



International Conference on

Future of Employment: Challenges and Opportunities (FECO 2019)

20 | 21 | 22 February, 2019

Venue: Symbiosis International (Deemed University)
Pune, India.

Organised by

SYMBIOSIS SCHOOL OF ECONOMICS

Faculty of Humanities and Social Sciences

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Concept Note

Employment Security is a critical issue for a welfare state and has therefore been the prime macroeconomic agenda for governments across the world. Several recent global developments, such as 'Trump's Immigration Policy, the ruling Government's Make in India and Skill Development Programme, Brexit etc. clearly underline the importance of employment. Nevertheless, there are several challenges to this sector such as high unemployment rates across various countries, limited availability of decent work and social discrimination, along with other emerging issues arising on account of technological advancement, automation, digital platforms, and other innovations which are changing the fundamental nature of work. To add to the list is the impact on jobs and workers on account of climate change mitigation and adaptation. Workers displaced by increased use of automation and robotics and loss in jobs due to the shutdown of carbon intensive industries are relevant examples here. Oxford University researchers (Carl Frey and Michael Osborne) claim that technology will transform many sectors of life. Their study of 702 occupational groupings found that '47 percent of U.S. workers have a high probability of seeing their jobs automated over the next 20 years." A more recent McKinsey report, "Jobs Lost, Jobs Gained," found that 30 percent of "work activities" could be automated by 2030 and up to 375 million workers worldwide could be affected by emerging technologies.

On the other hand, several new jobs are becoming apparent due to the above changes, for example, the renewable energy sector. Studies estimate that India's ambitious target of achieving 175 GW of renewable energy (RE) by 2022 could create 3,30,000 jobs in the wind and solar energy sectors alone. There are a number of other examples as well - few of them are Artificial intelligence, big data analysts, and digital industry. However, most of the above emerged jobs require special skills and unavailability of skilled workforce is

identified as one of the major challenge in hiring required personnel. It highlights the skill gap, which, further, emphasizes the role of educational institutions to address the same. As a result, education and training institutions need to update their curriculum and pedagogy to prepare the human resources for the changing scenario with appropriate skill sets essential to make them employable. According to a joint report by Natural Resources Defense Council and Council on Energy, Environment and Water, solar companies find a lack of proximity to training institutes to be the most difficult challenge to overcome the hiring of trained personnel and therefore currently rely primarily on in-house training to meet their needs. The poor quality of existing training programs was identified by respondents as the biggest challenge facing existing training programs for solar employers in India.

Against the above backdrop, Symbiosis School of Economics (SSE) under the aegis of the Faculty of Humanities and Social Sciences is organizing an international conference on 'Future of Employment: Challenges and Opportunities' (FECO 2019) during 20, 21 and 22 February 2019. This conference is a joint effort of the Symbiosis School of Economics (SSE), Asia-Europe Foundation (ASEF), Centre for Technology, Innovation and Economic Research (CTIER), Indian Council for Research on International Economic Relations (ICRIER), Institute of Human Development (IHD), Macquarie University (MQU) and Symbiosis Centre for Entrepreneurship and Innovations (SCIE). The prime objective of this conference is to discuss how recent social, economic, political as well as technological developments - pose serious challenges to the employment sectors and to explore the future opportunities that need to be created. Key policy instruments required for availing the opportunities and minimize the threat would also be discussed at this conference.

Programme Schedule (Tentative)

Day 1 | 20th February 2019 (Curtain-raiser Event)

TIME	CONFERENCE PROGRAMME
6.30 PM - 8.00 PM	Track 1: Productivity, Technology & Innovation
8.00 PM	Network Dinner

Day 2 | 21st February 2019

TIME	CONFERENCE PROGRAMME
9.00 AM - 10.00 AM	Registration
10.00 AM - 12.00 Noon	Track 2: Challenges in Employment Statistics
12.00 Noon - 12.30 PM	Tea-break
12.30 PM - 1.30 PM	Inauguration
1.30 PM - 2.30 PM	Lunch break
2.30 PM - 4.00 PM	Track 3: Informal Economy Concerns: Contributions & Challenges for the Future
4.00 PM - 4.30 PM	Tea-break
4.30 PM - 6.00 PM	Track 4: Labour Reforms & Employment
7.00 PM	Dinner

