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Labour Day: India needs a hundred million jobs

Synopsis
This Labour Day, the real crisis that stares us in our faces is finding jobs for the one million young people flooding into the workforce every year.



*The fault, dear Brutus, is not in our stars,
But in ourselves, that we are underlings.-
Julius Caesar, Act 1*

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By Wednesday elections had been held for 438 seats, or four-fifths of the 16th [Lok Sabha](#), and it seemed like a good point to draw breath and take stock of the men and women who will wield power over us for the next five years. Many of us believe that these elections will be decided by the personality of one man, his promise of performance, and frustration with ten years of corruption, inflation and misrule.

But let us not forget that we elected the outgoing Lok Sabha, and we may not do a much better job of electing the incoming House of the People. Only 22% of the Members of Parliament we elected in 2009 got more than 50% of votes in their constituencies. Many candidates won by a whisker because our Constitution mandates a first-past-the-post winner. Subhash C Kashyap, a former Secretary-General of the Lok Sabha and a constitutional expert, says a study he conducted showed that a candidate has a 90% chance of winning if he or she can secure the backing of just a 15% vote bank based on caste or community. "Why should the candidate bother about the other 85%, or developmental matters?" Kashyap asks.


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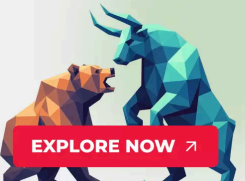
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Yashwant Sinha told me about his driver in his constituency, Hazaribagh in Jharkhand. During panchayat polls, the driver said his entire village had been invited to dinners for 20 days in a row by different candidates. Why has electioneering become so expensive, several candidates asked me. "The money is not spent on posters or buntings, it is spent in buying voters," one said. Sinha was more explicit. "The distortion I am talking about is the illegal influencing of voters just before the election, it could be the night before, it could be two nights before. This is the DMK style politics - daru, murga, khassi (mutton)," he said. He believes candidates should be locked away in "safe custody" after they have filed their nomination papers to ensure fair polling.

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We do not know how these subterranean forces will play out this time, or how many candidates with criminal cases pending against them will win, or indeed how much money will have been spent on winning. If you study the affidavits filed by candidates, and then their legislative track records, it is clear that they are not in politics to serve the people. The majority of our lawmakers have to balance their books and recover their investments.

No wonder we are beset by the politics of entitlement in India. And this feeling, that we are entitled to the loaves and fishes of power without the responsibility of building a robust and durable nation, reached its apogee during the decade of UPA rule. The [Congress](#) party's manifesto proudly lists the "rights" it brought in - the right to information, rural employment, education, identification - and food. The National Food Security Act, 2013 was brilliant piece of profligate legislation, the capstone in the UPA's determination to turn India into a welfare state before it had a chance of getting rich.

Even the Bharatiya Janata Party (BJP) had no option but to support it. And this was after the [Mahatma Gandhi](#) National Rural Employment Guarantee Scheme practically created factories of corruption in every panchayat.

The Food Security Act aims to cover 75% of our rural population and 50% of our urban population, a total of about 820 million people. In other words, 67 years after independence 67 per cent of Indians will be standing in line, begging bowls in hand, for coarse grain, rice and wheat at Rs 1, 2 and 3 a kilogram. And the new government will get the Himalayan bill for these spendthrift excesses.

Aruna Roy, one of the main architects of the Right to Information Act (and this entitlement was a very good one), a member of the National Advisory Council, is passionate about food security and asks why we find it difficult to think of just seven kilograms of grain per person per month at subsidised prices. Far from being populist, she told me, food security is just a "conscience salve" for a country that has not taken care of its poor.

This Labour Day, the real crisis that stares us in our faces is finding jobs for the one million young people flooding into the workforce every year. Which of the three men most prominent in the prime ministerial race - [Narendra Modi](#), [Rahul Gandhi](#) and Arvind Kejriwal -- is most qualified to create jobs? None of them, if we glance at their election manifestos.

The word "jobs" pops up several times, but there is no clear blueprint. "The 2009 Mandate was for socially inclusive economic growth with a focus on jobs and livelihoods, and social justice. This has been achieved in substantial

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measure," Congress says, promising a Jobs Agenda if it wins power again. If.

The BJP resorts to a platitude: "A strong manufacturing sector will not only bridge the demand-supply gap leading to price stabilization, but also create millions of jobs and increase incomes for the working class." And the Aam Aadmi Party talks about the "alarming existing unemployment and underemployment levels" rather vaguely adding it seeks to create "decent employment and livelihood opportunities...in honest enterprises".

The reality is urgent and frightening. Nearly half of the growth in our workforce over the next decade will come from six of our poorest states - Bihar, Jharkhand, UP, MP, Chhatisgarh and Assam. About 700 million people will migrate to our cities from the countryside over the next four decades. India needs to create about 115 million new non-farm jobs by 2022, a recent McKinsey Global Institute study said. Manufacturing is stuck at about 15% of our Gross Domestic Product (GDP) and generates only 12% of employment. The Asian Development Bank notes that manufacturing in China, Malaysia, Thailand and even Vietnam account for 25% or more of GDP. India's labour markets are a heaving, chaotic mass. As much as 94% of our labour force is in the unorganized sector, in units that employ ten people or fewer - which means poor productivity and terrible economies of scale. Our labour costs are low, but because of low productivity our unit labour costs are among the highest in emerging markets. We are plagued by some of the world's most crippling labour laws - there are 44 central acts. Mayday indeed.

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(Disclaimer: The opinions expressed in this column are that of the writer. The facts and opinions expressed here do not reflect the views of www.economictimes.com.)

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