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ANALYSIS AND IMPACT ANALYSIS OF FDI ON EMPLOYMENT GENERATION IN INDIA: A COMPREHENSIVE EXPLORATION DURING THE PERIOD OF 1991 TO 2018

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ABSTRACT

Wealth creation is a key factor in economic development. Investments may result in the construction of tangible assets like machinery and equipment, financial assets like stock capital, and intangible assets like human capital (e.g., creation of health, education and research and development activities). Changes in the production and consumption of goods and services have an influence on the economy's levels and growth. Foreign and local investment both exist. Domestic investment may provide savings. Domestic saving falls short of domestic investment. Keeping other factors constant, less investment slowed economic development, lowering income, consumption, and employment. Imports may help close the savings gap. Regardless of the domestic imbalance, foreign investment may boost economic development in an open country. Foreign investment would encourage local investment. Foreign investment helps India's economic growth and development. Investment increases production and elevates people's level of life. Keeping this in mind, both developed and emerging nations are attempting to invest. There have been three main divisions in the exploratory study of FDI offered. Creating Additional Jobs One further investigation has been offered on FDI Inflows and the Employment to Population Ratio between 1991 and 2019. This research focuses a lot on how foreign direct investment (FDI) affects employment rates. This study intends to provide evidence that demonstrates how foreign direct investment (FDI) has assisted India in the process of job creation. FDI's economic effect may be assessed using Excel's regression analysis. A breakdown of India's GDP by industry can be seen in the three charts and table above. As is well-known, the secondary and tertiary sectors of the Indian economy are the primary sources of new job creation. Tertiary sector refers to the service industry in India, whereas secondary sector refers to the industrial sector. Both sectors are important to the Indian economy. Analysis of time series The GDP is clearly influenced by the decline in primary and sluggish flow of secondary. GDI's tertiary sector contribution has increased significantly. According to the data presented in this paper, the India's FDI inflows represent a proportion of the country's GDP. The research also illustrates the country's employment to population ratio (EP Ratio). Finally, this research stated that the foreign direct investment and job creation has no significantly impacted.

Keywords: *FDI, Employment generation, India's Economic Growth.*

Introduction

The generation or investment of capital is a significant predictor of economic development (Chirwa & Odhiambo, 2016). In general, investments may lead to the formation of physical capital (for instance, the manufacturing of tangible goods like machinery and equipment), financial capital (for instance, the production of stock capital), and human capital (for instance, the formation of employees) (e.g., creation of health, education and research and development activities). Investment, in conjunction with other inputs of production (such as labor and land) and technology, influences the levels of and

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growth in the economy via changes in the production and consumption of goods and services, respectively. This is accomplished through a chain of causality that begins with the production of goods and ends with the consumption of those goods. Investment may be divided into two categories: foreign investment and local investment. It is possible that domestic investment will result in the accumulation of domestic savings (Sokang, 2018). It is possible to have a domestic savings gap if domestic saving falls short of domestic investment. Leaving everything else the same, less investment resulted in poorer economic growth, which has effects such as decreased income, consumption, and job opportunities. Foreign investment has the potential to bridge the domestic savings gap. Economic growth in an open country may thus be boosted despite the existence of a domestic deficit as a result of inflows of foreign investment. The inflow of foreign capital into India would spur the inflow of indigenous capital (Azam, & Lukman, 2010). Since it supplements the efforts of local investors, investment from outside may be very advantageous to the economic expansion and development of emerging countries like India. Investment in an economy increases production while also raising the quality of life of the general public. As a result of this perspective, both developed and developing nations are putting up their best efforts to implement investment programmes.

Need for Foreign Investment

When it comes to quick economic growth, backward, undeveloped, and developing nations will have to acquire equipment, technological know-how, entrepreneurship, and foreign investment if they want to keep up with the times. One technique of paying for imports is to establish exports; a second choice is to get foreign technology and equipment; and a third option is to receive foreign aid in one form or another. Foreign assistance may take several forms. In order to go down the path of economic growth, most nations throughout the globe have become more reliant on foreign finance (Guisinger, 2021). The need for funds from overseas investments Many factors, including the following, might give rise to potential prospects for financial investment in a rising country such as India.

- As a consequence of this, the amount of money available inside the country is inadequate for the purpose of expanding the economy, and hence it is necessary to seek investment from elsewhere.
- It is very necessary to substantially boost the quantity of investment in order for underdeveloped or developing countries to quickly become industrialized. This may be accomplished in a relatively short length of time.
- When compared to sophisticated nations, the undeveloped or emerging countries are technologically lagging considerably behind the latter. Thus, it becomes necessary to import technology from industrialised nations to keep up with the pace of innovation. When such technology is acquired via private foreign investment or international cooperation, it is almost always accompanied by foreign finance.
- Foreign cash, along with other rare productive resources such as technological know-how and business skills, is brought into a country by foreign investors. Both of these factors are essential for the expansion of a nation's economy.
- In order to maintain a positive balance of payments position during the early phase of economic growth, undeveloped or developing nations must purchase much more than they export. A negative balance of payments is often the consequence as a result of this. As a result, there is a discrepancy between the profits and spending on foreign currency. Foreign money might provide a short-term answer to a variety of issues.

