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# WAGES, EMPLOYMENT AND SOCIAL SECURITY IN INDIA

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## MAKE IN INDIA AND EMPLOYMENT TRENDS

**Dr. Kailas Sunil Patil**

Asst. Professor, Dept. of Economics  
Vivekanand College (Autonomous), Kolhapur.

**Abstract:**

*Economic growth is an essential requirement for the development of a country. India's sustained average growth rate of 7% over the last decade has not been conveyed by sufficient growth in employment. While half of India's population is below the age of 26, the increasing demand for jobs is not being met by the creation of sufficient new economic opportunities. The Make in India initiative was launched in the year September 2014 primarily with the goal of changing the country into a global manufacturing hub. The initiative is expected to create 100 million new jobs in India by 2022. This paper focusing Make in India strategy implemented by the government and their impact on employment creation.*

**Key words :** Employment, Make in India

**Introduction:** It is history of global economy which indicates that all the developed nations of the world, which are doing well, were earlier exclusively based on agriculture. With the advent of industrial revolution and its commercial use they succeed in turning their economy towards development, they showed tremendous progress in manufacturing field. After that, they are slowly switching to the service sector. On the other hand, India was a colony of British empire until half of twentieth century. There were lots of socio-economic, technical, natural and cultural problems when India got its freedom. Agriculture resounded due to the green revolution, but industrialization could not take place on a massive scale. In later 90's we directly shifted to the service sector. Today around sixty percent of our GDP comes from the service industry. With increasing computerization in the service sector, the jobs are not being produced at par with the comparative increase in population, both in services and agriculture sector. And there are no big industrial sector to captivate these excess people. That is why India is having this huge problem of unemployment. Programmes like 'Make in India' will certainly help because they will employ local people, but still, they are at a very nascent stage, and a lot needs to be done.

**Objectives :** 1. To know the Make In India scheme.

2. To study the impact of Make In India strategy on employment.

**Research Methodology:** the approach of the paper is descriptive and exploratory. The information and data is collected from secondary sources.



### **Employment in India:**

Employment has emerged as significant subject in the growth and development process of most national governments and some international organisations. In the developed countries, persistently high and increasing unemployment rates have given rise to renewed concern for construction of job opportunities, while in many developing countries like India productive employment is perceived as a means for poverty mitigation.

The processes of globalization have also resulted in certain trends in labour markets in both the developed and developing countries which have heightened the interest in the consequences on employment of international trade and flows of investment. Apprehensions have also been raised about the possibility of an increasing number of workers getting employed in relatively poor conditions of work, on low wages and without social security, as a result of the employers 'pursuit of cost reduction' in order to remain competitive, thus leading to what is often termed as the 'race to the bottom' in respect of labour standards.

The problem has thus assumed global extents and undertaking it would necessitate international action. At the same time, global developments will produce their impacts on the employment situation within the national economies. Also, it must be recognized that since the nature of the problem is substantially different in the developed and developing countries and has country specific dimensions as well, a large part of the effort to meet the challenge will have to be made at the national level.

India enjoys demographic advantage wherein nearly sixty three per cent of the population is in the economically active age group. In other words, the child dependency and the old age dependency ratio are low as compared to the economically active population which if productively used can have a multiplier impact on growth and employment.

### **Make In India :**

The 'Make in India' campaign has its origin in the Prime Minister's Independence Day speech in which he gave a clarion call for "Make in India" and "Zero Defect; Zero Effect" policies.

The campaign aims to simplify investment, foster innovation, enhance skill development, protect intellectual property, and build best-in-class manufacturing infrastructure in India. The initiative seeks to woo domestic and foreign investors by promising a business environment conducive to them. In the PM's words, India will offer a red carpet to an investor instead of the hitherto red tape that they faced.

The central government, various state governments, business chambers and overseas Indian Missions are all expected to play a important role in the successful operation of this initiative. Domestically, the 'Make in India' initiative aims to identify domestic companies having leadership in



innovation and new technology for turning them into global players. The focus will be on promoting green and advanced manufacturing and helping these companies to become an important part of the global value chain. The Government has identified 25 key sectors in which Indian industries have the potential to compete with the best in the world. These sectors have been listed on the Make in India web portal and separate brochures for these sectors will be released along with a general brochure to guide companies.

The 25 sectors covered under the Make in India initiative include Automobile & Automobile Components (merged as NIC code 2 digit level is the same), Aviation, Biotechnology, Chemicals, Construction, Defense Manufacturing/Space (merged as NIC code 2 digit level is the same), Electrical Machinery, Electronic Systems, Food Processing, IT & BPM, Leather, Media & Entertainment, Mining, Oil & Gas (merged as NIC code 2 digit level is the same), Pharmaceuticals, Ports, Railways, Roads and Highways (merged as NIC code 2 digit level is the same), Renewable Energy & Thermal Power (merged as NIC code 2 digit level is the same), Textiles and garments, Tourism & Hospitality, Wellness.

