

EMPLOYMENT GENERATION THROUGH FIVE YEAR PLANS

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Abstract

Unemployment is a basic economic problem of India. It is considered one of the greatest setbacks in the way of economic development of our country. Government of India has taken number of measures and programmes with a view to eliminate or to minimize the problem of unemployment. All the five year plans completed so far in the country have concentrated upon this problem. Government has taken various steps to generate employment. It has initiated various projects involving substantial investment and increase in public expenditure on schemes. Government has also promoted labour-intensive manufacturing opportunities by promoting tourism and agro-based industries. New schemes have been launched nation-wide. This research paper attempts to study and discuss some of the significant programmes which have been initiated by Govt. of India to tackle the problem of unemployment during five year plans.

Keywords: Unemployment, Five Year Plan, Scheme, Programme, etc.

I. Introduction:

Unemployment is a basic economic problem of India. It is considered one of the greatest setbacks in the way of economic development of our country. Government of India has taken number of measures and programmes with a view to eliminate or to minimize the problem of unemployment. All the five year plans completed so far in the country have concentrated upon this problem. Five-Year Plans (FYPs) are centralized and integrated national economic programs. Joseph Stalin implemented the first FYP in the Soviet Union in the late 1920s. Several countries have adopted them. China and India both adopted FYPs. India launched First Five Year Plan in 1951, under influence of first Prime Minister Jawaharlal Nehru. The process began with setting up of Planning Commission in March 1950. The significant objectives were to promote a rapid rise in the standard of living of the people by efficient exploitation of the resources of the country. Increase in production and opportunities to all for employment in the service of the community. The Planning Commission was charged with the responsibility and formulating plans.

India has launched 12 five year plans so far. First five year plan was launched in 1951-56. 12th five year plan (2012-17) would be the last five year plan of India. NITI Aayog (Policy Commission) or National Institution for

Transforming India was established on January 1, 2015 in the place of Planning Commission. NITI stands for National Institution for Transforming India. This aims to achieve Sustainable Development Goals and to enhance cooperative federalism by fostering involvement of State Government of India in the economic policy-making process using a non-hierarchical or bottom up approach. It is the policy think tank of Government of India.

This research paper attempts to study and discuss the progress of Five Year Plans in India as well as major schemes which have been initiated to tackle the problem of unemployment during five year plans.

II. Objectives:

- 1) To study the progress of Five Year Plans in India.
- 2) To examine initiatives taken by Government of India to deal with the problem of Unemployment.
- 3) To study important schemes implemented in Five Year Plans to generate employment.

III. Database and Methodology of the Study:

- **Collection of data and Statistical Tools** – The study is totally based on secondary data which is collected through various books, Government reports and websites.
- **Period of Study** – The study period covers all Five Year Plans i.e. from 1951-56 to **2012-17**.
- **Scope of study** – Study covers the adoption and progress of Five Year Plan. This research paper focuses on main schemes those were implemented to generate employment.
- **Limitations of the study** – The study is limited to selected schemes.

Chart No. 1

Progress of Five Year Plans in India (1951-56 to 2012-17)

Five -Year Plans	Objectives and Impact
First Plan (1951 - 56) Target Growth: 2.1 % Actual Growth: 3.6 %	It was based on Harrod-Domar Model. The Plan Focussed on agriculture, price stability, power and transport. It was a successful plan primarily because of good harvests in the last two years of the plan. Objectives of rehabilitation of refugees, food self sufficiency & control of prices were more or less achieved.
Second Plan (1956 - 61) Target Growth:4.5% Actual Growth: 4.3%	Simple aggregative Harrod Domar Growth Model was used. Resource allocation to broad sectors as agriculture & Industry was based on two & four sector Model prepared by Prof. P C Mahalanobis. (Plan is also called Mahalanobis Plan). Second plan was conceived in an atmosphere of economic stability. The Plan Focussed on rapid industrialization - heavy & basic

