

India needs businesses in small villages, taluks that employ people: Chairman of Odisha Skill Development Authority

The Indian Express
Thursday, July 30, 2020

Subroto Bagchi, Chairman of Odisha Skill Development Authority, lists social stigma as one of the challenges to encouraging skilled jobs, says Aadhaar is a false worry, notes law can't ensure creation of sustainable jobs, and explains why conversation about technology can wait when concern is jobs for school dropouts

SANDEEP SINGH: There is a lot of talk about India's demographic dividend. But do we have the skills required for the jobs that are currently available?

The world of skill development is basically the world of Class 5, 8 and 10 dropouts. It is true that technology will impact them. It is true that robots will come and take over jobs, Artificial Intelligence (AI) will come in... But if you look at the bottom of the pyramid — where a child is dropping out of school — that conversation about technology can wait. We are in a situation where we have to create employable skills for these individuals and we have to do it quickly.

Almost three years ago, when I made the crossover to the government sector, I had to embrace the basics first. The Odisha government had a programme for employable skill development for 1.1 million people for a five-year period — from 2014 to 2019. And 80 per cent of these were those who had fallen out of the school system and would never go back. The remaining 20 per cent included those who had been to an ITI. In that world today, a kid who goes to ITI... it's like going to an MIT or Harvard. They are the cream of the cream of the new universe. This is a different reality. Here you are basically helping someone develop skills to become a bedside attendant, a sewing machine

operator, a security guard, a driver. If you look at that world, technology is relevant but it slides into the background. A lot other things, which are more brick and mortar than virtual, take over.

Subroto Bagchi, Chariman Odisha Skill Development Authority, co-founder of IT Services company Mindtree at [Indian Express](#) Noida office during Idea Exchange. (Express photo by Abhinav Saha)

P Vaidyanathan IYER: But for the kind of entrepreneurship that we are seeing today, the kind of jobs that are being created in the start-up space, isn't technology a big enabler there?

I don't think so. In the online world, a start-up that has a valuation of more than a billion dollars is referred to as a 'unicorn'. So, [Flipkart](#) was a unicorn, Swiggy is one, Ola and now Oyo have also joined the list of unicorns. These are highly valued tech companies. And, of course, Ola will create jobs for drivers. But, if you look at the larger Indian reality, what India really needs today are 'nano unicorns'. People who will develop a skill and start a business in a tiny village or a taluk and in 12-18 months, this business will employ people on a part-time basis. So, the real economic progress will happen when India sees a surfeit of nano unicorns. Are they tech-enabled? Of course they are. But is that the story? It is not.

As a new India emerges, people are finding a new world for themselves. There is commerce happening. There are so many different opportunities coming up. The fulfilment of these creates both possibilities of employment and entrepreneurship. An economist had coined the term 'continental economy', referring to the NAFTA (North American Free Trade Agreement) countries... also, India and [China](#). Continental economy means that an economy is so large in terms of consumptive power that if you have a significant play in that — like even if you are the No. 1 or 2 pizza-making company in India — you will automatically be among the top five in the world. So, Mahindra is the largest tractor manufacturer today because they manufacture tractors largely for the Indian farmer. Continental economy releases a huge amount of opportunity. In the world out there, the story is larger than tech, beyond tech.

P VAIDYANTHAN IYER: You mentioned the different universes — one where we talk about low-level skills where, through skill development,

you are the principal actor and facilitator. The other side is about creating an ecosystem where these people become part of a larger enterprise. Is that what you are suggesting? Or are you suggesting that there should be millions of nano entrepreneurs across the country to fire the economy?

I think you need both. We need to fight this mindset of calling it low-level skills. People ask me about the challenges in skill development... The first challenge is social stigma — the moment you use the word 'skill', it is considered 'low-level'. It is making people shy away from embracing skilled jobs. You find that most skilled people do not want their children to take up the same skill. An electrician wants his child to take up a white-collar job. It is happening because society largely stigmatises 'skill'. This does not happen in developed countries.

SANDEEP SINGH: How can dignity of labour be addressed? Is it just about salary or is there more to it?

It is a very large and complex problem. After taking on this assignment, I felt that there are two things inherently wrong in India, and which are not being discussed. One is, of course, compensation. We remain an exploitative country. There is huge disparity. We need to fix the compensation part. What is happening is that people get skilled, they come to the big cities because that is where the jobs are, and then move into slums. So a skilled individual cannot afford living a respectable life. We are okay with pushing more people into slums.

The other issue is housing; we have to address worker housing. It is on nobody's agenda. Why is it that when you construct a metro station, the worker building it gets pushed away further? The moment a new metro station opens, property prices in the area go up and so the skilled workers, who are also poor, get pushed out.

Look at the amount of prime government land in the centre of every city. If Singapore can have good quality worker housing, why can't India have the same? What will it take to build a 100-storey building within 5 km of India Gate. But we are not thinking on those lines. Housing is critical, also because 50 per cent of the population is women, and in the categories I am talking

about, they are bound to be unsafe because their housing is unsafe. A young girl cannot think about coming to Delhi to take up a job other than the rare white-collar one. We have to address worker housing as a matter of national importance.

LIZ MATHEW: What difference will a law like Right to Skill make?

