Issues with Indian Job Markets

What is the issue?

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Indian economy doesn’t provide adequate opportunities for the masses with limited skills to earn and learn faster.

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What is the status of Indian job market?

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- The Indian economy can be divided into three broad stages.
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1. **Upper Layer -**This layer available to those who have financial assets, which multiplies their money and increases their wealth much faster.
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2. **Middle Layer -**It is the economy of formal enterprises with formal jobs, where people are on an upward escalator, and can foresee careers, and can expect income security.
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3. It is **Base Layer -**world of underemployed citizens and the informal economy in which over 90 per cent of Indians live.
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- The Indian economy is missing the bottom stage of the up escalator, therefore people at the bottom are not able to move up faster.
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What are the issues in Indian job market?

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- In India there are too many laws and regulations, badly administered, and often contradictory, tying up enterprises into knots.
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- Inequalities are increasing because the wealth of those fortunate to be in the upper layer is rising much faster than the incomes of the hundreds of millions struggling in the base layers.
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- Indian economy is not creating good income generating opportunities for people at the bottom of the pyramid.
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- Due to job market uncertainties small enterprises faces practical problems in resource accessibility and they also do not get the attention of policymakers.
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What measures needs to be taken in this regard?

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- India must examine the structures shaping the present economic system, which include the structures of policies, and the structures of thought (and ideologies) driving those policies.
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- India should expect to find many more small enterprises in an inclusive and innovative economy.
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- Small enterprises need to get more attention from banks and international buyers, so that they will be able to provide themselves with shared facilities for training, quality, etc.,
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- The thrust of policies must be to encourage more formality in clusters and associations of small enterprises so that they can engage with the formal system, rather than imposing needless formality on the enterprises themselves.
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- Fundamental change must be in the orientation towards employees, thus the thrust of the reforms must be towards encouraging employers to ‘retain and train’ their employees.
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Source: Business Line

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