Foreign Direct Investment in India

It is possible to trace the roots of foreign direct investment (FDI) in India all the way back to the establishment of the British East India Company (Hooda, 2011).Before independence, the majority of foreign direct investment (FDI) came from British corporations. The mining industry, as well as other industries that are of relevance to the company's economic and financial interests, was chosen as the location for their units. Although though Japanese firms entered the Indian market and extended their trade with the nation after the end of the Second World War, the United Kingdom is still the country's most major investor. In 1990, governments all over the world acknowledged that foreign direct investment (FDI) was a substantial and essential component of development strategy in both affluent and developing nations. As a result, laws were enacted to attract inward investment in those countries. The impact of foreign direct investment (FDI) on the economic output of the countries who welcome it may seem quite different depending on the nature of the FDI and the countries that provide it (Damijan et al., 2013). The influx of foreign direct investment (FDI) might lead to a direct or indirect diversification of a nation's exports, which would be a positive economic outcome. The United States, Germany, the United Kingdom, and Europe as a whole all have about equivalent amounts of goods that they export and import with one another (Kirk, 2011).

In the early 1990s, the Indian economy struggled with a very serious problem related to its balance of payments. In response to the deteriorating state of the Indian economy at the time, Dr. Manmohan Singh, who served as India's finance minister at the time, worked in conjunction with the World Bank and the International Monetary Fund to implement the Economic Stabilization and Structural Adjustment Program, also known as ESAP (Bajpai, 2021). In order to rebuild the confidence of international investors, India opened its doors to foreign direct investment (FDI) and adopted a more liberal foreign policy as a result of these advances. The goal was to attract more investment from outside. Millions of people in India have been pulled out of poverty as a direct result of the country's sustained increase in its gross domestic product (GDP) during the last decade, which has helped propel India to the top of the list of favored locations for foreign investment. The United Nations Conference on Trade and Development ranks India as the second most important destination for foreign direct investment, behind only China. Some of the most important sectors that have benefitted from foreign direct investment in India are the services sector, telecommunications, construction activities, the information technology sector (both software and hardware), and the car sector. Foreign direct investment in India was mostly provided by nations such Mauritius, Singapore, the United States of America, and the United Kingdom (Vyas, 2015).

Owing to the involvement of a wide range of officials, foreign direct investment (hereinafter referred to as foreign direct investment) does not have a defined meaning. "is generally preferred to other forms of external financing because it does not generate debt and is not volatile and its returns depend on the performance of investor-financed projects," according to the World Bank. Foreign direct investment typically refers to the inflow of foreign capital into the productive potential of an economy by multinational corporations. Direct global international exchange and the transition of expertise, talents, and technologies. In addition, foreign direct investment is described as a factor that contributes to economic development, modernization, and employment due to the fact that the "in addition, foreign direct investment is defined as a factor that contributes to economic development, modernization, and employment due to the fact that the total benefits" contribute to the diffusion of technology and to the formation of human resources, contribute to the integration of international trade, in particular exports, contribute to the creation of a more sustainable market climate and foster institutional development; As a result, there has been an intense debate among policymakers about the position FDI plays in advancing the Indian economy as a means of solving the Raj licensing system's perceived problems (Sengupta, & Puri, 2020).

A significant part is played by foreign direct investment (FDI) in the international business sector. It will include alternate distribution channels for the company, manufacturing sites that are economical, and links to technology, items, skills, and transfers of finance. With the advent of globalization and the continued support of the Indian government, the Indian economy has been able to flourish thanks to the contributions of international investors. India has been actively looking to draw money from the top investors in the nation. Throughout the years 1998 and 1999, the government of India made a number of reforms publicized with the intention of making the country's business environment more welcoming to investors. International investments in the nation that take the form of investments in listed undertakings, such as those made by foreign investors (FII), as well as investments in listed or unlisted undertakings other than stock exchanges, such as those made by foreign direct investment or by private equity/foreign investment ventures, are considered to be international investments. In a variety of various methods, including with American Deposit Certificates (ADR), Global Deposit Certificates (GDR), Non-Resident Indian Investments (NRI), and People of Indian Origin (PIO) (Kumar, 2021). The purpose of this study is to investigate the relevance of foreign direct investment (FDI) in the Indian economy, particularly after a decade of economic reforms, and to assess the role that FDI has played in the expansion of the Indian economy.

