

CHAPTER 5

EMPLOYMENT PERSPECTIVE

(i) LABOUR FORCE AND EMPLOYMENT PROJECTIONS

5.1 The Approach Paper to the Tenth Plan, approved by the NDC in September 2001, prescribed provision of gainful high-quality employment to the addition to the labour force over the Tenth Plan period. A subsequent assessment of unemployment situation in the base year of the Tenth Plan 2002 showed that to clear the backlog of unemployment, 35 million employment opportunities are required to be created. The Tenth Five Year Plan, however, aims at provision of gainful employment in excess of the addition to the labour force.

Recent Trends in Employment and Unemployment Situation

5.2 There was a slight decline in population growth between the periods 1983-1993/94 and 1993/94-1999/2000 from 2.0 per cent per annum to 1.9 per cent. Though growth of output in the economy accelerated between these two periods - from 5.2 per cent gross domestic product (GDP) growth to 6.7 per cent, the pace of employment growth slowed down from 2.7 per cent to 1.07 per cent as per National Sample Survey Organisation (NSSO) employment surveys (Annexures 5.1 & 5.2). Slow-down in pace of employment growth, in the nineteen nineties, is also borne out by demographic census data - growth of main workers decreased from 2.34 per cent to 0.81 (Annexure 5.3). Similar trends in deceleration of employment growth are revealed for specific segments of employment—growth of workers in establishment covered by economic census came down from 2.84 per cent annum in 1980-1990 to 1.71 in 1990-1998 (Annexure 5.4); employment in establishments covered by Employment Market Information System of Ministry of Labour grew at 1.20 per cent per

annum during 1983-1994 but decelerated to 0.53 per cent during the next five years 1994-1999. However, the latter decline was mainly due to a decrease in employment in public sector establishments, whereas the private sector showed acceleration in the pace of growth from 0.45 per cent to 1.87 per cent. (Annexure 5.5) Thus, the employment intensity of the growth process of the Indian economy is coming down (Annexure 5.6).

5.3 The decrease in employment intensity of output growth can be explained by either an increase in capital intensity or increase in labour productivity, releasing labour. Both happened partly in this period. Incremental capital output ratio (ICOR) increased greatly and also capital substituted labour. Both suggest strategies to look for labour intensive areas and technologies.

5.4 At micro level, the increase in productivity of labour should be reflected in higher growth of real wages. Some indicator of this trend is seen when the growth of real wages of rural casual male workers is seen during 1994-2000 compared to in the preceding period 1983-1994 (Annexure 5.7). However, the rise in the real wages of casual labour only cannot be a conclusive evidence either of an increase in the real income or of tightening of labour market when the incidence of unemployment has not reduced, and has rather gone up. For example, unemployment rate reduced from 8.3 per cent of labour force, measured on current daily status (CDS) basis, in 1983 to 5.99 per cent in 1993-94; however it rose to 7.32 per cent in 1999-2000. Further, youth unemployment has increased between 1993-94 and 1999-2000: among rural males in 15-29 years age group from 9.0 per cent to 11.1 per cent, and from 7.6 per cent to 10.6 per cent among rural females (Annexure 5.8). In addition, there are sharp variations in the unemployment

rate across States (Annexure 5.9). Against the all India average of 14.7 per cent unemployment among the urban male youth (15-29 years) in the year 1999-2000, while Gujarat, Haryana, Rajasthan and Punjab have 8 to 9 per cent unemployment, it is much higher in Assam (22.4 per cent), West Bengal (23.4), Bihar (24.0) and Kerala (26.6). Moreover, the incidence of unemployment is much higher among the poor. In the lowest consumption expenditure class the unemployment rate is more than twice the level compared to the highest expenditure class (Annexure 5.12).

5.5 The growth of labour force decelerated from 2.43 per cent to 1.31 per cent per annum between the periods 1983-1993/94 and 1993/94-1999/2000. However, the growth of population in the working age group (15+) has continued to accelerate despite the fall in growth of population, as the younger cohort grows older. The decline in the growth of labour force, inspite of a higher growth of population in the working age group is because a substantial part of those in the working age group have withdrawn from the labour force. While a part of the decline in labour force can be explained by an increase in the attendance at educational institutions, it cannot be ruled out that some of those in the working age group have withdrawn from labour force due to non-availability of work.

Population and Labour Force Projections

5.6 The changes in the age structure of population, given the present demographic transition of the Nation, are such as to lead to a much faster

growth of population in the working age group than the entire population, and this, given the different participation rates in different age groups will lead to a faster growth of labour force as compared to the working age population (Tables 5.1 and 5.2).

5.7 As noted earlier there was a substantial gap in the growth rates of working age population and labour force in the period 1993/1994 - 1999/2000, leading to a sharp fall in the growth of labour force to 1.31 per cent per annum from 2.43 per cent during the preceding period 1983 - 1993/94. The Planning Commission Special Group on Creation of 10 million Employment Opportunities a Year in Tenth Plan noted that the causes underlying this sharp fall need to be investigated further. One view is that withdrawal from labour force is to invest one's time in acquiring education for better returns in future, while the Special Group observes that this factor can only partially explain withdrawal from labour force, and suggests that lack of work opportunities can also lead to complete withdrawal from labour force. The decline in the rate of growth of labour force, however, is not expected to continue unabated in future. Hence the special Group adopted the higher of the two alternative labour force growth scenarios suggested by the Task Force on Employment Opportunities. Accordingly, the Group has adopted a 1.8 per cent growth rate of labour force in the Tenth Plan period (2002-07), i.e. a much slower decline in the age-specific participation rates in the period beyond (2007-12). Therefore, the projections of labour force are made here on 1.8 per cent growth (Table 5.3).

Table 5.1
Age Structure of Population

(age distribution in per cent; population in millions)

Age group	2001	2006	2011	2016
0 - 14	35.6	32.5	29.7	27.1
15 - 59	58.2	60.4	62.5	64.0
60 +	6.3	7.0	7.9	8.9
All age groups	100.0	100.0	100.0	100.0
Population	1,027.0	1,113.7	1,194.4	1,267.5

Source : Planning Commission

Table 5.2
Growth in Population and Labour Force

(per cent per annum)

	2002 - 2007	2007 - 2012	2012 - 2017
Population (All age groups)	1.63	1.41	1.20
Population (15 - 59 years)	2.41	2.08	1.70
Labour Force(1) (15 - 59 years)	2.42	2.15	1.78
Population (15 +)	2.57	2.26	1.93
Labour Force(1) (15 +)	2.51	2.25	1.92

Note :

- (1) Labour force projections here are on the basis of labour force participation rate for each quinquennial age group remaining unchanged, i.e. the changes in labour force growth in relation to population are due to changes in the age composition of the population.

Source : Planning Commission .

Table 5.3
Increase in Labour Force and Working Age Population

(million)

Basis of Scenario	2002-2007	2007-2012
Increase in Labour Force (Special Group) ¹	35.29	40.02
Increase in Working Age Population ² (15+)	55.25	55.82

- Source :** 1. Report of Planning Commission Special Group on creation of 10 million Employment Opportunities per year (2002)
2. Derived from Table 5.1

Measurement of Employment and Unemployment

5.8 In the Ninth Plan, the calculations of employment and unemployment were based on Usual Principal and Subsidiary Status basis (UPSS). The Report of the Special Group has viewed that current daily status (CDS) is a better measure to capture unemployment and underemployment, than the usual status, and therefore recommended the use of CDS basis for estimation purpose.

5.9 The rationale for using CDS as measuring employment and unemployment is the following. The Approach Paper to the Tenth Plan recommends creation of gainful employment opportunities for the entire additions to labour force in the Tenth Plan and beyond. Therefore, policies and programmes to fill the gap between requirement and availability of gainful employment opportunities are to be worked out. At any point of time, there is a large unemployed and under-employed workforce i.e., not having any gainful employment, although by using the measurement on UPSS basis, several of them are declared employed. This results in over-estimation of the level of employment. To avoid this, largely, the Special Group suggested estimation of the extent of employment and unemployment on CDS basis.

5.10 According to the NSSO employment and unemployment survey report of 1999-2000 'The usual status approach adopted for classification of the population is unable to capture the changes in the activity pattern caused by seasonal fluctuations. But the estimate obtained by adopting the current weekly or current daily status approaches are expected to reflect the overall effect caused by the intermittent changes in the activity pattern during the year. The latter (CDS) reflects also the changes,

which take place even during the week. The estimate of the employed based on current daily status gives average daily picture of employment.' Therefore the Special Group regarded the CDS measurement as the most appropriate measure to have an estimate of the gap i.e., jobs to be created on gainful basis, in order to bring out recommendations as to how they can be filled up by changes in policies and programme.

5.11 The NSSO Report also provides estimates of the likely under-employment that is hidden in the number of the employed category, calculated by the UPSS approach when they are compared with CDS. The activity pattern of the usual employment during the days within the reference week is indicated by the distribution of their activity by current daily status. The relevant results for rural and urban India are presented in Table 5.4. It is observed that the proportion of person days of the usually employed, utilised for work, is lower for females as compared to the males throughout the period 1987-88 to 1999-2000. During 1999-2000, this proportion was estimated at about 68 per cent and 79 per cent for females in the rural and urban India respectively, as against 90 per cent and 94 per cent for males in rural and urban India respectively. If the work is not available, large portion of the females withdraw from the labour force rather than report themselves as unemployed. The distribution obtained from the 1999-2000 survey is presented in Table 5.4.