Day 3 | 22nd February 2019

TIME	CONFERENCE PROGRAMME
10.00 AM - 11.30 AM	Track 5: Education, Skill Development & Employment
11.30 AM - 12.00 Noon	Tea-break
12.00 Noon - 1.30 PM	Track 6: Entrepreneurship & Employment
1.30 PM - 2.30 PM	Lunch-break
2.30 PM - 4.00 PM	Track 7: Cross-country Challenges
4.00 PM - 4.30 PM	Concluding remarks

Productivity, Technology and Innovations

Knowledge (Science), innovation, and technology are key drivers of economic growth and social-wellbeing. Science and innovation bring technological change, which, in turn, leads to productivity growth. All these finally contribute to economic growth and socialwellbeing. Knowledge upgradation and innovation come from research and development. Therefore, investment in R&D needs to be promoted. In India, the gross expenditure on R&D (GERD), has shown a consistently increasing trend over the years. GERD has double in the last decade in real. However, India's spending on R&D (about 0.6 percent of GDP) is well below that in major nations such as the US (2.8), China (2.1), Israel (4.3) and Korea (4.2). The pattern of funding is also unique in India because it is dominated by the public sector. However, the private sector plays a significant role in providing the fund for R & D in the above countries.

Research and Development is one aspect of discussions of FECO 2019, while it also focuses on its role in employment creation. The unprecedented technological transformations from mobile and cloud computing to machine learning taking place today, has resulted in inception of Industry 4.0 era, the fourth industrial revolution. Industry will assuredly be benefited from the above technological transformation. But, here a big concern being 'how will it impact the employment sector'. It is mainly due to a strong belief that new technologies destroy jobs in some industries, especially among the low-skilled, while creating jobs which are often in different industries and require different skills. 'Whether the employment sector is going to be benefited from these emerging technologies and what are the threats to, and opportunities for the sector' are important questions, particularly in the case of India which is going through several social and

economic transformation. Recently, the Government of India has taken a number of actions to improve the business environment in the country. It clearly reflects from India's improved ranking in Ease of Doing Business, 2018 prepared by the World Bank. For the first time ever, India has jumped 30 positions to become the top 100th country in terms of ease of doing business ranking this year. Like technology, business environment has significant and positive impact on productivity. Therefore, the above improved situation of Indian in ease of doing business will help to enhance productivity in the country. This leads us to pose certain questions:

- Will the Ease of Doing Business in India encourage higher levels of investments resulting in additional employment opportunities?
- Have technological advancements led to job losses or job creation in India?
- Has India's R&D activity resulted in employment growth post 1991?

Challenges in Employment Statistics

Jobs creation has always been a key priority of a welfare state and the success of different economic policies is also assessed on the fact that how many jobs are created by these policies. It is therefore imperative that a strong database for employment statistics is required for any welfare state. In the Indian context, it has been widely discussed that India suffers from a lack of comprehensive and real-time data on employment despite the fact that there are several sources of data on labour force in the country.

Recognizing these facts, the Government of India appointed a Task Force for improving employment data in India on May 11, 2017 under the chairmanship of Vice Chairman, NITI Aayog. The task force has recommended three changes with respect to household data sources: i) conduct household surveys on an annual basis, ii) introduce a time-use survey and iii) progressively introduce the use of technology that can speed up data collection and reduce the time lags between data collection and processing. The task force has observed an acute need to strengthen sources of enterprise and establishment level data. To accomplish this, An Annual Enterprise Survey using Goods and Service Tax Network (GSTN) as the Sample Frame, Economic Census at Regular Intervals, Annual Survey of Enterprises Excluded from the GSTN, and Higher Frequency Survey of Enterprises are suggested. Collection of data on certain category of workers from a number of sources [Employee Provident Fund Organization (EPFO) database, Employee State Insurance (ESI) database, and National Pension Scheme (NPS) databasel are also suggested. The Ministry of Statistics and Programme Implementation, New Delhi brought the first release of employment related statistics in formal sector in April 2018 covering the period from September 2017 to February 2018, using information of the number of subscribers who have availed benefits under the above schemes. According to information provided by these schemes, three million new jobs were created in the above period. However, this number seems to be overestimated because many workers from the unorganized sector have recently joined EPFO due to incentives from the centre. Another criticism is that the above sources provide information on employment in organized sector only, whereas unorganized sector still plays a critical role in India's employment sector.

