

We welcome you to the 15th 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 employment segment of the Indian economy.

Until now, 2021 has been marred by uncertainty, with the Indian health system still struggling to tackle the ongoing pandemic, MSMEs reluctant to restart their business, government struggling to implement labour welfare policies and workers encountering a dilemma to choose between the potential harm to their lives or livelihoods.

As we move ahead in this year, it is thus imperative to reflect on all that is coming our way, which will potentially affect the Indian as well as the global community. The first quarter of 2021 has witnessed some new occurrences, including a parallel rise in the economic activity & COVID-19 cases, the reluctance of a substantial portion of the workforce to migrate to their workplace, violation of labour rights, and uncertainty in pandemic-related policy decisions. All these events significantly impact the Indian economy, in general, and the employment space, in particular. The same is evident from the revamped discourse around structural issues of the Indian economy, employment, nature & quality of jobs, and state's responsibility towards welfare of its people. In other news, the government's move to push for privatisation of few public sector undertakings has generated a debate on the private sector's role and relevance in India's development.

The 15th edition of this quarterly dossier captures significant opinions on the impact of the COVID-19 pandemic on labour and observations on the structural issues of the Indian economy.



## Labour rights & their manifestations

### 1. Labour Rights have Worsened Post-Lockdown

Aaditweshwar Seth | *Indian Development Review* | February 02



The media reported that companies sent chartered buses and paid for flight tickets to bring their workers back when the lockdown was eased. It briefly seemed that workers would finally be in a valued position now that companies were honouring their worth. However, increasingly, workers have reported that the opposite is happening, with exploitation and inequality getting institutionalised. <https://tinyurl.com/jtra92ps>

### 2. Indian Workers Work Long, Earn Less

Rukmini S | *The Mint* | February 22, 2021



Indians are among the most overworked workers globally. Gambia, Mongolia, Maldives, and Qatar are the only countries where an average worker works longer than an Indian worker, data from the International Labour Organisation (ILO) shows. With a 48-hour working week, India ranks fifth among all countries for which ILO estimates actual mean working hours.

Despite their long hours, Indian workers are not making much money. India had the lowest statutory minimum wage of any country in the Asia Pacific region, except for Bangladesh as of 2019. India's minimum wages are among the lowest in the world, except for some sub-Saharan African nations, according to the 2020-21 ILO Global Wage Report.

<https://tinyurl.com/235z5739>

### 3. Time to Dump Neo-Classical Bogey on Base Wages

Ajit Ranade | *The Mint* | March 22, 2021



What if we change the discourse from job reservations to minimum wage legislation? Will that not have a more significant and decisive impact on workers' well-being, especially in the lower skill band and their employment situation? The need to create large-scale, sustained employment is a national priority and not just for individual states. How much minimum wage should be raised is a matter of empirics. It has to be large enough to make a material difference to workers but small enough to keep demand inelastic.

<https://tinyurl.com/5ajvsjdn>

### 4. One Year Since Lockdown 1.0

Aanchal Magazine | Pranav Mukul, Anil Sasi | *The Indian Express* | March 25, 2021



With each passing year, fewer women were seeking work or falling out of the workforce. From 16.4 percent in May-August 2016, the female labour participation rate fell consistently after the demonetisation shock to stabilise at around 11 percent between mid-2018 and early 2020, according to estimates of Mumbai-based Centre for Monitoring Indian Economy. The pandemic, further gave it a hammer blow, pushing this number to around 9 percent. <https://tinyurl.com/nsruzxb3>

## Employment & Labour

### 5. Jobless Growth: The Pandemic Has Revealed India's Crisis of Unemployment

Himanshu | *The Indian Express* | March 29, 2021



The present level of unemployment in India is not just a symptom of the "jobless" economic growth model followed in the last two decades. It is also a recipe for political and social instability. The pandemic and the subsequent crisis in the employment-unemployment situation have only highlighted the labour market's fragile situation. The real crisis of unemployment and jobless growth is a more significant pandemic that is unlikely to be resolved with the current economic growth model that prioritises capital over labour.

