

Where are the Jobs?

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"Let us assume the reservation is given. But there are no jobs. Because in banks, the jobs have shrunk because of IT. The government recruitment is frozen".

UNION Minister of Road Transport Nitin Gadkari admitted bitter truth while commenting on Marathas' agitation for jobs reservation.

Mr. Gadkari has touched soul of crores of unemployed & under-employed persons across India. His statement would also strike the right cords with countless people who work below Government-notified minimum wages.

The picture one thus gets is of **"angst"** to borrow a word from Rajasthan Chief Minister, Vasundhara Raje.

The other day she told a TV news channel: **"Lynchings are a result of inability to find jobs"**

. She observed angst is spreading everywhere, and people are reacting angrily to their circumstances.

Apart from big guns within BJP empathizing with the jobless youth, others within and outside the Government are also chipping in their concern.

Last month, Swami Ramdev stated:

"Unemployment is a big question in the country and the Centre and the state governments are not able to do much as they were supposed to solve this issue".

Swami Ramdev, who last year conferred Prime Minister Narendra Modi with title of Rashtra Rishi, has obviously failed to convince the latter.

No wonder Mr. Modi went hammer and tongs against those who see joblessness. Replying to no-confidence motion in Lok Sabha against his Government on 20th July 2018, PM reeled off dubious statistics & guesstimates to claim that one crore jobs have been created in one year.

Mr. Modi said that more than 50 lakh people have been added to the rolls of Employees Provident Fund (EPF) and National Pension Scheme (NPS) in nine months. He appealed to the Opposition: **"Please do not try to crush the truth without any facts".**

Five days later, the Ministry of Statistics & Programme Implementation (MOSPI) injected a word of caution while releasing data on new subscribers of the Employees' Provident Fund (EPFO), Employees' State Insurance Scheme (ESIC) and the National Pension Scheme (NPS).

MOSPI stated:

"the estimates are not additive". It added:" The present report gives different perspectives on the levels of employment in the formal sector and does not measure employment at a holistic level".

The rosy picture drawn by Mr. Modi turns highly bleak, if one researches for limited data buried in Government documents/websites. **In three years and one quarter ending 30th June 2018, Modi Government posted only 270 job vacancies on its national career centre (NCS) website ncs.gov.in.**

This amounts to an insignificant 0.03% share in total vacancies of 9.19 lakh uploaded by different sectors/entities during the period. The number of job seekers registered with website as on 30th June 2018 is 4.26 crore. Thus, for one job, the number of jobseekers is 46. The website does not give data on number of applicants who got the jobs.

It should be noted that neither all jobseekers nor all employers are registered with the website. Many are registered with employment exchanges. This information, however, does not dilute the fact that Modi Government aggressively marketed this website in 2015. As many as 2.86 crore job seekers registered with it as on 9th September 2015.

NCS website describes itself as portal to primarily connect the

"opportunities with the aspirations of youth. This portal facilitates registration of job seekers, job providers, skill providers, career counsellors, etc". It was dedicated to the nation by Prime Minister Narendra Modi on 20th July 2015.

One does not know the degree of overlap of job applicants registered separately with NCS and 997 employment exchanges across the country.

The Government last month informed Parliament:

"the number of job seekers, all of whom may not necessarily be unemployed, registered with employment exchanges in the country in 2015 was 4.35 crore (Provisional). Data for the year 2016 & 2017 is not available".

The alarming picture of jobseekers captured at NCS turns nightmare if one reckons the virtual gatecrash for 89,409 railways jobs, advertised during February 2018 after a gap of four years. The notification is obviously guided by Government's eye on the 2019 polls.

As many as 2.37 crore persons have applied for these entry level jobs. This translates into 265 applicants for each vacancy.

The media periodically carries stories of MBAs, PhDs, engineers, doctors and other professionals applying for posts of constables, peons etc.

As many as 2.81 lakh persons, for instance, applied for 738 peon posts in Madhya Pradesh during January 2018. The applicants included law graduates, engineers and MBAs.

Similarly, two lakh persons including doctors applied for 1137 posts of constables in Maharashtra during April this year.

Now, take a look at job prospects for professionals, most of whom are hired on contract by the Government. The modest job prospects for architects have put the Government on guard at its proposal to set up 20 new School of Planning and Architecture.

Presenting 2018-19 budget on 1February 2018, Finance Minister Arun Jaitley stated:

"We propose to set up two new full-fledged Schools of Planning and Architecture (SPA), to be selected on challenge mode. Additionally, 18 new SPAs would be established in the IITs and NITs as autonomous Schools, also on challenge mode".