	<p>industries. Advocated huge imports through foreign loans. The Industrial Policy 1956 was based on establishment of a socialistic pattern of society as the goal of economic policy. Acute shortage of forex led to pruning of development targets, price rise was also seen (about 30%). 2nd FYP was only moderately successful.</p>
<p>Third Plan (1961 - 66) Target Growth: 5.6% Actual Growth: 2.8%</p>	<p>At its conception, it was felt that Indian economy has entered a –takeoff stage . Therefore, its aim was to make India a 'self-reliant' and 'self-generating' economy.</p> <p>Based on the experience of first two plans (agricultural production was seen as limiting factor in India's economic development), agriculture was given top priority to support the exports and industry.</p> <p>The Plan was thorough failure in reaching the targets due to unforeseen events - Chinese aggression (1962), Indo-Pak war (1965), severe drought 1965-66. Due to conflicts the approach during the later phase was shifted from development to defence & development.</p>
<p>Three Annual Plans (1966- 69) Described as Plan holiday.</p>	<p>Failure of Third Plan that of the devaluation of rupee (to boost exports) along with inflationary recession led to postponement of Fourth FYP. Three Annual Plans were introduced instead. Prevailing crisis in agriculture and serious food shortage necessitated the emphasis on agriculture during the Annual Plans.</p> <p>During these plans a whole new agricultural strategy was implemented. It involving wide-spread distribution of high-yielding varieties of seeds, extensive use of fertilizers, exploitation of irrigation potential and soil conservation.</p>
<p>Fourth Plan (1969 - 74) Target Growth: 5.7% Actual Growth: 3.3%</p>	<p>During Indo Pak war resulted in twin objectives of 'growth with stability' and 'progressive achievement of self reliance' for the Fourth Plan.</p> <p>Main emphasis was on growth rate of agriculture to enable other sectors to move forward. First two years of the plan saw record production. The last three years did not measure up due to poor monsoon.</p> <p>Implementation of Family Planning Programmes were amongst major targets of the Plan.</p> <p>Influx of Bangladeshi refugees before and after 1971 Indo-Pak war was an important issue along with price situation deteriorating to crisis proportions and the plan is considered as big failure.</p>
<p>Fifth Plan (1974-</p>	<p>Fifth plan was prepared and launched by D.P. Dhar.</p>

<p>79) Target Growth: 4.4% Actual Growth: 4.8%</p>	<p>It proposed to achieve two main objectives: 'removal of poverty' (Garibi Hatao) and 'attainment of self reliance' Promotion of high rate of growth, better distribution of income and significant growth in the domestic rate of savings. After promulgation of emergency in 1975, the emphasis shifted to the implementation of Prime Ministers 20 Point Programme. FYP was relegated to the background and when Janta Party came to power in 1978, the Plan was terminated.</p>
<p>Rolling Plan (1978 - 80)</p>	<p>There were 2 Sixth Plans. Janta Govt. put forward a plan for 1978-1983 emphasizing on employment, in contrast to Nehru Model which the Govt. criticized for concentration of power, widening inequality & for mounting poverty. However, the government lasted for only 2 years. Congress Govt. returned to power in 1980 and launched a different plan aimed at directly attacking on the problem of poverty by creating conditions of an expanding economy.</p>
<p>Sixth Plan (1980 - 85) Target Growth: 5.2% Actual Growth: 5.7%</p>	<p>The Plan focused on Increase in national income, modernization of technology, ensuring continuous decrease in poverty and unemployment through schemes for transferring skills(TRYSEM) and sets (IRDP) and providing slack season employment (NREP), controlling population explosion etc. Broadly , the sixth Plan could be taken as a success as most of the target were realised even though during the last year (1984-85) many parts of the country faced severe famine conditions and agricultural output was less than the record output of previous year.</p>
<p>Seventh Plan (1985 - 90) Target Growth: 5.0% Actual Growth: 6.0%</p>	<p>The Plan aimed at accelerating food grain production, increasing employment opportunities & raising productivity with focus on 'food, work & productivity'. The plan was very successful as the economy recorded 6% growth rate against the targeted 5% with the decade of 80's struggling out of the 'Hindu Rate of Growth'.</p>
<p>Eighth Plan (1992 - 97) Target Growth: 5.6 % Actual Growth: 6.8%</p>	<p>The eighth plan was postponed by two years because of political uncertainty at the Centre. Worsening Balance of Payment position, rising debt burden, widening budget deficits, recession in industry and inflation were the key issues during the launch of the plan. The plan undertook drastic policy measures to combat the bad economic situation and to undertake an annual average growth</p>

