

# Empowering the Youth for an Empowered Nation

## Abstract

India is undergoing an important phase of its demographic transition. At a time when major countries of the world are ageing, India is seeing a rise in the population of its youth. It is important to reap this potential 'dividend' not just because this opportunity rarely occurs, but also because not harnessing it would lead to discontent and demographic disaster. Governments have been addressing this issue through their multiple skill development initiatives, which have had a mixed record. The fact of the matter remains that these measures will fall short of expectations till the structural rigidities of the economy and the Indian labour market peculiarities are tackled.

**Keywords:** Youth Empowerment, Empowerment, Skill, Employment, Labour Market.

## Introduction

Today, India and the world need a skilled workforce. Skills and knowledge development are the driving forces behind the financial growth and community development of any country. Skill building is a powerful tool to empower individuals and improve their social acceptance. It must be complemented by economic growth and employment opportunities to meet the rising aspirations of society. In this regard, it is important to understand the policies adopted by the Government to cater to the most important demographic, who should be at the forefront of this policy, viz. the Youth.

By 2020, India's population is expected to become the world's youngest: more than 500 million Indian citizens will be under 25 years of age and more than two-thirds of the population will be eligible to work. This means that a growing number of India's youth needs the right to educational infrastructure to develop skills and adequate opportunities to get employed or become entrepreneurs. However, there is a wide gap between those who have access to education and skill development, and those who don't, and this is the challenge that needs to be overcome<sup>1</sup>.

## Aim of the Study

The aim of this study is to assess the requirement of skilling for youth, and review contemporary Indian government policies in this respect, thus leading to youth empowerment

## Review of Literature

Various studies and reports have been commissioned by researchers, Governments as well as private sector to understand the empowerment of youth. The rate of unemployment among youth (15-29 years of age) is higher than total rate of unemployment. India, however presents a curious case of Employment, Employability and Higher Education. Khare (2014) shows that demand for labour is high in India, and will remain so, but there are critical missing links which makes the labour market highly fragmented<sup>2</sup>. In fact, as per Aspiring Mind Report 2016, 80% engineers unemployable as they lack key skills<sup>3</sup>.

Moreover, one must also understand certain peculiarities of labour market in India. Thorat & Neuman (2012) indicate that caste and religion plays an important role in the market, and Social Capital/networks preventing development of a competitive field<sup>4</sup>. Moreover, Ramaswamy (2018) in his reviews finds out technological change and automation are likely to trigger job losses, particularly in the low-skilled and routine jobs<sup>5</sup>.

The Public and Private sectors must understand the skill gap, and broad pathway should be identified to plug in the gaps and missing links.

## Reaping the Demographic Dividend

The population dynamics move like a wave. In the beginning the dependency ratio (number of people in the 0-14 and 60 and above age group) increase as the number of children increases. Then the dependency



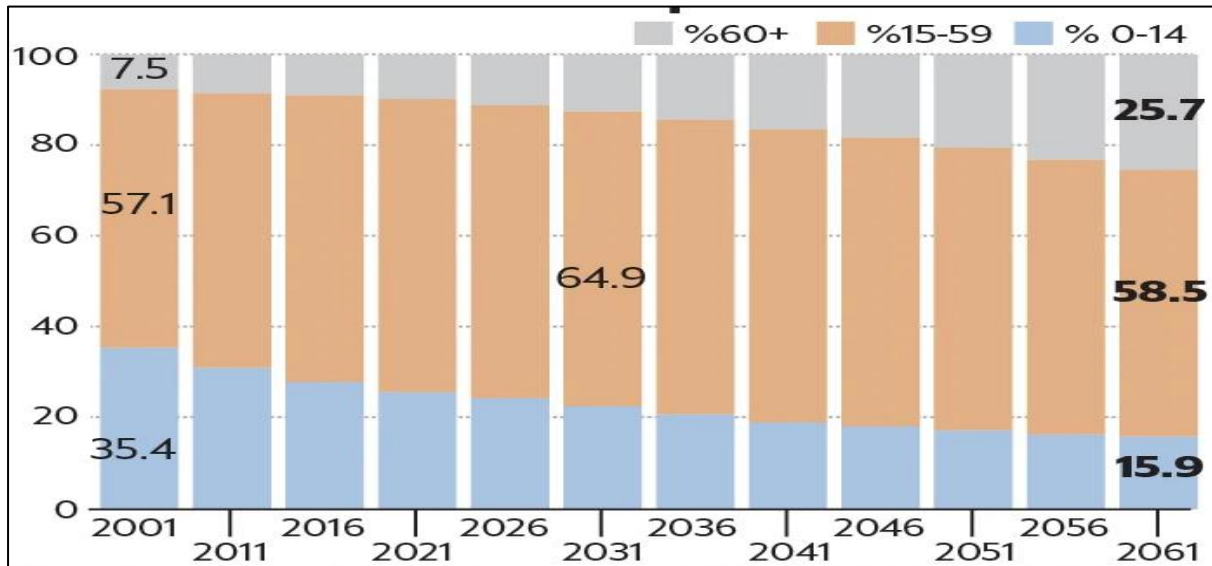
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ratio decreases as the birth rate declines and the large number of children become adults. A "demographic dividend" is reaped at this stage because we have large numbers of working persons and less numbers of dependents. This fortuitous circumstance occurs only rarely when the high birth

