

LOK SABHA
UNSTARRED QUESTION NO. 2026
TO BE ANSWERED ON DECEMBER 29, 2017

GDP AND UNEMPLOYMENT

†2026. SHRI TARIQ ANWAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that reduction in the level of Gross Domestic Product (GDP) tantamounts to unemployment in the country, if so, the details thereof and the reasons therefor;
- (b) whether the Government proposes to take steps/measures to prevent unemployment and maintain high GDP growth; and
- (c) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON RADHAKRISHNAN)

(a) The level of Gross Domestic Product (GDP) cannot be directly related to the level of employment or unemployment in the country, as the level of GDP of a country depends on a number of factors including deployment of labour and capital, structural, external, fiscal & monetary factors, improvements in the quality of institutions, infrastructure, entrepreneurial abilities and the resulting improvements in productivity. GDP at constant (2011-12) prices increased from Rs.11381002 crore in 2015-16 to Rs.12189854 crore in 2016-17.

(b) & (c) Government has undertaken several measures for generating employment in the economy, *inter-alia*, including, strategic promotion of labour-intensive manufacturing sectors like textiles and expanding employment opportunities by promoting tourism and agro-based industries. Government has implemented National Career Service portal for online registration and posting of jobs for job-seekers and providing other employment related services. During 2016-17, a new Scheme 'Pradhan Mantri Rojgar Protsahan Yojana' has been initiated by the Government with an incentive of reimbursement of the 8.33% Employee Pension Scheme (EPS) contribution made by the employer in respect of new employment. In order to improve the employability and to create decent jobs for youth of the country, the Government imparts short term skill training through Pradhan Mantri Kaushal Vikas Yojana and long term training largely through Industrial Training Institutes. In addition to these measures, Government has increased budgetary allocations for employment generation schemes including Mahatma Gandhi National Rural Employment Guarantee Act, Deendayal Antyodaya Yojana-National Rural and Urban Livelihoods Mission, Skill India, Make in India, Micro Units Development and Refinance Agency Ltd. (MUDRA), etc. to promote employment generation directly or indirectly.

The Government of India has taken various initiatives to boost the growth of the economy which, *inter-alia*, include; fillip to manufacturing, concrete measures for transport and power sectors as well as other urban and rural infrastructure, comprehensive reforms in the foreign direct investment policy and special package for textile industry. Government had also announced various measures in the budget 2017-18 to promote growth in the economy which, among others, include push to infrastructure development by giving infrastructure status to affordable housing, higher allocation to highway construction, and focus on coastal connectivity. For highways development the Bharatmala Pariyojana has been launched. The government has launched a phased program for bank recapitalization. This entails infusion of capital to the public sector banks, which is expected to encourage banks to enhance lending. The Insolvency and Bankruptcy Code was enacted to achieve insolvency resolution in a time bound manner. To implement the Code, the National Company Law Tribunal was established. The other growth promotion measures include: lower income tax for companies with annual turnover up to Rs 50 crore; further measures to improve the ease of doing business; and, a major push to digital economy. The introduction of the Goods and Services Tax (GST) has provided a significant opportunity to improve growth momentum by reducing barriers to trade, business and related economic activities.