	<p>of 5.6% through introduction of fiscal & economic reforms including liberalization under the Prime Minister ship of Shri P V Narasimha Rao. Some of the main economic outcomes during eighth plan period were; rapid economic growth (highest annual growth rate so far – 6.8 %), high growth of agriculture and allied sector, and manufacturing sector, growth in exports and imports, improvement in trade and current account deficit. High growth rate was achieved even though share of public sector in total investment had declined considerably to about 34 %.</p>
<p>Ninth Plan (1997-2002) Target Growth: 6.5% Actual Growth: 5.4%</p>	<p>The Plan prepared under United Front Government focused on –Growth With Social Justice & Equality Ninth Plan aimed to depend predominantly on the private sector – Indian as well as foreign (FDI) & State was envisaged to increasingly play the role of facilitator & increasingly involve itself with social sector viz education, health etc and infrastructure where private sector participation was likely to be limited. It assigned priority to agriculture & rural development with a view to generate adequate productive employment and eradicate poverty.</p>
<p>Tenth Plan (2002 -2007) Target Growth: 8 % Actual Growth: 7.6 %</p>	<p>Recognizing that economic growth can't be the only objective of national plan, Tenth Plan had set 'monitor-able targets' for few key indicators (11) of development besides 8 % growth target. The targets included reduction in gender gaps in literacy and wage rate, reduction in Infant & maternal mortality rates, improvement in literacy, access to potable drinking water cleaning of major polluted rivers, etc. Governance was considered as factor of development & Agriculture was declared as prime moving force of the economy. States role in planning was to be increased with greater involvement of Panchayati Raj Institutions. State wise break up of targets for growth and social development sought to achieve balanced development of all states.</p>
<p>Eleventh Plan (2007 2012)</p>	<p>Eleventh Plan was aimed –Towards Faster & More Inclusive Growth </p>

<p>Target Growth: 9 % Actual Growth: 8%</p>	<p>India had emerged as one of the fastest growing economy by the end of the Tenth Plan. The savings and investment rates had increased, industrial sector had responded well and foreign investors were keen to invest in India.</p> <p>11th Plan included several inter related components like rapid growth reducing poverty and creating employment opportunities, access to essential services in health and education, specially for the poor, extension if employment opportunities using National Rural Employment Guarantee Programme, environmental sustainability, reduction of gender inequality etc.</p> <p>The Eleventh Plan started well with the first year achieving a growth rate of 9.3 percent, in 2009-10. Consequently, the average annual growth rate of Gross Domestic Product (GDP) achieved 8 per cent, which was lower than the target but better than the Tenth Plan achievement.</p>
<p>Twelvth Plan (2012-17) Target Growth:8.5% Actual Growth: 8%</p>	<p>Twelfth Plan seeks to fulfill ‘Faster, Sustainable, and More Inclusive Growth’. For this purpose it seeks to achieve 4% growth in agriculture sector and 10% in manufacturing sector. Inclusiveness is to be achieved through poverty reduction, promoting group equality, regional balance, reducing inequality, empowering people etc. whereas sustainability includes ensuring environmental sustainability, development of human capital through improved health, education, skill development, nutrition, information technology etc. and development of institutional capabilities , infrastructure like power telecommunication, roads, transport etc.</p>

Source: Compiled from annual reports.

IV. Major Schemes Initiated to Generate Employment

Some important schemes were implemented in five year plan to generate employment those are discussed below.

1. National Rural Employment Programme (NREP)

The National Rural Employment Programme (NREP) was started as a part of the Sixth Plan and was continued under the Seventh Plan. The NREP was meant to help that segment of rural population which largely depends on wage employment and has virtually no source of income during the lean agricultural period. Under the NREP, development projects and target group oriented employment generation projects were to be closely intertwined. The programme was implemented as a centrally-sponsored scheme. But its financial burden was to be shared between the Central government and the State governments on 50:50 basis. Under the scheme, a district level

employment plan (disaggregated block-wise) was prepared. On April 1, 1989 it was merged into the Jawahar Rozgar Yojana.

