

We welcome you to the 11th edition of our quarterly dossier on the "FUTURE OF JOBS IN INDIA". The dossier presents a careful selection of news, op-eds and reports on key developments in the jobs space.

In this quarter, the Indian economy has faced a double whammy of economic slowdown and a global pandemic. This has had a major impact on jobs, especially in the informal sector. With unemployment on the rise and labour productivity on the decline, there is an emerging discourse on the need for skill development amongst the informal workforce to provide them with better and more sustainable employment opportunities. However, when it comes to enterprise productivity the focus should not merely be on labour reforms but also on additional non-labour factors including raw materials and transaction costs.

In the context of informal sector enterprises, there is an effort by the government to formalise them. Albeit, it is essential to evaluate the positive and negative impacts it will have on the informal sector before such a move is launched. The need of the hour is to focus on providing adequate support to the sector and promoting cluster development to facilitate growth. The plight of the informal sector becomes more significant in the light of the current COVID-19 pandemic. This tragedy has plagued the world over the majority of this quarter, leading to drastic supply and demand-side distortions. Consequently, the informal sector is left in an abyss of uncertainty.

The 11th edition of the Dossier presents an overview of the job scenario in India, especially in the informal sector, in the context of the major challenges being faced by the economy in this quarter.



I. The Big Picture

1. The Learning Crisis Underlying our Unemployment Challenge

Sudipto Mundle | *Livemint* | January 16, 2020



Source: *New Indian Express*

Does India's workforce possess the requisite basic education for acquiring job skills? Recent studies have established a link between early life education through the *Anganwadis* and employment outcomes.

The studies shed light on how the unemployment situation can be improved through the provision of basic education with the help of the well-developed network of grassroots institutions.

A rising unemployment rate and declining opportunities for work in the informal sector has revealed an urgent need for skill based training of the labour force. The focus, as the author points out, should be on securing the foundation by strengthening basic education in their mother tongue to tackle learning deficit and help in skill building for productive employment.

www.livemint.com/opinion/online-views/the-learning-crisis-underlying-our-unemployment-challenge-11579190562285.html

2. Listening to the Call of the Informal

Arun Maira | *The Hindu* | February 07, 2020



Source: *IndiaMART*

This article argues that the government's initiatives to bring informal sector into the realm of formal may stifle its growth, based on research by the National Bureau of Economic Research and International Labour Organisation.

While formalisation may improve ease of doing business with the informal enterprises, from the financial point of view the costs to the enterprises will be higher than the benefits.

From the supply chain point of view, formalisation also acts as a demerit as multinationals look for lower cost supply which is taken care of by the informal sector. Thus, the thrust should be on reorientation of policies for the benefit of the sector.

www.thehindu.com/opinion/lead/listening-to-the-call-of-the-informal/article30755107.ece?utm_source=email&utm_medium=Email&utm_campaign=Newsletter

3. Industry in a Bind Over Local Job Rules

CR Sukumar and Bharani Vaitheesvaran | ETtech
| February 12, 2020



Source: Times of India

A proposed directive by the state governments of Karnataka and Andhra Pradesh to favour locals over migrant labour in the skilled worker category has serious implications for the manufacturing plants located there. It will require a restructuring of their hiring strategy.

In Andhra Pradesh, this regulation has already been in place for unskilled and semi-skilled workers, while for Karnataka it is being introduced to make prioritisation of Kannadigas binding.

Maharashtra and Madhya Pradesh have also implemented similar regulations. However, according to the industry leaders this move would involve costs. It could also be seen as a sign of regulatory inconsistency and shy away potential investors.

<https://tech.economictimes.indiatimes.com/news/corporate/industry-in-a-bind-over-local-job-rules/74091627>

4. Labour Laws are Not the Only Villain Hampering Growth as they are Made Out to be

Arun Maira and Pradeep S Mehta | The Economic Times | February 22, 2020

LABOUR LAWS



Source: Economyria

The article argues that the Economic Survey 2019-20 focuses on the flexibility of labour laws as a key factor affecting entrepreneurial activity while ignoring other important factors such as labour skills, economies of agglomeration and ease of doing business.

The authors compare three different studies on labour reforms from Rajasthan to build on their argument. The three iterate that enterprises' productivity is significantly dependent on several non-labour factors including raw material, power, financial and administrative costs, as well as labour skills and wage costs.

Compared to these factors, the impact of labour reforms is not as significant. However, the need of the hour is for effective administration of regulations for making it a more conducive business environment.

https://economictimes.indiatimes.com/news/economy/policy/view-labour-laws-are-not-the-only-villain-hampering-growth-as-they-are-made-out-to-be/articleshow/74249300.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

II. Sector Specific Stories

5. How Online Shopping Boom Has Created a New Sector of Employment

Shelley Singh | *The Economic Times* | January 05, 2020



Source: Entrackr

As we turn to apps and websites for addressing our shopping needs, there is a rising importance of ensuring speedy and on-time delivery by platforms.

The article highlights how the e-commerce sector is welcoming a delivery boom and opening up more employment opportunities in the lower rungs of the job pyramid.

The delivery segment, which requires limited job-related skills, is hiring and training semi-skilled and unskilled workers as well as providing the youth with part time earning opportunities. According to the author, this will also result in a gradual shift from blue-collar to white-collar and hence offer additional job benefits for the workers!

https://m.economictimes.com/jobs/how-the-online-shopping-boom-has-created-a-new-sector-of-employment/articleshow/73102077.cms?utm_source

6. Ola Rejigs Commissions to Retain Drivers

Aditi Shrivastava and Alnoor Peermohamed | *ETtech* | January 07, 2020



Source: TechStory

A key player in the ride-hailing segment, Ola, has decided to forego the incentive-based model and move towards standardised driver commissions.

