

## **The Indian Express**

### **Loss in exports lead to job losses, says ASSOCHAM study**

Sharp drop in merchandise exports mainly contributed to a loss of 70,000 jobs during the second quarter of 2015 reinforcing a crucial point that the employment generation has to be led by the domestic demand in the wake of subdued global demand, an ASSOCHAM study noted. It said around 70,000 workers were retrenched in the second quarter of 2015. Livelihood opportunities in export units particularly shrank during this period. While slowdown in global demand compelled some of the units to retrench people from pay roll, the reduction was facilitated by the increasing contractualization of jobs.

“There is a concern because most of the export-oriented units in the economy are dependent on contractual workers. So, massive reduction in contractual jobs in these sectors might as well imply deteriorating conditions in the export units,” added the paper.

Second quarter of 2015 particularly had been bad. While contractual jobs were lost, not adequate regular jobs were added to compensate that loss. Textile has been most affected with some new addition in regular jobs but massive drop in contractual jobs.

Apart from marginal addition in jobs in leather sector, as many as seven sectors saw drastic retrenchment in both regular and contractual employment.

For the first two quarters of the fiscal 2015-16, the country’s merchandise exports had dropped by over 17 percent. The fall in exports continues even this year despite advantage of a low base. Cumulative value of exports for the period April-August 2016-17 was \$108519.94 million as against \$111853.88 million registering a negative growth of 2.98 percent.

Given the subdued global economic scenario, rejuvenating the economy by exporting or utilizing external trade remains a difficult proposition, if not immediately impossible.

“Therefore, Indian economy has to look internally at the domestic economy to restart the Indian growth story. That is only possible if there is extra demand generation within the economy. Employment generation is the most important factor to generate such extra demand. More employment means extra purchasing power in the hands of the people,

and subsequently more demand generated for all kinds of commodities and services,” said ASSOCHAM Secretary General D S Rawat.

The negative impact on employment generation was more visible on sectors like gems and jewellery, textiles and apparels etc.