Dealing with Unemployment

What is the issue?

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Over the next 10 years, some 130 million young people will join the labour force across India.

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What the realities?

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- There are two realities in this respect that cannot be ignored: the petering out of the IT story and the oil boom, both of which will add to the numbers of the unemployed.
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- Disruptions caused by the 2008-09 global economic and financial crises led to significant job losses in India.
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- The Trump administration’s protectionist policy will have some ramifications for jobs in the years ahead.
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- Increased automation in manufacturing too has hurt the employment scenario.
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What the government must do?

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- An inability to create jobs for them will prevent the country from reaping the much-touted demographic dividend.
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- The Government needs to redraw various labour and industrial laws, and build a consensus on what a comprehensive employment generation policy ought to be.
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- It is important, therefore, to focus on agro-based industries in rural areas, besides employment-intensive, export-oriented sectors such as garments and leather.
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- Rising employment in agro-industries, requiring relatively low levels of capital, can create demand for consumer goods.
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- Hence, it would be a misnomer to isolate agriculture from the jobs story.
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- Programmes such as Make in India and Skills India should develop a rural focus if entrepreneurs other than small retailers and restaurants are to emerge in the countryside.
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- Meanwhile, organised retail has the potential to absorb thousands of people.
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- As for the role of labour laws in holding up jobs in the organised sectors, provisions need to be in place to rehabilitate displaced workers.
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- Small-scale industry needs to be encouraged by making 'ease of business' work for them.
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Do we have reliable data?

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- For the world's second-most populous nation and the seventh-largest economy, India has no reliable data on jobs.
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- The Annual Survey of Industries provides data for workers and employees in 2.3 lakh factories covered by it.
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- The Labour Bureau has begun tracking employment positions on a quarterly basis in eight sectors — manufacturing, IT, construction, trade, hospitality, healthcare, transportation and education.
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- There is an urgent need to have a system in place to collect such data, to know how we're faring.
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Source: Business Line

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