



Employment Opportunities through Make in Indian: An Analysis

KEYWORDS

Indian Economy, Employment, Workforce, GDP and Manufacturing Sector

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ABSTRACT The 'MAKE IN INDIA' initiative was launched on September 25, 2014 with an aim of providing global recognition to the Indian economy. The program includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure and make the country a global manufacturing hub. At present manufacturing sector contributes about 16-17 percent to the GDP as compared to south East Asian countries like China, Korea and Indonesia, where the share is 40 to 50 % of GDP. Government is looking to create as many as 100 million skilled jobs in the manufacturing sector by raising its share in GDP to 25 percent by 2022.

The objective of this paper are four fold, firstly to study unemployment in India, secondly to study about the challenges of employment, thirdly to study make in India programme and lastly conclusion and suggestions for the success of the program.

Census data revealed that 47 million young Indians, under the age of 24 were jobless and looking for work. Manufacturing plays a crucial role in absorbing surplus workers. The manufacturing sector is critical for the economy's growth as it employs 12% of the country's labour force as well as provides a transitional opportunity to the labour force in agriculture. In addition, the sector has a multiplier effect for job creation in the service sector. The changed economic environment has increased the demand for skilled manpower in the country which has made it necessary to focus on advancing the skills of the unemployed population of the country. For meet the challenges of employment, India needs to push hard on educational and health fronts and must try its every bit to inculcate the required skills in its workforce to make it as competent as its counterparts in the developed countries. It not needs suitable strategies to answer the challenges but also a proactive challenge in the execution of these strategies.

Introduction

Unemployment remains one of the India's major socio-economic problems. Creating new jobs is a crucial task and plays an important role in the economy (Roy, 2013). Drop in the financial market hits job market and creates unemployment India has the largest population of youth in the world with about 66% of the population under the age of 35 (Priya and Agarwal, 2015), so impact of declining financial market is the worst in India. Though education level in the recent years has increased but skill development is still a crucial issue. Moreover, poverty, limited access to skill based education, work experience are some of the major factors that lead to unemployment and underemployment. During recession, job freezing is the most common occurrence done by hiring companies. Under such circumstances there is a greater degree of unemployment (Kour, 2013).

Research Methodology

The Report is the Fourth Annual Employment -Unemployment Survey 2013-14 conducted by Labour Bureau. The survey has been conducted in all the States/UTs by covering all the districts. The field work executed from January, 2014 to July, 2014. A total sample of 1, 36,395 households have been covered with a break up of 83,385 households in the rural sector and 53,010 households in the urban sector. From the households covered, 6, 80,392 members were surveyed, out of which 4, 20,239 respondents reside in rural households and rest 2, 60,153 in urban households.

Objectives

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The National Sample Survey Organization (NSSO) provides three different estimates of employment and unemployment based on different approaches / reference periods used to classify an individual's activity status. These are the

- Usual status approach with a reference period of 365 days preceding the date of survey
- Current weekly status approach with a reference period of seven days preceding the date of survey
- Current daily status approach with each day of the seven days preceding date of survey as the reference period.

Findings

Unemployment status in India

The Labour Bureau under Union Ministry of Labour and Employment released an Annual Employment & Unemployment Survey report. The report for 2012-13 states that Sikkim has the maximum number of unemployed people where as Chhattisgarh has the minimum number of unemployed people in the country. State of Kerala being the most literate state in India had the highest rate of unemployment, i.e, close to 10% among the large states, whereas rate of unemployment in West Bengal was 4.5% and in Assam it was 4.3%. In Northern India, Jammu and Kashmir has the maximum unemployment rate followed by Himachal Pradesh, Delhi, Chandigarh, Punjab and Haryana (Survey Report, 2013-14).

The Unemployment in India under UPS approach (in %)

Sector	Male	Female	Person
Rural	4.2	6.4	4.7
Urban	3.9	12.4	5.5
Both Rural and Urban	4.1	7.7	4.9

Source: Fourth Annual Employment -Unemployment Survey 2013-14. Labour Bureau

The unemployment rate is estimated to be 4.9 per cent at All India level under the UPS approach. The unemployment rate is estimated to be 4.9 per cent at All India level under the UPS approach or about 5 per cent of the persons aged 15 years and above who were available for work could not get work during the reference period. In rural areas, unemployment rate is 4.7 per cent whereas in urban areas, the unemployment rate is 5.5 per cent under the UPS approach. The unemployment rate is significantly higher among females as compared to that among males. At All India level, the female unemployment rate is estimated to be 7.7 per cent, whereas for males this rate is 4.1 per cent (under the UPS approach). In urban areas, the female unemployment rate is estimated to be 12.4 per cent at All India level under the UPS approach (**Survey Report, 2013-14**).

