

10th April 2024

BALCO TODAY

Celebrating the Value Champions

Recognizing Excellence
in Resource Utilization



CHAIRMAN CORNER



Anil Agarwal 
@AnilAgarwal_Ved

"For any government, employment creation and raising standards of living are more important than economic growth...(which) is a means to an end." Beautifully said by Government's Chief Economic Adviser. Vikas ko har naagrik mehsoos kare, yeh bahut zaroori hai.

He is rightly optimistic about job creation and says that manufacturing, particularly large scale units hold the key.

Hume scale ko embrace karna padega. Micro industry should become small, small should become medium and medium should become large. Aur jo already large hain, unhe global size ka banana hoga.

Issi tarah humara aarthik dhancha aur mazboot hoga, sab ko achhe jobs milenge aur sabki family ka lifestyle behtar hota jayega.

India has a great advantage with the best human resources in the world. Let us leverage that.

Has the growth of our economy translated into domestic jobs?

While the covid shock and other setbacks got in the way, data indicates that employment in India is on a firm recovery path



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Recently, two international organisations published their assessment of India's labour market and employment situation. The World Bank's *International Labour Report 2022*, focusing on youth employment. Shortly thereafter, the World Bank released its *South Asia Development Update (SADU)*, with a focus on jobs. These two reports attracted attention for the concerns more than confidence they expressed. One is reminded of the quote attributed to Nobel laureate Daniel Kahneman (he passed away recently): "The brain of humans and other animals contains a mechanism that is designed to give priority to bad news."

For any government, employment creation and raising living standards are more important goals than economic growth. Economic growth is a means to an end. It may not be a sufficient condition, but it is indeed a necessary one. In that respect, India has done a stellar job of restoring economic growth after the huge pandemic that hurt GDP growth and job creation. Has this growth recovery also translated dynamism to the engine of job-creation? The answer is yes. Before we go there, let us look at India's historical record in job creation. The ILO's *SIEM* database, with its 40-plus years of annual numbers, allows a data analysis. Over the 42 years between 1980-81 and 2021-22, non-farm employment in India grew at a compound average annual growth rate of 3.8%. If we split this into pre- and post-independence periods (1980-81 to 1999-00 and 2000-01 to 2021-22 respectively), the growth rates are 3.3% and 5.1% respectively. There is a slight decline in the growth rate in the new millennium, but it is not large.

As stated in its report, the concern of the World Bank is that the employment rates in South Asian economies, including India, has declined in the new millennium. The report defines it as follows: "The employment ratio is the ratio, in per cent, of total employment, to the working age population. The working age population is defined as the number of people aged 15-64 years."

When we try to replicate their work, we get interesting results. We calculate the employment ratio as the ratio of India's overall employment (sourced from ILO's *SIEM*) to the total population (55-64), taken from the World Bank database. Surprisingly, the ratio has declined by about six percentage points from 44.4% to 38.2% between 1999-00 and 2021-22. However, ILO's *SIEM* data is available only up to 2021-22. However, the story is different if we calculate the non-farm employment ratio. The non-farm employment ratio has increased by 7.6 percentage points. It has gone up from 27% to 34.6%. This is laudable.



The decline in the overall employment ratio is due to a decline in agricultural employment, which is normal for any developing economy as labour resources are reallocated from the primary to secondary and tertiary sectors. Agricultural employment has declined sharply in India in 2019-20 and 2020-21 due to reverse migration caused by the shock of the pandemic. It began to reverse in 2021-22. That written about it earlier (author's report) on these pages.

India's job-creation machinery is healthy and functioning. Investment in physical and digital infrastructure and the skilling of people have strengthened it, particularly in manufacturing. In 2021-22, manufacturing industries added 3.7 million jobs and our calculations show that the trend continued in 2022-23. According to the *EPW India Jobs Report*, the National Employability Test score for India's final year or pre-final year tertiary education students improved from 33.0 in 2014 to 54.1 in 2022.

Consequently, India's aggregate youth unemployment rate, which had declined from 35.1% in 2017-18, the first year of the Periodic Labour Force Survey (PLFS), to 28.0% in 2022-23, should fall further in the coming years. The unemployment rate for secondary to higher secondary education youth has fallen even faster, from 39.4% to 28.7% during the same period. Indian youth are taking to tertiary education in large numbers. Women and rural youth are doing this more than men and urban youth. As the data shows, they are seeing higher returns to higher education and more job opportunities.

The PLFS is released annually and covers the period from July to June. The ILO's report has acknowledged the quality of India's labour market indicators, including that of the PLFS, which ILO's A. Sharan Bhatnagar did well to point out in a recent article ([south-asia.com/insight](https://www.south-asia.com/insight)).

