Unemployment in India

Why in news?

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Surveys by the Centre for Monitoring the Indian Economy (CMIE) have highlighted that employment in India is not expanding in par with the growth of the economy.

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What are the concerns?

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- Unutilised employment potential in the phase of demographic transition will only lead to a demographic catastrophe.
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- Despite consistent growth in GDP, corresponding job creation has not taken place.
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- Jobless growth is a dangerous trend as it furthers social inequality.
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What are the possible causes?

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- The root cause of the problem is the shortage of skills.
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- Labour-intensive sectors are suffering from slowdown in private investment particularly after demonetisation.
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- Unfavourable incentives that do not allow companies to grow and take advantage of abundant cheap labour.
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- One of the other probable reasons for jobless growth is automation in most economic activities which has reduced labour requirements.

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What are the past initiatives by the government?

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- **National Career Service portal** was launched serving as a common platform connecting job-seekers, employers, skill providers, placement organisations and counsellors.
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- Pradhan Mantri Kaushal Vikas Yojana **(PMKVY)** a skill development scheme to help young people learn industry-relevant skills.
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- **MGNREGA** has contributed to lowering unemployment in rural areas.
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- Start Up India, Stand Up India, National Skill Development Mission.
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What should be done?

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- **Structural reforms** to labour, land and capital markets for sustainable job creation so as to boost the Indian manufacturing sector.
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- The government should make its teaching and academic **curricula** more **employable-driven** to address shortage of skills.
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- Reforming archaic **labour laws** which currently proliferate only contractual jobs instead of permanent employment.
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- **Infrastructure investment** can be utilised as an engine of job-creation.
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- India also needs to bargain hard with the **US** for **easier work visa norms** so that pressure of some unemployment can be eased out to an extent.
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Source: Business Standard

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