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## **Labour & Employment**

India has recorded an impressive acceleration of economic growth, especially after the macro economic crisis of 1991 and has also demonstrated remarkable resilience during the unprecedented global financial crisis and slowdown.

**Table 1 : Annual growth rate of GDP at 1999-2000 base**

<b>Year</b>	<b>Percentage change over previous year</b>
2005-06	9.52
2006-07	9.75
2007-08	9.01
2008-09	6.7

**Table 2 : Per Capita Income at constant prices (1999-2000)**

<b>Year</b>	<b>Per Capita Income (Rupees)</b>
2005-06	20,868
2006-07	22,580
2007-08	24,295

To achieve inclusive growth, the Eleventh Five Year Plan (2007-08 – 2011-12) envisaged the formation of National Skill Development Mission to achieve a quantum jump in the number of skilled manpower and create 500 million skilled persons by 2022. The Mission termed as “Coordinated Action” has been launched as a three- tier institutional structure consisting of (i) the Prime Minister’s National Council on Skill Development,

(ii) National Skill Development Coordination Board and (iii) National Skill Development Corporation.

The Eleventh Five Year Plan also has recognized the need for upscaling the efforts at developing social security measures and significant developments have taken place during the first three years of the Eleventh Plan, including the implementation of Unorganized Workers Social Security Act, 2008. However, the presence of large unorganized sector in the country calls for the revamping and development of a social security framework.

### **Employment Opportunities**

“The generation of productive and gainful employment, with decent working conditions, on a sufficient scale to absorb our growing labour force forms a critical element in the strategy for achieving inclusive growth” is one of the major targets of the Eleventh Five Year Plan (2007-2012). Specifically, this Plan aimed at generation of 58 million work opportunities against the aggregate employment generation of 47 million work opportunities in the period 1999-2000 to 2004-05. The actual achievement of employment generation covering the period 2009-10 against this target would be known only through the results of next round of quinquennial survey of National Sample Survey Organization (62<sup>nd</sup> Round) expected in 2011 as no fresh quinquennial survey based data has become available since the formulation of the Eleventh Five Year Plan. The assessment of performance on the employment front, therefore, has to be based on indirect indicators, which have a bearing on employment growth.

### **Impact of Global slowdown on Employment**

Labour Bureau of Ministry of Labour & Employment (MOLE) has been conducting quick employment surveys to assess the effect of economic slowdown on employment and the resulting job losses in India. So far, four quick quarterly employment surveys have been conducted. The first survey was conducted in January 2009 to assess the impact during the quarter October-December, 2008. The second survey was conducted in April,

2009 to assess the impact during January-March, 2009. The third and the fourth surveys were conducted in July, 2009 and October, 2009 to assess the impact of economic slowdown for the periods April –June, 2009 and July to September, 2009 respectively. The results of these surveys are summarized in Table 3.

**Table 3: Impact of Economic Slowdown on Employment /Unemployment**

Sl. No.	Industry/group	Estimated Job loss/gain in lakh during				Net loss/ gain in lakh during last one year {Col 3+Col4+ Col 5 + Col 6}
		Dec 08 over Sep 08	Mar 09 over Dec 08	Jun 09 over Mar 09	Sep 09 over Jun 09	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Mining	-0.11	-	-	-	-0.11
2.	Textiles	-1.72	2.08	-1.54	3.18	1.99
3.	Leather	-	-0.33	0.07	-0.08	-0.34
4.	Metals	-1.06	-0.29	-0.01	0.65	-0.71
5.	Automobiles	-0.83	0.02	0.23	0.24	-0.34
6.	Gems& jewellery	-0.99	0.33	-0.2	0.58	-0.28
7.	Transport	-0.96	-0.04	-0.01	0.00	-1.01
8.	IT/BPO	0.76	0.92	-0.34	0.26	1.60
9.	Handloom/ Power loom	-	0.07	0.49	0.15	0.71
<b>Total</b>		<b>-4.91</b>	<b>2.76</b>	<b>-1.31</b>	<b>4.97</b>	<b>1.51</b>

**Source :** Labour Bureau, Ministry of Labour & Employment

Based on these surveys, it is observed that the employment declined by 4.91 lakh during October-December, 2008; increased by 2.76 lakh during January - March, 2009; again declined by 1.31 lakh during April-June, 2009; and increased by 4.97 lakh July-September 2009. Thus even on the basis of this small sample, the estimated employment in the selected sectors has experienced a net addition of 1.51 lakh during last year.

### **Special Employment Generation Schemes**

## **National Rural Employment Guarantee Scheme (NREGS)**

NREGS in pursuance of the passing of the NREG Act was launched on February 2, 2006, in 200 most backward districts in the first phase, and later in the 2<sup>nd</sup> phase expanded to 330 districts during 2007-08. The remaining 266 districts were notified. The scheme has now been extended to all the districts of the country. More than 4.47 crore households were provided employment in 2008-09. This is a significant jump over the 3.39 crore households covered under the scheme during 2007-08.

## **Swarnajayanti Gram Swarojgar Yojana (SGSY)**

**SGSY** was launched in April 1999 after restructuring of the Integrated Rural Development Programme (IRDP) and allied programmes. It is the only self-employment programme currently being implemented for the rural poor. The objective of the scheme is to bring these assisted self employed rural poor above the poverty line by providing them income generating assets through bank credit and Government subsidy. The scheme is being implemented on cost sharing basis of 75:25 between the Centre and States. Up to March 2009, 34 lakh self-help groups (SHGs) had been formed and 120.89 lakh self employed rural poor have been assisted with a total outlay of Rs. 27,183.03 crore.

## **Swarna Jayanti Shahari Rozgar Yojana (SJSRY):**

In December 1997, the Urban Self-Employment Programme (USEP) and the Urban Wage Employment Programme (UWEP), which are the two special components of **SJSRY**, substituted for various programmes operated earlier for urban poverty alleviation. The fund allocation for the scheme was Rs. 515 crore during 2008-09 and Rs. 540.67 crore has been released up to March 31, 2009. With regard to the number of beneficiaries during 2008-09, 9,47,390 urban poor were assisted to set up individual/group micro enterprises and 14,84,209 urban poor were imparted skill training under SJSRY as per the progress reports received up to the end of March 31, 2009.

1. **Aam Admi Bima Yojana (AABY)** (meaning insurance scheme for ordinary people) Under **AABY** -- a scheme launched on October 2, 2007 -- insurance to the head of the family of rural

landless households in the country will be provided against natural death as well as accidental death and partial/permanent disability. Up to December 31, 2008 the scheme has provided an insurance cover to 60.32 lakh rural landless household heads.

2. **Rashtriya Swasthya Bima Yojana** (meaning National health insurance scheme) : The ***RSBY*** scheme was launched on October 1, 2007, under which all workers in the unorganized sector belonging to Below Poverty Line (BPL) category and their families will be covered for health care. Till May 6, 2009, 22 states and Union Territories have initiated the process to implement the scheme. Out of these 22 states and Union Territories, 17 states have started issuing smart cards and more than 41.8 lakh cards have been issued in these states taking the health insurance cover to more than 2.09 crore persons. Nagaland is the first state in the Northeastern region to issue smart cards. Remaining states except Arunachal Pradesh, Madhya Pradesh and Andhra Pradesh are also in the process of implementation of the scheme.