Jobs awaited: Can govt deliver on its promise?

Vijay C Ravi, Chandigarh

Talk about economy, talk of policies. Or both together? Or political economy? The rough end of policies can have a sharp economic truth. For instance, when the government talks about rural job guarantee scheme — aimed at 100 days of work each year for every rural household — it carries a price tag of Rs 34,800 crore this financial year. These policies, PM Narendra Modi took a swipe at the Congress in Parliament during the budget debate, saying, “I will ensure MNREGA is never discontinued. It is a proof of your Congress/ UPA failures.” The Congress hit back, accusing the BJP-led NDA government of destroying the soul of the hands-dirtied 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 started to wash its hands in an economically liberalized territory, a thriving hub of fresh marketeers, 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 instant setting:

Single brand retail trading

Long standing talks will be finalised 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.

Challenger: Though the working age in India is far in excess of the population dependent on each workforce, it doesn’t have skilled manpower in the retail sector. There are hardly any dedicated institutions 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, Centrum 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, at a decade-old staffing 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 agriculturally driven economies. “Haryana, small and medium enterprises (SMEs) can benefit immensely. If multinational chains set up their food-only retail outlets, they will source products from the Indian MSMEs which will be wise initiative, for both,” says Ashok Bhat, managing director, Gersco 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. Dharmsot Herbal is considered a pharma hub. The total turnover of the food-based industry is around Rs 35,000 crore. Around 560 units came into existence in after government announced various incentives. On an average 50,000 people work in each pharmaceutical unit. Arun Rastogi from food-based Rang Biogenic laboratories said: “Since, the MSMEs are struggling, for funds, they might open 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.