CHAPTER II.

Review of Employment Programme in Five Year Plans.

Introductory:

The demographic situation and occupational structure of country's population plays an significant role in analysing the population problems and occupational distribution. Population of a country provides information regarding the predominance of occupation and main sources of livelihood. It also indicates the main sources of production of gross national output. A high percentage of population engaged in India in agriculture shows that subsistence sector is the main sector of the economy which provides a major portion of a gross national output. Occupational classification of population of India reflects an important aspect of an economic feature of the country. It has got practical aspect too; while framing the economic policy with a view to provide gainful employment. The occupational structure of the population should be taken in view.

In a developing economy like ours, where economic policy has been adopted as a means to achieve the objective of optimum utilization of resources both national and human, occupational pattern of country's population becomes an integral part of economic planning. A country's population is both a means to and end of economic development. The success of economic planning depends on upon the occupational distribution of population.

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By occupational pattern, we mean the distribution of work force in different occupations or industries of a particular country. All occupations or industries are broadly divided into three sectors (1) Primary Sector (2) Secondary Sector (3) Tertiary Sector. The cultivation and other occupations connected with agriculture, like animal husbandry, forestry, fishery etc. are in primary sector. This sector is primarily based on land or nature, Secondary sector covers large and small manufacturing units and construction. Their finished products are based on raw-materials produced in the primary sector. The tertiary sector include trade, transport, communications, banks and other government and non-government services.

In underdeveloped countries a large proportion of labour is engaged in agriculture; followed by service sector and then the industrial sector, Siman Kuznets found that in under-developed countries 56.4 percent of the labour force depends on agriculture, 26 percent on service and 17.6 percent on industry. Against this, in developed countries, the service sector occupies the first place followed closely by industrial sector. The agricultural sector takes the third place. In these countries roughly 43.6 percent of the labour force is engaged in services, 37.8 percent in industry and only 18.6 percent in agriculture sector.

In pre-Independence period economy of India as well as U.P. was almost stagnant and under-developed. The normal progress of the economy of India was arrested about two hundred years ago. However a slow and un-co-ordinated growth started from the middle of the 19th. century to which

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some momentum was added during the first world war. Planned efforts of development were initiated only in post-independence period but the major part of our economy is still under developed and there is a mass unemployment and under employment due to initial lack of capital resources. Besides, there is vicious circle of poverty. Thus there is a large inactive labour force which never goes into the open field of employment. Thus, the pattern of employment of the economy of U.P. particularly of Bundelkhand Region can be assessed under feature of backwardness, transition and under development.

The important feature of employment pattern in Bundelkhand region is that the population is increasing at faster rate in comparison to economic resources. The rate of growth of population in the region was 26.5 percent in the decade of 1971-81 whereas the growth rate of population of India was 25 percent in the same period. The second feature of the employment in Bundelkhand region is the absence of industries in the area. There was about 30.57 percent working population in the region of which about 89.1 percent was engaged in agriculture only 2.8 percent of the labour force was engaged in industrial sector.

Problem of widespread seasonal unemployment and under employment in rural sector of the economy in another feature of employment in the region. The cumulative effect of intense demographic pressure, slow urbanisation scarcity
of non-agricultural employment and stagnant agriculture has been widespread rural unemployment and under-employment. It is estimated that agricultural employment is available to male workers for only 167 days in the year while all India average is 189 days. Non agricultural employment is available to male workers for 33 days and is mostly found in rice-pounding, flour-grinding, fuel splitting building trade, railway stations, mines and factories.

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A. Employment in Developing Economy with Special Reference to India.

Employment has been a major objective of planning in India; Full utilization of the available man power resources can be achieved after a considerable period of development. However, expansion of employment opportunities commensurate with the increase in the labour force over the Plan Period is conceived as one of the principal aims of the Third Plan. In view of the numbers involved, provision of adequate employment opportunities is among the most difficult tasks to be accomplished during the next five years.

In the rural areas, both unemployment and under-employment exist side by side; the distinction between them is by no means sharp. In the villages, unemployment ordinarily takes the form of under-employment. In many parts of the country during the busy agricultural season, shortage of labour are frequently reported but over the greater part of the year, a large proportion of agricultural labour and others engaged in allied activities are without continuous employment. The consequent drift of workers from villages to towns only serves to shift the focus of attention from rural areas to the urban. Though recent surveys show some what higher rate of unemployment in the towns this itself is a reflection of the lack of adequate work opportunities in rural areas. Urban & Rural employment in fact constitute an indivisible problem. The high rate of growth of population by the limited 1961 census data, now available would indicate that the problem is one of increasing complexity. This has been broadly confirmed by the findings of the Second

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Agricultural Labour Enquiry, the National Sample Survey and the studies under taken by the Programme Evaluation organisation. This, however, is not a complete statement. Development programmes have provided additional employment opportunities to a significant extent; but these are not being created fast enough to absorb the numbers who enter the labour force each year. If any further deterioration is the employment situation, is to be avoided the goal of planning must be to absorb in gainful employment is each five years period at least equivalent of new entrants to the labour force.

