MEMBERSHIP IN THE INTERNATIONAL LABOUR ORGANIZATION AND ITS IMPACT ON EMPLOYABILITY IN INDIA: A COMPREHENSIVE ANALYSIS

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ABSTRACT

Sustained, inclusive growth that translates into broad based employment gains rarely emerges from isolated policy adjustments; instead, it depends on the design and implementation of integrated, mutually reinforcing policy packages. Fiscal policy and strategic infrastructure investment—when explicitly calibrated to maximise decent- work creation—can trigger powerful employment multipliers, stimulate domestic demand, and cultivate resilient labour markets. India's own experience offers compelling evidence: targeted public- works programmes, rural- road schemes, and sector- specific production linked incentives have each shown how well- coordinated policy levers can lift labour absorption, especially among women and marginalised communities. Yet many of the instruments that shape employment outcomes lie beyond the jurisdiction of the Ministry of Labour and Employment. Tax incentives, trade facilitation, skilling initiatives, and green transition projects fall under finance, commerce, education, and energy ministries, respectively. Achieving synergy therefore demands whole of government planning, robust inter- ministerial coordination mechanisms, and data driven monitoring frameworks.

In this context, India's membership in the International Labour Organization (ILO) provides both normative guidance and practical support. The ILO's Decent Work Agenda, conventions, and peer learning platforms help align national policies with global labour standards while offering technical assistance on employment intensive investment, social protection floors, and skills anticipation systems. Moreover, the evolving global environment—marked by digitalisation, supply chain reconfiguration, and the push for carbon neutrality—presents fresh opportunities and risks for India's workforce. Leveraging ILO expertise can sharpen India's policy coherence, amplify job creation potential in emerging sectors, and bolster resilience against external shocks. This study examines how an integrated policy approach, informed by ILO frameworks and attuned to global labour market dynamics, can strengthen the growth–employment nexus and unlock inclusive, sustainable employability in India.

Keywords: Employability, International Labour Organization, Employment multipliers, integrated policy packages; Decent Work, Inter- ministerial coordination.

Introduction

The global economy has not entirely recovered from the financial crisis of 2008–2009. Deficits in both the quantity and quality of new jobs are developing in many nations as a result of the global recovery's overall fragility and unpredictability.

Monetary policy has intervened extensively, at times breaking new ground, in response to slow growth and dismal job growth. Naturally, this has also had an impact on other economies. Emerging nations like India benefited from capital inflows, but now regrettably are experiencing capital outflows as the end of monetary stimulus approaches. This is the overall picture, notwithstanding the stark performance disparities between nations.

Overview of ILO

In 1919, the International Labour Organization (ILO) was founded. The ILO currently has 187 Members. The ILO's tripartite structure is one of its distinctive qualities. The expansion of the tripartite system in the ILO member countries is ensured by membership. Governments are connected to the other two social partners, namely the employees and employers, at every level of the organisation. All three groups share responsibility for running the ILO's business and are represented on nearly all of its deliberative organs.

The three organs of the ILO are:

1. International Labour Conferences: - General Assembly of the ILO – Meets every year in the month of June.
2. Governing Body: - Executive Council of the ILO. Meets three times in a year in the months of March, June and November.
3. International Labour Office: - A permanent secretariat.

The work of the Conference and the Governing Body is supplemented by Regional Conferences, Regional Advisory Committees, Industrial and Analogous Committees, Committee of Experts, Panels of Consultants, Special Conference and meetings, etc.[1]

India and ILO

Since 1922, India, an ILO founding member, has served as a permanent member of the ILO Governing Body. In 1928, the ILO opened its first office in India. Mutual confidence and respect serve as the cornerstones of the decades-long successful collaboration between the ILO and its constituents. This cooperation is based on sustaining institutional capacities and enhancing partner capacities. It has a dual focus on top-down policies and bottom-up methods for socioeconomic development.

Decent Work Concept

The main objective of the ILO is to promote chances for all men and women to find decent and productive employment in settings that uphold freedom, equity, security, and dignity. This is known as "Decent Work." DW is fundamental to efforts to combat poverty and a way of achieving equitable, inclusive, and sustainable development, and it forms the basis of ILO's programmes for economic and social advancement. The goal of India's 11th Plan is to achieve quicker and more inclusive growth while guaranteeing equality of opportunity for everyone, with a particular focus on providing everyone with good working and living conditions. The DW agenda is in line with several of India's 11th Plan goals.

