



## Employment Situation in New Delhi

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### Introduction

The Indian economy is making progress towards achieving the Prime Minister's vision of a USD 5 trillion economy by 2024-25. The government has increased public investment to boost economic activity and create jobs, with capital expenditure stepping up sharply in the current fiscal year. Despite the setbacks caused by the COVID-19 pandemic, economic indicators such as job enrolments, new company registrations, and the growth of start-ups and unicorns suggest an increase in job creation, particularly in new sectors like AI, cloud computing, and data analytics. The surge in EPFO subscriptions also indicates a significant acceleration in the formalization of the job market, with November 2021 recording the highest monthly net addition of EPF subscribers since 2017.

### Highlights

- The Economic Survey and recent survey reports suggest that the Indian economy is showing signs of recovery from the disruptions caused by the COVID-19 pandemic. Various economic indicators, such as job enrolments in the organized sector, a rise in the number of new companies registered, growth of start-ups, and rapid rise in the number of Unicorns in the country, and an increase in employment opportunities in new sectors such as AI, cloud computing, data analytics, automation under IT/ITES, etc. indicate an increase in job creation in the country. The Mahatma Gandhi National Rural Employment Guarantee Scheme witnessed peak employment during the nationwide lockdown in 2020, but the demand for MGNREGS work has stabilized after the second Covid wave, indicating that employment avenues are opening up in other sectors. The Worker Population Ratio (WPR) for persons aged 15 years and above has shown an increasing trend, while the estimated Unemployment Rate on a usual basis for 15 years and above is showing a decreasing trend.
- The Quarterly Employment Survey (QES) and EPFO payroll data also indicate a rise in employment opportunities in the country, particularly in sectors such as Manufacturing, Education, Health, IT/BPO, and Financial Services. The overall percentage of female workers stood at 32.1%, higher than the 29.3% reported during the first round of QES. Regular workers constitute 87% of the estimated workforce in the selected sectors, with only 2% being casual workers. However, in the Construction sector, 20% of the workers were contractual and 6.4% were casual workers. The report also suggests that 16.8% of the establishments provided formal skill development programs, although primarily for their employees. It is impressive to note that the IT/BPO sector is the biggest employment generator and has created significant job opportunities for both men and women. The growth of the sector has also led to the development of several ancillary industries. The revival of factory output, as reflected through the Index of Industrial Production, is also a positive development, with a significant growth of 23.5% during April-September 2021 compared to the corresponding period growth of -20.8% during 2020-21.
- The Production Linked Incentive (PLI) scheme is a major initiative by the Indian government to enhance the country's manufacturing capabilities and generate employment. The scheme covers 14 key sectors of manufacturing, and the finance minister has stated that it has received an excellent response, with the potential to create 60 lakh jobs and additional production of Rs 30 lakh crores during the next five

years. It is also encouraging to note that the government is promoting the manufacturing of Electronic Components and Semiconductors through the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECES). The scheme is expected to create direct employment of approximately 1,50,000 and indirect employment of about three times the direct work. Overall, these initiatives by the government are expected to boost economic growth and employment opportunities in India, which is a positive development for the country's future.

- The banking sector in India has undergone significant reforms in the last few decades, leading to increased competition, efficiency, and financial inclusion. The Reserve Bank of India (RBI) is the central regulatory authority for the banking sector in India, and it has implemented several measures to improve the functioning of banks and enhance their stability. One of the key initiatives taken by the RBI is the implementation of the Basel III norms, which aim to strengthen the banking sector's resilience to economic shocks. The RBI has also introduced several measures to promote financial inclusion, including the Pradhan Mantri Jan Dhan Yojana (PMJDY) and the Unified Payments Interface (UPI). The PMJDY is a financial inclusion scheme that aims to provide basic banking services to all households in the country. As of March 2021, over 43 crore bank accounts have been opened under the scheme, with a total balance of over Rs. 1.3 lakh crore. The UPI is a payment system that allows users to transfer money instantly between bank accounts using a mobile device. It has gained significant popularity in recent years and has facilitated the growth of digital payments in the country. As of March 2021, there were over 2.7 billion UPI transactions with a total value of over Rs. 5.5 lakh crore. Overall, the banking sector in India is poised for significant growth in the coming years, driven by factors such as increased financial inclusion, the growth of digital payments, and the implementation of reforms to strengthen the sector's stability and efficiency.
- The Government of India has implemented several measures to boost employment, including the Aatmanirbhar Bharat package, Pradhan Mantri Mudra Yojana, Prime Minister's Employment Generation Programme, Garib Kalyan Rojgar Abhiyaan, PM SVANidhi Scheme, Mahatma Gandhi National Rural Employment Guarantee Scheme, and Pradhan Mantri Rojgar Protsahan Yojana. Additionally, the National Career Service portal provides free employment-related services like job matching, career counseling, vocational guidance, and information on skill development courses. These measures aim to create new employment opportunities, facilitate self-employment, and enhance livelihood security for households in rural and urban areas.
- The Skill India Report indicates that the adoption of innovative technologies such as AI, data analytics, robotics, AR/VR, and automation is leading to the development of wide job opportunities in the market, especially in the information and communication technology and consumer and professional services industries. In addition, the rise of the gig economy is driven by tech-enabled platforms, demand for flexible work arrangements, and focus on skills, with India being the fifth largest in flexi-staffing globally. While the gig economy offers cost-efficient arrangements for companies, the lack of social security benefits is a major concern for gig workers. However, the Code on Social Security (2020) takes a step ahead by extending coverage of social security benefits to gig economy workers. Overall, the employment scenario in India looks promising with the government's measures ranging from capital expenditure push to employment generation schemes and skill development programs.

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