

FUTURE OF WORK FOR INDIA: ENTERPRISE AND INNOVATION

**DWIH Symposium on Future of Work,
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FUTURE OF WORK**

AUTOMATION ANGST OR IMMINENT FUTURE?

“The factory of the future will have only two employees, a man and a dog. The man will be there to feed the dog. The dog will be there to keep the man from touching the equipment”- Warren Bennis (Quoted 1991)



THE FUTURE...???

- *Twin revolutions in infotech and biotech - and their confluence and integrated network (and therefore connectivity and updateability)*
- *AI, Big Data algorithms and bioengineering will lead to severe unemployment and to new types of jobs*
- *These new jobs will however not be for the low-skilled...and they may not be mere replacements as seen in the past.*
- *Need human-AI cooperation*
- *Ultimately we have to protect humans – not just jobs!*



Co-Chair of ILO Global Commission, President Cyril Ramaphosa of South Africa meeting the two Commissioners from India at the Report Launch:

Dr A Didar Singh and Reema Nanavaty

ILO GLOBAL COMMISSION ON THE FUTURE OF WORK

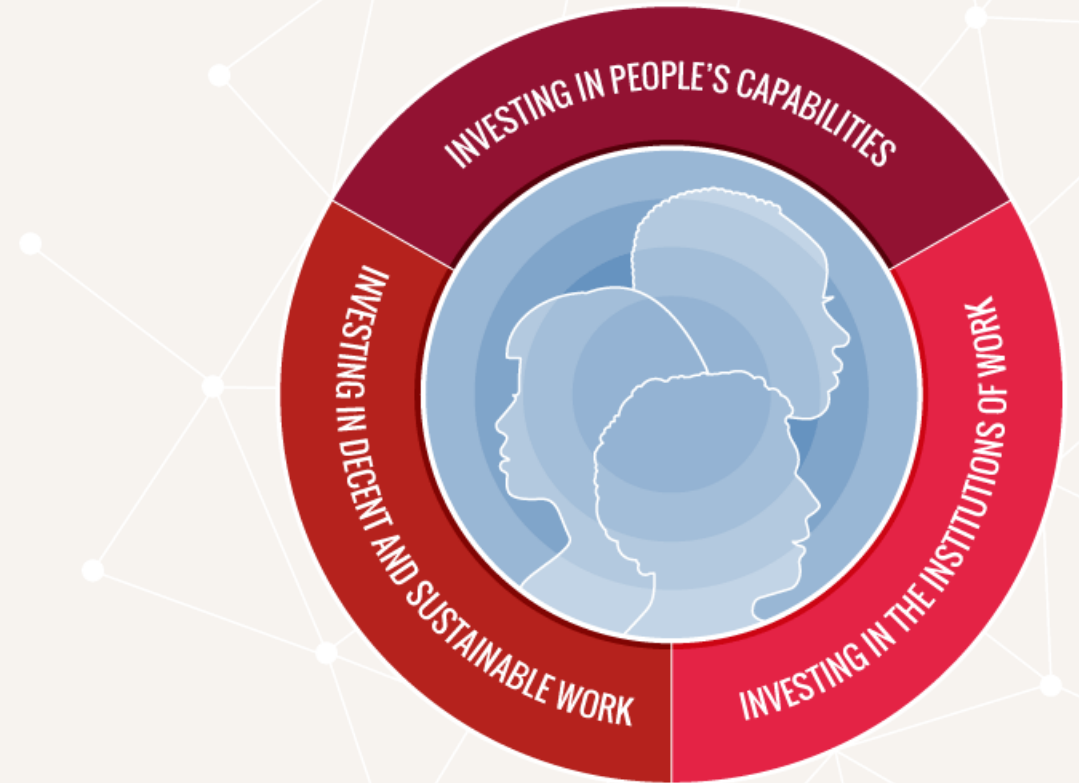
GLOBAL PERSPECTIVE

- Doomsayers in 2015-16 predicted that developing countries would lose over 60% jobs and OECD some 40%
- World Bank now says only 2-7% job losses in Developing Countries expected (*World Bank Report: Trouble in the Making, 2017*)
- Unemployment in West actually falling (*Ruchir Sharma*) – ageing issue
- Issue of ‘automatable’ vs ‘automated’
- Question of ROI and Labour Arbitrage