The DW concept is implemented through Decent Work Country Programmes (DWCPs), which are created and approved at the national level by the tripartite members and ILO. Three themes are the main emphasis of the DWCP-India (2007–12), which is in accordance with both the UN Development Assistance Framework and the 11th Plan.

Priority 1: Opportunities enhanced for productive work for women and men, particularly for youth and vulnerable groups, especially through skills development;

Priority 2: Social protection progressively extended, particularly in the context of

[1]https://labour.gov.in/lcandilasdivision/india-ilo

informalization;

Priority 3: Unacceptable forms of work progressively eliminated.

When implementing the DWCP under the three priority areas, the following cross-cutting concerns are given specific attention:

(a) Social dialogue and strengthening of partners;

(b) Informal economy; and

(c) Gender equality.

The current ILO portfolio in India focuses on issues such as preventing family debt employment, skills development, green jobs, value-adding to national programmes, micro and small businesses, social security, HIV/AIDS, migration, industrial relations, addressing the effects of globalisation, productivity and competitiveness, etc.

Through its team of specialists, the Decent Work Technical Support Team (DWT) for South Asia, based in New Delhi, offers technical assistance to member States in the sub-region at the policy and operational levels.[2]

Understanding the Core Challenges: Employment Quality and Rising Inequality

Beyond the sheer number of employment, there are grave worries regarding the calibre of both new and current jobs. In many countries, the prevalence of non-standard types of employment, such as contract labour, informal employment, and involuntary temporary and part-time work, is on the rise. We have also observed pay stagnation or even wage drops in advanced nations, which has a negative impact on local aggregate demand, spills over to international demand, and contributes to the unsettling rise in inequality.

Inequality has been called the defining challenge of our time, and this is true. Most developed, emerging, and developing nations have seen an increase in income inequality, with notable exceptions in a small number of Latin American nations where extremely robust and

[2]https://www.ilo.org/newdelhi/aboutus/WCMS_166809/lang--en/index.htm

coordinated policy initiatives have been successful in reducing it.

The social problem of inequality weakens social cohesiveness and raises concerns about fairness. Additionally, it is a political concern since disgruntled citizens losing faith in governments that appear to be indifferent to their needs or to serve the wealthy can lead to political unrest. But it's also a matter of economics. Recent studies by the ILO, IMF, and other organisations show that inequality obstructs general economic growth in a very evident way. For instance, the OECD recently calculated that the recent economic development in Europe had been reduced by roughly 5% as a result of growing inequality across the continent. 5% is a significant amount. When families do not spend, firms do not perceive a cause to invest. This is especially true when households are dealing with low or stagnant salaries or uncertain temporary or contract jobs. The effect is a decrease in overall demand. Globally, it has remained down, which has hindered both investment and international trade. Over the medium and long term, inequality hinders economic growth even more since it causes more growth interruptions, makes the public unhappy and unstable, and discourages both households and businesses from investing as much in human capital.

India’s Employment Landscape Amidst Economic Recovery and Global Uncertainty

India's growth slowed in 2013 and is now entering a stronger growth period. India in particular has profited from historically low oil prices as a major energy importer. India, whose GDP is projected to rise by about 7.5% this year, is thus one of the bright spots on the horizon. However, the international economy continues to be in a state of instability and unpredictability, which will inevitably have an impact on India as well as the decisions it makes and the options that are open to it.

The worldwide labour market is still significantly affected by the Great Recession's after effects. If we take a look at the G20 nations, for instance, the overall jobless rate remained high at about 6% in 2014. Many nations continue to have high rates of long-term unemployment and youth unemployment. Numerous G20 nations have seen a fall in labour force participation rates, which can be attributed in part to demographic shift and youth remaining in school longer, as well as to discouraged workers who have left the labour force. There is a sizable jobs gap as a result of the G20's overall employment growth that is still substantially below pre-crisis levels. Recent research by the ILO and other international organisations that focus on the G20 countries reveal that growing inequality is closely related to the diminishing percentage of total GDP that is distributed to working people in the form of pay checks in most of these nations. The major slowdown in wage growth in most advanced and some emerging G20 nations, in addition to unemployment and underemployment, is to blame for the reduction in the labour share of national income, which has a knock-on effect on overall household inequality and individual income inequality.

