

Experience including best practices  
in India in promoting

*EMPLOYMENT & DECENT WORK*

MINISTRY OF LABOUR & EMPLOYMENT  
GOVERNMENT OF INDIA

# INDIA...

- Largest & Most intensive Democracy
- Most youthful nation
  - One Billion population
  - 690 million electorate
  - Elections every five years
    - From village to national level
  - Use of 1.1 million electronic voting machines
  - Independent and strong judiciary

...contd.

- Active electronic media with more than 200 channels
- With a total daily circulation of 89 million, second largest newspaper market
- More than 200 National and State political parties
- 54 % population below 25 years of age a vibrant and young nation

# India- Decent Work

- It is enshrined in our Constitution that : (Article 41)

“the State shall within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in the cases of unemployment, old age, sickness and disablement and in other cases of of undeserved want.”

# India-Decent Work

- Decent work assumes special relevance for India as
  - it provides a holistic framework for shaping policies and action
  - it calls for integration of economic and social objectives in line with the essence of four pillars of Decent Work.
  - it provides a paradigm that can be instrumental in addressing the challenge of a vast informal economy

# Employment Promotion

- Employment creation and skill development are the thrust areas of India's Economic Planning.
- Several schemes are being implemented for creation of employment such as:
  - **Golden Jubilee Urban Employment Scheme**
  - **National Rural Employment Guarantee Scheme**
  - **Prime Minister's Employment Scheme**
  - **Golden Jubilee Rural Self Employment Scheme;**
  - **Prime Minister's Bharat Nirman Scheme**
  - **Urban Self Employment Programme**

# Rights at Work and Social Dialogue

- Government of India has accorded high priority to Rights at work and social dialogue.
  - These principles are ensured through Constitutional provisions, laws, regulations and practices
  - The Constitution of India guarantees the freedom of association and freedom of expression and these rights are being exercised in a free and fair manner

# Rights at Work and Social Dialogue

- The right of collective bargaining and freedom of association has legal backing from two very important Labour statutes:
  - Industrial Disputes Act, 1947
  - Trade Union Act, 1926
- Tripartite Consultation
- Employees working in Government:
  - Joint Consultative Machinery (JCM)
  - High degree of job security to Government Employees flowing from Article 311 of the Constitution
  - Administrative tribunals for the redressal of their grievances

# Social Protection

- Social aspect of development has always been central objective in the process of Economic development .
- Social protection is ensured to the workforce in India through various legislations:
  - Minimum Wages Act, 1948
  - Equal Remuneration Act, 1976
  - The Maternity benefit Act, 1961
  - Plantation Labour Act, 1951
  - The Contract Labour (Regulation and abolition) Act, 1970

# Social Protection

Contd.

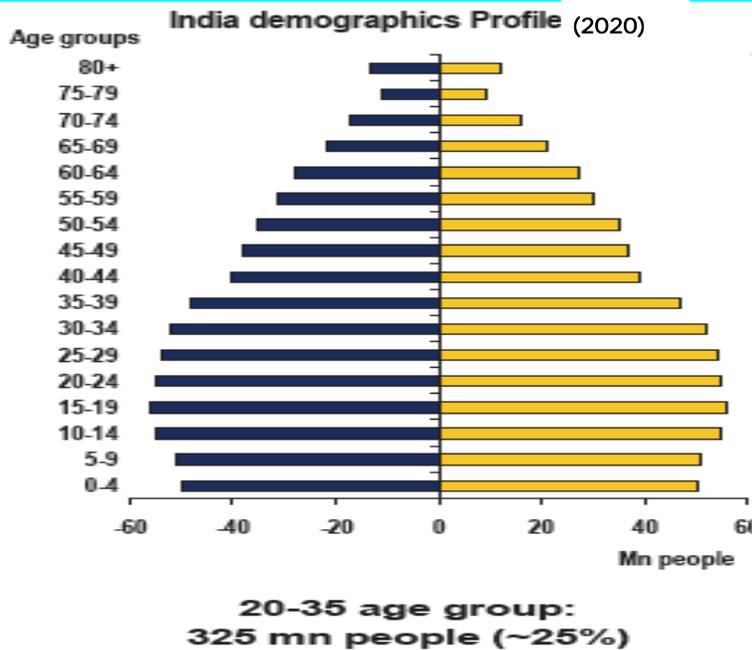
- Inter-State Migrant workers (Regulation of Employment and condition of service) Act, 1979
- Employees State Insurance Act, 1948
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Workmen Compensation Act, 1923
- Payment of Gratuity Act 1972
- Child Labour (Prohibition & Regulation) Act, 1986
- Social Security to Unorganised Sector Bill 2007 (introduced in the Parliament in September 2007)

