

Q. Post liberalisation, country witnessing increasing share of industry and service sector in national income w/o increase in employment share. Do you agree? Give reasons in your favour? (150 W)

At present, Manufacturing and service sector employ ~~29~~¹⁷ % and 29 % of the population respectively. The % of same in Agriculture is 40 %.

Post liberalisation era, did many good things for the economy such as:-

- (.) Brought down unemployment rate
- (.) Brought down poverty rate (from 45 % to 21 % in 2001 as per tendulkar committee report)
- (.) Increased India's GDP (2.8 TD. at present)

However, the Growth has been characterised as Jobless. There are various reasons:-

- (.) Disguised unemployment →

People working in Agriculture.
Their marginal productivity is zero.
(*) Regional inequality → Even till present, there are very less startups in NE region due to lack of awareness (literacy rate - census 2011-59%), Infrastructure.

(*) Female labour force participation has been coming down. At present 21%. Various reasons are patriarchy, attaining higher education etc.
(*) Government Policies → labour laws, Ease of doing business, less suitable atmosphere for investment.

Suggestions →

Govt efforts
Startup India, Stand up India, Make in India, Mudra loan scheme, PM Rejgar Pratsahan Yojana etc.

Needs - to be done
(*) Labour intensive production needs to be encouraged
(*) Subsidies, incentives to manufacturing units.

It's PM's goal to ^{that} attain 25% of GDP must come from mfg/ service sector by 2022. For that enough jobs must be created.