Human-centred development agenda for the future of work

1. Increasing investment in peoples capabilities
2. Increasing investment in the institutions of work
3. Increasing investment in decent and sustainable work



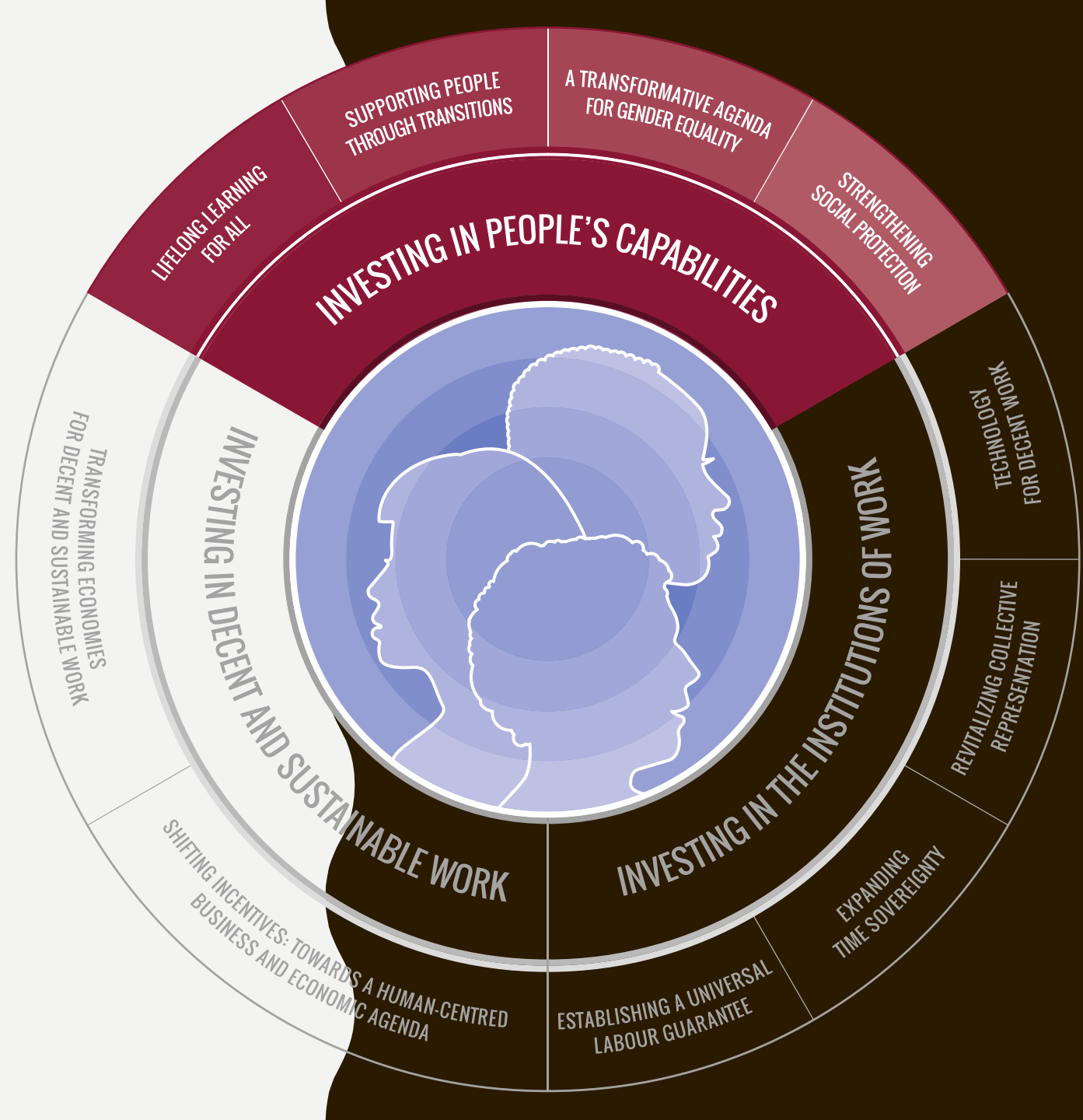
ILO Global Commission Report: Work for a Brighter Future

