

## Growth without Employment

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### Abstract

*Employment generation has been a major objective of India's five year plans. It has been 78 years since the country got independence, yet even today the unemployment situation in the country presents a frightening picture. Today the world's largest population resides in the country. But the employment has not been increased in the same proportion. Providing full employment to the citizens is a challenging task for the policy makers of the country. The political parties of the country have always been giving greedy slogan of providing employment to the voters. The fifth five year plan was dedicate to eradicating unemployment and poverty in the country. Recently, the resolution of the Central Government to make the country a developed nation by 2047 will be fruitful only when every person seeking employment in the country gets employment.*

**Keywords:** Five Years Plans, Employment Generates, Unemployment, Population, Political Parties, Developed Nation.

### Introduction

There are two sources of employment generation viz. formal and informal sector. Employment in formal sector further divided into government sector and private sector. Employment in government sector in central government is decreasing after economic liberalization. Economic liberalization reduces employment opportunity in the government sector due to disinvestment process adopted by the governments.

### The Concept of Unemployment

"Five economic monsters-Poverty, Disease, Ignorance, Filth and Unemployment-are ever ready to afflict the mankind in the world, but the most dreadful monster is the unemployment." Lord William Beveridge.

Unemployment refers to a situation where in shortage of jobs exist for the people who are able to work and willing to work. In India, mass employment found in every state specially populated states like Utter Pradesh, Bihar, Madhya Pradesh.

### Present Scenario

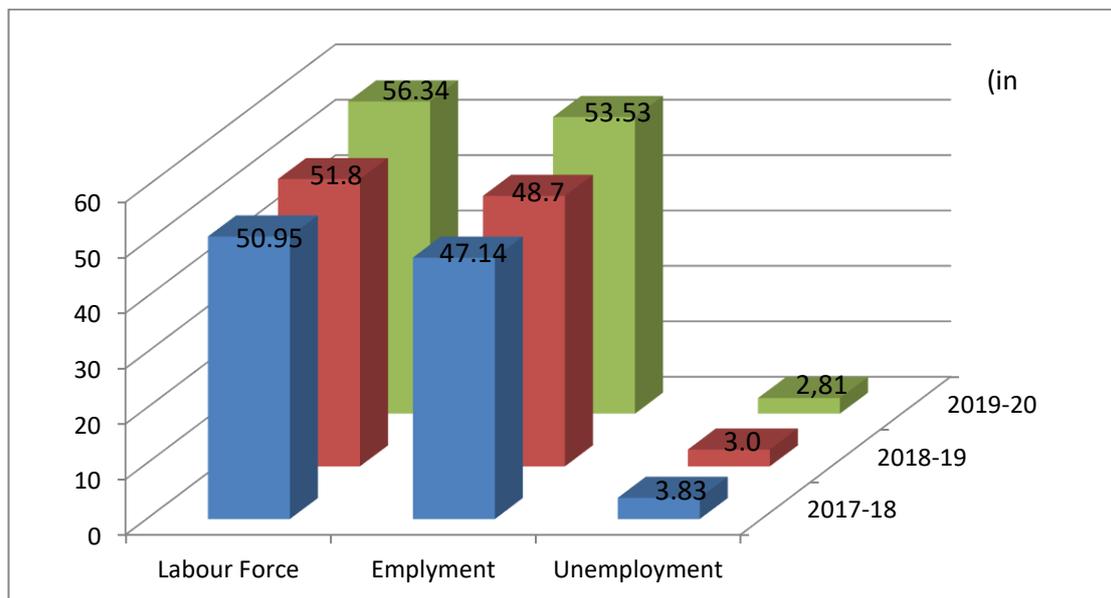
The Economic Survey 2021-22 has estimated total number of persons in Labour Force, Employment and Unemployment for all ages and in usual status for the year 2017-18, 2018-19 and 2019-20 on the basis of Periodic Labour Force Survey (PLFS) report, which are as follows:

Table

(in crore)

Years	Labour Force	Employment	Unemployment
2017-18	50.95	47.14	3.83
2018-19	51.82	48.78	3.04
2019-20	56.34	53.53	2.81

Chart



As per the Economic Survey 2021-22, during PLFS 2019-20 (survey period from July 2019 to June 2020), employment at usual status continued to expand. Between 2018-19 and 2019-20, about 4.75 crore additional persons joined the workforce. This is about three times more than the employment created between 2017-18 and 2018-19. The rural sector contributed much more to this expansion relative to the urban sector (3.45 crore in rural sector and 1.30 crore in urban sector).

