

We welcome you to the 17<sup>th</sup> 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 has brought to fore the systemic issues of the Indian economy. As the Indian economy recovers from the 2<sup>nd</sup> wave of the COVID-19 pandemic, systemic issues in the form of unemployment, lack of quality employment, absence of economic resilience of workers and micro-enterprises and diminishing tripartite compact between the industry, workers and government continue to plague the economy.

As a response, the Indian policymakers are revisiting the fundamentals of job creation and employment quality. It is very well witnessed in the on-going deliberations on the advantages and disadvantages of the nature and form of the present economy. There have also been some attempts towards facilitating worker rights, like the creation of the e-Shram portal. However, the pathetic condition of the workers continues to be an everyday story. On the one hand, there is a push towards formalising the economy for better revenue and secure worker rights. On the other hand, there are concerns about the forced transition of the economy from informal to formal.

The problem of insufficient wages, wage theft, inadequate working conditions and lack of social security are experienced by workers and witnessed by policymakers. Thus, there is a strong demand to devise a new matrix to measure the growth & development of the economy and transform the growth model towards human-centric growth.

As we move towards the fourth quarter of this year, we must reflect on the events to meaningfully understand and inform the future discourse on the economy.

To that end, the 17<sup>th</sup> edition of this quarterly dossier captures significant opinions on the employment policy & job creation, formality & informality in the Indian economy and labour rights in the COVID-19 world.



## Employment Policy & Job Creation

### 1. How India can promote job creation

Abhiman Das/Ejaz Ghani | *The Hindu Business Line* | July 12, 2021



Empirical evidence from districts in India suggests that anticipation of abnormally high returns on investment, less regulation and business environment are not the key drivers of entrepreneurship. The most critical factors are investments in human and physical infrastructure. Districts that have improved their infrastructure provided a supportive industrial structure for input and output markets. Those with small local suppliers have shown a faster growth rate in entrepreneurship and jobs.

<https://tinyurl.com/5633rmv8>

### 2. How India's provident subsidy scheme is creating jobs

Prashant K. Nanda | *Mint* | August 12, 2021



Of all the new job enrolments due to the new initiative, more than half have come from micro and small firms or those with an existing employee base of less than 50. It shows that this category of firms is benefiting most from the wage subsidy. These firms are also at the forefront of adding a large pool of new employees and taking back those who lost jobs between March and September 2020 because of the lockdowns imposed to curb coronavirus spread.

<https://tinyurl.com/fd4byhsz>

### 3. Key priorities for employment policy

Nitin Desai | *Business Standard* | August 30, 2021



Most Indians can benefit from growth only if they get a job with decent work conditions and reasonable pay. Several decades of relatively high growth have failed to generate enough quality employment for the majority of Indians. The consequences of this failure show up in the rising inequality of income; a growing politicisation of the tension between locals and migrants from other parts of India; stagnation; and a decline in the living conditions of millions trapped in low-quality employment.

<https://tinyurl.com/4dc3csxu>

### 4. India needs labour-intensive manufacturing employment

N Chandra Mohan | *South Asia Monitor* | August 20, 2021



Manufacturing and services must become the engine of employment growth so that the shift from the farm to the non-farm sector gets underway again. The share of agriculture in employment goes further down from 45.6 percent to, say, 30 percent over the next five to ten years. If fewer jobs are created outside agriculture, more will be forced to stay in this sector, increasing the pressure on land and lowering incomes.

<https://tinyurl.com/kbusdj9e>

## Labour Rights in the COVID-19 World

### 5. When algorithms dictate your work

Soumyarendra Barik | *EN Tracker* | August 21, 2021



Delivery executives in India, for long, have silently been fighting many battles. Against uncertain income, a low base pay, and an algorithm they say pushes them to ride for hundreds of kms a day in return for disproportionately low cash. And amid rising fuel costs, a raging pandemic, and no social security benefits, the money left in their hand at the end of each month is on a steady decline.

