

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.

 Housing Infrastructure: India's factories lack integrated worker housing, unlike China's Foxconn with dormitories for 300,000 workers.

# What lessons can be learned from other countries?

- China's In Situ Housing: China has integrated worker housing within factory complexes, like Foxconn in Guangzhou, which houses 300,000 workers, enhancing productivity and reducing commute times.
- **Korean Model:** Korea's stringent labor laws and worker-friendly policies offer a more suitable parallel for India, balancing worker rights with industrial growth.
- Historical Examples in India: Post-Independence, Bhilai and Tata Steel Jamshedpur integrated worker housing into their industrial setups, showing the importance of community in large-scale manufacturing.

## What should be done?

- Land Allocation: Industrial land should include worker housing. This requires state-level regulation changes and flexibility in operating arrangements.
- Government Support: The Union government should offer tax incentives and fiscal support for worker housing. Collaborative financing through the National Investment and Infrastructure Fund (NIIF) can further aid this.
- Private Sector Involvement: Companies must lead in creating top-notch accommodations, reducing transportation costs, and enhancing training and productivity.

## **Expected Question for Prelims**

**Que.** Consider the following statements with reference to worker housing integration within factory premises-

- 1. Worker housing is integrated within factory complexes in China.
- 2. There is no example of worker housing integration within factory premises in India.

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### Which of the statements given above is/are correct?

(a)	Only 1	(b) Only 2
(c)	Both 1 and 2	(d) Neither 1 nor 2

Answer : A

#### **Mains Expected Question & Format**

Que.: How the integration of worker housing near factories can impact India's manufacturing sector's productivity, worker well-being, and overall economic growth? Discuss.

### Answer's Approach:

- In the first part of the answer, discuss the integration of worker housing near factories as a concept.
- In the second part, discuss what impact it will have on the productivity of India's manufacturing sector, worker welfare and overall economic growth.
- Finally give a conclusion giving suggestions.

**Note:** - The question of the main examination given for practice is designed keeping in mind the upcoming UPSC mains examination. Therefore, to get an answer to this question, you can take the help of this source as well as other sources related to this topic.

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