

Future of jobs: Modernised labour markets require social security

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As is universally understood now, the pandemic's most visible impact on white-collar work has been the dramatic increase in employees working remotely. While normalcy may moderate this trend, there is consensus that it is here to stay. But what may finally prove to be more disruptive are complementarity flexibilities, for example in work contracts. In what could set a trend among large corporates in India, HUL has launched 'U-Work' and 'Open2U' offers to employees and gig workers respectively, providing different combinations of flexi-work, financial security and medical benefits.

From the corporate point of view this flexi-curity is key to the talent pool that has outgrown the 40-40-40 model, whereby office workers wanted to be employed for 40 hours a week, 40 weeks a year, for 40 years. The enduring rigidity of that model has been blamed for India's failures to either attract investment away from China or grow formal employment. Simultaneously, the white-collar tech and managerial segments, the unicorns and 'soonicorn' have seen a real war for talent. It follows that the new flexi-curity will also simultaneously sound attractive and sinister, depending on where one stands in the 'wanted' list of the white-collar job market.

Whichever category one belongs in, and India needs to expand specialised higher education to help one move up the 'wanted' scale, the bottomline is that only good economic growth can increase good jobs. Growth in turn is tied to business competitiveness and nimbleness. To creative destruction, as it were. The problem is that while in richer countries the unemployed have social security, in India job loss basically throws one to one's own devices or whatever comfort family can provide. Therein lies India's current problem – a low tax base makes social security unaffordable for governments, lack of social security makes employers less willing to experiment with work, and that in turn impacts innovation.