

The Elusive Jobs

Indian Express

Paper - III
(Indian Economy)

Reserve Bank of India has pegged the Indian economy to grow at 7.2% this year. Medium term forecasts, such as those by the IMF, expect the momentum to continue over the coming years. But the concern over the lack of quality jobs continues to persist.

State of the Labour Market in India as per the recently released Periodic Labour Force Survey:

- ❖ At the aggregate level, the labour force participation rate (15 years and above) has risen from 49.8% in 2017-18 to 60.1% in 2023-24.
- ❖ Much of this is due to the sharp rise in female participation, especially in rural areas, where it has risen from 24.6% to 47.6% over this period.
- ❖ rise in female participation maybe point to a sign of distress i.e. women stepping out of the house to augment their household income. The share of women engaged in salaried employment has fallen. More are now engaged in self-employment. Across the country, the share of women who are self-employed has risen from 51.9% in 2017-18 to 67.4% in 2023-24.
- ❖ A large section of the labour force continues to be employed in informal firms.
- ❖ The percentage of workers engaged in informal enterprises (proprietary and partnerships) stood at 73.2 per cent in 2023-24. While it has fallen marginally from 74.3% in 2022-23, it remains higher than the estimate of 68.2% in 2017-18.
- ❖ The share of the labour force engaged in agriculture continues to edge upwards, while that engaged in manufacturing remains almost stagnant.
- ❖ In 2017-18, 44.1% of workers were employed in the farm sector. By 2023- 24, it had risen to 46.1%, underlining the reversal of the trend of the falling share of the farm sector seen over the past decades.
- ❖ The share of the labour force engaged in manufacturing remains roughly the same, 11.6% in 2021-22 and 11.4% in 2023-24.
- ❖ The unemployment rate (15 years and above) has fallen from 6% in 2017-18 to 3.2% in 2023-24.
- ❖ While youth unemployment has fallen from 17.8% in 2017-18 to 10.2% in 2023-24, it still remains high. The unemployment rate is higher among the more educated. Those with a secondary and above level of education have much higher rates than others.

The Challenge:

- ❖ The labour market data reinforces the key development challenge facing India i.e. inadequate creation of more remunerative and productive employment opportunities.
- ❖ Production process is becoming more capital intensive and labour saving. This is making it difficult to address the challenge of creating jobs.

Way Forward:

- ❖ Overcoming the challenge of creation of more remunerative and productive employment opportunities should be at the top of policy agenda.

Expected Question for Prelims

Que. Consider the following statements regarding the recently released Periodic Labor Force Survey.

1. The share of women engaged in salaried employment has declined.
2. A large part of the labor force is still employed in informal firms.

Which of the statements given above is/are correct?

- (a) Only 1
- (b) Only 2
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Answer : C

Mains Expected Question & Format

Que.: 'The labour market data reinforces the key development challenge facing India i.e. inadequate creation of more remunerative and productive employment opportunities.' Analyze the recently published employment data in the context of this statement.

Answer's Approach:

- ❖ In the first part of the answer briefly discuss the recently published employment data.
- ❖ In the second part, explain the reasons for inadequate creation of more remunerative and productive employment opportunities and analyze them in the context of newly published data.
- ❖ Finally give a way forward.

Note: - The question of the main examination given for practice is designed keeping in mind the upcoming UPSC mains examination. Therefore, to get an answer to this question, you can take the help of this source as well as other sources related to this topic.