PROJECTIONS OF EMPLOYMENT OPPORTUNITIES

5.12 As noted earlier, the employment generating capacity of output growth has been seen to be reduced in recent years (Annexure 5.6). The baseline scenario of growth of GDP is 6.5 per cent, as indicated in the Tenth Plan Approach Paper. Annexure 5.13 gives the employment perspective using these estimates. This scenario shows that on the 'business as usual basis' (i.e., with the present employment elasticity) the percentage of unemployed will grow up to 11.0 at the end of the Tenth Plan, giving a total unemployed labour force of 45.56 million person years. This picture is not acceptable on any socio-economic or political ground. Therefore, a much higher growth rate (8 per cent) is needed for the future along with positive policies and programmes for changing the sectoral pattern and technology in favour of labour-intensive production, if unemployment is to be tackled.

5.13 The estimates of employment and unemployment of the Tenth Plan's base year (2001-02) are given in Annexure 5.14. The estimates of unemployed for the year 2001-02 have been given around 34.85 million person years (defined on CDS basis) when the unemployment rate went up around 9.21 per cent. It also provides the estimates of addition to labour force over the Tenth Plan period as 35.29 million person years. Thus, over the Tenth

Table 5.4
Per 1000 Distribution of Person-days of Usually Employed (principal and subsidiary status workers taken together) by their Broad Current Daily Status

Current daily status	Rural						Urban					
	Male			Female			Male			Female		
	1999-00	1993-94	1987-88	1999-00	1993-94	1987-88	1999-00	1993-94	1987-88	1999-00	1993-94	1987-88
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Employed	897	909	926	676	663	638	942	949	938	791	766	716
Unemployed	53	40	27	41	30	26	27	27	37	22	24	37
Not in Labour Force	51	51	47	283	306	336	31	25	25	187	210	247
All	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000

Source : NSSO

Plan, we have to deal with the problem of creating job opportunities against a potential job demand of more than 70.14 million person years (i.e., 34.85 million base period unemployment and 35.29 million new labour entry net of exits). Against this perspective, the employment objective of the Approach Paper to the Tenth Plan has to be addressed. The Approach Paper recommends providing gainful employment opportunities to all the additions in the labour force over the five year period, and reducing significantly the rate of unemployment over the Tenth Plan, so that by the end of the Eleventh Plan, the unemployment rate will be near zero.

5.14 The Tenth Plan visualises a substantially higher growth rate of 8 per cent per annum. The break-up of the aggregate growth rate is given in Annexure 5.15. Given this growth pattern and assuming the present sectoral employment elasticities, an estimate has been made of the level of employment and unemployment over the Tenth Plan. Increased employment opportunities of around 29.67 million person years (i.e., an increase from the base figure of 343.36 million to 373.03 million) will be created with the help of a 8 per cent per annum growth over the next five-year period. This 'business as usual' scenario means, an employment growth of 1.7 per cent per annum as against a labour force growth of 1.8 per cent per annum. The result: even with as high a growth as 8 per cent, the objective of providing employment opportunities to all additions to labour force will not be achieved; an additional 5.62 million employment opportunities will have to be created. This, added to the base period stock unemployment of 34.85 million, will give an unemployment rate of 9.79 per cent at the end of the Tenth Plan, an increase from 9.21 per cent at the base. This arises largely due to the near jobless growth character in many sectors of the economy especially in the organised sector, and a growing capital intensity in many of the organised sectors and even in some of the unorganised sectors including some small scale industries. The unemployment rate at the end of the Tenth Plan can even go up by a minimum one-percentage point (adding four million more unemployment) if the labour force growth increases to 2.0 per cent per annum². The answer is,

therefore, to look for a development strategy, which will revamp the activities in those sectors where the comparative advantage lies in a labour-intensive nature of production. But as the economy is now operating under the impact of globalisation, all care should be taken in the reallocation of activities between sectors and sub-sectors, so that every sector can meet the open market competition. To give a simple example, without the changes in the overall growth rate of agriculture, the sub-sector compositions can be changed by changing the cropping patterns and resources allocated between food and non-food, from less to more labour intensive sectors. Even this strategy may not always need additional investment resources. In fact, it is often said that a change in favour of labour intensive activities is accompanied by saving of capital by substitution of capital by labour and knowledge/technology. Specific programmes and projects are to be identified and launched, keeping this goal in view. In this effort, extensive discussions with Ministries and sector specialists have been undergone. At present, the awareness of the need for employment generation is generally very poor while formulating the plan programmes/policies. This applies to most of the concerned Ministries and authorities. As per the findings of the Special Group on Employment Generation, agriculture and allied sector activities have a very large employment generating potentiality. This is to be achieved not necessarily by heavy additional investment, but by reallocation of funds and choice of appropriate technologies. But to be sustainable under the present globalised system, this should be supported by appropriate policies to increase their productivity and competitiveness, which would make them viable.

5.15 Annexures 5.14 and 5.16 present the scenario of employment generation, separately for those emanating from growth per se without any change in the existing employment elasticities, i.e. implicitly assuming a 'business-as-usual' scene (with no changes in intra-sectoral composition of labour intensity of output) and for those with selective changes in policies and programmes in favour of more labour use. The sectoral estimates of these are given in Annexure 5.18. As Annexure

² Table 5.3

5.19 shows, the maximum addition to employment generated from special programmes will come from (i) agriculture and allied activities, (ii) small and medium enterprises, broad-based rural non-farm activities and some of the social services sectors like education and health. Besides, appropriate policy changes have been identified for the fast development of sectors of high labour intensity like construction, tourism, communication and information technology and financial services. There are many potential areas in the informal sectors, and especially in the self-employment area, which can provide high employment, and therefore should also be developed.

5.16 The summary Annexure 5.18 shows that, with suitable programmes and policy changes, the same 8 per cent growth rate can generate an additional 19.32 million person years of employment opportunities over the Tenth Plan period, giving a total of 50 million person years of employment opportunities over the Tenth Plan. This recommended scenario will not only absorb all additions to labour force generated over the Tenth Plan in gainful manner, but also reduce the level of unemployment by nearly half and will eliminate it completely by the end of the Eleventh Plan. The percentage unemployed will go down from 9.21 per cent to 5.11 per cent by the end of the Tenth Plan and unemployment will be eliminated by the end of the Eleventh Plan. To summarise, nearly 20 million person years of employment opportunities have to be created by selective innovative programmes and policies leading to a changed pattern of growth in favour of labour intensive sectors; the remaining 30 million will come from the normal buoyancy of growth as perceived over the recent past (1993-94 to 1999-2000), giving a total of 50 million person years over the Tenth Plan.

(ii) STRATEGIES AND POLICIES FOR EMPLOYMENT GENERATION

5.17 As already noted, the Tenth Plan aims at provision of gainful employment opportunities to the entire additions to labour force during the Tenth Plan and beyond. This is an essential condition for improving the quality of employment of an average

worker. For, if labour markets do not clear, no strategy for improving the quality of employment is likely to succeed. In a large labour surplus situation, there may be employment of a high quality but only for a select group. Hence, the first strategy to improve the quality of employment is to increase the aggregate demand for labour.

5.18 While a higher rate of economic growth is a necessary condition for increasing the demand for labour, the pursuit of growth objective in isolation may not be sufficient, at least in an immediate foreseeable future, to gainfully absorb the annual additions to labour force. Therefore, in the short-term perspective of a Five Year Plan, growth will have to be supplemented by increasing the employment content of growth in order to fulfill the employment objectives of Plan.

SECTORAL POLICY INITIATIVES FOR OPENING UP NEW EMPLOYMENT OPPORTUNITIES

5.19 There are many labour intensive sectors, where employment-generating growth can be rejuvenated if right kind of sectoral policies can be put in place. An indicative list of such sectors is given in Box 5.1.

AGRICULTURE

5.20 The food security perspective guided the sectoral policies and related programmes in agriculture during the past three decades. This ensured rich dividends in terms of agricultural output and food prices. Employment was an incidental objective. Certain agricultural crops, mainly wheat and paddy, and the parts of the country where these are produced, benefited immensely. Wages of labour improved at such locations. However, growth of employment in agriculture decelerated to a very low level in the nineties. Considering the consumption needs of our large population, agricultural production and the linked processing, distribution, trade, financial and commercial activities still have a very large potential for (i) sustaining the demand for labour and (ii) improving the quality of employment. At the sub-sector level, however, many structural changes in the pattern of growth of agriculture and its forward linked activities are required.

Box 5.1**SOME LABOUR INTENSIVE SECTORS WHICH REQUIRE POLICY INTERVENTION****☒ Agriculture and Allied Activities**

- ☞ There is a need to step up public investment in agriculture. Simultaneously, bringing additional acreage under cultivation of oilseeds and pulses by switching from cereals holds substantial potential for employment generation. Horticulture, farm management programmes, agri-clinics and seed production are other potential areas for employment generation.
- ☞ Re-generation of degraded forests, watershed development and highly labour intensive activities.
- ☞ Wasteland Development.
- ☞ Development of Medicinal Plants and Energy Plantation which have high growth and employment potential.
- ☞ Minor irrigation
- ☞ Cultivation of Bamboo and manufacturing of bamboo based products

☒ Food Processing**☒ Rural Non-Farm Activities/ Industries, including Khadi and Village Industries****☒ Small and Medium Enterprises****☒ Services Sectors**

- ☞ Health
- ☞ Nutrition
- ☞ Education
- ☞ Information technology and communication

5.21 Having more or less achieved the objectives of food security, the development perspective towards agriculture needs to undergo a change. This is necessary for improving the growth performance of the sector as also for improving the pace of labour absorption. Most of the policy constraints afflicting the sector have been spelt out, in detail, in the chapter on agriculture. The two important issues from the point of view of employment creation in this sector are diversification of agriculture and removal of control on storage, movement and marketing of agricultural produce.

