Respected Hon’ble Labour Ministries, Distinguished delegates, senior officials, Ladies and Gentlemen

It is a great honour and privilege to chair this session on the theme of Overview of Employment-led Initiatives for Inclusive Growth in Developing Countries during a very crucial, critical and transitional phase marked by global recession which was unleashed by the recent global financial and economic crisis. It is my firm belief that the subsequent discussions will provide valuable and innovative insight into the core of the problems we are facing in the context of employment related issues. I am very hopeful that our parleys will be very fruitful and may open the path for developing, designing and implanting innovative schemes and programmes which may promote employment-led initiatives for sustainable inclusive growth.

The recent experiences across the global economy cutting across the two hemispheres have clearly shown that growth, wealth and asset created without flowing into the bottom of pyramid will burst like a bubble in due course of time. We need not go into the nitty-gritty of figures and data to verify the challenges of global economic recession, but the manifestation on the streets by the common people are clear signals that without an inbuilt employment-led initiative the end of a sustainable inclusive growth will crumble mid-way. In my opinion, employment-led initiative is the fuel that runs a multi-wheeled truck. So, Employment-Led Initiative (ELI) should be at the core of any development strategy for sustainable inclusive growth.

There is also a need to re-look, re-analyse and re-examine at the history of economic growth and development in order to substantiate the essence of ELI Sustainable Inclusive Growth in the Developing Countries. Developed Countries of our time attained growth miracles through
accumulation of physical capital whereas Newly Industrialized Countries achieved the same via augmentation of an inter-mix and blend of physical capital and human capital. However, developing countries face greater challenges as we are faced with the twin-strategies to create growth miracles as well as ensure sustainable inclusive growth within a set of cross-cutting issues and problems. For us, it is only not necessary to augment both physical capital and human capital but we are also required to fulfill the sufficient condition of employment-led initiatives to create the cycle of sustainable inclusive growth. For us in the developing countries, sustainable inclusive growth is not a luxury but a necessity for sustainable livelihood for the masses that are still trapped in the midst of poverty, hunger, diseases and malnutrition.

The World of Work Report 2011 of ILO cautioned that we need to take employment as a top global agenda. This is essential to effectively address deeper job recession and social unrest the world over. The Report further cautions that there is a vicious cycle of a weaker economy affecting jobs and society, in turn depressing real investment and consumption, thus the economy and so on. This vicious circle can be broken by making markets work for jobs – not the other way around. As per the ILO’s Report on Global Employment Trends, 2011-The challenge of a jobs recovery, the global unemployment rate stood at 6.2 per cent in 2010, as against 6.3 per cent in 2009, but is still well above the rate of unemployment of 5.6 per cent in 2007.

The urgent need to foster a recovery in jobs was underscored in the G20 Leaders' Declaration in November 2010, following their meeting in Seoul. In this Declaration, the leaders stated that "we are determined to put jobs at the heart of the recovery, to provide social protection, decent work and also to ensure accelerated growth in low income countries" and the G20 once again called on the ILO and other international organizations to provide expertise in this regard". The last G20 of Labour & Employment Ministerial (Paris), 2011 also discussed Employment as one of the four key issues. Our Hon’ble Labour & Employment Minister, Shri Mallikarjun Kharge delivered a speech on the Topic of Employment during the G20 Labour and Employment Ministers Meeting, Paris 26-7 September 2011 underlying the need for focussing on employment-led initiatives. The current G-20 (2012) under the presidency of Mexico also set up a Task Force on Employment for addressing the employment-related issues.
The trinity of employment-led initiatives for sustainable inclusive growth in developing lies in: (i) education, skill and knowledge; (ii) public employment policies, schemes and programmes; and (iii) promotion, creation and sustenance of decent work. Education, skill and knowledge are the pillars of growth which will move the economy into a high trajectory. Promotion, creation and sustenance of decent work will create the enabling environment for sustainable inclusive growth. Public employment policies, schemes and programmes will act a safety-net during time of crisis.

In most of the developing and under-developed countries, given the very low proportion of skilled workers, a suitable and workable framework to enhance the employability of workers is essential. The same can be achieved by providing training to workers at various levels with emphasis on recognizing local skills and certifying informally acquired skills along with the expansion of skill development institutions. In this context, we need to address the issues concerning creating internationally comparable skills qualifications and enhancing national employable skills strategies. Harmonization of skill qualification framework should facilitate Labour Mobility and Skill Mobility so that quality job creation is inclusive and sustainable. While developing indicators for areas like Skills, we should be very clear about the purpose for which these indicators are being developed so that there is no scope for its use as barriers in trade, investment and labour mobility. Due consideration should be given regarding the diversities of various countries, scale of development and size of the informal sector.

