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PAPER

Whitepaper

Leveraging Technology to Enable a Job Market for Blue and Grey Collar Workers

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Background

It is not a matter of debate that the pandemic has resulted in a huge dent on economies, the world over; with India, the case has been no different. The COVID-19 outbreak in India and the subsequent nation-wide lockdown from March 25th altered the landscape of the country's labour market. With close to 10.9 million jobs being lost across sectors, 2020 was termed the worst-ever year for the job market in India.

A key challenge people and businesses participating in the labour market is availability of information – information on where and what are the jobs on the one hand and information on where are the workers on the other. Shocks like the current pandemic only exacerbate the problem. In India the mass exodus of migrants precipitated a catastrophic situation for the labour markets in some regions. Data and technology can help alleviate this problem. But how? What is the promise and what are the challenges?

The role and requirement of public presence in labour market matchmaking is not new. In the past, the government tried to circumvent the challenge of unemployment via unemployment exchanges.

"Firstly, employment exchanges are confined to industrial towns and the figures of registrations and placements which they compile are restricted mostly to the industrial and commercial sector. Secondly, even in the industrial sector, there is neither compulsion for the unemployed, to register with the exchanges, nor is there any obligation on the part of the employer to recruit labour only through these exchanges. Even the information regarding unemployment among the industrial workers is, thus, inadequate. Thirdly, in the nature of the case, employment exchange statistics cannot indicate the amount of disguised unemployment which is otherwise believed to exist. This means that the extent to which qualified persons have to accept work which does not give them the income which persons with similar qualifications get elsewhere cannot be assessed from these data. There is also to some extent registration of persons who are already in employment and who desire to seek better jobs. This tendency is reported to exist in the more qualified section of registrants, but to the extent a region maintains these persons on the register of employment seekers, there is an overestimate of the number unemployed." This was not written yesterday. It is a quote from India's First Five Year Plan (1951-56) document[1]. Nothing would substantially change if this were to be written now[2].

A number of measures have been undertaken, both in the private and public sectors to ensure productive employability through better information flows. The Government has stepped in with a number of measures that serve as 'matchmaking' for job seekers and job providers. In an endeavour to improve the information flow and bridge the demand-supply gap in the skilled workforce market, the Ministry of Skill Development and Entrepreneurship (MSDE) has launched the 'Aatamanirbhar Skilled Employee Employer Mapping (ASEEM)' portal to help skilled people find sustainable livelihood opportunities[3], besides other initiatives by UTs and States. Another such example is the Unnati platform, which is a digital solution developed by the Government of India that aims to provide livelihood access to blue and grey collar workers in India and supports the vision of Atmanirbhar Bharat[4].

On an international scale, an interesting initiative introduced is SWADES or Skilled Workers Arrival Database for Employment Support where information of Indians returning home is shared with Indian & foreign companies so that they can contact the concerned individual if they need someone with the respective skill sets that individual harbours. In addition, and with the objective of overcoming technology and internet associated challenges, portals have been equipped with a number of features: ease in

[1] Chapter 39, Employment
[2] https://www.files.ethz.ch/isn/90257/35.pdf
[3] https://vikaspedia.in/social-welfare/skill-development/aatamanirbhar-skilled-employee-employer-mapping-aseem-portal
[4] https://unnati.gov.in/

usage (especially on small screens), multilingual features, possibility of uploading video profiles, offline mode accessibility, updates via SMS and so on.

Introduction

For almost a year now, the pandemic has dominated headlines in India and around the world, because of the disruption caused in various sectors. Having said the same, COVID-19 has also encouraged thought processes – on what is deficient and how it should be resolved using (cost-) effective solutions. If we apply this rationale to the job market, it is to be noted that there emerged not only a need for matching and linking job seekers and job providers, but also a dire demand for reskilling and upskilling. The role of data is, was and will remain significant in this entire reinvention of sorts.

