

**GOVERNMENT OF INDIA
MINISTRY OF PLANNING**

**LOK SABHA
UNSTARRED QUESTION NO. 1456
TO BE ANSWERED ON 27.12.2017**

GDP AND EMPLOYMENT GROWTH

1456. DR. BOORA NARSAIAH GOUD:

Will the Minister of PLANNING be pleased to state:

- (a) whether fundamentally increase in GDP growth is bound to boost growth in employment;
- (b) if so, the details thereof;
- (c) whether the increase in employment generation do not commensurate with the growth in GDP;
- (d) if so, the reasons therefor and number of employment generated during the last three years and the current year; and
- (e) the steps taken/proposed to be taken by the Government for more employment generation?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(RAO INDERJIT SINGH)**

(a) & (b) Fundamentally, the employment elasticity of growth, which is the rate of growth of employment that accompanies every percentage of GDP growth can be positive, negative or zero.

(c) & (d) The rate of growth in GDP and the rate of growth of employment may not commensurate because the rate of increase in employment generation also depends on various other factors such as improved technologies, adoption of technology, which sectors account for growth, skills, cost of capital, labour participation rate etc. The total workforce increased from 460.2 million in 2009-10 to 474.2 million in 2011-12, as per NSSO Employment-Unemployment Survey 2011-12.

(e) The Government through various targeted programmes such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Prime Minister's Employment Generation Programme (PMEGP), Pradhan Mantri MUDRA Yojana, Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) and National Urban Livelihood Mission (DAY-NULM), Startup India, Standup India is stimulating creation of wage/self-employment. Programmes such as Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), Pradhan Mantri Kaushal Vikas Yojana and Pradhan Mantri Yuva Yojana are enhancing the employability of the labour force to access job opportunities. Besides these initiatives, flagship programmes of the Government such as Make in India, Digital India, Swachh Bharat Mission, Smart City Projects, Housing for All, Infrastructure development, Industrial corridors, Sagar Mala and major reforms like Goods & Services Tax have the potential to generate productive employment opportunities.

Direct intervention schemes such as the National Apprenticeship Promotion Scheme (NAPS) wherein Government reimburses 25 percent of the stipend payable to apprentices enhances employability of the youth to access employment. Further, Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) incentivizes industry to promote employment generation wherein Government reimburses employer's contribution of 8.33% EPS made to new employees. In addition under the special packages for Textile, Leather, Footwear and Accessories Sector in addition to 8.33 % of EPS, Government will also bear 3.67% of EPF contribution for all new employees enrolling in EPFO for first 3 years of their employment.
