

There's No Jobs Drought

We will have more data soon, meanwhile here's what the evidence tells us

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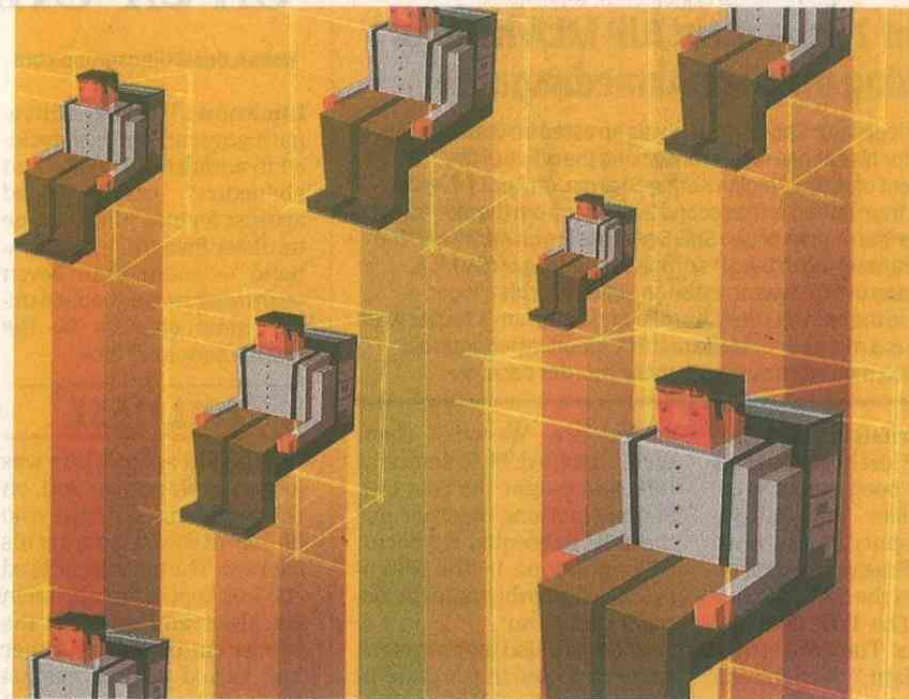


A dubious narrative is currently being circulated: where are the missing jobs? Actually, the truth is quite different: where is the missing data about jobs? India lacks consistent, accurate, high-frequency data on job creation. The Niti Aayog Task Force on Improving Employment Data provides an authoritative assessment of the deficiencies afflicting various current data sources on employment. Definitive data on employment will only be available in September when Niti Aayog's quarterly household employment survey will likely be published.

Till we have the survey, the best way to understand the economy-wide jobs situation is to assemble accurate jobs data from various sources. This data mosaic provides a much more accurate sense of what is happening in the economy than data-free narratives. One more note of caution: we can all be victims of anecdotes. Every day many of us probably meet young people and their parents asking for guidance on finding jobs. No doubt people need help in finding jobs; however, these are just anecdotal data points coming from a self-selected sample of struggling job seekers.

There is a vast and inevitable shift in employment patterns happening globally. People are moving from formal, long-term employment to much more fluid, contingent employment. In addition, jobs are becoming highly knowledge intensive, requiring continuous lifelong learning and skill development. These trends are impacting employment patterns in India as well. We can also agree that we need to create high quality jobs rapidly in India to absorb the 10-12 million young people joining the workforce every year.

It is also important to understand the employment situation during the UPA government, which had accepted a Parliamentary Standing Committee which stated they had presided over jobless growth. Separately, according to a World Bank report, by the end of the term of UPA-2 in 2014 the employment ratio had fallen to a



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dismal 51.7% as against 57.9% in 2004.

Despite inheriting an economy in deep distress and this terrible employment situation, the Modi government has strengthened employment prospects immeasurably. Job creation is the focal point of almost every government initiative. As a result, jobs are being rapidly generated in the private sector, the public sector, as well as in the personal sector. There has also been an increased formalisation of jobs, resulting in proper social security for all types of workers.

The private sector has led the way. Two recent reports highlight strong job creation in the private sector. In January 2018 a Nasscom report documented creation of jobs in four core sectors: automotive, IT-BPM, retail and textiles. Between 2014 and 2017 a total of 1.4 crore new jobs have been created in these four sectors alone, with nearly 65 lakh new jobs in just the retail sector.

Similarly, KPMG analysed travel and tourism and concluded that this sector is growing at 16% per year and adding between 30-40 lakh new jobs every year. Strong job creation in many new

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industries such as e-commerce, aviation, mobility services, agri-processing is also not being captured in most traditional jobs data. Meanwhile, the Naukri Job Speak Index, which tracks the overall job listing market, is registering 10-16% growth year-on-year every month validating strong job creation in the organised private sector.

The public sector too has matched the private sector in job creation fuelled by the massive impetus given to infrastructure creation. From roads to rail, from rural electrification to digital connectivity, the pace of infrastructure creation under the present government has increased multiple times. Between 2011-14, 12,005 km

of roads were constructed and in 2014-17, the number increased by 50% to 18,702 km. From an average of 345 km of new railway lines being laid between 2009-14, the average between 2014-18 almost doubled to 633 km. Between 2011-14, only 358 km of broadband lines were laid but in the 2014-17 this number increased to 2.3 lakh km. The number of active airports has gone up from 75 to almost 100, and the pace of airport construction has dramatically increased. With this massive build-out underway, it is self-evident that job creation in the infrastructure sector must have at least doubled.

But, perhaps the biggest growth in jobs has happened in the personal sector. The improvement of India's rankings on the World Bank's ease of business index testifies that entrepreneurship of all kinds is flourishing in India. The Mudra scheme has been particularly powerful in putting people to work. To date 11.5 crore people have received collateral-free loans under the scheme of which more than 8 crore women have been beneficiaries. Every new entrepreneur is likely to have not only created employment for herself but also for at least one or two more people. A kirana store will employ staff; a beauty parlour will hire stylists; a clothes shop will hire tailors; a furniture shop will hire carpenters and so on.

The Modi government has focussed not just on quantity but also on quality of jobs. Demonetisation and GST have played a transformational role in formalising jobs so that workers are now paid through their bank accounts and get PF and other benefits. The recent Ghosh & Ghosh analysis of EPFO data suggests that nearly 70 lakh new formal jobs are being created every year.

All these various sources confirm that job creation is growing strongly across the entire economy. Our data collection has not yet caught up with these trends. This will soon be remedied with the Niti Aayog Quarterly Employment Surveys. In the meanwhile, please be careful – it is election season after all, fake news is all around us, and there will be many bearing false witness.

The writer is Union Minister of State for Civil Aviation. Views are personal