

We welcome you to the 16th 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.

The Covid-19 pandemic is relentlessly unravelling the structural issues of the Indian economic ecosystem. After observing the non-resilient nature of the labour market, the Indian policy space is witnessing a discourse around the lack of inclusivity in the Indian economy. It is also encountered with the problem of insufficient wages and lack of social security amongst the majority of the workforce. There is a strong demand to devise a new matrix to measure the growth and development of the economy.

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 second quarter of 2021 has witnessed some new occurrences, including enactment of laws mandating domicile based quotas in private jobs, steps towards incentivising industries to boost employment, and impact of COVID-19 pandemic on pushing men to shift from formal to informal jobs and women out of the workforce

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, there is a strong demand to universalise Public Distribution System so as to ensure holistic welfare of workers and their families.

The 16th edition of this quarterly dossier captures significant opinions on the impact of the COVID-19 pandemic on labour & employment and observations on the structural issues of the Indian economy.



## Indian Economy and Inclusive Economic Growth

### 1. Reforms and Indian Capitalism

Yamini Aiyar | *Hindustan Times* | June 29, 2021



Finding our way out of the crisis and on to a growth trajectory requires an honest appraisal of the past. A debate that goes beyond Gross Domestic Product to focus on the real economy and a reform imagination is willing to confront the realities of our political economy.

<https://tinyurl.com/yfr7t32k>

### 2. Worker welfare and economic growth needs a changed discourse in India

Pradeep S. Mehta, Sarthak Shukla & Prashant Tak | *The Economic Times* | June 17, 2021

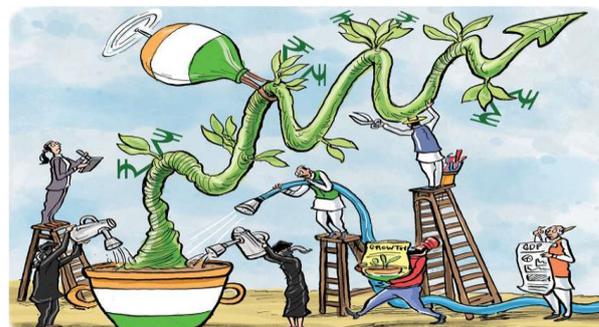


The agenda of economic growth going forward needs to acknowledge that it is not an economic agenda alone. Worker welfare is not a charity, neither a business case nor a checklist for the government to tick off. It is a collective responsibility for 'whole of society' to do away with their selfish mindsets.

<https://tinyurl.com/we7zbsmx>

### 3. How to be a wealthy nation: COVID reminds us that national strength needs massive non-farm, formal job creation

Manish Sabharwal | *The Times of India* | June 06, 2021



India has no interest in becoming China; we have remarkably built the world's largest democracy on the infertile soil of the world's most hierarchical society. But we have not yet revised our socialist economic history as hurting those it masqueraded to help by sabotaging formal, private, non-farm job creation.

<https://tinyurl.com/xevhu7mn>

### 4. India's rural economy is getting battered by 2<sup>nd</sup> wave of COVID-19

Rohit Inani | *Indiaspend.com* | June 05, 2021



About 70 per cent of India's population lives in rural areas. If both farm and non-farm economies get affected by the pandemic, it will have a significant impact on rural demand and consumption because of the marginal propensity to consume – an economic metric that measures the proportion of extra income that is spent on consumption – is higher in rural areas," said Kundu.

<https://tinyurl.com/4cu4x6wu>

## Employment & Labour

### 5. Haryana law a bad example: Populism won't create new jobs

Pradeep S Mehta & Prashant Tak | *The Asian Age* | April 25, 2021



The policies enabling employment quotas for locals is driven by populism. It has far-reaching consequences which go beyond the direct impact on labour, the government and the private sector. It adversely affects the investment prospects for a commercial ecosystem, urban mobility of workers and has an immense opportunity cost. Therefore, any state action towards enhancing employment must be anchored through an economic rationale.

<https://tinyurl.com/26zecx7d>

### 6. India's Expert Committee on Minimum Wages: A questionable exercise

KR Shyam Sundar | *The Wire* | June 05, 2021



The Sathpathy Committee submitted its detailed scientific report in 2019. It recommended a national minimum wage rate of Rs 375 per day and a monthly

wage of Rs 9,750 (and a housing allowance of Rs 1,430 for workers living in urban areas) and region-wise minimum wages (five regions). The Centre's decision to give a meagre rise, from Rs 176 to Rs 178, in 2019 was seen as a possible rejection of the Sathpathy Committee report.

