

Resources aplenty, no jobs

We are in the midst of the most transformative age in human history where technological leaps could make possible a world of limitless food, water, and energy. Although we have attained the ability to produce any resource at any speed or in any quantity, human capital requirement is on a steep decline owing to the advent of cutting-edge technologies such as artificial intelligence and robotics.

While five high-technology firms find themselves among the list of the top seven most valuable companies in the world, with a cumulative market capitalisation of almost \$3 trillion, it is distressing to note that they employ just under 700,000 people among them. The inevitable widespread adoption of next generation technologies indicates a future of mass unemployment, and concentration of wealth in the hands of a few enterprises capable of providing minuscule job openings.

Today's primary challenge is the optimal allocation of copiously produced resources among an increasing population with dwindling wage-earning opportunities. Taking cue from these trends, several progressive political outfits across Europe have started demanding legislation favouring reduced working hours with no cuts in pay, three-day weekends, and the introduction of a universal basic income.

Even if new models built around the reduction, sharing, and diffusion of work and the provision of a supplementary income can sustain employment levels and living standards in wealthy nations with a steady, declining, or ageing population, with most of them plugged into the formal economy, it will be impractical in countries like India. The Indian scenario already looks grim with the Labour Bureau stating that India added just 1.35 lakh jobs in eight labour-intensive sectors in 2015, against a backdrop of almost 1.5 crore annually entering the job market. Conditions are ripe for the creation of a plenitude of frustrated people who would be easy prey to the sway of radical nationalists and populists.

Nevertheless, the informal economy employs more than 90% of our workforce. Efforts to structure the informal sector, by encouraging them to adopt modern-day tools and best practices, and by giving them adequate access to capital for expansion, would stimulate the economy and the job market.

India has massive basic infrastructural capacity requirements. Focussed government planning and spending, along with the creation of an environment that would encourage private investments into these potentially large-scale projects, could create immediate openings for millions in sectors like construction, India's second largest employer, providing jobs for over 44 million. If leveraged to create essential and permanent assets, employment-guaranteeing schemes like MGNREGA would also effectively absorb a large slice of job seekers. Redefining the existing economic planning, employment and resource-allocation models, to get them in sync with this technology-accelerated age, is the need of the hour.

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