5.22 Some of the initiatives that can have substantial benefits towards opening up more employment opportunities in new areas linked with the agriculture sector are mentioned as follows.

- ☒ Public investment in irrigation, power and roads should be sufficiently stepped up by reducing subsidies on fertilizers, water and power.

- ☒ The control and regulatory measure introduced earlier in an era of food deficit on marketing, storage and movement of agricultural produce (such as Essential Commodities Act, Milk and Milk Products Control Order, canalised export etc.) need to be reviewed.
- ☒ Private and co-operative sector participation in the marketing of agricultural produces should be allowed in order to break the monopolistic/oligopolistic supply structure. Also, forward trading in agricultural commodities should be permitted.
- ☒ The Minimum Support Price for foodgrains and other commodities needs to be so adjusted as to promote diversification of agriculture. This should be done both in terms of geographical coverage and crop diversification. New areas like pulses and oilseeds are more labour-intensive; shifting of cropping pattern in their favour will boost employment generation per

unit of output. A higher output of these crops is also necessary to increase the weight of these items in the average food consumption basket, necessary for meeting the nutritional requirements

Agricultural Land Use and Liberalization of Land Laws

5.23 To increase growth in agriculture, all policies for better utilisation of land and water should be pursued. For example, policies on utilisation of all types of hitherto unutilized lands, especially the cultivable and afforestable lands owned by the governments need to be given priority.

5.24 A back-ended, beneficiary-oriented subsidy scheme for reclamation of degraded lands like ravines, un-levelled lands, saline, sodic, alkaline and water-logged lands, has been contemplated by the Ministry of Agriculture at the Centre.

5.25 Some incentive for computerising land records and lowering the stamp duties substantially can avoid pseudo legal and illegal conveyance systems as well as litigation in rural areas.

5.26 Legalising the land leasing-in and leasing-out systems and promotion of contract farming through standardised contract formats enforceable on both parties will help in increasing the size of holdings and improving the viability of agri-units.

5.27 Minor irrigation and watershed development will increase the employment-generating capacity of agriculture.

5.28 The semi-arid and rain fed areas of the Central regions, which have higher potential for increasing productivity, would be the focus of attention in the Tenth Plan. These measures selected for the Tenth Plan can accelerate agricultural growth as well as trigger growth in other sectors, besides reducing poverty.

5.29 There are better social returns in promoting agro-forestry models in the rain fed or semi-arid regions, which contain most of India's marginal

lands. It is in this context that we need to have a big incentive. Similarly, tree plantations on wastelands, belonging to the poor, need to be encouraged, and the focus on farm forestry revived. The details of these policies are available in a Planning Commission Task Force Report on Greening India.

Research and Extension

5.30 More labour intensive crops like pulses and oilseeds should get the benefit of research and extension services.

5.31 An important component in agricultural diversification is animal husbandry, including dairying and poultry which hold immense promise for increasing not only rural livelihoods, but urban as well. A proper development of this sector will require attention not only to technology, processing and marketing arrangements, but also to issues of animal welfare.

5.32 Greater attention should be given to rain water harvesting and increasing the irrigation potential through scientific watershed development. These are also highly employment-intensive activities. Water harvesting techniques should be widely promoted through demonstration and dissemination of benefits. Panchayats should be actively involved in such efforts.

Women in Agriculture

5.33 The NSSO survey results show that there is high female unemployment in the rural sector. Therefore, the Tenth Plan must also focus on programmes for increasing the work opportunities and productivity of female farmers. Increasing women's access to productive land by regularising leasing and share cropping of uncultivated agricultural land by women's groups, encouraging collective efforts in bringing wastelands under cultivation, and providing policy incentives to women in low input subsistence agriculture will have immediate benefits in terms of the household's food security and women's empowerment along with additional employment generation.

Agricultural Reforms and Employment

5.34 Reforms initiated in 1991 had largely bypassed the agriculture sector. The purpose of reforms was removal of poverty, and employment-generating growth was taken to be the principal strategy for removal of poverty. In this process, the role of the agriculture sector is crucial. A few initial steps have been taken now, but this process will require close involvement of State Governments, Local Governments, Panchayats and other local authorities. Planning will need to play a proactive role through appropriate programmes.

5.35 Hopefully, the renewed WTO negotiations, and the new round of negotiations on agriculture, will be able to increase our exports by curbing the trade distorting agricultural subsidies on agriculture. And increase in agricultural exports should contribute to employment generation because they are labour using, and a more rapid growth of agriculture would increase the demand for labour in the agriculture sector.

5.36 If the reforms are implemented successfully, employment in non-cereal crops, and within cereals, in the labour intensive pulses and oilseed crops, should increase. Animal husbandry, fisheries, floriculture and horticulture, and extended areas of agriculture, have very high employment potentials but their growth has comparatively gone down in the 1990s. Agricultural reforms should give a boost to such activities, and benefits of such employment growth are expected to be more equitably distributed across regions.

FOOD PROCESSING

5.37 Food processing is an important employment generating activity. While India is the second largest producer of fruits and vegetables in the world, its food processing industry remains underdeveloped. The purpose of reforms in agriculture is to increase the income of farmers, and of those who are employed in agriculture. Given the very large proportion of our farm produces that perishes, any expansion of food processing activity should improve the off take on commercial terms of agricultural output.

5.38 The absence of an assured electricity supply and poor road connectivity are two of the major constraints in the development of the food processing industry. In addition to addressing the basic infrastructural needs of power supply and road connectivity, certain promotional measures, fiscal as well as creation of facilities specific to the sector, need to be taken simultaneously to impart dynamism to the sector.

5.39 The success of food processing industry is crucially linked to a continuous food chain starting from farming to food processing to marketing. Corporations or modern cooperative organisations are needed to develop the chain. Some of the specific issues requiring attention in order to develop a culture of food processing are :

- ☒ While the agriculture sector has been exempted from all taxes (like excise and income tax), the agricultural produces attract a number of levies like infrastructure cess, market cess, sales tax, mandi tax, turnover tax, inter-state transfer regulations, etc. At the point of conversion, i.e., value addition, excise, income tax and other taxes are levied. The packaging material used is also subject to heavy taxation. All these taxes increase the cost of food products and it becomes a food/commodity for the rich, thereby reducing its demand.
- ☒ It is necessary to facilitate contract farming with its backward and forward linkages, especially in the hinterland of proposed food parks, to be set up in the Tenth Plan period. This would enable greater value addition and consolidation of operations.
- ☒ Equally important is to provide post-harvest infrastructural facilities in the hinterland of the food parks, such as harvesting equipment, sorting, grading, packing, pre-cooling, washing operation, etc. Setting up of these facilities would improve the level of food processing, reduce post-harvest losses, contribute to value addition and generate new jobs in rural areas.
- ☒ For reducing the post-harvest losses, which are estimated at Rs.50,000 crore annually, it is necessary to take urgent steps to set up

irradiation plants, cold storages based on vapour absorption technologies, pre-cooling, etc.

- ☒ To bring our food products at par with and conforming to international safety and quality standards, it would be necessary to set up a network of quality testing/certification laboratories across the country.
- ☒ There is an urgent need to set up a retail chain for distribution of standard and hygienic quality food products. This would help in creating sustained demand for quality food products from customers.
- ☒ Synergies between the food parks and the agriculture export zones is necessary so that facilities/provisions set up for one zone may be considered for the others.

5.40 Within the Government the responsibility for development and promotion of the sector is scattered among different Ministries and Departments. An illustrative list of such Ministries and Departments, along with their areas of responsibility is given in Box 5.2. Similarly, there is a multiplicity of laws and regulations governing this sector. There is an urgent need to harmonise the working of different Ministries, as also among the provisions of various laws and regulations for the sector.

RURAL NON FARM ACTIVITIES/ INDUSTRIES, INCLUDING KHADI & VILLAGE INDUSTRIES HANDICRAFTS & HANDLOOMS AND SMALL AND MEDIUM ENTERPRISES, INCLUDING SMALL-SCALE INDUSTRIES AND INFORMAL SECTOR ESTABLISHMENTS

5.41 This group of activities is the main provider of employment outside the agriculture sector. Its importance increases with reduction of employment opportunities in traditional agriculture. In the immediate future, the strength and weakness of policies here will determine the employment scenario of the country, and its influence on social situation.

5.42 In each of these activities there are government supported institutions, which have a long experience of implementing the programmes and policies. The focus of the programmes for weaker social sections, women, unemployed youth, migrant workers, construction workers, bonded labour, child workers and other over-exploited workers, is also at such economic activities. Almost all the support through plans for development of economic and commercial infrastructure - micro-credit, cess driven worker welfare funds, social security/insurance for low income groups, vocational training, apprenticeships, rural infrastructure for electricity, transport, and industry, in the final analysis, concerns these activities.