rate declines. India entered this stage in 2018, and this bulge is expected to last till 2055 (see Fig 1). This advantage can create the space needed to increase investments in enhancing human capabilities, which, in turn, can have a positive influence on growth and development<sup>6</sup>.

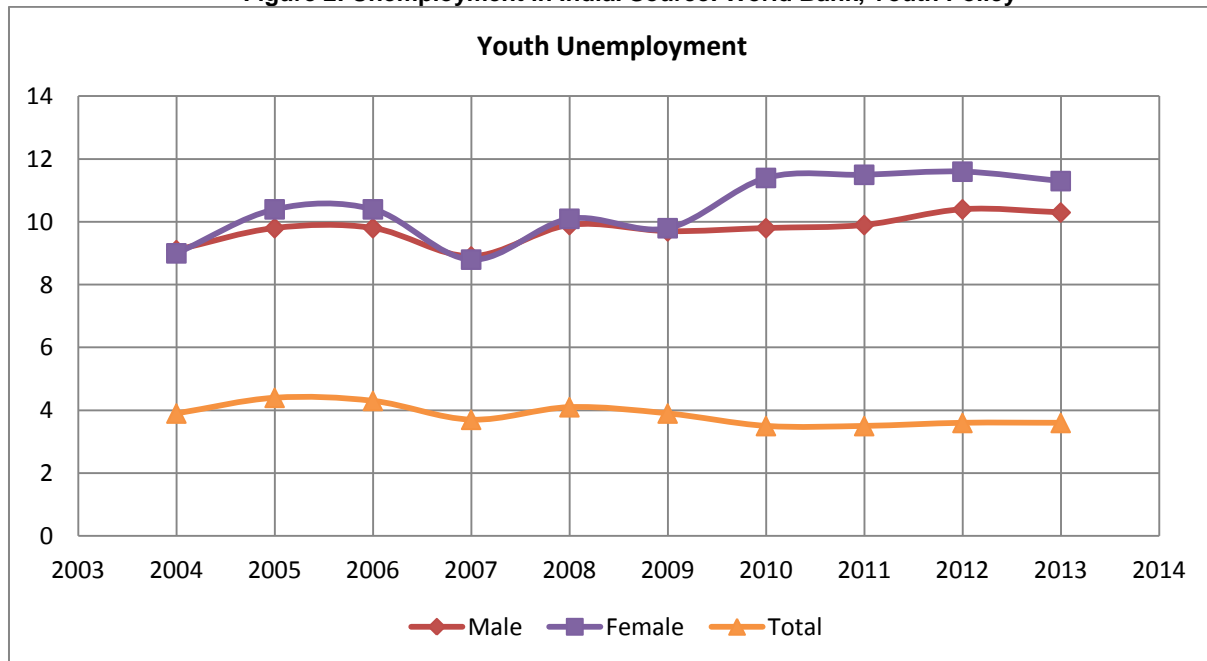
**Figure 1 Projected broad age distribution in India upto 2061 (Source: Livemint, 11th Jan 2019)**



These benefits become a "disaster" if the persons of working age are unemployed during the period of low dependency ratio. As of now, we seem to be losing the race. As per a study conducted by

World Bank, while the total unemployment rate in India has been hovering around 5%, the rate of unemployment for youth is over 10%<sup>7</sup>.