<https://tinyurl.com/3kjbw3zj>

### 6. Rethinking Policies to Generate Jobs

Arun Maira | *The Hindu Business Line* | February 22, 2021

With its large size and diversity, India can be a vast market, provided people have more income. To have more income, they must be engaged in productive work that improves their skills to earn more as they learn. India should seize opportunities to export. However, exports cannot be the primary engine of India's economic growth. In a large developing country, such as India, human rich and capital hungry, government policies must support smaller, and even informal, enterprises rather than obsess with attracting large enterprises' capital. More exports, in a



competitive world, will be an outcome of the growth of capabilities of enterprises in India.

<https://tinyurl.com/2enferyk>

### 7. India Needs 'Productive' Jobs & Higher Wages

Radhicka Kapoor | *Business Insider India* | January 29, 2021



Job creation will help in reducing inequalities and help the Indian economy address the problem of weak domestic demand. A big part of this is creating better-paying employment for those at the bottom of the pyramid engaged in low-paid informal work arrangements.

This can be done by boosting Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) allocation, creating productive job opportunities in the manufacturing sector by leveraging the Production Linked Incentive (PLI) scheme and providing support to micro and small enterprises.

<https://tinyurl.com/f4xm4erd>

## Labour Codes & Workers

### 8. Labour Codes need to be Drafted Keeping in Mind the Realities of the Informal Sector Workers

*Illena Roy, Ranjana Das | The Indian Express | February 18, 2021*



India's estimated 450 million informal workers comprise 90 percent of its total workforce, with 5-10 million workers added annually. The draft rules under the Codes fail to cater to the growing informal workforce in India. The informal workers are devoid of any employment security, paid leaves, health benefits or social security. The existing social security schemes failed to protect them during the COVID 19 crisis, and one can only hope that the same mistakes are not repeated.

<https://tinyurl.com/wzpc8rmc>

### 9. India's New Labour Codes: A Pre-Condition for Long-Run Growth

*Aakanksha Shrawan | Idea for India | March 11, 2021*

The proposed labour reforms would not only be a game-changer for domestic employers but would also be helpful in positively influencing the decision of foreign companies who are contemplating to invest in India. These landmark reforms have the potential to place India on a higher trajectory of employment



generation not only based on lower labour costs but through an overhaul of the existing institutional infrastructure.

<https://tinyurl.com/kfbedhj8>

### 10. Why Workers Fear New Labour Codes will Usher Modern Slavery

*Gyan Pathak | The Leaflet | March 31, 2021*



The draft rules that have been prepared to do away with 44 central labour laws in favour of the four new labour codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, and the Code on Social Security, 2020 – have united all of the labour force. This is because the labour force believes that these codes will favour businesses and industries at the cost of workers. The Union Government should not rush through its proposed labour reforms, and consult with labour unions to assuage their misgivings.

<https://tinyurl.com/f698p54w>

## Privatisation & Wealth Inequality

### 11. Why Privatising Public Assets is Poor Economics, Impetus to Greater Wealth Inequality

Prabhat Patnaik | *The Indian Express* | March 25, 2021



If the government is unwilling to impose higher wealth or profit taxes, it can raise Goods and Services Tax (GST) rates on several luxury goods after consultation with the states. Assuming that working people consume what they earn, such an increase in indirect taxation matched by an equivalent increase in government expenditure will still leave post-tax profits in real terms unchanged while increasing employment and output in the economy. Selling public assets to finance government spending is thus both undesirable and unnecessary.

<https://tinyurl.com/8fu4h2f>

### 12. People's Acceptance is the Key Towards Multi-Stakeholder Led Approach of Development

Pradeep S. Mehta & Prashant Tak | *The Economic Times* | March 06, 2021



People are contributors to and beneficiaries of the economy's growth, of which the private sector is a critical partner. It is imperative on the policymakers to assess and analyse the private sector's performance not only through its wealth creation activity but also through its redistribution efforts. Private sector's requirement of an enabling ecosystem is being addressed by the government's initiative of ease of doing business reforms. Coupled with it, the generation of decent jobs can create a ripple effect, thereby aligning profits of the private sector with the improved living standard of workers as an enabler towards economic democracy and justice.

<https://tinyurl.com/ba8nt9vd>

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

<https://tinyurl.com/38xx7xk4>