

## **Livemint**

### **Urbanisation, less regulations key to job creation in India: panel**

New Delhi: India' job problem is complex and to create more jobs, the country must reduce regulations for industries, focus on urbanisation and boost manufacturing, a panel of experts from industry and World Bank said Wednesday at the India Summit organised by The Economist.

The question is whether India can create a million jobs every month, said Martin Rama, chief economist, South Asia at World Bank.

Rama said there is a gap and the number of jobs are falling. India, he said, has two key areas which need urgent attention: one, more regular wage employment and two, female employment.

Female labour force participation rate in India is less than 23%. Around 20% of the total labour force earn regular wages.

“Unless we reduce regulatory cholesterol and improve efficiency of people, it will be a tough environment.

The role of the government is to create a conducive atmosphere” said Manish Sabharwal, chairman of Teamlease Services, a staffing company.

He said India does not have a job problem but wage problem and efforts must be made to shift informal workforce to formal jobs.

Urbanisation, over-regulation and human capital are three areas that need urgent attention to address the employment problem.

Over-regulation and multiplicity of laws are restricting growth of industries, he said. India has 63 million companies and 12 million of them do not have even office. Of the total number of companies, just 18,000 have a paid-up capital of Rs.10 crore each, Sabharwal explained.

Suraj Saharan, co-founder and chief people officer of Delhivery, a logistics company serving e-commerce firms, echoed the sentiments of the Teamlease chairman. The compliance burden is huge, said Saharan, adding that there are too many laws and too much paperwork.

Saharan said the country needs to have a database of workers to facilitate clean hiring as background checks on employees right now is a tedious process.

However, all three believe that India demographic bulge is not a problem and things have started improving over last few years. Over 600 million people in India are under 35 and an efficient workforce can help boost the country's productivity thus economy.