**Figure 2: Unemployment in India. Source: World Bank, Youth Policy**



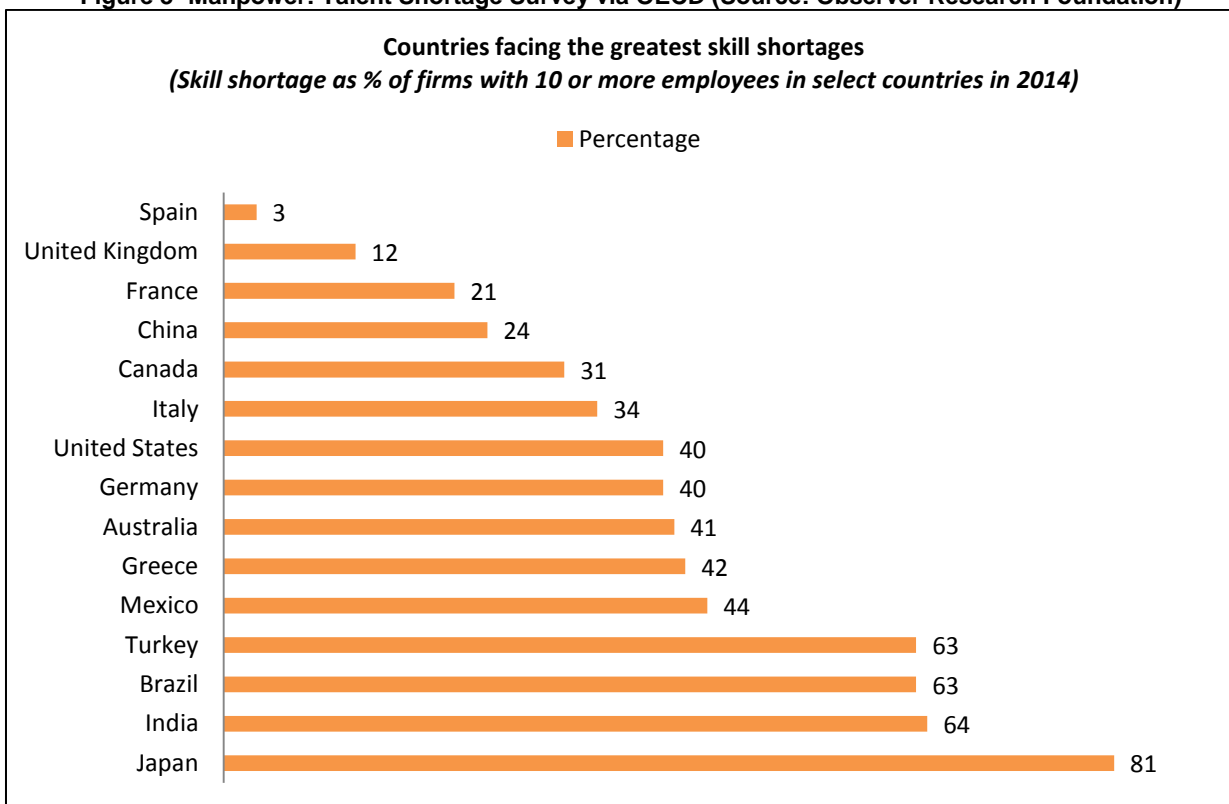
Clearly, India is failing its youth, which exacerbates given India's growth has been jobless over the past few years (More on this to follow).

**Skilling for Empowerment**

A study by Observer Research Foundation (ORF) shows that India has the second largest skill shortage in the world, after Japan (Figure 3)<sup>8</sup>. An

analysis of the unit-level data from the Periodic Labour Force Survey (PLFS) 2017-18 suggests that the reality is even grimmer. Only a small section of the youth reported receiving any vocational training, and a large share of them were either unemployed or out of the labour force.

Figure 3- Manpower: Talent Shortage Survey via OECD (Source: Observer Research Foundation)



Realizing the gravity of the situation, Government at the Centre has initiated schemes, such as Skill India and National Skill Development Mission under the Ministry of Skill Development and Entrepreneurship (MSDE). The Skill India Missions

aims to skill 400 million youth by 2022. About 80% of these trainings are meant for 10 industries, comprising construction, Retail, Beauty & Wellness, Road Transport, etc. (Refer table below)<sup>9</sup>.

Table 1: Growing Skill Gap. Estimated Trainings Need (2017-22)

Sector	Trainings needed (in Crores)	Sector	Trainings needed (in Crore)
Construction	320	Textile and Handlooms	60
Retail	107	Furniture and Fittings	52.6
Beauty & Wellness	82	Tourism	49
Electronic/IT/ITES	69	Logistics	42.9
Road Transport	62	Automotive	41

Source: Ministry of Skill Development and Enterprise

The biggest scheme of the Ministry of Skill Development & Entrepreneurship (MSDE) is the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) which enables a large number of Indian youth to take up Short-Term industry-relevant skill training that can help them secure a better livelihood. Under this Scheme, Training and Assessment fees are completely paid by the Government, and aims to benefit 10 million youth by 2020<sup>10</sup>.

