

Harnessing Demographic Dividend

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The development of a nation is highly correlated to the enlargement of people's choices and people's capabilities that must add value to decent standards of living and well-being of the masses. Thus, people's participation as well as policy intervention is indispensable in dealing with various employment and growth-related issues in India and that will mark the roadmap for inclusive and sustainable development.

Inclusive growth is the need of the hour and it ensures economic, social and political equality among all the people of a country. Inclusive growth in itself does not have automatic mechanisms to reach the deprived and hapless section of the society; rather it is the result of focused and deliberate course of actions of the government. The development of a nation is highly correlated to the enlargement of people's choices and people's capabilities that must add value to decent standards of living and well-being of the masses. People's involvement and participation in various welfare schemes is indispensable for the triumph of true democracy. The success of 'Democracy and Swaraj' of our country is evaluated on the basis of how we '*plan for the unplanned*' and '*reach to the unreachd*'. Democracy would lose its significance if the benefits of growth do not reach to the unreachd. Thus, people's participation as well as policy intervention is indispensable in dealing with various employment and growth-related issues in India and that will mark the roadmap for inclusive and sustainable development.

The demographic profile and societal essentials of inclusive growth is skewed towards urban development. It is found that there is a clear need of uplifting of rural economy especially the rural infrastructure development. Adequate and accessible infrastructure not only enriches the quality of life but also brings betterment of rural livelihood. Better infrastructure is always positive correlation with economic development. A few researchers have observed that 1 percent increase in stock of infrastructure is associated with 1 percent increase in gross domestic product and in particular rural sector has remarkable multiplier effect. So

the progress of rural infrastructure is the key to inclusive development.

To make India "*FINE*" (*Finance, Innovation, Networking, & Entrepreneurship*), Government of India, under the leadership of Shri Narendra Modi, has undertaken a range of schemes to achieve faster socio-economic development. Initiatives like Make in India, Skill India, Digital India, Start Up India and Stand Up India, to name a few, have been successfully launched in the recent years to bring inclusive development in India. These schemes are specially designed to address the need of the youth and marginalised sections of the society.

Leveraging Demographic Dividend

India is uniquely placed in terms of demographic dividends. Over 62% people in the country fall in the



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age group of 15-59 years which is expected to rise up to 65% by 2035. However, we have not been able to leverage the demographic dividends in true sense. It is very much possible to convert this segment of population into goldmine of productivity and prosperity by creating an entrepreneurial eco-system conducive for nurturing millions of micro entrepreneurs who may eventually become wealth creators instead of being satisfied merely with whatever comes their way. The Prime Minister has already taken up the onerous task of doubling the income of the farmers in phased manner. For this purpose, the government has enacted number laws to free the farmers from the clutches of the middlemen so that they get real value of their yields. Direct procurement of farm produce by the big business houses is likely to enrich the farmers in the long run. Successful co-operatives like AMUL has shown how eradication of middlemen has resulted in the dairy farmers augmented income.

Besides a determined focus of the Government of India to reduce the farm distress by ways of laws, policies and systems, it has also helped in building an entrepreneurial ecosystem in the country during last six years. Today, there are about 28,000 active start-ups duly recognised by Department for the Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry. Nowhere in the world has the start-up culture thrived so magnanimously as in India, thanks to the vision of Prime Minister. Now the new mantra of being vocal for local and 'Aatmanirbhar Bharat'

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is going to create incredible opportunities for all without any discrimination. Thus, the country is already moving on the path of inclusive growth and the critics need to look at rising number of start-ups and other small enterprises instead of just counting the number of jobs created.

Employment Scenario

There has been a global trend towards decline in the employment in recent times. Worldwide, the unemployment rate is said to be 5.5% of the total workforce. No wonder, India is also affected by the increasing rate of unemployment with about 6.1% of the working population is said to be out of job. However, the payroll data in the country indicates that the scenario is not as bad as it appears. As such, the formal sector payroll is around 91.9 million based on the number of subscribers of the employees' provident fund. Indeed, the payroll estimates show that 5.9 lakh jobs are being generated every month. Unfortunately, we do not have a comprehensive payroll data readily available to make inferences regarding incidence of employment or non-employment. It is imperative that the National Sample Survey Office (NSSO) and Labour Bureau adopt the payroll data as criterion for the purpose of estimating the incidence of employment/unemployment in the country. Already a number of developed countries have adopted the payroll data for the purpose. This will be all the more plausible as the Government is trying to bring in a large number of workers in the informal sector under the ambit of the provisions of employees' provident fund and employee state insurance. Thus the payroll data is likely to provide a clearer picture of the actual incidence of employment/unemployment.