One more positive trend with respect to employment creation needs highlighting. The World Bank's *SADU* mentions: "Larger establishments show more agricultural services have been added and with significantly higher long-run non-agri-

cultural employment ratios." In this respect, India's Annual Survey of Industries is encouraging. Larger firms employing 100 or more workers have increased more than smaller firms employing less than 100 workers. Between 2014 and 2022, the share of factories with more than 500 workers rose by 4.4 percentage points to 20.8%. The total number of factories in 2021-22 was a little over 200,000.

Further, as of 2021-22, nearly 80% of the workforce in Indian factories registered under the Factories Act is employed in factories with more than 100 workers. The total number of such factories is little under 42,000, and the total number of workers employed by them is nearly 80 million, out of a total factory worker base of 133 million. Given this large base, it is even more heartening that the workforce in these factories grew at an annual rate of 4.0% between 2014 and 2022, compared to the annual growth rate of just 1.7% in the workforce of factories with less than 100 workers. This means more job generation and not less.

In recent times, manufacturing employment peaked in India in 2011-12 and troughed in 2016-17. The manufacturing sector was sluggish in creating jobs between 2012 and 2018 because the Indian corporate sector was dealing with bad debts and not investing. Although a gradual and tentative recovery in manufacturing employment began in 2017-18, it gathered momentum in the only post-covid. We expect it to accelerate in the coming years.

In short, the twin shocks of bad debts in the banking system and corporate de-leveraging followed by the big covid shock caused temporary but significant setbacks to the Indian labour market. But these are on the mend, and recovery in the jobs market has commenced, as borne out by data.

The focus now will be on the extensive skilling of Indian youth in massive numbers, enhancing labour productivity and creating more jobs with benefits and social protection. India is aware that there are miles to go and promises to keep to ensure that its demographic dividend accrues and can be reaped. The country is on the right track. These are the author's personal views.



Anil Agarwal
Chairman
Vedanta Limited

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Who's your Quirky Companion?

National Pet Day



On this special day, let's celebrate the exceptional bond we share with our pets.

Share their glamorous and quirky pictures along with their names, whether it's their official name or the unique nickname you lovingly call them - like 'Scooby' becoming 'Scooboo'!

Let's cherish and flaunt the amazing connections we have with our pets.

Hurry up and join in the fun!

