

Good and Better Jobs in India Inclusive Finance for Workers' Welfare Grow Jobs–II Project Advisory Committee Meeting January 28, 2022

Draft Synthesis Report

Introduction

Indian economy across its manufacturing and service sector is encountered with a dual problem of unemployment and lack of decent jobs. This problem is supplemented by the increased use of labour replacing technology and changing patterns of domestic and global trade. Among other factors, it has led to the rise in inequality and has posed an extraordinary challenge before the Indian society in generating decent jobs for its masses.

In this context, CUTS International, with the support of Ford Foundation India in December 2021, has initiated a project on “Good and Better Jobs in India Inclusive Finance for Workers' Welfare; **Grow Jobs–II.**” Under this project, CUTS is exploring the relationship between investments and workers' welfare. Though the overall investment in productive sectors in India is rising, the distribution of the gains is skewed. The connect between investment and human capital, that is, workers' welfare and skills development is in the shadows. Is ‘worker's welfare’ an important determinant of investment decisions?

This may be due to the opacity in financial value-chains resulting in complexities in the efficiency of investments and its linkage with workers' welfare and skills development. Considering this as one of the tipping points in labour sector reforms it is necessary to investigate if investments while resulting in profits, can lead to better wages, working conditions, and skills development. In short, this initiative aims to identify alternate, inclusive and sustainable models of economic growth wherein profits and workers' welfare can be concurrently pursued.

In furtherance of this project, the first round of the Project Advisory Committee (PAC) Meeting was convened on January 28, 2022. The meeting was attended by PAC members

who are experts from academia, policy, investment, practice and are closely engaged with the subject of workers, investment, and jobs. The purpose of the meeting was to discuss and seek inputs from the Committee members on the Research Methodology and identify sectors for research.

This report synthesises the major themes covered in the discussion and details the way forward along with it. The list of participants is annexed to the report.

1. Major themes of discussion

1.1 Nexus of Gig economy and Construction sector with Migration

The present COVID-19 pandemic has brought to the fore, the existence of migrant workers across different sectors. It has also revealed their low incomes and exclusion from social security entitlements. It is believed that the construction sector and gig economy accommodate a substantial population of migrants especially in Tier 1 and Tier 2 cities. Therefore, it is relevant to focus research inquiry on the nature, tenure, frequency, and other attributes of migration and its relation with the construction sector and gig economy. It is also necessary to document the motivations of the workers who migrate to join these sectors.

1.2 Analysis of the nature and quality of jobs

The growing use of Industry 4.0 technologies is creating entirely new industries, enabling new business models, and changing the nature of work itself. These technologies are projected to create a variety of new jobs, which form part of the economy. These jobs though classified under the category of self-employed jobs exercise full control over the employees, thereby fulfilling the most primary condition of a regular job. These jobs are part of an informal setup where the employer is not bound to ensure social security and suitable working conditions for the employees.

Therefore, the research inquiry in the Gig economy should focus on analysing these jobs under the framework of Good & Better Jobs, especially in terms of its potential to provide a platform for economic mobility. There have been studies showing optimism towards the gig economy in the developed world. However, some caution should be exercised in relying on these studies as they might not hold true in the context of the global South.

Similarly, there is data to show the construction sector as the largest employer after agriculture but that does not reflect on the quality and nature of jobs. Therefore, the research inquiry in the construction sector should focus on ascertaining the nature and quality of jobs. The data available in the Periodic Labour Force Survey (PLFS) can be used to understand the macro picture of the Jobs ecosystem. Also, due to the vast nature

of the construction sector, efforts should be made to identify focus areas for the purpose of research. Furthermore, research inquiry on gender dimension within gig economy and construction sector is crucial to understand several factors including their potential to facilitate inclusive development, the structure of their jobs ecosystem, wage disparity or any other form of discrimination, if exists.

1.3 Relationship between economic upgrading in an enterprise and social upgrading of workers

Labour-intensive industries have traditionally been positioned at the vanguard of job creation. However, many of these industries, especially those involving low-skill, repetitive tasks are now at the risk of being automated. Automation being a double-edged sword has the potential to change the nature of work and therefore, employment intensity in for example the food processing enterprises.

In this context, it is pertinent to observe the impact of economic upgrading across various processes in a food processing enterprise on the jobs and well-being of workers. It is to be noted that labour is the only input that is itself shaped and enhanced in the process of production; it is, thus, the only asset that appreciates over time. Therefore, even in the face of technological advancement, there is a vital need for employers to invest in workers and proactively train them for the jobs of the future. The idea is to create a more holistic model of approach to achieve the developmental goals through the project.

1.4 Importance of knowing quality and quantity of Jobs

The firms/enterprises differ from each other on a variety of factors including production capacity, productivity, employment intensity and nature of incorporation. It is imperative to ascertain the change in the status of the parameters of Good & Better Jobs across such characteristics. The characterisation of good and better jobs in a way to understand the importance in differentiating in the quality and quantity of Jobs.

The number of jobs would mean the sectors employing the highest number of workforce. While determining the quality of jobs, it is pertinent to realise the number of jobs moving from the organised sector to the unorganised sector. It has been identified that industries are not willing to pay higher prices for the skills of workers. Skilling should become a choice in our system. It should further reduce the gap drawn by wage issues. The employers' willingness to pay less has been increasing with time. Even with the best practices of skill development in the job, the employers should be willing to pay extra for the skill acquired and worked upon.