#### Reasons for Unemployment

- Posts Remain Vacant:** According to Derek O'Brien the youth unemployment rate is almost thrice the national average unemployment rate. The government, the single largest employer in the country, has not filled lakhs of vacancies including in the educations, the railways, the health care, the defence and the space science and many more sectors. Thousands of posts remain vacant across the Kendriya Vidyalaya and Navodaya Vidyalaya schools. There are many schools where only one teacher is teaching. About 25 percent of posts of central universities is vacant. Not only posts are vacant in rural health centers specially specialist but also in elite institutions like AIIMS. In the defence sector, lakhs of posts are vacant in paramilitary forces.
- Policy of Liberalization:** It is an undisputed truth that as a result of adopting the process of liberalization in the country since 1991, there has been a very adverse impact on the employment situation. Here, since 1991, a period of retrenchment has started, especially in the industrial sector including public sector units (PSUs), which has made the problem of unemployment even bigger. In the last two decades, employment opportunities in all other sectors have reduced drastically due to privatization. Not only recruitment in government institutions has stopped, but steps like compulsory retrenchment and voluntary retirement of employees have also been taken rapidly.

- **Population:** Population is one of the main causes of unemployment in India. According to censuses, 2011, India's population increased to 121 crore. Because of this, a huge number were added in the labour force during 2001 to 2011 while jobs are not created accordingly and unemployment is increasing manifold.
- **Disguised unemployment in agriculture sector:** one half of the population of country gets its livelihood from agriculture and its allied activities. Disguised unemployment found in agriculture sector. This type of unemployment person looks engaged but his/her marginal productivity is either zero or too little. Another form of unemployment is seasonal unemployment in which a person gets employment only in a specific season of the year and remains idle during remaining period of the year like employment in sugarcane industries.
- **More emphasis on capital intensive techniques:** There two types of production techniques viz. labour intensive techniques and capital intensive techniques. With the development process, more emphasis is given on capital intensive techniques which reduces the employment in developing country like India. Due to the adoption of automation, public and private sector companies have laid off workers on a large scale.
- **Illegal migration from neighbouring countries:** India is facing mass illegal migration from countries like Bangladesh, Nepal, Sri Lanka etc. The main forces behind the inter-country migration of labour force are poverty and indebtedness, low wages, lack of employment, backward industry and agriculture, small size holding etc. Poverty has compelled the workers of other countries to migrate to India in order to increase their incomes. This creates unemployment to the native peoples.
- **Low growth in Manufacturing sector due to old and complex Labour Act:** There is a general belief that old and complex labor laws are a hindrance in creating industrial employment. Like 1991, even today the share of manufacturing sector in GDP is approximately 16 to 17 percent - despite many policies and projects, the growth of manufacturing sector is not reaching 25 percent. This has a direct impact on industrial employment and the number of permanent jobs in the total labor force is almost stable. If India wants higher productivity, attractive employment and rapid economic growth, then it is essential to increase industrial employment on a large scale. Without this it will not be possible to achieve 8-9 percent annual growth rate. Especially in labour-intensive sectors like garments, footwear, toys, electronics assembly, we have not been able to develop manufacturing capacities on a large scale, because industries are hesitant in hiring workers on a large scale. But here it also has to be kept in mind that the increase in employment does not depend only on labour laws. The problem of unemployment also arises due to many reasons like lack of skills, poor infrastructure etc.
- **Digital Revolution and Artificial Intelligence:** A new crisis is also arising on employment due to artificial intelligence (AI). Now the machine is taking over the work of brain whereas earlier the machine was taking over the work of hand. Today AI is likely to be used in almost all areas of life. Its use has started ranging from transportation to news anchoring, medicine, defence, science, education etc. The day is not far when a bus will be seen moving without a driver, the news on TV will not be broadcasting by a human being but an artificial person. AI will deliver lectures in the classrooms. In this way, it can be said that due to artificial intelligence, there is a possibility of radical change in the employment sector. Many areas of employment will become inaccessible to humans.
- **Use of Robots in Manufacturing sector:** Israeli company Mente Robotics has manufactured the humanized robot 'Mentebot V3-0' which works independently in warehouses. This robot not only sorts, lifts and carries the boxes but also performs complex tasks by coordinating with other robots. Experts believe that this development will prove to be a big step in filling up the shortage of workers in the industrial sector. These robots are working in warehouses without any human intervention and for industrial purposes. This will also become a threat to mankind for getting employments.
- **10-Trump's Tariffs:** President Donald Trump's 50 per cent tariffs on Indian exports have plunged US-India relations into one of their worst crises in decades. The tariffs, ostensibly imposed to punish India for now, threaten roughly \$87 billion worth of Indian exports to the