Employment Status in India

At all India level, 49.5 per cent persons are estimated to be self employed under the Usual Principal Status Approach followed by 30.9 per cent as casual labour. Only 16.5 per cent were wage/salary earners and the rest 3.0 per cent covered contract workers. The survey results show that majority of the persons are employed in the primary sector. Under Agriculture, Forestry and Fishing sector, 46.9 per cent persons are estimated to be employed at All India level based on Usual Principal Status Approach. Only 60.5 per cent of persons aged 15 years and above who were available for work for all the 12 months during the reference period were able to get work throughout the year at All India level. In rural and urban sector, it was 53.2 per cent and 78.5 per cent respectively (**Survey Report, 2013-14**).

Youth Unemployment (in %)

Approach	15-17 years	18-29 years	30 years and above
UPS	17.5	12.9	1.4
UPSS	10.2	9.4	0.8

Source: Fourth Annual Employment -Unemployment Survey 2013-14. Labour Bureau

The youth unemployment estimates for specific age groups representing youth viz. 15-17 years, 18-29 years and 30 years above have been derived based on two approaches. The two approaches are Usual Principal Status (UPS) approach and Usual Principal and Subsidiary (UPSS) approach. Based on the survey results, the unemployment rate for the age group 18-29 years is estimated at 12.9 percent at all India level based on Usual principal Status approach. In case of 'graduates' and 'post graduates' the unemployment rate is about 14 per cent and 12 per cent respectively based on Usual Principal Status approach. Whereas in case of 'not literate' and 'below primary' persons, the unemployment rate is less than 2 per cent each based on survey results (**Survey Report, 2013-14**).

Unemployment status according to Age and literacy level

Unemployment Rate (UR) is estimated to be 18.1, 13.0 and 13.3 per cent respectively among age groups 15-24, 18-29 and 15-29 under UPS approach at All India level. The survey results show that with increase in education level, the unemployment rate is also increasing for all age groups viz. 15-24 years, 18-29 years and 15-29 years. Every 1 person out of 3 persons who is holding a degree in graduation and above is found to be unemployed based on the survey results under the usual principal status approach for the age group 15-29 years. In rural areas the unemployment rate among graduates and above for the age group 15-29 years is estimated to be 36.6 per cent whereas in urban areas the same is 26.5 per cent. The unemployment rate among the persons who can't read and write any language or are considered as "not literate" as per the survey is lowest with 3.7 per cent for the age group 15-29 years at All India level. According to the reports by NSSO, illiterate population has the lowest unemployment rate, because this segment of the society is ready to do low paying jobs. Educated youth is facing the most of unemployment that shows lack of skill based employment opportunities in India (**Survey Report, 2013-14**).

Make in India Program

The 'MAKE IN INDIA' initiative was launched on September 25, 2014 with an aim of providing global recognition to the Indian economy. The program includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure and make the country a global manufacturing hub. At present manufacturing sector contributes about 16-17 percent to the GDP as compared to south East Asian countries like China, Korea and Indonesia, where the share is 40 to 50 % of GDP. Government is looking to create as many as 100 million skilled jobs in the manufacturing sector by raising its share in GDP to 25 percent by 2022. It contains a raft of proposals designed to get foreign companies to set up shop and make the country a manufacturing powerhouse. The programme lays emphasis on 25 sectors with focus on job creation and skill enhancement. 'SKILL INDIA' - a multi-skill development programme has been initiated with a mission for job creation and entrepreneurship for all socio-economic classes. It endeavors to establish an international equivalent of the Indian framework on skill development, creating workforce mobility and enhancing youth employability (www.makeinindia.com)

Conclusion and Suggestions

There is an urgent need for skilling, re-skilling and up-skilling the labour force so that the unemployed population of the country is fruitfully utilized for creation of Industrial Corridors, Smart Cities, Housing for All, Swachh Bharat Mission, road connectivity etc. A collaborative and convergent approach can make the Make in India initiative (as many as 100 million skilled jobs in the manufacturing sector) successful. Hence while the Make in India initiative would boost the manufacturing activity and thereby create jobs, the skill India would make available job ready skilled workforce of the industry for enhancing their productivity and facilitate faster manufacturing sector and overall economic growth.

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