Share your entries by

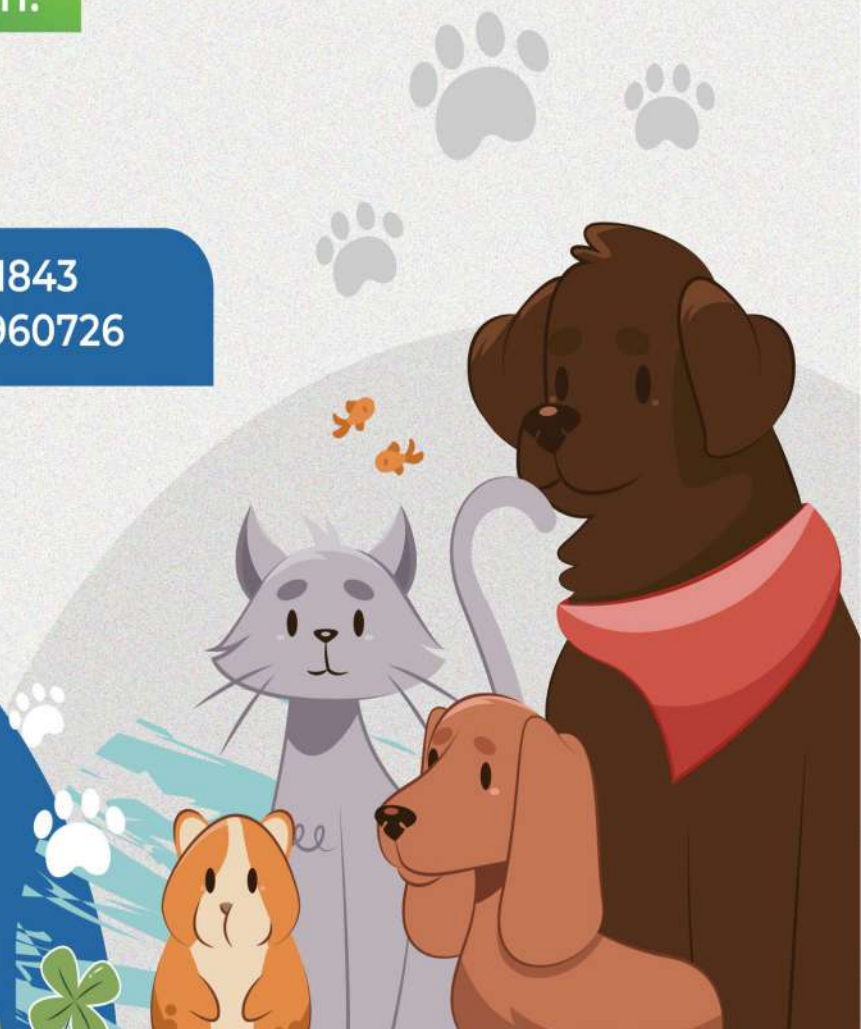
 **10th April, 2024**



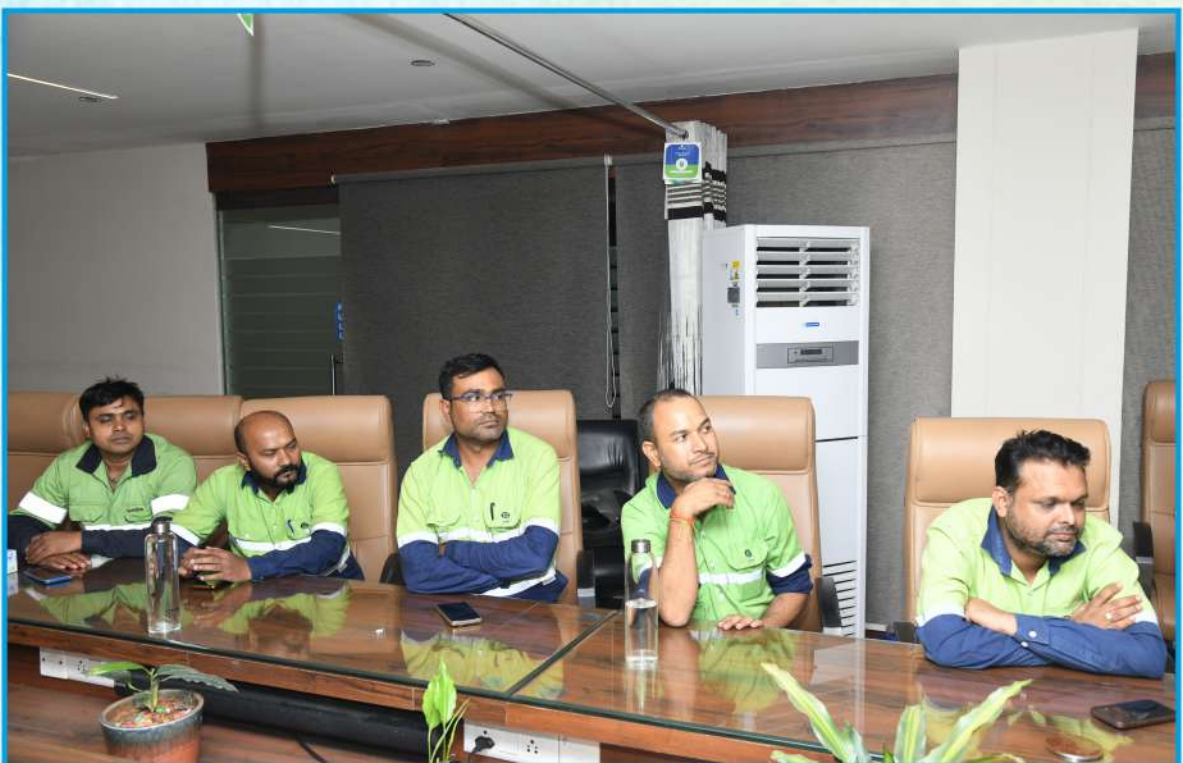
**Sraddhaa Mishra : 9711241843
or Shivani Pachori: 8830960726**

Did you know?

Interacting with pets can lower blood pressure, slow heart rate, regulate breathing, and relax tensed muscles!



To acknowledge the invaluable contributions, BALCO felicitated the value champions. These individuals were recognised for demonstrating exceptional acumen in identifying resources for the auction within their respective departments. From Central Planning and Infra to Carbon, Potline, Cast-House, and Rolled Products, outstanding achievers were recognised for collectively achieving the highest-ever value realisation from scrap and waste during Q4 of FY-24 within the metal business.