<https://tinyurl.com/hsyhtmwu>

### 6. Lack of labour rights make food delivery a thankless gig

Serish Nanisetti | *The Hindu* | August 21, 2021



Subsistence salaries, a struggle for survival, and sub-par working conditions are part of the story of all delivery executives, making it clear how much they get short-changed. When asked as basic a question as to the number of delivery executives affected by COVID-19, a Zomato spokesperson said: "Our delivery fleet works in circulation; therefore, we will not have exact figures." Swiggy did not divulge the information and spoke instead of consumer safety.

<https://tinyurl.com/cwueyj8>

### 7. How Labour Codes act against migrant workers

Namrata | *The Indian Express* | August 03, 2021



Labour laws, which are intended to perform a redistributive function and correct power relations between employers and workers, are now being weaponised against the working class in favour of capital. It is critical that the government pay heed to these voices, perform its constitutional duties as expected of a welfare state. Moreover, it should also ensure the protection of rights of the working class such that the humanitarian crisis everyone witnessed during the migrant worker crisis in 2020, and are now watching a replay of, is not repeated.

<https://tinyurl.com/29wjhyzd>

### 8. What kind of industry does Kerala need?

Jayan Jose Thomas | *Scroll.in* | September 03, 2021



The more significant issue is the limits to growth in Kerala of an industry such as garment exports, which does not require its workers to be educated. In Kerala, 72.5 percent of women aged 15 to 49 years have completed 10 or more years of schooling, compared to 35.7 percent only in India as a whole, according to the National Family Health Survey in 2015-'16. So it is not surprising that close to 80 percent of the workers in the Kitex factory in Kizhakkambalam are migrant women from states such as Odisha, Assam, Jharkhand and Nagaland.

<https://tinyurl.com/4afzb8n4>

## Formality & Informality in the Indian Economy

### 9. India's Formalisation of Business is ill-Timed

*BQ Desk | Bloomberg | Quint | August 20, 2021*

Former Reserve Bank of India governor Raghuram Rajan has said that increased formalisation of India's economy, while preferable, is coming at a challenging time as informal business activity continues to reel under the impact of COVID-19. "Formalisation broadly is a good thing if you allow the informal sector an easy way to become formal. But if the informal sector survives because of its informality, and as soon as they start paying the taxes, et cetera, they cannot survive.



<https://tinyurl.com/a4x9dzkc>

### 10. The prospects of the unorganised sector

*Pranjul Bhandari & Aayushi Chaudhary | The Financial Express | July 16, 2021*



The constructive way to think about this is to differentiate between 'forced' and 'organic' formalisation. The formalisation that comes only from external pressure or leads to deep distress in the informal sector, may not be sustainable. In contrast, the formalisation that happens on the back of policy changes that help small and informal firms grow over time into medium or larger formal sector firms is more sustainable. What is perhaps needed now is to protect the informal sector workers via social welfare schemes.

<https://tinyurl.com/4snnnn28>

### 11. Industry chambers welcome informal workers database

*Mint | August 27, 2021*



The Ministry of Labour & Employment's initiative for the E-Shram Portal in building a National Database on Unorganised Workers is central to the effort towards the formalisation of the Indian workforce. It will help identify unorganised sector workers, which number about 420 million and is a much-needed step towards ensuring social security and other benefits to workers and their families.

<https://tinyurl.com/jep94de8>

### 12. The pandemic's impact on the economy in India

*Azim Premji Foundation | Hindustan Times | July 18, 2021*



Our analysis shows that the pandemic has further increased informality and led to a severe decline in earnings for most workers, resulting in a sudden increase in poverty. The government relief has helped avoid the most severe forms of distress, but the reach of support measures is incomplete, leaving out some of the most vulnerable workers and households. We find that additional government support is urgently needed for two reasons — compensating for the losses sustained during the first year and anticipating the impact of the second wave.

<https://tinyurl.com/574mcnfh>

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

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