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“A review of Initiatives by Government to Tackle the challenges in Indian Employment Scenario”

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ABSTRACT

India is renowned for having the youngest population in the world with 27.5% of its population being youth between the age of 15 to 29. Youth who participate in gainful jobs have the ability to alter the course of the nation. The part of the population who are competent and wanting to work and yet are unemployed is referred to as being unemployed. In India, unemployment is a chronic issue that has serious social and economic repercussions. The causes of India's high rate of unemployment are numerous and intricate. The dearth of work opportunities in the nation has been one of the main causes. The objective of this study is to understand the current employment challenges prevailing in India and causes and probable solutions to it. The necessary actions are being taken by the Central and state governments to address this issue. The creation of jobs has increased as a result of the recent FDI inflow and the entry of several MNCs into India's industrial landscape. It is anticipated that in the future, the unemployment rate in India will continue to decline. According to the survey appeared in The Hindu, (Mumbai Ed.) 26th March 2024, the high rate of youth unemployment, particularly among those with higher education, reflects the dearth of good job possibilities. Many young people with advanced degrees would prefer to wait in the hopes of finding better work in the future rather than accept the low-paying, unstable positions that are currently accessible. Artificial Intelligence has advanced recently in India, which will impact the circumstances of the Indian employment market. In this regard, the author holds the thoughtful opinion that while any innovation has an immediate impact, the labour market eventually adapts to the new circumstances.

Keywords: Unemployment, Indian Economy, Self-employment, skill development, Start-Ups, Make in India, Artificial Intelligence.

1. INTRODUCTION:

India is unable to fully utilize its workforce due to its labor-intensive economy. An additional

scarcity of skilled labor contributes to the problem of unemployment. A person is considered unemployed if they are willing to work and fit the job qualifications but are unable to find employment. The two biggest issues facing the global economy are unemployment and poverty.

Research Methodology: With an emphasis on the PMEGP plan, the current study used a descriptive methodology to examine the problems associated with and government-implemented solutions for the unemployment issue in the Indian economy.

The objective of this study is to study the current employment scenario prevailing in India and causes and probable solutions to it.

2. REVIEW OF LITERATURE:

[Rikin Vishalkumar Zala](#) et al. (2023) in his study titled, 'A Study on Unemployment in India' has determined that in order to lower unemployment in India, a comprehensive strategy that takes into account the different causes of the issue are needed. They have concluded that increasing funding for initiatives that enhance employability through education and skill development, promoting innovation and some important tactics that can be used are focusing on industry sectors with substantial development potential and using entrepreneurship to generate new job opportunities. It's also critical to address systemic barriers including discrimination, gender inequality, and restricted access to infrastructure and necessary services.

The nation's economy is undergoing a slow rate of employment growth, a decline in employment elasticity, and the emergence of structural problems in the labour market, including low female labour force participation and rising unemployment rates (UR) with higher education levels, according to a study by D. Tripathi Rao of the Indian Institute of Management (IIM) Lucknow (2024).

3. DISCUSSION:

In 2024, India's job situation seems to be improving, with several noteworthy aspects to consider:

Positive Signs:

Decreasing Unemployment Rate:

There has been a notable decline in the unemployment rate. In January 2024, it was estimated to be at 6.8%, which was a considerable decrease from previous years [Forbes India, Unemployment Rate in India (2008 To 2024)].

Economic Growth: Strong financial laws and business-friendly government policies are predicted to propel India's economy to a 6.2% growth rate in 2024 [LinkedIn, Job Market in India in 2024]. This economic rebound should lead to the creation of more jobs.

Demand for Skilled Professionals: Due to the expansion of sectors like IT, e-commerce,

and renewable energy, professionals with relevant skills—including data science, cybersecurity, and digital marketing—are in great demand [People Matters, Expert predicts significant changes in the labour market in 2024].

Challenges to Consider:

Quality of Jobs: Even if employment is on the rise, there are concerns about the new jobs' quality in terms of compensation, benefits, and opportunities for career progression [Economic Times, Budget 2024 survey: India's job story has a large missing component].

Formal v/s Informal Sector: The formal sector, which offers better security and benefits, is not seeing a significant increase in new employee registrations. According to the aforementioned, the informal sector is expected to continue to dominate the labour market [Economic Times, Budget 2024 survey: India's job tale has a key missing element].

Overall, India's labour market appears to be improving in 2024 due to a declining unemployment rate and robust economic expansion. However, there are problems with the employment quality and the need for the formal sector to grow.

