

Employment

10.10 One of the most daunting challenges facing India is to provide employment not only for the additions to the labour force but also to reduce the backlog of unemployment accumulated from the past. This should be seen in the context of acceleration in the growth rate of the labour force as well as a secular downward pressure on the employment intensity of the growth process. Economic growth and employment opportunities in themselves may not be sufficient to improve the living conditions of the poor. It is therefore, necessary also to shift the focus of employment strategies towards creating conditions whereby employment opportunities lead to significantly better living and working conditions of the people and to uphold the dignity of labour. It is important to note that average annual growth rate of overall employment (in both organised and unorganised sectors) declined continuously from 2.75 per cent in the period 1972-78 to 1.77 per cent in 1983-88 but increased to 2.37 per cent in the period 1987-94.

10.11 Table 10.6 presents the annual growth rates of employment in the organised public and private sector during 1991 to 1998. The private sector contributed predominantly to the increase in the organised sector employment

| Year | Public sector | Private sector | Total organised |
|------|---------------|----------------|-----------------|
| 1991 | 1.52 | 1.24 | 1.44 |
| 1992 | 0.80 | 2.21 | 1.21 |
| 1993 | 0.60 | 0.06 | 0.44 |
| 1994 | 0.62 | 1.01 | 0.73 |
| 1995 | 0.11 | 1.63 | 0.55 |
| 1996 | (-)0.19 | 5.62 | 1.51 |
| 1997 | 0.67 | 2.04 | 1.09 |
| 1998 | (-)0.09 | 1.72 | 0.46 |

Source : Planning Commission.

in the post reform period except in the year 1993. The employment in public sector declined in 1998 whereas organised private sector employment grew by 1.72 per cent. The rate of growth of employment, however, in both public and private sectors during 1998 was lower compared to the preceding year.

10.12 The Second National Commission on Labour set up in 1998 has decided to set up six study groups initially for an in-depth study of labour related issues. The Commission is expected to submit its report by the end of 2001.