Inclusive growth being one of the central concerns of the growth process India is presently following, improving the quality of work and raising levels of living standards of workers occupy the central place in the overall growth process. In this regard, stricter implementation of the Minimum Wages Act, 1948 and targeted employment generation programmes are important policy considerations. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) had significant positive impact on rural wages, thereby improving the quality of employment.

Active labour market policies (ALMPs) are recognised as an important strategy for providing immediate access to employment for less advantaged groups in the labour market but also improve the quality of employment. In India, ALMPs are pursued to generate both wage as well as self-employment. The major employment generation programmes which are
currently in operation in India include: Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Prime Minister’s Employment Generation Programme (PMEGP), National Rural Livelihoods Mission (NRLM) and Swarna Jayanti Shahari Rozgar Yojana (SJSRY). These programmes have reflected immense potential for generating short term rural wage employment as well as sustainable self employment.

However, India is mandated to create a work environment conducive to achieving a high rate of economic growth with due regard to protecting and safeguarding the interests of the working class in general and those of the vulnerable sections of the society in particular. This process will be sustainable in the long-run if it is in tune with the emerging needs of the economy such as attaining higher levels of productivity & competitiveness, increasing employment opportunities, attaining more investment both domestic and foreign etc. Economic growth and policies of social inclusion mutually reinforce each other, this has become evident in the way our economy could withstand the severe global financial and economic crisis. Active government policies such as the provision of gainful employment for the working poor under the Mahatma Gandhi National Rural Employment Guarantee Act have played a critical role in strengthening the ability of our economy to face global challenges.

For sustainable quality job creation, there is a need to address the skill needs, especially of informal sector workers, by developing innovative modes of skill certification. In India, Skill development Initiative (SDI) scheme is based on the Modular Employable Skills (MES) framework for providing vocational training for early school leavers and existing workers, especially in the informal sector to improve their employability. Micro, Small and Medium Enterprises (MSMEs) are also catalysts for generating productive employment. In India, there is a moderate increase in overall employment and the share of primary sector in employment is declining. Skill development is an important policy tool for our Government to enhance employability and earning capacity of work force. Government of India is promoting Skill Development that is socially inclusive and equitable. In this direction “National Policy on Skill Development” has been approved by Government of India which aims at empowering all individuals through improved skills, knowledge and internationally recognized qualifications. This would help them gain access to decent employment and ensure India’s competitiveness in the dynamic Global
Labour market. The National Policy on Skill Development has set a target of skilling 500 million people by year 2022 to meet the emerging challenges.

Our 11th Five-Years Plan aimed at increasing private organized sector employment ambitiously, by at least 10 million. Along with the public sector, organized sector jobs would then expand by over 15 million, a growth rate of about 9% per annum. In the Eleventh Five Year Plan, a comprehensive Skill Development Programme with wide coverage throughout the country has been initiated by the Government. The coordinated Action Plan for Skill Development has a target of 500 million skilled persons by the year 2022, and all concerned Ministries and Departments have been mandated to undertake skill development programmes accordingly. Eleventh plan also aims at creating 58 million additional employment opportunities both in rural and urban areas through normal growth process and by implementing various employment generation schemes besides entrepreneurial development programmes run by Ministry of Micro, Small & Medium Enterprises. A Mission Mode Project under National e-Governance Plan has been taken up for modernization of Employment Exchanges. Under the project, a national web portal is proposed to be developed to work like a virtual job market. Formulation of National Employment Policy is under consideration of the Government. The objective of Policy is to provide a holistic framework towards the goal of remunerative and decent employment for all men & women in the labour force in a sustainable manner.

Government of India is taking all necessary steps to enhance the employability and employment in the country by promoting growth of labour intensive sectors. Employment has been an important objective of the development planning. Inclusive growth is also focused issue of Government. Government of India is giving importance and focusing on Skill Development for enhancing employability of young people. The issues of concern for the developing countries like India are large size of informal/ unorganised sector, structural unemployment, inadequacy of skills, large workforce (about 55%) in agriculture sector, etc. The critical issues with respect to unemployment include a mis-match between skills supply and demand, low technology levels, low wages and low productivity, occupational shift in employment, under-employment owing to seasonal factors, excess labour supply in relation to demand, migration of the labour force from the rural to urban areas and limited participation of women in the work force, especially in the organized sector. Our National Policy on Skill Development is a guiding document for
implementation of various skill development programmes of the country. The policy has targeted skill development of 500 million persons by 2022 by involving all stakeholders through concerned Ministries / Departments. The endeavor is to equip labour force with suitable and relevant skills to meet domestic requirement as well as the global need. Government attaches great importance to skill development especially of youth of the country. Various schemes have been launched by the Govt. of India for skill training such as Craftsmen Training Scheme (CTS), Apprenticeship Training Scheme (ATS), Skill Development Initiative through Modular Employable Skills, popularly known as MES Scheme. MES is an important initiative taken up with active participation of Industry to suit their needs and requirements. The MES is highly flexible scheme wherein short modular training programmes are conducted full time, part time, on site, off site to suit the convenience of workers. Recently, various initiatives have also been taken by the Government for improving the functioning of ITIs, employment opportunities of ITI graduates and overall qualitative improvement in training activities.

