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Think Thread : Exodus of migrated labour on the corporate & Employment scenario

Views By : Mr. Chandrashekhar Chincholkar , Mr. Pradeep Andhare , Mr. Chandrashekhar Dixit, Mr. Ramesh Sangare , Mr. Sachin Polke , Mr. Shrikant Durge , Dr. Archana Nanoty

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## **Covid 19: Effects on various Industrial Sector & role of automation**

The think thread was started with an opening note that 35 to 50 % migrated labour who have returned to their villages due to COVID19 Lockdown , may not come back.. They will find their ways of livelihood earning at village level itself. Just few months back there was acute shortage of agriculture labour in the villages but today the picture is totally changed today. Farmers are getting ample agriculture labour today. Mr. Chincholkar quote that, few % of these may not return at all. On which Mr. Andhare replied that the villages are not affected much as compared to the cities and their routine is not affected that much. Our and majority of population stays in villages and economy of our Nation has greater impact from agriculture sector.

Mr. Ramesh Sangare believed that this was expected. But as and when things would begin taking U- turn, there would be tendency to return to urban areas for livelihoods, by at least 50 percent of workers. He further , added that this is also time to gear-up and modernise Agricultural sector, with renewed spirit of another Green Revolution. Our Agricultural Universities have not been contributing to applied agricultural science and technology. Most of the teachers have one agenda and that earning Ph.Ds. in some theoretical domain of agriculture and raising their position and getting fatter salaries. After Dr. Vishwanathan's greatest contribution, there is no significant achievement from Agr. Universities of late. AIARI is sleeping for a longtime. This is time to wake-up and learn from countries like Israel, who have turned sandy arid zones into greenery through sheer grit and great spirit of winning against all odds. This time is blessing in disguise!

**Exodus of labour from industrial towns will have big impact on industrial scenario**

Mr. Chincholkar who worked in Auto Components sector as Group Head Corporate strategy said that, the labor cost in Auto components is generally 6-7%. If extra facilities are to be provided to these laborers then the cost may go up for Industry. This may impact company profitability even in a scenario where demand May not be good . If there is no availability of manpower and production/manufacturing is getting severely affected, then definitely automation will be encouraged

### **Impact on Automobile Companies**

Mr. Pradeep Andhare pointed that, In most of the auto companies in core areas there are regular employees (Technicians) and are governed by time time settlement will not leave the company and most of them are from the nearby places. The non core area or ancillary is handled by outsourced employees who have migrated may leave. The companies will have to make serious efforts to hire in non core area which will impact for temporary period only . To acknowledge his views Mr. Shrikant Durge said that he thinks sale of automobile this year will plummet down and so really the auto companies and ancillaries will require people is a doubt. The year will go more in getting two square proper meal to most.

### **Impact on Mining Sector**

Mr. Sachin Polke viewed that, Mining Sector is completely labour intensive... in India at least! Most of the times contract labour is hired from villages and/or areas from nearby Mining sites..unfortunately with an unstable outlook and perspective on the mining industry from the Govt. makes it very difficult for the organisation to control its overheads.. Only a few company's in India can afford automation in mining at operations level and/or Back office management level...but again the regulatory infrastructure in india is heavily reliant on human and physical interface which in turn has an adverse impact on the company's efficiency, overheads, planning and budgeting!

### **Impact on discretionary buying**

Mr. Durge further added that discretionary buying will be delayed and Ola Uber as if people will avoid sitting and so those cars will come in market to sell so as if seconds market was doing good it will still do better Mr. Andhare agreed to him by saying that as on today total inventory of passenger cars is 3 Lakhs units and how it can be sold is a challenge post covid -19. All discretionary spending like Vehicle / Travel / high value clothing / Cinema / Hotels will get limited at least for 9-12

months Health / Sanitation related expenditure will go up Main is housing till builders do not bring prices down by atleast 30% it's a lockdown business

**Automation may grow like anything . What role will it play ?**

Make in India at one point of time there were large application with Automation which can reduce labour cost. This was not given permission by Govt due to too much mechanization and not much employment generation. Most of the Large Auto Components manufacturing companies are already 70-75% mechanized but still require good labor force. Tesla is a fully automated Automobile industry Mechanization / Automation is basic issue in India from employment perspective. I feel ( I may be wrong ) this was the biggest issue in Make in India

Dr Archana Nanoty said Necessity is the mother of Innovation There is always an opportunity hidden in every difficulty. Mr. Chandrashekhar Dixit added that Labor v/s automation has been doing rounds since WWII and even socialist republic nations... training and skill development should be an integral part of any corporate house and employee relation is very important as when new industrial units come up at remote places ( place selection based on local costs and tax incentives) housing colony and associated infrastructure is key to getting proper and adequately skilled manpower