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Unemployment and Economic Growth: Challenges for the Indian Economy

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Abstract

Unemployment remains one of the major economic challenges facing India and has significant implications for economic growth, poverty reduction, and overall social development. Despite India's economic expansion and structural transformation, the economy continues to face challenges related to inadequate employment opportunities, skill mismatches, informal employment, and the growing working-age population. This paper examines the relationship between unemployment and economic growth in India, with particular attention to the factors contributing to unemployment and their implications for sustainable and inclusive development. The study discusses the role of economic growth, investment, industrial development, education, skill development, and government employment policies in generating productive employment. It also highlights the importance of improving the quality of employment rather than focusing solely on employment numbers. The paper argues that sustained economic growth accompanied by employment-intensive sectors, better skill development, entrepreneurship, and effective labour-market policies is essential for addressing unemployment in India. Strengthening the connection between economic growth and employment generation can contribute significantly to reducing inequality, improving living standards, and achieving more inclusive economic development.

Keywords: Unemployment, Economic Growth, Employment Generation, Labour Market, Skill Development, Inclusive Growth, Indian Economy, Employment Policy