The term "Foreign Direct Investment" (FDI) refers to an investment that allows a non-resident investor or a foreign company that is starting a new company in India to acquire an effective interest in a company that was founded in India for the specific purpose of conducting business or industrial operations in India. This is done for the purpose of performing business or industrial operations in India. It is possible that a rising nation like India would need financial assistance from international sources due to the following factors:

- National capital is inadequate for economic development and international capital must be called upon.
- Local resources and entrepreneurship may not flow through such product lines due to a lack of expertise. For domestic capital, foreign capital may pave the way.
- It is possible for a developed economy such as India to have a savings plan for the future, but this can only take place at a greater level of economic activity. Also, it is essential that foreign capital plays a role in accelerating economic growth during the first stages of expansion.
- Domestic savings can be challenging to mobilize to fund much-needed ventures for economic development; the stock market itself is lagging. International capital is deemed essential as a temporary step throughout the time where the capital market is expanding.
- International capital carries other scarce productive factors with it, such as technological expertise, market experience and knowledge, which are similarly important to economic growth.

Foreign direct investment (FDI) (Contractor et al., 2020),has become a significant non-religious financial resource for the economic advancement of India, in addition to being a core engine of economic growth. To take advantage of comparatively low salaries, unique investment concessions such as tax cuts, etc., international firms invest in India. This often involves gaining technological skills and creating job prospects for a nation where international investment is taking place. The Indian government's favourable policy regime and the good market climate ensured the continuous flow of foreign capital into the region. In recent years, the government has implemented a number of reforms, including loosening the requirements for foreign direct investment in a variety of industries, including the security industry, public-sector oil refineries, telecommunications, and the trade and exchange of electricity, amongst others.

Need of the Study

FDI play a crucial role in the economy growth of any nation specially in the country is at developing stage. As domestic capital is sometimes inadequate for the purpose of overall development of theory. Since 1991, several police are made to attract FDI in various sector but still there are several factors hampers its inflow. The study will be undertaken to investigate the reason behind low growth of FDI in India despite several direct investment of govt. in this there is a strong need to identify the growth prospects problems and to make suitable suggestion in this direction looking to Indian economy and other company factors.

Research Background

Since 1991, there was a discernible rise in the magnitude of the impact of foreign direct investment (FDI), which reached its pinnacle in India in the year 2008. Because of this, foreign direct investment (FDI) had a beneficial effect on the GDP, which helped to increase the average growth rate from the previous level of 3 percent once the government began included FDI in its calculations. On the other hand, the impact of foreign direct investment (FDI) on the employment rate presents a quite different image. It is difficult to predict the effect that foreign direct investment (FDI) would have on India's employment rate since large sums of capital were first invested in start-up businesses that ultimately failed to generate a sufficient number of jobs in the country. The nation's high degree of income disparity is the third component that contributes to the negative effect that FDI has on employment, and it's one of the reasons why. As a consequence of this, it is clear from the following statistics that foreign direct investment (FDI) inflows into India are unable to boost employment levels in the country. Statistics obtained from a wide range of sources indicate that the effect of foreign direct investment on the creation of jobs in the United States is much lower than that seen in the BRCIS members. Since agriculture plays such a significant role in India's economy, the nation is home to a disproportionately high number of individuals who are unable to find work. Unfortunately, foreign direct investment (FDI) will not be able to bring about the transformation that is necessary in the primary sector. Because of this, foreign direct investment (FDI) does not have a significant influence on this sector of the economy. Because of the influx of foreign direct investment, India's tertiary sector has been able to provide the greatest contribution to the country's overall economic growth and development. In the current climate, the software industry in India is the one that brings in the biggest amount of foreign direct investments (FDIs) and creates the most opportunities for employment. With the liberalization of the Indian economy, the sector of the information technology industry has been responsible for the establishment of the biggest number of Export Promotion Operations. In India, there is a correlation that may be considered both beneficial and direct between foreign direct investment and the secondary and tertiary sectors of the economy. After the service sector, the industry that generates the most employment and the highest amount of foreign direct investment (FDI) in India is the secondary sector, which also attracts the most international investors. In India, the industries that have benefited the most from direct foreign investment are those related to transportation: railways, ports, sea transport, automobiles, and airlines. The automobile industry was the one that attracted the most foreign direct investment (FDI) and was responsible for the employment of more than 25 million people directly and indirectly in the year 2016. On the other hand, the transportation industry, which includes both air and sea transport, is responsible for the creation of only 9 percent of employment opportunities in India.

