

# Advancing the Future of Work Agenda for Inclusive Economic Growth



January 24, 2025, FRIDAY ■ 09:30-13:00 (IST)

Conference Room-II, 2nd Floor, Main Building, India International Centre, New Delhi

## Outcome Report

### Introduction

The Indian economy faces the twin challenges of unemployment and a lack of decent jobs, further exacerbated by the rise of labour-replacing technologies, shifting trade patterns, and the predominance of informal employment, which accounts for 82% of the workforce (ILO India Employment Report 2024).

Recognising these systemic issues, CUTS International, in collaboration with the Ford Foundation India, launched the GrowJobs Initiative to address the urgent need for equitable, high-quality employment. By focusing on 'Good and Better Jobs'—those offering productivity, security, and fair incentives—the initiative aims to align economic growth with social equity, contributing to India's vision of a "Viksit Bharat" by 2047.

The project closing meet, *Advancing the Future of Work Agenda for Inclusive Economic Growth*, held on 24 January 2025 at New Delhi, provided a critical platform for reflecting on the initiative's outcomes and charting the way forward. Bringing together policymakers, industry leaders, researchers, not for profit and civil society representatives, the event facilitated a rich dialogue on strategies to promote equitable, resilient, and sustainable employment. Key discussions focused on integrating worker welfare with economic strategies, leveraging adaptive reforms, and strengthening the narrative of 'Good and Better Jobs' in India.

This outcome document captures the major themes, solutions, and strategies discussed during the event, serving as a roadmap for stakeholders to advance the future of work agenda. It aims to ensure continuity of dialogue, provide actionable recommendations, and foster collaboration for implementing inclusive employment solutions tailored to India's socio-economic realities. The list of participants is annexed for reference.

### Major Outcomes

#### 1. Empowering Indian MSMEs

Micro, Small, and Medium Enterprises (MSMEs) remain critical as the largest employers in the country, offering immense potential for job creation. MSMEs were disproportionately affected during the pandemic, struggling to access working capital and unable to benefit from relief measures, forcing many to shut down.

### Solutions

- A focused strategy linking skilling initiatives with MSMEs is essential. Targeted training programmes can enhance workforce capabilities, equipping MSMEs to adopt innovative practices and boost productivity.
- Raising awareness about the use of AI, digital tools, and financial literacy among MSMEs is equally critical. This should be complemented by working capital from NBFCs and banks. Together, these measures can strengthen MSMEs' capacity to navigate technological transitions, create employment opportunities, and contribute significantly to India's economic aspirations.
- Large corporates must hand-hold and support MSMEs in adopting sustainability guidelines and ESG principles. This collaboration can foster entrepreneurial mindsets and drive inclusive, sustainable growth.

## **2. Stress on Non-Farm Activities**

Non-farm activities have seen sluggish growth in recent years - evident from the rise of farm work. Real wages of workers from the formal economy did not see any rise in this period. The growth in consumption has been much less than that of GDP. Private investment has fallen short and could not cope with the growing labour force. Thus, enough jobs are not being created. With the increased integration of AI and digitalisation in agriculture, in the coming years, this sector will not be able to absorb much of the country's working population.

### ***Solutions***

- The government should address this structural problem and stimulate the growth of the non-farm sector through enhanced private investment, and lessen the dependence on the service sector. Robust methodologies are required to ensure the creation of high-quality jobs, addressing the unique challenges of rural areas.
- There should be a holistic approach for addressing rural-urban inequalities in wealth distribution and letting value-addition in rural areas.
- Agricultural income should be brought under income taxation.

## **3. Advantage of Demographic Dividend**

By 2040, India's demographic dividend will begin to wane. India will face an ageing population, with half of the workforce over 45 years old and nearing retirement. This poses a significant challenge, as 91% of the workforce is informally employed, with 85% in the unorganised sector, leaving them outside formal employment protections and social safety nets. Despite the introduction of new labour codes, their implementation remains pending, leaving workers' rights in a state of uncertainty.

