

Services sector can power up the job engine

Targeted initiatives in tourism, aviation, retail, logistics, and financial sectors will help generate broad-based employment

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The services sector drives 55 per cent of India's GDP, contributes 44 per cent of exports, and employs a third of the workforce. From brewing coffee to balancing spreadsheets, the services sector embraces many skills. In a diverse country like India, it can transform the employment gap into a canvas for innovation and growth.

The tourism sector, which accounted for about 13 per cent of India's employment in 2020-21, stands out as a major potential source of job creation. Covering hospitality, travel, cultural, heritage, and religious tourism, it offers diverse roles for tour guides, travel agents, and local artisans, providing significant opportunities for low to medium-skilled workers. Success in these roles depends on strong interpersonal, management, and experiential abilities.

Government initiatives like 'Hunar Se Rozgar Tak' and the Incredible India Tourism Facilitator Certificate Programme aim to enhance these skills. Tourism infrastructure is being ramped up with increased funding for tourism projects, and the launch of Swadesh Darshan and PRASHAD schemes. The

government envisions creating around 140 million jobs in tourism by 2030, focusing on inclusive growth, cruise tourism, ecotourism, and adventure tourism. Future efforts should prioritise infrastructure enhancements, expanding skill programmes, and capitalising on regional tourism opportunities.

AVIATION FLYING HIGH

Another sector soaring new heights is aviation, driven by expansive airport projects and increased capacity. India's aviation industry is making strides in gender diversity, with women comprising 15 per cent of pilots — about three times the global average. Establishing new flying training organisations at airports supports this growth by broadening pilot training opportunities and raising awareness among potential pilots. As the aviation industry continues to expand, more crew members, ground staff, and flight attendants will be needed to support the growing fleet, making continued investment in training and recruitment crucial for the sector's future.

The retail sector is undergoing a digital revolution, with platforms like the Open Network for Digital Commerce transforming how small retailers connect with consumers. Representing over 10 per cent of the economy and about 8 per cent of the workforce, retail stands to gain immensely from this shift.



TOURISM. A major job creator

By joining e-commerce platforms, small retailers can expand their market reach, enhance efficiency, and create new job opportunities in logistics, customer service, and technology. However, many of these retailers struggle with the technicalities of online selling, cataloguing, and data privacy, leaving them on the sidelines of the digital economy. To address this, support systems like 'Vyapaar Gyan Kendras' — similar to Krishi Vigyan Kendras for agriculture — could provide guidance, simplify on-boarding, and offer ongoing assistance.

The logistics sector offers substantial employment opportunities for medium-skilled workers. Embracing innovative strategies across transportation networks can significantly transform logistics infrastructure. This includes harnessing inland waterways and using digital

platforms to optimise route planning for roadways, enable dynamic freight bookings for railways, automate cargo management for shipping, and streamline passenger scheduling for airways. Enhanced capacity optimisation will support larger operational scales and generate new job opportunities in logistics coordination and support services.

Finally, the financial, business, and tech services sectors showcase high-skill employment, brimming with opportunities for innovation and start-ups. Over the past decade, employment in business services has nearly doubled, driven by digitisation, technological advancements, and supportive government initiatives. By advancing tech capabilities and digital infrastructure, India can solidify its position as a global leader in high-tech services.

Ultimately, if tapped well, the services sector presents a solution for broad-based employment generation, where innovation meets opportunity and every skill finds its place in the economic growth mosaic. This calls for seamless and continuous interaction and coordination between industry, academic and skilling institutions and governments at different tiers.

The writers are from the Indian Economic Service. Views are personal