

only lead to the development of such areas but also provide larger employment opportunities to the people there.

6. **Population Control.** The problem of unemployment in India will be hard to solve unless there is population planning and control. The phenomenal rate at which labour force is increasing in the country can be provided gainful employment by any means. It is, therefore, imperative that adequate measures are taken to propagate the need for family planning.

7. **Restructuring the Educational System.** To solve the problem of the educated employment, India should restructure her educational system. Liberal education should be imparted up to the middle standard, and there should be the vocationalisation of education at the secondary level. College and university education should be restricted only to those who attain a high level of academic achievement. So far as the requirements of engineering, medical, administrative, commercial and other higher levels of technical education are concerned, they should be based on a proper manpower planning of the economy in keeping with the present and future demand for skilled personnel.

8. **Measures for Rural Unemployment.** The number of underemployed and unemployed is very large in the rural sector. They are primarily landless agricultural workers and marginal farmers. This necessitates the strict enforcement of land reforms so that land should go to the tiller. In addition, the small and marginal farmers should be encouraged to start such subsidiary industries as dairy farming, poultry breeding, bee-keeping, fish culture, etc., so that they may supplement their incomes and also remain partially employed. In areas which are dependent on rains for agricultural operation, such rural works programmes as road-building, canal digging, soil conservation, afforestation, drinking water schemes, buildings for schools, and health centres, etc., should be started during the slack season. Persons employed should be paid partly in kind and partly in cash.

### **Government Measures**

The various development programmes adopted since the beginning of the planning in India have generated sizeable employment opportunities in different sectors. But rural unemployment has become a formidable problem for the planners. Labour force living in rural areas is characterised by widespread underemployment with inadequate work and low incomes. To solve this problem, the Government has started a number of schemes in rural areas.

(1) The National Rural Employment Programme (NREP) envisaged generation of employment opportunities of the order of 300-400 million mandays every year. The aim was to provide employment in the lean



agricultural seasons through productive activities in rural areas. The programme operated in close conjunction with other development works. During the Seventh Plan there was a provision of Rs 3,092 crores for this programme and it generated 1,477 million mandays.

(2) The Rural Landless Employment Guarantee Programme (RLEGP) was introduced in 1983. The basic objectives were:

- (a) to improve and expand employment opportunities for rural landless with a view to providing guarantee of employment to at least one member of every landless labour household up to 100 days in a year; and
- (b) creation of durable assets for strengthening the rural infrastructure which will lead to rapid growth of the rural economy. Assistance under the programme was provided to the State/UT Governments on 100 per cent grant basis. Funds amounting to Rs 2640 crores were allocated to them during the Seventh Plan and 1,154 million mandays of employment were generated during these years.

(3) The Integrated Rural Development Programme (IRDP) aims at raising the poorest among the poor above the poverty line by providing productive assets and employment financed by the Government and banks. It was expected to cover 18 million families in all the blocks of the country during the Seventh Plan, and on the average 3,000 families in a block were provided assistance through this programme. A sum of Rs 3,316 crores was spent in the Plan for this programme. The banks were asked to provide another Rs 5,372 crores by way of loans to selected beneficiaries. Further, back-up facilities in infrastructure, community projects and assistance to voluntary agencies are also provided.

(4) The scheme of Training Rural Youth for Self-Employment (TRYSEM) was started in 1979 with the principal objective of removing unemployment among the rural youth. The target is to train about 2 lakh rural youths every year at the rate of 40 youths per block of the country. It aims at equipping the rural youth with skills to enable them to become self-employed. A rural youth from a family having an income of less than Rs 3,500 per year is eligible for selection. Preference in selection is given to those who have aptitude for innovation and entrepreneurial activities. Priority is also given to members of SC/ST and women. The mode of training is through institutions under master trainers. During the Seventh Plan 10 lakh rural youths received training under TRYSEM and about 50 per cent of them have taken up self-employment in agriculture, industry and service sectors.

(5) The Food for Work Programme (FWP) aims at creation of additional employment in rural areas on works of durable utility in the form of foodgrains as wages.

(6) The Operation Flood II Dairy Development Project is expected



to benefit 8 million milk producing families while other dairy development schemes would benefit about 5 million additional families.

(7) Fish Farmers' Development Agencies have been designed to help fishermen families in adopting modern techniques and training in fisheries culture.

