

ELUSIVE EMPLOYMENT

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

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Even as governments, including the current one at the Centre, want more and more sections of society to benefit from reservations in public sector jobs, the truth is the size of the cake itself is becoming smaller. As a report in this newspaper has shown, annual Central government recruitment (including in the Railways) has fallen from 1,13,524 to 1,00,933 between 2014-15 and 2016-17. The same period has also seen the outstanding workforce shrink from 16.91 lakh to 15.23 lakh in Central public sector undertakings, and from 9.47 lakh to 8.97 lakh in public sector banks (including regional rural banks). It raises the obvious question: Do quotas, whether based on social or economic backwardness, have any meaning today when the government and its various departmental/non-departmental enterprises are themselves hardly generating any new employment? Isn't the latest 10 per cent reservation for economically weaker sections not falling under the Scheduled Castes, Scheduled Tribes and Other Backward Classes categories — which already having a combined 49.5 per cent quota — then just a tall promise?

The answer to this is both yes and no. In a liberalised economy, the responsibility for creation of jobs is and should be with the private sector. The government's job, so to speak, should be to create an environment that not only facilitates employment generation, but also create jobs that are productive and reasonably well-paying. That requires removing "regulatory cholesterol", which comes in the way of firms hiring workers on formal, even if fixed-time employment, contracts. India needs a third such wave of formalised employment — the first was in the public sector during the post-Independence period till the 1980s and the second via the IT industry in the first two post-reform decades — in sectors such as manufacturing, agro-processing, construction, logistics, healthcare, tourism and other high-value services. Where reservations have a role is in preparing job-seekers. The country is short of, both in quantity and quality terms, higher educational institutions offering professional courses. The enrolment numbers in the private sector is over thrice that in government institutions. There is a good case to expand seats in the latter — which are more affordable to the sections that are also deserving of reservations — while simultaneously upgrading the quality of courses and teaching standards to equip the future labour force-cum-job creators.

The immediate worry, though, is neither government jobs nor reservations, but the comatose state of the overall job market itself. According to Centre for Monitoring Indian Economy, the country's total number of employed persons fell from 407.9 million in December 2017 to 397 million in December 2018, with the salaried job losses alone for this period estimated at 3.7 million. And that could have more implications for the coming elections than the promise or chimera of quotas.

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