The reason for this shift is an attempt to revive its fleet by providing drivers with more predictability in their earnings while at the same time saving costs for the company.

However, the article reflects that this could be affected by uncertainty regarding regulations in this sector that are looking to cap incentives.

<https://tech.economictimes.indiatimes.com/news/internet/ola-standardising-commissions-looks-to-attract-more-drivers/73113547>

7. Taking Tech to Shrimp Farmers

Dia Rekhi | ETtech | January 24, 2020



Source: The Asian Age

The shrimp supply chain is using tech and data-based solutions for addressing the productivity challenges in aquaculture.

The solutions can address a plethora of issues including estimation of shrimp volume and their appetite for the effective administration of feed, measurement of pH of the water to make the environment conducive for the shrimps, prediction of disease, optimisation of water quality and Feed Conversion Ratio.

The focus is on using data and artificial intelligence for improving yield, efficiency and economic gains in the supply chain.

<https://tech.economictimes.indiatimes.com/news/technology/taking-tech-to-shrimp-farmers/73559713>

8. Travel Industry Among Hardest Hit by Coronavirus Lockdown

Forum Gandhi | The Hindu Business Line | March 25, 2020



Source: The Hindu BusinessLine

With travel coming to a standstill and tourist sites across the country being shut amidst nationwide lockdowns, the tourism and hospitality industry is bracing itself for crippling losses.

The sector, as the article points out, is already suffering due to the economic slowdown of 2019 and geopolitical issues.

The blow received by the COVID-19 crisis will take at least 8-10 months to recover from and lead to large-scale layoffs and closure of businesses. The impact is feared to be greatest on the unskilled, informal workforce who support the industry.

www.thehindubusinessline.com/economy/travel-industry-hit-hard-by-the-coronavirus-clampdown/article31149014.ece

III. The Economy under COVID-19

9. Coronavirus May Have Long-Lasting Impact on Inter-State Migration

Dinesh Narayanan | *The Economic Times* |
March 23, 2020



Source: South China Morning Post

As crisis strikes across the country in the wake of the COVID-19 pandemic, the Indian economy is regressing from a scarce-jobs to a no-jobs scenario, and the unskilled and semi-skilled workers are bearing the brunt.

Remittances are expected to fall by 10-20 percent as the migrant labour return home amidst the uncertainty of work.

The chances of work in their home destination, under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) seems bleak. The crisis is expected to have a severe behavioural impact on the migrant workforce.

<https://economictimes.indiatimes.com/news/politics-and-nation/coronavirus-may-have-long-lasting-impact-on-inter-state-migration/articleshow/74768291.cms>

10. Where is India's Manufacturing Sector Heading amid the Coronavirus Crisis?

Palak Agarwal | *YourStory* | March 24, 2020



Source: YourStory

The manufacturing sector contributes approximately 15 percent to India's GDP and has yet not witnessed much slowdown. It is one of the sectors that has been hit hardest by the global coronavirus pandemic.

Heavy dependency on imports from China for raw materials has shaken up the industry. Its exports are taking a hit in the form of cancelled orders under the force majeure clause.

A fall in demand in the wake of the crisis is also likely to impact the industry in the short term. The only ray of hope for many manufacturers is e-commerce.

<https://yourstory.com/smbstory/coronavirus-covid-19-indian-exports-imports-manufacturing-sector>

11. As Migrants Trudge Out of India's Cities, the Stark Realities of Migration Stand Exposed

Aditya Srinivasan | *The Wire* | March 30, 2020



Source: Press Trust of India

The mass homeward transit of migrant labour in the wake of the COVID-19 pandemic fostered the 21-day lockdown highlights the stark realities of migration in India.

First and foremost, it reflects the immensity of migrant presence and dependence in different aspects of city life. Secondly, it highlights the lack of policy initiatives addressing the specific needs of this section of the workforce.

Lastly, and most importantly it exposes the key reality of migration, the difference between the familiarity of home and insecurity of the workplace. The migrant workers, are risking their lives and health to get back to their homes, reflecting the gaps in working conditions and social security in their workspaces as well as a long term alienation from their families.

<https://thewire.in/labour/as-migrants-trudge-out-of-indias-cities-the-stark-realities-of-migration-stand-exposed>

12. It is Time for States to Step Up and Provide the Much-Needed COVID Relief

Arvind Mayaram | *The Economic Times* | March 31, 2020



Source: The Economic Times

The article calls for state-driven relief and rehabilitation measures for the widespread impacts of COVID-19 on the Indian economy.

While the Ministry of Finance and Reserve Bank of India (RBI) have announced schemes and measures for providing economic relief, the real challenge is to keep the crisis-stricken economy afloat amidst an economic slowdown and a nationwide lockdown.

In such a situation, the author recommends that the Government of India must provide States with adequate monetary grants, rework borrowing limits, reset fiscal deficit targets and direct the RBI to provide zero interest ways and means advance to the states

https://economictimes.indiatimes.com/news/economy/policy/view-it-is-time-for-states-to-step-up-and-provide-the-much-needed-covid-relief/articleshow/74901809.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cpst

You can find links to previous editions of the dossier below:

https://docs.google.com/forms/d/e/1FAIpQLSfaGrdXSf7V-CpXrA5qoBw40S_LCUzy_4HuM_aBq7sGMIDnXA/viewform?vc=0&c=0&w=1



D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, India.

Ph: +91.141.228 2821, Fax: +91.141.228 2485, E-mail: cuts@cuts.org,

Web: www.cuts-international.org

Also at Delhi, Calcutta and Chittorgarh (India); Lusaka (Zambia); Nairobi (Kenya); Accra (Ghana); Hanoi (Vietnam); Geneva (Switzerland); and Washington DC (USA).