(8) There are numerous schemes to assist in the development of khadi, village and small industries, including handloom, handicraft, sericulture, etc. These are likely to provide employment to an additional 9 million persons.

(9) Moreover, various components of the Minimum Needs Programme are meant to generate substantial additional employment in infrastructure and social services in rural areas.

(10) Many State Governments are operating special employment programmes in rural areas for unskilled labour on the pattern of the Employment Guarantee Scheme (EGS) of the Maharashtra Government. The scheme provides gainful and productive employment to rural unskilled labour by raising durable community assets, like roads, canals, bunds, and soil conservation schemes. The scheme guarantees right to work at a wage of Rs 6 per day. Similar schemes have been started in Tamil Nadu, Gujarat, Andhra Pradesh, Madhya Pradesh and Karnataka.

(11) Besides, there are irrigation, flood control and C.A.D. programmes which provide large employment opportunities in rural areas, particularly for the weaker sections like the landless labourers. The activities which offer large employment opportunities under irrigation and C.A.D. sectors are: (a) construction of canals where medium and large projects of dam construction are substantially complete; (b) complete on-farm development works, field channels and drainage channels of C.A.D. works; (c) minor irrigation works; and (d) flood control embankment and anti-erosion works to protect river banks.

(12) In 1989-90, NREP and RLEGP were merged to form the Jawahar Rozgar Yojana (JRY). Its aim is to generate additional employment by taking up productive works in rural areas for rural poor. During the Seventh Plan, these wage employment programmes (NREP, RLEGP and JRY) generated 3,497 million mandays of employment.

For the urban educated unemployed, the Scheme for Self Employment to the Educated Unemployed Youth (SEEUY) was started in 1983-84 for matriculates and above in the age group of 18-35 years belonging to families with income not exceeding Rs 10,000 per annum. The scheme involved giving a composite loan of Rs 25,000 for setting up ventures in industry, service and small business through banks. During 1983-84 to 1989-90, a sum of Rs 2620 crores was sanctioned to 13.28 lakh beneficiaries.

The Self Employment Programme for the Urban Poor (SEPUP) was



launched in September 1986 covering all cities and towns with a population of 10,000 and above. Under it, loans upto Rs 5000 were provided by banks to the urban poor for taking up useful economic ventures. During 1986-87 to 1989-90, loans amounting to Rs 516 crores were sanctioned to 14.37 lakh beneficiaries under the scheme. It was merged with SUME of Nehru Rozgar Yojana (NRY).

NRY was started in October 1989 for the benefit of urban poor. It consists of three sub-schemes: Scheme of Urban Micro Enterprises (SUME) for setting up micro enterprises in all urban settlements. Scheme of Urban Wage Employment (SUWE) through the provision of basic amenities in all urban settlements with a population of less than one lakh; and Scheme of Housing and Shelter Upgradation (SHASU) for providing employment in urban settlements with population between one lakh and 20 lakh. In 1993-94, 1.52 lakh families were assisted and 12.4 million mandays of employment were generated under the NRY schemes.

In 1993-94, two new schemes, namely, the Employment Assurance Scheme (EAS) for the rural adults and the Prime Minister's Rozgar Yojana (PMRY) for urban educated were started. The latter scheme has been integrated with the SEEUY. The EAS provides assured employment for up to 100 days of unskilled manual labour to all rural adults. It is implemented in 1778 backward blocks in the country. Blocks that fall under JRY, EAS and IRDP are receiving funds of about one crore a year for implementing labour-intensive rural works through panchayats.

#### OUTPUT VERSUS EMPLOYMENT

The literature on economic development in the 1950s and 1960s emphasised the expansion of the modern industrial sector as a precondition for the rapid economic development of a developing economy. It was argued that the development of the industrial sector not only produces for the domestic market but also for the foreign market by following the policy of import substitution. Further, the expansion of this sector also absorbs surplus labour that migrates to urban areas in search of jobs. This is because with the expansion of industrial sector agriculture recedes into the background and thus releases labour for the urban sector.

But this reasoning is misconceived because it is based on the experience of industrialised countries. In the latter, there has been a tendency to equate total economic growth with industrial expansion. On the other hand, in developing countries the problem is one of providing larger employment opportunities in rural areas where the majority of labour force is concentrated. Expansion of the modern industrial sector with the main objective of maximising output cannot solve even the problem of urban unemployment. In many developing countries, the growth of industrial output has been more than the growth of employment in the industrial sector.