In Labour Regulations in India: Improving the Social Security Framework, Anwarul Hoda, and Durgesh K. Rai has indicated that India's social security regulations exhibit serious shortcomings, particularly for unorganised workers. By aligning with the ILO's guidelines and recommendations on employment and social protection, India could enhance its social security framework, thereby improving worker welfare and efficiency. This alignment could lead to better safety nets for workers facing crises, ultimately fostering a more resilient job market. Implementing these recommendations may also help in addressing the deficiencies identified in the current legislation and programmes.[3]

T S Papola in Employment in Development: Connection between Indian Strategy and ILO Policy Agenda says that the International Labour Organisation (ILO) plays a significant role in assisting member countries, such as India, in developing employment strategies and programmes, rather than engaging in direct action, which has led to a substantial influence on Indian employment policy. The collaboration between the ILO and India has been mutually beneficial; with India providing valuable expertise and experience that has informed the ILO's approaches to employment promotion policies and programmes in other developing countries.[4]

Critical Areas of Concern in Labour Market Development

1. First and foremost, economies must figure out how to make sure that growth results in the development of more and better jobs for the entire population.

2. The second crucial concern is whether or not women may access job prospects and engage in outside-the-home jobs for a wage. Economic growth would inevitably be less than its potential when women are prohibited from working for pay.

[3] Hoda, A., & Rai, D. K. (Year). *Labour Regulations in India: Improving the Social Security Framework*.
[4] Papola, T. S. (Year). *Employment in Development: Connection between Indian Strategy and ILO Policy Agenda*.

3. The formalisation of the economy and labour market is the third problem, which is a significant barrier for many middle-income countries, including India. As a result of this, new types of informal employment have been developing, even in the official sector, especially in response to pressure from globalisation and the need for greater flexibility. And one of many examples is the rise of contract labour in India.

4. The fourth and final point is that the labour market institutions, including laws and regulations, need new ideas in light of the rapidly changing economic contexts of the global and Indian economies as well as the types of work in order to address current and emerging employment challenges while providing fundamental fairness and security to workers and balancing the interests of workers and employers. Governments must assume responsibility for this.

India places a high priority on these four issues, which are also widely discussed worldwide. They are among the G20's primary discussion points. They will be among the BRICs' primary discussion points, and they also dominate the post-2015 sustainable development targets.

Evolving Labour Market Dynamics and the Need for Strategic Policy Reorientation

Experience has shown that economic expansion alone will not be enough to generate enough decent and productive jobs. In many of the advanced economies, for instance, the employment intensity of growth has not altered due to the fact that many large economies are currently experiencing growth that is so slow that even prior rates of employment intensity of growth are insufficient. The 'employment elasticity' of growth, as it is sometimes called, hasn't altered; if anything, it's gone up a little bit. However, the issue is that because growth is happening so slowly, not enough employment is being created. Over the past few decades, the labour markets have seen significant changes in addition to the rise in inequality. These are brought about by advancements in technology, an increase in immigration, ageing populations in some nations and youth bulges in others, as well as changing employment trends. Sadly, the trend of these reforms has frequently been away from social justice and inclusive economies. And these factors that have influenced the global economy in this way will keep bringing about changes in the workplace. We must consider policy measures if we want to alter the direction, particularly the negative direction, of their effects. The ILO Director General has suggested setting up a series of "conversations" on four theme topics addressing the future of work in light of these longer-term trends.

The first is the connection between society and the workplace. Our previous assumptions about the availability of employment opportunities, earning potential, and career opportunities are being tested by the diversification and polarisation of jobs, which is being fuelled by globalisation, technological advancement, and other influences.

Second, we must consider the future sources of employment in this setting. Where will jobs come from and what will they entail? Will there be more or fewer decent jobs available? To encourage job-intensive growth and employment and development, a variety of policies, including macroeconomic and labour market ones, may need to be reviewed.

