

Labour and Employment

10.9 As indicated in the Economic Survey 2003-04, data on the labour force and unemployment are collected by the National Sample Survey Organisation (NSSO) through quinquennial surveys. As per the results of the 55th Round (1999-2000) of the survey, the rate of growth of employment, on Current Daily Status (CDS) basis, declined from 2.7 per cent per annum in 1983-1994 to 1.07 per cent per annum in 1994-2000. The decline in the overall growth rate of employment in 1994-2000 was largely attributable to a near stagnation of employment in agriculture. As a result, the share of agriculture in total employment dropped from 60 per cent in 1993-94 to 57 per cent in 1999-2000. On the other hand, employment growth in all the sub-sectors within services (except community, social and personal services) exceeded 5 per cent per annum.

10.10 The Approach Paper to the Mid-Term Appraisal (MTA) of Tenth Five Year Plan has

reiterated that employment growth should exceed growth of labour force to reduce the backlog of unemployment. Employment strategies advocated in the Approach Paper include:

- Special emphasis to promote public investment in rural areas for absorbing unemployed labour force for asset creation.
- Identification of reforms in the financial sector to achieve investment targets in the Small and Medium Enterprises (SME) sector.
- Large-scale employment creation in the construction sector, especially for the unskilled and semi-skilled.
- Necessary support to services sectors to fulfill their true growth and employment potentials and greater focus on agro-processing and rural services.