Addressing Inequality & Workforce Diversity

What is the issue?

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- Addressing regional, economic and social inequality across India is key for the greater good of the nation.
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- Additionally, enhancing workplace diversity is key for increasing productivity.
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What are India’s Human capital challenges?

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- India is prioritizing creating jobs for the 12 million people entering the workforce annually.
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- This is challenging as there are already nearly 800 million people below the age of 34 years and this number is bound to grow.
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- This young demography needs to be productively engaged in education and employment.
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- Also, educational institutions & workplaces should expand quotas to include under-represented regions such as North East.
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What does IMF’s ‘Tracking Inequality’ Monitor say?

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- A Fiscal Monitor called ‘Tackling Inequality’ was released by the IMF recently, which is of significance to India.
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- It observes that inclusive growth is receiving attention because of rising inequalities and slowing economic growth.
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- It notes that, excessive inequality can erode “social cohesion, lead to political polarization, and ultimately lower economic growth”.
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- Notably, inequality of opportunity is higher in emerging countries.
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- Focusing on evolving a strong education policy can help address this, which can lead to enhancing human capital and productivity.
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What are the specifics?

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- **Castist Backwardness -** India is characterised by diversity in income, language, religion, culture and social status.
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- To provide equal opportunity for all in education & employment, reservations were adopted to help the socially under-privileged.
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- But such positive social actions are largely restricted in ambit to the government sector and public educational institutions.
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- **Women participation -** Women in economic and formal workforce has been low in India.
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- At just 31% female workforce participation, India has a lower percentage than even most emerging economies (Nepal – 80%).
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- Studies show that progressive increase of the female participation in the workforce would enhance GDP by more than 1% annually.
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- **Unemployability -** A study by OECD revealed that nearly one third of youth are unemployed and are not engaged in learning.
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- Also, literacy rate in India remains lower than most emerging economies and school drop-outs are also very high.
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- In 2015, nearly 60% of employers had reported talent shortages -implying that nearly half of our skilled youth are unemployable.
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- Notably, unemployed youth are most vulnerable to drug abuse and other anti-social activities – thereby needing immediate attention.
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- **North East –** In the North-Eastern States, unemployment, and poverty rates are generally higher than that of All-India.
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- The Union Government had earlier mooted the idea of Second Green Revolution in the North-East.
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- This is to usher prosperity and achieve better integration with rest of country.
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What could be done?

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

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