Box 5.2

- ☒ Entire post-harvest infrastructure for all agricultural, horticultural, animal husbandry operations is under the Ministry of Agriculture
- ☒ Fruit Products Order (FPO1955) is under the Essential Commodities Act and handled by the Ministry of Food Processing Industries
- ☒ Meat and meat products, and milk products are administered by the Department of Animal Husbandry and Dairying.
- ☒ Marine products and agriculture products exports are under the export promotion authorities like MPEDA, APEDA, etc, under the Ministry of Commerce
- ☒ The National Horticulture Board (NHB) under the Ministry of Agriculture
- ☒ The Directorate of Vanaspati and Oils under the Department of Food
- ☒ Sugar, edible oil, pulses, etc, also under the Department of Food

5.43 A coherent approach to this group of activities can yield very large benefits in terms of employment and income of a majority of households. There are many administrative structures that reach these activities, but for want of a better term, all of them put together within the sweeping term 'unorganised sector', whereas what the term really implies is all the non-incorporated establishments.

5.44 This sector or group is very large in terms of workforce, it responds to competition, and is therefore vibrant. These decentralised economic activities, which are self-adjusting, contribute in no small measure to harmony and social stability in the Indian polity.

5.45 In the following section further development of these economic activities is explored. The employment related services, and governance issues pertaining to employment and workers of this category are dealt with in the chapter 3.5 on Labour Policy and Labour Welfare, in Volume II.

Rural Non-farm activities/industries, including Khadi & Village Industries (KVI)

5.46 Principal planning initiatives on rural non-farm activities are taken through the Khadi and Village Industries Commission (KVIC). The efforts needed to further improve the effectiveness of KVIC programme are:

- ☒ KVIC should focus at traditional artisan based activities because the present coverage is very small.
- ☒ Special initiatives by the KVIC for north eastern region, hilly and border areas.
- ☒ Involvement of Self Help Groups (SHGs) under KVI sector in order to widen the programme at the grass root level.
- ☒ Planning process in KVIC should involve the beneficiaries - State Khadi & Village Industries Boards, cooperative societies, etc.
- ☒ Cluster development approach should be adopted by KVIC so as to strengthen backward and forward linkages.

- ☒ R&D ties should be established between the KVIC and the National Institute of Design, National Institute of Fashion Technology, Indian Institutes of Technology etc.
- ☒ An IT-based data bank of KVIC assisted units should be created to facilitate research and information flow across KVIC establishments spread across the country.
- ☒ Policy support to village industries should be ensured.
- ☒ A Ministry of Agro and Rural Industries as separate from SSI has already been set up.
- ☒ The KVIC should play the role of a nodal agency for the whole village industry sector in the country.
- ☒ The Khadi programme has social objectives, and the subsidies/concession should be considered from this angle.
- ☒ Registration with the KVIC should enable a unit to avail of the same benefits as with the State Directorate of Industry.
- ☒ The KVIC should be given the status of an export promotion council.

Small and Medium Enterprises

5.47 A number of high-level committees have suggested that there should be uniform policy for all small and medium enterprises; it should not remain confined to the manufacturing sector alone, but should include all activities - trade, transport, and financial services.

5.48 Fiscal support is given to small industry because it is labour intensive and hence employment generating. Therefore, the fiscal incentives (excise and income tax), preference in State Government levies, sales taxes, excise and credit support, technology development and marketing support, should be linked with a criterion of employment generated.

5.49 A new 'cluster development approach' should be adopted to focus at locations, which have high employment intensity. There exists a number

of programmes for the benefit of small and micro enterprises. These include:

- ☒ Credit for modernisation
- ☒ Credit guarantee for tiny units without collateral
- ☒ Market development assistance through industry associations
- ☒ Local infrastructure development through industry associations
- ☒ Testing laboratories for product quality

5.50 Besides these enterprise-specific programmes, the general programmes aimed at the households are:

- ☒ Housing for low-income groups
- ☒ Micro-finance
- ☒ Skill Development
- ☒ Health care

5.51 If all these programmes could be focused at a particular cluster, the returns in terms of better productivity, higher income of workers and a better quality of job will be immense. In other words, rather than having multiple programmes, each having a spread over a large area, the Tenth Plan may emphasize these micro development programmes at specific clusters.

Credit for Informal Sector - Micro Credit

5.52 A major problem in all developing countries is that the formal banking system is ill suited to meeting the credit needs of the informal sector. And yet this sector accounts for the bulk of the total employment generated. The banking system must be encouraged to reach out to the enterprises in the informal sector through innovative means. This is effectively what is intended by the various targets specified for priority sector lending by commercial banks. However, priority sector lending has created a culture of mechanical lending in public sector banks in which there is little effort at credit appraisal of lendings made to priority sectors. The Narasimham Committee suggestion of limiting priority

sector lending to a more precisely defined target group was not accepted.

5.53 Banking practices and procedures need to be reviewed to enable banks to adopt a more proactive approach to lending for economically viable activities in the informal sector. The cooperative credit structure can play a major role in extending credit to the informal sector but it has become very weak in most States.

5.54 A great deal of informal sector activities can be more effectively serviced by non-bank financing intermediaries, which are perhaps better able to handle such intermediations, charging interest rates, which cover the high cost of managing an inherently more risky informal sector loan. They are also able to enforce claims on collateral. It is necessary to review the regulatory constraints on commercial banks, which may prevent them from lending to such non-bank financial intermediaries for on lending to finance informal sector activity.

5.55 Another important mechanism through which banks can meet the credit needs of the informal sector is the self help groups (SHGs), which provide micro credit for informal sector activities. A pilot project linking SHGs to banks was launched in 1992. It was envisaged that NGOs could help build up capacity among the poor to organize themselves into SHGs and approach the banks for financing. In 1992-93, a total of 255 SHGs were linked with banks under this project. The number had expanded to 1,21,744 as on September 30, 2000. The programme has provided credit to 1.9 million poor families. More than 85 per cent of the SHGs are exclusively women's groups.

5.56 The experience thus far has been very encouraging. Recovery rates of SHGs are very high (over 90 per cent) reflecting the impact of peer pressure in ensuring loan recovery. Impact studies of micro credit extended by SHGs show very positive outcomes in terms of the effectiveness of the loans reaching the poor and in improving their income levels³. An important aspect of the programme is that it envisages a process of graduation whereby families can begin informal

³ NABARD, Mumbai (2000); Micro Finance for Rural People An Impact Evaluation

sector activities through micro credit extended by SHGs but can, in due course, access larger amount of loans directly from the banks.

5.57 The Reserve Bank of India has taken a number of steps to encourage bank lending to SHGs as a part of mainstream banking activity. Credit extended by commercial banks to SHGs is treated as part of priority sector lending in order to encourage banks to engage in this type of activity. Banks have also been given considerable flexibility to determine procedures and design loan products for SHGs responding to local conditions. A micro finance development fund has also been established in NABARD to give training to SHGs members, partner NGOs, banks and government agencies,

provide start up funds to micro finance institutions and meet their initial operating deficits, and meet the cost of formation and nurturing of SHGs. The programme of providing credit to SHGs, which has made a good start, is a potentially important mechanism for expanding credit to the informal sector and should be greatly expanded in future.

SERVICES SECTORS

Health and Nutrition Services

5.58 Access to quality health services of the population at large is one of the main indicators of social development. The existing facilities in the areas of health and nutrition services are highly

Box 5.3

MICRO FINANCE

The rural poor in the unorganised sector has yet not been able to come out of the clutches of moneylenders charging usurious interest rates. The credit needs of the rural poor are characterised by the absence of any clear distinction between production and consumption purposes. The needs are small, but often arise at unpredictable times and are usually of an emergent nature. Meeting these credit needs as and when they arise is crucial, if their dependence on unorganised credit agents is to be reduced. However, it is a fact that borrowing from informal agents is very convenient, though the terms are harsh. The credit needs of the rural poor are at present only partially met by the formal credit agencies and a majority of the rural poor continues to depend on the informal sources of credit.

A study conducted by Pricewaterhouse Coopers, a firm of Chartered Accountants, reveals the following pattern of credit usage by the rural poor.

- ☒ 63 percent of total credit availed by the rural poor is used for consumption purposes.
- ☒ Only 37 percent of the total credit availed by the rural poor is for productive use.
- ☒ The overall share of organised sector in credit flow to the rural poor is around 16 per cent.

The study gave the following reasons for this distortion:

- ☒ Non-availability of credit for consumption needs from the organised sector.
- ☒ Very high transaction cost to the borrowers from the organised sector.
- ☒ Rigidity of terms and conditions for a loan from organised sector.
- ☒ Delay in sanction of loans by the organised sector.
- ☒ Very high rate of defaults under the Government Sponsored Programmes has led to reluctance on the part of the banks to extend credit to rural poor.

Non-availability of credit from the organised sector, like commercial banks and developmental banks, limits the credit flows to the unorganised sector and accordingly limits the productivity improvement in this sector.

Source: Planning Commission (2002); Report of Special Group on Targeting Ten Million Employment Opportunities per year.

inadequate, especially in rural areas. The implications of poor health services or non-availability of these services at a reasonable cost can be economic as well. Data from NSSO indicate that escalating cost of health services is one of the reasons for indebtedness not only among poor but also among the middle-income group. There are sharp inter-state/inter-district variations in availability and utilisation of health care services. Considerable expansion is needed to provide minimum level of access to every citizen. Thus, in terms of the need for services, this sector affords promise of immense employment opportunities. There is also a very large scope for more efficient use of the available infrastructure, which will enable increased use of health services, and associated demand for health and related workers.

