

‘Creating an Informed Discourse on Good and Better Jobs in India’

Roundtable Discussion
29th January 2019, New Delhi

Synthesis Report

Introduction

India’s high economic growth of the past twenty-five years has not created an adequate number of meaningful jobs. In the face of rising inequality, a growing young workforce, increasing use of potentially labour-displacing technologies, and changing patterns of global trade, the jobs challenge for India is both critical and complex.

In this context, CUTS International, with the support of Ford Foundation India, has launched a project on ‘Good and Better Jobs in India’. As part of this project, a roundtable discussion on ‘Creating an Informed Discourse on Good and Better Jobs in India’ was convened on 29th January, 2019, in New Delhi. The roundtable was attended by a diverse group of experts from academia, policy and practice, who are closely engaged with the subject of jobs and job creation. The purpose of the discussion was to engage with the problematique described above, and identify directions for further research and outreach activities under the project.

This report synthesises the major themes covered in the discussion and details the way forward. The list of participants and important resources brought up in the discussion are annexed to the report.

1. Major themes of discussion

1.1 The need for a new narrative on jobs

The public discourse on jobs in India, so far, has focused mainly on the question of how more people can reach jobs. This is evidenced in the emphasis on skill development programmes and targeted employment initiatives for women and other disadvantaged groups. However, there is not enough discourse on the more fundamental problem of the availability of jobs, and good jobs, at that.

The anticipated structural transformation of India's economy has not taken place, with nearly half the workforce still employed in agriculture, where productivity and wages are both low. For the workers moving out of agriculture, as well as the 10-12 million people who are added to the workforce every year, there are simply not enough jobs. Most of these workers are forced to work in order to survive, but such employment is neither meaningful nor sustainable. Therefore, the challenge at hand is not how to create jobs, but how to create good and better jobs.

It should be noted that India is witnessing unprecedented levels of economic inequality, as indicated by a recent finding that India's top nine billionaires now hold as much wealth as the bottom half of the population.¹ A focus on employment generation can be an effective and sustainable way of reducing economic inequality in the long run. Therefore, it may be time to reconsider the nature of India's growth itself, and examine if there are alternative models of job-rich growth that can be adopted.

1.2 Technology, labour intensity and the future of work

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. Thus, there may be an important opportunity in the offing, provided employers and policymakers are adequately prepared for it. However, some caution should be exercised regarding the optimism about technology creating new jobs, as many studies in this area have been done in the context of developed economies, and their results may not be equally applicable to India.

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. This gives further impetus to the task of reshaping the discourse on creating good jobs. It may be argued, however, that certain labour-intensive industries, such as garments, are likely to retain their

¹ NDTV India (2019), accessed on February 04, 2019, <https://www.ndtv.com/india-news/richest-9-indians-wealth-equivalent-to-bottom-50-of-the-country-oxfam-study-1980607>

labour intensity, as they involve complex tasks such as design and innovation which cannot be easily automated.

It can be seen that labour is the only input that is itself shaped and enhanced in the process of production; it is, thus, the only asset which appreciates over time. Therefore, even in the face of technological advancement, there is a vital need for employers to invest in workers, and pro-actively train them for the jobs of the future.

1.3 Finding form in 'informality'

The traditional dichotomy of formal and informal, that positions formality as good and desirable, needs to be reconsidered. Over 85% of the Indian workforce is employed in the informal sector. Going by the wisdom of systems thinkers, it is understood that 'every system is perfectly designed to get the results it gets'. It follows that the 'informal' sector may have forms of its own that are working successfully.

The existing models of economic activity in the informal sector need to be studied closely, to understand constraints that make employers resist formalisation, as well as conditions which facilitate employment that may be meaningful despite not being formal.

1.4 Defining good and better jobs

Good jobs may be 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. All these parameters are tied to the potential of enterprises to grow and be sustainable. This potential, in turn, is influenced by the shape, size and age of the enterprise. It needs to be examined how smaller enterprises can be made more competitive and viable, as these often have high potential to create jobs.

Productivity is an important aspect of a good job. However, the conventional way of measuring productivity (ratio of output to labour cost) is not useful in the context of the creation of good jobs. Output may increase because of the contribution of capital and technology, which would then be recorded as a rise in productivity. What needs to be understood is how workers can add to productivity through gains in their own skills and capabilities. Another point of consideration is that productivity gains in India have increasingly diverged from wages. Therefore, it also needs to be understood how workers can acquire more bargaining power, so that they may benefit from increasing productivity.