Further, there has been a growing trend towards increasing employment opportunities in the country. Sector-wise projections of human resource requirements till 2022 are given in Table 1. It is interesting to note that overall difference in human resource requirements from 2017 to 2022 is 103.4 million. This indicates that job opportunities are likely to increase significantly in the coming years. However, to take the advantage of the emerging employment scenario, there should be utmost focus on skill development among the youth both in rural as well as urban areas. Already, the Ministry of Skill Development and Entrepreneurship has enabled creation of a number of Skills Universities to foster holistic vocational education in the country. The concept of Skills Universities is unique and innovative. Traditionally the youth in the country learnt the vocational skills from their family which restricted their upward mobility.

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National Recruitment Agency: A Game Changer

The recent announcement by the Government of India regarding creation of National Recruitment Agency (NRA) is likely to be

The NRA is based on the principles of inclusivity, equity and fair-play. It is a highly transparent system. As the scores are based on computer-based tests, there is no human intervention in shortlisting of candidates. The NRA is set to have test centres in each of the districts of the country. Besides, it will ensure effective implementation of affirmative policies pertaining to the Scheduled Castes, Scheduled Tribes, Other Backward Castes and Divyang Jan in government employment.

a game changer in terms of streamlining and standardising the processes. The government is one of the largest employers in the country. So the youth aspiring to join the government services can now expect a better deal. NRA envisions a computer-based test for the job aspirant with validity of scores for three years. Besides, number of attempts is also not restricted. Hence, a job aspirant can keep improving the scores just in one computer-based test to desirable level in place of appearing for several tests for different sets of jobs. Before the

Table 1: Sector-wise Projection of Human Resources Requirements till 2022

S. N.	Sector	Required Human Resources in 2017 (in million)	Required Human Resources in 2022 (in million)	Difference in Human Resources Requirements (2022 - 2017) (in million)
1	Agriculture	229	215.5	-13.5
2	Building Construction and Real Estate	60.4	91	30.6
3	Retail	45.3	56	10.7
4	Logistics, Transportation and Warehouse	23	31.2	8.2
5	Textile and Clothing	18.3	25	6.7
6	Education and Skill Development	14.8	18.1	3.3
7	Handloom and Handicraft	14.1	18.8	4.7
8	Auto and Auto Components	12.8	15	2.2
9	Construction Material and Building Hardware	9.7	12.4	2.7
10	Private Security Services	8.9	12	3.1
11	Food Processing	8.8	11.6	2.8
12	Tourism, Hospitality and Travel	9.7	14.6	4.9
13	Domestic Help	7.8	11.1	3.3
14	Gems and Jewellery	6.1	9.4	3.3
15	Electronics and IT Hardware	6.2	9.6	3.4
16	Beauty and Wellness	7.4	15.6	8.2
17	Furniture and Furnishings	6.5	12.2	5.7
18	Healthcare	4.6	7.4	2.8
19	Leather and Leather Goods	4.4	7.1	2.7
20	IT and ITeS	3.8	5.3	1.5
21	Banking, Financial Services and Insurance	3.2	4.4	1.2
22	Telecommunications	2.9	5.7	2.8
23	Pharmaceuticals	2.6	4	1.4
24	Media and Entertainment	0.7	1.3	0.6
	Total	510.8	614.2	103.4

Source: Environmental Scan Report 2016, NSDC

Table-2: Major Interventions for Revival of MSME Sector and Concomitant Implications

S. N.	Interventions	Implications
1.	Rs. 3 lakh crore collateral free automatic loans for businesses including MSMEs	45 lakh units likely to resume business activity and safeguard jobs
2.	Rs. 20,000 crore subordinate debt for MSMEs	2 lakh MSMEs likely to benefit
3.	Rs. 50,000 crore equity infusion through MSME Fund of Funds	Likely to help expand MSME size and encourage them to get listed in stock exchanges
4.	Global tender to be disallowed up to Rs. 200 crore	Increased business opportunities for MSMEs, Unfair competition from foreign companies likely to be reduced, thus increasing the opportunities for Indian MSMEs to win the bids
5.	E-market linkage for MSMEs to be promoted to act as a replacement for trade fairs and exhibitions	Increased business opportunities for MSMEs
6.	Rs. 2,500 crore EPF support for business and workers for three more months	Liquidity relief likely to 3.67 lakh establishments having 72.22 lakh employees
7.	EPF contributions reduced for businesses and workers for 3 months to the tune of Rs. 6,750 crore	Relief likely to about 6.5 lakh establishments having about 4.3 crore employees covered under EPFO

Source: Based on Aatmanirbhar Presentation Part 1: Businesses including MSMEs, Govt. of India, 2020

launch of NRA, a job aspirant had to prepare for different tests with dissimilar patterns. Besides, they had to wait for a long period for results and final job offers. The NRA will ensure that entering into a government job becomes all the more smoother.