FECO, 2019 makes an attempt to discuss each of the above recommendations in details so that a robust database for employment statistics could be created in India. ICRIER, a Delhi based think tank, has already expressed its concern by highlighting the fact that both frequent employment statistics and insights on the quality of the workforce are equally important. If the focus would be on producing frequent employment statistics, it would certainly be an incomplete exercise. Further, people will disappoint to assess India's performance in the case of Eighth Sustainable Development Goal which lays emphasis on decent work and economic growth.

- Can India have an annual employment survey?
- What are the different set of data to pret the job scenario in the country?
- What are the challenges and limitations in using the data from the Employees' Provident Fund Organisation (EPFO), Employees' State Insurance Corporation (ESIC), General Provident Fund and National Pension System (NPS), to estimate the number of new jobs created in India?
- Is India's employment rate as low as it is perceived?

The Informal Economy: Contributions, Concerns and Future

The term informal sector was first conceptually framed in the 1970s through the pioneering work of Keith Hart on migrants in Ghana. These labor seekers could not be absorbed into the formal wage-based economy and had to resort to a wide range of informal activities for livelihoods. This characterization of the informal economy continues to hold true to-date across the developing world and even in parts of the industrialized West. In India, the bulk of employment falls under the informal sector. As per the National Commission for Enterprises in the Unorganised Sector (NCEUS), over ninety percent of employment in India falls under the informal.

The informal segments of the economy are characterized by their heterogeneity of forms and structures, serving as a refuge for the vast majority of the poorly educated and unskilled. The 'informal economy' also serves as an umbrella term for occupations and enterprises that remain beyond the purview of the state. This gives rise to problems of definition and classification. How to differentiate this large monolith and create appropriate segmentations? Given the lack of any formal registration or tax returns, informal labor activities may be labelled as illegal or constituting the black economy. But this is not always the case. The informal labor forms have also been described synonymously as the unorganized, given that workers' organization is typically associated with formal or wage driven employment. However, there have been several successful attempts at the grassroots in India to organize the unorganized: SEWA in Ahmedabad, the Hamal Panchayat in Pune are notable examples. Previously, the informal economy was defined solely through the lens of the enterprises that were beyond regulation; this restrictive definition has been expanded to cover

employment relationships as well. The broad segmentation of informal labor forms now includes self-employed workers, home-based workers, contributing family labor, contractual labor among others.

Is the informal economy here-to-stay? Concerns over lack of regulations abound in the informal, and abuse of labor is perceived to be widespread. Bearing this in mind, governments across the world have attempted to upgrade the informal sector activities and formalize them. They have been guided by the ILO framework of poverty reduction through promotion of decent work. However, these interventions have not always yielded the desired results and the informal economy has continued to persist. Moreover, with the decline of wage employment through processes of deregulation and flexibilization of labor, the informal economy has increased in its scope.

In the backdrop, this session will address some key questions on the informal economy:

- How do we gauge the size and importance of the informal sectors in the economy?
- In what ways is the informal intertwined with the formal sectors in the economy?
- How can we create an outline or roadmap of transition for formalization of the informal such that it will be less disruptive of livelihoods?
- How can goals pertaining to decent work and improved standard of living be extended to the informal?

Undoubtedly, the answers to these questions will help understand the future course of the informal economy and the possible range of policy options required for future support.

Labour Reforms and Employment

Rigid labour laws are found as barrier in generating employment in many developing countries including India Mitra (2015) has shown that restrictive labour laws have slowed down the growth of labour-intensive industries, restricted their average firm size, and the proportion of large and medium-size firms relative to small ones. It is, therefore, not surprising that while employment in the apparel industry in India is concentrated in firms employing less than nine workers each, China's apparel production is concentrated in firms employing more than 2,000 workers.

There are currently approximately 200 labour laws in India, of which 52 are central acts. There has been a large debate over the years, which calls for the second generation reforms in India which will work towards interventions resulting in flexible 'labour market'. The flexibility will give autonomy to employer in the sense that they can hire and fire workers at will. But, there should also be some safeguards to protect employees' interests. Therefore, making labour laws friendly for both employer and employee is a great challenge for policy makers. India has taken some steps by rationalizing 38 Central Labour Acts by framing relevant provisions of existing laws into 4 labour codes viz. Code on Wages, Code on Safety and Working Conditions, Code on Industrial Relations, and Code on Social Security and Welfare. This initiative is expected to remove the multiplicity of definitions and authorities leading to ease of compliance without compromising wage security and social security to the workers. Several technology enabled services i.e. Shram Suvidha Portal, Universal Account Number, etc. have also been introduced in order to bring transparency and

accountability for better enforcement of the labourlaws.

