UNIT 13 : PLANNING FOR DEVELOPMENT

UNIT STRUCTURE

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13.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- understand about the emergence of planning in India
- discuss the role of Planning Commission and The National Development Council
- explain about overall objectives, targets, achievements and failures of Five Year Plans in India
- have an insight to the current Five Year Plan n India

decided by negotiation between trade unions representing workers and associations representing employers. Thus, labour market is an institutionwhichbrings workers and employers into contact of each other and facilitates conditions for the determination of wages and conditions of work.

12.10.2 Problems of Labour Market

The major problems of Indian Labour Market are as follows: -

- **Unskilled labour:** The majority of Indian labour force is illiterate and unskilled. They lack proper education, vocational education, skill development programmes, training, technical know-how etc. As a result of this their employment in organised or formal sector is very much limited leaving agriculture to absorb this pool of unskilled labours.
- **Lack of absorption of skilled labour:** In India it is not only the unskilled labourers who remain unemployed but the absorption rate of educated and skilled labour force is also very poor. A huge chunk of technically educated youths after completing their technical education like engineering, vocational courses etc. are finding it difficult to get themselves absorbed in the secondary sector, resulting in the problem educated unemployment in India.
- **Surplus labour:** India is a populous country in the world next to China. Every year a large number of labours join the labour market. But due to lack of adequate job avenues, a large proportion of labours don't get jobs. The presence of surplus labour is thus a problem faced by the Indian labour market. These labourers turn out to be disguised in nature and are an important factor behind low productivity and slow growth of the Indian economy.
- **Unemployment:** As a corollary to the above, every year a large proportion of people join the labour force but due to inadequate employment avenues most of the people remain as unemployed

or partially employed in the unorganised sectors. Presence of disguised unemployment, seasonal unemployment, cyclical employment, structural unemployment etcresult in low productivity and hence the low level of per capita income of Indian. Again, the presence of educated unemployment is another serious issue in this regard. Thus, unemployment has emerged as one of the most serious problems faced by the Indian labour market.

- **Trade Union activities and its political interest:** The main objective of trade union is to protect the interests of labours. It tries to promote overall development of labours. But this leads to protest of workers against employers by the means of strikes, lockouts etc. which adversely affects the production capacity of an economy by influencing the work culture in derogatory manner. Again, the agenda of different political parties also influences functioning of the trade union. Sometimes, there is conflict of ideas between the leader and the members of the work force as the later intuitively try to promote his/her ownbenefit through sacrificing welfare of millions of labours. The aggressive behaviour and unpeaceful attitude of trade union have a negative impact on the economy of India.
- **Lack of Labour Reforms:** Labour market in India is also suffering from lack of adequate labour reforms provision. Economic reforms introduced in the country during the 1990s have changed economic scenario of the country. But the country is lagging behind in adopting necessary labour reforms as per the need in the present context.
- **Not proper utilisation of social security measures:** Social security measures are introduced in the labour market to minimise the risks associated with uncertainty in the production, unseen calamities, bad weather, demise of the labour, disease etc. the main motive of social security measures is to protect the labours from the death of poverty and low standards of living.

Q 7: What do you mean by 'Adjudication'?

Q 8: What do you mean by lockouts?

Q 9: What is conciliation process in settlement of industrial disputes?

Q 10: Mention one major cause of industrial disputes.

Q 11: What do you mean by social security?

Q 12: What do you mean by trade union?

Q 13: When was the first National Commission on Labour set up?

Short Questions (Answer each question in about 150 words)

Q 1: What are the characteristics of Indian informal sector?

Q 2: What do you mean by industrial disputes?

Q 3: What are the main reasons behind industrial dispute in India?

Q 4: What is the present status of agricultural labourers in India?

Q 5: What are the methods of settlement of industrial disputes in India?

Q 6: What are social security measures for welfare of Indian labour?

Q 7: What are the problems of labour market in India?

Q 8: What do you suggest for the betterment of Indian labour market?

Q 9: What are the major recommendations of National Rural Labour Commission?

Q 10: Write short notes on:

a) National commission on rural labour

b) Trade union

c) Social security measures

Long Questions (Answer each question in about 300-500 words)

Q 1: Discuss about the present status of Indian Agricultural labourers.

Q 2: Explain the trade union movement in India.

Q 3: Explain the main causes of industrial disputes in India.

Q 4: How does the industrial disputes settle in India?

Q 5: Discuss the recommendations of National Rural Labour Commission in India.

Q 6: What are the weaknesses of the trade union in India? Explain.

Q 7: Write a note on social security measures undertaken in India for betterment of Indian labour.

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Ans to Q No 2: The full form of NCEUS is National Commission for Enterprises in the Unorganised Sector.

Ans to Q No 3: The full form of NCRL is National Commission on Rural Labour.

Ans to Q No 4: The informal workers are those workers who employ whether in the formal sector or informal sector don't get any social security benefits.

Ans to Q No 5: Industrial labourers refer to all those workers, who are employed in manufacturing units.

