AIR Spotlight: G20 Employment Working Group Meeting

AIR Spotlight is an insightful program featured daily on the All India Radio News on air. In this program, many eminent panellists discuss issues of importance which can be quite helpful in IAS exam preparation.

This article is about the discussion on: **'G20 Employment Working Group Meeting'.**

Participants:

1. Rupesh Kumar Thakur, Joint Secretary, Ministry of Labour and Employment
2. Lalima Aneja Dang, AIR Correspondent

Context: First Employment Working Group Meeting under Sherpa track of G20 to be held from February 2 to 4 in Jodhpur.

Employment Working Group:

● The Employment Working Group (EWG) started as the G20 Taskforce on Employment was set up in 2011 under the French Presidency – which was raised to Working Group level following the Leaders' Declaration under the Australian Presidency in 2014.
● The first meeting of EWG took place under the Turkish Presidency in 2015.
● The EWG discusses labour, employment and social issues to further develop strong, sustainable, balanced, inclusive and job-rich growth.
● Under India's presidency, 13 working groups, covering areas such as agriculture, digital economy, employment, health and tourism, will work through the sherpa track. Each working group will comprise experts and ministers concerned.
● The 2023 Employment Working Group Meeting is expected to target issues including addressing Global Skill Gaps, Gig and Platform Economy and Social Protection, and Sustainable Financing of Social Security.

Global Skill Gaps:

● Global organisations in every sector are struggling to find talent with the most in-demand skills.
   ○ One McKinsey report said 87 percent of companies worldwide "have a skills gap, or expect to within a few years."
● India is expected to have the world's largest working-age population by 2030.In the current employment landscape, India has an enormous skills gap. The situation becomes

even more worrying upon observing that this skill gap affects 76% of the people personally.

- Other than developed nations, the tendency to opt for online courses for reskilling and upskilling seems to be common among many countries.
- We need to rethink our approach toward upskilling, reskilling, and driving human capital to achieve this goal, especially if organisations want to attract the most talented workers. Opportunity abounds within this gap, and leaders have the tools at their disposal to enable skill development in the workforce.

Gig and Platform Economy:

- A Gig economy is a free market system in which temporary positions are common and organisations contract with independent workers for short-term engagements.
- Gig Worker is a person who performs work or participates in a work arrangement and earns from such activities outside of the traditional employer-employee relationship.
- As per reports, India's gig workforce comprises 15 million workers employed across industries such as software, shared services and professional services.
- Participation in the gig economy expanded exponentially since the onset of the coronavirus pandemic, mainly due to increased reliance on gig workers which propelled them from being 'invisible workers' to 'frontline workers'.
- Furthermore, the pandemic has upended the traditional 9-5 working world and caused many blue and white-collar employees to pursue gig work for additional or even primary income.
- Today, the gig economy has the potential to transact over $250 billion in volume of work and contribute 1.25 percent to India's GDP over the long term.

Social Security:

- Social protection or social security is a key element of national strategies to promote human development, political stability, and inclusive growth.
- Social protection systems normally include a mix of social insurance and social assistance programmes designed to reduce and prevent poverty. In addition, social protection plays a key role in boosting domestic demand, supporting the structural transformation of national economies, promoting decent work, and fostering inclusive and sustainable growth.
- In the context of the Sustainable Development Goals (SDGs), countries have committed to universal coverage, implementing nationally appropriate social protection systems for all.
- Changing forms of work and employment, disruptions in labour markets, higher unemployment and poverty risks, as well as demographic change, are likely to increase demands for social protection.

- Well-designed social protection systems will ensure a greater capacity to adapt to the changing nature of the economy so that they can continue to play an important role in poverty reduction and as an economic and social stabiliser.
- Despite significant progress in extending coverage, there are significant gaps, determined mainly by limited resources.
- Given the importance of social protection for inclusive growth and development, it is crucial to explore all possible financing alternatives.

Changing dynamics in India:

- According to estimates, India currently has 1.39 billion people compared to China's 1.41 billion. India is also adding 86,000 to its population daily as against China's 49,400.
- India entered the demographic dividend opportunity window in 2005-06 and will remain there till 2055-56.
  - 25% of India's population is under the age of 15, while more than half is below the age of 30.
  - Whereas, only a fourth of China's population is under the age of 25.
  - India's median age is 28.4 years, while China's is 38.4 years.
- In 2020, around 67 per cent of India's population was in the working group compared to 64.9 percent for China.
- India's large population provides many opportunities for businesses to capitalise on, given its vast consumer base.
- According to a recent Confederation of Indian Industry report, if India's demographic dividend was productively employed, growth prospects would brighten, helping it to leapfrog its GDP from the current $3 trillion to $9 trillion by 2030 and $40 trillion by 2047.
- There is a big issue with the standardisation of skills in the country. Various schemes are designed to resolve this issue by having nationwide standards that also stand up to international benchmarks.
- Institutional and cross-nation coordination is significant to improve employability, by way of mutual digital skill recognition, or exchange of best practices.
- In lieu of the borderless nature of the digital economy, G20 member states must encourage efforts to create a global, digitally capable, and future ready workforce.
- India is working towards building a consensus among the G20 on developing a framework for assessing the skill gaps and harmonisation of skills qualification across these countries to enable faster and easier labour mobility at a reduced cost.
- The inclusion of the above themes as an important agenda of the Employment Working Group of the G20, is thus a right step in this direction.