Social disparities in IT sector

Why In news

Recent , NSSO survey uncovers significant caste-based inequalities in employment rates and wages within the IT sector.

What are the recent findings about social disparities in IT sector?

> *The study utilises two rounds of NSSO surveys NSS 78th (2020-21) and NSS 68th rounds (2011-12).*

- **Disparities in employment probabilities** - Probability of Scheduled Castes (SC) and Scheduled Tribes (ST) to be engaged in the IT sector is only 10% in comparison to upper castes (27%).
- **Widening disparity** - The deficit of lower castes in IT sector went up from 11% in 2011-12 to 17% in 2020-21.
- **Labour segmentation** - Backward and scheduled castes are relegated to the lower segments of the job market.
- **Structural barriers** - Workers in the lower segment facing structural barriers in upward mobility.
- **Disparities in wage earnings** - SC & OBC workers in IT sector earns 24.9% and 22.5% less than their upper caste counterparts, despite considering education & employment types.
- **Gender inequality -** Female workers in IT earn 26.2% lower than males, irrespective of their caste, though their employment probabilities are closer to that of men.

What are the factors causing these disparities?

- **Social inequality** - Caste inequalities are rooted in historical, social, economic & cultural influences, perpetuated by long-standing beliefs and generational transmission.
- **Discrimination** - based on caste permeates the job market, limiting employment chances and professional growth for marginalized sections.
- **India's economic liberalization -** since 1990 has created growth opportunities, especially in technology and services, but caste-based inequality remains.
- **Globalization** - It has created new jobs in cities, but these are mostly in fields needing advanced education and technical skills, which many lower-caste people lack.
- **Digital divide –** It has disproportionately affected rural & lower-caste populations and has limited their ability to participate in the global economy.

What are the impacts of these disparities?

- **Loss of economic efficiency –** According to a report by the International Labour Organization in 2022, higher levels of diversity at the workplace are associated with greater productivity and innovations.

  Each 1% increase in racial diversity in upper and lower management is associated with a yearly firm productivity gain between $729 and $1,590 per worker.

- **Undermines social justice -** it discourages the marginalised sections from investing in skill development, trapping them in a vicious circle of poverty.
- **Affects national progress** - By marginalizing a considerable segment of the population from equal economic engagement, the nation cannot fully utilize its productive capabilities.
- **Unsustainable development -** Absence of inclusivity also breeds social tensions, resulting in a climate unfavourable to sustainable development.

What can be done to address these disparities?

- Requiring all companies to publicly disclose their workforce diversity matrix, and make it public on their website.
- Such transparency can encourage accountability and motivate employers to prioritise diversity, without imposing specific quotas.
- Provide backward-caste and scheduled caste entrepreneurs greater incentives and training for entrepreneurship in high productivity sectors to boost their economic participation.
- Bridging the skill gap among the marginalised sections can pave the way for a more equitable and inclusive job market.

Reference

The Hindu | Myth of meritocracy

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