2. Food for Work Programme (FWP)

National Food for Work Programme, known as Food for Work Programme also was launched on November 14, 2004 in 150 most backward districts of country with the objective to intensify the generation of supplementary wage employment. The programme is open to all rural poor who are in the need of wage employment and ready to do the manual unskilled work. It is implemented as a 100 percent centrally sponsored scheme and the food grains are provided to States free of cost. However, the transportation cost, handling charges and taxes on food grains are the responsibility of the States. The collector is the nodal officer at the district level and has the overall responsibility of planning, implementation, coordination, monitoring and supervision.

3. Rural Employment Generation Programme (REGP)

REGP launched in 1995 with the objective of creating self employment opportunities in the rural areas and small towns. This is implemented by the Khadi and Village Industries Commission (KVIC). Under REGP, entrepreneurs can establish village industries by availing margin money assistance from the KVIC and bank loans, for project with a maximum cost of Rs.25 lakh. Since the inception of REGP, upto 31 March 2004, 1,86,252 projects have been financed and 22.75 lakh job opportunities have been created.

4. Jawahar Rozgar Yojana (JRY)

In February 1989, the government announced this new wage employment scheme, for intensive employment creation in 120 backward districts. The JRY completed eleven years in March 1999. The JRY was restructured with effect from April 1999 and was renamed as Jawahar Gram Samridhi Yojana (JGSY). In the first ten years, the JRY generated 7,373 million man days of employment. However, in two respects, the JRY was superior to the NREP/ RLEGP regime. First, under the JRY there was a clear change in the priorities in favor of economically productive investments, especially which enhance the productivity of land. Second, the JRY approach involving Panchayat's in the planning and implementation of employment schemes was superior to the bureaucratic approach followed under the NREP/ RLEGP.

5. Self-Employment Programme for Urban Poor (SEPUP).

This programme is launched with a view to provide self employment to the poor youth in urban and semi-urban areas. Under this programme, bank loan is provided to such youth at concessional rate of interest and the bank is responsible for the implementation of the programme.

6. Prime Ministers Rozgar Yojana for Educated Unemployed Youth (PMRY).

PMRY was started in 1993 with the objective of making available self-employment opportunities to the educated unemployed youth by assisting them in setting up any economically viable activity. By the end of 2005-06, about 20 lakh units have been set up under the PMRY, creating 30.4 lakh additional employment opportunities. PMRY is meant for educated unemployed youth with family income upto Rs. 40,000 per annum, in both urban and rural areas, for engaging in any economically viable activity. From 1994-95 onwards, scheme for self-employment for educated unemployed youth (SEEUY) has been integrated into this scheme.

7. Swarn Jayanti Gram Swarozgar Yojna (SJGSY).

SJGSY, a holistic self employment generation programme, was launched on April 1, 1999 by restructuring the earlier integrated Rural Development Programme (IRDP) and allied programmes. The emphasis of SJGSY is on poverty alleviation, capitalizing advantages of group lending and overcoming the problems associated with a multiplicity of programmes. The scheme is being implemented on a cost-sharing basis between the Centre and States of 75:25 for non-north-eastern States and 90:10 for north-eastern. Upto December 31, 2009, 36.78 lakh self- help groups (SHGs) have been formed and 132.81 lakh Swarozgaries have been assisted with a total outlay of Rs.30,896.08 crore.

8. National Rural Employment Guarantee Scheme (NREGS).

NREGS was implemented since February 2, 2006 in 200 identified districts of the country with an object of providing 100 days of guaranteed unskilled wage employment to each rural household opting for it. The ongoing programmes of SGRY and National Food for Work Programme (NFWP) have been subsumed under NREGS in these districts. NREGS was extended to 300 districts to all rural districts of the country in 2008-09. As against the budgeted outlay of Rs.39,100 crore for the year 2009-10, an amount of Rs.24,758.50 crore has been released to the States/UTs till December, 2009. During the year 2009-10, 4.34 crore households have been provided employment under the scheme. The NREGS, a demand-driven scheme, has its focus on works relating to water conservation, drought proofing (including afforestation/tree plantation), land development, flood control/protection (including drainage in water logged areas) and rural connectivity in terms of all - weather roads etc.

V. Conclusion

Though the Govt. is planning and implementing many schemes and programmes to minimize the problem of unemployment, still it is not successful in fulfilling the all set objectives. We need to follow-up the programmes, create more awareness and at the same time participation of the mass also imperative.

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