India's Employment Strategy for Sustainable Growth

Why in News?

India's economy and population growth need long-term job creation; the 2024 Union Budget launched Employment Linked Incentives to create 4 crore jobs in 5 years.

What are the Key Points?

- **Need for Climate Resilient Jobs** - India was the 7th most climate-affected country in 2019, suffering $159 billion in losses in 2021.
- The RBI estimates that climate adaptation will cost nearly $1 trillion by 2030.
- Climate change impacts agriculture, labour productivity, and rural livelihoods, necessitating investment in adaptation and green jobs.
- **Electrification of Rural Mobility** - Providing 3-4 state-subsidized e-rickshaws per village (in 6,00,000 villages) can create two million jobs, particularly for women.
- **Biogas and Renewable Energy -** Bridging the gap in compressed biogas plants**-** (82 plants set up vs. 5,000 target) can boost rural employment.
- Accelerating the 500GW non-fossil energy capacity target can generate over one million jobs.
- Decentralized solar power projects (like rooftop solar) are 7x more labor-intensive than large-scale solar farms.
- **Ecosystem Restoration -** Large-scale mangrove and wetland restoration projects can generate rural employment and enhance climate resilience.
- **Impact of AI on Employment**- McKinsey estimates 50% automation adoption in India within 10 years.
- Generative AI is disrupting IT, customer service, and content industries, reducing traditional employment opportunities.
- India’s IT and business service sector, which contributes 70% of service exports, may see slower job growth as labour costs rise relative to automation.
- **Need for Jobs Aligned with Aspirations -** Rural youth, despite engagement with startups and digital platforms, face low confidence due to poor foundational education.
- Overdependence on government jobs and coaching culture limits entrepreneurship and private-sector employment.
- Lack of off-farm employment and rural infrastructure hinders economic mobility.

What are the Policy Measures needed?

- **Expanding Health & Education Sectors**- Increasing healthcare budgets can fill the shortage of healthcare professionals (millions of vacancies).
- Strengthening education budgets can create teaching jobs, improving learning outcomes and employment.
- **Strengthening National Rural Livelihood Mission (NRLM) -** Financing urban and global market linkages for rural artisans and farmers can create sustainable jobs.
- Leveraging AI and digital platforms to market rural handicrafts, organic products, and indigenous knowledge.
- **Supporting AI-Augmented Jobs**- Encouraging human-centric roles in AI-assisted fields, such

as cybersecurity, digital marketing, and creative sectors.

- **Rural Infrastructure & Agri-Processing**- Building 70,000 integrated pack-houses to plug the 95% infrastructure gap, creating two million jobs.
- Boosting processing and value addition in high-import agri-products like oilseeds, soybean, and sunflower to reduce India's 57% edible oil import dependency.
- **Technology & Social Media in Rural Job Creation**- Using digital platforms to enhance branding and e-commerce for rural products (e.g., Khadi, handicrafts, and organic farming).
- Promoting cold-pressed oils, millet-based products, and local food processing through startup incubation centers in rural areas.
- **PPP Model for Large-Scale Job Creation** - Encouraging public-private partnerships (PPP) in infrastructure, manufacturing, and vocational training to align skill development with market needs.

What Lies ahead?

- Tax reliefs in the Budget may support urban spending for a short time, but lasting job growth requires structural changes and strategic investments.
- India must aim for climate-resilient, AI-resilient jobs to engage youth and improve rural employment for inclusive growth.
- A Viksit Bharat needs a broad approach that combines technology, policy incentives, and sustainable economic models to generate jobs in a changing world.

To Solve Mains question – Click here

Reference

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