

Tax sops for job creation, greater push towards skilling the need of the hour

With unemployment being a major challenge for the government, the Budget must provide measures to address the same

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New Delhi, June 26

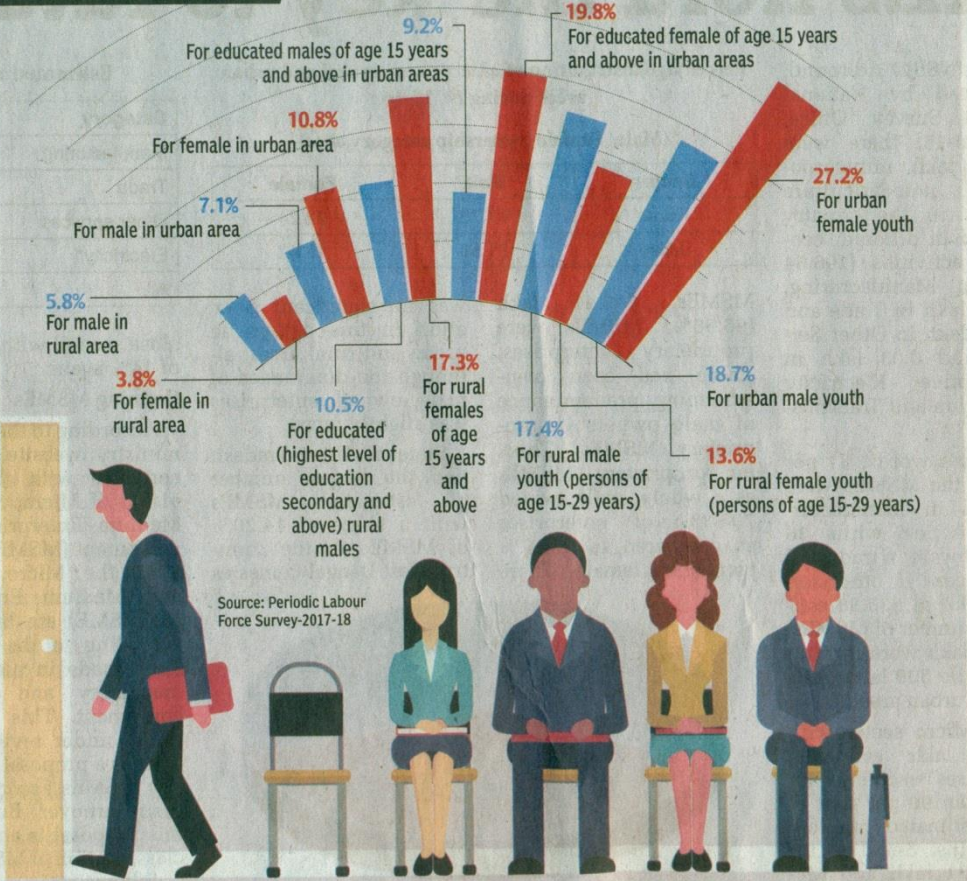
The Modi 2.0 government has one big challenge — jobs, and it is widely expected that the Budget is likely to provide some incentives for job creation. The Government has accorded high priority for the sector by creating a special Cabinet Committee on Employment and Skill Development. The Committee is headed by the Prime Minister and has as members Ministers-in-charge of Ministries handling labour-intensive sectors such as Textile, MSMEs, Tourism, Steel, Housing & Urban Affairs and Civil Aviation. The committee will work towards better synergy between job and skills, besides promoting job creation. The big issue is what can be done in this Budget for better job environment? Simplifying the process to set up Micro, Small and Medium Enterprises (MSMEs), cutting down

regulatory norms, focus on shifting workforce from unorganised to organised sector are some of the points that industry experts want to be addressed in this Budget. “We would want the government to come up a mechanism so that setting up of micro, small and medium enterprises (MSMEs) can be simplified. These industries should be provided some tax exemption,” said Pravin Agarwala, Co-founder CEO, BetterPlace.

Scope for growth
As lot of people migrate to bigger cities, benefits given to MSMEs will help in creating local livelihood. This will help in creating local jobs, he added. According to industry, there is growth in the job opportunities in sectors such as transportation, logistics, banking and financial services. However, construction is one area where there is less growth. Industry also expects the government to invest thoroughly in public-private partnership to create world class training institutes for skilling.

Currently, a majority of the Indian workforce is in the unorganised sector so there is also demand to make the sector more organised. “Lowering the regulatory norms can help in bringing more workforce into the organised sector. There is a 18 per cent GST on HR staffing so we would ex-

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people under organised staffing,” said Amit Vadera, Head, Staffing-BFSI and government, TeamLease. Industry experts said that jobs are not the problem in the country, the issue is with the wages. There are both quality and quant-

between available options and aspirations. India Inc feels that lowering the corporate tax will create more and more job opportunities. As of now, almost 99 per cent of companies filing returns have to pay

charge), but remaining one per cent contribute maximum of revenue. Now the expectation is that even if this one per cent is brought under 25 per cent tax bracket, they will be encouraged to invest more in both greenfield

Net payroll*

Age band (Years)	Sept '17-March '18	April '18-March '19	April 2019
< 18	41,622	95,076	11,585
18-21	9,60,776	23,42,998	2,56,436
22-25	5,59,017	17,71,707	2,66,901
26-28	50,252	5,78,756	1,33,345
29-35	30,280	7,64,746	1,91,741
35 >	-89,007	5,58,940	1,83,036