

Addressing Inequality & Workforce Diversity

What is the issue?

\n\n

\n

- Addressing regional, economic and social inequality across India is key for the greater good of the nation.

\n

- Additionally, enhancing workplace diversity is key for increasing productivity.

\n

\n\n

What are India's Human capital challenges?

\n\n

\n

- India is prioritizing creating jobs for the 12 million people entering the workforce annually.

\n

- This is challenging as there are already nearly 800 million people below the age of 34 years and this number is bound to grow.

\n

- This young demography needs to be productively engaged in education and employment.

\n

- Also, educational institutions & workplaces should expand quotas to include under-represented regions such as North East.

\n

\n\n

What does IMF's 'Tracking Inequality' Monitor say?

\n\n

\n

- A Fiscal Monitor called 'Tackling Inequality' was released by the IMF recently, which is of significance to India.

\n

- It observes that inclusive growth is receiving attention because of rising inequalities and slowing economic growth.
\n
- It notes that, excessive inequality can erode “social cohesion, lead to political polarization, and ultimately lower economic growth”.
\n
- Notably, inequality of opportunity is higher in emerging countries.
\n
- Focusing on evolving a strong education policy can help address this, which can lead to enhancing human capital and productivity.
\n

\n\n

What are the specifics?

\n\n

- **Castist Backwardness** - India is characterised by diversity in income, language, religion, culture and social status.
\n
- To provide equal opportunity for all in education & employment, reservations were adopted to help the socially under-privileged.
\n
- But such positive social actions are largely restricted in ambit to the government sector and public educational institutions.
\n
- **Women participation** - Women in economic and formal workforce has been low in India.
\n
- At just 31% female workforce participation, India has a lower percentage than even most emerging economies (Nepal - 80%).
\n
- Studies show that progressive increase of the female participation in the workforce would enhance GDP by more than 1% annually.
\n
- **Unemployability** - A study by OECD revealed that nearly one third of youth are unemployed and are not engaged in learning.
\n
- Also, literacy rate in India remains lower than most emerging economies and school drop-outs are also very high.
\n
- In 2015, nearly 60% of employers had reported talent shortages -implying that nearly half of our skilled youth are unemployable.
\n

- Notably, unemployed youth are most vulnerable to drug abuse and other anti-social activities - thereby needing immediate attention.
\n
- **North East** - In the North-Eastern States, unemployment, and poverty rates are generally higher than that of All-India.
\n
- The Union Government had earlier mooted the idea of Second Green Revolution in the North-East.
\n
- This is to usher prosperity and achieve better integration with rest of country.
\n

\n\n

What could be done?

\n\n

- Across domains, policy of reservation can be considered for enhancing women and specific regional-based representation.
\n
- Setting up premier institutions like IITs in newer locations to spread quality education across states needs impetus.
\n
- Special Category status has also been provided for select States for fiscal consideration and education & employment opportunities.
\n

\n\n

\n\n

Source: Business Line

\n

