ABSTRACT
India is a large democratic country with a huge population of young generation. In 1990’s India has gone for liberalization and removed all the barriers like licenses, permits etc to promote investors and to create more employment to the people. In the beginning, the employment increased to an extent and in recent times it is at its lowest level. Despite of these reforms, young population and increased literacy, the job employment has not increased to the expected level.
This paper highlights various issues that obstruct the growth of manufacturing sector and offers several workable approaches to address the issue. Healthy and robust manufacturing sector is inevitable for the employment rate to increase, exports to increase and the livelihood to increase. In the light of the researches done by many people in this area, the paper studies the various factors that led to this situation. The major one that was found mere responsible for this is the rigidity of the labour laws because of which the investors are not willing to employ more people despite of demand for their products. Instead they prefer automation or mechanization. This automation or mechanization is affecting the creation and growth of employment in the manufacturing sector. This paper studies the situation prevailing in India and suggests various solutions for the creation of more jobs in India.

KEY WORDS: Manufacturing sector, Labour Reforms, Trade Unions, Industrial sector, SEZ (Special Economic Zones)

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