At a meeting of inter-ministerial Expenditure Finance committee (EFC) held during May 2018, a Secretary to Government of India pointed out that it would not be feasible for 2 upcoming SPAs to enhance student fees

"due to low placement level and low salary paid to the Architects during initial years".

Taking into this chilling fact, the Committee concluded:

"if the current SPAs are unable to increase their fees on account of low salaries of graduates from these institutes, the financial feasibility of opening more schools of planning and Architecture may be revisited. A detailed demand-supply analysis for architects may be enclosed in the note for approval of the Competent Authority".

The problem of low wages dogs low-skilled or manual workers across the country. It is here pertinent to cite the case of khadi weavers' earnings that were lower than daily minimum wages. At a recent EFC meeting convened to consider continuation of Khadi & Gramodyog Vikas yojana (KGVY) for three years ending 31st March 2020, a Finance Ministry official noted the dissonance between Khadi and Village Industries Commission's (KVIC's) objectives and strategy. The disharmony is evident in the sector's over-regulation, protective practices and lack of opportunities for private sector.

The official also noted the

"gap between wages of spinners/weavers and salaried staff and the continuing prevalence of low per day earnings of artisans still less than Rs 200, much below the minimum wages".

EFC Chairman echoed similar concern while noting that Khadi occupies a

"special position" and needs protection. He stated:" Yet it is undeniable that the economics of Khadi need closer look in view of the fact that the entire value chain from production to sales is heavily subsidised. Despite the continuing subsidy, wages of artisans have not shown a rising trend is of serious concern".

The pitiable earnings of spinners are corroborated by a paper captioned 'Evaluation of Government Interventions in Khadi Sector' released by Centre for Public Policy Research (CPPR) during January 2016.

As put by the CPPR's authors,

"Our field visits informed us that the spinners and weavers, get a guaranteed minimum wage of Rs 125 and Rs 100 only respectively every day in hand as cash. They get the other allowances as lump sum amounts once in a year or so, while there is no certainty on when they are getting these other allowances".

According to the Paper, the employment in Khadi sector declined significantly during 1960 to 2014-15. A CAG report also shows the lack of credibility in the claims made by KVIC on employment generation.

It adds: ***"This again shows the government spending for the benefits of rural economy being eaten by the government machinery".***

Even global institutions are voicing concern over pessimistic outlook for labour markets in India. As put by International Monetary Fund's latest country report on India,

"While India has been one of the fastest-growing large economies in recent decades, investment growth has been comparatively modest and formal job growth insufficient. This creates challenges for creating jobs for a young and growing population and sustaining inclusive growth".

In another report titled 'India - Selected Issues' released this month, IMF recommends:

"An important policy priority is therefore to modernize labor regulations to help improve labor market flexibility and increase formal employment. Labor laws in India remain numerous, outdated, and restrictive, including at the sub-national level".

A World Bank report titled 'South Asia Economic Focus Spring 2018: Jobless Growth' released during April 2018 is an eye-opener. It reckons that ***"to keep employment rates constant,"*** India would have to create more than 8 million additional jobs per year.

This implies status quo on existing level of unemployment.

The Report points out:

"the unemployment rate is not very informative about the labor market situation in countries where few people can afford to remain idle. Measurement is further complicated by the fact that many occasional jobs fall in a gray area between employment, unemployment and inactivity. With the noisy data available, crude statistical analyses suggest that employment rates are less responsive to economic growth in developing countries than in advanced economies".

This brings us to the need for conducting monthly survey on unemployment

as is done in certain countries such as the United States.

At present, the Centre for Monitoring Indian Economy (CMIE), a private institution, brings out monthly data on unemployment.

The Union Government has no plans to match CMIE. It is still grappling with its 12th five year plan (2012-17) proposal for quarterly all-India Periodic Labour Force Survey (PLFS).

Launched by National Sample Survey Office (NSSO) in April 2017, the first set of results of PLFS is expected to become available during December 2018.

NSSO at present conducts Employment and Unemployment Surveys once in five years.

Labour Bureau (LB), an office of Ministry of Labour and Employment, currently issues quarterly reports on changes in employment in eight sectors. This Survey thus provides a very limited picture of unemployment situation in India.

LB also conducts annual Employment Unemployment Surveys (EUS). It is currently processing data collected in 2016-17 for its sixth annual EUS.

The pace of progress in reforming labour markets & labour statistics is bereft of Mr. Modi's passion for speed in decision-making process. It suits his style of functioning – quoting data that serves his penchant to create grand illusions of development.

Without reliable and timely data on unemployment, under-employment, wages and poverty, all claims of inclusive growth would remain a political rhetoric.