

Employment in India: Factors & Perspectives

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Abstract

Employment in India is a major issue as it affects the overall growth of the economy. Various aspects of employment contribute to better understanding of the topic. The major reason for the low employment rate in India is due to the lack of quality education and skills among the Indian youth. Though the government has taken various measures to improve the employment rate in India such as providing skill employment training to the unemployed, providing better access to capital for small businesses etc, the unemployment rate is estimated to be around 8.5%. As per the statistics in 2023 there are more than 400 million people in India who are either unemployed or under employed. In addition to the issue of unemployment there are also problems with under employment and low wages. It is important to note that the people who are already employed do not receive wages that are sufficient to support themselves and their families. The government needs to focus on creating an environment that encourages investment which leads to job creation. This paper delves deep into various aspects of employment in India such as present features of employment, contribution of different sectors to GDP, government initiatives to reduce unemployment etc.

Keywords: employment, economy, Gig, GDP

Introduction

Employment in India plays a significant role in the country's economic development and social well-being. It refers to the occupations in which people work for others and get remunerated in return. It is always an indicator which denotes the economic progress of the country and the standard of living of the people. As a matter of fact, employment contributes to the country's GDP (Gross Domestic Product) that leads its economic development. The current employment in India can be divided into two categories such as formal and informal employment. Informal employment is provided by the unorganised sector or small-scale businesses where as the formal employment is provided by the government or by private companies. As per the latest data released by the government, the unemployment rate in India is around 6.43%. India is the second largest labour pool with 437 million in the world.

Features of Employment in India

There certain features of employment that are to be discussed in this paper to make the various aspect tangible. The features are as follows

- 7% of the workers work in the organised sector, but 93% of the workers work in unorganised sector.
- Many workers in the unorganised sector work for less than minimum wages.
- No capital investment is needed of an employee
- The main aim of a person accepting employment is to earn money.

- Some types of work require educational qualifications, some require some specific skill and some require both.
- 70% of workers are men and 30% are women. 30.03% of rural women are engaged in work force and in urban it is only 15.44 %, about half of the rural (as of dated 9th September 2022).

Different sectors of Indian economy

There are eight sectors that are used for calculation of national income, and these sectors fall under three main categories such as primary, secondary, tertiary sector.

a) Primary sector refers to

1. Agriculture and allied activities
2. Mining quarrying, fisheries etc

b) Secondary sector

3. Manufacturing
4. Electricity, gas and water supply
5. Construction

c) Tertiary sector

6. Trade
7. Transport and storage
8. services

Major job sectors in India

A job sector is an economic term that is used to classify a broad group of occupations and industries that are related by what they do. The major job sectors are agriculture, education, healthcare, information technology and real estate. These sectors create numerous job opportunities for aspiring profession who are provided with a chance to gradually apply their skills, improve their knowledge and advance their career.

There are certain other important sectors that can contribute to the sustainability of the countries' economy by bringing in revenue, employing more individual and providing job satisfaction. They are tourism, manufacturing, transportation, natural resources and retail supply.

Gig Economy

The term 'Gig economy' means a general workforce environment. It includes short term employment, contractual job and independent contractors. Gig economy is also known as freelancer economy. A gig is a job that only last a certain period of time. It consists of consumers, workers and companies where the workers are paid per task, per project or per work contract. These include driving for a ride-sharing service, painting someone's house, coaching, fitness training, tutoring etc.

CONTRIBUTION OF DIFFERENT SECTORS IN GDP

Primary sector

The primary sector is the most important economic sector of India and it contributes to the overall economic growth of the country tremendously. It covers agriculture, dairy, fishing, forestry etc. It contributes more than 20% of the GDP of India and provides employment to more than 50% of the Indian population. The primary sector contribution is actually decreasing as India is progressing.

Secondary sector

So many individuals are employed in the secondary sector which is responsible for 20 % of the total GDP in India. The secondary sector of the economy contributes to the expansion of another sector as well. The secondary sector accounts for more than 10% of India's GDP.

Tertiary sector

The tertiary sector contributed 53.89% to the GDP of India in 2020-22. The tertiary sector covers a wide range of activities from commerce to administration, transport, financial and real estate activities, business and personal services, education, health and social works.

India ranks 9th in tertiary sector output. It consists of the soft part of the economy i.e. activities where people offer their knowledge and time to improve productivity, performance, potential, sustainability etc.