It is not only a matter of achieving personal fulfillment and maintaining one's dignity in a community, but it also contributes to the expansion of a nation's economy and its physical infrastructure. Foreign direct investment (FDI) inflows in India have showed an extraordinary growth rate over the course of the time between 2002 and 2012, achieving a threefold rise in the service sector in comparison to that of the late 1990s. This development can be attributed to a number of factors. The banking and insurance business has emerged as the sector among numerous service sectors that is growing at the quickest rate in the post-reform period. This is due to the fact that it has attracted more foreign direct investment (FDI) than the telecoms industry. The creation of job opportunities for qualified workers via foreign direct investment (FDI) is more prevalent in the service sector than it is in the manufacturing or primary agricultural sectors. Foreign direct investment (FDI) plays a role in the growth of India's service industry, which ultimately leads to higher levels of output and production. For the last four years, there has been a change in the patterns of employment creation, which may be attributed to the influx of foreign direct investment (FDI). There has been a considerable movement over the course of time in the percentage of the working population that is employed in agriculture, industry, and the service sector. The proportion of the workforce that was employed in agriculture and industries related with it fell dramatically from 74.3 percent in 2011-2012 to 48.9 percent in 2012-2013, a change that represents a substantial downward trend. In addition to this, the percentage of employees working in the secondary sector rose from 10.9 percent in the year before to the current fiscal year to 24.3 percent in the year in question. During the 2011–2012 fiscal year, the percentage of people finding work in the service sector rose from 14.8% to 26.8% of the total. As a direct result of this, the percentage of the labor force that is self-employed has reduced to 52 percent, while the percentage of the labor force that is salaried has climbed to 18 percent. As a direct consequence of foreign direct investment, the involvement of women in the official employment sector was 21 percent in the same year, while their participation in the informal work sector was 31 percent. As a consequence of this, international direct investment (FDI), the production of new jobs, and overall economic growth are all intertwined with one another and dependent upon one another.

Objective

The purpose of the research is to determine how much of an influence the GDP has on the number of jobs created.

Research Methodology

The exploratory analysis of FDI in three most basic division has been presented. More Opportunities for Job Creation The period from 1991 to 2019 has been covered, and an additional investigation into the relationship between FDI Inflows and the Employment to Population Ratio has also been covered. In most cases, the impact that foreign direct investment has on employment is the primary emphasis of this article. This study's objective is to provide an account of the effect that foreign direct investment has on the creation of jobs in India. Excel is used to do a regression analysis in order to evaluate the value that FDI has had on the economy.

Estimation of Estimated the Impact of GDP on Employment Generation

- **Role of FDI on Employment Scenario in India**

It is well recognised that creating jobs is a crucial component of growing economies, particularly those in the developing world. Even while it is relatively simple to imagine that foreign direct investment (FDI) inflows may give a solution for many economic challenges in the economy (Mishra & Palit, 2020), the reality is more complicated when it comes to job creation in India. The major objective of this research is to establish whether or not there is a correlation between the influx of foreign direct investment (FDI) and the creation of new jobs in India between the years 1991 and 2018. In order to investigate the effect that foreign direct investment (FDI) has on the employment market in India, secondary data from a wide range of published sources were collected for this research. In this particular investigation, the suitable descriptive analysis was used. Backward and forward ties to the creation of new employment may be found when looking at the impact of foreign direct investment (FDI) in India (Takii & Narjoko, 2020). During the years 2002 and 2012, the rate of growth of foreign direct investment (FDI) in India's service sector was three times as rapid as the rate of growth seen in the first decade of this century, which was between 2002 and 2012. In terms of luring significant amounts of foreign direct investment proposals, the banking and insurance sector is ranked first in India, followed by the telecommunications sector, which is ranked second in terms of India's ability to entice foreign direct investment. Foreign direct investment (FDI) in the service industry creates the greatest amount of job opportunities in India, more so than in any other industry. The results of this study suggest that the number of jobs created in India has been relatively stable over the course of the last two decades, despite the fact that inflows of foreign direct investment (FDI) may not be considered a substantial contributor to this growth rate. As a consequence of this, the government of India needs to put specific policy measures into effect in order to encourage the creation of jobs across the nation, especially in the organized sector. In order to make headway on the path toward expansion, every economy must first make its way through a series of stages of economic development. Throughout the process of carrying out economic activity, the factor of utmost significance is investment. The quantity of domestic investment needed for development falls short of what is necessary. As a direct consequence of this, there is a significant demand for money to be invested in other countries in the form of foreign direct investment (FDI) (Hasudungan & Pulungan, 2021). Without the support of money from other countries, no country can hope to achieve the maximum potential level of economic growth and be considered self-sufficient in doing so. This investment of money from other countries in the form of FDI is essential to the success of the nation in accomplishing its development objectives. When multinational firms or governments from other countries make direct investments in the industries of another country, they are aiding the local economy in the development of an environment that is favorable to business. The accumulation of capital in a nation can be attributed to the favorable inflow of foreign investment, which, in turn, is responsible for increased levels of productivity, income, effective demand, accumulated savings, and investment, which, in turn, are ultimately responsible for the country's overall development and advancement. India is a developing country, and as such, its leaders are very worried about the generation of new job possibilities. Many of the social and economic issues that are becoming increasingly prominent may be traced back to the increase in the unemployment rate, which is the core cause of the problem. In the perspective of society, a person's engagement in a specific career bestows upon them a feeling of self-assurance, honor, dignity, and respect for themselves as members of society.

