

GS-3 - Economy

3. Fostering competition must be made an integral part of manufacturing policy to tap demographic dividend. Elaborate

India's manufacturing sector - share is 16-17% GDP, lesser compared to china 27% & thailand 29%. In order, to reap demographic dividend, it is manufacturing sector which is labour-intensive, has spillover effect to generate demand etc,

Why Manufacturing is Significant?

In order to reduce poverty and sustain economic growth manufacturing sector is crucial. They are Engines of economic growth.

In, India, currently 65% of population - below 35 years.

Rising Domestic demand, young age population, middle class etc, low cost labour all makes it attractive for Manufacturers. Apart from this crucial factor to be taken into account is 'competitiveness'.

In India, Manufacturing currently employs only 12% population.

Study shows that reaping enhancing manufacturing sector, will generate 2 to 3 jobs in services sector

It also absorbs excess labour in agriculture sector

Challenges

* only 4.7% of India's workforce is formally skilled.
compared to US (52%), UK (68%), China (24%)

Measure - 'Competitiveness'

1. Government $\rightarrow$ Setup 'national competitiveness commission', to ensure competitiveness as law.
One can be taken from America's 'COMPETE', which incorporates all policies to promote global competitiveness

2. Enhancing skill level - from secondary school level - national Education policy 2020, also calls for vocational education. It will absorb dropouts into mainstream employment.

3. ITI - can also be enhanced to increase floor productivity.

Way forward

For India, to realise Atmanirbhar bharat policies to enhance competitiveness reforms to promote global competitiveness is the need of hour to keep demographic dividend.