FECO 2019, will attempt to see the following key questions relevant for liberalizing labour market.

- What are initiatives taken in recent years in India for liberalizing labour market?
- Whether or not these initiatives are in right direction of labour reforms and if so, to what extent are they effective in employment generation and protecting employee's social security?
- Do labour reforms play significant role in the success of 'Make in India' campaign?
- What are additional reforms required in India, given the current employment framework and the demographic dividend of the country?

Education, Skill Development and Employment

Skill development is the prerogative of the schooling systems. Through the engagement with education, students are expected to imbibe the set of tangible and intangible skills that could be transferred to sites of employment. However, this linkage is fraught with problems in India.

As the PRATHAM ASER reports have amply demonstrated over the years, schooling in India is plagued with learning deficits. Even as students move up the education ladder, they fail to perform tasks meant for the earlier rungs. As generic examples, students in Class VII fail to read basic language texts or perform numeric problems meant for Class IV and so forth. These deficits continue through the educational trajectories of the students and even further.

Given the constraints of the educational systems in providing clear channels of employment, what is the recourse for the youth? How can the state intervene in the problem? What kind of policies can be instituted to increase employability? As per a World Bank feature story on 'Skilling India', "more than 12 million youth between 15 and 29 years of age are expected to enter India's labor force every year for the next two decades. The government's recent skill gap analysis concludes that by 2022, another 109 million or so skilled workers will be needed in the 24 keys sectors of the economy". Presently, it is estimated that less than five percent of the working population in India has received formal skill training. This is where skill development programs come into the frame. They are meant to provide income-oriented skills, thereby serving as a catalyst for employment and entrepreneurship.

In recent years, the Government of India has laid particular emphasis on skill development. In 2014, the Ministry of Skill Development and Entrepreneurship (MSDE) was created as the overarching body for such initiatives. The Government has also launched two key programs viz. the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) under the MSDE and the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY)

under the Ministry of Rural Development- both oriented towards improving livelihood options. A newer regime of skill certifications is being ushered in, where the youth shall be imparted industry relevant training and soft skills such that they could be assimilated into the job markets.

In this backdrop, it is envisaged that the track seeks to address the following questions. What can be done to improve skill development through the educational track and equip students for the job markets? How to improve the scale and scope of industrial training institutions? What role do skill development programs play in securing livelihoods and bridging the gap between education and employment? On a practical note, how to design and deliver these modules of skill development, what should be the eligibility criteria for the parties involved in framing these courses? How to monitor the quality of training and the vocational skills imparted? How to reach out to the relevant audience and to select across them? In a reflexive way, rather than having separate institutions for implement the skill development mandate, can we potentially incorporate them into our regular educational curricula? The answers to these questions can shed light on the complexities of the education-employment linkages in India.

In this theme, the speakers will attempt to address the following questions:

- Is the education sector doing justice with its twin-roles of knowledge and job creation?
- What challenges are being faced by the education sector in the backdrop of the globally changing scenarios?
- Are higher educational institutions sufficiently equipping students for the job markets?
- Is a national policy on skill development the need of the hour, such that industry requirements can be prioritized and a talent pool developed accordingly?
- In what way are these initiatives bridging the gap between education and employment?

Entrepreneurship and Employment

Entrepreneurship has a strong role in employment generation. Therefore, many countries like USA, China promote entrepreneurship development. India also stepped in recently to promote it by launching Startup India. It is a flagship initiative of the Government of India, intended to build a strong eco-system for nurturing innovation and Startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower Startups to grow through innovation and design. Till date, 12387 startups have been recognized in India. More important, Startup India promotes both types of entrepreneurship (Business and Social).

