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'Future of Work in India' Report by WEF

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Recently the "Future of Work in India" Report has been published by **World Economic Forum** in collaboration with the **Observer Research Foundation (ORF)** according to which the future of work in India is uncertain, but full of opportunities .

- **This report highlights the impact of transformative technology in India on job creation, workplaces, employment trends and relations, and the nature of work itself.**
- Further it found that companies in India are optimistic about the future and are open to the possibilities presented by new technologies and digitisation which is likely to stimulate innovation and adoption of new technology and drive transformation, growth and progress.
- **The report has found that companies in India experiencing the highest growth prefer hiring men and that technology led job growth benefits men more than women** which is a big reason to worry for India's drive towards gender equity and women empowerment.

Key Insights

- **Companies anticipate job creation not job loss:** Contrary to widespread concern that machines and technology are displacing human workers, companies are hiring additional workers owing to the adoption of industrial technologies and machinery in the last five years and they expect this trend to continue in the medium term. If managed carefully, technological disruptions in India can in fact lead to the creation of sufficient gainful employment opportunities for the growing working-age population.
- **Companies recognise the potential of the Internet of Things (IoT) and big data:** Companies have reported that aspects of IoT are present in their companies or that they are planning to introduce aspects of it in the next five years. Similarly there is a growing trend of the use of big data.

- **Skills gaps and financial constraints are the main barriers to technology adoption:** Companies reported a lack of know-how among their employees as the most important barrier to technology adoption along with lack of investment capital in newer technologies.
- **Retraining and learning on the job to address changing skill requirements:** Companies plan to address gaps in knowledge and skills internally through retraining existing workers in new capabilities, or having employees learn new requisite skills on the job.
- **Companies are hiring, but not women:** The inclusion of women in the labour market in India is both a social and an economic imperative. **The IMF estimates that India would be 27 percent richer if there was equal participation of women in the workforce.** Despite years of high growth in India, women are severely under-represented in the labour market. In fact, India has seen a decline in female labour-force participation in recent decades. Today, it stands at a mere 27 percent. This is one of the lowest in the world, with a global average of 49 percent.
- **Contractualisation is increasing:** The drivers of contractualisation include stringent labour regulations, the **wage differential between permanent workers and contract workers (which is one and a half times greater for permanent workers on average)**, increasing import competition, and the lack of bargaining power of contract workers compared to that of the unionised and regular workforce.
- **There is a significant need to rethink worker protections, security and benefits:** The existing provisions of worker protection and benefits like paid annual leave, paid sick leave, both for permanent and contract workers, is grossly insufficient.
- **An independent future:** Independent work is on the rise in many advanced economies across Europe and the United States. Similarly in India, freelancing is becoming increasingly common. For individuals, however, working as a freelance worker has both advantages and disadvantages. Some of the advantages include flexibility in working hours, the ability to work remotely, and the autonomy and control that self-employment enables. On the other hand, work hours can be long and unpredictable, diminished employment rights such as paid sick leave etc.

Way Forward

- Economic growth is a necessary but not a sufficient condition for job creation. **It is estimated that India must create more than 8.4 million jobs a year to maintain its current employment rate.** With the current rate of job creation per percentage point of economic growth, the country will need to grow at a rate of more than 10 percent.
- Creation of decent jobs with better wages, security, protections and safety, are necessary for improving individual and household welfare and well-being.

- It is high time to ensure equal opportunities for women, youth and other marginalised communities who were previously unable to participate equally in the paid economy.
- India needs to establish an ecosystem better equipped to prepare the workforce for changing skill and educational requirements.
- Creation of an inclusive policy environment which balances the need for job creation with the interests of workers is also urgently required.