

ROAD MAP FOR NEXT DECADE

Labour-intensive jobs India's only option now: ILO

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There is “no alternative” for India to have growth led by labour-intensive manufacturing at least for the next 10 years to absorb seven-eight million youths who will join the labour force annually, a report jointly prepared by the International Labour Organization (ILO) and Institute for Human Development (IHD) has said.

Using official data, it highlighted the increasing uncertainties in the labour market due to fast-changing technologies, including artificial intelligence (AI). Titled “India Employment Report 2024” and released on Tuesday, it said: “Fast-changing technological advancements, particularly artificial intelligence, are going to be important disruptive factors in the labour market, with positive and negative consequences. Although on a good footing, India still needs to do more to prepare itself for the challenges posed by new technologies.”

The report calls for primacy to be given to labour-intensive manufacturing employment to absorb the abundant unskilled labour, along with the emerging employment-generating modern manufacturing and services sectors, with a direct and greater focus on micro, small and medium-sized enterprises by providing a more supportive and decentralised approach. It also highlights investment in the green (environment-friendly) and blue (based on ocean resources) economies, developing rural infrastructure, and establishing an integrated market to revive employment in

A GLIMPSE: INDIAN LABOUR MARKET

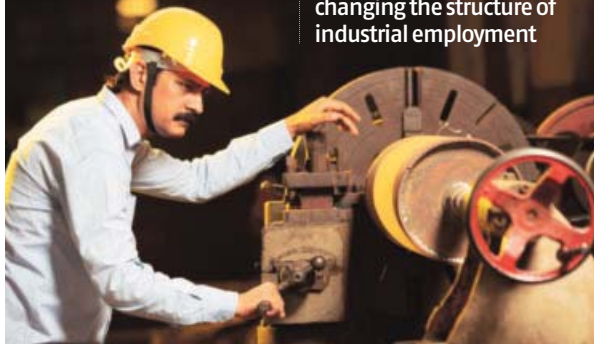
■ Employment in India is predominantly self-employment and casual employment

■ Transition to non-farm employment reversed due to the pandemic, with a rise in the share of agricultural employment

■ Women largely account for the increase in self-employment and unpaid family work

■ Employment generation in India has become more and more capital-intensive, with fewer workers employed between 2000 and 2019 than in the 1990s

■ Digitalisation and introduction of new technologies are changing the structure of industrial employment



the farm and non-farm sectors in rural areas.

The report mentions outsourcing in India could be disrupted because some back-office tasks would be taken over by AI, but given that India has a lot of vibrant startups, tech developers, and a reasonably good digital infrastructure, it is possible to create jobs. AI offers immense opportunity to enhance labour productivity and incomes of even unskilled and semi-skilled workers, while cautioning that the disadvantaged states are less prepared for this, and active policies and programmes need to be formulated and implement-

ed for training youths in those states. India remains poised to reap a demographic dividend for at least another decade due to the youth population remaining at 23 per cent of the total in 2036 from 27 per cent in 2021. However, youth employment has by and large remained of poorer quality than employment for adults.

In 2022, the unemployment rate among youths was six times that among persons with a secondary or higher level of education (at 18.4 per cent) and nine times greater among graduates (at 29.1 per cent) than for persons who cannot read and write (at 3.4 per cent).