

## Employment and Skilling Initiatives in the 2024 Union Budget: Strategies for Achieving 'Viksit Bharat'



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### Abstract:

The 2024 Union Budget of India prioritizes achieving "Viksit Bharat" through robust employment and skilling initiatives. Key measures include establishing working women hostels, providing wage support for new employees, and implementing incentives for EPFO contributions. Significant financial aid is directed towards students, with loans up to INR 10 lakh for higher education and a broad range of welfare schemes, including the Pradhan Mantri Janjatiya Unnat Gram Abhiyan for tribal communities. The budget focuses on industrial and infrastructure development, such as the creation of twelve industrial parks and rental housing for workers. Environmental efforts are highlighted by the Green India Mission and subsidies for electric vehicles. Economic impacts include anticipated growth and job creation, while social impacts feature improved healthcare and skill development. Industry-specific effects include benefits for construction and manufacturing, with potential challenges for the digital economy and crypto markets. Overall, the budget aims to foster sustainable development, enhance infrastructure, and address socio-economic challenges.

**Keywords:** Union budget 2024-25, Economic Welfare, employment and Infrastructure development.

The Union Budget of India is a pivotal event in the country's economic calendar, setting the tone for fiscal policy and public spending for the year ahead. The 2024 Union Budget, presented against the backdrop of a recovering global economy and domestic challenges, aimed to balance growth with fiscal prudence. The 2024 Union Budget was crafted with a focus on sustaining economic growth while managing inflationary pressures. India's GDP growth for the previous fiscal year was estimated at 6.8%, with inflation hovering around 5.5%. The fiscal deficit target was set at 5.9% of GDP, reflecting the government's commitment to fiscal consolidation. The budget emphasized key sectors, with substantial allocations for infrastructure, agriculture, defence, and healthcare. The Ministry of Road Transport and Highways received INR 1.5 lakh crore, while the defence budget was pegged at INR 5.4 lakh crore. The healthcare sector saw a 15% increase in allocation, focusing on improving public health infrastructure.

To achieve the goal of "Viksit Bharat," the government has prioritized employment generation and skilling initiatives. To enhance women's participation in the workforce, the government plans to collaborate with industries to establish working women hostels and creches. Additionally, a one-month wage of up to Rs. 15,000 will be provided in three instalments to new entrants in all formal sectors, expected to benefit 210 lakh youth. Under Scheme A, first-time employees and their employers will receive incentives for EPFO contributions for the first four years, benefiting 30 lakh youth. Scheme B focuses on job creation in the manufacturing sector, while Scheme C provides support to employers by reimbursing EPFO contributions up to Rs. 3,000 per month for two years for new hires, projected to generate 50 lakh jobs. Further, the government will extend financial support to students, offering loans up to Rs. 7.5 lakh with a guarantee from a government-promoted fund, aiding 25,000 students annually. Additionally, loans up to Rs. 10 lakh will be provided for higher education in domestic institutions, with direct e-vouchers reaching 1 lakh students each year and an annual interest subvention of 3%. To empower women and girls, the government has allocated over Rs. 3 lakh crore for a range of welfare schemes. In addition, the Pradhan Mantri Janjatiya Unnat Gram Abhiyan has been initiated to uplift the socio-economic status of tribal communities. This initiative will extend its reach to 63,000 villages, benefiting 5 crore tribal individuals. In addition to these employment-linked schemes, the PM's package includes a skilling program that aims to train 20 lakh youth over a five-

year period. The program will upgrade 1,000 Industrial Training Institutes (ITIs) in a hub-and-spoke arrangement, ensuring course content and design are aligned with the skill needs of the industry, thereby enhancing employability and outcomes.