Team BALCO Today

Conveys Heartiest Greetings To

10th
APRIL
2024

Sumit Kumar Magre
Hemant Kumar Patel
Vinay Saraf
Suresh Kumar Sahu
Baijayanti Majhi
Krity Gautami
Debarshi Chattopadhyay

Pot Room
Rodding
Finance
Services
Commercial
Corporate Affairs
HSE

11th
APRIL
2024

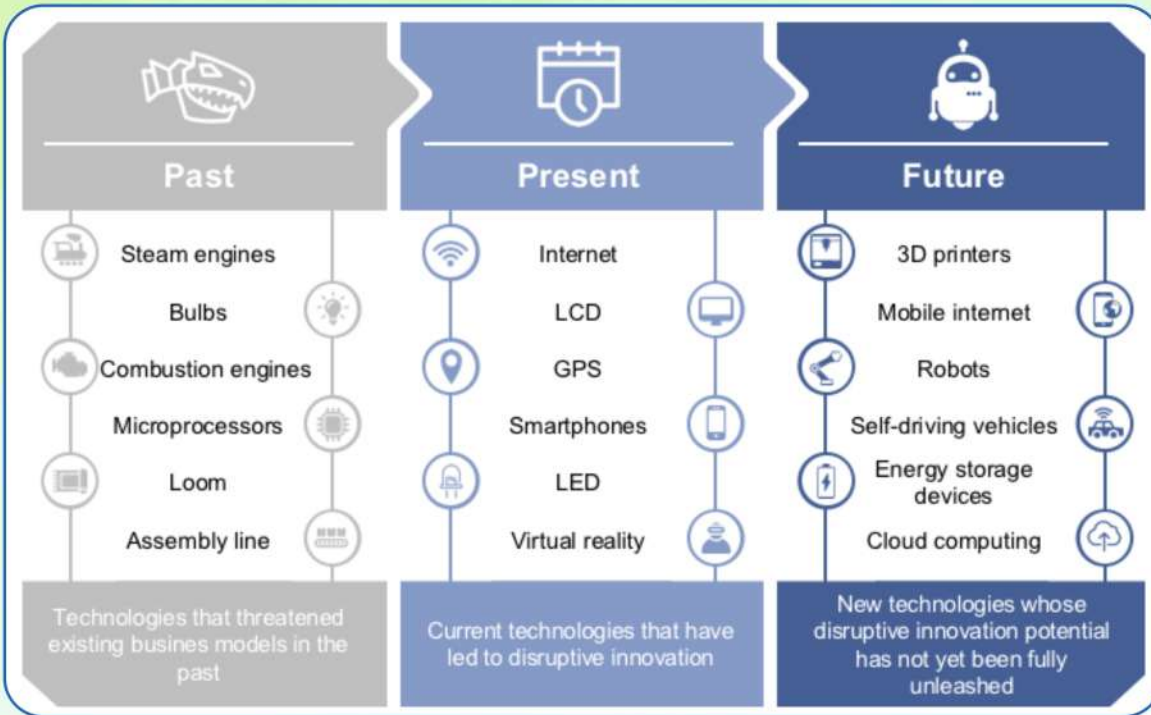
Shruti
Prakash Kumar Shrivastava
Jagendra Kumar
Niket Shrivastava
Asha
Kaushik Das

Project
Pot Room
Pot Room
Pot Room
Rectifier
Services

HAPPY
Birthday

TO YOU!





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Use tag **#Digit#** before mentioning the ideas

7 Benefits of DIGITALIZATION

1. Better user and customer experience
2. Increases management's decision speed and control
3. Connects isolated data systems
4. Prepares systems for transition to Big Data
5. Builds more agile and productive teams
6. Increases customer base
7. Generates higher revenue and profitability

BALCO CENTRALIZED

Security Operation Center



INCIDENT

Theft, Threat, Vandalism, Fraud, Malpractice, Wild Animal Attack



ISSUES

Traffic Jam, Card Not Working, Lack of Support at Entry Gates



VIOLATIONS

Unsafe Act, Unsafe Conditions, Traffic



SUSPICIOUS MOVEMENT

Person Behaving/Acting in Suspicious Manner



YOUR ABSENCE AT HOME

Away on Holidays for Few Days

We Are Manned 24x7 & Available At:

 **9179083488, 7759252655**

 **BALCO.SOC@Vedanta.co.in**

Sec_rity is incomplete Without "U"

DO SHARE YOUR

interesting pieces with us like

- ◆ Poem
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- ◆ Art content
- ◆ Own Articles
- ◆ Photograph with good captions
- ◆ Success / Inspirational stories
- ◆ Travel Story
- ◆ Balco Plant Events
- ◆ Achievements etc.

We will try to capture them in
BALCO TODAY

YOU CAN REACH OUT TO US -

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Shivani Pachori
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GET IN TOUCH

