

# Jobs awaited: Can govt deliver on its promise?

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TALK about economy, talk of politics. Or both together? Or political economy? The rough end of politics can have a sharp economic truth. For instance, when the government talks about rural job guarantee scheme (assured 100 days of work each year for every rural household), it carries a price tag of Rs 34,699 crore this financial year. There's politics. PM Narendra Modi took a swipe at the Congress in Parliament during the budget debate, saying: "I will ensure MNRREGA is never discontinued. It is a proof of your (Congress/UPA) failings." The Congress hit back, accusing the BJP-led NDA government of destroying the soul of the decade-old scheme. Both sides talked about employment. Jobs, many wonder, where they are, as the government has gone around advertising that it would add 2 crore jobs each year.

A few days back, the government dared to wade deep into an economically liberalized territory, attracting kudos from free market-wallas, including the West, and inviting sharp criticism from domestic power players who foresee tough days for



the domestic industry and a fragile economic environment. Here are a few sectors where foreigners would arrive soon. Will they bring in jobs? An on-the-spot sorting:

## Single brand retail trading

Local sourcing norms will be relaxed for up to three years. The government also relaxed sourcing regime for another five years for firms undertaking single brand retail trading of products that have 'state-of-the-art' and 'cutting edge' technology.

What it means: It paves the way for Apple Stores and Chinese Smartphone maker LeEco to start business. Since Punjab has the highest teledensity and is one of the lucrative markets for smartphone makers, it may attract single brand stores. Experts say Walmart, Tesco, Amazon Fresh and many more may enter soon and so may Swedish fashion retailer H&M and furniture and home accessories giant IKEA.

Challenges: Though the working age in India is far in excess of the population

dependent such workforce, it doesn't have skilled manpower in the retail sector. There are hardly any dedicated institutes that address the ever-widening gap between employee demand and supply. Employers demand a functional human resource on the very first day of work.

Job opportunity: Sanjeev Duggal, CEO and MD, Centum Learning, a corporate training solution hub, says: "I think for a country like India, a supermarket can never be an automated place where there are no shop assistants. India was, is and will thrive on manpower for every requirement, be it at home or outside. We, as a decade-old skilling company, see the increasing requirement of skilled workforce in the companies which hire our trained manpower."

## Food retail

The new rules allow 100% FDI in food retailing produced or manufactured in India. Punjab and Haryana can be new movers and shakers as both are agriculture-driven economies. "Micro, small and medium enterprises (MSMEs) can benefit immensely. If multinational chains set up their food-only retail outlets; they will

source products from the Indian MSMEs which will be win-win situation for both," says Akshay Bector, managing director, Cremica Foods at Ludhiana.

## Pharmaceuticals

The government has allowed up to 74% FDI under automatic route for the existing pharmaceutical ventures for brownfield (projects with some infrastructure) expansion. It added that the government approval route can be up to 100% in the brownfield sector.

Baddi in Himachal is considered a pharma hub. The total turnover of the Baddi-based industry is around Rs 35,000 crore. Around 350 units came into existence in after government announced various incentives. On an average 50-200 people work in each pharmaceutical unit.

Arun Rawat from Baddi-based Kanha Biogenic laboratories said: "Since, the SME sector is struggling for funds, they might close or be taken over," he said. This is likely to result in job losses. The FDI in this sector is likely to give a boost to the small and medium pharma industry provided they invest in latest technology and innovative products.