

**Question:** India needs an effective policy package to tackle the growing unemployment rate. In this light discuss the steps needed to resolve this long-standing issue and also mention the measures taken by the government in this regard. (250 words)

**Answer:**

Unemployment is a situation where person is capable of working both physically and mentally at the existing wage rate, but does not get a job to work. As per the recent statistics, unemployment rate in India rose to 7.2% in 2019. Unemployment represents itself in various forms such as: disguised, seasonal, cyclical, frictional unemployment etc.

To tackle the issue of unemployment following steps must be adopted:

- There is a need for rapid industrialization so as to shift the labour forces from agriculture to manufacturing sector.
- The curriculum at education centers should be changed to focus on learning and skill development.
- Self-employment must be encouraged with the help of liability free loans, government assistance etc.
- Incubation centers need to be promoted to cultivate original business ideas that will be financially viable.
- Government as well as business houses should seek to invite more foreign collaboration and capital investment so as to increase avenue for employment.

- The labour intensive manufacturing sectors such as food processing, leather and footwear need to be promoted to create employment.

Further, to increase the avenue for employment, the government has taken various steps such as:

- Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) to provide social security by guaranteeing a minimum of 100 days paid work.
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) with objective of enabling a large number of Indian youth to take up industry-relevant skill training.
- Start Up India Scheme aims at developing an ecosystem that promotes and nurtures entrepreneurship.
- Stand Up India Scheme/ MUDRA scheme to facilitate bank loans between Rs 10 lakh and Rs. 1 crore to at least one SC or ST borrower and at least one women borrower per bank branch for setting up a greenfield enterprise.

Thus, to tackle unemployment a strategy of multi prong approach need to be adopted so as to tap demographic dividend.