Ans to Q No 6: The clearly registered first trade union in India was Madras Labour Union formed in 1918.

Ans to Q No 7: Social security is the protection which society provides for its members through a series of public measures against the economic and social distress resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death.

Ans to Q No 8: Five different types of social security available in India are:

i) maternity benefit ii) disablement benefit
iii) sickness benefit iv) medical benefit
v) death relief benefit.

Ans to Q No 9: Labour market is defined as an institutionwhich brings workers and employers into contact of each other and facilitates conditions for the determination of wages and conditions of work.

Ans to Q No 10: Refer to the section 12.10.2.

12.14 MODEL QUESTIONS

Very short questions (Answer each question in about 50 words)

Q 1: What do you mean by informal or unorganised sector?

Q 2: Mention one feature of informal economy.

Q 3: Define informal worker.

Q 4: When did Indian National Trade Union Congress establish?

Q 5: What is the full form of NCEUS?

Q 6: What is the full form of A.I.T.U.C?

In many countries, the security measures are introduced many years ago, but in India, social security measures are introduced just after the independence. Again, implementation of social security measure is also not up to the mark due to unsensitive behaviour of employers and weak strength of labour union.

12.10.3 Suggestive Measures

We have seen that the labour market in India has been suffering from the aforesaid serious problems. Thus, the Government should chalk out proper policy for bringing necessary reforms in the labour market for the greater interest of the country as well as for the interest of labour force (both working and non-working) in general. The following suggestions can be made in this regard.

- Expansion of educational facilities
- Encouraging internal leadership.
- Implementation of one industry, one union.
- Control of political interference.
- Strengthening of their financial position.
- Providing proper training.
- Co-operation of employers.
- Eliminationist-union rivalry.
- Reforming the structure of unions.
- Setting up of employment ventures.



CHECK YOUR PROGRESS

Q 9: What is meant by labour market?

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Q 10: Mention the problems faced by Indian labour market?

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12.11 LET US SUM UP

- Majority of Indian workers are employed in the unorganised sectors due to lack of proper education, vocational education, skill development, communication skills etc.
- Low level of education, no job security, no provision of institutional finance, workers are paid on daily basis, low wage rate, no social security measures, easy entry, low operationsetc are prevailing features of unorganised/informal sector in India.
- The Agriculture labour Enquiry Commission defines agricultural labourers as those derive their main source of income by working on farms of others for a wage.majority of unorganised workers engaged in agriculture.
- The presence of disguised employment in agriculture sector of India is responsible for lower productivity in agriculture.
- The industrial labour refers to all those workers, who are employed in manufacturing units. Low literacy, low productivity, low efficiency, poverty, lack of organisation, migration, lack of information, superstition and religious beliefs, lack of skills and specialisation, no punctuality and discipline, bad habits etc are important features of industrial labour in India.
- Conflicts of interests between employees and employers may result in industrial disputes. Lock outs, strikes etc., are different forms of industrial disputes. The emergence of disputes results in low industrial productivity in India.
- Conciliation and arbitration (voluntary and compulsory arbitration) are different methods for settlement of industrial disputes in India.
- In 1947, Government of India passed The Industrial Disputes Act 1947, which was implemented from 1956.
- Formation of work committees, conciliation board, court of enquiry, labour court, industrial tribunals, industrial truce,National Arbitration Promotion Board, conciliation officers are some of the major criteria for settlement of industrial disputes in India.

- There are various social security measures exist in India for protecting workers against economic and social adversity.
- Indian labour market is volatile, diverse, and vibrant in nature. Though today, India is the fastest growing economy, the employment generation is not adequate to absorb all the qualified young employees. This is the major problem of Indian labour market till date.
- The government of India should take actions to create job opportunities, to expand educational facilities, to provide vocational and skill development trainings,to encourage internal leadership,to implement one industry, one union, to control of political interference, to strengthen their financial position, to promote co-operation among employers, to eliminate inter -union rivalry, to reform the structure of unions, to setting up of employment venturesetc for well-functioning of Indian labour market.



12.12 FURTHER READING

1) Datt, G and Mahajan, A. (2016). Datt & Sundharam's Indian Economy. New Delhi: S. Chand & Co.
2) Dhar, P. K. (2013), "Indian Economy: Its Growing Dimensions",Kalyani Publishers, New Delhi
3) Kapila, U. (2003), "Indian Economy: Issues in Development and Planning and Sectoral Aspects", Academic Foundation, New Delhi.
4) Kapila, U. (2018), "Indian Economy Since Independence", Academic Foundation, New Delhi
5) Misra, S. K. And V.K. Puri (2000), "Indian Economy-Its Development Experience", Himalaya Publishing House, Mumbai.
6) Mukherjee, D. (2019), "Indian Economy Since Independence", NVBA, Kolkata



12.13 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: The unorganised sector is the sector which is not registered with the government. In this sector, employment terms are not fixed and regular.Further, employees do not get any social security.