Centre for the Digital Future at the India Development Foundation, in collaboration with other researchers and institutions, aims to explore the use of real-time and other novel datasets to address research questions raised by experts. This project is supported by Facebook's Data for Good initiative. Under the aegis of this project, a number of round tables have been organized, one such being: Leveraging Technology to Enable a Job Market for Blue and Grey Collar Workers. This paper is based on the discussions during this round table.

The scenario – challenges and possible solutions

Logic begets that if a match making between job providers and job seekers has to be catalysed, data is crucial. However, what purpose should the data serve would determine the type of data needed and how it should be collected. Just having raw data in a reservoir makes little sense.

However, the above is easier said than done: India, with its diversity, demands different skill sets pertaining to the respective local economy it corresponds to, as it is the latter that sets the demand, to which the supply should, ideally, align itself. Besides this, if the local economy doesn't support a job market in the first place, emigration is bound to happen. However, when a crisis strikes, like a pandemic, a reverse influx is also witnessed, leading to huge gaps between job seekers and providers because of lack of the required skill sets that were needed in the first place.

Hence, understanding demands of the local economy and ensuring a relevant supply of skills is critical to prevent the above at the onset. The importance of boosting local economies is also vital as during a pandemic the reluctance to travel is high, especially in the case of women. Of course, local areas would also mean immediate neighbouring areas. Another related point is that hiring of grey- or blue-collar workers also works heavily on referrals, which are pre-dominantly local in nature.

It is to be noted that just mapping skill sets in the pandemic era may not suffice. Firstly, it is a huge exercise on its own, demanding time and effort, besides a systematic, planned approach. Secondly, the pandemic has opened a plethora of new job profiles, almost obsoleting some previous ones. This, obviously, implies that reskilling/upskilling would be the thing to do, for which training providers would be needed, who understand the demand of the concerned economy, industry and market, else the gap between what is needed and what is being 'supplied' will widen; on the other hand, skill sets that grey and blue collar jobs usually require are, by and largely, learnt and polished on the job itself.

Another important point raised during the round table was that a high percentage of youth are partakers in an informal job market, with inadequate education, language and skill sets; this also highlights the gap between formal education and the required, future skill sets that demands necessary change in concerned policies. However, this is not a new challenge, and in order to navigate this, there stands a need to guide youth on what they can do with what they are best good at. For this, mobilization, counselling, training (including basic tech skills pertaining to navigation through portals) and productive employment are the key aspects. The importance of counselling is to be

noted in the chain, which is paramount to understanding more about the job seeker, his/her background/profile, the skill sets and aspiration; the latter being integral here, because if an individual doesn't find resonance with the work he/she does, it doesn't lead to a long-term, sustainable relationship.

In fact, the National Career Service has an entire counselling chapter chalked out on its site that addresses this aspect. Some private start-ups, in fact, have also taken up this field as a specialization. Another important point is to track the 'life cycle' of the job seeker – is the concerned individual able to adapt/adopt/resonate to/with his/her job, its environment and nuances, or is there is deficit that needs to be nipped in the bud?

Then there are other concerns such as integrating people beyond the age of 35 back into the skilling system, in a scenario where age and skill sets, both may serve as 'barriers'. Besides this, jobs which saw application of plain skills now see tech intervention, which a certain age group may not adopt easily.

An associated worry, other than skilling and reskilling, is that wages have not seen a significant upward curve either. This can be attributed to multiple reasons: one being that of the 70 million enterprises in India, approximately, 98.5% employ less than 10 people, and comprise, to a large extent, of family members. The readiness to provide skill premium is minimal, as emphasis is placed not really on expertise or quality. However, an alternative that has emerged is entrepreneurship which allows for tapping creative skill sets, helps the local economy and circumvents any deficit of language skills and/or higher educational qualifications. One such initiative to boost this has been Make in India launched in 2014, with the objective of attracting investment, encouraging innovation and application of local available skill sets, with the aim of strengthening the manufacturing sector.

