

## **EFI - CII Daily News**

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### **Remaking 'Make in India': Reform the rigid and multiple labour laws**

Reforming the rigid and multiple labour laws should be the first step. There are 44 central and 160 state laws for labour. In addition, extensive approvals are required before hiring and firing of workers. These laws force MSMEs, which contribute to 40% of India's exports, to remain small, which, in turn, doesn't allow them to take advantage of economies of scale. While 30% of formal enterprises in India employ only 10-19 employees, the vast majority (91.3%) of firms in the informal sector only have 0-4 employees. Recently, Basu pointed out that a major reason for the success of Bangladesh's garment manufacturing industry is that the main garment firms are large, as compared to those in India. A larger firm size leads to benefits of division of labour, ease in accessing formal credit markets, labour welfare, higher wages and economies of scale, among other benefits. There is, thus, a need to build a common labour code that motivates firms to grow in size and scale, rather than restricting them, and also rationalises all the existing laws under one code, in a similar way as GST. States such as Rajasthan and Maharashtra have reduced the regulatory burden by changing labour laws. Maharashtra has allowed factories employing fewer than 50 contract workers to function without registering themselves with the concerned authorities. The threshold earlier was 20. It remains to be seen whether such liberalisation will impact manufacturing.

### **Jobs In IT Industry In India Have Been Declining Sharply: A Skill Deficit Sector**

Indian IT industry boasts of a progressive software ability as well as rapidly evolving technology and constitutes the key part of the country's economy. However as recent reports circulate around, India's Information and Technology(IT) sector witnesses a decline in the job offers rate, that amounts to 32%. The survey of 2000 mid and senior level candidates for the financial year 2017-18 was based across major domains including consumer, retail, telecom, pharma, engineering, offshore consulting, IT and BFSI (banking, financial services and insurance).

### **Companies may need fewer employees in future due to automation. Is your job in danger?**

Companies in India expect use of automation in the workplace to increase from the current

14 percent to 27 percent in three years, higher than (APAC) average of 23 percent, as per a survey. A survey from global advisory and broking firm Willis Towers Watson said that 61 percent of companies believe they will require fewer full-time employees in the next three years due to automation. The India findings of the Global Future of Work Survey said that companies in Asia Pacific expect automation to account for an average 23 percent of work being done in the next three years as compared to 13 percent today. In India, it is expected to rise from a current 14 percent to 27 percent in the next three years.

### **Jobs top priority as UGC sets target 2022 for all institutes**

Amid unemployment concerns, the University Grants Commission is set to instruct every higher education institute to ensure at least 50% of those graduating get access to a job, self-employment or get to pursue higher education, and that two-thirds of the students are engaged in 'socially productive activities' while studying. UGC is expected to approve in its meeting on May 24 a set of targets and objectives for all higher education institutes that must be achieved by 2022, ET has learnt. The five-point objectives, referred to as the UGC mandate, are focussed on ensuring that students are more employable, have essential skills and are better engaged with society and industry.

### **India climbs one spot to 44th in competitive rankings, China at 13**

As the Narendra Modi government completes four years this month, India continues to perform modestly in the global competitive rankings, rising one place to 44 this year out of 63 countries ranked by the IMD World Competitiveness Center. India started from the 40th position in 2013 and dropped to the 44th rank in 2014, the year the National Democratic Alliance assumed power. India's rank remained at 44 in 2015 and jumped four places to 41 in 2016, dropping to 45 in 2017, and rising to 44 in 2018. In contrast, China bagged the 13th rank this year as compared to the 18th rank in 2016. China stands fifth in the Asia-Pacific rankings as compared to India's 13th place last year, the Lausanne-based Center said on Wednesday.

### **Bank strike proposed for May 30th, 31st: Largest lender in India says work may get affected**

Bank strike proposed for May 30th, 31st: The State Bank of India (SBI), the country's largest lender, said that the staff unions may go on strike for two days from May 30 to May 31. SBI revealed that if this comes to pass, it will impact its operations to some extent. Bank unions have been pressing for various demands, including wage revision in the wake of the proposal for a 2 per cent hike in salary and improvement in other service conditions. "We have been advised by the Indian Banks' Association (IBA) and UFBU have served a notice of strike, informing their decision to go on nationwide bank strike on May 30 to May 31, 2018," SBI stated in a notification. SBI said the Indian Banks' Association (IBA) has communicated to the bank that the United Forum of Bank Unions has served a notice to go on a nationwide bank strike on May 30-31, 2018. According to a circular, earlier on May 16, it gave a memorandum to IBA followed by demonstrations. It also gave memorandum to the finance ministry and labour ministry.

