Due to lack of jobs, the country is passing through a deep economic crisis and under the tentacles of what Prof. Brahmanand had said 'Stagflation'. The danger of an industrial recession is also apprehended. These taken with the tremendous political instability and social turmoil posed a great threat that could seriously undermine the very existence of the country as an independent nation. The country is under the grip of 5 major evil giants - unemployment, poverty, hunger, ignorance and disease. For these our Prime Minister, Sri Narendra Modi introduced a series of programmes to extricate the economy out of the quagmire of these 5 evil giants.

Growth generates employment and employment generates further growth. Jobless growth means that while in the economy the gross domestic product is growing at a decent rate, it is generating very few jobs, much less than the potential. Due to this many people remain unemployed, despite having qualifications, which often creates lot of Socio-economic issues, such as income inequality, social distress to name a few.

Key Trends in Job Creation in Last Few Years

According to the Economic Survey, in the last decade i.e., 2001-11, the growth rate of the labour force was about 2.23 % which was significantly higher than the growth rate of employment which remained at 1.4 %, which itself was several-fold less than the growth rate of the economy. According to Census 2011, the average growth rate of the economy was 7.7 per cent per annum.

National Sample Survey Office (NSSO) data on employment in 2011 revealed that between 2004-05 and 2009-10, only 1 million jobs were added per year; in a period when the economy averaged a record 8.43% growth annually.

An Indian Labour Bureau survey of 2015 showed that in eight sampled labour intensive industries generated all of 1.35 lakh jobs, a fall from the 4 lakh generated in 2014, while 9.3 lakh generated in 2011.

As per the Labour Bureau's first and second surveys, the employment grew from 381.9 million in 2009-10 to 429.3 million during 2011-12, an impressive growth of 6.1% per annum. However this story stopped in 2011-12, where from 2011-12 to 2013-14 real GDP grew at 5.9% per annum but employment grew only at 1.5% per annum.

A HDFC Bank report on India's tapering jobs growth says that "employment elasticity" in the economy is now close to zero - for every one point rise in GDP, jobs grow only 0.15. Fifteen years ago, it was 0.39

The Issue of Jobless Growth

The growth of Indian Economy is mainly attributed to the growth of service sector, where the
employment and wages both have witnessed a rise. However the largest employing sector of the economy is the Agriculture sector, employing about 45% of the population while contributing only 15% to the GDP, whereas the contribution of the Service sector in GDP is the largest but employs less than 30% of the population. Even in Service sector the IT and Financial Services have witnessed the maximum growth which is not employment intensive and thus contributing to jobless growth of the country.

The manufacturing sector which is considered to be labour intensive did not become the engine of growth in India. It was mainly the service sector along with some segments of the capital intensive manufacturing sector were the engines of growth of the country. Even in the manufacturing sector stagnation of manufacturing output and contraction of labour intensive segments of the informal sector contributed to the jobless growth of the nation. According to a World Bank Study, Industrial Dispute Act has lowered employment in organised manufacturing sector by about 25%. The stringent employment protection legislation and minimum wage laws have pushed the employers towards adopting more capital intensive modes of production rather than employment intensive modes of production.

The manufacturing sector of India is not very employment friendly; it is basically biased towards capital intensive modes of production, with employment of only highly skilled labour. As such this sector has contributed towards growth but not necessarily towards employment.

The Micro Small and Medium Enterprises (MSME) is at least four times labour intensive as compared to large scale industries, however they are not treated very well in India, credit is not easily available to them and even they are plagued by numerous serious problems which have retarded their growth potential.

It is very unfortunate that the Agricultural Sector of the economy which provides employment to about 45% of the working population has been never given proper attention since independence. Even after 70 years of independence, India's employment friendly sector faces the same problem as it was facing then.

Sluggish process in education and skill levels of workers has also contributed in enlarging the problem of jobless growth in India. It is required to teach farmer's son how to do better farming and marketing their products instead of teaching them engineering. So that the agricultural sector can attract the educated young minds.

Difficulty in doing business mainly because of corruption, inadequate infrastructure, lack of organised market, complex regulations and competition from foreign countries like China have played the role of catalyst towards this problem.

