



Mains Practice Question

Q. Labour-intensive sectors such as housing, construction, exports, garments, tourism, education and health should be focus area for maximizing employment generation. Comment. (250 words)

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Approach

- Give extent of unemployment and underemployment.
- Elaborate on role of Labor intensive sectors in employment generation.
- Give conclusion.

Introduction

- According to data compiled by the Centre for Monitoring Indian Economy (CMIE), the unemployment rate rose to 7.2% in February 2019.
- Further India is facing high underemployment rate as agriculture continues to employ more than 50% working population in absence of opportunities in other sectors.

Body

Role of Labor intensive sectors in employment generation

- **Jobless growth post reforms:** Capital intensive growth post 1990's reform has reduced employment opportunities. Labour-intensive sectors such as housing, construction, exports, garments, tourism, education and health can help in maximizing employment generation.
- **Need for lesser skills:** In India industry is investing in capital-intensive sectors such as auto parts, automobiles, machinery, chemicals or areas requiring special skills such as software, telecom, and pharmaceuticals thus reducing employment opportunities. Labor intensive sector do not require high technical skills. Thus labor intensive sectors like construction, textiles, gems and jewelry etc can generate large employment without much investment in skills.
- **Apparel Sector:** The Apparel sector is a highly employment intensive industry especially for women. In the perspective of China losing share in the global market for exports in the apparel sector on account of rising costs of production, the time is ripe for India to make forays into this market.
- **Tourism sector:** The World Travel & Tourism Council calculated that travel and tourism directly and indirectly generated \$208 billion, or 9.6% of India's GDP, in 2016, and supported over 40 million jobs which are 9.3% of the country's total employment. India can take advantage of the labour force available in India in order to improve tourists' experiences by training skilled and unskilled workers in the hospitality industry.
- **Health sector:** Health sector can create jobs on a massive scale, particularly at the level of frontline health workers and others. The sector offers direct employment to nearly five million citizens in India. According to 2016 KPMG report the healthcare system generates more employment per unit established as compared to other sectors that are given priority and supported by the government.

Conclusion

Growth of labor intensive sector can have large impact on reducing poverty and promoting inclusive growth. The goals under Sustainable Development Goals can be achieved effectively if India can solve its lingering problem of unemployment and underemployment through employment generation in labor intensive sectors.

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