Formal recognition of **entitlement to lifelong learning** and effective system

Strengthen institutions and policies that **support people through transitions**

Transformative and measurable **agenda for gender equality**

Universal social protection from birth to old age

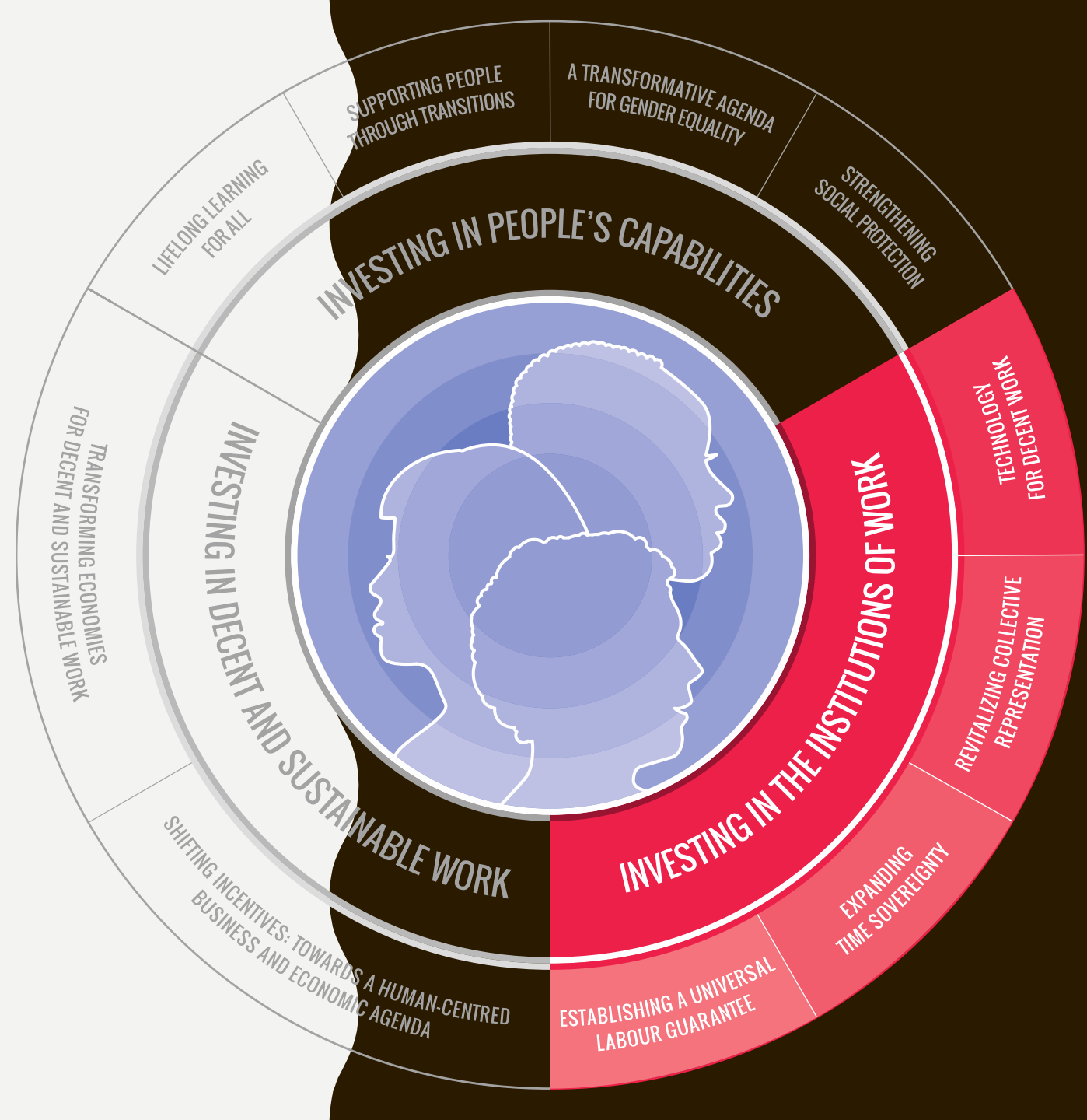


