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PRODUCTIVITY

4.1 Productivity is a measure of efficiency with which resources, both human and material, are converted into goods and services:

- Faster rate of economic growth can be ensured through accelerated production and higher productivity in, all branches of economic activity. Human resources, being an important input, their productivity plays a significant role in determining the overall economic growth of a nation.
- Apart from the level of human skills, the quality of raw materials and the technology employed are also responsible for productive human resources.

4.2 Comparison of Productivity Indices of Asian Countries during the year 1995 in Table 4.1 on base 1988=100 shows that the growth of productivity has been the highest in Malaysia, followed by Republic of Korea, Singapore, Republic of China, India and so on. India ranks 5th among the 18 Asian Countries for which the study has been made. It may be further noted that the productivity indices of Republic of China, Hong Kong, Indonesia, Republic of Korea, Malaysia, Nepal, Pakistan and Thailand constantly recorded improved trend. The productivity indices in India, too, recorded a rising trend. Comparative picture of labour productivity indices in Asian countries is given in Table 4.1.

COMPARISON OF LABOUR PRODUCTIVITY INDICES - ASIAN COUNTRIES								
Country/Year	1988	1989	1990	1991	1992	1993	1994	1995
Bangladesh	-	-	-	-	-	-	-	-
Republic of China	100	106.25	111.65	117.86	123.03	129.10	134.55	141.04
Fiji	100	99.19	101.77	99.50	101.54	101.39	104.83	-
Hong Kong	100	102.93	106.83	110.60	117.96	121.63	123.82	127.30
India	100	110.97	114.89	116.27	113.59	118.19	119.55	124.70
Indonesia	100	107.40	113.08	121.89	127.02	134.78	143.31	-
Islamic Republic of Iran	100	99.71	108.09	115.78	117.92	119.09	116.53	117.14
Japan	100	105.49	109.25	111.28	111.34	110.39	111.30	113.00
Republic of Korea	100	102.19	108.37	115.25	118.84	123.33	130.37	138.34
Malaysia	100	105.39	110.53	116.45	121.90	126.72	134.39	143.30
Mongolia	100	-	-	-	-	-	-	-
Nepal	100	104.65	108.99	115.15	119.59	122.60	131.31	134.10
Pakistan	100	101.45	103.10	112.48	116.38	115.09	116.73	118.88
Philippines	100	104.48	104.41	101.77	98.11	98.04	99.43	102.19
Singapore	100	104.84	107.16	111.79	114.84	125.55	133.52	140.93
Sri Lanka	100	-	-	-	-	-	-	-
Thailand	100	110.85	112.16	130.01	135.73	143.14	160.45	-
Socialist Republic of Vietnam	-	-	-	-	-	-	-	-

Source: Productivity Statistics, Asian Productivity Organisation, Japan.
Base: 1988=100

4.3 Table 4.2 presents Labour Productivity Indices as derived from GDP Index and Labour Index in various Sectors of the Indian Economy with base 1986=100. The figures reveal that with the growth of G.D.P. (1986=100) the maximum and steady growth in labour productivity in 1995 has been achieved in the Manufacturing Sector followed by Electricity, Gas and Water and Agriculture sector respectively. The Table also shows that the labour productivity indices have recorded a

rising trend in 1995 over the previous year in all the sectors of economy except Mining sector. This means that Labour Productivity of Indian Labour is generally improving with the economic growth of India.

4.4 Inter-sectoral comparison reveals that the labour productivity was highest in Transport and Communication, followed by Electricity, Gas and Water, Manufacturing, Agriculture, Construction, Trade, Mining respectively and lowest in Others.