Further, special focus should be on the Production Linked incentive schemes (PLI) across 13 key sectors, to create national manufacturing champions and generate employment opportunities for the country's youth.

1.5 Identifying critical components in the Value chain of sectors

The existing discourse on the criticality of components in the value chain is mainly focused on the capital-intensive infrastructure. It is evident in the concentration of the policy focus in promoting and facilitating such infrastructure. However, there is not enough focus on the other components, which are crucial for generating Good and Better Jobs. Given its labour-intensive nature, the criticality of components in the identified sectors should be rationalised in terms of its potential job intensity, particularly its potential of generating Good & Better Jobs.

Good jobs are defined as those, which provide adequate incomes. Better jobs are those that enable workers to enhance their capabilities and negotiate better terms of employment, as well as provide protection from social and economic risks. The selection of any component for research inquiry should necessarily result in informing the existing status and potential of these parameters of Good & Better Jobs. Furthermore, it is crucial to create a counter-narrative against the existing discourse, which has not particularly focused on jobs and their quality index but to understand the investment for workers' welfare.

Don't map what has happened today; map what will happen in the future. You don't need to incentivise companies, it is for companies to understand that it is their bread and butter to invest in their workforce; otherwise, they will become obsolete. Hence it is important to see workers as Investments rather than a burden. The idea is to incorporate both the service and manufacturing sectors, and could investors enforce and dictate worker welfare, especially towards upskilling and reskilling to match with the future requirements.

2. The way forward

In furtherance of the project, CUTS will undertake desk-based research and fieldwork as well as several rounds of targeted communication and outreach, in pursuit of the larger goal of “Good and Better Jobs in India Inclusive Finance for Workers’ Welfare, Grow Jobs–II.” Drawing from the discussion, there are directions that can be identified for subsequent research and outreach activities. Key directions or next steps are listed below.

2.1 Identifying sectors and cities where simultaneous field inquiry can be undertaken

The focus should be to walk with the emerging technologies and identify sectors that are not just labour intensive but also the future of Jobs. Some key recommendations were gig workers, construction, solar and wind energy, handicrafts, along with the other sectors mapped out during the course of a preliminary study in the project.

2.2 Include gender and migration in the framework of research for the upcoming fieldwork

Exploring the gender and migration dimension in the upcoming research will provide us with a comprehensive picture of the jobs ecosystem and its related systems.

2.3 Explore perspectives of workers through a first-hand account using a bottom-up approach rather than a top-down approach

The research inquiry will focus on the perceptions of enterprises and workers and create its linkages with the industry and macro-economic discourse. Thus, the aim will be to study enterprises in an inside-out manner and accumulate the experiences of stakeholders, through a bottom-up approach, for informing the discourse on Good and Better Jobs.

Annexure: List of Participants

S.No	Name	Designation and organisation
Project Advisory Committee (PAC) members		
1	Nitin Desai, Chair	Indian economist and international civil servant
2	Akriti Bhatia	Paigam Network
3	Reema Nanavaty	Director at SEWA (Self-Employed Women's Association of India)
4	Shubhashis Gangopadhyay	Research Director, Indian Development Foundation
5	Sudipto Mundle	Chairman, Centre for Development Studies India
6	Ketan Deshpande	Fuel Alumni
7	Rituparna Chakraborty	Co-Founder and Executive Vice President, TeamLease Services Ltd.
8	Samar Verma	Program Officer, The Ford Foundation New Delhi
9	Radhicka Kapoor	Fellow Indian Council, Research on International Economic Relations
10	Abhishek Kumar	Founding Partner, of Indicc Associates
11	Ashwin Parulkar	Senior Research Specialist, HELP US, New York City
12	Anhad Imaan	Former Lead consultant (Communication and Advocacy), Aajeevika Bureau, Udaipur
13	Gopinath Parakuni	Secretary General, CIVIDEP
14	Rijit Sen Gupta	CEO, Centre for Responsible Business
15	Ms. Mythili Bhusnurmath	Senior Advisor, at NCAER -National Council for applied Economic Research
16	Nishith Desai	Nishith Desai and Associates
17	Neha Kumar	Climate Bonds Initiative (India Programme manager)
18	Gaurav Dalmia	Chairperson, Landmark Holdings
19	Raju V. Kanoria	Chairman and Managing Director, Kanoria Chemical & Industries Ltd, and former President, FICCI
20	Vrijesh Upadhyay	Director General, Dattopant Thengadi Foundation
21	Uday Varma	Retd. Secretary, Ministry of Information and Broadcasting (MIB)

S.No	Name	Designation and organisation
22	Lalit K. Panwar, IAS (Retd.)	Chairperson and Chancellor, Vivekananda Global University
CUTS International Members		
23	Pradeep S.Mehta	Secretary General, CUTS International Jaipur, Rajasthan
24	Bipul Chatterjee	Executive Director, CUTS International Jaipur, Rajasthan
25	Rajesh Jain	Deputy Executive Director, CUTS International Jaipur, Rajasthan
26	Amol Kulkarni	Director (Research), CUTS International Jaipur, Rajasthan
27	Tanya Goyal	Senior Research Associate, CUTS International Jaipur, Rajasthan
Absent PAC members		
1	Dr. Jayshri Shridhar Patil	TeamLease Services Ltd.
2	Ved Prakash Goyal	State head for Rajasthan Skills for IL&FS
3	Pankaj Anand	Director - Programme & Advocacy - Oxfam
4	RCM Reddy	CEO of Schoolnet India Ltd