ABSTRACT
The economic policy of India has ever focused on twin objectives of accelerating growth and expanding employment opportunities. There is no conflict between these two objectives. Moreover, the two go together. Higher growth of economy provides greater employment opportunities. Employment has featured as an important item in the development agenda in India. In the initial years of development planning, unemployment was not expected to emerge as a major problem; yet care was taken to see that employment of a reasonable magnitude is generated in the development process to productively employ the growing labour force. A reasonably high rate of economic growth combined with an emphasis on labour intensive sectors like the small scale industry was envisaged to achieve this goal. The rate and structure of growth rather than technology were seen as the instruments of employment generation.

The structural changes that occur in the process of growth have also a bearing on employment trends. There have been structural changes in the Indian economy with respect to output and employment. However, as an economy grows, employment elasticity may fall which is in part a reflection of the improved productivity of labor. India resorted to economic reforms in the early 1990s with one of the objectives as expansion and creation of employment opportunities. There has been controversy among economists whether or not economic reforms have resulted in growth in job opportunities. Some economists view that economic reform programmes have led to ‘jobless growth’ which implies that employment has not increased enough while the economy has grown. The present paper attempts to provide estimates of economic growth and contribution of different sectors in it, unemployment and employment estimates, growth in employment and linkages between economic growth and employment if any. This paper is divided into three sections. Section I is introductory and a brief review of literature has been presented in it. Section II deals with trends in economic growth and structural changes which occurred in the Indian economy with respect to output as well as employment. Section III reveals the trends in unemployment and employment and the employment effect of economic growth, which is called ‘employment elasticity’ or ‘employment intensity’ of growth. It also suggests an employment strategy, which will help to absorb the increase in labour force. Concluding remarks have also been made in this section.

KEY WORDS: Structural change, Jobless growth, employment elasticity, GDP