The third conversation will focus on how the employment will be structured. Will the so-called "standard employment relationship," which has been the norm in advanced nations and consists of a firm contract with an indefinite tenure, continue to be "standard" or will it start to look more and more atypical? Will there be a wider or narrower transition from informal to formal employment in emerging economies?

After looking into these issues, we need to talk about how to manage the new realities of work in the fourth conversation. To do that, we must take a new look at the policy instruments we already have and those we still need to create. The ILO's worldwide labour standards and the economic coordination that takes place through groups like the G20 and the BRICS are examples of national policies and laws, labour laws, and social protection policies. It also happens at the international level.

India's Role in Influencing the Global Future of Work

While making projections about trends and effects is helpful, it's also crucial to keep in mind that our actions today are already influencing the future and creating or closing doors to opportunities for progress. If we want to create the job patterns and interpersonal connections that will be fruitful in the future, we need to focus more on creating inclusive labour markets now. And here I would like to emphasise that what happens in India will have a significant impact on how the future of work is shaped globally, both because of the size of its population and because it is a young population with a large proportion of people who will be in their economically active years for decades to come.[5]

[5]https://www.ilo.org/newdelhi/info/public/sp/WCMS_412430/lang--en/index.htm

As given by T S Papola in Employment in Development: Connection between Indian Strategy and ILO Policy Agenda, the International Labour Organisation (ILO) contributes to member countries, including India, by providing assistance in developing approaches, strategies, and programmes related to employment, rather than engaging in direct action. This has significantly influenced Indian policy on employment. India, in turn, has provided valuable expertise and experience to the ILO, which has helped the agency formulate its own approaches and apply them to employment promotion policies and programmes in other developing countries, creating a mutually beneficial collaboration.

Labour Market Paradoxes in India: Low Employment Elasticity amidst Economic Growth

In the 2000s, India's economy grew rapidly and for a protracted length of time. However, the state of the labour market baffled many. Data from this time period indicated that there was little employment growth. ILO's most recent analysis confirms this. Our findings indicate that the employment elasticity in India was largely steady between 1991 and 2007 at about 0.3, a long period of time. Employment elasticity is a typical measure of how employment growth responds to GDP development. In other words, 0.3% of employment growth resulted from 1% of overall economic growth. The elasticity has decreased over time, and has continued to do so in the labour statistics, from 0.30 to barely 0.15 percent, or roughly half the prior level.

When we zoom in on a more granular level, we discover that employment in India did increase, both earlier and more recently, but it did so mostly for men and primarily in urban areas, while women in rural areas withdrew from the labour force. The lower total employment elasticity of growth is largely explained by this tendency. It is also true that the majority of the new jobs generated in India as a result of the increase in contract labour were informal, either in the unorganised sector or even in the formal sector. This trend appeared as India underwent structural transformation, which is the movement of labour and overall economic activity away from agriculture and toward industry and services in a growing country. This has significant employment implications. That transition was accompanied by a significant increase in manufacturing occupations, jobs that were more productive and could pay higher wages, in the prosperous developing nations of East Asia in the second half of the 20th century, as well as previously in the West during the industrial revolution. But more recently, the expansion of manufacturing has not followed that course in India and a number of other middle-income nations, giving rise to the idea of "premature deindustrialization" Although it is still a young and expanding economy, Brazil, which saw its manufacturing peak in the 1980s, has also seen this pattern. Even in India, where labour is cheap, manufacturing has grown more capital and skill intensive globally.

Global Employment Trends and the Imperative for Job-Rich Growth in Emerging Economies

When seen collectively, the 2007–2008 crisis led to a decrease in the employment intensity of growth across all rising G20 nations. Even now, employment growth intensity has not returned to pre-crisis levels. The employment situation is sure to be disappointing; with less growth and less employment intensity of growth, as economic development itself is slowing in most emerging G20 economies. Gains in labour productivity rather than an increase in employment have been the primary drivers of GDP growth in the G20 emerging economies as a whole. This is not the best approach for countries with plentiful labour.

