

Good and Better Jobs in India *Inclusive Finance for Workers' Welfare*

Background and Context

India is at the cusp of economic transformation, where it is laying the foundation for building a better and sustainable work environment, particularly now after the downturn due to the Covid pandemic, which has a huge impact on our jobs market. The Centre for Monitoring Indian Economy highlighted that of 403.5 million jobs, only 282.2 million survived the world's most severe lockdown. The average income of almost 97 per cent Indians have fallen during the pandemic, resulting in more inequality in the Indian economy and the society. Moreover, for better sustainability of the Indian economy and our society 90 million additional jobs need to be created by 2030. This is a pre-condition for reducing inequality in India.

For this to happen in a more equitable manner, realigning of better social security under the reformed Labour Codes as well as in the context of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVEGs) and SDG Goal 8: "Foster sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all", take centre stage for virtuous and effective growth stimulus.

Here it is important to upfront that Articles 41 and 38(2) of the Constitution of India, subject to necessary wherewithal, casts responsibility on the State to enable social security and welfare of our blue-collar workers in particular, a vast majority of India's working age population, by minimising the inequalities of factors such as income, opportunities for skills development by making effective provisions, including public assistance for unemployment benefits.

Thus, as a prequel to this project, the Grow Jobs-I model undertook ground breaking analysis for promoting a narrative on Good and Better Jobs in India. It highlighted that worker's welfare should not be considered a cost burden but an investment for human capital formation. The inequality between the employed, unemployed and unemployable workforce is not just of wages but also of skills and opportunities and this is largely reflected in huge under-employment that our society is facing.

Therefore, over a period of three years, the central theme to be answered in this follow-up project: Grow Jobs-II is about exploring the relationship between investments and worker's welfare. Though the overall investment in productive sectors in India is rising, distribution of the gains is skewed. The connect between investment and human capital, that is, worker's welfare and skills development is in the shadows. Is 'worker's welfare' an important determinant of investment decisions?

This may be due to the opacity in financial value-chains resulting in complexities in the efficiency of investments and its linkage with worker's welfare and skills development. Considering this as one of the tipping points in labour sector reforms it is necessary to investigate if investments, while resulting in profits, can lead to better wages, working conditions, and skills development. In short, this initiative aims to identify alternate, inclusive and sustainable models of economic growth wherein profits and worker's welfare can be concurrently pursued.

Objective

The objective is to generate further knowledge regarding the conditions necessary for institutionalising Good and Better Jobs in India. This will be done through the lenses of worker's welfare and skills development by looking into responsible investment flows.

The project will study the gaps in wages, skills and working conditions not limited to those of the employed, unemployed and unemployable workforce but the jobs market ecosystem in India.

It will take a close look into the chosen sectors' investment flows through financial institutions, independent investors and the impact such investments can create on worker's welfare. Secondly, the project will analyse skill gaps amongst workers in selected sectors and will highlight possible solutions to bridge them.

The project will look into the factors conducive for bridging those gaps such as infrastructure, mobility, access to organisations that provide training and relevant skill development programmes.

Methodology and Deliverables

1. Secondary Research

Review of select policies and investment decisions including sources such as investment funds from the point of view of worker's welfare and skills development

2. Primary Data Collection and Stakeholder Outreach/ Consultations

Sector-intensive fieldwork including key informant interviews and focus group discussions with enterprises, implementing agencies, workers, investors, market stakeholders, and other relevant stakeholders

3. Policy Briefs and Synthesis Report

The findings from primary and secondary data analysis, including actionable recommendations, will be summarised in a series of policy briefs and in a synthesis report, including possible quantification of expected gains for stakeholders in terms of indicators like costs saved by adopting the recommendations

4. Outreach and Dissemination

Key messages will be captured through digital stories and other means for generating a better narrative on Good and Better Jobs in India. Op-eds will also be published highlighting the key messages and recommendations. There will be targeted dissemination with key stakeholders

Expected Outcomes

- New knowledge generation on existing situation about the linkage between investment flows and worker's welfare and skills development
- Enabling a better-informed discourse on alternate models of investment flows and economic growth for better working conditions and skills development
- Scalable and sustainable state-business-society alliances for institutionalising the key messages of Good and Better Jobs as means to achieve inclusive economic growth, resulting in reduced inequality

