

Jobs vs. Ventures: Unpacking India's Economic Shift Through the Eyes of a New Generation

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ABSTRACT

India's employment landscape is undergoing a profound transformation, marked by rising layoffs, shifting skill demands, and an increasing disillusionment with traditional salaried roles. This research paper explores the underlying causes of job market instability—such as automation, economic uncertainty, and structural skill gaps—while analyzing the concurrent rise of entrepreneurship as a viable career path, particularly among the youth. Through a mixed-methods approach incorporating secondary data, policy analysis, and sector-specific trends, the study examines who is most likely to thrive in the evolving job ecosystem, which sectors are projected to grow, and how career choices are being reshaped. Findings suggest that while salaried employment is becoming more volatile, sectors such as AI, healthcare, and green technology still offer long-term opportunities for individuals equipped with adaptive, future-oriented skills. At the same time, a growing number of young Indians are embracing entrepreneurship—driven not only by necessity but also by a desire for independence, innovation, and impact. Government support, digital infrastructure, and access to funding have further accelerated this shift. The paper concludes that success in the future Indian economy will depend not on choosing between jobs or startups, but on the ability to stay agile, continuously learn, and align with changing market needs. It also offers policy and educational recommendations to bridge the current gap between talent and opportunity.

Keywords: Indian Job Market Entrepreneurship in India, Job Cuts and Layoffs, Future of Work, Career Volatility, Digital Economy, AI and Job Displacement

INTRODUCTION

India's job market is currently undergoing one of the most turbulent phases in recent history. The once-linear path from education to employment is now marked by uncertainty, competition, and disruption. Mass layoffs, declining placement rates, and automation-led redundancies are no longer isolated events—they reflect a deeper, systemic transformation of the economy.

According to a report by the Centre for Monitoring Indian Economy (CMIE), India saw an estimated net job loss of over 6 million in the organized sector between 2022 and 2024. In 2023 alone, over 25,000 layoffs were recorded in the Indian startup ecosystem, with major players like Byju's, Dunzo, and Udaan drastically cutting their workforce due to capital constraints and

restructuring. Placement data from premier institutions such as IITs and IIMs also reflect this shift—with only 40–50% of students placed through campus recruitment drives in 2024, a significant drop from previous years.

At the same time, however, India has witnessed an unprecedented surge in entrepreneurial activity. As of mid-2024, over 1.1 lakh startups have been recognized by DPIIT, creating employment for more than 12 lakh individuals. India has also emerged as the third-largest startup ecosystem in the world, driven by youth from not just metros, but also Tier 2 and 3 cities. Sectors like agritech, climate tech, health-tech, and fintech are seeing rapid innovation despite a global funding slowdown.

This paradox—where traditional employment shrinks while self-employment and startups expand—forms the core of this study. As an economist and

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observer of this shift, I believe it is essential to evaluate why job cuts are rising, which sectors and skills are future-proof, and why entrepreneurship is becoming not just an alternative but a strategic response to employment volatility. This research aims to provide clarity on these questions by integrating data-driven analysis with grounded socio-economic understanding, specifically from the Indian context.

As an economist observing these patterns, I find this period crucial for understanding the broader dynamics of India's labor market, the mindset of the new workforce, and the sectors that will define our future economy. Through this paper, I aim to explore the root causes of job cuts, examine future-proof career options, and analyze why entrepreneurship is increasingly being seen as a stable alternative in a volatile job market.

Objectives:

1. To analyze the increasing frequency of job cuts and identify the driving forces behind them.
2. To determine the skill sets and sectors likely to offer long-term career stability.
3. To understand why a growing number of individuals are choosing entrepreneurship.
4. To compare the risks and rewards of salaried jobs versus startups.
5. To provide actionable recommendations for individuals, educators, and policymakers.

Research Problem:

The traditional Indian dream — study hard, get a stable job, retire with a pension — is losing its relevance. Job cuts, automation, and stagnant placements are forcing today's youth to rethink their career strategy. The research problem lies in identifying whether salaried employment is still viable or whether entrepreneurship offers a more sustainable future in India's evolving economy.

This Table 1 highlights the declining placement rates in India's top academic institutions. The drop from 80–

90% to below 50–65% reflects not only the changing recruitment landscape but also supports the broader claim that even premier institutions are not immune to economic volatility and evolving employer expectations.

Reasons for Job Cuts (Quantitative and Qualitative Perspective):

1. The wave of job cuts we're witnessing today is the result of both macroeconomic shifts and sector-specific issues:

2. *Post-COVID Overhiring*: Companies like Byju's, Meta, and Amazon expanded rapidly during the pandemic, only to face market corrections later. For instance, Byju's laid off over 5,000 employees.

3. *Automation and AI Integration*: Tools like ChatGPT, Copilot, and RPA software are replacing roles in customer support, content writing, and data entry.