# Social Protection

Contd.

- Social Security Schemes:
  - National Health Insurance Scheme ( health cover for Below Poverty line workers)
    - **Around 300million person will get the benefit**
  - Common Man Insurance Scheme
  - National Old Age Pension Scheme

# Global Scenario: Projected Surplus or Deficit 2020



*India with 47 mn people surplus in 2020*

**Global Deficit 46 mn in 2020**

**India's unique window of opportunity**

**Skill Development holds the key**

# Poverty alleviation & Employment Generation

➤ **National Common Minimum Programme:** *aims at human development and creation of Social infrastructure*

## 1. National Rural Employment Guarantee Programme(NREGP):

### Programme(NREGP):

- NREG Act passed in September 2005.
- Gives 100 days guaranteed unskilled wage employment to each rural household opting for it.
- Job cards issued to all participants
- US \$ 10.15 billion per annum outlay when fully operational. (present outlay USD 3 Billion)
- Focuses on works relating to water conservation, drought proofing, afforestation, land development, rural connectivity in terms of all weather roads, etc.
- Implementation through village local bodies.

# Poverty alleviation & Employment Generation (contd...)

## 2. Swarna Jayanti Gram Swarojgar Yojana (SJGSY)- (Rural Employment Programme)

- A holistic self employment generation programme since 1999.
- A focused approach to poverty alleviation by capitalising advantages of group lending.
- Upto Dec., 2006, about 2.5 million self help groups formed, 7.5 million persons assisted with US\$ 4.2 billion.

## 3. Swarna Jayanti Shahri Rojgar Yojana (SJSRY)- (Urban Employment Programme):

- *Aims at skill development and employment (i) self-employment and (ii) wage employment by utilizing their labour for creation of socially & economically useful public assets.*
- Financial assistance and credit provided by Government and Commercial banks, since 1997.
- More than 1 million micro enterprises set up and about a million persons provided skill training/ upgradation.

# Poverty alleviation & Employment Generation

(contd...)

## 4. Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

- Started in 2005-06. for a seven year period.
- Aims at upgradation of urban housing and infrastructural facilities in 63 selected cities of the country.
- Annual allocation is US \$ 1.24 billion.

## 5. Prime Minister's Self Employment Scheme: aims at providing self employment opportunities to educated youth.

- Started in 1993.
- Assistance by way of credit and subsidy by commercial banks and Government.
- Unit cost upto US\$ 5000 without any collateral security.
- 2.6 million units established, US \$ 4.06 billion loan granted and about 4 million jobs created till Dec. 2006.

# **Poverty alleviation & Employment Generation (contd...)**

## **6. Bharat Nirman (Build India Programme):**

**aims at creation of massive rural infrastructure during 2005-09.**

- **Irrigation- 10 million hectare additional irrigation capacity.**
- **Rural roads- Connect all remaining 66,802 habitations above population of 1000 by all weather roads.**
- **Rural housing- construct 6 million houses for rural poor.**
- **Rural water supply- provide potable water to unconnected 55,067 habitations.**
- **Rural electrification- provide electricity to remaining un-electrified 1,25,000 villages.**
- **Rural telephony- connect remaining 66,822 villages with a public telephone.**
- **Total investment per annum- US \$ 4.75 billion.**

