

‘Strengthening the Discourse on Economic Policy to Generate Good and Better Jobs in India’

Project Advisory Committee Meeting

22nd May, 2020

Draft Synthesis Report

Introduction

Indian economy across its manufacturing and service sector is encountered with a dual problem of unemployment and lack of decent jobs. This problem is supplemented by the increased use of labour replacing technology and changing patterns of domestic and global trade. Among other factors, it has led to the rise in inequality and has posed an extraordinary challenge before the Indian society in generating decent jobs for its masses.

In this context, CUTS International, with the support of Ford Foundation India in October, 2018, has initiated a project on “Strengthening Discourse on Economic Policy to Generate Good and Better Jobs in India”. Under this project, CUTS is undertaking research to ascertain the conditions, under which Good and Better Jobs can be generated in the Indian economy. Till now, it has conducted research inquiry in the Textiles & Clothing Sector and has developed a report on the same¹. Furthermore, it has also initiated research inquiry in the Food Processing sector.²

In furtherance of this project, a third round of Project Advisory Committee (PAC) Meeting was convened on May 22, 2020. The meeting was attended by PAC members who are experts from academia, policy and practice and are closely engaged with the subject of jobs and job creation. The purpose of the meeting was to discuss and seek inputs from the Committee members on the Research Methodology for Food Processing Sector and identify other sectors for further research.

This report synthesises the major themes covered in the discussion and details the way forward along with it. The list of participants is annexed to the report.

¹ <https://cuts-ccier.org/pdf/report-textile-and-clothing-sector-in-india.pdf>

² <https://cuts-ccier.org/pdf/grow-jobs-approach-methodology-note-food-processing-sector.pdf>

1. Major themes of discussion

1.1 Identifying critical components in the Food Processing Value chain

The existing discourse on the criticality of components in the food processing value chain is mainly focused on the capital intensive infrastructure. It is evident in the concentration of the policy focus in promoting and facilitating such infrastructure. However, there is not enough focus on the other components, which are crucial for generating Good and Better Jobs. Given its labour intensive nature, the criticality of components in the food processing sector should be rationalised in terms of its potential job intensity, particularly its potential of generating Good & Better Jobs.

Good jobs are 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 risks³. The selection of any component for research inquiry should necessarily result in informing the existing status and potential of these parameters of Good & Better Jobs in the food processing sector. Furthermore, it is crucial to create counter narrative against the existing discourse, which has not particularly focused on jobs and their quality index and simultaneously inquire what components of the food processing value chain offers Good & Better Jobs.

1.2 Relationship between the firm characteristics and parameters of Good & Better Jobs

The firms/enterprises differ from each other on a variety of factors including production capacity, productivity, employment intensity and nature of incorporation. It is imperative to ascertain the change in the status of the parameters of Good & Better Jobs across such characteristics.

As a matter of fact, substantial number of the workforce within the food processing sector is employed in an informal set up. Therefore, it is particularly crucial to inquire about the existing status and potential of such parameters in the informal enterprises. Like any other sector, the big enterprises in the food processing sector have a higher share in production and revenue despite their miniscule share in the overall enterprises. Thus, research inquiry is also necessary to evaluate the difference in the existing status of such parameters between big, medium and small enterprises. It also needs to be examined as to how smaller and informal enterprises can be made more competitive and viable, as these often have high potential to create jobs.

³ For more information, please refer to the Research Methodology Note- <https://cuts-ccier.org/pdf/grow-jobs-approach-methodology-note-textiles-apparel-sector.pdf>

1.3 Importance of Systems Approach in building an informed narrative on Good & Better Jobs

Systems thinking offer a comprehensive picture of an ecosystem and its relationship with the other stakeholders. It helps to identify not so visible factors affecting an ecosystem at a given point of time. Like any other sector, the food processing sector lacks information generated through systems approach.

In particular, the food processing sector lacks enterprise level information and its relation with the other stakeholders. Due to this deprivation of bottom-up information, the policies concerning this sector are not informed by changing ground realities.

There is a need to look beyond macro-level data to adequately understand the jobs landscape in the food processing sector. 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.

Therefore, systems thinking shall be necessarily utilised while undertaking research at the enterprise level. It will assist in identifying factors, which are affecting the conditions required for the generation of Good & Better Jobs. It will also help in building counter narrative on the exiting discourse of labour cost being the most prominent factor affecting growth of food processing sector.

1.4 Relationship between economic upgrading in an enterprise & social upgrading of workers

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. The automation being a double-edged sword has the potential to change the nature of work and therefore, employment intensity in the food processing enterprises. In this context, it is pertinent to observe the impact of economic upgrading across various processes in a food processing enterprise on the jobs and well-being of workers.

It is to be noted 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 proactively train them for the jobs of the future.