Coming back to the essential questions:

- How can data help? For the same, capture of essential data, for set objectives, in a systematic, accurate and timely manner, is a pre-requisite. If one needs to understand the current scenario, challenges included, the emerging trends, and the outlook of the projected future, it is data collected from various human capital sources that will throw light on the same.
- How should data serve whom it has to serve? Data in its raw form makes little sense; however, if it is sieved in line with the purpose it is expected to serve, applied for arriving at factual outputs, and made available for use that can enable policy making and its implementation, then such data, indeed, serves its end cause well.
- Can data be collected, collated and extrapolated for the benefit of those who would need it the most? If yes, what are the privacy policies or rules/regulations that need to be honoured? Building up much required data driven platforms will require data from individuals as well as various entities. This makes concerns of data privacy even more critical. It also raises questions of how data from different entities – public and private – can be used together to generate this information and what more needs to be done.

  Data sharing is related to, and often referred to, in the contexts of data privacy, data sovereignty, data localization, data portability, etc., all important elements in the nation's overall data policy. There is little doubt that how we decide on each of these has implications for the others in terms of how we can use the new digital technology to extract the maximum benefit for our citizens. However, it is a good idea to first understand how the policy that governs any one of them, say data sharing, holding the others as given, will generate the social welfare we are after. Once that is done, we can then consider how tweaking policies in the other dimensions will affect the surplus generated through data sharing.

It is also to be noted that whenever economic agents and entities find value in sharing their proprietary data, they will. And, hence, one essential element of a data sharing

policy is to create an ecosystem where such mutually beneficial exchanges of data are facilitated rather than hampered. A key element of such value enhancing data sharing is the ability of the entity participating in data sharing, to extract part of the value generated from the dataset generated through data sharing.

Conclusion

Inclusive growth of India will not be achieved unless the share of informal employment in total employment does not fall. However, with over 90 per cent of the entire workface being informal (defined as those without any social insurance), and 85 per cent of the non-agricultural workforce being informal, India is an outlier among low-middle income countries in this regard. Although India is one of the fastest growing large economy in the world, the informality incidence has remained stuck at this level for decades. The stickiness of this statistic remains a serious area of concern, given that the numbers joining the labour force will only go on increasing over the next decade until 2030 (from whence the growth in the labour force will decelerate). India has experienced a demographic dividend since the early 1980s, which will end by 2040. Clearly a policy imperative is that not only must the non-agricultural jobs grow at a rate at least commensurate with the growth in the labour force, but the quality of jobs will also have to improve.[5]

But then what is meant by "quality jobs"? Is it equivalent to "productive employment"? It is also important to define the terms 'employment' and 'skilling', the interpretation of which may vary manifold causing gaps to widen. Data serves as vital information to understand the status of unemployment in its actual sense, with its myriad interpretations; the percentage, thereof, that can be attributed to the informal sector, across different geographies of India; the reasons that can be attributed to the same, and based on this the steps that can be taken to counter these. This is, however, easier said than done, as is also understandable attributed to the diversity of India and its manifold scenarios.

According to the Future Of Jobs Report, October 2020, released by the WEF: The top skills and skill groups which employers see as rising in prominence in the lead up to 2025 include groups such as critical thinking and analysis as well as problem-solving, and skills in self-management such as active learning, resilience, stress tolerance and flexibility. On average, companies estimate that around 40% of workers will require reskilling of six months or less and 94% of business leaders report that they expect employees to pick up new skills on the job, a sharp uptake from 65% in 2018.[6]

The crucial point reiterated here is that simple match making will not be able to cement the ever-widening gap between job providers, job seekers, skill sets and productive employment – important pillars of the employment circle – what stands is a dire need of understanding of how future skill sets are paramount to ensure that India's rich demographic dividend can benefit from an entirely new set of future job skills before it is too late.

5 https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_734503.pdf

6 http://www3.weforum.org/docs/WEF_Future_of_Jobs_2020.pdf

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