1.5 The importance of clusters

The emphasis on industrial policy in public discourse has led to the conventional understanding that policies for job creation must target specific sectors. However, sectors or industries may not be ideal units for understanding the jobs landscape, as the boundaries of sectors are rapidly changing. The Indian workforce includes farmers who are engaged in multiple non-farm activities, and urban workers who juggle many jobs or 'gigs', across employers and industries. There are also entirely new sectors that did not exist until a few years ago, such as e-commerce and merchant acquiring. Further, there is a trend of 'servicification' within manufacturing, wherein tasks that were previously done in-house by manufacturers are now being outsourced to service providers.

It may be useful, therefore, to develop a cluster-based understand of employment generation. The spread of physical and digital connectivity means that clusters of economic activity need not be confined by geography. The inter-linkages between different enterprises in a cluster, different activities in the value chain, and different centres of production, may have important implications for the number and quality of jobs generated.

This is not to say that the entire approach towards the creation of good and better jobs should be sector-agnostic. Sectors are still relevant to the extent that they determine the relative potential of enterprises to absorb labour. There is also a case for prioritising sectors where India has a comparative advantage globally.

1.6 Looking at both demand-side and supply-side factors

It is important to examine both demand-side and supply-side factors while deepening the discourse on good and better jobs. On the demand side, both exports and domestic consumption must be considered, since either one can fuel the growth of enterprises, leading to more good jobs. It should be noted here that China's falling share in global markets has created space for new entrants, that can be utilised to fuel growth in employment. Unlike countries such as Vietnam, Cambodia and Bangladesh, India has not yet been able to take advantage of this opportunity, and it needs to be understood why this is so.

At the same time, the supply side cannot be ignored. The Indian education system remains disconnected from the employment landscape, while skill development programmes have failed to facilitate an adequate number of placements. The pace of technological change requires that both of these be overhauled. There is a need to institute systems of lifelong learning, so that workers can upskill and reskill themselves as and when required.

1.7 Balancing data with narratives

In light of recent controversies on the legitimacy of official data sources on employment, the pressing need for accurate and timely data on jobs is evident. For the time being, there are some sources that may be prioritised over others. Two important sources suggested in the discussion are General Economic Tables or B-Series Tables compiled under the Census of India, and NSSO Surveys on Unincorporated Non-Agricultural Enterprises. The former provides a disaggregated district-level picture of employment trends, while the latter provides valuable information about the informal sector that is not captured elsewhere.

However, there is a need to look beyond macro-level data and stylised facts in order to properly understand the jobs landscape. There are gaps in the literature when it comes to establishing the links between regulatory frameworks, enterprises and the quality of employment. Further, there are district-level trends that are rarely captured in public discourse. There is also a need for comparative cross-country studies of cities/regions with similar industrial characteristics and different levels of growth, such as Dhaka and Howrah, or Sialkot and Jalandhar. These may be examined through intensive fieldwork and case studies. Therefore, macro-level data must be supplemented by micro-level narratives.

2. The way forward

Under the project on ‘Good and Better Jobs’, CUTS will undertake both desk-based research and fieldwork, as well as several rounds of targetted communication and outreach, in pursuit of the larger goal of ‘Creating an Informed Discourse on Good and Better Jobs in India.’ Drawing from the discussion, there are directions which can be identified for subsequent research and outreach activities. Four key directions or next steps are listed below.

2.1 Good jobs: literature review and identification of parameters

While there is a consensus on the basic definition of good and better jobs, as jobs with high incomes and adequate security, there is a need to conduct a literature review on the definition of a ‘good’ job, and cull out specific parameters for it. This would result in a well-formulated, measurable definition of good jobs, that can then be tested against empirical findings.

2.2 Analytical narrative on jobs

The discourse on jobs must be informed by contemporary economic theories on how jobs are created and located within the appropriate macroeconomic frameworks. The discourse cannot be separated from important policy frameworks, including fiscal policy, monetary policy and exchange rate policy. It must, for instance, incorporate the

role of demand-side factors such as domestic consumption and export competitiveness, that have a significant impact on job creation. Accordingly, there is a need to develop an analytical narrative on the creation of good and better jobs, before proceeding with fieldwork.