Arvind Subramanian, Chief Economic Advisor of the Government of India, has recently pointed out that the main cause of this jobless growth is the underperformance of the Information Technology, Construction and Agriculture Sectors, which earlier served to the job creators of the economy.

Steps to Reverse the Scenario of Jobless Growth

At the first instance it is necessary to amend the Labour Laws as due to the stringent Labour Laws the Corporates in India are preferring capital intensive mode of production rather than labour intensive mode of production.

Encouraging the entrepreneurial instincts of the people as such they can create sustainable
employment generation. This is has been initiated through Start-Up India and Stand-Up India missions, however it should be monitored efficiently.

The MSME sector should be encouraged as such this sector has the potential to create the required number of jobs in India. This can be done by expanding the MUDRA scheme. Even the job intensive sectors like Food Processing Sector should be promoted.

The education system in India needs to be redecorated to create desired skill sets in order to increase productivity. According to some studies only 10% of the graduates in India are employable. Pushing up wages without raising productivity of labour force induces the businesses to adopt labour saving and capital intensive modes of production. The government should concentrate on productivity enhancing skills upgradation rather than only fixing minimum wages. If the productivity of work force will increase, wages will automatically increase.

The UNDP's Asia Pacific Human Development Report 2016, has warned that India is Likely to face critical shortage of jobs in coming 35 years. Hence while raising economic growth it necessary to pay proper attention towards employment generation. As a conclusion we can say that special attention is needed on employment intensive sectors like food processing, apparel, furniture, rubber products, leather products, MSMEs, etc. Technology adoption in different sectors needs to go hand in hand with increasing labour productivity.

On March 12, 2018, the second session of the India Today Conclave 2018 was held in Mumbai. The Big Picture, saw politicians Jayant Sinha and Sachin Pilot, economists Mohan Guruswamy and Arvind Panagariya and industrialist Uday Kotak debate the case of the missing jobs. While the politicians countered each other on job creation, Kotak discussed suggestions on how to create new jobs with a focus on the service sector. They stressed on the need to focus on education and link academics with education for imparting skills that make people employable. The debate threw up some starting figures - that demonetisation killed 20 million jobs in the construction industry, 57 per cent of the rural youth cannot do mathematical division, 41 per cent cannot see a watch, 58 per cent does not know English. We need a refocus to look at services. Manufacturing is a game that was played well in earlier times. Some of the jobs of the future would be in leisure and wellness industry such as physical trainers and dentists.

The panel also debated on the role of the government and the private sector in job creation. Sinha was of the view the issue to be debated was not about missing jobs, but about missing data. He cited a recent report that suggested 6 to 7 million jobs are being created every year, if one goes by the data mined from EPFO. A number of jobs are being created in the informal sector, which is sometimes not captured in mainstream data.

Arvind Panagariya, Indian-American economist and Professor of Economics at Columbia University, stressed that while jobs were there, the main problem was of people not being employed at full productivity and potential. "Talking of the jobless growth is nonsense," he said. The economy cannot grow at a robust 7.3 percent if not for the contribution of new employment. The real problem is underemployment, and not unemployment, he added. While Pilot insisted that a government must create an environment that is conducive and positive where industry believes that its investments are safe, Kotak offered suggestions on how to transform the system to create more employment - a "deep rooted correction" in the education system, transforming the banking system to have a more efficient financial system and refocusing the approach to look at the services industry. Guruswamy agreed that skilling is key to creating more employment. An important sector, he said, was construction which
employed around 55 million but was hit because of demonetisation. A unanimous point was on the need to skill the youth to make them more employable.

The programmes and schemes of government are undoubtedly increasing the growth of the economy but they are not having any positive impact on the employment scenario of the country. As such it necessary to look beyond industrial sector and more focus should be given towards service sector, leather products, small scale industries, deep rooted change in the education pattern and making education skill oriented.

In a nutshell, India should

i) Refocus on the services areas rather than manufacturing

ii) Tourism, healthcare, education, artificial intelligence and leisure are job creators of the future

iii) Create an atmosphere and policies that are conducive to business and positive investment

iv) More skilling for the youth by linking industry to academics and a correction in the education system

v) New industry is the new job creator such as Flipkart, Uber and Ola. The 'lala' industries of old will only destroy jobs, not create them.