

## World Development Report 2019: The Changing Nature of Work

According to World Development Report 2019 by World Bank, many jobs today, and many more in the near future, will require specific skills—a combination of technological know-how, problem-solving, and critical thinking as well as soft skills such as perseverance, collaboration, and empathy. The days of staying in one job, or with one company, for decades are waning. In the gig economy, workers will likely have many gigs over the course of their careers, which means they will have to be lifelong learners.

How is work changing- It is easier to assess how technology shapes the demand for skills and changes production processes than it is to estimate its effect on job losses. Technology is changing the skills being rewarded in the labor market. The benefits are for the skills that cannot be replaced by robots—general cognitive skills such as critical thinking and socio-behavioral skills such as managing and recognizing emotions that enhance teamwork, as workers with these skills are more adaptable in labor markets.

The Changing Nature of Firms- In 2018 firms operate within wider boundaries. Free trade agreements and improved infrastructure have reduced the cost of cross-border trade, allowing transactions to take place wherever costs are lower, complimented by lower communication costs due to new technologies. As a result, firms are less vertically integrated and managers are outsourcing more tasks to the market. Some companies are even creating new markets.

Building Human Capital- The world is healthier and more educated than ever. In 1980 only 5 in 10 primary school-age children in low-income countries were enrolled in school, which increased to 8 in 10 in 2015. In 1980 only 84 of 100 children reached their fifth birthday, compared with 94 of 100 in 2018. A child born in the developing world in 1980 could expect to live for 52 years. In 2018 this number was 65 years. Life expectancy in the developing world still lags far behind that of rich countries such as the Republic of Korea, where a girl born in 2018 can expect to live more than 85 years

Human Capital index 2018- The human capital index ranges between 0 and 1. The index is measured in

terms of the productivity of the next generation of workers relative to the benchmark of complete education and full health. An economy in which the average worker achieves both full health and full education potential will score a value of 1 on the index.

**Human Capital Index-2018**

Rank	Country	HCI Score
1	Singapore	0.88
2	Korea, Rep.	0.84
3	Japan	0.84
4	Hong Kong, SAR, China	0.82
5	Finland	0.81
6	Ireland	0.81
7	Australia	0.80
8	Sweden	0.80
9	Netherlands	0.80
10	Canada	0.80
<b>115</b>	<b>India</b>	<b>0.44</b>

Source: PHD Research Bureau compiled from WDR 2019

### Outlook for India

- India has been given Human Capital Index score of 0.44 and is ranked at 115<sup>th</sup> position out of 157 economies by World Development Report 2019.
- The Indian government invested in technical universities across the country, and subsequently India became a world leader in high-tech sectors.
- As part of the Startup India initiative, seven new research parks have been established on Indian Institute of Technology campuses to promote innovation through incubation and collaboration between universities and private sector firms.
- In India, the informal sector has remained at around 90%, notwithstanding fast economic growth and technology adoption.
- India is the second-largest consumer of massive open online courses (MOOCs).
- Platform-based businesses are on the rise in every country.

**The report on “World Bank Development Report 2019: The Changing Nature of Work” is attached for your kind reference.**

Please contact for any query related to this mail to Ms. Kritika Bhasin, Research Officer at [kritika.bhasin@phdcci.in](mailto:kritika.bhasin@phdcci.in) with a cc to Dr. S P Sharma, Chief Economist at [spsharma@phdcci.in](mailto:spsharma@phdcci.in), and Ms. Megha Kaul, Economist, [megha@phdcci.in](mailto:megha@phdcci.in), PHD Chamber of Commerce & Industry.

Warm regards,

Dr. S P Sharma  
Chief Economist

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PHD Chamber of Commerce and Industry  
PHD House, 4/2 Siri Institutional Area  
August Kranti Marg, New Delhi-110016  
Ph.: + 91-11-26863801-04, 49545454  
Fax: +91- 26855450, 49545451  
Email: [spsharma@phdcci.in](mailto:spsharma@phdcci.in)  
Website: [www.phdcci.in](http://www.phdcci.in)



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