Universal Labour Guarantee: fundamental workers' rights, an "adequate living wage", maximum limits on hours of work, safe and healthy workplaces

Working time autonomy: balancing the needs of workers and enterprises

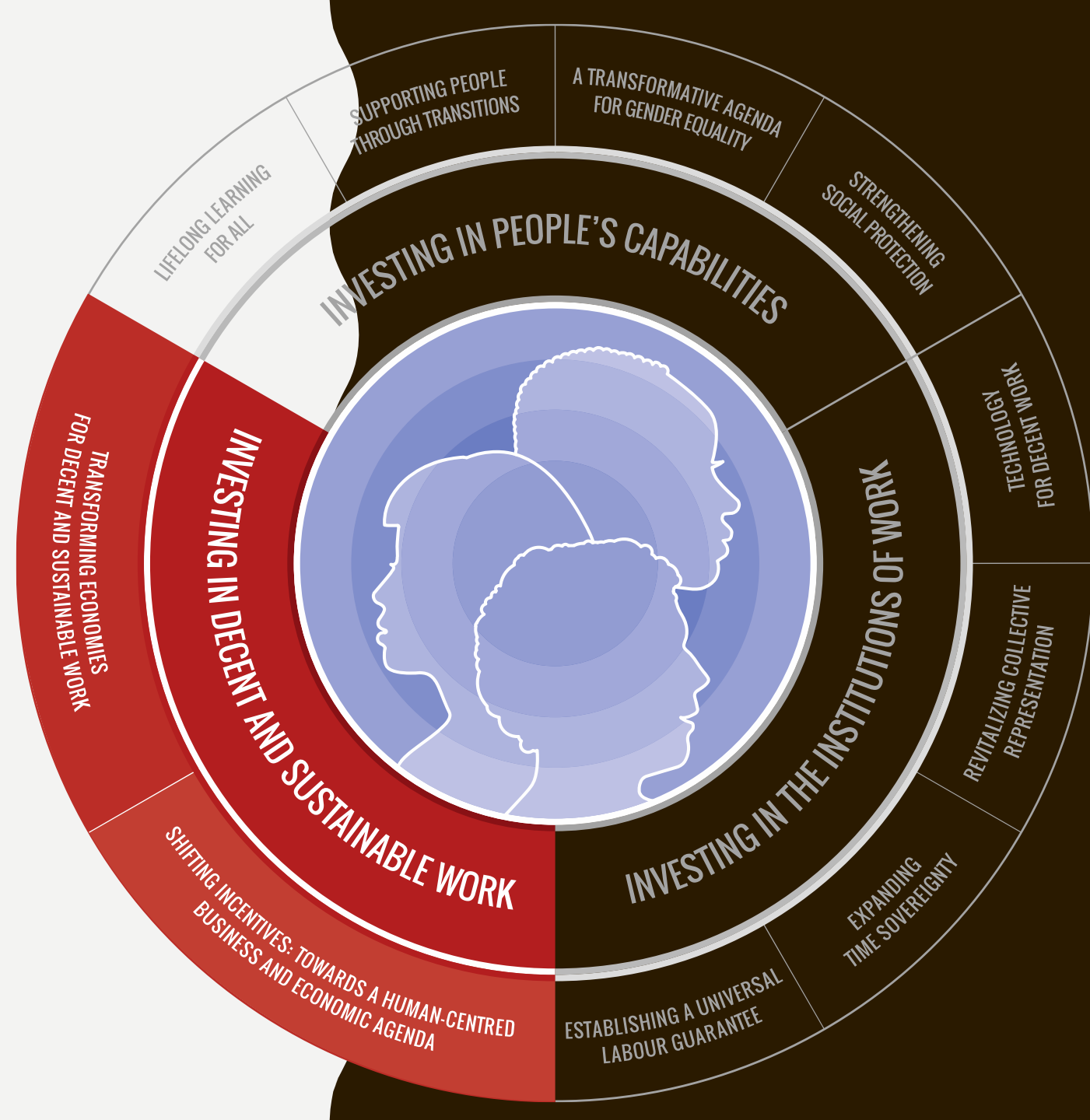
Public policies promoting **collective representation and social dialogue**

