Inequality in Workforce

Why in news?

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IMF released Fiscal Monitor in terms of tackling inequality.

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What is IMF?

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- The International Monetary Fund (IMF) is an international organization headquartered in Washington, D.C.
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- It is an organization of 189 countries working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.
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- It now plays a central role in the management of balance of payments difficulties and international financial crises.
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- Countries contribute funds to a pool through a quota system from which countries experiencing balance of payments problems can borrow money.
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What is the recent release discusses about?

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- The Fiscal Monitor observes that inclusive growth is receiving attention because of rising inequalities and slowing economic growth.
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- Further, excessive inequality can erode “social cohesion, lead to political polarization, and ultimately lower economic growth”.
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- It states that in general, inequality of opportunity is higher in emerging

countries.
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- It also recommends Public policies on education, can help address this inequality which can lead to enhancing human capital and productivity.
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What is the status of Inequality in Indian workforce?

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- India is pursuing an important priority, namely, to find jobs for the 12 million people entering the workforce annually.
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- This is a challenge, as there are already nearly 800 million people below the age of 34 years, who also need to be productively engaged in education and employability.
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- In India inequality of opportunity is higher in workforce, where North-Eastern population is most affected as unemployment, and there poverty rates are generally higher than that of All-India.
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- In emerging economies, as well as advanced countries, female participation is significantly higher than that of India.
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- In India attendance ratios dropped sharply from primary to secondary education and inequality in access to education is large.
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- Nearly 60 per cent of employers had reported difficulties in recruitment because of talent shortages.
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What measures needs to be taken?

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- Union Government had earlier mooted the idea of Second Green Revolution in the North-East to usher prosperity and achieve better integration with rest of country.
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- Union government has launched special schemes like Ishan Uday and Ishan Vikas to encourage undergraduate students.
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- Along with this government could also consider region-based reservation in employment in government educational institutions and public sector enterprises.
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- It would be useful to consider having more women through gender-based reservations in educational and vocational institutions, and in work places.
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Quick Fact

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Union government’s education initiatives for North-East

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- Union government is making efforts in spreading quality education in north-eastern states by opening institutions of excellence like AIIMS, IIT’s and IIM’s.
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- **Ishan Uday** - It is a special scholarship scheme by UGC, Ministry of Human Resource Development, and Government of India.
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- It has a provision to grant 10,000 scholarships to students from the Northeast, whose parental income is below Rs 4.5 lakh per annum.
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- The scholarship ranges from Rs 3,500 to 5,000 per month for studying at undergraduate level in colleges and universities in India.
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- **Ishan Vikas -**Visit of Class IX and Class XI students to 22 premier institutes [IITs, NITs and Indian Institutes of Science Education and Research(IISERs)] with two groups in summer and one group in winter, consisting of 32 students
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- Each group of 32 can be formed by taking 4 students from one single school ineach of the eight North East states. Each school will send one teacher to accompany thestudents of that school,
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- Summer Internship for Engineering College students of the North-East for a duration ofseven weeks at the Premier Institutes like IITs, NITs and IISERs.

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Source: Business Line

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