United States- hitting labour-intensive sectors like textiles, gems and jewellery, and shrimp the hardest.

#### Steps taken for employment Generation

- The Government, on its part, has been trying to **push up domestic demand** through lower income tax and GST rates as external demand remaining vulnerable due to Trump's Tariffs. The recent rationalization of GST rates, reduction in income tax burden and lower interest rates are supportive factors for domestic demand. It will create jobs and incomes of the household.
- **Introducing of New Labour Codes:** The Government of India consolidated 29 laws into four comprehensive labour codes: the Codes on Wages (2019), the Industrial Relations Code (2020), the Code on Social Security (2020) and Occupational Safety, Health and Working Conditions Code (2020). The notified, these reforms aim to balance worker protection with economic dynamism. They modernize outdated provisions, simplify compliance, expand social protection, and give firms the flexibility they need to grow. Now workers will get minimum wages and timely payments. The new codes do not erode rights but to create a predictable, rules-based environment where both workers and employers benefit. Under the new codes a modern safety framework formulated which improves the quality of work, encourages investment in safer technology, and ensures dignity and protection for workers. These codes will also boost employments in the country.
- **Policy Initiatives for Employment Generation:** The Government of India has taken various steps for generating employment in the country. The Govt. has announced Aatmanirbhar Bharat Rojgar Yojana (AVRY) for making the country self-reliant and to create employment opportunities, Pradhan Mantri Mudra Yojana (PMMY) for facilitating self-employment, The Production Linked Incentive Schemes for creating 60 lakh new jobs, Garib Kalyan Rojgar Abhiyaan (GKRA) of 125 days to boost employment and livelihood opportunities for returnee migrant workers. PM GatiShakti is a transformative approach for huge job and entrepreneurial opportunities, National Infrastructure Pipeline Scheme which collectively generate employment in railways, roads, urban transport, power, telecom, textiles and affordable housing, Prime Minister's Employment Generation Programme (PMEGP) of the Ministry of Micro, Small & Medium Enterprises (MSME), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) & Pt. Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) of the Ministry of Rural Development, Deen Dayal Antodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) of the Ministry of Housing & Urban Affairs for employment generation. The Government has also started various flagship programmes such as Make in India, Start-up India, Stand-up India, Digital India, Smart City Mission, Atal Mission, Housing for All for oriented towards generating employment opportunities. Micro, small and medium enterprises provide employment to more than 11 crore Indians and contribute about 30 percent of India's total Gross Domestic Product (GDP).

#### Conclusion

In India, despite a lot of efforts during the planning period, unemployment has not been controlled. Accurate figures of unemployment are not available and the primary source of data on activity participation and employment, unemployment condition of the population is based on PLFS survey methodology. It presents estimates of key labour market indicators viz. Labour Force Participation (LFPR), Worker Population Ratio (WPR), and Unemployment Rate (UR) at all India level following the Current Weekly Status (CWS) approach. The activity status determined on the basis of a reference period of last 7 days preceding the date of survey is known as the CWS of the person.

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