reduction in the number of items reserved for the small scale sector. Instead the Government can think in terms of giving a boost to the products manufactured by the small scale units by way of setting up marketing organisations.

We find several MNCs coming to India. They should be allowed to operate only in certain specific industrial activities duly permitted by the Government. They should be allowed to invest in big industries which call for high technology and foreign investment. They should be desisted from marketing any other product other than the ones they manufacture. But we find the contrary happening here. Some of the MNCs are marketing the products manufactured in the small scale sector. In the name of marketing and promoting the products already available in this country they sell them at a high price making huge profits. We should not allow MNCs to exploit the small scale industrial units of this country. This will affect our economy and also the industrial growth because small scale units are not getting their due share in the profits.

I would like to impress upon this Government that the impediments in the way of the growth of small scale sector should be removed. The Government must think in terms of giving a boost encouraging the youth and the unemployed to have easy access to the financial institutions. There should be liberal loan assistance. Infrastructural facilities needed by the small scale sector should be provided as far as we can. Finance, electricity, water and other related basic facilities should be available easily. There should be single window clearing system.

In the pattern of IDBI and SIDBI the Government can consider setting up National Craftsmen Development Bank which would be of great help to rural artisans and craftsmen. This would give a solace to small scale sector and protect the craftsmen from being exploited by middlemen who sell their products for a high price paying a pittance in the form of investment assistance.

I hope steps in this right direction will be taken up by our hon. Minister for Industry, our beloved Shri Murasoli Maran. I wish he succeeds in his endeavour to usher in a new era of industrialisation in the country.

I would also point out to this House the right steps that are being taken by our D.M.K. leader and the Chief Minister of Tamil Nadu, Shri M. Karunanidhi to ameliorate the sufferings of the unemployed youth, especially the educated unemployed. He has announced a scheme meant for the unemployed graduates in the State to work as Rural Welfare Officers. Nearly about 35,000 youth will get job opportunity through this scheme which was announced in the Budget submitted on 17th of this month in the Tamil Nadu State Assembly. I wish Union Government also emulate such pioneering schemes implemented by various States especially by Tamil Nadu.

Lastly, I would like to emphasise the need to have single window clearance wherein all the unemployed youth who prefer to go in for setting up their own SSI units will get all the assistance from the Government. There should be liberal loan assistance and nationalised banks should be suitably advised in this regard to come forward to help the needy youth. We may convene periodical meetings of officials both from the Government and the financial institutions meeting the youth, the promising entrepreneurs who would be getting all possible assistance to set up their own small scale units. Their applications should be processed then and there and they should be encouraged to carry out their venture which would help not only the individuals but also the country in a big way. The Government should also come forward to give necessary guarantee on behalf of this needy youth and should also give insurance cover for possible loss, if any. This will give a boost to the morale of these small entrepreneurs and also to the economy.

Thus, expressing my support to the Resolution which seeks to put an end to unemployment problem, I conclude my speech.

SHRI CHITTA BASU (Barasatt) : Sir, I rise to support the Resolution moved by Shri Prabhu Dayal Katheria.

The Resolution has got two parts. In one part, he seeks to draw the attention of the House and through this House to the countrymen about the increasing unemployment in our country. In the second part of his Resolution, he has made certain suggestions regarding the small scale industries and the problems faced by them.

To begin with, I want to draw the attention of the House to a very grave situation regarding the poverty of our country. Very recently, I think only a month or so before, the UNDP Report of 1996 has brought out the dismal situation in our country in regard to poverty.

Sir, unemployment and poverty are Siamese twins. You cannot separate one from another. Unemployment and poverty are inseparable. I am sorry to find that some of the hon. Members of this House and economists in general try to avoid the stark reality of poverty by saying that unemployment is a global phenomenon, as corruption is a global phenomenon, as if there is no solution to the unemployment problem in any part of the world and so far as India is concerned, the problem can never be solved. Those who have got this idea to preach do remain, what I shall say, oblivious of the fact that only a few years before, one-third of the world population was free from this course of unemployment under the regime of socialist States in Europe and in other parts of the world. Even today, there are certain countries where there is no kind of bane of unemployment and there are some countries which have solved this problem by pursuing the new method of economy and new policy of economic management.

Let us come to the report itself. The report mirrors the agonising and the most deplorable poverty of Indian masses. Some economists estimate that 23 crores of people are below the poverty line in our country. That being so, if we consider it in terms of the earning capacity of those 23 crores of people of our country but if we take into account the lack of basic human needs and economic capacity to meet the basic economic needs, the report of 1996 of the UNDP has come to the conclusion that more than 55 crores of people are below the poverty line in India.

