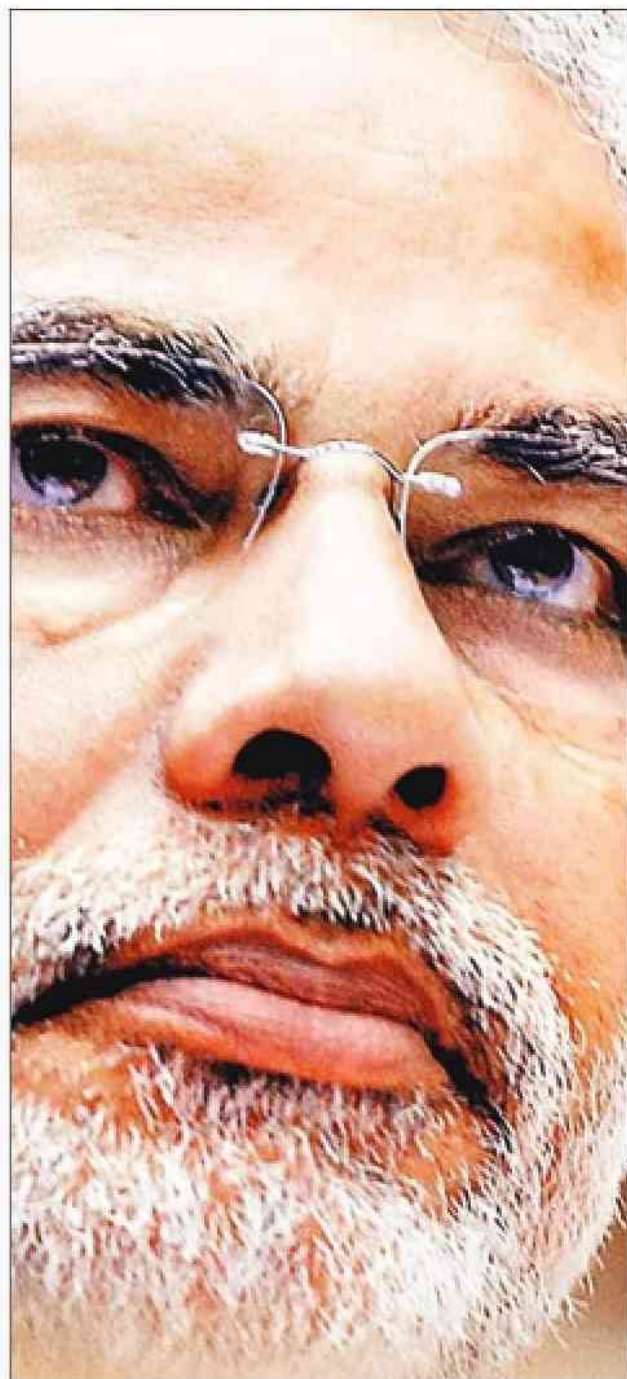


To Burnish India's CV, Modi Turns Focus on Job Creation



PM wants employment generation to be key priority in policymaking

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New Delhi: PM Narendra Modi has directed that all proposals sent to the cabinet must state the number of jobs they can generate, in a renewed bid to push employment generation to the centre of policymaking and project conceptualisation. The government, which will soon complete three years, is going all out to ensure it delivers on the promise of creating 1 crore jobs.

Every proposal that entails some expenditure must lead to job creation and needs to include a jobs estimate, commerce and industry minister Nirmala Sitharaman told ET.

“The prime minister asks in every cabinet meeting ‘what jobs are going to be created?’ when a proposal comes up for discussion,” Sitharaman said.

A Crisil report said more than

1.5 million people enter the job market every month in the country and the rapid adoption of automation, which reduces the dependence on labour, is aggravating the situation.

“We are the youngest country with 65% of our population below 35 years of age. We are the world’s largest democracy and we have a huge domestic market to feed. No country has such an opportunity as India to create jobs with human capital and abundant natural resource,” Modi had said earlier.

Going forward, policies are being geared toward creation of employment opportunities to reap the demographic dividend.

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1 All cabinet notes to state job creation potential



2 Employment generation to be focal point of all schemes



3 Niti has identified key job-creating sectors for policy intervention



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The government wants to create more jobs to raise incomes and lift millions of Indians out of poverty.

The government is also reviewing its manufacturing policy to align it with its job-creation goals. The skilling programme is being redrawn to ensure that those entering the workplace market are ready to take on their new jobs.

The Economic Survey 2017 said the growth boost from the demographic dividend is likely to peak in the next five years as India's share of the working-age population plateaus. Skilling and entrepreneurship thus become imperative.

The thrust on infrastructure and manufacturing will continue as the government sets the ball rolling on key rail, road and shipping projects. The government will also give a new thrust to the Pradhan Mantri Mudra Yojana, which focuses on funding micro units, to foster self-employment.

To ensure that job creation takes place in tandem with growth, Niti Aayog has formulated a three-year action plan that entails developing coastal employment opportunities besides identifying steps for individual sectors with potential for job creation such as tourism, gems and jewellery, apparel, leather and footwear.

There is a view that job creation has not been commensurate with the country's economic expansion — so-called jobless growth — prompting the government to identify it as a key priority.

According to the quarterly employment survey of the labour and employment ministry, the estimated employment in eight sectors including manufacturing, construction, trade, transport, education, health, accommodation and restaurants and IT/ BPO (information technology/business process outsourcing) stands at 20.52 million in the country. Of this, manufacturing is the largest employer with the highest share at 49% followed by education at 24%. Construction accounts for the least at 1.79% and transport has a 2.8% share.

Between FY12 and FY16, the number of jobs created in India stood at 14.6 million or 3.65 million per year, according to the Confederation of Indian Industry. Though the total working-age population rose by 84.1 million, the actual labour force increased by only 20.1 million. About a fourth (24%) of the working-age population joined the labour force while three-fourths (76%) remained outside it. Of the 20.1 million-strong jump in the labour force, 14.6 million were part of the workforce that is employed, while 5.5 million were unemployed.