Table 4.2

LABOUR PRODUCTIVITY INDICES OF INDIA DERIVED FROM GDP INDICES AND LABOUR INDICES (1986 = 100)										
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
GDP (1986=100)	100.00	103.92	104.68	116.16	120.27	121.71	118.91	123.72	125.14	130.53
Agriculture	100.00	99.93	99.52	114.29	114.81	117.34	117.92	120.34	121.95	129.25
Mining	100.00	108.25	99.33	119.25	119.47	118.29	110.58	114.44	116.76	114.41
Manufacturing	100.00	104.36	107.19	119.77	133.71	136.96	128.42	136.33	134.91	144.59
Electricity, Gas and Water	100.00	104.64	103.04	112.14	118.71	123.23	128.09	147.26	151.59	158.96
Construction	100.00	106.36	108.12	117.50	118.87	124.32	118.08	120.06	116.60	119.93
Trade	100.00	102.15	99.22	106.62	110.26	111.01	107.46	112.76	114.75	117.54
Transport and Communication	100.00	109.44	115.48	129.21	134.78	144.04	149.00	162.12	163.29	167.03
Finance Public Administration and Others	100.00	109.66	109.97	109.94	102.53	88.13	75.16	76.60	78.70	80.20

SOURCE:- Bulletin on Statistics 1997
Asia Productivity Organisation (JAPAN)

NATIONAL PRODUCTIVITY COUNCIL

4.5 The National Productivity Council is an autonomous body and is funded by the Government of India:-

- It aims at dissemination of knowledge and experience in productivity, promotion of consciousness and improvement in productivity, strengthening of the performance and competitiveness of the economy and improving the conditions and quality of working life.
- It operates through Regional Directorates and Regional Offices.

- Ministries of the Government of India and representatives of employers' and workers' organisations are members of the council.

- It undertakes training programmes in the area of management services, industrial training and human resources development and also provides consultancy services in both the formal and informal sectors.

- It has instituted National Productivity Awards for selected industry groups with the objective to recognize the enterprises, which excel in productivity performance and to motivate other enterprises to increase their productivity.

PRIME MINISTER'S SHRAM AWARDS

4.6 To give recognition to outstanding contribution towards production and productivity, technological innovations, cost saving import substitution, saving of foreign exchange and for showing exemplary zeal and enthusiasm in the discharge of duties, the Ministry of Labour administers a scheme entitled "Prime Minister's Shram Awards" to workmen (as defined in Industrial Disputes Act, 1947) employed by the Departmental Public Sector Undertakings of the Central and State Governments. Only those workmen are eligible for the Awards who are engaged in manufacturing and productive processes and whose performance is assessable. These Awards are announced every year on the eve of Independence Day. The awards in the order of precedence are Shram Ratna, Shram Bhushan, Shram Vir and Shram Shri/Devi. The cash prize and the number of these awards in a year are as under :-

Name of Award	Amount of Prize Cash	No. of Awards
Shram Ratna	Rs. 2,00,000	1
Shram Bhushan	Rs. 1,00,000	2
Shram Vir	Rs. 60,000	6
Shram Shri /Devi	Rs. 40,000	8
Total		17

4.7 Besides the cash prize, the awardees also receive a 'Sanad' from the Prime Minister.

4.8 The Hon'ble Prime Minister distributed the Prime Ministers Shram Awards on 24.02.01 for the year 1999 to 26 workers including 02 women and for the year 2000 on 4.2.2002 to as many as 28 workers including 03 women workers. The awards for the year 2001 have also been announced.

4.9 No one was found suitable for the highest award Shram Ratna for the year 2001, which is given to a worker of really outstanding ability. However, 36 workmen (including one Woman) have been selected for 17 awards (3 Bhushan – two as per the Shram scheme and third in lieu of Shram Ratna, 6 Shram Vir, 1 Shram Devi and 7 Shram Shri) during the year. Even though the total number of awards are 17, but the total number of persons selected for these awards are 36 as some of the awards have been given to a team of workmen consisting of more than one person.

PRODUCTIVITY INDICES

4.10 Main objective is to measure the level of productivity in important industries.

ACHIEVEMENTS

4.11 Productivity Indices on base 1970-71=100 have since been compiled for all the 30 selected industries in the manufacturing sector upto the year 1990-91 to 1993-94 & 1995-96.