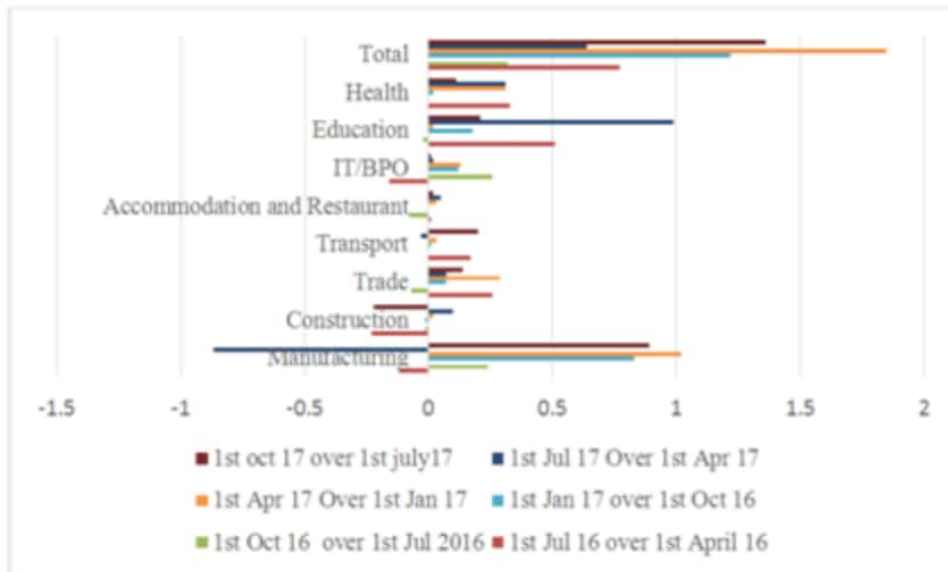
At all India level change in employment in eight selected sectors stood at positive 1.36 lakhs in the country. Sector wise composition of change in employment in eight sectors is shown in the table no. 1

Table no. 1 reveals that Manufacturing sector recorded the maximum positive change in employment i.e. (+ 89 thousand) followed by Education (+ 21 thousand), Transport (+ 20 thousand), Trade (+ 14 thousand), Health (+ 11 thousand), Accommodation & Restaurant (+ 2 thousand), and IT/BPO sector (+ 1 thousand) and negative change in one sector i.e. Construction (- 22 thousand) over last Quarter.

Table No. 1 Changes in Total employment in eight selected sectors

Sector → Change in Employment	Manufacturing	Construction	Trade	Transport	Accommodation and Restaurant	IT/BPO	Education	Health	Total
1 <sup>st</sup> Jul 16 over 1 <sup>st</sup> April 16	-0.12	-0.23	0.26	0.17	0.01	-0.16	0.51	0.33	<b>0.77</b>
1 <sup>st</sup> Oct 16 over 1 July 16	0.24	-0.01	-0.07	0.00	-0.08	0.26	-0.02	0.00	<b>0.32</b>
1 <sup>st</sup> Jan 17 over 1 <sup>st</sup> Oct 16	0.83	-0.01	0.07	0.01	0.00	0.12	0.18	0.02	<b>1.22</b>
1 <sup>st</sup> Apr 17	1.02	0.02	0.29	0.03	0.03	0.13	0.02	0.31	<b>1.85</b>

Over 1 <sup>st</sup> Jan 17									
1 <sup>st</sup> Jul 17 Over 1 <sup>st</sup> Apr 17	-0.87	0.10	0.07	-0.03	0.05	0.02	0.99	0.31	<b>0.64</b>
1 <sup>st</sup> oct 17 over 1 <sup>st</sup> july17	0.89	-0.22	0.14	0.20	0.02	0.01	0.21	0.11	<b>1.36</b>
Source : <a href="http://labourbureaunew.gov.in/QES_7th_round_Report_final_12032018">http://labourbureaunew.gov.in/QES_7th_round_Report_final_12032018</a>									



The above chart makes clear picture of quarterly changes in employment since 1<sup>st</sup> July 2016 to 1<sup>st</sup> October 2017. It shows growth in few percentage but there is no consistency in the growth of employment in the selected significant sectors.

**Impact of Make in India on three significant sector:**

- A) Manufacturing Sector :** The main initiative is to make India, a global manufacturing hub. The key thrust of this campaign would be on reducing waiting period of clearance for the manufacturing projects, create requisite infrastructure, and encourage easy way for the corporate firms to do business in India. The aim was to increase the contribution of the manufacturing sector up to 25% in the GDP of the country's economy. The contribution was limited up to 15% but the impact of Make in India has enlarged the contribution by 7.6% in 2015-16. In the last several years, this was the fastest change in the sector.
- B) Construction:** India is one of those countries that have an serious shortage of the residential houses. According to a survey done in 2012, the rural areas of the country lack 47.4 million units of housing. Moreover, the present urban infrastructure is not well-meaning sufficient to cater the



demands of the people residing in the urban areas. Therefore, India is in need for regenerating existing cities and creating new smart cities. The impact on the 'Make in India' on the construction sector will lead to the development of townships, road & bridges, hospitals, recreational facilities, residential/commercial premises, hotels, resorts, educational institutes, city and regional level infrastructure.

**C) IT Sector:** India proudly holds the third place in the list of startup hubs. India has encouraged 4200 start-ups in the country. With the help of Make in India, this sector has witnessed the highest growth. The sector has registered approximately 13.5% growth. If everything goes right, then very soon, India will be a country of technology. This sector is known as very important sector in the development process of economy because with the development in IT sector, employment opportunities will rise, and the people will become more knowledgeable about the technology.

**Difficulties in the way of Make in India program:** Make in India campaign is receiving warm responses from foreign investors. But to make India a industrial hub with generating employment and finally develop nation, there are various issues before the Government of India. There is need of more improvement in the business initiative, simple tax environment, reforms in the labor laws, promotion of SMEs and gaining global competitiveness and global leadership.

**Conclusion:**

Make in India has framed to increase the manufacturing activities in India and it tries to attract required foreign investment for the creation of employment and ultimately in the process of economic development. Make in India has been successful in attracting various companies to invest in India. But there are some deficiencies in this program. Looking towards the growth in supply of labour due to population, the initiative taken by the government under this Make In India programme is not sufficient. It shows that there is need to take more efforts for well working of Make in India as well as some another ways.

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