This raises the question of what can spur future economic expansion and employment development. What can be done to encourage job-rich growth in India so that the nation can utilise its large labour force and demographic dividend?

Interventions in policy are necessary. Policy changes that take both the supply and demand sides of the labour market into consideration. On the demand side, raising total demand is the primary means of raising the demand for labour.

Here, we must start at the household level because better, more consistent, and stable earnings might encourage greater consumption. Investment is attracted by steadily rising consumption as investors see a chance to profit from the sale of products and services. Additionally, this pattern of increased investment and consumption can aid in steering an economy toward a sustainable and self-reinforcing growth path.

Demand and growth should be supported by macroeconomic policies, which should be undertaken in conjunction with labour market and social policies that raise wages, enhance disposable income, and offer a social security foundation for households, each of which reinforces the other. By increasing and stabilising household incomes, anti-poverty policies like the NREGA promote demand in a significant way. As a result, they should be acknowledged for both their macroeconomic advantages and their pro-poor effects.

Future of Work in a Changing World: Demographics, Automation, and Informality

The mix of jobless economic growth, increased human productivity, and an expansion of the labour pool presents the globe with a new issue today. It's possible that there won't be enough work in the future, particularly in developing nations, for everyone. By 2030, it is predicted that there will be an additional 428 million employees worldwide, the bulk of whom would live in low- and middle-income countries (LMCs) in South-East Asia and Africa (ILO, 2017). By 2050, India's population is projected to surpass China's by a decade, reaching 1.66 billion people. Ten nations are projected to account for more than half of the projected global population growth between 2017 and 2050.The demographic pressure of a growing labour force, especially for young people in low-income countries who are in vulnerable employment, may exacerbate the mismatch between workers' skills and those sought by employers (ILO, 2017, 34), and encourage the competition for the least valuable skills, which means that the skill sets available will become less valuable. The benefits of this demographic shift hinge on the country's ability to effectively harness its working-age population. However, if the growth of the labour force outpaces improvements in productivity and job creation, it could lead to widespread unemployment. This challenge is further intensified by rapid advancements in artificial intelligence, which have the potential to displace a significant number of jobs.

The lack of coordinated and cogent policy frameworks to handle the complexity of informality is a barrier to progress in this difficult issue. Currently, a helpful framework is accessible to direct the creation of policy, thanks to recent initiatives. A new recommendation was adopted by the ILO's governing International Labour Conference a few months ago. When I say recommendation, I'm referring to a formal document that was negotiated by 185 governments, employers, and workers organisations. India is an active participant in this conference at both the government and trade union levels as well as employers' organisations. The "Transition from the Informal to the Formal Economy" new recommendation offers guiding principles based on successful examples of nations that have successfully reduced informality. It provides a comprehensive framework for policy that addresses the issue through economic and tax measures, labour market laws and regulations, anti-discrimination and equality policies, skill development, business and financial services, social protection, and income security (including wages and minimum wages), as well as social dialogue and other means. It was negotiated in

185 nations by both the public and business sectors, and it is based on real-world, successful experience. If there is political will, it represents a consensus between the public and private sectors on how to formalise jobs and firms.

Conclusion

The ILO has historically played a significant role in upholding global norms for the defence of labour rights. This long-standing aim should make sure that future work will be realised as a social, meaningful activity and to its full potential with regard to equality and justice, notwithstanding the difficulties of organising labour in the digital economy. In order to moderate corporate-sponsored competition for lower pay and to promote more open and moral workplaces, employees and small business owners are crucial players. However, the new global technical intermediaries of fragmented digital work should not have the authority to unilaterally establish the terms of engagement between employee and consumer or to choose the nature of the employment relationship. The conditions of access, usage, and transaction in tech-enabled digital and virtual work should be completely under democratic control in the absence of conventional jobs or standard employment.

While there are valuable lessons to be learned from shared production control and member equality practises like those arising from the Social and Solidarity Economy, this is not meant to advocate a return to the shared power and autonomy of collective guilds (SSE).

The ILO should officially support the collective organisation of freelancing platform labour and the use of publicly owned, open software to mediate transactions between clients and service providers in a climate of growing digital precariousness. In turn, this would promote spending on human capital in a brand-new commons of the digital economy.