### *Solutions*

- India can harness its demographic dividend by positioning its youth as drivers of innovation, particularly in AI, which promises better-quality jobs. By implementing consistent policies on AI chip development and research, India could establish itself as a global gaming hub.
- The AI Governance Report should incorporate the employment implications of AI, focusing on how to navigate its use and impact rather than just highlighting regulatory frameworks.
- Continuous re-skilling of the youth is essential to align their skills with the evolving demands of digitisation.
- Greater emphasis on Science, Technology, Engineering, and Mathematics (STEM) education should be introduced at the school level to expand students' opportunities to enter the workforce, as STEM offers more and better job prospects.

#### **4. The Gigging of Indian Population**

A key concern regarding the rise of the gig economy is that gig work is characterised by multiple short-term jobs, job insecurity, and instability due to changing algorithms. Gig workers, employed on a contractual basis, remain outside social safety nets. With a significant portion of the youth engaged in gig work, these issues must be addressed to fully leverage the country's demographic advantage before opportunities are lost.

### *Solutions*

- The gig economy should be integrated with the household database, using technology and state funds to extend social security measures to gig workers, similar to the model of the construction labour board.
- Addressing gig workers' welfare requires unified efforts from the government, private sector, academia, and think tanks. These stakeholders must work together to create inclusive strategies, raise awareness about existing schemes, and tailor social security provisions to meet the unique needs of gig workers.
- The private sector should take proactive steps to extend social security benefits to gig workers, recognising these provisions as investments in the broader social and economic infrastructure necessary for sustainable development.
- Need for improving public infrastructure and facilities for gig workers, particularly women gig workers.

#### **5. Increasing Women Participation in Workforce**

From increasing women workforce participation rate to rise in gender responsive budgeting, a lot needs to be addressed in order to make women empowered. Starting from ensuring workplace safety and safety in public places and the digital world to enabling access to technology, India still has some way to go.

## *Solutions*

- An inclusive definition of “work” and “employment” (e.g. by attaching appropriate value to unpaid work) will transform the data of women in the workforce. Possibly it would show 80% of women are already in the workforce, making significant economic contributions.
- Empowering women requires not only financial inclusion but also support in accessing and using digital financial systems at workplaces. The workforce should be designed to accommodate more women, recognising them as a valuable talent pool rather than solely focusing on welfare.
- Digital financial literacy particularly in vernacular languages should be given a priority.
- Gig work offers flexibility for women to balance care and economic responsibilities. Therefore, regulations and social security provisions tailored to women gig workers are essential.
- In the technology sector, India has a unique opportunity to improve women’s access through private sector support, fostering greater inclusion.

### **6. Adequate Use Data**

AI is merely a tool and marginal to India’s job and income challenges, AI agents currently act as key decision-makers, influencing both individual lives and government actions. This concentration of power risks eroding privacy and amplifying inequalities.

## *Solutions*

- AI-related regulations should not be left to the discretion of the wealthiest corporates; instead, the state must adopt a more holistic, bottom-up approach. Regulating AI before its full impact is understood can help ensure its positive effects are maximised for humanity.
- A thorough understanding of guardrails concerning data privacy, security, trust, and the liability gap between agentic AI and other stakeholders is crucial.

### **7. Adequate Use of Data**

As India continues to expand its use of AI and harnesses its robust data infrastructure, there is an increasing need for advanced data analysis to support effective policy making and implementation. The studies undertaken by the GrowJobs project team highlight the importance of accurate data in understanding employment trends across various sectors, underscoring the potential of data analytics to drive informed decisions and improve policy outcomes.

## *Solutions*

- Trend analysis should be prioritised over debates surrounding different data sets, with data playing a crucial role in supporting and informing the analysis of emerging trends. CUTS's GrowJobs-I studies exemplify this approach, demonstrating how data can be used effectively to identify and understand key trends in the labour market.