It is not easy to measure unemployment in any under-developed country. There is a tendency, specially among the self-employed, to share work between members of the family or the group where the available work opportunities are spread too thinly even to provide tolerable means of livelihood a part of population migrates in search of paid-employment. It is in relation to this section, of the population that the term 'unemployed' can be used with some exactness. For the rest, one can only speak of under-employment for varying periods. An important factor in planning for larger employment with in the present occupational structure in that for lack of employment opportunities a considerable proportion of self-employed persons have to function below capacity.

* In India, the existing data are inadequate for providing up a sufficiently detailed picture of the state of unemployment in the country. There is lack of regular and
systematic survey of the magnitude and the trend in this respect ours is an agricultural economy, people are disguisedly unemployed. However, according to the Planning commission’s estimate at the end of the First Plan in 1956 the unemployed numbered 53 million. It rose to 9 million at the end of the Second Plan period, 11.5 million at the end of the Third Plan period and more than 20 million at the end of the Fourth Plan period.

The estimated backlog of the unemployed in 38 million at the beginning of the Sixth Plan. There are, only rough estimates made by the Planning Commission and the actual figure may be much higher than that indicated by these estimates. The annual addition to the working force is estimated at about 5 million at present.

In India, the problem of rural unemployment forms an important aspect of the total unemployment problem in the country. With the rapidly growing population, people are being increasingly thrown upon agriculture posing an acute problem of disguised unemployment or under-employment. It is estimated that as much as 22.19 percent of the rural work force has work to do for less than a full week in a month. It is also found that new means of livelihood would have to be found for about 28 percent of the rural population.

A large section of the landless labour remains unemployment for a considerable part of the year. At the same time, the marginal and small farmers do not have sufficient

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work through out the year. Out of an agricultural working population of 130 million in 1971, 78 million were cultivators, 47.5 millions labourers and 4.3 million were engaged in activities allied to agriculture. Thus about 40 percent of the agricultural working population lack any secure economic base. They are dependent on wage employment mainly in agriculture and its allied activities.

The Agricultural census 1970-71, reveals that about 70.5 million operational holdings, 50.5 percent with less than 1 hectare, are marginal and 19 percent with 1 to 2 hectares are described as small. Thus out of entire body of 78 million cultivators, some 70 percent or 54 million are small or marginal. These, together with agricultural labourers and other wage earners in agriculture constitute a vast sea of rural poverty. The National Sample Survey (1970-71) in its 25 round, attempted to study. The condition of the lowest 10 percent of the house holds, cultivating some land and found that 48 percent of the cultivating house holds and more than 53 percent on non-cultivating house holds were willing to take up other full time employment. Only about 23 percent of the cultivating house holds thought their present employment to be adequate or economic. This almost 50 percent of the marginal and small farmers and the rural workers virtually consider themselves as unemployed and would gladly turn to other occupations if they could.

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A brief review of the approach adopted and efforts made in course of various Five Year Plans is now necessary in order to view the problem on the real plan. The first Five Year Plan did not attach much importance to the problem of unemployment. The basic approach was the lack of capital being the critical element in economic development once investment and technological development take place on an adequate scale, there would be greater capital formation and outputs would rise. It would then become possible to reduce unemployment and under-employment. But soon after the intensity of the problem was felt and an additional sum of Rs.309 crores was provided for employment purpose in the year 1953. An 11-point programme was launched to promote employment through development of small scale and college industries, rural works programmes and skill formation. This 11-point programme of employment generation together with the development programmes of the First Plan could provide work to only 4.5 million additional people and about 5.3 million people were reported unemployment at the end of the Plan.

A similar approach was maintained in the Second Plan also. This plan was primarily an industrial plan an highest priority was allotted to large scale and heavy industries. It gave more emphasis on the growth aspect of development than its employment aspect. Full employment was thought to be achieved as a natural corollary of development in the long run.