2.3 Identification of appropriate clusters and survey design for fieldwork

As discussed previously, there is a need to develop a cluster-based understanding of employment generation. This would require some preliminary research on different schools of thought on clusters, as well as available data on clusters of economic activity in India. The work on cluster-mapping done by the Institute of Competitiveness may be used as a starting point.

Following this, a selection of clusters can be identified for the purpose of conducting qualitative surveys. The surveys would target both workers and enterprises. The design and scope of the surveys must be worked out, in keeping with the objective of identifying necessary conditions for the creation of good and better jobs.

2.4 Building a coalition of policy influencers

The understanding developed through research must be shared between a critical mass of influencers, in order to successfully impact policy. Given the complexity of the subject, the process of communication must be frequent and iterative. Accordingly, it would be useful to create a coalition of influencers, who can interact at regular intervals, share resources and engage in a collective learning process.

Annexure 1: List of Participants

S.No.	Name	Designation & Organisation
1	Abhishek Kumar	Director CUTS International Jaipur, Rajasthan
2	Amit Kapoor	President Institute for Competitiveness Gurgaon, Haryana
3	Arun Maira	Former Member Planning Commission of India New Delhi
4	Bipul Chatterjee	Executive Director CUTS International Jaipur, Rajasthan
5	Emarine Kharbhih	Program Manager Impulse NGO Network Shillong, Meghalaya
6	Himanshu	Associate Professor Centre for Economic Studies and Planning Jawaharlal Nehru University New Delhi
7	Johann Ivanov	Deputy Representative and Program Director Social Justice Friedrich-Ebert-Stiftung (FES) New Delhi
8	Kazim Rizvi	Founding Director The Dialogue New Delhi
9	Manish Bahl	Associate Vice President Centre for the Future of Work Cognizant New Delhi
10	Pradeep S. Mehta	Secretary General CUTS International Jaipur, Rajasthan
11	Prateep Roy	Dr. Prateep Roy M&E Specialist Jaipur, Rajasthan
12	R. Nagaraj	Professor Indira Gandhi Institute of Development Research, Mumbai

S.No.	Name	Designation & Organisation
13	Radhicka Kapoor	Senior Fellow Indian Council for Research on International Economic Relations (ICRIER) New Delhi
14	Rituparna Chakraborty	Co-Founder & Executive Vice President Team Lease Services Ltd. Bangalore
15	Sabina Dewan	President and Executive Director Just Jobs Network New Delhi
16	Sanjay Mangla	Fellow CUTS International Jaipur, Rajasthan
17	Santosh Mehrotra	Professor Jawaharlal Nehru University New Delhi
18	Sehaj Malik	Program Adviser Socio-Economic Transformation Friedrich-Ebert-Stiftung (FES) New Delhi
19	Shruti Ambast	Assistant Policy Analyst CUTS International Jaipur, Rajasthan
20	Sohini Gupta	Project Manager Centre for Responsible Business (CRB) New Delhi
21	Srinivasan Iyer	Program Officer Ford Foundation New Delhi
22	Sudipto Mundle	President CUTS International New Delhi
23	Ujjwal Kumar	Policy Analyst, CUTS International Jaipur, Rajasthan

Annexure 2: Important Resources

1. Confederation of Indian Industry, (2017) 'Future of Jobs in India – Enterprises and Livelihoods: Volumes 1 and 2,' accessed on February 06, 2019, <https://cii.in/PublicationDetail.aspx?enc=afvfGzlF0Fcptetf1p0zirJHzFDI6duqPQInblo47bgYwWvdb+vdp6Pet45nWFddvWR3y+ZLRfxDs0nAkGIhdL8PqTRaIjRyljn0WoarKwTZUhinPfbwSOdelZwRxj1aa2P9BPkebaNO6NX5yDf+9pEFPunRmM axoXJMiF2jl3XdbkhcLxpYdSN3bbGvHe>
2. Frank et al, 'What to Do When Machines Do Everything', Cognizant, accessed on February 04, 2019, (<https://www.cognizant.com/whitepapers/what-to-do-when-machines-do-everything-teaser.pdf>)
3. Institute of Competitiveness, (2018) 'Cluster Mapping India', accessed on February 04, 2019, (<https://competitiveness.in/india-cluster-mapping/>)
4. World Bank Group, (2019), 'World Development Report 2019: The Changing Nature of Work,' accessed on February 04, 2019, (<http://documents.worldbank.org/curated/en/816281518818814423/pdf/2019-WDR-Report.pdf>)