Leveraging technology in support of decent work: adopting a "human-in-command" approach



Promote investment for decent and sustainable work in areas such as the care economy, green economy and rural economy

Reshaping business incentives and developing supplementary indicators of progress to **align business practice and economic policy with human-centred agenda**



SOME ISSUES REMAIN

- *Universal Labour Guarantee*
- *expansion of time sovereignty*
- *setting an international governance system for digital labour platforms*
- *reshaping business incentive structures for the implementation of the human-centred agenda*

NOT CLEAR WHERE THE FUNDING WILL COME FROM.....

IMPACT ON LOW AND MIDDLE INCOME COUNTRIES: INDIA

1.) Manufacturing-led Development:

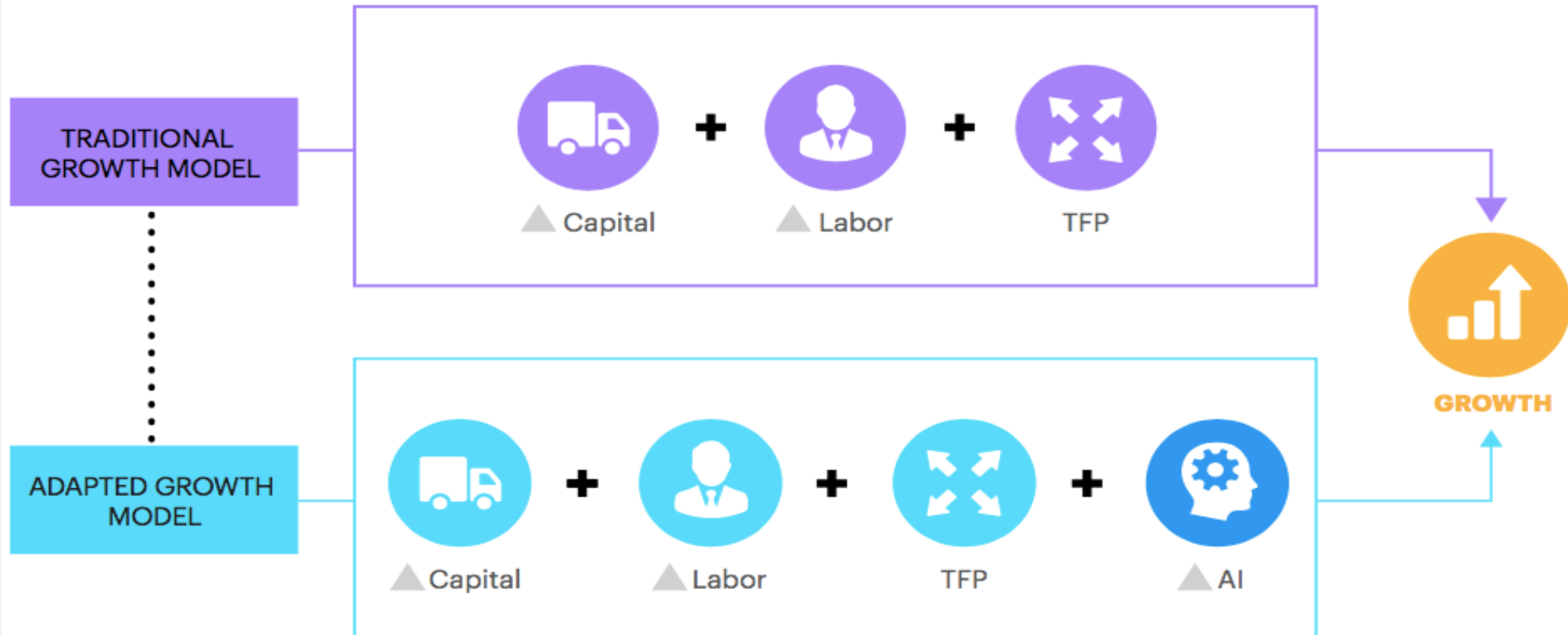
“Nations progress when they learn to do what they could not do before; and if they learn faster than others, they develop and grow faster too”