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However, the planners, in determining the programme of development for the plan thought of arresting further deterioration in the unemployment situation. The Second Plan estimated the net additions of 10 million to the estimated backlog of 5.3 million labour force over the Five Year period. To check further deterioration in the situation the planners emphasised the development of small scale and cottage industries. The additional employment likely to be generated by the development programmes of the second Plan was estimated to be at 79.03 lakhs or about 8 million against 15.5 million new employment opportunities that were needed to solve the employment problem. As things actually turned out the second plan was not able to provide additional employment to more than $6^{1/2}$ million persons as against 8 million estimated in the plan leaving a backlog of about 9 million at the end of the Plan.

The Third Five Year Plan appeared to be a bit more cautious of the unemployment problem as compared to the previous two ones. Though full employment was thought to be achieved in natural course of development, the plan put it as its principal aim to arrest any further deterioration in the unemployment situation. The document states full utilization of the available man power resources can be achieved after a considerable period of development. However expansion of employment opportunities commensurate with the increase in labour force over plan period is conceived as one of the principal aims of the Third Plan.
It is clearly accepted that development programmes in the past had provided additional employment opportunities to a significant extent, but these were not being created fast enough to absorb the numbers who enter the labour force.

The addition to the labour force during the Third Plan was worked out at 17 million and it was pointed out that if deterioration in employment situation was to be avoided, additional employment opportunities of this order would have to be found during the Plan period. The development projects and programmes embodied in the Third Plan were estimated to create additional non-agricultural employment of the order of 10.5 million. Besides, this additional and non-agricultural sector, a significant relief to the under-employment was also expected during the plan period.

But if in consequence of the plan programmes employment opportunities were available for about 14 million leaving aside the backlog of unemployment even for providing work for the new entrants to the labour force there was need to find additional jobs for 3 million people. This was to be approached through spreading out the employment effects of the plan more widely and evenly. Than in the past, rural works programmes providing works to 2.5 million persons for 100 days in the year and large scale programmes of rural industrialization. However, over the Third period the additional employment created in estimated of 14.5 million
10.5 million in the non-agricultural sector and 4 million in the agricultural sector. The backlog of the unemployment at the end of the plan was estimated at about 4.5 million.

While maintaining intact, the main economic strategies in favour of development of heavy and machine-building industries like proceeding plan (1964-74) has it as a major objective of the plan to create more employment opportunities in the rural and urban sectors on increasing scale. The first draft outline of the Fourth Five Year Plan (1966-71) estimated the increase in employment opportunities outside agriculture at about 14 million and in agriculture of the order of 4.5 to 5 million, making a total additional employment potential of 18.5 to 19 million as against an estimated net addition of 23 million to the labour force during the plan period leaving a gap in employment of 4 million or more at the end of the plan. The final draft of the Fourth Five Year Plan (1969-74) however, fails to give as quantitative statement either about the net addition to the labour force or about the employment potential of the plan programmes. But if the prospective estimate made in the Third Plan document is taken to be correct the additional employment opportunities for about 50 million people, had to be created between 1966-76 to check any further deterioration in the employment situation.

As a consequence of increased tempo of agricultural and industrial activities larger employment was expected. Service sector such as education, health and family planning were also expected to provide considerable employment. In the aggregate, therefore, the
effect of the proposals in improving employment situation was expected to be significant. But the extent to which employment opportunities would be created could not, however, be qualified.

The estimated short fall in the employment target is originally proposed for the Second Plan (about 2 millions). In addition under-employment in the sense of those who have some work but are willing to take up additional work, cannot be precisely estimated but is believed to be of the order of 15-18 million.

Increase in the labour force during a given period is calculated with reference to the proportion of men and women in the age group 15-59 years who are estimated as being gainfully employed or seeking employment. In the Third Plan, the increase in labour force had been worked out at 15 millions and it was pointed out that, if deterioration in the employment situation was to be avoided additional employment opportunities of this order would have to be found during the Third Plan. In a growing economy, mobility of labour specially among skilled workers, is a great importance and should be encouraged and facilitated. However, in relation to the numbers involved, the effects of such mobility as can be achieved in the next few years will be necessarily limited and will not affect the total size of the task to be under taken in each state or region.

The employment objectives of the Third Plan need to be viewed in the perspective of a longer period. Increase in the labour force over the next 15 years may be of the

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order of 70 million. This consists roughly of about 17 million the Third Plan, about 23 million in the Fourth and about 30 million in the Fifth Plan. The experience of first two Plans has shown that a larger proportion of the employment opportunities generated during the period have gone to the non-agricultural sector on the assumption that this trend will continue in future and also that about two thirds of increase in the labour force over next 15 years in absorbed outside agriculture it should be possible to reduce the proportion of the working force dependent on agriculture to around 60 percent by 1976.