5.59 During the Tenth Plan the effort would be to universalise access at least to primary health care facility, not only in terms of creating physical infrastructure but also in terms of equipping each health care centre with adequate medical and para medical staff. The State will be required to play an important role in providing these services at affordable cost. However, within the Government sector there have been persistent gaps in manpower and infrastructure especially at the primary health care level in remote, rural, tribal and urban slum areas where health care needs are greatest. Also, as it is today, there exists a mismatch between personnel and health infrastructure. Expansion of health facility and its adequate manning as per the existing norms will create demand for educated and skilled manpower for this sector.

5.60 The critical constraint of course is availability of resources with the State Governments and local authorities. The initiatives at collection of user charges in public services, and risk pooling through insurance should supplement the resources of the Government. New initiatives to improve the efficiency of the public health delivery system will also augment the resource base. Still, a large part of the health care is procured from private establishments. However, outside the government, the capability to manage hospitals has remained confined to a few corporate groups.

5.61 On the other hand, the medical insurance industry has not evolved to a reasonable level of professionalism, which can inspire confidence among the buyers of insurance. Insurance mechanisms, designed especially for the low-income groups, need to be developed. Introduction of health care support as a part of the social security insurance of workers in the unorganised sector will help in reducing risk to the individual and also make available resources for investment.

5.62 An associated issue is the need for creation of facilities for training para medical staff

Education Services

5.63 Out of approximately 200 million children in the age group 6-14 years, only 120 million are in schools and net attendance in the primary level is only 66 per cent of enrolment. To achieve education for all, the Sarva Shiksha Abhiyan has been launched. The process of integrating our educational system with the economic needs of the people and of the nation must begin at the primary school stage itself. Assertion of the dignity of labour and vocationalisation of curricula are essential to ensure that a disjunction does not take place between the educational system and the work place.

5.64 Universalising access to primary education and improvement of basic school infrastructure in the Tenth Plan would mean targeting the provision of one teacher for every group of 40 children for primary and upper primary schools, opening of a primary/alternative schooling facility within one km of every habitation, provision of free textbooks to all SC/ST children and girls at the primary and upper primary school, management and repair of school buildings through school management committees, provision of opportunities for non-formal and alternative education for out of school children in the most backward areas and from un-reached segments of the population in response to local needs and demands articulated at the grass root level.

5.65 Mere establishment of schools without hiring teachers happens in many parts of the

country, especially in rural areas. It is therefore essential that control over schools and teachers be transferred to local bodies which have a direct interest in teacher performance. States should be encouraged to implement the 73rd and 74th Amendments of the Constitution, which facilitate the transfer of management of primary and upper primary schools to panchayats/local bodies. Planning, supervision and management of education would have to be through local bodies at district, block and village levels. Efforts should also be made for social mobilisation of local communities for adult literacy campaigns and for promotion of primary education.

5.66 Laws, rules and procedures regarding facilitation of educational institutions must be modernised and simplified so that honest and sincere individuals and organisations can set up universities, colleges and schools. Controls on fees, teacher salaries, infrastructure, and staff strength must be replaced by a strong regulatory framework. The regulatory system must also put the greatest emphasis on fraud detection and punishment while letting normal individuals function more freely.

Vocational Training Services

5.67 There is a very large unmet need for imparting vocational training to the new entrants to labour force as only about 5 per cent or so enter the world of work with any kind of formal vocational training. If the employers, the educational infrastructure and labour administration can join, this gap can be filled.

5.68 Outturn from schools at 10+ stage has so far been a small fraction of those in the 15 to 17 years age group. However, after the introduction of compulsory education in 6-14 years age group, which is the target in the Tenth Plan, the utilisation of youth in occupations appropriate for educated persons has to be considered. The educated youth can take up better occupations than manual work or petty business. To bring them to the mainstream of economic activities, imparting of some production and professional skills is essential. The present approach is to put most of the youth through a higher

technical, medical or management education system. Simultaneous with the incidence of rising unemployment among those with higher education, is also shortage of trained technicians, paramedics, accounts, insurance, legal and other commercial assistants. These requirements are met at present by employing those who acquire the requisite skills through 'hands-on' experience. And such opportunities are restricted to those youth who somehow find an entry point in a good establishment.

5.69 As part of education, vocationalisation schemes have been tried. But, these have not succeeded because requisite equipments, and teachers, who have requisite work experience, are not available. Moreover, as a part of school education, the vocational stream carries a lower priority among the students. The other approach has been the apprenticeship scheme, whereby educated or trained youth can be placed in establishments. Establishments are required to pay a stipend to trainees. However, the number of seats in this has remained rather small. Further promotion of vocational training as a part of entrepreneurial activity can provide employment opportunities

Information Technology

5.70 The potential contribution of information technology to employment generation is both direct and indirect. The indirect impact of IT is far greater than the direct impact. In the USA, it is estimated that for every direct job created in the IT industry, three to four jobs are created by indirect ones. This does not include the non-IT jobs created by the growth of other sectors of the economy under the stimulus of information technology.

5.71 It is assessed that IT will contribute to approximately 0.2 million jobs per year and around one million at the end of the Tenth Plan as additional direct employment.

5.72 The real employment potential of Information and Communication Technology (ICT) will be realised when such services support the community, social and personal services required by the Indian masses. This is the issue of digital

divide, on which adequate policy attention has not so far been focussed in India. Many efforts have been made at the use of ICT in education, health, nutrition, housing, real estate, banking, insurance and other personal services. However, not all of them have been designed with the perspective of a low budget consumer. The cost of research on technology keeps the cost high. The real purpose of planning for ICT, which is to narrow and eliminate the digital divide, will be defeated if the issue is not considered in its proper perspective.

Tourism; Domestic and International

5.73 Development of tourism needs to be taken up on priority basis as India has large untapped tourism potential, which can be successfully harnessed for the benefit of development of areas, that have remained underdeveloped despite being potential destinations of tourist attractions. The employment impact of development of tourist destinations can be substantial as the activity in itself is labour intensive and also has extensive forward and backward economic linkages.

5.74 The focus during the Tenth plan would be to encourage public-private partnership in development of tourist centres in which the government would be the active facilitator and catalyst, with the ultimate goal of creating world-class infrastructure and innovative products.

Housing, Real Estate Development and Construction

5.75 The real estate development and construction are linked activities and are employment intensive too. Unfortunately, development and growth of housing and the real estate sector has been severely constrained by outdated laws and policies governing land development and rent control which have pushed the market underground and spawned a host of undesirable practices.

5.76 The construction activities are very much influenced by the real estate developments. The recent repeal of the Land Ceiling Act, likely to be followed by the States, to free land market will

largely boost the real estate activities. The proposed repeal of the Rent Control Act will further encourage the growth of this sector. In a package proposed in the Tenth Plan to give incentives to the cities and States for urban sector development, there has been a proposal for recommending selective freedom to convert rural land for urban use, reduction of stamp duty on transfer of property and laws facilitating private development of township - all of which will increase the real estate growth, and thereby generate increased demand for construction.

5.77 It is noticed that in the organised and mechanised segment, there has been a very low employment elasticity and, at this point of time, very little contribution to the employment generation in this sector, whereas in the unorganised segment employment elasticity is very high. But unfortunately, their wage rates are very low because of low productivity in this segment along with, heavy exploitation of labour by the employers in the absence of proper legislative safeguards.

5.78 Both the large mechanised activities and the small and medium ones have their own respective roles and will survive alongside. In the area of bridges, major irrigation and dam construction, high-rise buildings etc., the large mechanised construction activities will be unavoidable. But at the same time, in the areas like rural road building, low cost housing, minor irrigation etc., the small construction units with minimum improvement in mechanisation can serve the purpose and fulfill the need for generating more jobs.

Road Transport and Road Construction

5.79 Transport and allied activities provide employment to around 15 million persons. The largest share in this is of those engaged in transport of freight and passengers by road. It has potential for three to four million additional employment opportunities during the Tenth Plan period. With the completion of various stretches of the National Highways Development Project, the traffic flows, and thereby the employment opportunities, can expand much more than this projection.

5.80 The activity is highly decentralised and work conditions are strenuous; it carries a high risk. Since the administration of this activity is with the State transport authorities, the conditions of employment do not get any significant attention. There are however sufficient resources generated in transport activity. Just like construction workers, the welfare measures for transport workers need attention.

Distributive and Retail Trade

5.81 The Group of activities 'trade, hotels, and restaurants' is estimated to provide employment opportunities to around 41 million persons. The importance of trade in providing an outlet to newly emerging industries - processed food products, milk and milk products, khadi and village industries products, etc., has been noted earlier. The large organisations producing consumer products and consumer durables have established their own retail chains - as for example KVIC, National Dairy Development Board (NDDDB), shoe industry etc. But product-specific stores have a large share of overhead expenditure. Other large corporate firms, which deal in group of personal toiletry, edible oil, food products, and automobiles etc., have evolved direct arrangements with retail trade, bypassing the wholesale trade.

5.82 Given the large employment potential, there has been a keen discussion on policies concerning distributive and retail trade. A better-

organised retail trade can open up a large number of gainful employment opportunities to youth, either as self-employed or as shop managers, supervisors, and assistants. So far the organised retail trade establishments have remained confined to public sector-government owned societies, bazaars, and emporia. But many of these failed as direct financial support or purchase price preference from Government reduced. The private corporate sector should be encouraged to set up retail chains in small and medium towns and metros. Requisite changes in laws concerning rents, land use, property acquisition, and bank finance policies may be made so that the prime retailing activity does not remain confined to the property owners (also the local governments), which keeps the entry cost at exorbitant levels. In the process, the gainful and productive employment to those who work in shops suffers since the fixed cost uses up the bulk of the resources of the new ventures.

