

Addressing issues of workforce diversity

Educational institutions and workplaces should expand quotas to include under-represented regions such as North East



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Finance Minister Arun Jaitley, at the meetings of the IMF at Washington DC observed on October 15, 2017 that India is pursuing an important priority, namely, to find jobs for the 12 million people entering the workforce annually.

This indeed is a challenge because there are already nearly 800 million people below the age of 34 years, who also need to be productively engaged in education and employability.

It is in this context that the main theme of the *Fiscal Monitor, Tackling Inequality*, released by the IMF during the just concluded meetings assume added importance. The *Fiscal Monitor* observes that inclusive growth is receiving attention because of rising inequalities and slowing economic growth. Further, excessive inequality can erode "social cohesion, lead to political polarization, and ultimately lower economic growth".

In general, inequality of opportunity is higher in emerging countries, according to the literature (IMF, *Fiscal Monitor*, October 2017). Public policy, especially on education, can help address this inequality which can lead to enhancing human capital and productivity.

Expanding reservations

India is characterised by diversity in income, language, religion, culture and social status. To provide equality of status and opportunity in education and employment, the principle of reservation was adopted so that the underprivileged classes could come at par with so-called privileged classes. India's affirmative action policy

has largely been confined and practised in the government sector, including jobs, and public education institutions.

It is probably now time to consider expanding reservation to other social parameters. The participation of women in economic and formal workforce has been rather low.

In neighbouring countries such as Nepal, 80 per cent of women are in the formal workforce while in India only 31 per cent are in the economic workforce. In emerging economies, as well as advanced countries, female participation is significantly higher than that of India.

There are empirical studies, including those from the multilateral institutions like the IMF, demonstrating that female participation enhances economic growth. Also, following principles of Gandhiji, it would be useful to consider having more women through gender-based reservations in educational and vocational institutions, and in work places.

A recent study by OECD (February 2017) revealed that nearly one third of youth are unemployed and are not engaged in training or learning institutions. The literacy rate in India remains lower than most emerging economies. According to NSSO (71 round), attendance ratios dropped sharply from primary to secondary education and inequality in access to education is large: 40 per cent of children from the poorest fifth of population attend secondary school compared to 72 per cent of the richest fifth of urban population.

In 2015, nearly 60 per cent of employers had reported difficulties in recruitment because of talent shortages, substantiating the widely accepted fact that nearly half of our skilled youth are unemployable. These unemployed youth are most vulnerable to drug abuse, as in Punjab, and other anti-social activities within



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the country. Illustratively, the incidence of stone pelting in Kashmir for payment of ₹500 per day as was widely reported in media, is a clear example of unemployed youth being vulnerable to exploitation by vested interests.

There is also a need to do more to integrate North-East with the rest of India. In the North-Eastern States, unemployment, and poverty rates are generally higher than that of All-India. It was probably for this reason that the 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.

Government initiatives

The policy of reservation can also be effectively used to achieve similar objectives. The government through University Grants Commission has launched special schemes like Ishan Uday and Ishan Vikas to encourage under-

graduate students. Also, the Government has been making numerous efforts in spreading quality education in different states by opening institutions of excellence like All India Institutes of Medical Sciences, Indian Institutes of Technology and Indian Institutes of Management.

Illustratively, it may now be prudent to consider, along with existing caste based reservation, allowing some reservation of seats for people from those States which are not adequately represented in elite government educational institutions. Region-based reservation in education can later trickle down to employment, too. As India has provided Special Category status for select States for fiscal consideration, some States which are not adequately represented in elite educational institutions could enjoy special status for a stipulated period of time.

In a diverse country like India, to begin with, the government

could also consider region-based reservation in employment in government educational institutions and public sector enterprises. In fact, annual reports of government institutions could publish a diversity index where region-wise employment status could be provided along with traditional caste-based reservation status. This adequate diversity of both language and culture, could help in achieving one and new India as in the case of the Naga, Assam or Madras regiments in the Indian Army.

The lack of opportunity to different citizens of India, which prides in diversity, could also be stifling economic growth. The increase in gender and regional diversity in workforce will achieve sustainable and inclusive growth, as well as equitable distribution of progress and income.

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