There are inherent difficulties in estimating the employment potential of the vast range of projects and programmes which form part of a plan of department stretching over a period of five years. In each sector of the Plan two major assumptions have to be made. The first is that through appropriate economic and other policies production and employment will not be allowed to fall below the existing levels. Secondly, the various development programmes for which the plan provides, will not be undertaken with the necessary efficiency and economy, and continuity of output would be assured. In some fields, as in agriculture and trade it is specially difficult to estimate the likely additional employment. Increase in agricultural production to which the Plan, devotes a fair share of resources will lead primarily to reduction in under-employment opportunities.

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In estimating the employment effects of the Plan, it is usual to distinguish two phases of employment: the construction phase and the continuing phase. Employment in construction, though temporary, postulates a certain order of investment even for maintaining it at a given level. Increase in construction employment can, therefore, be estimated with reference to the increase in investment over the previous plan period. Since investment in construction is divided broadly between the labour component on the one hand and machines, materials and services on the other, for working out the additional the formal has to be calculated with same precision.

In estimating continuing employment in fields such as agriculture, irrigation, industry, transport, social Services, trade etc. a variety of criteria have to be followed. For instance, development of agriculture afforestation and irrigation facilities may in part reduce under-employment and in part may provide full employment to new entrants. It is by no means easy to ascertain the relative share of the benefits to the under-employed and to new entrants. Programme of development, afforestation, land reclamation, flood control, settlement on land and the utilization of irrigation facilities with provide means for employing new entrants to labour force in addition to giving greater employment to those who are already at work. For this purpose certain norms have been adopted on the basis of experience accumulated over the last ten years.

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The Third Plan had envisaged that over the fifteen years 1961-66, the entire increase in the labour force of about 70 million would be absorbed into productive and gainful employment. From this aspect, it is necessary to review proposals for development during the Fourth Plan both in public and private sector, not only for the country as a whole but also separately for each state.

In considering increase in employment during the Fourth Plan, account has to be taken both of expansion in employment opportunities consequent upon new investment and of measures of to achieve maximum production and employment though effective utilization of productive capacities which have been already created. On present estimates, it appears that against a 23 million of net addition to the labour force during the period of the Fourth Plan, increase in employment opportunities outside agriculture may be about 14 million and in agriculture of the order of 4.5 to 5 million, making a total additional employment potential of 18.5 to 19 million. There may be, thus, a gap in employment of 4 million or more. Plans of development envisages creation of new and expansion of existing capacities as well as more efficient use of existing capacities. This letter aspect will have increasing importance for employment policy in the future. In view of the substantial development which has already occurred in the economy it must be a major objective of economic and industrial policy to sustain current employment at the highest levels feasible.

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Between 1951 and 1961, the labour force in India increased by over 21 million. Against this non-agricultural employment is reckoned to have increased by about 12 million. Increase in agricultural employment is difficult to estimate but may be placed at about 5 million. Unemployment at the end of Second Plan was estimated at about 7 million. Over the Third Plan period the labour force increased by 17 million, 10.5 million being in non-agricultural sector and 4 million in the agricultural sector. Thus, on these estimates, the back log of unemployment at the beginning of Fourth Plan was 9 to 10 million of whom about three fourths are in the rural areas. These data highlight the facts that additional employment generated during the First, Second and the Third Plan periods has fallen short of the over all demand for employment opportunities arising from growth of populations migration from rural into urban areas and development of education.

To achieve a balance between development and investment on the one hand and growth of employment in the other, is an essential objective of Planning. However, such a balance has to be sought as an indirect rather than as a direct consequences of planning. In drawing up a plan, a wide range of constraints and possibilities have to be taken into account. Considerations bearing on employment can be taken into account only broadly in terms of policies concerning choice of techniques and programmes for utilizing

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surplus manpower, promotion of village and small industries or other forms of small scale activities and self-employment. In each sector there are compelling requirements which have to be met. So that the scope for large changes in the plan from the angle of employment is limited. Yet the ability to absorb at least the net addition to labour force into productive and gainful employment is a test which a plan of development should endeavour to meet at the very stage of formulation.

**Approach During Fourth Plan**

Each Five Year Plan is a segment of a longer term plan for the development of the economy. If a view is taken of the shape which the problem of employment is likely to assure over a period of a decade or more, including the structure and composition of the labour force and categories of potential workers for whom a marked imbalance in employment opportunities is anticipated it is both possible and necessary to influence development policies, priorities and allocations in a more decisive manner than may be immediately feasible.