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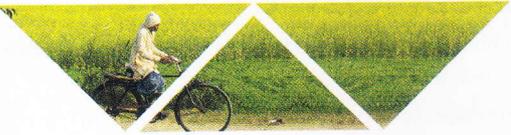
Post-Covid Employment Challenges

Covid-19 pandemic has certainly devastated a large section of the working population. The country has seen how millions of people moved back to their native places due to fear of the disease as well as job losses in the wake of pandemic. However, it is important to understand that the job losses due to the pandemic is quite temporary in nature and things are likely to improve significantly once the effects of the pandemic subsides in due course. However, in the post-Covid scenario, bringing the workers back from the comfort zones of their respective native places and providing them suitable employment opportunities is certainly a daunting task.

The Government of India has already announced a slew of interventions to revitalise the MSME sector which provides over 90% employment opportunities in the country. Table 2 presents a summary view of major interventions to put the MSME sector back on track and their concomitant implications. These interventions are likely to enable the MSME sector absorb the shock of the pandemic in terms of reduced demands in the markets and carry on their respective businesses as usual. The sooner the MSME sector is back on track, the better it is for the economy in general and employment scenario in the country in particular. MSME sector will be better placed to handle the post-Covid employment challenges thanks to the enabling ecosystem being promoted by the Government of India as well as various state

Landmark Bills Passed by Parliament
during Monsoon Session 2020

Historic Labour Reforms



- 
The Occupational Safety, Health and Working Conditions Code Bill, 2020
 Provides to amalgamate & simplify laws regulating to occupational safety, health & working conditions of persons employed in an establishment
- 
The Code on Social Security Bill, 2020
 Provides to amend & consolidate social security laws with the goal to extend social security to all employees in the organised or unorganised sectors
- 
The Industrial Relations Code Bill, 2020
 Provides to consolidate & amend laws relating to Trade Unions, conditions of employment including investigation & settlement of industrial disputes



governments. The adversity induced by the pandemic has also created new opportunities which the MSME sector can leverage in order to survive the crisis and thrive in due course.

The Way Forward

Employment generation is not enough unless it helps in reducing poverty and inequality. There are cases where people are living in acute poverty in spite of being employed. It is found rampant in the informal sector. So the major concern is not only to create more jobs and



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create a congenial avenue to foster employment but also how to increase productivity of these poorly employed people. So the challenges to achieve inclusive growth are basically of two types viz. 'employment generation' and 'ensuring high employee productivity'. So at the policy level the second one is more qualitative and powerful in terms of its contribution to inclusive growth process. This can be addressed through education and skill development, providing training to the already employed people and guiding them to work in the area where they can do better. So focus should be on raising the productivity, efficiency and effectiveness of the employed people so as to augment their income.

Considering Covid-19, where job creation is a big challenge, suitable employment creation strategy is appropriate and imperative. Government has rolled out a lot of initiatives to achieve inclusive growth. Digital India has brought in digital revolution and become the potent tool and technique during the pandemic. Government of India has undertaken a range of schemes and initiatives like Make in India, Skill India, Digital India, Start Up India and Stand Up India, to name a few to accomplish faster socio-economic development and in attaining inclusive growth in India.

Conclusion

The Government seems to be committed to inclusive growth and employment generation so as to accomplish the lofty goal of \$5 trillion economy while ensuring that no one is left out in the race for holistic development. The initiatives of the government of India play a crucial role in fostering entrepreneurship, innovation and inclusiveness in the country. The three 'f' i.e. funds, functions, and functionaries are needed to optimally operate to enhance the desired benefits that can percolate down to the last person in the society. Planning is fine but it needs to be properly implemented within the given time framework and within the resource constraints to get the desired outcome. However, the success of all these schemes will depend on effective and efficient governance, timely implementation and close monitoring of various schemes and adherence to accountability and transparency at all levels. □

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