- Stiglitz

- ❖ Technological change impacting export-led development
- ❖ Impact on China (Ageing economy- wages increase: shifting of operations to countries where the markets are. Case of Foxconn)
- ❖ Fears of ‘premature de-industrialization’

FUTURE OF GROWTH: ARTIFICIAL INTELLIGENCE AS THE FOURTH FACTOR OF PRODUCTION

Our model adapts the traditional growth model by including AI as a factor of production.



NB: ▲ indicates the change in that factor.

Source: Accenture analysis

*TFP: total factor productivity

FUTURE OF GROWTH- (ARTIFICIAL INTELLIGENCE AS THE FOURTH FACTOR OF PRODUCTION) [CONTD.]

- Artificial Intelligence (AI) has the potential to become a new factor of production which can transform the basis of economic growth for countries across the globe.
- AI as a capital-labour hybrid.
- The true potential of AI lies in its ability to complement and enhance traditional factors of production.

CHALLENGES IN THE INDIAN CONTEXT

- I. The informal sector in India
- II. 'Jobless growth': Demographic disaster in waiting?
- III. Skills deficit
- IV. Youth and women in the world of work and enterprise

I. THE INFORMAL/UNORGANISED SECTOR IN INDIA

- share of workers in the unorganized sector (less than 10 employees including own account workers) stood at 82.2%
- share of informal workers in the organized sector (workers without social security protection) increased significantly - contract and other forms of casual labour.
- percentage of informal employment in India is large producing roughly 50 per cent of the GDP and **employing 92 per cent of the workforce.**

II. 'JOBLESS GROWTH': DEMOGRAPHIC DISASTER IN WAITING?

- According to CRISIL, around 18 million people enter the workforce every year.
- The number of jobs created is far lower; between 2011-12 and 2015-16, India created 3.65 million jobs a year.
- Recently Centre for Monitoring Indian Economy (CMIE) flagged climbing unemployment rate in the country despite a fall in the number of job seekers.
- Presently 300 million children between 6 and 16 years of age who would join job market after 10 years.....

II. 'JOBLESS GROWTH': DEMOGRAPHIC DISASTER IN WAITING? (CONTD)

- Will China's loss be India's gain? [India's 'Make in India initiative – StartUp India]
- Under-employment a more severe problem than unemployment- NITI Aayog

III. SKILLS DEFICIT (1)

- The Government of India's flagship skilling scheme, *the 'Pradhan Mantri Kaushal Vikas Yojana' (PMKVY)* was re-launched in October 2016 with an outlay of 12,000 crores and the ambition of training 1 crore people in four years (2016-2020).
- Latest reports suggest that until end 2017, out of a total of 30.76 lakh (3 million) individuals trained only 2.9 lakh workers had received placement offers.