In fact that under present conditions, successive plans of development are unable to find gainful employment for all the net addition to the labour force and continue to add to the backlog of unemployed persons has two sets or implications; First as stated earlier to the extent possible, the content and manner of implementation to development programmes should be such as to make the maximum impact on employment; secondly there should be additional programmes
for making effective use of the available manpower resources. These resources became available partly on account of unemployment but even more because of the prevalence of large scale under employment. In varying degrees, under employment exists both in urban and in rural areas. The total number of under employed persons available and willing to take up additional work is reckoned roughly at about 16 million. Many of the development programmes under taken and carried out through the Five Year Plans, as in agriculture and in small industries, provide a measure of relief to the under employed. However, in many rural areas, because of the extent to which under employment prevails the available manpower can not be effectively utilized without under taking special programmes for public works and small rural works which can provide employment to the large numbers of persons, particularly during the slack agricultural season.

**Rural Works Programmes**

This approach to rural man power had been stressed in the Third Plan which visualised a rural works programmes on a mass scale capable of providing work for 2.5 millions persons in terms of 100 days work in the year. However, while indicating an outlay of the order of ०1.150 crores, over the five year period, a specific allocation for the programme was not made in the plan and it was proposed that funds should be alloted from year to year. A beginning was
made during the Third Plan, but the scale of the effort under taken was much smaller than had been hoped for largely because of several unexpected developments which occurred and the consequent limitation on resources. In all, only a sum of Rs. 19 crores, should be made available for the rural works programme. In the last year of the Third Plan, expenditure stood at a level of nearly 8 crores and the employment provided could be reckoned at about 400,000 in terms of work for 100 days in the year.

The Fourth Plan, as at present formulated, shows a gap of 4 million or more between the net addition to the labour force and the additional employment likely to be generated. In view of this factor and recognition of the role which rural works can fill this programme has now been incorporated as an integral part of the Fourth Plan. Although employment provided in the slack agricultural season is not a substitute for the creation of opportunities for gainful work such as accrue from the provision of basic capacities and an adequate infra-structure, the rural works programme has a vital contribution to make both towards relief of unemployment and under employment and assuring of minimum earnings and towards acceleration of the pace of agricultural and rural development. From data already furnished it is apparent that if the rural works programme is to fill the anticipated gap in employment there would be
justification for a programme large growth to provide work during the slack agricultural seasons to about 4 million persons. However, having regard to the various claims on the available resources a provision of ₹. 15 crores has been made. The possibility of a large programme being under taken on an assessment of performance and results during the next two or three years or of acceleration in certain areas has to be kept open. Given a selective approach to the areas where rural works programmes are specially needed and a careful watch on the state of employment, the rural works programme should serve as an effective but flexible instrument of rural employment policy.

The Sixth Plan had estimated a net addition to the labour force of the order of 34 million in the age group of 5 plus during 1983-85. The backlog of usual status unemployment at the beginning of March 1980 was estimated at around 12 million. These two together indicated the magnitude of the employment to be generated during the Sixth Plan period.

For the Seventh Plan period information available on labour force participation rates and unemployment rates based on the 32 round (pertaining to 1977-78) in the National Sample Survey Organisation's study on Employment - Unemployment (also used in Sixth Plan document) and from the 38 round (pertaining to 1983 for the first two sub round there of covering the period January - June 1983). The usual

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status unemployment rates by the age - sex - residence derived from these two sub-rounds of the 38th. round are given as 5:1 since medium term variations in labour force estimates in March 1985 and 1990 for the different age groups have been derived by using the same participation one (i.e. from the 32 round) as those which were and for estimating the labour force for the last Plan and (1980-85). These estimates are given in table given below:

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<tbody>
<tr>
<td>5+</td>
<td>305.40</td>
<td>344.78</td>
<td>2.46</td>
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<tr>
<td>15+</td>
<td>287.82</td>
<td>326.61</td>
<td>2.56</td>
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<td>15-59</td>
<td>269.81</td>
<td>306.08</td>
<td>2.55</td>
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Note:- It is worked out using the labour force participation rates from the N.S.S. 32nd. round.

In addition to the above there is a sizeable population which is economically active in subsidiary occupations. The number of subsidiary workers, using the N.S.S. 32 round rates, is nearly 27.10 million for age group 5+ in March 1985.