Problems of development cannot be solved by the state alone, nor by the markets. They would require concerted effort on part of state, markets and society to come up with sustainable solutions. Given the proliferation of socio-economically disadvantaged groups across the world, governments are increasingly finding themselves financially constrained to provide for social security nets. Similarly, the markets have been found lacking in gearing businesses towards social problems. Social entrepreneurship or social enterprise development fills up a crucial intermediate space, where private initiatives pool together human and financial resources for addressing pressing problems of poverty, unemployment, livelihood generation, climate change and sustainability among others. Social entrepreneurship, by its very definition, comprises of for-profit initiatives. However, these profits are for a purpose, and meant to support the financial viability of the enterprise while keeping the social initiative intact and sustainable in the long run. To capture the essence of social entrepreneurship, it may be profit-making but not profit-driven

Social entrepreneurship has to be differentiated from two key aligned terms viz. social service and social activism. It relies on the power of the markets to reach out to communities at the grassroots. The case of Muhammad Yunus and the Grameen Bank in creating a system of micro-loans for the poor serves as a landmark example. The poor have traditionally been beyond the ambit of the formal financial systems given their lack of adequate

collaterals. In India, as per recent estimates, around nineteen percent of the population remains beyond the banking channels despite governmental efforts at financial inclusion. At the same time, the poor—women especially—have consistently demonstrated their ability to draw upon microfinance initiatives for self-employment and poverty alleviation. Thus, social entrepreneurship has the potential to spawn off further entrepreneurial ventures, thereby creating a dynamic chain of sustainable livelihoods. At the same time, concerns abound over the overcrowding of microfinance activities and the increasing indebtedness of their clientele, leading to debates on the need for regulating the sector.

Moving beyond microfinance, social entrepreneurship now spans a wide range of activities in India – including skill development, education, agriculture and fisheries, financial services, energy and clean technologies. It works with vulnerable, marginalized communities, identifies a key problem plaguing them and delivers market-driven solutions. It is funded and supported through a wide range of national and international donor agencies, investors and corporate groups. The amendments in The Company Act, 2013 related to Corporate Social Responsibility (CSR) has added a new dimension to the linkage between private businesses and society, making it mandatory for the former to invest in issues of social concern.

In this backdrop, this panel would address some the following key issues.

- What is the progress of Startup India? Are there any limitations and constraints?
- How can social entrepreneurship initiatives be scaled up?
- What are the limitations to the transferability of their activities to wider geographies?
- On part of the state, what kind of policy framework can enable these ecosystems to emerge and thrive while at the same time regulating them? Also, how can programs developed as part of Corporate Social Responsibility (CSR) of firms be integrated to serve larger social or developmental objectives of the government?

Cross-country Challenges

The growing influence of capital markets, their intermediaries and processes in contemporary economic and political life has had increasingly visible effects on households and firms since the 1980s. A new finance-led economy has emerged. It has been driven by growth in the size and liquidity of global financial markets that have managed continually increasing savings in OECD countries.

Since the Global Financial Crisis financial vulnerability and restricted credit conditions persisted and have been responsible for the loss of millions of jobs, the increase of vulnerable employment and the diminishment of employment prospects for millions of workers and families across the world. In the developing Asia-Pacific, while unemployment rates have rebounded, job creation has mostly been in precarious employment and social protection systems remain weak. Importantly, women still constitute the majority of temporary, casual, seasonal, contract and low-skilled workers. Youth are still substantially disadvantaged in the labour markets.

In this context it is important to appreciate the role played by Small and Medium Enterprises (SMEs) in creating jobs. We know that SMEs are an important source of employment, particularly for low-skilled workers, as well as women and young people. In many countries a healthy SME sector corresponds with a reduced level of informal or 'black market' activities. SMEs' flat management structures mean that their personnel must fulfil multiple roles, which makes them less vulnerable to unemployment during periods of economic downturn. While the arguments above seem to suggest the effectiveness of development strategies based on SMEs, SMEs are also

particularly frail in the face of financial volatility, especially those linked to global supply chains. We have evidence that SMEs substantially differ in their linkage with financial markets. SMEs require greater access to financial services and investment capital. Large corporations have little difficulty securing sizeable bank loans and private investments. SMEs fall in between and often struggle to obtain credit and loans.

Despite the internationally recognised importance of globalized financial markets in shaping economic conditions and employment opportunities, we have only started to understand the impact that financial agents, decisions and markets have on the real economy.

Focusing on the links between financial markets and the labour markets, this conference stream aims to

- Forge an understanding of the ways firms' management of financial resources impact upon job creation processes in labour abundant and emerging economies in our region, profoundly shaping the global organisation of labour processes.
- Originally contribute to an exploration of how employers and employees can share the risks associated with a firm's operations, primarily production and technological innovation, in the face of financial constraints.
- Contribute to our understanding of the effect of financial constraints on labour outcomes in SMEs.
- Investigate the effects of global value chains on income distribution, working conditions and trajectories of economic and social upgrading in the global North and South.

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