Sir, it is not only the question of capacity to work but in the modern age we should also take into account the capacity to provide for the minimum human needs.

Sir, the report also says something very alarming. It says that 85 per cent of the world's total assets are being occupied or being owned by only 20 per cent of the rich people. 85 per cent of the total assets of the world are being owned by only 20 per cent rich people! Therefore, the poor-rich relations come into play. We cannot ignore these very facts. Poverty, unemployment and other drudgeries of life are irretrievably related to the poor-rich relationship. It is the device of somebody, some so called economists who have just altogether forgotten the relations between the rich and the poor while calculating the poverty of our country.

Sir, let us try to understand India's position in the context of the world. In terms of percentage, India is behind 88 countries. In terms of total human development, India's position is 135 amongst 174 countries. India is behind Pakistan and Canada and slightly above Bangladesh, Bhutan and Nepal. This is the situation. If somebody says that it is a global

phenomenon then I cannot but criticise it strongly - India is a part of the globe, there is no doubt about that - by saying that India cannot never aspire to be a part of the poor world. We want to have a legitimate share in the prosperous world.

Sir, now let us come to the so called 'theory' - the theory of trickling down. The question is about the model which we have chosen for economic development. Today, I am sorry to say that the model we have been pursuing since Independence has been the model which does not seek to solve the problems of poverty and unemployment of our country. Unfortunately, I am constrained to say that India in its wisdom chose to follow a model of development showed by the IMF and the World Bank. That model is the model which leads to killing of jobs and not for expansion of jobs.

Sir, I am grateful to this Report which has very clearly identified this problem and said that the model has to be changed; unless the model of development is changed, the job potential cannot increase. The UNDP Report says that this model - this IMF and World Bank sponsored model - does not help in growth but ultimately fails to trickle down. It does not trickle down. On the other hand, it hinders the growth itself, rather negates growth and becomes counterproductive.

Now, the question before this Government and before this House is, should we continue to follow that model sponsored by the World Bank and the IMF? Should we continue that model which ultimately leads to de-industrialisation? Should we continue that model which ultimately does not create jobs but kills jobs?

The UNDP Report says further

"A study of 69 countries over the past decade showed that of the 46 countries which have recorded economic growth, only 27 saw employment increase while 19 countries experienced jobless growth"

Today, there is growth in the world. There is development. But it also kills jobs. India should avoid that path. My grievance is that we are continuing to follow that path, that model, which does not expand the employment opportunities or employment potentials but kills the job potentials. For the benefit of this House, I want that this model should be changed.

What has been the consequence of this model that we have been following in recent past? I do not want to take into account all those earlier periods. I will deal with 1991-1995, which you cannot forget, which we cannot afford to forget and we should not forget. We should take lessons out of it. The consequences of IMF-World Bank model 1991-95, led to the exit of 1.5 lakh of workers in the country, from the public sector undertakings. That is the consequence of that model. There has been a lot of abolition of job. It comes to 6.46 lakh because there has been no recruitment in the Central Services for the last five years. Are you creating jobs? Did you create jobs or devour the jobs? More

than 4.5 lakh of active, small, medium and big units have been closed and that closure, that sickness, is due to the model that we have been forced to follow by the World Bank and International Monetary Fund. There would be loss of jobs if the Government accepts and implements the recommendations of the Malhotra Committee of the insurance industry. There will be further loss of employment if the Government accepts the recommendations and implements the recommendations of the Narsimhan Committee on the banking industry. Therefore, Sir, it is the policy that devour jobs. It does not create jobs. Unless we change this model, I think we shall not be able to make any dent on the unemployment problem in our country.

I do not want to take your time to mention what unemployment means for the common man, what unemployment means for the country and where this unemployment problem leads to. You cannot think of solving this insurgency problem. You cannot think about the alienation of masses from the Government. You cannot think about the alienation of people from the machines unless you take into account the model of economic management, the model of development. It is not only the question of development, the question is development for whom? The question is, in what way is development sought for? It is not merely a development, it cannot be economy only for development but development must and should have some kind of social justice content, should have some element related with social justice and some other social problems also.

I have got some figures to quote. During the last few decades, the increase of employment has been hovering around 2.25 or 2.1 lakhs. This increase in employment is mainly because of the public sector. So far as the private sector is concerned, there has been a negative growth of employment. Sometimes, there is zero growth of employment.

