

# Too early to look for jobs



On completion of three years in office even as Team Modi is disseminating its achievements to the public at large, Opposition parties, mainly the Congress, have projected a counter-narrative. The most damning indictment relates to the generation of a few hundred thousand jobs as against the BJP's promise of creating 10 million every year. This is based on Labour Bureau data on eight sectors. These cover the workforce of just about 30 million (besides, there are methodological flaws in the estimation) as against the total employment of 470 million, including that in agriculture and the informal sector. Therefore, any inference using these numbers could be misleading. ♦ By Uttam Gupta

Looking at the Indian job data in isolation would be a grave mistake. The more important aspects to look at are – investment in infrastructure like building roads, rails, ports, airports, affordable housing, toilets, electricity stations, schools and hospitals; creating a conducive policy environment for attracting private investment; increasing ease of doing business and pushing to small and medium enterprises.

The flaw in merely looking at jobs *per se* becomes apparent when one considers the fundamental fact that employment can only follow (not precede) investment in production-related activities. For instance, only after a road project is approved, all clearances obtained, land acquired and finances tied up can the work be started. Only then, jobs are created. You cannot put the cart before the horse! So, a pertinent question to ask is whether the Modi Government has done the right things in all these areas. The answer is a resounding “yes”. There is evidence galore to demonstrate that it has acted with alacrity mobilizing necessary wherewithal to make it happen.

Six broad areas of action need mention here.

**First**, the Modi Government has put an end to policy paralysis that had characterized the erstwhile UPA dispensation. We have a decisive Prime Minister who has a clear vision, knows what to do and what not to do and has the capacity to steer things on a well-defined trajectory taking the entire Cabinet along. This ensures that decisions are taken on fast track and implemented within strict deadlines.

### HELPING THE PVT CORPORATE

**Second**, it has removed all stumbling blocks in the way of investment. The governance structures have been altered and procedures streamlined to make decisions “policy-driven”. All approvals are granted in a transparent manner – mostly electronically. As a result, projects worth hundreds of thousands of crores that were stuck for several years have been unclogged, giving a fillip to investment in the private sector.

The Government is also helping the private corporate by resolving the problem of unsustainable non-performing assets of banks in a fast track mode. This includes policy related support (example, anti-dumping duty on steel) as also restructuring of loans in specific cases. The Joint Lenders Forum has been strengthened and more oversight committees set up for speedy decisions.

**Third**, things won't move unless resources are available. For funding its massive capital spending plans without compromising on fiscal consolidation, Team Modi has unleashed a two-pronged strategy of increasing tax collection on the one hand and plugging leakages in the implementation of welfare schemes on the other.

On the tax front, the Modi Government has used a mix of carrot and stick to entice people to pay up. For honest citizens, it has reduced the tax rate and simplified procedures with emphasis on reducing harassment. For tax dodgers, first it gave them an opportunity to come clean using the Income Declaration Scheme window. Thereafter, demonetisation forced the dodgers to disclose their black money leading to a record increase of close to 10 million in the number of returns filed.

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As regards leakages, over three decades ago, former Prime Minister Rajiv Gandhi had observed: “Only 15 paise out of every rupee allocated for the poor under welfare schemes actually reached the beneficiaries”. This was a tacit admission that brazen loot of public funds was going on but he did nothing to curb it. Modi has not only catapulted this grave crime perpetrated on the poor to the centre stage but also taken stringent measures to curb it. He has brought about a drastic reduction in leakages in major subsidy schemes like the LPG, the food under public distribution system, kerosene, pension and payments under the MGNREGA.

Using the Aadhaar-based system for direct benefit transfer, the Government has ripped these schemes off “bogus” beneficiaries saving thousands of crores.

### GOVT MACHINERY ORCHESTRATED

**Fourth**, the entire Government machinery has been orchestrated to improve ease of doing business. Thus, procedures have been streamlined, red-tape cut, efficiency improved and all approvals put on e-mode virtually eliminating physical interface. A dedicated team works in the Commerce Ministry round-the-clock to provide information

relating to project approval and even more crucially, to coordinate with concerned States for hassle-free implementation of projects.

A *Shram Subidha* (labour facilitation) portal is in place to help businesses in easy compliance with labour laws. The Government has also implemented big-bang policy reforms like an increase in the foreign direct investment cap for defence, opening up investment in the Railways, relaxation of guidelines for the real estate sector, abolition of the archaic Foreign Investment Promotion Board and commitment to avoid retrospective amendment in tax laws. These serve as icing on the cake leading to a quantum jump in the FDI, besides billions of dollars coming in via the portfolio route.

**Fifth**, taking a big leap forward in empowering the poor, the Modi dispensation launched the iconic PM Jan Dhan Yojna under which over 250 million accounts have been opened with total deposits of close to Rs 90,000 crore. Moreover, to help people set up their own business and become self-employed, under the MUDRA (Micro Units Development and Refinance Agency) scheme, about Rs 3,00,000 crore was disbursed to over 70 million persons in the last two years – majority of these loans going to women.

**Sixth**, the most remarkable achievement of the Modi Government is its success in the fight against corruption and black money. Apart from a series of steps including demonetisation and benami law, the most potent and effective fireball Modi built against this menace was his passionate call “*na khaonga, na khane doonga*” (neither I will take bribe nor let anyone else). This resonates in the entire political establishment and the bureaucracy and deters them from indulging in corrupt practices. The result is there is not even one case of corruption in the last three years.

To conclude, Modi deserves full marks for delivering on everything that he promised and winning the hearts of 1.3 billion Indians by his steadfast devotion and sincerity of purpose. ■

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