

Inclusive growth

1.27 Faster economic growth is also translating into more inclusive growth, both in terms of employment generation and poverty reduction. The Tenth Five Year Plan was formulated in the backdrop of the concerns over jobless growth. Employment growth slowed to 1.25 per cent per annum during 1993-94 to 1999-2000 with 24 million work opportunities created during this period (annual average of 4 million). The Tenth Five Year Plan, therefore, set a target of creation of 50 million new opportunities on current daily status basis (CDS).

1.28 The 61st Round of NSSO Survey found that 47 million work opportunities were created during 1999-2000 to 2004-05, at an annual average of 9.4 million. Employment growth accelerated to 2.6 per cent during this period. The labour force, however, grew at 2.8 per cent per year, 0.2 per cent point faster than the workforce, resulting in an increase in the unemployment rate to 8.3 per cent in 2004-05 from 7.3 per cent in 1999-2000.

These rates based on the CDS approach are higher than those obtained by the usual status and weekly status approaches, indicating a high degree of intermittent unemployment. Unemployment rate measured in terms of number of persons as per the usual principal and subsidiary status basis was only 2.5 per cent in 2004-05.

1.29 The proportion of persons below the poverty line declined from around 36 per cent of the population in 1993-94 to 28 per cent in 2004-05 as per the uniform recall period. Based on the mixed recall period, the number of persons below the poverty line has declined to 22 per cent in 2004-05 from 26 per cent in 1999-2000. Further, the growth of average monthly per capita expenditure at constant prices between 1993-94 and 2004-05 (61st Round of NSSO) also indicates broadly similar growth across different rural and urban income classes, though it may have been less uniform for urban than for rural population.