The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) started by the Ministry of Rural Development (MoRD), is a part of the National Rural Livelihood Mission (NRLM) tasked with the dual objectives of adding diversity to the incomes of rural poor families and catering to the career aspirations of rural youth. DDU-GKY focuses on rural youth who are between the ages of 15 and 35 and are from poor families<sup>11</sup>.

The Skills Acquisition and Knowledge Awareness for Livelihood (SANKALP) is another Centrally Sponsored scheme a project of total size

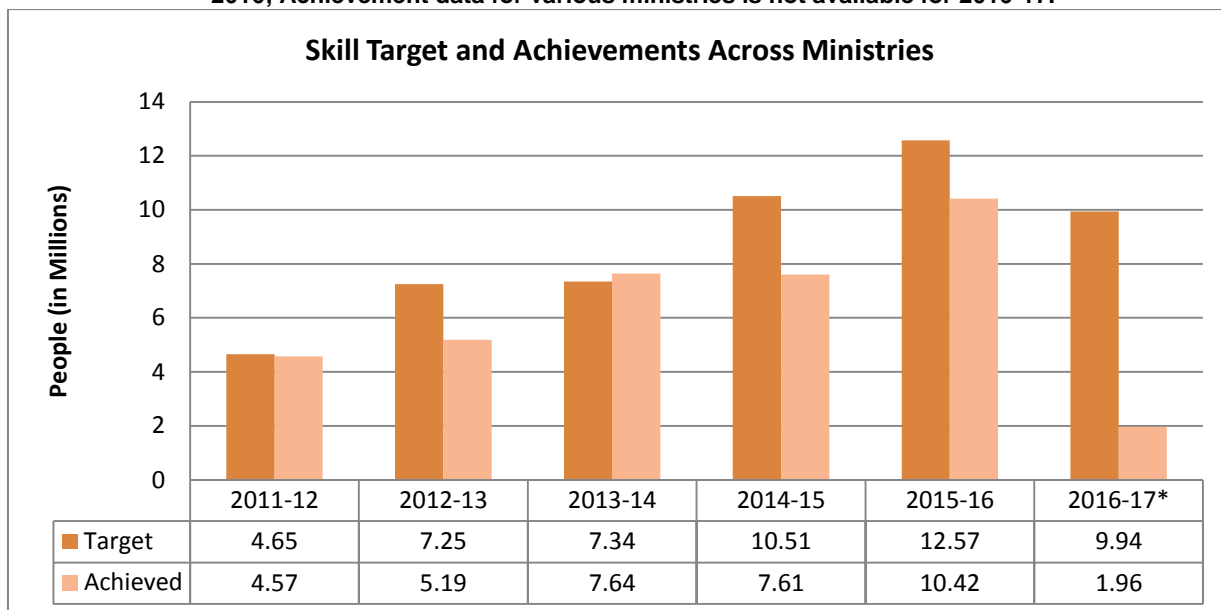
\$675 million (Rs. 4455 Crores). The scheme aims to create convergence among all skill training activities, improve quality of skill development programmes through building a pool of quality trainers and assessors, model curriculum and content, establish robust monitoring and evaluation system for skill training programs, and more<sup>12</sup>.

Entrepreneurship Development Programme (EDP) is a scheme provided to Prime Minister's Employment Generation Programme (PMEGP) and focuses directly on developing skills needed for entrepreneurship. This scheme aims to provide orientation and awareness pertaining to various managerial and operational functions like finance, production, marketing, enterprise management, banking formalities, book-keeping, etc<sup>13</sup>.

**Challenges and Opportunities for Skill Development**

Let us look at the achievements of the Skill Development programmes across Ministries<sup>14</sup>.

**Figure 4: Source: National Skill Development Agency; Annual Report 2016-17. Note: \*Figures upto December 2016; Achievement data for various ministries is not available for 2016-17.**



Certain rigidities within the schemes need to be addressed before the targets are met. National Skill Development Agency's Annual Report 2016-17 pointed out numerous shortcomings in India's vocational education and training systems, including: absence of nation-wide Vocational Education and Training standards, lack of an integrated on-site apprenticeship training, inadequate industry interface, insufficient financing of the Vocational Education and Training system, scarce training capacity, poor quality outcomes, and shortage of qualified trainers.