The government's focus on manufacturing and services includes the development of twelve industrial parks under the National Industrial Corridor Development Programme. Additionally, the PM's Package introduces a scheme to provide internship opportunities for 1 crore youth over five years in 500 top companies, offering a monthly allowance of Rs. 5,000 and a one-time assistance of rs. 6,000 through CSR funds. The plan also includes the creation of rental housing with dormitory-style accommodations for industrial workers in a PPP mode with Viability Gap Funding (VGF) support. To secure critical resources, a Critical Minerals Mission has been launched to boost domestic production, recycling, and overseas acquisition. The government is strengthening the tribunal system to expedite insolvency resolutions by establishing additional tribunals. For MSMEs, support during stress periods includes an enhanced Credit Guarantee Scheme and mandatory onboarding in TReDS. A new assessment model for MSME credit has been introduced, and the Mudra Loan limit under the 'Tarun' category has been increased from rs. 10 lakh to Rs. 20 lakh. Additionally, MSME units will receive support for food irradiation, quality, and safety testing.

The benefits provided by the government are designed to address various economic and social challenges while promoting sustainable development. The establishment of industrial parks and support for manufacturing aims to boost industrial growth, create jobs, and enhance infrastructure, particularly in underdeveloped regions. Internship opportunities with financial support help bridge the gap between education and employment, offering practical experience to youth and aligning their skills with industry needs. Rental housing for industrial workers improves living conditions, attracts labor to industrial areas, and supports industrial growth. The Critical Minerals Mission focuses on reducing dependency on imports and ensuring a stable supply of essential resources. Strengthening the tribunal system expedites insolvency resolutions, fostering a healthier business environment and enhancing investor confidence. Credit support to MSMEs, including enhanced loan limits and guarantee schemes, helps these enterprises overcome financial challenges and expand their operations. Additionally, support for food irradiation and safety testing ensures the quality and safety of food products, which is crucial for public health and compliance with international standards. Overall, these measures are aimed at fostering economic development, enhancing job opportunities, improving living standards, and supporting critical sectors for national growth.

**Welfare Schemes:** The budget continued to prioritize social welfare with the launch of the "Swasth Bharat Abhiyan," aimed at providing comprehensive healthcare coverage. The "KrishiVikasYojana" received an additional INR 20,000 crore to support farmers, while the "Skill India Mission" was allocated INR 10,000 crore to enhance youth employability.

**Infrastructure Projects:** A significant portion of the budget was dedicated to infrastructure development. The "Bharat Mala 2.0" project aims to construct 10,000 km of highways by 2025. Additionally, the "Digital India 2.0" initiative focuses on expanding internet connectivity to rural areas, with a budget of INR 8,000 crore.

**Environmental and Green Initiatives:** The budget underscored the importance of sustainable development. The "Green India Mission" was allocated INR 5,000 crore for afforestation and wildlife conservation. The government also announced a subsidy scheme for electric vehicles to promote green mobility.

## Impact Analysis

**Economic Impact:** The budget's focus on infrastructure and welfare is expected to boost economic growth and create employment opportunities. The reduction in corporate tax rates for MSMEs is likely to spur investment and innovation in the sector. However, the new tax on digital assets may have a mixed impact on the burgeoning crypto market.

**Social Impact:** The emphasis on healthcare and skill development reflects the government's commitment to social welfare. The increased allocation for public health is expected to improve access to quality healthcare, while the Skill India Mission aims to address the unemployment challenge among youth.

**Industry Impact:** The budget's provisions for infrastructure and MSMEs are likely to benefit the construction, manufacturing, and technology sectors. However, the new tax policies could pose challenges for the emerging digital economy and startups in the crypto currency space.

## Conclusion:

In conclusion, the 2024 Union Budget of India represents a comprehensive strategy to balance economic growth with fiscal responsibility while addressing key social and industrial needs. By prioritizing significant investments in infrastructure, healthcare,

and social welfare, the budget aims to stimulate economic development, create job opportunities, and enhance public services. The focus on manufacturing, MSMEs, and critical minerals highlights a commitment to strengthening core industries and securing essential resources. Initiatives such as internship programs, rental housing for workers, and support for food safety underscore the government's dedication to improving employment prospects and living conditions. Overall, the 2024 Union Budget is designed to foster a resilient and inclusive economy, aiming to enhance growth, support critical sectors, and ensure the well-being of citizens. The success of these measures will depend on their effective implementation and the ability to navigate the evolving global economic landscape.

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