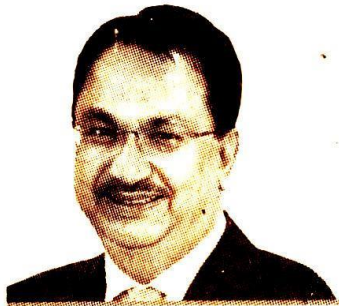


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Roping in 'czars' to boost employment

Strong leadership is central to managing sectors that have the highest potential to meet our employment objectives



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While the Indian economy is on a stable economic footing and is expected to build on its growth momentum, concerns around providing adequate employment opportunities remain, and job creation continues to be the foremost priority for Indian policymakers. With the Union Budget to be presented tomorrow, significant initiatives to push employment generation are expected to be high on the government's agenda.

Creating gainful and quality employment is essential for India's development trajectory. This is even more critical given

the rapid advent of technology which necessitates the need for an innovative growth strategy, with a specific focus on the employment intensive sectors such as agriculture and food processing, textiles and garments, tourism, retail and automobiles, among others.

In this context, the CII has recommended the appointment of 'czars' to catalyse progress of these sectors. The model of czars is based on the way that Aadhaar was conceptualised and rolled out with Nandan Nilekani as the lead agent. A czar, or empowered mission director, would assume the responsibility of ensuring the growth of the identified sector.

Envisaged as a leading expert or a top industry person with wide knowledge about the sector, the czar would be entrusted with addressing the pain points along the entire value chain, while coordinating with ministries, state governments and industry as well as other stakeholders. This would provide a strategic boost to employment generation for each of these sectors.

Some of the areas to be addressed by such a mission director would include

ease of doing business, availability of finance, and strategic logistics and infrastructure development. A major aspiration would be to strengthen skill development, in line with the requirements of the sector and including aspects such as upskilling and reskilling for technology changes.

Building competitiveness of the sector to expand exports would also be a key target. The czar would further work on enhancing product development and design and promoting R&D and technology adaptation, especially for smaller enterprises.

A total value chain approach can be taken where employment targets would be monitored at regular intervals by the respective czar appointed for the sector. This approach will address roadblocks to investments and employment in the sector, identify solutions, help draft and introduce policies and implement them from all players. With such a targeted and intensive mission mode, the identified sectors would be expected to expand rapidly.

We believe that the strategy of a czar should be deployed for optimal results

in labour intensive sectors. For example, in agriculture, farmers' incomes are not scaling up as rapidly as is required. Linking them to markets would require setting up farmer producer organisations and ensuring that their challenges are addressed, including access to finance, technology, markets, and professional management, with a specific focus on the small and marginal farmers.

Another track could be faster adoption of the Agricultural Produce and Livestock Marketing Act (APLM) Act by the states. Fast-tracking the Ease of Doing Agriculture (EoDA) index would foster competition among states and would help create a conducive environment in agriculture, while facilitating investments. A czar would be in charge of the overall growth of the agriculture sector, and may appoint representatives and initiate action in each of these areas.

Food processing is another such sector of employment potential where a comprehensive policy must be formulated that empowers farmers, catalyzes investments and promotes ease of doing business in the sector. GST rates must be rationalised to help address anomalies between food items of similar nature.

For enhancing competitiveness of the textiles sector, an advisory council can be set up with the leadership of an expert to boost the scale and infrastructure of the sector. Areas such as priority sector lending status to apparel manufacturing, rationalizing of customs duties on syn-

thetic textiles and anti-dumping policies could be considered. Going beyond the domestic industry, the czar could also see how to tap markets such as the European Union.

Tourism employs over 40 million people and deserves special attention in mission mode. The proposed National Tourism Policy must be expedited. Hotels require beneficial terms for obtaining credit and GST rates on high-end hotel accommodation should be considered in line with global rates. Strategic and focused plans can promote international tourists from potential markets, especially China, the largest outbound source. The mission director or czar assigned to the sector would be responsible for the creation and overall implementation of such policies.

The appointment of a czar in the construction sector can have significant impact as the sector is employment intensive with high multiplier effects. Land acquisition, an effective dispute resolution mechanism and better public private partnerships are all sticky issues that can best be addressed with coordination efforts.

Strong leadership is central to the goal of catalysing sectors that have the highest potential to meet our employment objectives. A sector expert with the requisite authority can best drive this strategy.

The author is president, Confederation of Indian Industry