(iii) CREATION OF ADDITIONAL EMPLOYMENT OPPORTUNITIES BY TAKING UP LABOUR INTENSIVE ACTIVITIES

5.83 The exercises done, during the formulation of the Tenth Five Year Plan, have brought out the need for developmental initiatives in certain areas. The Planning Commission's Special Group on creation of employment opportunities has estimated the potential for employment from these

Table 5.5
"Programme Generated" Incremental Employment over Tenth Plan

Developmental Initiative	Employment Opportunities (Million)
Agriculture & Allied Activities	3.55
Greening the Country through Agro Forestry	3.50
Energy Plantation for Bio-Mass Power Generation	2.01
Rural Sectors and Small & Medium Enterprises	7.06
Education and Literacy	1.70
Employment through Information and communication Technology (ICT) Development	0.70
Health, Family and Child Welfare Services	0.80
Total	19.32

(Table 5.5).

5.84 These projections have been made in consultation with the concerned sectoral ministries. The details at the sub-sector level are given in Annexure 5.19.

5.85 In the agriculture sector, the switching of acreage from cereals to oilseeds and pulses increases the requirement for labour. The National Watershed Development Project for rain-fed areas creates direct employment through activities relating to conservation and development of land and water resources such as bunding, check dams, water harvesting structures, nurseries, etc. The on-farm water management is a new programme, for the eastern States, comprising installation of shallow tube wells and pump-sets, low lift irrigation, installation of diesel pump-sets and construction of dug wells. The area under horticulture would be increased. Agri-clinics will provide the services of trained agricultural graduates for the purposes of seed certification, seed production and distribution. Skilled manpower would also be required for maintenance and operation of farm machinery including tractors.

5.86 Ten million hectares of degraded forest is proposed to be re-generated during the Tenth Plan. India is one of the eight identified global centres for plant diversity. Projects can be taken up in medicinal plants to produce a whole range of therapeutics, food supplements, cosmetics, toiletries and nutraceuticals, and veterinary medicine. Substitution of timber by bamboo is a viable alternative, though it requires development of bamboo culture.

5.87 Production of bio-mass for energy includes cultivation of trees, such as Casuarina, equistifolia, and bush crops such as prosopis, juliflora, and plantation of Casuarina trees on marginal wastelands. Such plantations can support 10 to 12 MW power plants. Production of bio-fuel-ethanol from sugarcane plantations is also suggested.

5.88 In the rural sectors, Pradhan Mantri Gram Sarak Yojana (PMGSY), Sampoorna Gramin Rozgar Yojana (SGRY), Swarnajayanti Gram Swarozgar Yojana (SGSY) are expected to create incremental employment opportunities to the extent of 2.86 million. The rural employment generation programme of KVIC, PMRY and new initiatives at development of clusters of small and medium enterprises are expected to create additional 4.2 million employment opportunities during the Tenth Plan.

5.89 Expansion of elementary education, training of teachers and manpower requirement at resource centres will create 1.7 million additional work employment opportunities during the Tenth Plan period. Development of Information and Communication Technology and Health and Child Care services will enable creation of an additional 1.5 million employment opportunities.

5.90 These initiatives are required for specific developmental needs and, apart from two (SGRY and SGSY), these are not in the category of special employment programmes. The details are indicated in the respective chapters.

5.91 The sectoral policy initiatives have been discussed in the earlier sections to stimulate growth of output of these sectors. On the basis of employment trends observed in the past, the growth of these sectors, corresponding to 8 per cent GDP growth target of the Tenth Plan should enable a creation of 30 million additional employment opportunities. But this would mean an increase in the number of unemployed persons. Unemployment rate will increase from 9.2 per cent to 9.8 per cent in 2002. (Annexure 5.14) The creation of additional employment opportunities by taking up labour intensive activities is therefore required to reduce the incidence of unemployment to 5.1 per cent. Priority will have to be given in implementing the projects in the developmental initiatives identified above

Annexure 5.1

Past and Present Macro Scenario on Employment and Unemployment on CDS Basis

(Person years)

	(Million)			Growth per annum (%)	
	1983	1993-94	1999-2000	1983 to 1993-94	1993-94 to 1999-2000
ALL INDIA					
Population	718.20	894.01	1003.97	2.00	1.95
Labour Force	261.33	335.97	363.33	2.43	1.31
Workforce	239.57	315.84	336.75	2.70	1.07
Unemployment Rate (%)	(8.3)	(5.99)	(7.32)		
No. of Unemployed	21.76	20.13	26.58	-0.08	4.74
RURAL					
Population	546.61	658.83	727.50	1.79	1.67
Labour Force	204.18	255.38	270.39	2.15	0.96
Workforce	187.92	241.04	250.89	2.40	0.67
Unemployment Rate (%)	(7.96)	(5.61)	(7.21)		
No. of unemployed	16.26	14.34	19.50	-1.19	5.26
URBAN					
Population	171.59	234.98	276.47	3.04	2.74
Labour Force	57.15	80.60	92.95	3.33	2.40
Workforce	51.64	74.80	85.84	3.59	2.32
Unemployment Rate (%)	(9.64)	(7.19)	(7.65)		
No. of Unemployed	5.51	5.80	7.11	0.49	3.45

Note : All estimates are on CDS (Current Daily Status basis)
 Figures in brackets denote percentage

Source : NSSO & Population Census

Present Sectoral Employment Scenario (1999-2000)

Sectors	Employment Elasticity 1983 to 1993 -1994	Employment Elasticity 1993-94 to 2000	Employment in Million						% of organised sector to total employment	% of public sector to total Emp.	% of public sector to total Organised	% of Private sector to total Organised	Absolute Employment % Composition	Sectoral GDP Growth % 1983 to 1993-94	Sectoral GDP Growth % 1983 to 1993-94	
			Total		Organised		Current Daily Status (CDS)	Total 1999								
			1983	1993-94	1999-2000	Public Sector 1999										Private Sector 1999
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1. Agriculture	0.70	0.01	151.35	190.72	190.94	0.52	0.87	1.39	0.73	0.27	37.16	62.84	56.70	2.90	3.10	
2. Mining & Quarrying	0.59	-0.41	1.74	2.54	2.26	0.93	0.09	1.01	44.69	41.15	91.41	8.59	0.67	6.20	4.70	
3. Manufacturing	0.38	0.33	27.69	35.00	40.79	1.57	5.18	6.75	16.55	3.95	23.25	76.75	12.11	6.00	7.80	
4. Electricity, Gas & Water Supply	0.63	-0.52	0.83	1.43	1.15	0.96	0.04	1.00	96.96	83.48	95.91	4.09	0.34	8.40	6.80	
5. Construction	0.86	0.82	7.17	11.02	14.95	1.11	0.07	1.18	7.90	7.42	93.97	6.03	4.44	4.90	6.30	
6. Trade, Hotels and Restaurants	0.68	0.62	18.17	26.88	37.54	0.16	0.32	0.49	1.31	0.43	33.54	66.46	11.15	5.60	9.20	
7. Transport, Storage & Communication	0.55	0.63	6.99	9.88	13.65	3.08	0.07	3.15	23.08	22.56	97.81	2.19	4.05	6.10	8.70	
8. Financing, Insurance, Real Estate and Business Services	0.45	0.64	2.10	3.37	4.62	1.30	0.36	1.65	35.71	29.14	78.34	21.66	1.38	10.10	8.40	
9. Community, Social and Personal Services	0.68	-0.25	23.52	34.98	30.84	9.79	1.70	11.49	37.26	31.74	85.21	14.79	9.16	5.70	8.40	
All	0.52	0.16	239.57	315.84	336.75	19.42	8.70	28.11	8.34	5.77	69.06	30.94	100.00	5.20	6.70	

Source : National Accounts ; CSO
NSSO : Various Rounds
DGE&T, Ministry of Labour

Annexure 5.3A

Workforce Increase Between 1981-1991 & 1991- 2001 (Census Based)

Heads	1981	1991	% growth 1981-91	2001	% growth (1991-2001)
1. Population (million)	683.33	846.30	2.16	1025.25	1.94
2. Participation Rates (%) (Main workers)	33.50	34.10	0.18	30.50	-1.11
3. Work Force (million) (Main workers)	228.92	288.59	2.34	312.70	0.81
4. Marginal Worker (%) participation Rates	3.20	3.40	0.61	8.70	9.85
5. No. of Marginal Workers (million)	21.87	28.77	2.78	89.20	11.98

Source : Population Census (1981, 1991 & 2001)

Annexure 5.3B

**Growth in Workforce for Major States 1991-2001 (Census Based)
(Main Workers)**

States	Workforce Growth	States	Workforce Growth
Andhra Pradesh	0.19	Madhya Pradesh	0.47
Assam	0.13	Maharashtra	1.41
Bihar	0.72	Orissa	-0.81
Gujarat	1.46	Punjab	2.53
Haryana	2.83	Rajasthan	2.28
Himachal Pradesh	1.00	Tamil Nadu	0.38
Karnataka	1.13	Uttar Pradesh	0.11
Kerala	-0.08	West Bengal	1.16
		All India	0.81

Source : Population Census (1991 & 2001)

Growth of Workers - Economic Census

	1980	1990	1998
Rural*			
Workers (million)	24.20	32.20	38.10
Growth Rate (%)		2.88	2.15
Urban			
Workers (million)	29.00	38.20	42.50
Growth Rate (%)		2.81	1.34
Combined			
Workers (million)	53.20	70.40	80.60
Growth Rate (%)		2.84	1.71

Note : * The Rural Sector in Economic Census excludes farm sector and plantation

Source : Economic Census

Total Employment and Organised Sector Employment Growth rate (per cent p.a.)