<https://tinyurl.com/tsddbje>

### 7. Why the PLI Scheme for Food Processing Sector May Not Be a Big Job Generator

Seema Bathla & Prateek Kukreja | *The Wire* | May 03, 2021



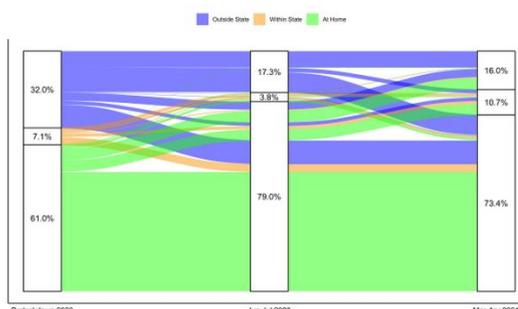
The production-linked incentive, which is mainly a sales-linked incentive scheme, may increase the speed of the substitution of labor with capital, contributing to a further decline in labour intensity. Therefore, the real challenge is to accelerate employment, which is possible only if structural issues responsible for declining labour intensity are addressed. Increasing automation and mechanisation of production and rising wage to the rental price of capital have badly hit demand for labour.

<https://tinyurl.com/33727xtc>

# COVID-19 & Workers

## 8. COVID pushed men into informal labour and women out of workforce

Priscilla Jebaraj | *The Hindu* | June 15, 2021



As per a study, it was found that the number of out-of-State migrants halved between March 2020-2021, with no net effect of re-migration post lockdown. The majority of young workers were stuck in their home districts when the second wave of COVID-19 struck rural areas. They have poor chances of regaining formal, salaried work without policy interventions.

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

## 9. India failed its migrant workers during the second wave of COVID-19

Shubham Kaushal & Vikas Kumar | *Scroll.in* | June 26, 2021



We are being called into work only on alternate days throughout this time," said Anil Kumar. "I find odd jobs

on other days to make ends meet." Even though he was a payroll worker, he was being paid only for the days he was called in, which was just about half his monthly wage in normal times. He also added that some of his colleagues who were on the contract were asked to leave.

<https://tinyurl.com/ayudypey>

## 10. Women face gender bias and insecurity In India's informal economy

Shalini Singh | *Indiaspend.com* | April 05, 2021



Despite their numbers, women working in the informal sector have to also deal with the double whammy of insecurity as well as gender bias. Their incomes tend to be low and fluctuating, they do not have the bargaining power to seek better terms or working conditions, and they have low social status, says *Strengthening Socio-Economic Rights of Women in the Informal Economy*, an October 2020 report published jointly by Initiative for What Works to Advance Women and Girls in the Economy (IWWAGE) and the Self-Employed Women's Association.

<https://tinyurl.com/43jjpxfc>

## Right to Food & COVID-19

### 11. Why Do We Not Have Universal PDS?

Shambhavi Sharma & Sourya Majumder | *The Wire* | May 25, 2021



While the migrant crisis was at its peak last year, buffer stocks were left to rot in the Food Corporation of India's (FCI) silos. As of April 2021, FCI had 3.5 times (or 5.62 crore tonnes) more food stocks than its fixed buffer norms. Food stocks are expected to increase to around 8.5 crore tonnes by July – two crore tonnes more than the highest PDS allocated annually in the last five years (6.59 crore tonnes). Meanwhile, a little under three-fourth of Indians are formally enrolled for Targeted PDS. This includes migrant workers who may not be availing rations away from where they are registered.

<https://tinyurl.com/yvz74hdf>

### 12. It is time to universalise the PDS

Swati Narayan | *Scroll.in* | June 20, 2021



In theory, the National Food Security Act, passed in 2013, was designed on similar principles – to systematically procure and store seasonal harvests from farmers and guarantee re-distribution to households each month.

However, the final version of the law did not ensure universal coverage of all Indians, nor did it guarantee a minimum support price to farmers for their crops. Instead, the legal guarantee extended to only 5 kg of foodgrains at subsidised prices to 75 per cent of Indians in rural areas and 50 per cent in urban areas.

<https://tinyurl.com/yzsedsxw>

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

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