4. EVOLUTION OF ARTIFICIAL INTELLIGENCE:

In India, artificial intelligence (AI) has been progressively gaining popularity thanks to a combination of government programs, corporate use, and scholarly study.

This is how it has changed on the Indian canvas:

Early Beginnings and Academic Focus:

Early 2000s: With an emphasis on theoretical elements and fundamental algorithms, AI research got its start in Indian universities like IITs and IISc.

2010s: Growing interest resulted in entrepreneurs concentrating on AI-powered solutions and increasingly useful applications.

Government Initiatives and Policy Push:

National AI Strategy (2018): The government presented a plan for the development of AI, focusing on fields including smart cities, healthcare, agriculture, and education.

AI for All: initiatives to support AI training and education for a range of demographics.

Regulatory Framework: debates about moral standards and laws pertaining to the creation and application of AI.

Industry Adoption and Startup Boom:

Tech Giants: Top talent was drawn to India by the establishment of AI research centers by corporations like Google, Microsoft, and Amazon.

Indian Startups: an increase in AI-focused firms working in a variety of industries, including agriculture, healthcare, and finance.

Industry Collaborations: collaborations to promote innovation and commercialization between government, business, and academia.

Key Areas of Impact:

Healthcare: AI-driven personalized medicine, drug development, and diagnostics.

Agriculture: pest management, agricultural yield forecasting, and precision agriculture.

Finance: Personalized financial advice, algorithmic trading, and fraud detection.

Education: Personalized learning, administrative automation, and intelligent tutoring systems.

Transportation: logistical optimization, traffic control, and driverless cars.

Challenges and Future Outlook:

Data Privacy and Security: issues with the gathering, storing, and using of data.

Ethical Considerations: addressing the issues of justice, bias, and transparency in AI systems.

Talent Gap: Professionals with expertise in AI are needed to spur innovation.
India's AI future is incredibly promising:

Continued Growth: India is poised to become a global AI hub, driven by its large talent pool and growing startup ecosystem.

Societal Impact: AI has the potential to address significant societal challenges and improve quality of life.

Ethical Leadership: India has the potential to take the lead in influencing the creation and application of ethical AI.

All things considered, the development of AI in India is a tale of quick advancement, government assistance, and business creativity. It is anticipated that as technology advances, it will revolutionize several industries and support the social and economic advancement of India.

5. INFLUENCE OF ARTIFICIAL INTELLIGENCE ON THE INDIAN EMPLOYMENT SCENARIO:

Short-term Influence of AI on India's Employment Scenario

Displacement of jobs: Short-term employment displacement may result from the automation of some repetitive and routine operations, particularly in manufacturing and customer service.

Skill Gap: As the workforce adjusts to AI-driven technology, there may be a brief skill gap.

Wage Inequality: Concerns over pay disparity between talented individuals who can adjust to new technology and those who cannot may arise as automation driven by AI boosts productivity.

Long-term Influence of AI on India's Employment Scenario-

Employment generation: It is anticipated that AI will eventually lead to the creation of new

professions in fields like machine learning, data science, and AI development.

Increased Productivity: AI can increase overall productivity by automating repetitive processes so that employees can concentrate on higher-value work.

Economic Growth: Innovation powered by AI has the potential to boost the economy by spawning new markets and commercial ventures.

Social Impact: Social issues like poverty, healthcare, and education can be solved by AI.

Ethical Concerns: Ethical issues including bias, privacy, and job displacement will need to be addressed as AI develops further.

In order to minimize the drawbacks and optimize the advantages of AI, India must:

Invest in Education and Training: Offer training courses to give workers the know-how to collaborate with AI.

Foster Innovation: To be on the cutting edge of technology, support AI research and development.

Create a Supportive Regulatory Environment: Create laws that address ethical issues and encourage innovation.

Social Safety Nets: Put measures in place to assist employees who might lose their jobs to automation.

India can leverage AI to build a wealthy and just future by taking proactive measures to address these problems.

Government of India's initiatives to tackle the problem of unemployment:

By prioritizing skill development, entrepreneurship, infrastructure development, technology adoption, educational reforms, and cooperation between the public and private sectors, India can lay the groundwork for a more dynamic and varied labour market in 2024 and beyond.

