

General Studies-3; Topic: Economic growth; Employment

Creating Jobs for Indians

1) Introduction

- 65% Indians are younger than 35 years, and they dream of a better life built on well-paid and secure employment
- Unemployment is a major hurdle in India's growth path.
- Therefore, Jobs are the pivot for the social and economic growth of the country.

2) Present status / Issues

- According to labour ministry's report on the Fifth Annual Employment-Unemployment Survey (2015-16), the unemployment rate in 2015-16 was 5% of the labour force, up from 4.9% in 2013-14
- Employment in the formal sector has fallen since 1997.
- People are pushed into either self-employment; or the unprotected and casualised wage employment.
- A shift to casual and contract employment has an "adverse effect" on the level of wages, stability of employment, and employees' social security.
- The worst-hit by jobless growth indeed are rural workers and distress migrants.
- Families migrate along with men, interrupting children's schooling, forcing women to bear and raise children on dusty city streets and leaving behind old people in the village to starve.
- The socio-economic and caste census (SECC) survey revealed that 56% rural households own no land, and depend primarily on manual labour to survive.
- The stagnant rural economy offers meagre opportunities for employment, a large segment of these households are described as 'hunters and gatherers of work'.
- Casual workers took the maximum hit from demonetisation
- Out of 1.5 million engineering graduates, only 500,000 are absorbed into the market. This raises concerns about the quality of engineers produced.
- Make in India, Digital India, Startup India and the Smart Cities project did not create the number of jobs it aimed at.
- IT is particularly hurt as automation is taking away low skilled jobs.
- Technology such as 3D printing or Internet of Things (IoT) is impacting the job scenario everywhere, be it mechanical or civil or any other engineering stream.

3) Indian Companies in US

- Indian companies in US are generating employment for the Americans.
- Between 2011 and 2015, the Indian companies have made an investment of \$2 billion and paid taxes worth \$20 billion in US.
- Indian talent is essential for the US to maintain its leadership in the field of innovation and research, a top American senator had said recently.

4) A fundamental right to create jobs

- To ensure large-scale job creation, the freedom to create jobs must be on a par with other freedoms guaranteed by the Constitution
- For a secure, prosperous and strong nation we must provide every able-bodied individual an opportunity to create jobs.

- The government initiatives on job creation are having limited impact.
- Farmers have the potential to emerge as the largest direct and indirect job creators in the economy.
- A fundamental right to create jobs will aid growth by repeal of restrictive policies and practices.
- Farmers will be able to demand their rightful access to land, capital, technology, markets, inputs, skills, remunerative pricing
- If there is a fundamental right of job, quality of basic education, health and social service between urban and rural residents will be narrowed.

5) Solutions

- India needs a focused strategy for creating an environment in which export competitive firms can emerge, especially in labour-intensive sectors.
- Labour law reforms, ease of doing business and action in specific manufacturing and services sectors.
- Exports rather than the domestic market is to be the engine of industrial growth.
- Export zones are to be seen as hubs for employment rather than just investment.
- Expanding the formal and organized sectors of the economy.
- The need of the hour is reversing the agrarian crisis, strengthening the education system, greater labour protections and promoting labour-intensive small manufacturing
- Intense revision of the syllabus and a culture of innovation that will feed startups that will help create more opportunities.
- The government should promote non-technical education too.
- Create jobs at smaller towns which truly need political will & Govt Policies.
- **Guiding job seekers**
 - a. Teaching more practical & job oriented subjects
 - b. Setting up college level incubators
- Thrust on job intensive sectors like textiles and garments, leather, tourism, jems and jewellery. Schemes like MUDRA yojana must support big employers in SME.
- Prioritise investments in labour-intensive sectors. NITI Aayog has suggested tax holidays for big job creators.
- India's private sector needs to come forward to create well-paid and highly productive jobs, said former Niti Aayog Vice-Chairman Arvind Panagariya.
- Sustainably increasing farm income needs 4Is — incentives, investments, institutions, and innovation.
- Startup India programme should be replicated in rural areas, with a focus on the non-farm sector.