As a matter of fact, the public sector undertakings are the major employment-providers in the country. The model which we have been forced to pursue stands for privatisation, stands for globalisation, stands for liquidation of the public sector in the country. How can you solve the problem? How can you approach the problem?

I will give two instances. We had a scheme called Janata Cloth Scheme. The Public Accounts Committee had suggested in its Twenty-second Report that the Janata Cloth Scheme should be abolished and, I think, that has been abolished. What are the consequences of it? I am not challenging the wisdom of the Public Accounts Committee. The Committee had recommended providing alternative employment for the displaced people. The Scheme had been stopped but no alternative arrangements had been made. Imagine the gravity of the situation.

According to the All India Handloom Census, there are about 4.3 million handloom weavers in the country out of which 2.2 million are full time weavers. Out of

the total number of 3.8 million looms in the country. Assam has over 1.4 million, about 41 per cent, the largest number in a State. Then comes the State of Tamil Nadu and then comes Maharashtra. There are a large number of weavers who belong to the small-scale industry sector, who are self-earners.

SHRI P.C. CHACKO (Mukundapuram) : Traditional industries are different from small scale industries.

SHRI CHITTA BASU : What I mean to say is they are self-employed. This sector provides the largest employment opportunities next to agricultural sector. The Census says so. The kind of economic policy that we are following deprives the common man of the means of livelihood, of the means of production, and of the opportunities to live.

Mr. Deputy Speaker, Sir, the second part of the Resolution deals with small-scale industries and their problems. Everybody would agree that the small scale sector accounts for 40 per cent of our foreign exchange earnings. It also contributes about 38 per cent of our GDP.

I take this opportunity to express my apprehension about the policy statement that was made some time ago by the hon. Minister of Industries. He said that the Government proposes to increase equity participation limit of foreign companies from 51 per cent to 74 per cent. The Government proposed also to redefine the small scale industries providing for larger investment by indigenous effort of big companies. If that is allowed, if multinational corporations are allowed to enter into the area which was reserved earlier for the small and cottage industries, the employment potential will not expand but it will be further narrowed and the problem will become unmanageable.

Sir, if this model is not changed and more and more opportunities are created for the entry of multinational corporations into Indian economy, the result will be further disastrous.

The result will be further disastrous.

Therefore, in conclusion, I would like to say that it is not merely the number of unemployed, it is not merely the question of whether there is any country all over the world where there is no unemployment problem. The debate should not rest there, the debate should relate to the question whether we should pursue the present model of economic development or reverse the model. I am for the reversal of the model.

Sir, unless we reverse this model, unemployment problem cannot be solved; national economy cannot be strengthened; we cannot have a prosperous India and India will ultimately be landed in ruination from which the Government will take appropriate measures to learn from the mistakes of the earlier Government and reframe the policy and rebuild the economic model for our country and that alone can ensure full employment and make India strong and prosperous.

With this, I support the Resolution moved by Shri Katheria.

[Translation]

SHRI BRIJ BHUSHAN TIWARI (Dumariaganj) : Mr. Deputy Speaker, Sir, this Resolution of Shri Katheria provides us an ample opportunity to consider various aspects of the unemployment problem which has assumed alarming proportions in the country these days. Several members expressed their views on unemployment problem. I would like to state that unless we have correct figures about unemployment, we cannot frame any new policy in this regard. The figures given are misleading. I agree with the view expressed here that there is not a single family in the country where at least one person is not unemployed. Therefore, there are more than 15 crore unemployed people in the country. My first suggestion is that Employment Exchanges should be opened at tehsil level, block level and in all the universities. So that we may have a true picture of the number of unemployed people in the country.

The second suggestion pertains to the policy. Our hon'ble Member has rightly said that Unemployment problem is the result of the economic policy and the developmental infrastructure that we have built in the country; this unemployment is the quintessence of our entire economic development. The economic development structure that we have adopted aims at the betterment and development of a few selected people having vested interests. The solution to the problem of unemployment is possible only when own economy is liberalised. For that, we shall have to develop our agriculture and industry. Solution of unemployment problem does not lie in absorbing people in government jobs only. We shall have to provide them employment opportunities in ample measure. Otherwise, poverty will increase in our country. Unemployment is directly concerned with poverty and poverty gives rise to all sorts of social and other problems. Therefore, we should consider this problem seriously.