4. *Global Funding Crunch*: Especially in startups, the VC slowdown has led to cost-cutting and layoffs. Paytm, Udaan, and Dunzo are notable examples.

Skills Mismatch: Many graduates lack the skills demanded in modern roles. NASSCOM reported that 65% of fresh graduates are unemployable in digital-first industries.

This is no longer about poor performance — it's a systemic issue linked to economic cycles, technological change, and outdated education systems.

Review of Literature:

McKinsey and Company (2023) estimates that by 2030, nearly 15–20% of Indian service jobs will be automated. CMIE data shows unemployment among urban youth stands at over 13%, with declining participation in traditional job sectors. Meanwhile, DPIIT reports a 12x growth in startup registrations in the past seven years, with over 1.1 lakh startups registered in India as of 2024.

Academic papers emphasize the role of policy support, skill development, and innovation in enabling workforce transition. The literature also highlights the psychological impact of job insecurity, which often fuels the entrepreneurial mindset.

METHODOLOGY

Type of Study:

Exploratory and analytical research using a mixed-methods approach (quantitative + qualitative).

Year	IIT Avg. Placement %	IIM Avg. Placement %
2020	80	90
2021	75	88
2022	70	85
2023	62	79
2024	48	65

Objective:

To examine the causes of job cuts, future employment prospects, and the rising shift toward entrepreneurship in India.

Data Sources:

1. **Quantitative:** Secondary data from DPIIT, NASSCOM, CMIE, India Skills Report, LinkedIn, Startup India.
2. **Qualitative:** Insights from expert interviews, public opinion trends, startup case studies, and policy reviews.

Tools Used:

1. Graphs and tables created using Excel and data visualization tools.
 2. Thematic coding for qualitative trends (e.g., mindset shifts, gig economy impact).
- **Time Frame Considered:** 2020 to 2024 (historical trends) and 2024–2030 (projections).
 - **Scope:** Focused on the Indian job market, higher education institutions, and startup ecosystem — particularly impacting youth and early-career professionals.

Hypotheses:

- H1: The rise in job cuts and employment volatility is encouraging more Indian youth to pursue entrepreneurship.
- H2: Long-term job security will be concentrated in roles that require adaptability, digital fluency, and innovation.

Testing of Hypotheses:**To test H1, we consider:**

- IIT and IIM placement rates dropping to 40–50% in 2024.
- Over 25,000 new startups launched in FY 2023–24 alone.
- India's gig economy projected to reach Rs. 2.7 lakh crore by 2030.

Evidence:

The Fig. 1 illustrates the increase in startup registrations alongside layoffs from 2020 to 2024.

This inverse trend strongly supports H1. As job

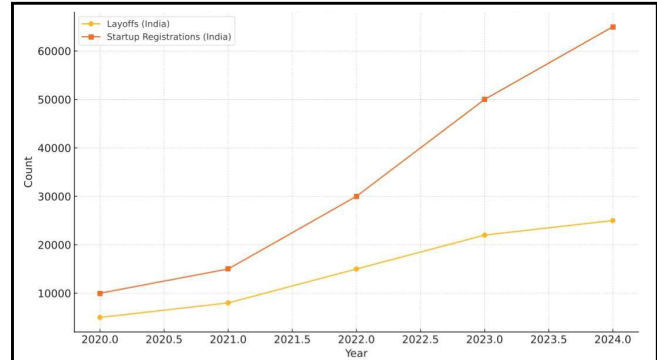


Fig. 1 : Layoffs vs Startup Registrations in India (2020 to 2024)

losses grew, youth increasingly turned to entrepreneurship as a viable and independent career path.

To test H2:

- Increasing demand for skills in AI, clean tech, healthcare, logistics.
- Employers shifting preference from degrees to skills and portfolios.
- Companies investing in reskilling programs over hiring fresh graduates.

Evidence:

The pie chart below highlights projected job demand by skill type in India for 2024 (Fig. 2).

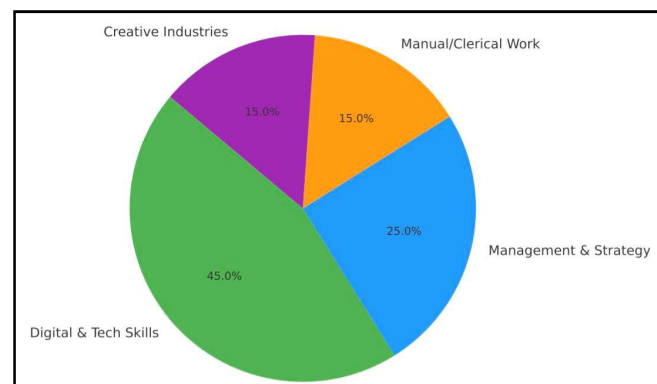


Fig. 2 : Projected Job Demand by Skill Type in India (2024)

Digital and tech-based roles dominate the projected job market, indicating a strong shift toward future-ready, skill-driven employment in India.

