

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4010

ANSWERED ON:19.12.2011

LOSS TO INDUSTRIES DUE TO MGNREGA

Mahendrasinh Shri Chauhan ;Rama Devi Smt. ;Rani Killi Krupa;Singh Shri Pradeep Kumar;Tudu Shri Laxman

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a): the steps taken by the Government to compensate industries that are suffering losses because of labour shortages due to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA);
- (b): whether the Government has formulated any plan/new industrial policy to promote the investment in the country for development of industrial infrastructure and healthcare industry;
- (c): if so, the details thereof alongwith the concessions proposed to be provided to the healthcare industry particularly medical equipment manufacturing companies; and
- (d): the details of provisions made by the Government to protect the domestic and traditional industries from multinational companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a): As per the 'FICCI Survey on Labour/Skill Shortage for Industry', 'Members of Indian Industry are facing a serious problem with regard to availability of labour' because of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The study, however was based on survey of only 100 companies. However, MNREGA Act provides for enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. While it is difficult to assess the short term impact of the MNREGA Act, in the long term it is expected to provide impetus to industries by generating the demand for industrial products.

(b)to(d): The Government in November, 2011 announced a National Manufacturing Policy, which aims at making Indian industry globally competitive. The ultimate objective of the policy is for enhancing the share of manufacturing in GDP to 25% within a decade and creating 100 million jobs. The policy seeks to empower rural youth imparting necessary skill sets to make them employable. The policy is based on the principle of overall industrial growth in partnership with the states. The Central Government will create the enabling policy framework, provide incentives for infrastructure development on a Public Private Partnership (PPP) basis through appropriate financing instruments and State Government will be encouraged to adopt the instrumentalities provided in the policy. The proposals in the policy are generally sector neutral, location neutral and technology neutral except incentivization of green technology. While the National Investment and Manufacturing Zones (NIMZs) are an important instrumentality, the proposals contained in the Policy apply to manufacturing industry throughout the country including wherever industry is able to organize itself into clusters and adopt a model of self-regulation as enunciated.