- **Research Methods**

This study applies descriptive analysis to the secondary data collected from a variety of sources, including the World Bank, the Reserve Bank of India, the Economic Survey of India, the Director General of Employment, the Ministry of Labor and Employment, and Training, in order to investigate the effect of foreign direct investment (FDI) on the number of jobs created in India.

Table 1: Contribution of Different Industries to Employment in India

Year	Primary Sector	Secondary Sector	Tertiary Sector
Year-1991	63.04	15.30	21.65
Year-1992	62.77	15.35	21.87
Year-1993	62.48	15.35	22.16
Year-1994	62.17	15.42	22.39
Year-1995	61.75	15.56	22.67
Year-1996	61.43	15.72	22.83
Year-1997	61.07	15.87	23.04
Year-1998	60.66	16.02	23.31
Year-1999	59.92	16.02	23.85
Year-2000	59.64	16.32	24.00
Year-2001	59.04	16.66	24.29
Year-2002	58.43	17.04	24.52
Year-2003	57.66	17.55	24.77
Year-2004	56.68	18.38	24.93
Year-2005	55.82	18.97	25.20
Year-2006	54.89	19.65	25.45
Year-2007	53.86	20.44	25.69

Year-2008	53.09	20.96	25.94
Year-2009	52.12	21.60	26.27
Year-2010	51.05	22.37	26.56
Year-2011	48.96	23.52	27.51
Year-2012	47.00	24.35	28.64
Year-2013	46.59	24.35	29.04
Year-2014	46.07	24.38	29.54
Year-2015	45.55	24.33	30.10
Year-2016	45.12	24.28	30.58
Year-2017	44.52	24.97	31.00
Year-2018	43.86	24.68	31.45
Year-2019	43.21	24.00	31.89

Source: https://data.worldbank.org/indicator/SL.IND.EMPL.ZS?contextual=default&end=2019&locations=IN&start=1991&view=chart

