

Desregulating labour markets can potentially influence overall growth of formal employment. Do you agree. Comment

The government recently announced to create 1 million jobs in next 18 months across different ministries and departments. Desregulating the labour market can help growth of overall employment.

Desregulation - merits

Schemes such as Mukhya yojana, Stand up India, etc have helped in formalising the labour force.

There is a shift in workforce and employment pattern from agriculture to non-agriculture. The regular salaries in non-agriculture employment increased to \$31.5 million.

States that implemented labour reforms saw ~~increase~~ an increase in wages per plant, ~~and~~ increase in output per

plant and increase in number of workers.

During 2004-05 and 2018-19 the self employed persons decreased by 8.6 million and casual workers by 15 million and salaried workers increased by 50 million.

The recently enacted code on wages bill, code on social security, code on occupational safety can accelerate formalisation of labour force.

The fixed term employment can attract niche skills and help complete the stalled projects and savings on budget.

With high labour force participation rate, the demographic dividend can be reaped to sufficient extent and avoid stagnation.