

Boosting job creation across all sectors

The Union Budget 2018-19 comes at a time when slowing growth and subdued investment sentiment have emerged as major concerns for the economy. The slowdown in growth has had an impact on job creation as well. In such a scenario, the macro backdrop of the Budget calls for stepping up public investment in specific infrastructure segments which would revive investment and create employment.

At the current critical juncture of India's development journey, the Finance Minister is faced with the daunting task of providing an impetus to growth and reviving the investment climate. Equally important for him is to retain the focus on redistributive strategies which would boost job creation and address expectations nurtured by the social and demographic profile of our populace. The questions doing the rounds are: to what extent would the Union Budget contain measures that would restore the growth momentum of the economy? What is being envisaged to improve the quality of jobs and facilitate a switch from the informal segment to the formal and from agriculture to the non-agriculture sec-

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tor? It would be useful to take a sectoral approach to open more avenues for job creation. Capacity creation across key sectors such as infrastructure, commodities, manufacturing, consumer goods and services would facilitate growth and each of them would create jobs.

The agriculture sector is the base of the economy, given the large numbers of citizens dependent on it for livelihood. However, low agricultural productivity and low farmer income remain a challenge. Investment in agri-infrastructure such as cold storage, warehousing, road, irrigation and the like needs to be stepped up. MNREGA should be used to create the much-needed rural assets which would rejuvenate the rural economy.

Government support for public housing projects in clusters as well as a fillip to affordable housing is crucial to revive construction activity which, in turn, would create growth and jobs. To boost construction activity, the government would do well to extend the interest subvention scheme of 1% to total housing cost of up to ₹35 lakh. Currently, the government offers interest subvention of 1% for low-cost housing loans up to ₹15 lakh, provided the housing cost does not exceed ₹25 lakh.

Vocational skills

The Finance Minister had earlier unveiled a labour reform package for the textile and apparel industry which provides for fixed term employment. The government had announced a leather package similar to the one on apparel in the last Budget. This provision should be extended to all industries. We need a flexible employment policy that protects the interests of both the employer and the employee. Lastly, there is need to focus on skill development. Currently less than 5% of total workforce has formal vocational skills. The Skill India Programme needs to provide job-oriented vocational training that suits industry requirements. A Budget aimed at growth with inclusion would go a long way in keeping sentiments high and spreading prosperity.



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