In the Sixth Plan document overall employment was expected to grow from 151.11 million standard person on

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years (SPY) in 1979-80 to 185.389 million SPY in 1984-85 i.e. an increase of 34.28 million SPY. It has now been estimated that the employment in 1984-85 would have been of the order of 186.705 million SPY implying an increase of 35.60 million SPY. The growth rate of employment generation during the Sixth Plan period works out to 4.32 percent per annum.

In addition to the sectoral investment during the Sixth Plan period which have resulted in an expansion of employment opportunities through the process of growth, there has been in operation important employment beneficiary oriented programmes for specific target groups such as the National Rural Employment Programme (N.R.E.P.) the Integrated Rural Development Programme (IRDP) the Rural landless Employment Guarantee Programme (RLEGP), the Training Scheme for Rural Youth for self Employment (TRYSEM) and the Scheme for providing self Employment to Educated unemployed Youth. Briefly, the special Employment Programmes as also the state Employment Programmes are as detailed below

(1) The National Rural Employment Programme (NREP) aims at generating employment opportunities in the rural areas, simultaneously creating durable community assets for strengthening the rural infra-structure; it also seeks to improve the nutritional status and living standards of the rural poor. The programme operates in close conjunction with other development works. For the sixth five year plan, there was a provision of ₹ 980 crores in the central sector and ₹ 640 crores in the States sector making a total of ₹ 16.20

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crores for this programme. The progress of employment generation as a result of the execution of various works under the programme has been as follows:

<table>
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<tr>
<th>Year</th>
<th>Target</th>
<th>Achievement</th>
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<tbody>
<tr>
<td>1980-81</td>
<td>-</td>
<td>413.58</td>
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<tr>
<td>1981-82</td>
<td>335.73</td>
<td>354.57</td>
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<tr>
<td>1982-83</td>
<td>353.22</td>
<td>350.10</td>
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<td>1983-84</td>
<td>322.23</td>
<td>302.02</td>
</tr>
<tr>
<td>1984-85</td>
<td>309.13</td>
<td>349.90</td>
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During the Sixth Plan it was felt that the hard core rural poverty, particularly that pertaining to the unemployment of the landless labourers during the lean agricultural season, had to be tackled in a more direct manner. According a new Scheme called. The Rural Landless Employment Guarantee Programme (RLEGP) was introduced in 1983. The objectives of the programme are (1) to improve and expand employment opportunities for the landless with a view to providing guarantee of employment to at least one member of every landless labour household upto hundred days in a year (ii) creating of suitable assets for strengthening the rural infra-structure which will lead to rapid growth of the rural economy. Assistance to the programme was provided to the U.T. Governments on 100 percent basis. Funds

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amounting to ₹ 600 crores were allocated to them in the last two years of Sixth Plan. It was originally stated that 360 million man days of employment would be generated under the programme during the last two years of Sixth Plan period i.e. during 1983-85 against this 260.15 million mandays employment were generated during the years (iii) Integrated Rural Development Programme (IRDP) is the single largest programme for providing direct assistance to the rural poor and is meant for the poor among the poor. Its objective is to provide productive assets and employment of the poor for enabling them to attain incomes and better standard of them. The IRDP was expected to cover 15 million families to be identified in all the Development Blocks of the country during the sixth plan period; on an average, 3000 families in block were to be provided assistance for through this programme. A sum of ₹ 150 crores was provided in the Plan as subsidy for this programme. The banks were asked upon to provide another ₹ 33 crores by way of loans to selected beneficiaries. Further back up facilities infra-structure community projects and assistance to voluntary agencies were provided.

The scheme of Training Rural Youth Self Employment (Trysem) was included (introduced) in 1979 with the principal objective removing unemployment among the rural youth. The target was to train above 2 lakh rural youths every year at the rate of 40 youths of per block of the country. Trysem is an integrated part of IRDP and aims at equipping the rural

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Youth with skills to enable them to become self-employment. A rural youth from a family having an income of less than Rs.3500 per year was eligible for selection. Preference to selection was given to those who had aptitude for innovation and enterprising activities. Priority was also given to members of SC/ST and women. The accepted mode of training is through institutions under master trainers. According to available information, 9.4 lakh rural Youths received training under TRYSEM during the Sixth Plan. Around 50 percent of them have taken up self-employment.