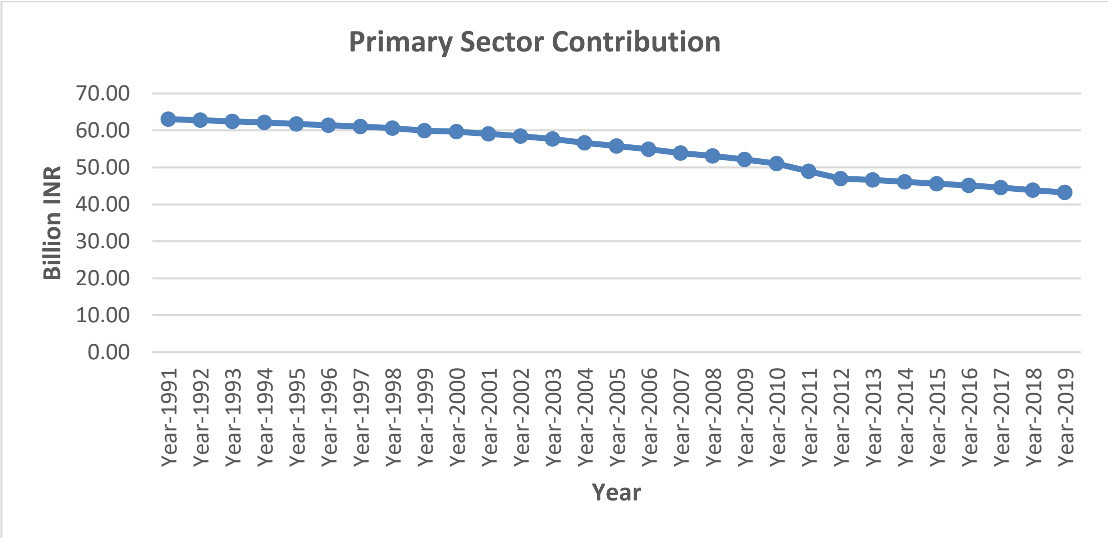

Fig. 1: Primary Sector Contribution of GDI

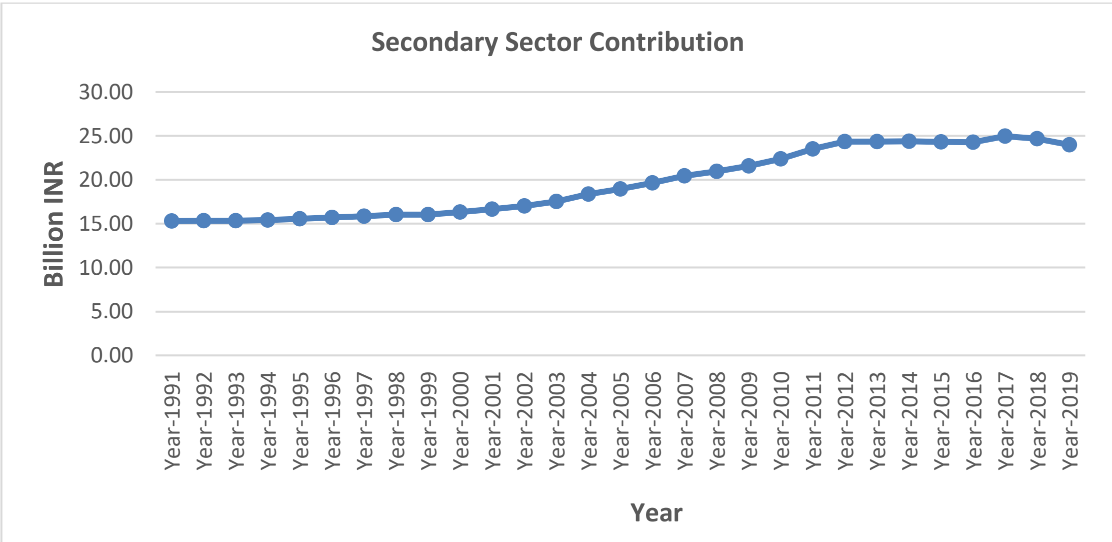

Fig. 2: Secondary Sector Contribution of GDI

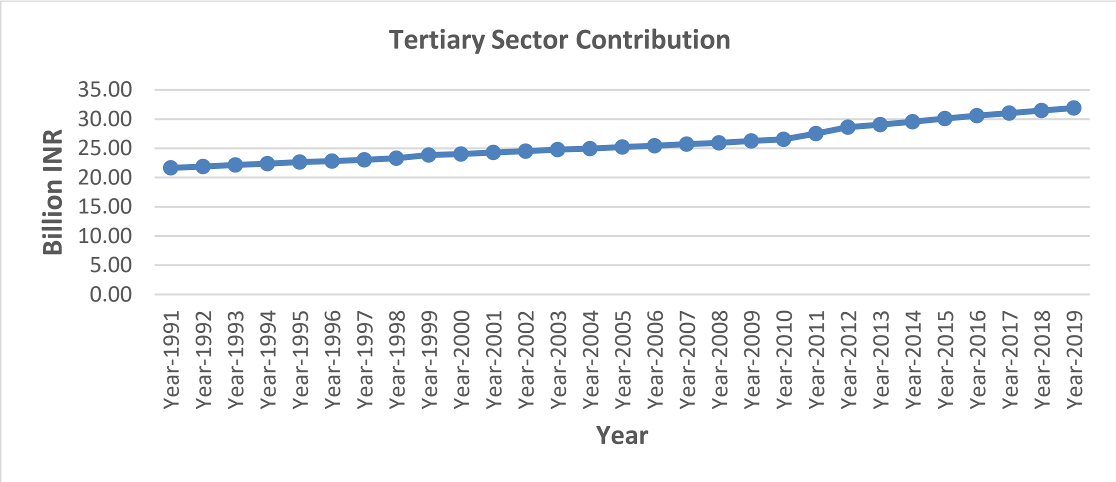

Fig. 3: Tertiary Sector Contribution of GDI

The above three figure and the table presented the contribution of each sector in GDP of India. As we know the employment generation in India mainly generated from the secondary and Tertiary Sector. Tertiary Sector is the services sectors of India where as the secondary is the manufacturing of India. The time series analysis Clearly indicated that the downfall in primary and stagnant flow in secondary in contributing the GDP. Whereas a significant rise in Tertiary Sector Contribution of GDI.