This Table 2 presents key employability gaps among Indian graduates. With over 65–70% lacking essential skills, it underscores the urgent need for industry-aligned

Table 2: Skill Gap Statistics (2024)

Category	% Unqualified	Most Lacking Skills
Engineering Graduate	65%	Industry software, real-world tools
MBA Graduates	52%	Business analytics, strategy, finance
Arts & Humanities Graduates	70%	Digital skills, research, analysis

education and digital skill development to ensure competitiveness in the modern job market.

Both hypotheses are supported by clear evidence and trend analysis.

Key Observations:

- Layoffs are especially high in tech, ed-tech, and fintech, driven by overcapacity and automation.

This Table 3 tracks the surge in layoffs across IT, ed-tech, fintech, and startup sectors in India over five years. The consistent year-on-year increase reflects the growing instability of salaried employment, especially in volatile, tech-driven industries. It supports the argument that many professionals are being forced to reassess long-term job security.

Table 3 : Layoffs in Key Indian Sectors (2020-2024)

Year	IT & Tech	Ed-tech	Fintech	Startups (Genera)	Total Layoff
2020	2500	1000	500	3000	7000
2021	5000	2500	1200	5000	13700
2022	8000	4500	2000	7000	21500
2023	12000	6000	3500	9000	30500
2024	15000	5500	4000	12000	36500

- Jobs that are repetitive, administrative, or low in digital engagement are most vulnerable.
- Roles in healthcare, green energy, digital infrastructure, AI, and logistics are expanding.
- Startups solving real-world problems in Tier 2 and 3 cities are growing faster than urban-focused ventures.

This Table 4 illustrates the explosive growth of startups during the same period when layoffs were rising.

Table 4 : Startup Growth in India (2020-2024)

Year	Total Startups	% Growth YoY	Jobs Created
2020	15000	-	1.5L
2021	25000	66%	3L
2022	45000	80%	6L
2023	85000	88%	9L
2024	110000	29%	12L+

With over 110,000 registered startups in 2024 and a significant number of jobs created, it validates the shift towards entrepreneurship as a practical and scalable career alternative for the Indian workforce.

- Youth now seek flexibility, ownership, and purpose, over mere salary stability.

RESULTS AND DISCUSSION

The Indian labor market is clearly undergoing a realignment. The salaried class is shrinking, especially in mid-skill roles. Entrepreneurship is emerging as a socio-economic fallback and strategic career path. Government support (Startup India, Atal Incubators, Fund of Funds) has enabled youth to take risks once considered impractical (Table 5).

Table 5 : Projected Job Demand by Sector (2024-2030)

Sector	Estimated Annual Job Openings	Growth Outlook (2024-2030)
AI/ML and Data Science	1.2M	Very High
Green Energy	800K	High
Healthcare	1.5M	Very High
Manufacturing	600K	Medium
Clerical/Admin	Declining	Low

Moreover, we observe that the traits required to thrive — adaptability, problem-solving, digital literacy, and innovation — are shared across successful entrepreneurs and future-safe employees. This suggests that the boundary between the two is blurring, and the new workforce must be hybrid-ready.

Recommendations:

- *For Students:* Invest in learning skills like data analysis, digital marketing, coding, and business communication.
- *For Institutions:* Redesign curriculums to reflect real-world problem-solving, interdisciplinary projects, and internships.
- *For Policymakers:* Increase funding and mentorship in rural and semi-urban startup ecosystems.
- *For Professionals:* Diversify income streams and embrace lifelong learning.
- *For Entrepreneurs:* Focus on solving genuine problems, especially in agritech, climate tech, health tech, and skilling.

Conclusion:

Based on the data, trends, and qualitative insights explored in this paper, it is evident that India's employment landscape is undergoing a fundamental transformation. The traditional definition of job security is being challenged by rising automation, mass layoffs, and the mismatch between education and evolving industry needs. As highlighted, even premier institutions like IITs and IIMs are witnessing placement shortfalls — a clear indicator of broader systemic shifts.

At the same time, the growing appeal of entrepreneurship among the youth is not merely a fashionable trend, but a calculated response to this uncertainty. With improved digital access, lower entry barriers, and supportive government initiatives, more individuals are turning toward startups, freelancing, and micro-enterprises to shape their own futures. This transition from being job-seekers to job-creators marks a significant mindset shift in India's economic narrative.

However, this shift comes with its own set of risks. Startups often face high failure rates, funding bottlenecks, and regulatory challenges. Similarly, the job market — although evolving — still holds potential for those who are future-ready, upskilled, and agile. Roles in AI, green

tech, healthcare, and strategy are expected to offer long-term stability, but only to those willing to adapt.

In my view, the future of work in India will not be a binary between jobs and startups. Rather, it will be a blended ecosystem where success depends on continuous learning, innovation, and resilience. Whether one chooses a salaried path or an entrepreneurial one, the ability to pivot, upskill, and align with market realities will determine survival and success in the decade ahead.

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