

**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**LOK SABHA**

**STARRED QUESTION NO. 503  
TO BE ANSWERED ON 10.04.2017**

**IMPACT OF GLOBAL SLOWDOWN ON LABOUR AND INDUSTRY**

**†\*503. SHRI HARINARAYAN RAJBHAR:**

**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:**

- (a) whether the Government has conducted any comprehensive study of the impact of global financial slowdown on domestic labour and industry;**
- (b) if so, the details and the findings thereof;**
- (c) the number of labourers who reportedly lost their jobs due to closure of various industries in the country during the last three years and the current year, State/UT-wise including Uttar Pradesh; and**
- (d) the role played by the Government in rehabilitation of the affected labourers during the said period?**

**ANSWER**

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT  
(SHRI BANDARU DATTATREYA)**

**(a) to (d): A statement is laid on the Table of the House.**

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 503 FOR 10.04.2017 BY SHRI HARINARAYAN RAJBHAR REGARDING IMPACT OF GLOBAL SLOWDOWN ON LABOUR AND INDUSTRY.**

(a) & (b): V.V. Giri National Labour Institute, an autonomous institution of the Ministry of Labour & Employment had conducted a study based on a request of the Ministry of Commerce and Industry on Global Downturn and Export Sector in India: Impact on Production, Export and Employment during 2009-2010. The main objective of the study was to assess the impact of the economic slowdown on exports, production and employment in three specific export intensive sector, namely textiles, diamond and handicrafts. The study also evaluated the efficacy and efficiency of the stimulus packages initiated by the Government of India to counter the slowdown and ensure recovery.

The study indicated that after the economic slowdown of about a year and a half, the recovery of the Indian economy was evident from May–June 2009. The details and key findings of the study are at **Annexure-I**.

(c) :The details are placed as Annexure-II .

(d): Under the Industrial Dispute Act, 1947 in the event of closure, every worker affected is entitled U/S 25-O (8), compensation equivalent to 15 days average pay for every completed year of continuous services. In addition under Rajiv Gandhi Shramik Kalyan Yojna worker is paid Unemployment Allowance and vocational training is provided for skill development.

**ANNEXURE REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 503 FOR ANSWER ON 10.04.2017 REGARDING “IMPACT OF GLOBAL SLOWDOWN ON LABOUR AND INDUSTRY.**

**Key findings**

The main objective of the study was to assess the impact of the economic slowdown (2007-2009) on exports, production and employment in three specific export intensive sectors, namely textiles, diamond and handicrafts. The study also evaluated the efficacy and efficiency of the stimulus packages initiated by the government of India to counter the slowdown and ensure recovery. The study suggested policy measures and an action plan to boost output, exports and employment in the context of economic slowdown in the three referred sectors. The study was based on macro and micro level information and generated employment coefficient with respect to exports.

The study noted that the global slowdown during 2007-2009 had an adverse impact on export growth in the textile, diamond and handicraft industries. This resulted in the decline of employment potential of these labour intensive sectors. However, it is important to note that there was a difference in terms of formal and informal sectors as far as the impact of employment is concerned. While the employment levels in the formal sector enterprises remained more or less the same during the crisis period, the fall in employment took place primarily in the informal sector or small enterprises.

Based on the detailed sectoral as well as sub-sectoral analysis, the study recommended that stimulus packages introduced to revive the export industry like interest subvention, cut in excise duty, etc. will have to be continued for at least two fiscal years to revive the exports and economic growth.

The study highlighted policy issues at two levels: Cross-cutting structural issues of a medium- to long-term nature; and Sector-specific issues of immediate concern flowing primarily from the present study.

The Cross-cutting issues include: Need for diversification of exports; Continued skill development of workers; Simplification of the duty draw back and incentives claim procedure; Investment in infrastructure; and Measures to formalise the informal employment.

**ANNEXURE REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 503 FOR ANSWER ON 10.04.2017  
REGARDING "IMPACT OF GLOBAL SLOWDOWN ON LABOUR AND INDUSTRY**

**State & Industry-wise Closure of Units & Workers affected thereby**

<b>Central Sphere</b>		
<b>Year</b>	<b>No of Units</b>	<b>Workers Affected</b>
<b>2014-15</b>	<b>Nil</b>	<b>Nil</b>
<b>2015-16</b>		
<b>State/UT</b>	<b>No of Units</b>	<b>Workers Affected</b>
<b>Chhattisgarh</b>	<b>1</b>	<b>153</b>
<b>2016-17</b>		
<b>State/UT</b>	<b>No of Units</b>	<b>Workers Affected</b>
<b>West Bengal</b>	<b>3</b>	<b>61</b>
<b>Jammu &amp; Kashmir</b>	<b>1</b>	<b>30</b>
<b>Haryana</b>	<b>1</b>	<b>823</b>
<b>Punjab</b>	<b>1</b>	
<b>Andhra Pradesh</b>	<b>2</b>	
<b>Karnataka</b>	<b>1</b>	<b>72</b>
<b>Kerala</b>	<b>1</b>	<b>44</b>
<b>Madhya Pradesh</b>	<b>1</b>	<b>862</b>
<b>Chhattisgarh</b>	<b>1</b>	<b>11</b>
<b>Uttarakhand</b>	<b>1</b>	<b>165</b>
<b>Total</b>	<b>13</b>	<b>2068</b>

<b>State Sphere</b>		
<b>Year 2014</b>		
<b>State/UT</b>	<b>Number of Units</b>	<b>Number of Workers Affected</b>
Andhra Pradesh	3	326
Chandigarh	1	8
Haryana	2	59
Himachal Pradesh	2	70
Karnataka	5	552
Telangana	2	2745
Tripura	16	396
Uttarakhand	2	123
<b>Total</b>	<b>33</b>	<b>4279</b>

<b>Year 2015 (Provisional)</b>		
<b>State/UT</b>	<b>Number of Units</b>	<b>Number of Workers Affected</b>
Andhra Pradesh	1	260
Chhattisgarh		
Goa	2	44
Himachal Pradesh	1	90
Karnataka	1	96
Tripura	9	687
<b>Total</b>	<b>14</b>	<b>1177</b>

<b>Year 2016 (Provisional)</b>		
<b>State/UT</b>	<b>Number of Units</b>	<b>Number of Workers Affected</b>
Tripura	14	566

**Note:** 1. The statement in respect of State Sphere is based on the returns/information received in the Labour Bureau from respective State Government. The information w.r.t the Central Sphere is based on the information available in the Ministry of labour & Employment.

2. No information w.r.t Uttar Pradesh has been reported in the Labour Bureau.

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