

## Worker housing is the key to unlocking India's manufacturing ambitions

Indian Express

Paper - III  
(Economy)

The importance of providing housing for factory workers is being stressed by many economists to boost India's manufacturing sector in line with global examples. The logic behind this is that accommodating workers closer to factories can improve productivity, reduce costs and increase worker welfare, thereby helping in achieving India's economic goals.

### What is the status of India's manufacturing sector?

- ❖ India aims to grow its economy to \$10 trillion by 2035.
- ❖ It plans to increase manufacturing's share of GDP from 15% to 25%.
- ❖ This goal requires a four-fold growth in manufacturing.

### How are states contributing?

- ❖ **Attracting Large Manufacturers:** States are inviting big companies like Foxconn, Micron, and Tata to set up factories.
- ❖ **Developing Industry Hubs:** Sriperumbudur is emerging as an assembly and packaging hub, while Hosur is becoming an Electric Vehicle hub.
- ❖ **State-Level Initiatives:** States are providing incentives and facilities to make it easier for manufacturers to operate and expand.

### What is the role of workers in this growth?

- ❖ **Crucial to Productivity:** Workers are essential for achieving the desired increase in manufacturing productivity.
- ❖ **Empowerment Needed:** Better living conditions and empowerment are necessary to maximize their contribution.
- ❖ **Economic Impact:** Improved worker conditions lead to higher productivity and reduced attrition, aiding economic growth.

### What are the current challenges faced by workers?

- ❖ **Long Commutes:** Many factory workers travel about two hours each way, as seen in Bengaluru, costing over Rs 5,000 per worker per month and leading to exhaustion.
- ❖ **Ad Hoc Accommodation:** Workers live in inadequate housing, often far from factories, affecting their productivity and well-being.
- ❖ **Neglect of Worker Empowerment:** While capital and land receive attention, worker needs are often overlooked, despite their crucial role in manufacturing.