## Annexure: List of Participants

SL.NO	Full Name	Designation	Organisation
<b>Distinguished Panellists</b>			
1.	Aruna Sharma	Distinguished Fellow	CUTS International
2.	Abhishek Kumar	Partner	INDICC Associates
3.	Arun Maira	Chairman	HelpAge International
4.	Surjit Bhalla	India's Former Executive Director	International Monetary Fund (IMF)
5.	Santosh Kumar Mehrotra	Professor of Economics and Chairperson	Centre for Informal Sector and Labour Studies- JNU
6.	Kanta Singh	Deputy Representative	UN Women
7.	Pradeep S Mehta	Secretary General	CUTS International
8.	Sanchita Chatterjee	Fellow	CUTS International, Kolkata
<b>Distinguished Participants</b>			
9.	Amar Patnaik,	Former Member of Parliament	Rajya Sabha
10.	Madhumanti Sengupta	Programme & Communication Manager	Friedrich-Ebert-Stiftung (FES)
11.	Swadesh Shritam Das	Assistant Manager (GESI-Future of Work)	MicroSave Consulting
12.	Tom Sandeford	First Secretary, Economics	Australian High Commission
13.	Dilip Chenoy	FICCI BWA	Former Secretary General Chairman
14.	Virjesh Upadhyay	Director General	Dattopant Thengadi Foundation
15.	Sonakshi Chaudhry	Associate Director, Policy & Partnership	The Quantum Hub
16.	Manvi Tripathi	Program Officer	The Asia Foundation
17.	Abhishek Sinha	Co-Founder	Eko India Financial Services
18.	Abhiya Gopinath		The Asia Foundation
19.	Mary Mutuku	Deputy Head of Mission	Kenya High Commission
20.	Phungreiso Varu	Project Officer	CASA India
21.	Poonam Muttreja	Executive Director	Population Foundation of India
22.	Anuradha De	Senior Policy Advisor	CSEP

SL.NO	Full Name	Designation	Organisation
23.	Siddhant Pasricha	Business Development Associate	Martha Farrell Foundation
24.	Poornima Kamath	Economic Assistant	American Embassy
25.	Sindhushree Khullar	Former CEO NITI Aayog	Government of India
26.	Manoj Benjwal	Program Officer	The Humsafar Trust
27.	Drishti Parnami	Independent Researcher	NLU Delhi
28.	Vimalendu Chauhan	Research Assistant	Research and Information system for Developing countries-New delhi
29.	Anita Manoharan	Program Director	JustJobs Network
30.	Suneeta Prajapati	Operation Manager	Chambal Media
31.	Danish Hashim	Chief- EoDB	Confederation of Indian Industry
32.	Yatika Agrawal	Executive-EoDB	Confederation of Indian Industry
33.	Nitya Nanda	Director	Council for SOcial Development
34.	Samar Verma	Distinguished Fellow	CUTS International
35.	Cledwyn Fernandez	Fellow	Indian Council for Research on International Economic Relations
36.	Gurjit IG		
37.	Ngathingpam Woleng	Freelance	Consultant for Public Health Freelance
38.	Rohan L.	Next - IAS	
39.	Girish Chandra Arya		Bharatiya Mazdoor Sangh
40.	Om Prakash Mathur	Visiting Senior Fellow	Centre for Social and Economic Progress (CSEP) Research Foundation
<b>Participants from CUTS International</b>			
41.	Bipul Chattopadhyay	Executive Director	CUTS International, Jaipur
42.	Varidhi Singh	Director	CUTS International, Jaipur
43.	Vijay Singh	Assistant Director	CUTS International, Delhi
44.	Tasmitta Sengupta	Research Associate	CUTS International, Jaipur
45.	Samaranjay Singh	Research Associate	CUTS International, Jaipur

SL.NO	Full Name	Designation	Organisation
46.	Ram Saran	Programme Associate	CUTS International, Delhi
47.	Bhavika Khattar	Research Assistant	CUTS Institute for Regulation & Competition (CIRC)
48.	Gazal Arora	Research Assistant	CUTS Institute for Regulation & Competition (CIRC)
<b>Ford Foundation</b>			
49.	Ishani Biswas	NDO-Manager, Office of Regional Director	Ford Foundation, Delhi