

[A blueprint for creating good jobs in India](#)

By Prateek Raj | Jul 2, 2024

To create good, stable jobs, we must focus on inclusive growth that creates jobs by investing in the social sector, revitalising labour-intensive industries, and prioritising extensive skill development

Many Indian Institutes of Technology (IITs) graduates struggle to find employment that matches their skills and aspirations. Image: Shutterstock

India's current growth model has often been called a success, as evident in its stock market performance and strong investor confidence. However, beneath the surface has been a critical issue that threatens the stability and inclusiveness of our economy: the lack of good, stable jobs. This issue is evident in the placement data from premier institutions like the Indian Institutes of Technology (IITs), where many graduates struggle to find employment that matches their skills and aspirations. Additionally, the International Labour Organization's (ILO) recent report highlights that between 2012 and 2019, employment in India grew by a mere 0.01 percent annually, with most new jobs being low-productivity roles in agriculture and construction.

RSS The recent Indian elections have also pointed towards silent discontent about the state of economic affairs in the country, as many young and marginalised voices, especially in states like Uttar Pradesh, demanded job opportunities. For the new government, creating jobs must be the first priority. To create new and good jobs, the new government must reevaluate our current economic model, which prioritises capital over labour and has ignored essential social sectors.

An Economic Model that Forgets Workers

India's economic policies have heavily leaned towards capital-intensive growth. While this has spurred advancements in technology and productivity, it has done little to generate stable employment. The emphasis on automation and ICT platforms has created a plethora of gig jobs but has failed to establish a robust engine for long-term employment. The startup ecosystem, while celebrated for its innovation, often serves the interests of venture capitalists rather than generating substantial, stable jobs for the local workforce. We still await our second IT Revolution, like the first one in the 2000s.

This capital-intensive growth model has ignored the role of workers in building a strong economy. A strong economy needs trained workers with conducive working environments and decent living conditions to thrive and contribute meaningfully.

Neglect of the Social Sector and Public Goods

Another critical flaw in our growth strategy is the perennial underinvestment in the social sector and public goods. Essential services like education, healthcare, and public transport are being underfunded or handed over to private entities, making them inaccessible to a significant portion of the population. This neglect not only hampers human capital development but also fails to create the

millions of stable jobs the social sector offers.

The low public investment in social services has resulted in poorly funded universities and hospitals that struggle to hire adequate staff. This lack of funding and resources leads to a vicious cycle of poor-quality services and limited job creation. We can't afford to ignore our social sector.

Creating Jobs: The Four Sectors

To address the job crisis, we need to focus on four key sectors that have the potential to create stable and meaningful employment:

1. The Social Sector: India urgently needs to invest in public health, education, and other social services. With over 7 lakh villages and 3 lakh urban communities requiring high-quality social services, this sector alone can generate millions of jobs. Strengthening public-private partnerships and ensuring fair wages for essential workers like Anganwadi and ASHA can significantly boost employment while improving the quality of life.

2. The Services Sector: As highlighted by economists Rohit Lamba and Raghuram Rajan, India's skilled, educated youth have immense potential to offer high-value services globally. However, there is a pressing need to update our educational curricula and invest in extensive skill development programs. This involves creating systems of apprenticeship and tertiary education upgradation to prepare young people for the rapidly changing job market.

3. The Labour-Intensive Sectors: Revitalising labour-intensive industries is essential for sustainable job creation. The manufacturing and agriculture sectors provide a foundation for a stable job base. Incentivising sectors like automobile and aerospace, as well as food processing, can generate millions of jobs due to the high value of their products. An urgent upskilling program is necessary to equip workers with the skills required for these industries.

4. The Skilling Mission: Central to job creation is a robust skilling mission that hires skilled scientists, teachers, and trainers across various levels of expertise. This initiative can create tens of thousands of stable jobs, laying a new foundation for skilling in India and ensuring the workforce is prepared for future challenges.

Conclusion

India's current growth model, heavily focused on capital at the expense of labour and social sectors, is unsustainable. To create good, stable jobs, we must focus on inclusive growth that creates jobs by investing in the social sector, revitalising labour-intensive industries, and prioritising extensive skill development. This holistic approach will not only address the immediate job crisis but also lay the groundwork for a more equitable and sustainable economic future. By rethinking our growth model, we can ensure that India's economic progress benefits all its citizens, creating a vibrant and resilient economy.

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