The need of reaching social security to poor was further evident during global financial crisis. Widening Social Security Net is a challenge before developing countries. India has taken various measures to combat adverse impact of crisis – sectoral/macro level policies for concerned sectors, stimulus packages, etc. Organised sector is adequately covered under social security net through legislations – provision of medical facility, pension, insurance, maternity benefits etc. Under a scheme called RGSKY (Rajiv Gandhi Kalyan Yojana) available for the workers in the organised sector, the insured persons who lose their jobs due to retrenchment, closure of factories/establishments and permanent invalidity are eligible for a monthly unemployment allowance of 50% of wages for a period of 1 year alongwith the medical cover. Government is committed to reach social security benefits to unorganized sector. However, it is a difficult task as 94% workers in unorganized sector. Important initiatives for unorganized sector include 5 labour welfare funds which have exclusive hospitals/ dispensaries, legislation for Building and Construction workers. The unorganized Sector Social Security Act 2008 has initiated social security measures for informal workers.

The Act provides for constitution of National Social Security Board which will recommend formulation of social security schemes for unorganised workers/categories of unorganised workers from time to time. Accordingly, the National Board was constituted in 2009. Subsequently, the Board
recommended that social security schemes viz. Rashtriya Swasthya Bima Yojana (RSBY) providing health insurance, Janashree Bima Yojana (JBY) providing death and disability cover and Indira Gandhi National Old Age Pension Scheme (IGNOAPS) providing old age pension may be extended to Building and other Construction Workers, MGNREGA workers, Asha workers, Anganwadi workers & helpers, Porters/Coolies/Gangmen and Casual and Daily Wagers.

RSBY is one of the most important social security schemes started by the Ministry of Labour & Employment for unorganized sector workers. The scheme provides smart card based cashless health insurance to the below poverty line workers and their families (upto five in all). The Aam Aadmi Bima Yojana provides for death and disability cover to rural landless households. Under the scheme, the head of the family or one earning member in the family is being insured. Pension under Indira Gandhi National Old Age Pension Scheme (IGNOAPS) is provided to BPL persons of 65 years or above.

Other important social security initiatives for informal sector are National Rural Health Mission and Aam Admi Bima Yojana. Various kinds of social security schemes are already in operation for workers in organised sector. These facilities for organised sector workers vary from adequate paid leave to health insurance and pension schemes. The principal social security laws enacted in India are the Employees' State Insurance Act, 1948; the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (Separate provident fund legislation exist for workers employed in Coal mines and tea plantations in the state of Assam and for seamen); the Employees’ Compensation Act, 1923; the Maternity Benefit Act, 1961; The Payment of Gratuity Act, 1972.

As far as Government of India, we give great importance to South-South Cooperation as we face similar problems requiring similar government-led initiatives. We have been doing this through the aegis of IBSA, NAM and bilateral cooperation. In the new world economic order and environment, South-South Cooperation is going to shape the future of the world. In this regard, South-South Cooperation can play a very catalytic role in addressing our common problems like poverty, unemployment, malnutrition, etc so that we can collectively reach the Millennium Development Goals. However, we feel that we should be cautious of protectionist approach and strongly resist attempts to link trade and labour standards in any form,
imposition of private standards and non-tariff barriers, etc. Even ILO Social Justice Declaration, 2008 states that trade and labour standards should not be linked in any form.

MGNREGA, RSBY and MES which I have briefly mentioned above are some of the innovative schemes being implemented by Government of India for tackling the problems of employment and allied issues. These schemes play crucial role in providing and promoting decent work besides creating jobs and acting as a safety net during period of crisis. Many countries of Asia, Africa and South America like are also implementing public employment and social protection programmes. In fact, we are very keen to learn from the experience, expertise and practices of other countries and share the same of ours. This workshop is the place where we can start initiatives in this regard and strengthen the strong bond among the developing countries of South-South.

To conclude, I would like to state that a framework to promote sustainable inclusive growth will be successful if and only if it puts employment-led initiatives at the heart of its strategy. I am sure this workshop will pave the way for furthering, deepening and widening South-South Cooperation. We are very keen to share and learn the best practices, ideas, innovations and developments and this workshop is just the beginning.

Thank You.