1.5 Analysis on the nature and quality of jobs in Gig economy and Construction sector

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, which forms the part of gig economy. These jobs though classified under the category of self-employed jobs exercise full control over the employees, thereby fulfilling the most primary condition of a regular job. These jobs are part of an informal set up where employer is not bound to ensure social security and suitable working conditions for the employees. Therefore, the research inquiry in the Gig economy should focus on analysing these jobs under the framework of Good & Better Jobs, especially in terms of its potential to provide platform for economic mobility. There have been studies showing optimism towards the gig economy in the developed world; however, some caution should be exercised in relying on these studies as they might not hold true in the context of global South.

Similarly, there is data to show construction sector as the largest employer after agriculture but that does not reflect on the quality and nature of jobs. Therefore, the research inquiry in the construction sector should focus on ascertaining the nature and quality of jobs. The data available in Periodic Labour Force Survey (PLFS) can be used to understand macro picture of the Jobs ecosystem. Also, due to the vast nature of the construction sector, efforts should be made to identify focus areas for the purpose of research.

Furthermore, research inquiry on gender dimension within gig economy and construction sector is crucial to understand several factors including their potential to facilitate inclusive development, structure of their jobs ecosystem, wage disparity or any other form of discrimination, if exists .

1.6 Nexus of Gig economy and Construction sector with Migration

The present COVID-19 pandemic has brought to the fore, the existence of migrant workers across different sectors. It has also revealed their low incomes and exclusion from the social security entitlements. It is believed that construction sector and gig economy accommodates a substantial population of migrants especially in the Tier 1 and Tier 2 cities. Therefore, it is relevant to focus research inquiry on the nature, tenure, frequency and other attributes of migration and its relation with the construction sector and gig economy. It is also necessary to document the motivations of the workers who migrate to join these sectors.

2. The way forward

In furtherance of the project, CUTS will undertake desk-based research and fieldwork as well as several rounds of targeted communication and outreach, in pursuit of the larger goal of ‘Strengthening Discourse on Economic Policy to Generate Good and Better Jobs in India.’ Drawing from the discussion, there are directions which can be identified for subsequent research and outreach activities. Key directions or next steps are listed below.

- 2.1 **Identifying components of the Food Processing value chain, which have the potential in creating Good and Better Jobs for large number of people in the next five years** – While few components of the food processing value chain have been part of the research already, those components should be prioritised more, which has the potential of creating Good and Better Jobs in the next five years. To further explore this line of inquiry, field work will tentatively be carried out along the west coast and the north-eastern parts of the country.
- 2.2 **Identify cities where simultaneous field inquiry in gig economy and construction can be undertaken** -- For construction sector, activities under real estate and urban infrastructure development will be covered. For gig economy, the aim will be to cover the plethora of activities available in a city, across Tier I, II and III cities. In order to carry out a comprehensive field work of the construction and gig economy sectors the idea is to identify Tier I, Tier II and Tier III cities covering different parts of the country, where both the sectors have a significant presence.
- 2.3 **Explore perspectives of workers through a firsthand account using a bottom up approach rather than a top down approach** – The research inquiry will focus on the perceptions of the enterprises and workers and create its linkages with the industry and macro-economic discourse. Thus, the aim will be to study enterprises in an inside-out manner and accumulate the workers’ experiences, through a bottom-up approach, for informing the discourse on Good and Better Jobs.
- 2.4 **Include gender and migration in the framework of research for the upcoming field work** -- Exploring the gender and migration dimension in the upcoming research will provide us with a comprehensive picture of the jobs ecosystem and its related systems.

Annexure: List of Participants

S.No.	Name	Designation & Organisation
1	Amit Kapoor	President Institute for Competitiveness Gurgaon, Haryana
2	Amol Kulkarni	Director (Research) CUTS International Jaipur, Rajasthan
3	Arun Maira	Former Member Planning Commission of India New Delhi
4	Bipul Chatterjee	Executive Director CUTS International Jaipur, Rajasthan
5	Pradeep S.Mehta	Secretary General CUTS International Jaipur, Rajasthan
6	Prashant Tak	Assistant Policy Analyst CUTS International Jaipur, Rajasthan
7	Radhicka Kapoor	Senior Fellow Indian Council for Research on International Economic Relations (ICRIER) New Delhi
8	Sabina Dewan	President and Executive Director Just Jobs Network New Delhi
9	Samar Verma	Program Officer The Ford Foundation New Delhi
10	Sarthak Shukla	Assistant Policy Analyst CUTS International Jaipur, Rajasthan
11	Trinayani Sen	Senior Research Associate CUTS International Jaipur, Rajasthan
12	Udai S. Mehta	Deputy Executive Director CUTS International Jaipur, Rajasthan