# **Skill Development**

- **5% skilled workforce. PM's resolve to raise percentage to 50% by 2021.**
- **Major Programmes:**
  1. **Upgradation of 500 Govt. Industrial Training Institutes (I.T.Is) with World bank assistance at a cost of US \$ 0.4 billion into Centres of Excellence.**
    - **Number of trades being increased from 107 to 2000.**
    - **Modular courses being introduced.**
    - **Closer involvement of industry in training by forming Institute Management Committees with Industry partner as Chairman.**

# **Skill Development**

**(contd...)**

- 2. Upgradation of 1400 remaining Government ITIs in Public Private Partnership mode at a cost of US \$ 0.9 billion.**
  - A lead industry partner involved in upgradation of ITI.
  - Employability being ensured by setting up of placement bureaux in ITIs.
- 3. Skill Development Initiative at cost of US \$ 0.14 billion.**
  - Train one million youth in 5 years and then one million every year.
  - Modular employable skills
  - Multi-entry and multi-exit options with flexible delivery schedule.
  - Life long learning.

# **Skill Development (contd...)**

- 4. Creation of about 50,000 more ICT based Skill Development Centres in next five years.**
  - In Public Private Partnership mode.
  - At a total cost of about US \$ 6.35 billion in next five years.

## **Other Initiatives:**

### **1. National Employment service:**

- Being provided through a network of 947 employment exchanges in the country.
- Being computerized and a national web portal is being developed to enhance employability of trainees and facilitate industry to get skilled work force.

### **2. About 94% Workforce in the unorganised sector**

- A comprehensive bill for providing social security, wages, insurance cover and pensionary benefits is being brought in the current session of Parliament to roll back informality and provide decent working conditions.
- Estimated cost is about US \$ 7.62 billion per annum.

# Growth Scenario

S.No.	Plan period	Period	Growth rate
1.	9 <sup>th</sup> Plan	1997-2002	5.55
2.	10 <sup>th</sup> Plan	2002-2007	8%
3.	11 <sup>th</sup> Plan	2007-2012	9% ** (proposed)
4.	12 <sup>th</sup> Plan	2012-2017	10% *(proposed)

\* A sustained growth rate of 10% over 11<sup>th</sup> & 12<sup>th</sup> Five Year Plan Period will double per capita income from the present level of US \$ 840.

\*\* Target agricultural growth rate to 4% from the present 1.7%

# Poverty Scenario

<b>S. No</b>	<b>Year</b>	<b>Population below poverty line</b>
<b>1.</b>	<b>1993-1994</b>	<b>36%</b>
<b>2.</b>	<b>1999-2000</b>	<b>26.1%</b>
<b>3.</b>	<b>2004-2005</b>	<b>24.8%</b>
<b>4.</b>	<b>2007-2012</b>	<b>11.8% (Target)</b>

# Employment Scenario

S. No.	ITEM	1993-94 (Million)	1999-2000 (Million)	2004-05 (Million)
1	Total Labour Force	382.0	406.0	469.9
2	Total Employment	374	397.0	459.1
3	Open Unemployment	7.5	9.0	10.8
4	Unemployment rates as percentage of total labour force	1.9%	Around 2.23%	2.3%
5	Employment in the organized Sector	28	28.0	26.3
6	Employment in the unorganized Sector	346.0	369.0	432.8
7	Jobs created per annum	-	4.6	12.4 *
8	Working Poor	-	122.0	130.0

\* During Xth Plan Period (2002-2007) 62 million jobs were created @12.4 million jobs per annum

During XI plan period (2007-12), 14 m jobs per annum are planned to be created

# Structure of GDP and Workforce

Sector	Percentage in GDP Share		Workforce (in Million)	
	1999-2000	2004-2005	1999-2000	2004-2005
Primary	25.0	18.8	240.3 (60.5)	271.3 (59.1)
Secondary	25.3	27.5	66.9 (16.9)	80.8 (17.6)
Tertiary	49.7	53.7	90.3 (20.6)	107.4 (23.3)
Total	100.0	100.0	397.0 (100.0)	459.1 (100.0)

