

## **Unemployment is now election issue.**

### **Can Congress' Pehli Naukri Pakki apprenticeship swing it?**

Rahul Gandhi and Mallikarjun Kharge's job guarantee promise queers the pitch for the ruling BJP, which must now scramble to make a competitive offer. No matter who wins, this is good politics.

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Finally, we have politics on unemployment. And it is such good news. It signals a shift from street protests to state policies, from outcry on joblessness to outlines of job creation, from utter hopelessness to a faint glimmer of hope. This happened with the announcement of “Yuva Nyay Guarantee”, a bouquet of five policy proposals that the Congress promises to implement when it comes to power. Congress president Mallikarjun Kharge and Rahul Gandhi’s job guarantee promise, made at a rally in Banswara, Rajasthan, on the route of the Bharat Jodo Nyay Yatra, queers the pitch for the ruling BJP, which must now scramble to make a competitive offer. No matter who wins, this is good politics.

Coming after the MSP guarantee for farmers, this second guarantee is an unusual combination of politically savvy and policy-wise thinking by the Congress. Any solution must begin by acknowledging the problem. The one issue that has come up everywhere in the second leg of Bharat Jodo Yatra led by Rahul Gandhi is that of joblessness. This announcement, thus, is a formal political acknowledgment of the salience of the problem that has topped the charts in every opinion poll on the major problem facing the country. Acceptance must be followed by careful listening. This is evident in the announcement, as it reflects the issues raised by the protesting youth. Some of their major concerns and demands have found a place in this package. But the Yuva Nyay Guarantee isn’t merely a convenient reiteration of the demands of a movement. The Congress party think tank has moved away from some of the hackneyed ideas or magic remedies to offer a solution that attempts to be both responsible and creative.

No doubt the component that would attract the highest attention would be “Bharti Bharosa”, a promise of 30 lakh government sector jobs. That’s a big one, if we know where the jobs would be generated and where the resources would come from. India’s problem is not that we have a bloated bureaucracy or that there are no vacancies. Compared to other economies of similar size, India has less public servants per capita. And there are around 10 lakh vacancies in the central government itself. Another 3 lakh jobs could be created in the education and health sectors — including the centrally sponsored schemes like Anganwadi and Asha workers and the educational and health institutions of the central government. Add to it an additional 2 lakh jobs from the reversal of workforce shrinkage in the public sector in recent years. So, we have at least 15 lakh jobs that can be filled within the existing set-up. That is a good beginning, something the educated unemployed have been asking for.

## **Jobs for educated unemployed**

The calculation of additional 15 lakh jobs would need careful planning. Creating sarkari jobs for the sake of providing jobs is not a sensible and sustainable policy. New jobs must fulfill new or pending needs. Massive expansion of public investment in human resources in the form of centrally sponsored schemes that seek to enhance capabilities and quality of life seems to be the way forward. These would mean additional employees in the states or local bodies for early childhood care and education, expansion and augmentation of primary and secondary health care, elderly care, and 'Green jobs' for ecological regeneration. Hopefully much of this would be spelt out in the days to come. Also, the additional bill of such an expansion needs to be known and debated. What would be the salary component of the Union budget if these additional employees are all paid salaries as per the 7th Pay Commission?

What's more attractive is the second component named "Pehli naukri pakki", basically a Right to Apprenticeship scheme. This would involve a statutory guarantee of one year of paid apprenticeship at Rs 1 lakh a year for every college graduate and diploma holder under the age of 25. To be sure, this is not a pakki naukri, a regular and permanent job. Nor does this legal entitlement qualify to be the right to work that social democrats dream of. But this is a fiscally feasible and economically sensible version of the popular demand of "har haath ko kaam do" (every hand must have a job). Therefore, the details of the scheme would be keenly awaited. But there is no doubt that placing unemployed youth in a public or private sector company is much better than paying unemployment allowance. This short internship would help them build skills, gain on-the-job learning, and improve their employability. This should also attract private businesses, as they would get many skilled trainees at a very low cost. They have incentive to onboard apprentices and it is not unreasonable to expect that some of the better interns will be absorbed in the company.

Here too numbers will be keenly discussed. About 95 lakh students complete diploma or graduation or higher degree every year; out of these, about 75 lakh enter the job market. Assuming that about half of them do not get employment of their choice, we are looking at a demand for apprenticeship at around 40 lakh per year. This is a big ask, but not an impossible one. There are about 10 lakh enterprises in the formal sector with a turnover of Rs 5 crore and above who can take 4 interns on an average. The country already has an Apprentices Act of 1961, which mandates companies to take apprentices between 2.5-15 per cent of their labour force. At the moment, just about 45,000 companies participate in it. But with legal tweaks and government funds, it should be possible to involve the entire formal sector and gradually incentivise the informal sector to join in. The total budget works out to Rs 40,000 crore, if the government pays the entire honorarium and only Rs 20,000 crore if the companies can be asked to share half the cost. There are many details to be worked out here, but this is clearly a big political step in the right direction.

The other three components are useful supplements to these two big ideas. The “Paper Leak Se Mukti” plan goes beyond the usual promise of “severe” punishment to those involved in question paper leaks, premised on the false assumption that raising the quantum of punishment is the best cure for any crime.

The Yuva Nyay Guarantee promises much more, a whole Code of Conduct for public sector recruitment that lays down a calendar, norms of transparency, and modalities for doing away with the malpractices that affect over 2 crore youth aspiring for government jobs. The proposal for around 1 crore gig workers offers them social security benefits on the same lines as introduced by the outgoing Congress government in Rajasthan, or its improved version being prepared in Telangana. This is a progressive step, waiting to upscale at the national level.

Finally, the “Yuva Roshni” scheme seeks to create a Rs 5000-crore fund to extend loans for new youth-run businesses. This appears to be a modified version of the current Mudra Yojana targeted at the youth. But it would need careful review lest it meets the same fate as the Mudra loan scheme.

### **Publicity before politics, policy**

An electoral promise, however good, is not a solution to the problem of unemployment. Given the enormity of the unemployment crisis, any policy proposal of this kind has to be a work in progress. There are many loose ends to be tied here, many data issues to be resolved, besides the big issue of additional revenue generation. Given the context of the coming election, you cannot fault the Congress for using an optimist calculus. Besides, most of these schemes target the educated unemployed and leave out over half of the unemployed youth who do not manage to complete their schooling. In any case, any such package is largely in the nature of a relief operation. The real solution to the crisis of unemployment has to be found through a fundamental transformation of our model of jobless economic growth and an education system that leaves the students without knowledge, enterprise or skills.

For the next two months, the announcement will likely be evaluated more for its potential political dividends than its effectiveness as a policy measure. More than policy and politics, it will be about publicity. Can the Congress create a buzz around these jobs and MSP guarantees, take the INDIA partners on board, and focus the election campaign around the youth and farmers? We do not know the answer yet. All we know is that if this announcement triggers a public debate and other parties, including the BJP, compete with the Congress in offering better packages, this could be the best news for the unemployed youth and for our economy. For issues like education, health, environment and employment, no politics is bad news.