Moreover, some feel that the current schemes lay an overemphasis on short term programmes. A holistic approach for both short term and long term needs to be applied to meet the objectives of Skill India. Finally, the Government may just fall short of resources to reach the target, and hence must seek cooperation with the Corporate, Foundations, and community-based organizations to structure high impact collaborative skill development projects. Corporate Social Responsibility (CSR) can act as industry linkages that leverage existing infrastructure to set up state of the art skill development facilities that can address skill gaps across the country.

In parallel, we need jobs that continually move people up the value chain. It is inevitable that most of the new jobs that will be created in the future will require high-level skills; a lack of such skills in the Indian workforce is a serious challenge. High quality jobs need to be created, which should not involve mundane or repetitive tasks. Efforts like Make in India, Digital India, Startup India, etc, may create a catchment area. In short, all that India needs is to identify emerging industries, engage with stakeholders there and let well-intentioned capital build capacity<sup>15</sup>.

**Uniqueness of the Indian Labour Market**

As per the 8th All India Survey on Higher Education, India's gross enrolment ratio in higher education has risen from 19.4 to 25.8 percent between 2010 and 2018<sup>16</sup>. Having invested heavily in higher education, many would rather wait for a formal job than enter informal, low-paying employment<sup>17</sup>. It appears that those with college degrees are not benefiting in terms of suitable employment. According to a report prepared by the Centre for Sustainable Employment at Azim Premji University<sup>18</sup>, educated unemployment is thrice the national average. The high rate of unemployment among the educated is both due to the lack of sufficient jobs, poor schooling as well as the mediocre quality of education on offer at most colleges. This makes large numbers of graduates unsuitable for employment that is commensurate with their degrees<sup>19</sup>. Unfortunately, many who are unable to find formal jobs settle for low-paying, irregular work in India's vast informal sector, which employs 81 percent of the workforce<sup>20</sup>.

India's growth trajectory has been jobless for quite some time. One can analyze this problem from two possible angles: there are no jobs being created leading to unemployment among India's youth, or is it more a case of under-employment, whereby jobs are being created but are not of the quality those entering the job seekers ideally want. There is no definite answer to this. But, there exist certain glimpses on the nature of jobs in the future. Short-term jobs or 'Gigs' will be the order of the day. Most jobs will be contractual and constant reskilling will be indispensable<sup>21</sup>.

Added to that is the role of social capital/networks in the job market. One must have the right connections, i.e. "references" matter. And that's where connections (in particular, caste, religion, ethnicity, language, etc.), or the lack of it, holds one back.

Jack Goldstone (2002)<sup>22</sup> has identified an expanding population of higher-educated youth facing limited opportunities to obtain elite political and economic positions as one of the key conditions for violent social conflict. It is important such structural rigidities are tackled.

#### **Conclusion: Beyond Skilling**

The Global Youth Development Index (2016) an initiative of the Commonwealth Secretariat, ranks countries according to the prospects of young people in employment, education, health, civic and political spheres. India ranks 133<sup>rd</sup> out of 183 countries. The top ten countries, with the exception of Australia and Japan, are from Europe. The ten lowest-ranked countries are all from Sub-Saharan Africa, which means that not just in India, but almost the entire developing world is facing challenges for gainful youth development<sup>23</sup>.

Thus, the Government needs to have a holistic rather than a silos approach. The previous United Progressive Alliance Government envisaged the New National Youth Policy (2014), which was a step in this regard, which aimed to create to a productive workforce and strong and healthy generation; promote social values and community services; facilitate participation and civic engagement; support youth at risk and create equitable opportunity for all disadvantaged & marginalized youth. Priority areas of intervention are education, employment and skill development, entrepreneurship, health, sports, participation in politics, inclusion and social justice. The current National Democratic Alliance, while continuing with most of it, has overwhelmingly relied on skill development.

Jennings et.al (2008)<sup>24</sup> has identified key dimensions of youth empowerment of which safe environment, meaningful participation, equitable power-sharing, etc. are paramount. Clearly, one needs to go beyond skilling for empowerment. In the late 20th century demographic dividend in Singapore, South Korea, Japan and Hong Kong resulted in a seven-fold increase in the GDP. In Latin America the growth was only two-fold. The United Nations Population Fund (UNFPA), states that countries can only harness the economic potential of the youth bulge if they are able to provide good health, quality education and decent employment to its entire population<sup>25</sup>.

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