The backlog of unemployment at the out set of VII Plan has been estimated at 9.2 million for the age group 5+. It has also been seen that the net addition to the labour force in this age group would be 39.38 million. These figures indicate that over all magnitude of employment was to be generated in the Seventh Plan. The Seventh Plan envisages a growth rate of 5 per cent in G.D.P. Besides the sectoral programmes the package of poverty alleviation programmes aimed at giving self-employment and wage employment to the poorer sections of the community will continue on a significant scale during the Seventh Plan. It is expected that additional employment of the order of 40.36 million standard person years would be generated during the Seventh Plan with an implied growth rate of 3.99 percent per annum. The special employment programmes of NREP and RLEGEP would generate 2.26 million standard person years of

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employment in 1989-90. The employment generation from I.R.D.P has been estimated at 3 million SYP mainly concentrated in agriculture and other sectors.

**Strategy:**

Progressive reduction of unemployment has been one of the principal objectives of economic planning in India. It has been envisaged that the growth of the economy would not only increase production but also provide the capacity for absorbing the backlog of unemployment and under-employment and a substantial proportion of the addition to the labour force. The solution to the problem of unemployment and the poverty that goes with it has to be found, ultimately through a high rate of over all economic growth. Considering, however, the relatively low levels of income from which the economy has to be pulled up, it was recognised that there would be some leakage in the percolation effects of growth and in any case, these percolation effects would not be sufficient to generate the required employment opportunities. It was therefore, felt necessary in different Plans to have supplemental programmes for specific target groups areas for employment creation, income generation and poverty alleviation. These have taken the form of direct employment programmes for providing seasonal employment to the agricultural labourers on rural

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capital works and beneficiaries target group oriented programmes of assets provision, input deliveries and marketing and credit infra-structure creation.

Employment and manpower policy in the Seventh Plan has to be viewed against this basic approach. The task is one of the adopting a suitable structure of investment and production, appropriate types of technology and mix of production technique and organisational support which would help promote growth in productive employment. Employment generation as an objective does not mean the adoption of a static technology. It is not advisable to insulate the economy from the world trends in technological changes. Technological upgradation, modernisation and scientific advances in production process constitute the essence of growth of productivity whether it be in organised industry. A clear view of efficiency and employment effects downstream should be formulated before setting about the management of technological change. There should be suitable arrangements and adjustment policies in terms of education, training and retraining and re-orientation of workers in order to avoid dislocation and make the process of technology adoption.

In formulating the employment strategy, a role has to be assigned to the growth of the agricultural sector. A strategy growth in agricultural production through the expansion of Irrigation increase in cropping intensity and

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the extension of new agricultural technologies to low productivity regions to create a large volume of additional employment cause these means, have a high potential for labour absorption. However the agricultural sector can not be expected to eliminate that backlog of employment and absorb the additions to the labour force. The rate of industrial growth must be accelerated.

For Seventh Plan period, information available on labour force participation rates and unemployment rates based on 32 round (Pertaining to 1977-78) in the National Sample Survey Organisation1 Study on Employment - unemployment. (also used in Sixth Plan document) and from the 38th. round (pertaining to 1953 for the first two sub rounds there of covering the period January - June 1983). The usual status unemployment rates by the sex - residence derived from these two sub rounds of the 38th. round are given in as 5.1. Since medium term variations in labour force participation rates may not be large, the labour force estimates of March 1985 and 1990 for different age groups have been derived by using the same participation rates (i.e. from the 32 round) as those which were used for estimating the labour force for the last plan period (1980-85)

The rural unorganised labour includes the landless labourers and small and marginal farmers, share croppers, rural artisans , forest labour, fisherman and persons

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engaged in self-employment like Beedi workers, leather workers and hand-loom workers. Apart from the general problem of unemployment, rural labour forces problems of under-employment, low wages lack of education and organisation. A number of schemes are already being implemented to improve the living and working conditions of rural workers in the country. The transformation of their Socio-economic conditions is admittedly a challenging task demanding commitment, dedication and hard work. As the basic malady afflicting the rural unorganised workers has been lack of employment opportunities particularly during the slack seasons emphasis would continue to be placed on the special target programme for employment creation and income generation. Efforts would be made not only to upgrade the skills of the workers, but also to educate them and make them aware of the pragmatic and legislative provisions available for the genuine and effective voluntary organisations would be involved in the process of organising and is actual implementation of the scheme.

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Employment in a Developing Economy with Special reference
To India.

In a developing country productivity in quite lower. It has surplus labour in the sense that a part of the able bodied adults, dependent on agriculture can be withdrawn without any reduction of output; As far as developed countries are concerned, there is no theory of employment, but there are certain factors which create employment opportunities in the country. In a developed country, predominance of agriculture and poor level of industrialisation lead to disguised unemployment. In a developing country, unemployment is due to the lack of capital formation. But the unemployed can not be identified in person, for there may not be anybody unemployed. The superfluous labour is largely indistinguishable from the essential labour superfluity of labour lies in the fact that its withdrawal would not reduce agricultural output even if the methods of production, remain unchanged.

