Employment Landscape in India

Prelims: *Current events of national and international importance | Environment*

Why in News?

Recently, according to various employment reports, there is a changing landscape of employment in India.

India Employment Report, 2024

- **Published by** -The International Labour Organization and the Institute for Human Development.
- **Findings of the report** - The youth account for 83% of India's unemployed population.
- The share of unemployed individuals with secondary or higher education has nearly doubled over two decades.
- **Large portion in informal sector** – 90% of employment is informal, with the proportion of salaried, regular jobs declining since 2018.
- **Rise in contractual employment** – While contractual employment has grown, concerns about job security and social welfare remain unresolved.
- **Lack of technical skills** – Many young Indians struggle with technical skills.
- 75% of young people struggle with basic digital tasks such as sending an email with an attachment.
- Over 60% cannot perform simple file operations such as copy-pasting.
- 90% lack fundamental spreadsheet skills such as working with formulas.

Report of EPFO

- **Decline in net enrolments** – The decline in net new EPFO enrolments post-2019 reflected the pandemic effect on formal employment.
- **Increase in formal workforce** – The March 2025 data show a steady increase in formal workforce participation.
- **New enrolment**s – Young professionals, particularly fresh graduates, constitute a significant portion of new enrolments.

The 18-25 age group consistently represents a large share, with the 18-21 subgroup alone accounting for around 18%- 22% of the total new subscribers in the recent months.

- **Towards formalisation** – The trend signals a push towards formalisation.

Findings of Economic survey 2023-24

- **Crisis of employability** – The issue goes beyond unemployment; this is a crisis of unemployability.
- **Job ready graduates** – only about half of India's youth are deemed job-ready after graduation.
- **Lack of skills** – One in two lacks the digital and professional skills employers' demand, particularly in an economy undergoing rapid technological transformation.
- **Influence of AI** – The looming influence of AI threatens India's tech sector, putting several traditional job roles at the risk of displacement.

The Future of Jobs Report 2025

- **Published by** – the World Economic Forum forecasts major shifts in employment dynamics
- **Creation of new jobs** – By 2030, an estimated 170 million new jobs will be created representing 14% of total employment.
- **Displacement of jobs** – 92 million existing jobs (8% of total employment) will be displaced.
- **New growth of jobs** – There will knew growth of 78 million jobs, or a 7% increase in total employment.

Measures to be taken

- Bridging the skill gap to ensure that India's workforce is adequately prepared for the evolving job landscape.
- **Increasing investments** – Investing in education, vocational training, and digital literacy is essential for aligning the workforce with future job demands.
- **Clear analysis** – A deeper analysis of job stability, wages, and long-term financial security.
- **Collaborations** – There should be stronger collaboration between industry and academia, if necessary, by law.
- Each higher education institution must ideally have at least one formal partnership with industry partners.
- **Accountability for jobs** – Educational institutions need to be held accountable for placements and not just educational degrees.
- **Accreditation system** – To create accreditation systems for educational institutions aligned with job placements for the outgoing students.
- **Idea Labs and Tinker Labs** – It should be made mandatory components of every high school and higher education institution.
- **Integration of subjects** – The integration of the humanities, foreign language learning, and soft skills should be made mandatory across all levels of education.
- **Indian Education service** – An Indian Education Services, similar in stature to the Indian Administrative Services, should be established.
- It would attract the best minds into the education sector.
- **Open to professionals** - The education system should open its doors to professionals from the industry.
- This would help bridge the gap between theory and application.
- **Redesigning of training programs** – Skilling and training programs should be

designed to meet the needs of ageing societies in many Western nations, where the demand for young professionals is expected to increase.
- This approach aligns with the Indian government's strategy for enhancing the international mobility of skilled workers.
- **Link4Skills project** - The Project of the European Union, which utilises the migration corridor framework to evaluate the skill demands and labour shortages in various European countries and beyond.
- The International Institute of Migration and Development is currently working as the Indian partner in the

Employment Provident Fund Organisation (EPFO)
• **Statutory body –** Under, The Employees' Provident Funds and Miscellaneous Act, 1952. • It is one of the world's largest social security organizations. • **Administrated by** – Union Ministry of Labor and Employment. • **Structure -**Representatives of the Government (both Central and State), employers, and employees. • **Chaired by** – Minister of Labour and Employment. • The Central Board of Trustees operates 3 schemes - The Employees' Provident Funds Scheme, 1952 (EPF) - The Employees' Pension Scheme, 1995 (EPS) - The Employees' Deposit Linked Insurance Scheme, 1976 (EDLI) • **Coverage** – The schemes offered by EPFO cover Indian workers and international workers (from countries with which EPFO has signed bilateral agreements) • **Enrolled Members** – EPFO data serves as a valuable indicator of formal employment trends.

Reference

The Hindu| Changing landscape of employment in India