Thirdly, the imported technology that we are using in our big industries is very expensive and is not commensurate with the results achieved. India is a poor country and is facing financial constraints. If we invest that scarce capital in industries which do not provide ample employment opportunities to the people we will not be able to solve the unemployment problem. Therefore, we should use such technology as may provide maximum employment opportunities to our people. Besides, that technology should be easy and simple to understand and follow. If we introduce some high technology in our country, it will benefit only a limited number of people.

You know the position of illiteracy and poverty in our country. Our greatest problem is that in our rural areas, there is utter lack of new technical know how. I came from the eastern region. In our eastern U.P., the trades in our old ITIs have become absolute and are of no significance now. The polytechnics are inadequate

in number. They are unable to provide new technical knowledge to the required number of people.

Therefore, on the one hand, we should provide information about the latest and the best technology to the people, and on the other, we should develop such technology and such machines as are easy to understand and simple to follow and put to use. Then only the problem can be solved.

In the Resolution, many suggestions have been made to solve the unemployment problem. But, the suggestion of encouraging the small industries appears to be more useful. We followed a different industrial policy in 1956 and during Janata Party regime. But in pursuance of the industrial policy adopted by the previous government, we invited MNCs and big industries to our country. We are not averse to MNCs and big industries. We want that a specific area be reserved for them. If we follow those consumer items to be produced by big industries, for which high technology and big machines are not required, then our small industries would not be able to compete with them and would perish. There are three reasons for this. The production cost in big industries is comparatively low and the marketing facilities that are available to them because of their aggressive advertisement policy, are not available to small industries. Besides, because of their high technology, the facilities available to big industries through, banks, financial institutions etc. are not available to small industries.

A Plaster Complex in our Basti district could not be successful precisely for this reason. For the development of small industries, we should first conduct a survey to find out whether raw material, technology, marketing facilities are available in the areas where these are proposed to be located. The raw material for the plastic complex set up in Basti.

18.00 hrs.

Used to be brought from Delhi. The result was that plastic goods manufactured there could not compete in markets of Delhi and other markets. Therefore before an industry is set up, a survey should be conducted to find out whether raw material etc. is available there or not. Besides, corruption in getting bank loans and the Inspector Raj should come to an end.

I want to give an example. At present, a rice mill cannot instal a machine for the shelling of paddy without getting a licence. Let alone big machines, you cannot instal even a small machine without a licence. What sort of a law is this? If farmers are exempted from it, it will be a great boon to them. When they take their paddy to the market, it is purchased by big traders or brokers and they are thus deprived of the profit that they would have got had their production been purchased by big rice mill. Therefore, it would be better if such legal restrictions are removed. On the one hand, you talk of liberalisation and of removing all restrictions

from new industries but on the other, you impose such restriction on agro-based industries. It is nothing but from injustice with the farmers. Therefore the restriction regarding procurement of licence for setting up paddy shelling machines should be removed.

One of hon. friends was telling is that in Holland, the unemployed young people carry their small paddy-shelling machines on rickshaw or small carts to village for shelling to paddy of farmers on payment. We should also pay attention to the manufacture of such small machines with similar technology. Besides, we should also provide legal concessions to the farmers. Thirdly, without referring areas for big industries and imposing legal restrictions on them, you cannot promote small industries. As long as small industries do not grow, the problem of unemployment cannot be solved.

Besides there is need to make radical changes in our economic policy so as to provide employment and an opportunity for becoming prosperous to maximum number of people. With the words, I thank you very much and conclude my speech.

[English]

MR DEPUTY-SPEAKER : Now, statement by hon. Minister.

THE MINISTER OF HOME AFFAIRS (SHRI INDRAJIT GUPTA) : Sir, the statement is ready but it is rather lengthy. The statement is running into four-and-a-half pages...*(Interruptions)*

[Translation]

It runs into four and a half pages. I can read it if you so desire or if you permit or think it proper. I can lay it on the table of the House. Its copies have, however, been distributed to Members.

[English]

SHRI SATYA PAL JAIN (Chandigarh) : Could you please give the subject of the Statement...*(Interruptions)*

[Translation]

SHRI INDRAJIT GUPTA : Subject is the same that I mentioned in the House the other day that I am going to Bihar and in the villages of the area where this incident has taken place...

[English]

SHRI SATYA PAL JAIN : I think, it is better if he reads the Statement as it is an important issue...*(Interruptions)*

[Translation]

SHRI G.L. KANAUIA (Kheri) : It will be bad precedent if copy is laid.

SHRI INDRAJIT GUPTA : I have no objection.