Table 2: Employment Generation During the 1991 to 2019

Year	Employee
1991	15.18
1992	15.24
1993	15.27
1994	15.43
1995	15.60
1996	15.77
1997	15.77
1998	15.89
1999	16.18
2000	16.32
2001	16.63
2002	16.92
2003	17.50
2004	18.26
2005	18.80
2006	19.42
2007	20.09
2008	20.42
2009	21.09
2010	21.81
2011	23.10
2012	24.36
2013	24.37
2014	24.45
2015	24.54
2016	24.74
2017	24.86
2018	24.95
2019	25.12

https://data.worldbank.org/indicator/SL.IND.EMPL.ZS?contextual=default&end=2019&locations=IN&start=1991&view=chart

Table 3: FDI Inflows and Employment to Population Ratio

Year	FDI inflows (% of GDP)	Employment to Population Ratio (EP Ratio)
Y-1991	0.02	57.22
Y-1992	0.09	57.18
Y-1993	0.19	57.13
Y-1994	0.29	56.94
Y-1995	0.59	56.72
Y-1996	0.61	56.54
Y-1997	0.86	56.32
Y-1998	0.62	56.10
Y-1999	0.47	55.93
Y-2000	0.76	56.02
Y-2001	1.05	56.08
Y-2002	1.01	56.20
Y-2003	0.60	56.48
Y-2004	0.76	56.69
Y-2005	0.88	55.99
Y-2006	2.13	55.29
Y-2007	2.07	54.50
Y-2008	3.62	53.55
Y-2009	2.65	52.78
Y-2010	1.63	51.80
Y-2011	2.00	50.83
Y-2012	1.31	50.79
Y-2013	1.51	50.78
Y-2014	1.69	50.74
Y-2015	2.09	50.72
Y-2016	1.98	50.61
Y-2017	1.50	50.79
Y-2018	1.54	50.68

Source: https://data.worldbank.org/indicator/SL.IND.EMPL.ZS?contextual=default&end=2019&locations=IN&start=1991&view=chart