The most current Annual PLFS Reports available indicate the following Unemployment Rate (UR) on normal status for those aged 15 and over in 2020–21 to 2022–23:

As per the Periodic Labour Force Survey (PLFS) reports the estimated unemployment Rate (UR) on usual status for persons of age 15 years and above during 2020-21 to 2022-23 is as follows:

In %

| Year | Rural | Urban | All India % |
|---------|-------|-------|-------------|
| 2020.21 | 3.3 | 6.7 | 4.2 |
| 2021-22 | 3.2 | 6.3 | 4.1 |
| 2022-23 | 2.4 | 5.4 | 3.2 |

Source: PLFS, MoSPI

The above data shows that both in rural and urban areas, the nation's unemployment rate has been trending downward over time.

According to the quarterly Periodic Labour Force Survey (PLFS) data published by the National Statistical Office (NSO), the male unemployment rate decreased from a four-quarter high of 6.7% in January-March FY24 to 6.6% in April-June (Q1).

The creation of jobs and improving employability are the government's key priority. The Indian government has consequently launched several programs to generate employment in the country's rural and urban areas.

The Padmanabha Bharat package is one of several initiatives the Indian government has undertaken to strengthen the economy and mitigate the COVID-19 pandemic's harmful consequences. Under this package, the government has set aside roughly Rs. 27 lakh crores for fiscal stimulus. Several long-term strategies are included in this package,

The Aatmanirbhar Bharat Rojgar Yojana (ABRY), which went into effect on October 1, 2020, (delete this portion) encourage employers to was employers to restore jobs lost as a result of the Covid-19 pandemic and generate new ones. Beneficiary registration was due on March 31, 2022. Since the plan's inception, 60.47 lakh people have benefited as of September 23, 2023.

To promote self-employment, the government launched the Pradhan Mantri Mudra Yojana (PMMY). Under PMMY, individuals and micro/small business enterprises can establish or expand their businesses with collateral-free loans up to Rs. 10 lakhs. As of November 17, 2023, more than 44.41 crore loan accounts had been authorized under the program.

With an investment of Rs. 1.97 lakh crore, the government is putting the Production Linked Incentive (PLI) program into action, which might result in the creation of 60 lakh new jobs. The program would begin in 2021 and run for five years, until 2022.

The Indian government supports employment-generating programs such as the Deen Dayal Antodaya Yojana-National Urban Livelihoods Mission, the Pt. Deen Dayal Upadhyaya Grameen Kaushalya Yojana, the Mahatma Gandhi National Rural Employment Guarantee Scheme (delete the abbreviation used), and the Prime Minister's Employment Generation Program. Significant public funding and investment are required for these projects. The government is implementing a program to train youth in rural regions for the development of entrepreneurship with the assistance of Rural Self Employment and Training Institutes

The Jan Shikshan Sansthan (JSS) Scheme, the Craftsman Training Scheme (CTS), the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), and the National Apprenticeship Promotion Scheme (NAPS) are all being implemented by the Ministry of Skill Development and Entrepreneurship (MSDE) through Industrial Training Institutes (ITIs) in an effort to increase the employability of young people. Alongside these initiatives, the government is working to create jobs through its key programs, such as Housing for All, Digital India, Start-up India, Stand-up India, and

Make in India.

6. START UP INDIA CURRENT SCENARIO:

The Indian startup scene is still flourishing in 2024. The following noteworthy trends are backed by current data:

Number of Startups: By October 2023, there were over 112,718 registered startups in India, a significant rise from just 452 in 2016 [The Financial Express]. This suggests that the environment for entrepreneurship is thriving.

Geographic Spread: The ecosystem is expanding beyond of major cities like Delhi, Mumbai, Bangalore, and so forth. In Tier-2 and Tier-3 cities, startup activity is increasing, promoting inclusive growth [The Financial Express].

Unicorn Club: In India, unicorns—startups worth over \$1 billion—breed. Experts predict that at least a dozen new members will join the club in 2024, with a focus on Fintech, E-commerce, and Enterprise SaaS [Inc42]. This implies that high-growth companies are beginning to emerge.

Job Creation: Startups play a significant part in job creation. In 2022 alone, domestic businesses created an incredible 2.69 lakh new jobs, a 35.8% increase over the previous year [LinkedIn]. This illustrates their positive economic impact.

All things considered, Start-Up India is still a major driver of innovation and the growth of the national economy.