This sector covers a wide variety of activities such as trade, transport, storage, communication financing, social and personal services etc. It has made rapid strides in the past decade and a half to emerge as the largest and one of the fastest growing sectors of the economy.

Liberalisation policies and other reforms in 1990s induced this growth. Certain factors such as economic affluence, changing role of women cultural changes awareness towards conserving natural resources, development of markets, increased consciousness of health care etc where the driving forces for the growth of this sector. Employment growth has decreased, employment content of growth has shown a decline, sectors with higher employment potential have registered relatively slower growth and in agriculture, most of the employment growth has been contributed by the unorganised, informal sector characterised by poor income and conditions of poor

GOVERNMENT INITIATIVE TO INCREASE EMPLOYMENT

The following are the some of the steps taken by government of India to increase employment as on 14th July 2023

1) Atmanirbhar Bharat Rojgar Yojana

It was launched on 1st October 2020 to incentivize employers for creation of new employment along with social security benefit and restoration of loss of employment during covid 19 pandemic.

2) Pradhan Mantri Rojgar Protsahan Yojana

It was launched in 2016 to encourage employers for creation of new employment

3) Mahatma Gandhi National Rural Employment Guarantee Act

MGNREGA is to provide 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work

4) Pradhan Mantri Gareeb Kalynan Rozgar Abhiyan

It is a 125-day Abhiyan launched by honourable prime minister in June 2020. Its mission is to address the issues of returning migrant workers and also similarly affected rural population.

5) PM Gati shakti-National masterplan for multi modal connectivity

It was launched on 13th October 20-21 for providing multi model connectivity infrastructure to various economic zones.it is a transformative approach for economic growth and sustainable development. Seven engines such as railways road ports water ways air ports mass transport and logistic infra structure drive this approach.

FLAGSHIP PROGRAMMES OF THE GOVERNMENT THAT HAVE THE POTENTIAL TO GENERATE PRODUCTIVE EMPLOYMENT OPPORTNITIES

1) Digital India

It is a flagship programme of the government of India with a vision to transform India into a digitally empowered society and knowledge economy. It is a campaign to ensure that the government services are made available to citizens electronically through improved online infrastructure. It empowers India in the field of technology by enhancing internet connectivity. The nine pillars of digital India are Broadband Highways, Universal access to mobile connectivity, public internet access programme, E-Governemnt, E-Kranti, information for all, electronic manufacturing and IT for jobs.

2) Make-in-India

This initiative was launched in 2014 with the objective of facilitating investment, building best in class manufacturing infrastructure, fostering innovation, making it easy to do business and enhancing skill development. Make in India encouraged companies to develop manufacture and assemble product made in India. Four pillars of making in India initiative are new mind set, new sectors new infrastructure and new processes. Narendra Modi the prime minister of India coined the Slogan 'Zero Defect, Zero Effect'. It meant to produce products with no defects with no adverse environmental and ecological effect.

3) Start-up India

It intended to catalyse start up culture and build a strong and inclusive eco system for innovation and entrepreneurship in India. It was launched on 16th January 2016. It provides tax exemptions to startups for 3 years, subject to certain conditions. This scheme is based on three pillars such as providing funding support and incentives to the various startups of the country, to provide industry academia Partnership and incubation and simplification and handholding.

4) Pradhan Mantri Awas Yojana

This mission addresses urban housing shortage among the EWS-LIG and MIG categories including the slum dwellers by ensuring a pucca house to all eligible urban householders by the year 2020-22. It aims at providing affordable housing to the urban poor by the year 2020-24. It is implemented by urban local bodies, development authorities, housing board etc selected by state government. It ensures that urban localities are slums free and that all citizens have access to basic services.

5) Smart Cities

Smart cities mission was launched in 2016 with an objective to promote cities that provide core infrastructure, clean and sustainable environment and give a decent quality of life to their citizens through the application of smart solutions

6) Stand-up-India Scheme

The main objective of the standup India scheme is to facilitate bank loans between 10 lakhs and one crore to at least one SC/ST borrower and at least one women borrower per bank branch for setting up a greenfield enterprise. This scheme has proved to be an important mile stone.

Conclusion

Employment in India is a critical topic of discussion due to its implication on social economic and political stability. The formal sector and informal sector define the employment structure in India. Unemployment remains as a significant issue despite the rapid economic growth. The government of India has initiated several measures to address these challenges such as skill development programmes

job creation in rural areas and promoting entrepreneurship. Employment in India is a complex issue. However, with the right policies and initiatives it can be improved.

Acknowledgments

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