Figures in brackets indicate percentage to total

# GDP Growth Rate

<b>Sector</b>	<b>9<sup>th</sup> Plan</b>	<b>10<sup>th</sup> Plan</b>
<b><i>Agriculture</i></b>	<b>2.0</b>	<b>1.7</b>
<b><i>Industry</i></b>	<b>4.6</b>	<b>8.3</b>
<b><i>Services</i></b>	<b>8.1</b>	<b>9.0</b>
<b><i>Total</i></b>	<b>5.5</b>	<b>7.2</b>

# Employment in Organized and Unorganized Sector by Industry (in million)

Industry	Total Employment		Organized Sector Employment		Unorganized Sector Emp.	
	1999-2000	2004-2005	1999-2000	2004-2005	1999-2000	2004-05
<b>Agriculture</b>	<b>238.0</b>	<b>268.57</b>	<b>1.4</b>	<b>1.41</b>	<b>236.0</b>	<b>267.16</b>
<b>Mining &amp; Quarrying</b>	<b>2.3</b>	<b>2.75</b>	<b>1.0</b>	<b>1.10</b>	<b>1.3</b>	<b>1.65</b>
<b>Manufacturing</b>	<b>48.0</b>	<b>53.71</b>	<b>6.6</b>	<b>5.68</b>	<b>41.4</b>	<b>48.63</b>
<b>Electricity, Gas &amp; Water Supply</b>	<b>1.3</b>	<b>1.38</b>	<b>1.0</b>	<b>0.92</b>	<b>0.3</b>	<b>0.46</b>
<b>Construction</b>	<b>17.6</b>	<b>25.71</b>	<b>1.1</b>	<b>0.98</b>	<b>16.5</b>	<b>24.73</b>

# Employment in Organized and Unorganized Sector by Industry (in million)

Industry	Total Employment		Organized Sector Emp.		Unorganized Sector Emp.	
	1999-2000	2004-2005	1999-2000	2004-2005	1999-2000	2004-05
Trade	37.3	47.29	0.5	0.53	36.8	46.76
Transport, Storage & Communication	14.7	17.45	3.2	2.90	11.5	14.55
Financial Services	5.1	6.89	1.7	1.90	3.4	4.99
Community, Social & Personal Service	33.2	35.81	11.5	11.07	21.7	24.74
<b>Total Employment</b>	<b>397.0</b>	<b>459.10</b>	<b>32.66</b>	<b>28.0</b>	<b>26.44</b>	<b>369.04</b>

# **Task force on Employment Opportunities(2001)**

**Report submitted by Task Force identified five broad areas of policy which together would constitute an appropriate strategy for employment generation, namely**

**(i) accelerating the rate of GDP growth with emphasis on sectors likely to ensure the spread of income to the low segments of the labour force,**

**(ii) pursuing appropriate sectoral policies in individual sectors which are particularly important for employment generation,**

## Task force on Employment Opportunities(2001)

**(iii) implementing focused special programmes for creating additional employment and income to help vulnerable groups,**

**(iv) pursuing suitable policies for education and skill development which would upgrade the quality of labour force, making it capable of supporting a growth process which generates high quality jobs, and**

**(v) ensuring that the policy and legal environment governing the labour market encourages labour absorption, especially in the organized sector.**

## Special Group for Targeting Ten Million Employment Opportunities Per Year Over The Tenth Plan Period (2002)

To negate effects of Employment decline in 80's and 90's due to rightsizing and pattern of growth moving in capital Intensive sectors following was decided:

- Use of Labour Intensive Technology.
- Use of Capital Saving Technology.
- Rejuvenate growth of unorganized sector.
- Target of creating additional 29.67 million job opportunities growth based and 19.32 million programme based over 5 years period (2002-07).