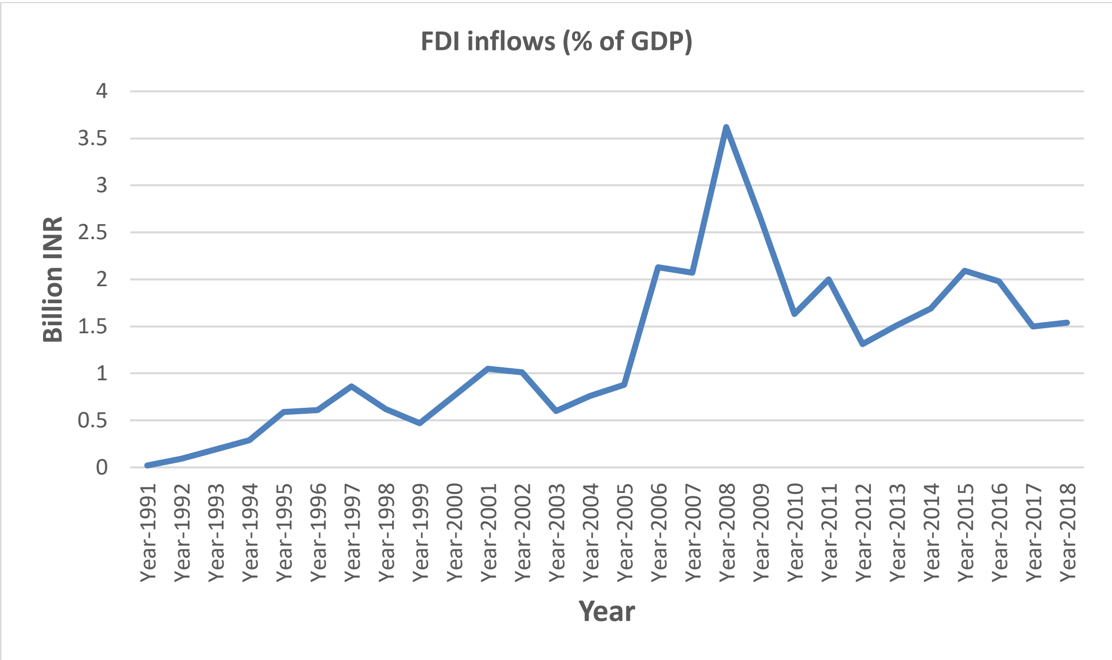

Fig. 4: FDI inflows (% of GDP) in India

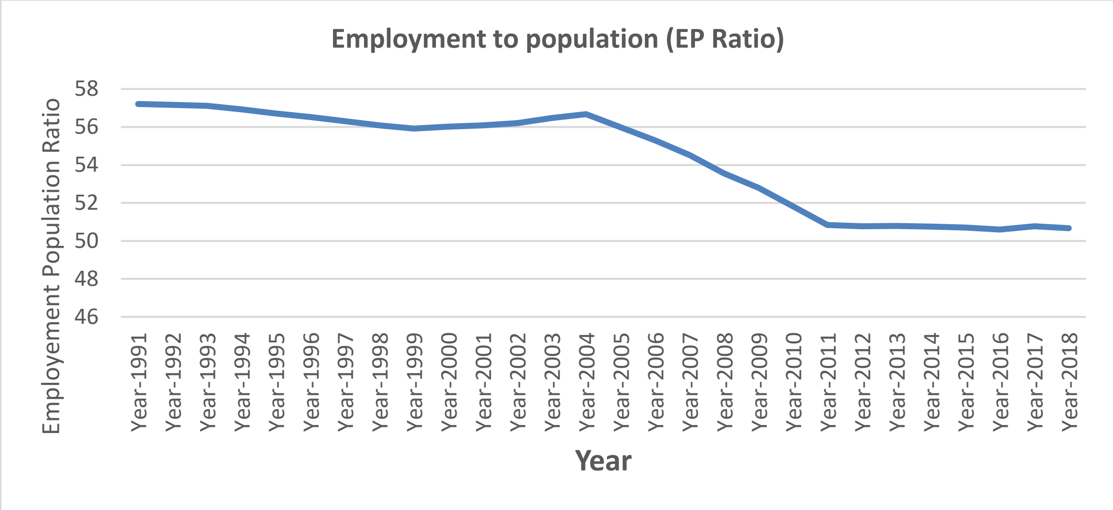

Fig. 5: Employment to Population (EP Ratio) in India

Figure 4 present the FDI inflows (% of GDP) in India and figure 5 present the Employment to population (EP Ratio) in India. The impact analysis has been performed on the FDI as input variable and the employment generation as the output variables. The relational outcome in regression as presented as equation below.

FDI inflows (% of GDP) = (-2.06) * Employment to population ratio (EP Ratio) + 56.88

The above equation found that the FDI has no any significant impact on generation of employment. This is observed that the negative impact of GDP during the period of 1991 to 2018. So,We can state that the no or negative impact of GDP on generation of employment.

Conclusion

The generation or investment of capital is a significant predictor of economic development. In general, investment may result in the formation of physical capital, financial capital, and human capital. Investment, in conjunction with other inputs of production (such as labor and land) and technology, influences the levels of and growth in the economy via changes in the production and consumption of goods and services, respectively. This is accomplished through a chain of causality that begins with the production of goods and ends with the consumption of those goods. Investment may be divided into two categories: foreign investment and local investment. It is possible that domestic investment will result in the accumulation of domestic savings. It is possible to have a domestic savings gap if domestic saving falls short of domestic investment. Leaving everything else the same, less investment resulted in poorer economic growth, which has effects such as decreased income, consumption, and job opportunities. The gap between domestic savings and domestic investment may be closed by foreign investment. It is thus possible for economic development in an open nation to be increased as a consequence of inflows of foreign investment notwithstanding the presence of a domestic deficit in the country. The entry of foreign money into India will encourage the development of the country's domestic investment market. Since it supplements the efforts of local investors, investment from outside may be very advantageous to the economic expansion and development of emerging countries like India. Investing in a country's economy not only boosts productivity but also improves the standard of living for the country's populace as a whole. Because of this point of view, countries in both the developed and developing world are exerting maximum effort to carry out investment programs. The preliminary research on foreign direct investment (FDI) in three of the most essential divisions has been presented. FDI stands for "foreign direct investment." Future projections indicate a rise in employment opportunities. One additional study has been given on Foreign Direct Investment Inflows and Employment to Population Ratios for the period 1991 to 2019, in addition to one investigation for the period 1991 to 2019. The effects of foreign direct investment (FDI) on employment are often the topic that receives the most attention in studies like this one. The purpose of this research is to investigate the role that foreign direct investment (FDI) has had in the development of employment opportunities in India. Excel is used to carry out the regression analysis in order to determine how much the value of FDI has been altered as a result of the change. The three figures and table that are located above illustrate how much of a contribution each industry makes to

India's gross domestic product (GDP). It is common knowledge that the secondary and tertiary industries in India are the ones responsible for the creation of the vast majority of job openings in the country. The manufacturing industry makes up India's secondary sector, while the service industry makes up India's tertiary sector. India's tertiary sector is known as the "services industry." The time series analysis is a kind of statistical analysis. It has been clearly shown that the primary contribution to GDP has decreased, while the secondary contribution has remained stable. In contrast, there has been a large increase in the contribution of the Tertiary Sector to GDI. The investigation described above illustrates India's foreign direct investment (FDI) inflows as a proportion of the country's gross domestic product (GDP). Also, the investigation describes India's employment to population ratio (EP Ratio). As a consequence of this, we can come to the conclusion that the GDP has either a negligible impact or an adverse effect on the production of new employment.

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