

'Entrepreneurship can help generate 1 lakh jobs a year'

Sunil Kant Munjal, chairman of Hero Corporate Service and a keen investor in a host of startups, shares his views on demonetisation and India's job market with Himani Chandna.

Edited excerpts:

Do you see India meeting its target of 50 million jobs by 2020?

Creating 50 million jobs by 2020 will certainly be a challenge, given recent trends such as automation, artificial intelligence, and protectionism in developed countries. It will become more and more difficult to "ship out" manufacturing and IT jobs to low-cost destinations in emerging markets such as India.

India's job market is not very encouraging at the moment. How do you suggest we should keep ourselves hopeful?

India's quest to become a developed country in the next decade will throw up huge job opportunities across sectors, including labour-intensive segments such as low-cost housing, healthcare, hospitality, electricity generation, roads, ports, transportation and logistics. Besides, with PM's

vision to double farm incomes by 2022, value-added agriculture would also get a boost.

Thanks to GST and demonetisation, a large chunk of jobs in the informal sector will also shift to the organised sector — which of course, will bring its own set of challenges. For one, there will be a bigger premium on skill, knowledge and quality. So training, re-training and vocational role in India will need to go through a dramatic shift.

How can the government drive the growth better?

For higher job creation, there's a need to move away from policies that favour micro-enterprises — defined as businesses with investments of less than Rs 25 lakh, and between one and six employees. Typically, they do not drive job growth because they are neither

able to invest in capital equipment nor be competitively productive. Conditions must be created where micro enterprises are forced to scale up.

Skill gap is a matter of concern across sectors. What is the overall scenario in terms of skill supply, including in the auto sector?

Fast changing technologies and shorter product life cycles means that auto industry workers have to undergo constant skilling and up-skilling. A large chunk of the skilling challenge lies at the vendor's end; this is because for every job created at the original equipment manufacturer, eight more are added at the vendor's.

The reality is that many vendors are not located in metros, but in tier-2 and tier-3 cities which have a limited catchment area for relevant technical skills. An entire ecosystem is required for scaling up training initiatives and aligning suppliers to industry and global standards. And this takes time.

India urgently needs an institutional mechanism designed to enforce on-the-job training, in direct partnership with benefitting industries. For example, the apprentice system, which is prevalent in Germany could be selectively used and supported across all the auto hubs in the country.

We have taken baby strides in this area, but need to grow quickly.

You are also president of All India Management Association (AIMA). How do you plan to boost entrepreneurship and how many jobs do you think entrepreneurship can generate in a year?

AIMA is in the process of setting up an entrepreneurship development centre that will, hopefully, enable young men and women to create jobs instead of seeking jobs. This will be an umbrella organisation that will coordinate the entrepreneurship de-