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## India Inc wants fewer workers, not more: Expert explains how young workforce could end up jobless

### Synopsis

India's manufacturing sector has alarmingly shrunk to a historic low, contributing only 12.6% to GDP, a level unseen since 1967. This decline, coupled with the struggles of MSMEs and an underdeveloped tourism sector, poses significant challenges for job creation. Experts warn that a shift in focus is crucial to provide meaningful employment opportunities for the nation's youth.



India's manufacturing sector has plunged to its lowest share of GDP since 1967, raising urgent concerns over job creation and the long-term stability of the economy.

[Devina Mehra](#), founder of First Global and author of *Money, Myths and Mantras: The Ultimate Investment Guide*, highlighted the stark decline in a LinkedIn post, citing World Bank data showing that manufacturing now contributes just 12.6% to GDP, a level not seen since 1967, and even lower than in 1960.



Devina Mehra

Founder & CMD First Global(PMS & Global funds), For...  
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A reminder that Manufacturing as a Percentage of GDP is now super low at 12.6% - the last time it was this low was in 1967.

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Between 2008 and 2014, manufacturing consistently hovered between 17% and 17.5%. Two years ago, it fell to 13.5% and has continued its downward trajectory.

“If we want our young people to become something other than delivery people, we need to focus here,” Mehra warned.

She pointed to a structural issue in India’s corporate landscape, “Most large corporations want to minimise, not maximise, employment.”

Mehra cited decades-long trends where companies such as Essar Steel and Bajaj Auto celebrated new plants that required minimal blue-collar workforces.

Traditionally, India’s employment backbone has been its MSMEs, medium, small, and micro enterprises. But these engines of job creation have been sputtering.

According to former Chief Statistician Dr Pronab Sen, the number of MSMEs has fallen by 10 million since 2016, a shortfall of 20 million when expected growth is considered. This decline has had a direct impact on employment, particularly in labour-intensive export sectors.

“The real employment generators... have gone out of business over the last several years,” Mehra stated, underscoring the vulnerability of MSMEs in today’s challenging economic climate.

Tourism, another potential employment driver outside manufacturing, also remains underdeveloped.

Despite India’s vast natural and cultural assets, Mehra notes that the country struggles to deliver a “clean, safe, welcoming and reasonably priced tourism product,” lagging behind much smaller nations in visitor numbers.