Heads	1983 to 1993-94	1993-94 to 1999-2000
Total Population	2.00	1.95
Total Labour Force	2.43	1.31
Total Employment	2.70	1.07
Organised Sector Employment*	1.20	0.53
Public Sector	1.52	(-) 0.03
Private Sector	0.45	1.87

Note : * Organised Sector Employment growth rates correspond to the periods 31.3.1983 to 31.3.1994 and 31.3.1994 to 31.3.1999

Source : DGE&T, Ministry of labour

Annexure 5.6

Sectoral Employment Elasticities on CDS Basis

Sectors	Employment Elasticity		
	1983 to 1987-88	1983 to 1993-94	1993-94 to 1999-2000
Agriculture	0.87	0.70	0.01
Minings and Quarrying	1.25	0.59	-0.41
Manufacturing	0.59	0.38	0.33
Electricity, Gas and Water Supply	0.30	0.63	-0.52
Construction	2.81	0.86	0.82
Trade, Hotels and Restaurant	0.87	0.68	0.62
Transport, Storage and Communication	0.47	0.55	0.63
Financing, Insurance, Real Estate and Business Services	0.49	0.45	0.64
Community, Social and Personal Services	0.52	0.68	-0.25
ALL	0.68	0.52	0.16

Note : Elasticity may change after adjustment of workers of Repair services

Source : NSSO (For estimating employment growth rates) and NAS (for estimating GDP growth rates)

Annexure 5.7

Growth of Average Daily Wage Earnings in Rural India (at 1993-94 prices)

(per cent per annum)

	Rural Male		Rural Female	
	1987-88 to 1993-94	1993-94 to 1999-00	1987-88 to 1993-94	1993-94 to 1999-00
Public Works	1.55	3.83	1.90	5.04
Casual Labour In Agriculture	1.36	2.80	2.34	2.94
Casual Labour In Non Agriculture	1.33	3.70	1.32	5.07
Casual Labour In All Activities	0.77	3.59	1.95	3.19

Source : NSSO

**Unemployment Rate among the Youth (15-29 years) on CDS Basis
(1999-2000)**

Age Groups (year)	Unemployment Rate (per cent of labour force)	
	Male	Female
	Rural India	
15-19	13.10 (9.00)	12.80 (8.30)
20-24	11.70 (10.30)	12.10 (8.20)
25-29	9.20 (7.70)	7.70 (6.50)
15-29	11.10 (9.00)	10.60 (7.60)
	Urban India	
15-19	19.00 (16.20)	18.00 (18.60)
20-24	17.10 (17.00)	25.90 (28.50)
25-29	10.30 (9.30)	13.10 (15.50)
15-29	14.70 (13.70)	19.10 (21.20)

Note : The figures in parentheses give the corresponding rates for NSS 50th Round (1993-94)

Source : NSSO

Annexure 5.9

**Current Daily Status Unemployment Rates for Each State and U.T.
(1999-2000)**

States	Unemployment Rate (per cent of labour force)					
	Rural			Urban		
	Male	Female	Persons	Male	Female	Persons
1	2	3	4	5	6	7
Andhra Pradesh	8.10	8.10	8.10	7.20	8.90	7.60
Assam	6.40	12.50	7.40	9.90	21.90	11.90
Bihar	7.20	6.20	7.00	8.70	13.50	9.30
Gujarat	5.10	4.20	4.80	4.00	5.40	4.20
Haryana	5.30	1.80	4.70	4.50	4.90	4.50
Himachal Pradesh	3.40	9.00	2.40	7.00	11.90	7.80
Karnatakka	4.40	4.00	4.30	5.30	5.90	5.40
Kerala	20.00	26.10	21.70	15.50	28.20	19.10
Madhya Pradesh	4.00	3.50	3.80	7.20	5.70	7.00
Maharashtra	6.30	6.90	6.50	7.70	10.00	8.10
Orissa	7.60	5.60	7.10	9.80	8.20	9.50
Punjab	4.20	1.70	3.70	4.80	5.30	4.90
Rajasthan	3.30	1.90	2.80	4.70	3.50	4.50
Tamil Nadu	14.30	12.30	13.50	9.00	8.60	8.90
Uttar Pradesh	4.00	2.10	3.60	6.30	5.00	6.20
West Bengal	15.20	25.10	17.00	10.00	13.90	10.60
All India	7.20	7.00	7.20	7.30	9.40	7.70

Source : NSSO

**Current Daily Status Unemployment Rate among the Youth
(Age 15-29) for Each State and U.T.
(1999-2000)**

(Rural)

State/U.T	Unemployment Rate (per cent of labour force)		
	Male	Female	Persons
Andhra Pradesh	10.80	8.70	9.90
Assam	12.30	24.90	14.60
Bihar	11.50	8.80	11.00
Gujarat	6.80	6.40	6.70
Haryana	9.00	2.40	8.10
Himachal Pradesh	8.10	2.80	6.10
Karnatakka	6.00	5.60	5.80
Kerala	32.30	45.80	36.30
Madhya Pradesh	5.40	4.00	4.90
Maharashtra	11.30	8.90	10.40
Orissa	12.60	8.40	11.30
Punjab	8.00	3.60	7.00
Rajasthan	5.00	3.30	4.40
Tamil Nadu	19.70	15.30	18.10
Uttar Pradesh	6.80	2.00	6.10
West Bengal	23.00	39.10	26.60
All India	11.10	10.60	11.00

Source : NSSO

**Current Daily Status Unemployment Rate among the Youth
(Age 15-29 Years) for Each State and U.T.
(1999-2000)**

(Urban)

State/U.T	Unemployment Rate (per cent of labour force)		
	Male	Female	Persons
Andhra Pradesh	14.30	16.70	14.80
Assam	22.40	42.70	26.60
Bihar	24.00	28.00	24.40
Gujarat	8.00	11.40	8.50
Haryana	8.00	9.90	8.30
Himachal Pradesh	16.80	37.50	20.50
Karnataka	10.40	10.30	10.50
Kerala	26.60	50.40	34.30
Madhya Pradesh	14.90	12.30	14.60
Maharashtra	15.60	21.10	16.50
Orissa	26.80	20.10	25.50
Punjab	8.90	13.90	9.50
Rajasthan	8.40	10.40	8.80
Tamil Nadu	15.50	15.60	15.60
Uttar Pradesh	12.40	12.70	12.50
West Bengal	23.40	27.20	24.00
All India	14.70	19.10	15.40

Source : NSSO

**Unemployment Rates by Household Monthly Per Capita Expenditure Class
(1999-2000)**

Monthly Per Capita Expenditure Class (Rs.)		Unemployment Rate (CDS) per cent of labour force	
Rural	Urban	Rural	Urban
0-225	0-300	11.31	9.61
225-255	300-350	9.62	9.67
255-300	350-425	8.12	8.20
300-340	425-500	7.46	9.20
340-380	500-575	6.56	9.20
380-420	575-665	6.18	8.63
420-570	665-775	6.48	8.19
470-525	775-915	6.14	7.18
525-615	915-1120	5.60	6.65
615-775	1120-1500	6.06	5.68
775-950	1500-1925	5.57	4.67
950 & above	1925 & above	5.25	4.10
All	All	7.21	7.65

Source : NSSO Survey, 55th Round (1999-00)

Annexure 5.13A

**Low Growth Scenario (6.5% Growth over 10th Plan Period).
Projection of Employment Opportunities on CDS basis**

Items	Unit	1999-2000	2001-2002	2006-2007
Labour Force (1.8% per annum growth)	Million	363.33	378.21	413.50
Employment	Million	336.75	343.36	367.44
No. of unemployed	Million	26.58	34.85	45.56
Unemployment rate	Percentage	7.32	9.21	11.00

Annexure 5.13B

**Low Growth Scenario with Recommended Programmes
& Policy Changes on CDS basis**

Items	Unit	1999-2000	2001-2002	2006-2007
Labour Force	Million	363.33	378.21	413.50
Employment	Million	336.75	343.36	375.00
No. of unemployed	Million	26.58	34.85	38.50
Unemployment rate	Percentage	7.32	9.21	9.30

Note : CDS : Current Daily Status

**Employment Scenario from 8% Growth per annum and Extrapolated Industrial Structure
(Based on Actual Elasticity (1994-2000) -CDS & 1.8% p.a. Growth in L.F.)**

	Unit	1999- 2000\$	2001\$\$	2002\$\$	2007	2012	Employment Growth over 10th plan per annum
Labour Force (1.8% p.a. Growth)	million	363.33	371.52	378.21	413.50	451.53	1.8%
Employment ** #	million	336.75	340.82	343.36	373.03	403.52	1.7%
(Unemployment Rate)	(%)	7.32	8.26	9.21	9.79	10.63	
No. of Unemployed	million	26.58	30.70	34.85	40.47	48.01	3.0%

Note : ** Based on 8% Growth in GDP during 2002-07
 # Current Daily status basis
 \$ 1999-2000 figures related to NSS 55th (July, 1999-June, 2000) Rd.
 \$\$ Based on 5.2% GDP Growth during 2000-01 and 2001-02