For achievement of full-employment jobs would have to be provided for the entire under-developed in the agricultural sector the unemployed in the non-agricultural sector and additions to the two, from rapid growth of population. Non-agricultural sector has to grow fast to absorb the unemployed around itself and surplus labour of agricultural sector. There need not be large scale migration of population from villages to towns, additional jobs may be created all over the rural areas to absorb the unemployed.


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and under-employed change in economic structure has to be rapid in order to achieve full employment.

In developing countries large population may help in capital formation. Sparsely populated countries should have more difficulties in development than those densely populated. Sparsely populated countries have both shortage of men and capital both while densely populated countries have deficiency of capital alone. Here population is burden due to imbalance in agricultural and non-agricultural sectors.

Developing countries show signs of resistance against the elimination of such an imbalance. Economic development does not in itself tend to remove structural disparity. It tends to increase the discrepancy in size and levels of productivity and income between agricultural and non-agricultural sectors. Shortage of capital may stand in the way of absorption of a large labour force in non-agricultural sector. Marginal productivity of non-agricultural sector rises through out.

Economic development of India presents the picture of poverty in the midst of plenty. During the decade 1961-71 growth rate of population of India was 24.52%.

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1. Ragnar Nurkse developed the thesis that disguised unemployment in over populated countries can be a source of capital formation.
Table No. 42.

<table>
<thead>
<tr>
<th>Census Year</th>
<th>Population in India</th>
<th>Decennial percentage variation India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>2384</td>
<td>-</td>
</tr>
<tr>
<td>1911</td>
<td>2520</td>
<td>+5.75</td>
</tr>
<tr>
<td>1921</td>
<td>2513</td>
<td>-0.31</td>
</tr>
<tr>
<td>1931</td>
<td>2790</td>
<td>+11.00</td>
</tr>
<tr>
<td>1941</td>
<td>3186</td>
<td>+14.22</td>
</tr>
<tr>
<td>1951</td>
<td>3611</td>
<td>+13.31</td>
</tr>
<tr>
<td>1961</td>
<td>4392</td>
<td>+21.51</td>
</tr>
<tr>
<td>1971</td>
<td>5479</td>
<td>+24.7</td>
</tr>
</tbody>
</table>

Above table shows that it is only after the census of 1921, that a gradual growth in population is evident and that is why the year 1921, in considered as the year of Great Divide in India. During the first twenty years between 1901 to 1921, the increase in population of this country was quite nominal, even reduced in 1921 but then it started rapidly increasing.

This rapidly increasing population or human resources could be well utilized in growing agricultural economy in India. No doubt, inadequacy of the supply of capital, absence of technical know-how and lack of entrepreneurship are inhibitory factors in the process of growth and industrialisation but adoption of improved farm techniques can go a long way in providing opportunities for proper utilization.

of man power, in the subsistence agricultural sector. Balanced growth of all sectors of the economy is capable of absorbing vast human resources.

Employment in Agriculture:

Employment in agriculture is different and peculiar as compared to that in industry. For millions of persons born in rural areas, absorb in agriculture while industries are selected in choosing their workers. In agriculture, there is no question of any selection, or rejection. Agriculture thus acts as the great population insurance system of the world, always capable of supplying human labour for industrial job. Point of difference between agricultural and industrial employment is that in agriculture, it is seasonal while in industries, it is more or less continuous through out the year. Agriculture has its peak and slack seasons while the peak periods offer maximum employment, other times they are unemployed or under-employed. During the intervening period, agricultural labourers often take up odd jobs like carrying load, repairing houses, selling vegetables, driving rickshaw etc.

Working days of agricultural labourers show considerable variations. During peak season of agricultural activities, the working days are larger while they are shorter during weeding of preparatory operations. The hours of women are also shorter. Under certain regional circumstances,


contd....
strenuous operations like ploughing can not be undertaken throughout the day and therefore, employers utilize the labourers for other operations during a part of the day. The age old traditions of cultivation in different and considerably influence the working day of the agricultural labourer.

Here we all agree that agriculture is the backbone of India but its base is very poor. The percentage of agriculture workers, which include both cultivators and agricultural labourers was 69.6% in the whole of India in 1971 while according to the census of 1981 it was 70.1% percent.