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**DAILY EDITORIAL
ANALYSIS**

TOPIC

**PLANNING FOR
SUSTAINABLE MASS
EMPLOYMENT**

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PLANNING FOR SUSTAINABLE MASS EMPLOYMENT

Context

- The recent Union Budget unveiled **five major employment-related schemes** with an ambitious 2 lakh crore outlay spread over five years, aimed to facilitate jobs, skilling, and other opportunities for 4.1 crore youth, and these need policy initiatives for meaningful employment opportunities.

About

- In recent years, the issue of unemployment has gained prominence globally. Governments, policymakers, and economists grapple with finding sustainable solutions to create jobs and ensure economic stability.
- In India, this challenge is particularly acute, given our large and diverse population.

Recent Employment Package

- In response to the jobs crisis, the current Finance Minister announced a five-scheme package. One of these schemes aims **to incentivise corporates to hire 1 crore interns** over the next five years.
- However, the design of this scheme has raised concerns. It limits participation to the top 500 companies, **excluding micro, small, and medium enterprises (MSMEs)**.
- Given that MSMEs form a significant part of our economy, this exclusion seems counterproductive.

Flaws in Announcements

- One key flaw with annual budget announcements is that they often lead to grand headlines but **lack effective implementation**. Finance Ministers make promises—whether related to disinvestment targets or employment schemes—but the follow-through often falls short.
 - ♦ For instance, disinvestment targets rarely materialise as planned, and employment-related announcements face similar hurdles.
- Moreover, the scale of the announced internship program—each company taking on an average of 4,000 interns annually—appears unrealistic.
- With **automation and artificial intelligence** making some positions redundant, expecting companies to double or triple their workforce in the short run seems ambitious.

Recognising the Wage Challenge

- In the pursuit of sustainable mass employment, it needs to acknowledge the existing race to the bottom on wages first. India has an abundance of unskilled workers, which often leads to suppressed wages.
- The **Periodic Labour Force Survey of 2019-20** revealed that a wage earner falls within the top 10% if they earn 25,000 per month. It highlights the need to uplift wages and ensure dignified livelihoods for all.

Skilling and Placement Challenges

- Short-duration skill programs often suffer from low long-term placements. Part of this issue lies in the low wages offered, which make it challenging for individuals to maintain a life of dignity in urban areas.
- Many end up returning to their villages in search of alternative livelihoods.

Education, Skills, and Consumption

- States with better human development indicators tend to have higher monthly per capita consumption.
- Tamil Nadu, Kerala, Himachal Pradesh, Goa, and Sikkim fall into this category. Odisha, despite pushing short-duration skilling, faces low per capita consumption due to a lack of robust higher secondary, higher education, and vocational opportunities.

Role of the State

- While urging the private sector to create jobs is essential, the state also plays a critical role. Determining the floor rate of wages and ensuring high-quality public goods are responsibilities that impact mass employment with dignity.
- Interestingly, India's public employment per unit of population remains lower than that of most developed countries.

Key Policy Initiatives

- **Decentralised Community Action:** Begin by identifying skilling needs through community involvement. Gram sabhas (village councils) and basti samitis (urban neighbourhood committees) can play a crucial role in taking government programs directly to the people.
- **State Role in Wage Determination:** While urging the private sector to create jobs, the state should also play a role in setting minimum wages and ensuring high-quality public goods.
- **Productivity Enhancement:** Encourage productivity gains through targeted interventions and investments.
- **Public Employment:** India's public employment per unit of population is lower than in most developed countries. Exploring avenues for increased public employment can contribute to sustainable mass employment.
- **Focusing on Youth:** Create a register of all individuals seeking employment or self-employment. Develop personalised plans for each youth in partnership with professionals at the cluster level.

Green Jobs and Beyond

- Additionally, the **concept of 'green jobs'** is gaining traction. Industries related to sustainable finance, clean energy, and environmental conservation are creating employment opportunities.
 - ♦ For instance, green building professionals, energy managers, and smart city planners are in demand.

Related Government Initiatives

- **Infrastructure Investments:** The focus on roads, railways, airports, ports, mass transport, waterways, and logistics infrastructure creates job opportunities.
- **Aatmanirbhar Bharat Rojgar Yojana (ABRY):** Launched in 2020, this scheme incentivises employers to create new jobs and restore lost employment during the pandemic.
- **Digital Platforms and Manufacturing:** Expanding public digital platforms and boosting manufacturing output contribute to economic growth and employment.

Way Forward: Need for Comprehensive Solutions

- Creating employment in the long run is a topic of immense importance, especially given the challenges posed by economic shifts, technological advancements, and demographic changes.
- **Demand-Side Measures:** Rather than relying solely on supply-side measures, we need to address the demand for goods and services. A robust economy generates jobs naturally. Policies that stimulate consumer spending and business investment play a crucial role.
- **Skill Development:** Upskilling and reskilling are essential. As technology evolves, workers must adapt. Government initiatives should focus on enhancing employability through vocational training and lifelong learning.
- **Support for MSMEs:** MSMEs are the backbone of our economy. Encouraging their growth and providing them with resources—financial, technological, and managerial—can lead to substantial job creation.
- **Labour Reforms:** Ensuring acceptable working conditions, reasonable hours, fair wages, and safety measures is vital. Labour laws need to strike a balance between worker rights and business viability.

- **Investment in Essential Public Services:** Rather than relying solely on nudges, the government should consider a comprehensive economic package. Long-term investments in critical sectors like healthcare, education, and infrastructure can create jobs and improve overall well-being.

Conclusion

- Addressing the employment challenge requires a multifaceted approach—one that combines policy innovation, private sector participation, and a commitment to long-term growth.
- Sustainable mass employment requires a multifaceted approach, involving community engagement, skill development, and supportive policies.
- Achieving sustainable mass employment requires addressing wage disparities, improving skilling programs, and recognizing the state's role in ensuring dignified work opportunities.

Source: TH



Mains Practice Question

[Q] The issue of unemployment in India is particularly acute, given our large and diverse population. In this context, how can India effectively balance economic growth with environmental sustainability in a mass employment scenario?