Source : Planning Commission

Employment Opportunities Sector-wise over the Tenth Plan*

(per cent per annum)

Sectors	GDP Gr. 2000-01 (%)		GDP Gr. 2001-02 (%)		High Growth 8% SG	Projected Elasticity* 2000-02 & (1993-94) (1.1.1994) (1.1.2000)	CDS Emp. (1999-00)	CDS Emp. (2000-01 to 2002-07)	Projected Employment#		Rate of Growth in Employment (%)				
	QE	SG	AE	SG					Empl. 2000-01 (1.4.2001)	Empl. 2001-02 (1.4.2002)	Empl. 1999-2000	Empl. 2000-01 to 2002	Empl. 2001 to 2002	Empl. 2002 to 2007	
1. Agriculture	-0.20	0.20	5.70	3.40	4.20	0.01	190.72	190.94	190.95	191.01	191.42	0.02	0.00	0.03	0.04
2. Minings and quarrying	3.30	3.70	1.40	1.10	4.70	-0.41	2.54	2.26	2.22	2.21	2.01	-1.91	-1.52	-0.46	-1.93
3. Manufacturing	6.70	5.60	3.30	2.60	10.00	0.33	35.00	40.79	41.73	42.09	49.51	2.58	1.85	0.85	3.30
4. Electricity, Gas and Water Supply	6.20	4.70	5.20	3.70	8.30	-0.52	1.43	1.15	1.11	1.09	0.88	-3.55	-2.44	-1.92	-4.32
5. Constuction	6.80	5.50	2.90	2.80	8.30	0.82	11.02	14.95	15.80	16.16	22.46	5.21	4.51	2.30	6.81
6. Trade, hotels and restaurant	3.80	6.90	6.30	5.80	8.00	0.62	26.88	37.54	39.56	40.99	52.22	5.72	4.28	3.62	4.96
7. Transport, Storage & Communication	8.20	6.90	5.80	5.80	10.30	0.63	9.88	13.65	14.39	14.92	20.43	5.53	4.35	3.67	6.49
8. Financing, Insurance, Real Estate and Business Services	2.90	9.10	7.50	11.10	10.00	0.64	3.37	4.62	4.96	5.32	7.25	5.40	5.82	7.11	6.40
9. Community, Social & Personal Services	6.00	7.80	6.00	7.00	7.60	-0.25	34.98	30.84	30.09	29.57	26.86	-2.08	-1.95	-1.74	-1.90
All Sectors	4.00	5.20	5.40	5.20	8.00	0.21	315.84	336.75	340.82	343.36	373.03	1.07	0.97	0.75	1.67

ROG in employment has been projected by taking into account observed sectoral elasticities based on CDS Employment during 1994-2000 and sectoral growth in GDP at 5.2% for 2000-01 and 2001-02, & 8% during 2002-07

* Observed Elasticity during 1994-2000 based on CDS

QE = Quick estimates

AE = Advance estimates

S.G = Special Group Estimates

Note : 1. Projected employment is based on sectoral employment elasticities and sectoral growth in GDP
2. Projections may not be adjusted for Repair Services because of 3-digit data on workers distribution

Source: Planning Commission

**Employment Scenario on * 8% Growth per annum and Changed
Industrial Structure on the basis of proposed Policy and
Programmes in the Tenth Plan**

	Unit	1999-2000	2001-2002	2006-2007	2011-2012	Percentage per annum
Labour Force	Million	363.33	378.21	413.50	453.52	1.80
Employment	Million	336.75	343.36	392.35	451.53	2.70
Unemployment Rate	(%)	7.32	9.21	5.11	0.44	
No. of Unemployed	Million	26.58	34.85	21.15	1.99	-9.50

Note : Special Group estimates,
* on CDS basis

Source : Planning Commission

Implicit Movement in Labour Productivity (output per labour)

(Per cent per annum)

	1983 to	1993-94 to	Projected	
	1993-94	1999-2000	2001-2002	2006-2007
(A) Based on 1994-2000 Elasticities				
GDP (growth)	5.20	6.70	5.20	8.00
Work Force	2.70	1.07	0.98	1.67
Employment Elasticities	0.54	0.16	0.19	0.21
Labour Productivity	2.30	5.60	4.20	6.20
(B) Based on 1994-2000 Elasticities with changes in policies and programmes				
Workforce	2.70	1.07	0.98	2.70
Employment Elasticities	0.54	0.16	0.19	0.34*
Labour Productivity	2.30	5.60	4.20	5.20

Note : *Implicit employment elasticity including employment on special programmes

Source : Planning Commission

Estimates of Generation of Sectoral Employment Opportunities over the Tenth Plan

Sectors	Sectoral GDP Growth (%) 10th Plan	Base Employment (CDS) (million) 2001-2002	Increased Employment Opportunities Over Tenth Plan (million)			
			on Estimated Employment Elasticities	Programme and Policy Based**	Total Incremental	Total Employment 2007
Agriculture & Allied (Including Rural activity)*	4.20 4.20	191.01 (55.63)	0.41	9.06	9.47	200.48 (51.09)
Mining & Quarrying	4.70	2.21 (0.64)	-0.20		-0.20	2.01 (0.51)
Manufacturing & SSI Pradhan Mantri Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP)	10.00	42.09 (12.26)	7.42	4.20	11.62	53.71 (13.70)
Electricity, Gas & Water Supply	8.30	1.09 (0.32)	-0.21		-0.21	0.88 (0.22)
Constructions	8.30	16.16 (4.71)	6.30		6.30	22.46 (5.72)
Trade, Hotel & Restaurant	8.00	40.99 (11.94)	11.23		11.23	52.22 (13.28)
Transport, Storage & Communications	10.30	14.92 (4.35)	5.51		5.51	20.43 (5.21)
Financial Institutions, Real Estate & Business Services	10.00	5.32 (1.55)	1.93		1.93	7.25 (1.84)
Community Services, Social & Personal Services	7.60	29.57 (8.61)	-2.71	3.20	0.49	30.06 (7.64)
Sampoorna Gramin Rozgar Yojana (SGRY)				1.29	2.09	2.09
Swaranjayanti Gram Swarojgar Yojana (SGSY)				0.80		
Pradhan Mantri Gram Sadak Yojana (PMGSY)				0.77	0.77	0.77
Aggregate	8.00	343.36	29.67	19.32	48.99	392.35

Note: Brackets denote percentage composition to total.

** Detailed breakup is given in Annexure 5.19.

Estimates on person years basis.

Source: Planning Commission

"Programme-Generated" Incremental Employment, Over the 10th plan

(million person years)

(a) Agriculture & Allied	
1. Diversion to oilseeds and pulses:	0.35
2. National Watershed Development Project for Rainfed Areas (NWDPPRA)	0.50
3. Horticulture	1.20
4. On Farm Management	1.25
5. Agriculture Clinics and Seed production	0.15
6. Training and employment of tractor drivers	0.10
	----- > 3.55
(b) Greening the country through Agro Forestry	
1. Joint Forest Management (JFM)	1.50
2. Development of medicinal plants	0.50
3. Bamboo Development	1.50
	----- > 3.50
(c) Energy Plantation for Biomass power Generation	
1. Energy Plantation Prosopis and Casuarina	1.22
2. Ethanol (Biofuel from sugarcane plantation)	0.79
	----- > 2.01
(d) Rural Sectors and SMEs	
Prime Minister's Rojgar Yojana (PMRY-SSI)	1.65
Cluster Development	0.55
Rural Employment Generation Programme (REGP-KVIC)	2.00
Sampoorna Gramin Rojgar Yojana (SGRY)	1.29
Pradhan Mantri Gram Sadak Yojana (PMGSY)	0.77
Swarnajayanti Gram Swarajgar Yojana (SGSY)	0.80
	----- > 7.06
(e) Education and Literacy	
1. Education	1.53
2. Mid day meals	0.06
3. DIET, BRC, CRC, Engineering Staff SPO, DPO	0.09
	----- > 1.70
Employment through ICT Development	0.70
Health, Family and Child Welfare	0.80
GRAND TOTAL	19.32

Source : Report of the Special Group

**Employment Elasticities for the period 1993-94 to 1999-2000 & implicit over the Tenth Plan
by Changes in Sectoral Composition on CDS Basis**

Sectors	Growth of Employment (%) 1994-2000	GDP Growth (%) 1994-2000	Elasticities 1994-2000*	Elasticities assumed in the Tenth Plan	
				With policy changes including Special employment programmes	Without policy changes
1. Agriculture & Allied (including Rural activities)	0.02	3.10	0.006****	0.23	0.01
2. Mining & quarrying	-1.91	4.70	-0.41	-0.41	-0.41
3. Manufacturing	2.58	7.80	0.33	0.50	0.33
4. Electricity, gas and water supply	-3.55	6.80	-0.52	-0.52	-0.52
5. Construction	5.21	6.30	0.82	0.82	0.82
6. Trade, hotels & restaurants	5.72	9.20	0.62	0.62	0.62
7. Transport, storage and communication	5.53	8.70	0.63	0.63	0.63
8. Financing, insurance, real estate and business services	5.40	8.40	0.64	0.64	0.64
9. Community, social & personal services	-2.08	8.40	-0.25	0.04	-0.25
Total	1.07	6.70	0.16	0.338***	0.21**

Note : *Based on actual observed elasticities (1994-2000)

** Based on Growth and without Policy changes

*** Based on Growth and Policy changes over the 10th Plan

**** Approx to 0.01

Source : Planning Commission