7. MAKE IN INDIA CURRENT SCENARIO

A key element of India's industrial growth strategy is the "Make in India" campaign, which was launched in 2015. Here are some current statistics that demonstrate its advancement as of January 2024:

Manufacturing Growth: India's manufacturing sector expanded at a rate of 4.7% in FY 2023 [Statista]. This indicates that there is still room for more acceleration, which is positive.

Foreign Direct Investment (FDI): India is becoming as a popular location for international investment. FY 2023 saw a staggering USD 70.9 billion in foreign direct investment [Statista]. This indicates that global confidence in India's industrial capacity is growing.

Export Performance: India's export sector continues to show promise. In FY 2023, the total export value was a healthy ₹36 trillion (INR) [Statista]. This implies that India is becoming a more significant player in the global supply chain.

Challenges and Opportunities:

Despite advancements, problems still need to be fixed:

Development of Infrastructure: Modernizing infrastructure is still necessary for efficient production and logistics procedures.

Skilling the Workforce: The workforce must possess industry-relevant skills for long-term success.

Despite these challenges, there are plenty of opportunities:

Focus on Innovation: Promoting innovation in this area is necessary to create a domestic manufacturing sector that can compete globally.

PLI Schemes: For certain industries, Production Linked Incentive (PLI) programs offer a feasible avenue for growth and investment attractiveness.

Overall, "Make in India" is still a work in progress, but it has enormous potential to elevate India to the top of the global manufacturing rankings.

8. NEW EDUCATION POLICY:

For quite some time India was facing mis-match of graduate pass outs from the academic institutions but at the same time the Indian industries were starving for trained human resources. This was mainly because there was no coordination between the academic institutions and the industry and business. However, in the New Education Policy the Govt. of India has taken initiative to improve over the situation and now onwards University Grants Commission has directed the universities that during the graduation studies the students are required to complete one semester of on-the-job training at the industries for securing their degree. This will certainly, if implemented in the right spirit in course of time the situation of mis-match will improve the unemployment situation considerably. Now the universities have initiated to implement this guideline.

The Skill Development Programs Launched by the Central Govt.

Several short-term technical programs have been introduced by the Indian government and are accessible on the internet. There are no fees associated with these programs. Only those who wish to launch a firm must pay certain costs and pass an official certification exam administered by the authorities. There are also a lot of young people working for themselves at this location.

9. CHANGES IN JOB MARKET IN INDIA 2024:

The shifting landscape as 2024 draws near suggests that the pressures for output and the welfare of employees will continue to clash. The trend towards remote work, contract work, and gig work is transforming the corporate environment for 2024. Given its remarkable development trajectory, it is anticipated that India's economy would have a major impact on the global market by 2030. On the plus side, the Reserve Bank of India raised its growth forecast for FY24 from 6.5% to 7%, and it is anticipated that the expansion in the services sector will assist India in reaching this target.

The talent acquisition industry is undergoing rapid development in 2024 as well. Organizations must keep abreast of changes in workforce dynamics, technology, and candidate

expectations in order to remain competitive in their hiring practices. As the landscape shifts, talent acquisition is crucial to an organization's ability to find skilled personnel, especially in India, where the labour market is extremely dynamic.

Growth outlook: The United Nations projects that India's resilient growth will reach 6.2% in 2025, notwithstanding external concerns. With the support of a robust financial sector and flexible monetary policies, all industries are poised for expansion. All things considered, 2025 is anticipated to strike a balance between inflation and economic growth, improving growth sentiments.

10. SUGGESTIONS:

1. Macro policies that are appropriate for youth employment.
2. Investment to support manufacturing industries in labor-intensive sectors.
3. Investment on young skill development and vocational training.
4. Controls on the rate of population expansion.
5. Opportunities for employment should be given to young people based on their skills.

11. CONCLUSION:

The issues of unemployment and poverty are being addressed by the Indian economy, which is one of the fastest-growing in the world. The two most important problems, both of which need to be resolved right away. A lack of skilled workers, poor-quality products from academic institutions, inadequate educational institutions, and other factors are some of the many causes of unemployment. The necessary actions are being taken by the Central and state governments to solve this issue. With the recent influx of foreign direct investments (FDIs) and the presence of several multinational corporations (MNCs) on India's industrial canvas, employment creation has increased, and it is anticipated that the country's unemployment rate will continue to decline in the years to come. Recently in India, artificial intelligence (AI) has been continuously gaining popularity. It is anticipated that in the next few years AI will eventually help in the creation of new professions in fields like machine learning, data science, and AI development. Thus Indian government can utilize AI to boost employment by taking proactive measures.

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