I am not a great fan of laws. Laws cannot be a substitute for everything. Skill is deeply ingrained in character... Skill is not like education. You can educate people, you can't skill them. You learn a skill when you do it with your own hands. It requires dedication, dexterity, humility, someone's willingness to give, someone's willingness to take... It does not happen because you mandate it to happen. I don't

think you can create sustainable jobs and sustainable skill development through a law.

RAVISH TIWARI: In the late '80s, India created core competencies in the IT sector. Now, however, the industry is not in very good shape.

Well, that's not true at all. I don't think there is a cause for concern. Major Indian IT companies have significantly transitioned to new-age technologies that make machine learning, AI etc far more relevant to the operations that they conduct. I don't see Indian companies at any risk from foreign players. They have, not once but many times over, in many different ways, re-invented themselves.

RAVISH TIWARI: Most Indian companies we have today — Flipkart, Ola etc — are rip-offs of US models. Why have we not come up with an original product?

There is nothing like a US model, Japanese model or Chinese model. It is a global world. If you make a great movie in India, chances are that someone in China will be inspired to adopt it and change it and build on it. The same is true for technology. We should not feel bad if an idea that was tried out in another ecosystem is being tried out by an Indian company. The reason why that idea was tried out in another ecosystem is probably because venture capital was more easily available, risk capital was more easily available... Also, chances are that the guys who built the platform were in India and China.

RAVISH TIWARI: As a veteran of the IT industry, how do you see the Supreme Court judgment on [Aadhaar](#)? Does it constrain the use of the Aadhaar platform or the infrastructure that has been created for it with the taxpayers' money?

I think Aadhaar has gone beyond controversies. Sometimes controversies make a product more resilient and its processes more accountable. Aadhaar is a non-issue now. It's here, it will be here. If you go to the [United States](#) of America, which is the smartest user of the concept, you will find that the social security number is universal. In India we have a tradition of false worries. Aadhaar is a false worry.

Aadhaar is about ensuring more authentic transactions and that will lead to more secure transactions. In the future, authenticity will increasingly be in short supply and hence in high demand. So you will need authentication. Controversies will keep it alive and performing better. Aadhaar is a given now.

SHUBHAJIT ROY: What is more authentication and less authentication? There are 10 or 12 documents for authentication, why limit it to one?

What I said was that the world requires more authentic transactions to ensure more secure transactions. Higher the authenticity, the more comfortable you will feel about the transactions; you will know you are dealing with real people. You would like authenticity in every experience as an individual, and so you need tools for that.

HARISH DAMODARAN: China had its town and village enterprises and most of the rural industrialisation came via manufacturing. Why can't we do the same? Why can't we have rural BPOs?

The service economy is becoming really big in India, across cities, across towns and villages. India will have the highest number of old people in the world very soon. Since communicable diseases are not as much as they were in the 80s or 90s, these old people will require care and that will become a huge demand area. Similarly, there will be other opportunities in the economy as well. With technology, you won't have to go to work, it will come to where you are. That is going to be a reality.

I think one of the greatest things to happen in India in my time is the Golden Quadrilateral. We need a similar thing with mass rapid transport. Once you do

that, more people who stay in a village may commute to the city. They can have access to opportunities in both the places.

KRISHN KAUSHIK: You mentioned that India needs better compensation and housing for its workers. But a large part of the industry that hires these people, they don't have very high margins. What is the incentive for an MSME to provide any of these things? Also, where are the jobs for people who are getting skilled?

Job creation in the future would largely depend on how Micro, Small and Medium Enterprises (MSMEs) flourish. However, I must tell you that Indian MSMEs have some way to go. Even now, many of them indulge in labour arbitrage. Today, you cannot be globally competitive by paying somebody less. MSMEs need to understand that they cannot build a sustainable business in this manner. So paying workers crude wages, not having them on your rolls, paying people in cash... There is a very real possibility of a pushback.

An MSME may say you are telling me to pay more wages to these people and now I am going to get out of business. If we are seeking better pay for skilled workers, it is this category, the MSMEs, that will push back the most. That is because they don't want to move from labour arbitrage to other forms of production efficiency. It is a difficult conversation but we need to have it. I think the government will have to play a more decisive role in this in terms of setting a significantly better standard of minimum wage.

The other issue is housing; we have to address worker housing. It is on nobody's agenda. (Express photo by Abhinav Saha)

RAKESH SINHA: On the one hand there are protests by Jats, Marathas etc for quotas in government jobs, which in turn is giving rise to social tension. On the other hand you have the government calling for affirmative action by private sector. How do you view it?

It worries me deeply at an individual level. It also worries me in the larger context of the Indian identity, civilisation and body politic. I don't have a good answer to this question. Seventy-five years into Independence we have to deal with such issues! It makes one ask fundamental questions about what have we been doing all this while.

AJAY SHANKAR: You are also involved with mental health work. How does technology affect mental health?

Mental health is a much deeper issue. To say that your child is spending long hours in front of the computer or your spouse is texting while you are sleeping, what does that say about their mental health?... See, technology can cause stress, no question about it. If you look at the history of humanity, our tools change our character. From the tribal days, tools shape our identity, character and behaviour and today technology is one such tool. Is it by itself causing mental health issues? I will not jump to that conclusion. Technology makes a lot available to you very easily and so you run the risk of information overload and, as a result, attention deficiency. So it's a real risk. Things and situations in life require you to contemplate. Human beings require contemplative space. Excessive access to information through technology can reduce that space.