**Special Group for Targeting Ten Million  
Employment Opportunities Per Year Over The  
Tenth Plan Period (2002)**

**Areas of Employment Targeted**

**Agriculture, social forestry, animal husbandry, fishing, horticulture and related areas and small and medium industries, construction, tourism, information technology, financial sector, education and health**

## Second National Commission on Labour 2002

- Recommended adoption of system for getting participation from Government, Industry and Trade Unions
- Modular Approach to vocational Training , aid multi skilling, impart skills attuned to market and technology
- Introduced competence based certification system independent regulatory authority and Skill development fund
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# EMPLOYMENT SUMMIT 2006

- Social partners to play effective role in negating effects of capital intensity
- Employers to create training facilities and view it as investment
- Trade unions to ensure responsible wage determination
- Local government to bring partners together for tapping local capacity and local market for identifying sources of job

# EMPLOYMENT SUMMIT 2006

## High growth areas identified

- Automotive Sector
- Banking and Financial Services
- Basic Metals
- Chemical Products
- Construction
- Defence Equipment
- Electronic Component and Assemblies
- Energy
- Floriculture Industry
- Food Products
- Gems & Jewellery
- Handicrafts
- Handloom Sector
- Healthcare
- Horticulture

# EMPLOYMENT SUMMIT 2006

## High growth areas identified

- Insurance
- IT / ITES / BPO
- Jute & Jute Products
- Khadi & Village Industries
- Leather
- Machinery & Equipment
- Media & Entertainment
- Mining
- Nonmetallic Mineral Products
- Paper & Paper Products
- Plastics & Plastic Processing Industry
- Printing
- Retail Services
- Rubber & Rubber Products
- Telecom
- Textiles & Apparels
- Tobacco & Tobacco Products
- Tourism
- Transport Equipment
- Transport services
- Wood Products

# Plan for the future

## Employment

- 11<sup>th</sup> Five Year Plan (2007-2012) aims to:
  - Accelerate GDP growth rate from 8% to 10 %
  - Sectoral Growth targets:
    - 4/1% agriculture
    - 10.5% Industry
    - 9.9% services
  - Creation of 70 millions new work opportunities
  - Reduction of educated unemployment below 5%
  - Raising wages of unskilled worker by 20 %
  - Employment Generation in food processing , leather products, textiles, services and constructions

# Preliminary Work plan- Priority 1

- Policy level: Studies on key challenges to suggest policy options/strategies in consultation with partners
  - **National Employment and Training Policy**
  - **Labour Laws for MSEs, cluster development, child care, gender analyses youth employment, migration, labour market reform, DW indicators, employment relationship, strengthening labour administration**
- Dialogue with policy makers employers and workers organization, academicians, researchers etc.
- Operational level:
  - **Extending Govt's training/employment to informal economy**
  - **Value addition to NREGP by integrating DW approach**
  - **Strengthening sectoral/area based approaches for sustainable livelihood, specially for women**

# Preliminary Work plan- Priority 2

- Social Security
  - Technical collaboration with MoL&E, National Commission on Enterprises in Unorganized sectors and social partners in shaping most appropriate bill targeting informal economy workers
- Social Protection- develop activities relating to:
  - Knowledge development
  - Capacity building
  - Advocacy
- Provide Inputs/Technical cooperation to evolve policies on
  - HIV/AIDS
  - Occupational Safety
  - Migration

# Preliminary Work Plan –Priority 3

- Ongoing programme on child labour:
  - **INDUS**
  - **Andhra Pradesh State based Project on Child Labour**
  - **Karnataka Child Labour Programme**
- Pipeline:
  - **Support to Gol convergence model and other initiatives on child labour elimination and prevention**
  - **IPEC/SIMPOC methodology for NCLS**
- Study tours for value addition on child labour and trafficking
- Pilot Programmes on prevention of bonded labour in 2 district in Tamil Nadu and Programme development for other selected States

Thank You