III. SKILLS DEFICIT (2)

- India as the ‘Skills Provider to the world’: need skills for mobility in addition to those for the domestic markets?
- From an employers’ perspective, finding right people for the right job is becoming an increasingly uphill task.
- Industries often lament the dearth of leaders, independent thinkers, self-starters, problem solvers in the workforce.
- This is the dichotomy.

IV. YOUTH AND WOMEN IN THE WORLD OF WORK

- “According to the World Bank, over 30% of Indians between the ages of 15 and 29 are NEETs, “not in education, employment or training” (Economist, 2017)
- During the 2000s, while male employment increased from 1999-2000 to 2011-12 at 1.9%, female employment in same period only increased by 0.3% annually (Population Census, 2011).
- At less than 30 per cent, India has one of the lowest female participation in the workforce.

RECOMMENDATIONS (FOR GOVERNMENTS)

- Ensure real Ease of Doing Business
- Need for Active Labour Market Policies (ALMPS):
- There is a need to accelerate the process of labour reforms
- Support the competitiveness enhancing initiatives of corporates
- Support labour intensive industries to drive job creation

RECOMMENDATIONS (FOR GOVERNMENTS)

- Skilling and re-skilling efforts
- Establish 'Centres of Excellence' in emerging exponential technologies
- Encourage start-ups that help to transform the unorganized sectors to organized using technology
- Create a fund to support awareness creation and adoption of Exponential Technologies by the MSME sector

RECOMMENDATIONS (FOR INDUSTRY)

- Creating a “vision for exponential technologies”
- Use the ‘Gig Economy’ approach to leverage the competencies of the potential laid off workforce
- Create collaborative learning ecosystems for each Industry
- Work in close partnership with the government to ensure success of its efforts to take advantage of Exponential technologies for Indian economy and society

RECOMMENDATIONS (FOR ACADEMIC INSTITUTIONS/SKILL PROVIDERS)

- Creating entrepreneurs: the focus in developing countries must remain on the creation of self-employment – with focus on education systems
- Focus on ‘judgement’ driven skills/employability enhancement skills
- Tailored courses with flexible completion timings will enhance students’ inclination towards learning.

RECOMMENDATIONS (FOR INDIVIDUALS)

- *Life-long learning (LLL)*: Take responsibility for and getting used to LLL.
- *Getting used to the 'Gig economy'*: whether changing world will provide gainful employment in the 'conventional sense' remains
- Anticipated that flexi work with flexible skills will become more common place as the 'gig economy' changes the very definition of a job or work.

ILO FOW COMMISSION RECOMMENDATIONS RELEVANT FOR INDIA

- 1. *Universal entitlement to lifelong learning***
 - We need to sync this with our massive skills initiative
 - Government moving towards 'Universal minimum wages' + health insurance scheme and basic work (NREGA) creates social security net
- 2. *Life-long universal social protection, including a social protection floor***
 - we need to include representation from the informal and unorganised sector
- 3. *Revitalizing collective representation and social dialogue***
 - We are already promoting infra, renewables, agriculture and health care. All these are major job providers
- 4. *Supporting long-term, sustainable investment in key areas: the care economy, green economy, rural economy and infrastructure to create millions of new jobs***

AND THEN THERE IS 'INDOVATION'

- Indian way of technological innovation
- '*Indovation*' at political, social and economic levels
- Evolution of the 'argumentative Indian'
- Abundance of creativity and adaptability
- Optimal and Sustainable
- Bangalore 2nd Fastest Growing StartUp Ecosystem

INDOVATION: KEY SECTORS TO BET ON

- Agriculture
- Cleantech
- Digital
- Defence Manufacturing

FINAL THOUGHTS

- *Work is the realisation of the human being. Without work there are no jobs and without jobs there is no dignity...*
- Big difference between physical combat and knowledge domain:
 - In former you look for weakness and attack that (wrestling)
 - In latter you look for strongest feature and go for that!

Therefore in future of work we must integrate and use people and AI for growth and gain.....

Thank you!

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