

**STATEMENT BY MR. S.K. SAHA, JOINT ADVISER, PLANNING
COMMISSION OF INDIA & MEMBER OF THE INDIAN DELEGATION, ON
AGENDA ITEM 3 [A] – 'PROMOTING FULL EMPLOYMENT AND DECENT
WORK FOR ALL' AT THE 46TH SESSION OF THE COMMISSION FOR SOCIAL
DEVELOPMENT ON FEBRUARY 7, 2008**

Mr. Chairman,

On behalf of the delegation of India, I would like to convey our warmest felicitations to you on your election. I assure you of my delegation's full cooperation and support in guiding the deliberations of this Commission. I also congratulate the other members of the Bureau. We associate ourselves with the statement made by Antigua & Barbuda as Chairman of the Group of 77.

Mr. Chairman,

The last session of the Commission enabled us to review the priority theme "Promoting full employment and decent work for all". The current session provides us an opportunity to draw upon the conclusions arrived at the earlier session to conceptualize a policy frame work for achieving full employment and decent work for all. As we embark on this journey, it is useful to take stock of the current labour market trends and challenges.

The latest statistics suggest that there are 200 million unemployed and 1.3 billion people who are underemployed. While the global labour force increased by 438 million workers to about 2.9 billion workers from 1995 to 2005; however, unemployment rose from 6% to 6.3% during the same period. Moreover, despite the fact that the global economic output increased by 3.8 percent per annum, the unemployment rate continues to rise, giving rise to the phenomenon of 'jobless growth'. The UN Secretary-General's report also points to an expanding phenomenon of 'de-industrialisation' mostly in developing countries wherein growth in industrial output has been expanding without generating a similar growth in manufacturing jobs.

The developing countries face a major challenge to counteract jobless growth and reconcile market forces. The need for making globalisation more inclusive is more than ever. Externally, globalisation means that inefficient enterprises have to close down under competitive pressure, which causes unemployment. Thus, active labour market policies empowering those marginalised from the labour market would be necessary as a means to combat social exclusion. On the other hand, liberalization of the economy has to follow a certain level of development of economic and scientific capacity. Sequencing is, therefore, critical but has often been ignored.

Mr. Chairman,

Trade barriers as well as unfair trading practices continue to have deleterious effect on employment growth in developing countries, in particular those in sub-Saharan Africa. Ironically, even the tariffs, in actual terms, imposed by the developed on developing countries are far higher than on fellow developed countries. The destruction of livelihoods through the inability of many developing countries' farmers to compete, as a result of subsidies in the developed world, is well-known. One of the reasons why unemployment is not really decreasing significantly in spite of growth is the shift away from agriculture, including from food crops. In the case of non-agricultural goods, fair trade liberalisation could have offset the unemployment-creating effects of liberalised imports because higher exports mean more job creation and less job destruction for the economy, but this effect is impeded by what have been described as "subtle trade barriers".

A fundamental reform of global economic governance that would ensure changes in voting structure and accountability is necessary. There should be effective follow-up of the Economic and Social Council mandate to periodically review international economic policies and these have to include an evaluation of the policies of international economic institutions.

Mr. Chairman,

High growth does not automatically lead to greater equality and social justice. Small and medium enterprises, which account for large share of labour force, must be made more productive and sustainable. Enormous potential of micro-finance schemes should be tapped. In addition, it is imperative that persons working in the informal sector are also brought within the ambit of social protection systems. Dependence on agriculture and high demographic growth continues to make the challenge of full employment and decent work that much more difficult to achieve in many parts of the world. Consequently, direct anti-

poverty programmes particularly in rural areas are necessary as a social protection measure.

Private sector has enormous potential to generate employment. Private enterprise, however, mostly finds it difficult to take account of the social costs of unemployment. It is, thus, necessary to develop partnerships between Governments and private sector to promote corporate social responsibility as an instrument for achieving productive employment and decent work for all.

Mr. Chairman,

Employment creation and skill development are thrust areas of India's economic planning. Recognizing that significant part of the labour force belongs to the 'unorganised sector', India undertook a number of initiatives in recent years to comprehensively address problems associated with it. The National Common Minimum Programme made a clear determination to improve the lot of workers in the unorganised sector. One of the significant interventions to generate employment is the launch of the National Rural Employment Guarantee programme in 2006, which makes the right to work a fundamental right by providing 100 days assured wage employment annually to every rural household, and thus creates a social safety net, infrastructure and access to health in rural areas. At least one-third of the beneficiaries of this programme are women. It would be extended to entire country by April 2008, making it one of the largest Social Security measures in history.

Cognizant of the importance of skill development for employment generation and improving productivity of labour, India launched 'Skill Development Initiative Scheme' to train one million persons over the next five years, and to reach out to half of the country's labour force within the next 15 years. India has been upgrading Industrial Training Institutes to create a work force to meet the domestic industrial needs and also to compete in the global labour markets. During the last decade particular attention was paid to the policy environment influencing a wide range of economic activities with large employment potential, such as construction, real estate and housing, transport, small scale industries, information technology as well as IT Enabled Services, financial services and tourism. It also gave high priority to micro and small enterprises, which today provides employment to 29.5 million people. Consequently, employment growth in India accelerated to 2.6% during 1999-2005 - outpacing population growth.

Mr. Chairman,

A number of self-employment programmes have been devised and implemented in India for educated and uneducated unemployed people, particularly rural youth and women. Some of the ongoing self-employment

programmes include *Swarnajayanti Gram Swarajgar Yojana*, Prime Minister's *Rozgar Yojana* and *Swarna Jayanti Shahari Rozgar Yojana*. The Prime Minister's *Bharat Nirman* Scheme on the six critical areas of rural infrastructure would enhance rural economic activities and generate both more incomes and more rural employment.

Decent work provides a holistic framework for shaping policies and action, and also provides a paradigm for addressing challenges of the informal economy. India has accorded high priority to rights at work and social dialogue. The right of collective bargaining and freedom of association is provided for under the Industrial Disputes Act and Trade Union Act. The Government is also strongly committed to the ethos and culture of tripartism by actively involving labour unions and the business community. Pluralism, freedom of speech and association in a vibrant Indian democracy satisfy some of the aspirations of working people.

The Unorganised Sector Workers Social Security Bill 2007 has been introduced in the Upper House of the Indian Parliament to provide legislative backing to all social security schemes. Recent measures taken to improve social protection include launch of National Health Insurance Scheme for all families below the Poverty Line, which would benefit 300 million persons.

Mr. Chairman,

The World Economic Situation and Prospects 2008 projects that employment growth will retreat or remain modest in most countries in 2008 as a result of slower overall economic growth. There is an urgent need for creating an enabling environment at the international and national level for promoting full employment and decent work. We are optimistic that the current session of the Commission would devise policy alternatives for both national and international level to address the new challenges to full employment and decent work for all.

Thank you, Mr. Chairman.

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