



Do You Think That India's Demographic Dividend Can Be A Missed Opportunity and Become a Liability in the Absence of a Demand-Driven Job Ecosystem in the Country? (150 Words / 10 M) (GS-1 Population Issues)

Approach:

1. Introduction
2. Define demographic dividend.
3. Present a picture of the existing scenario in India.
4. Conclusion, briefly mentioning measures.

A report released by the **Confederation of Indian Industries (CII)** stated that the **demographic dividend of India will turn into a liability if the economy cannot produce enough jobs required for the growing workforce**. India is expected to add another **183 million** to the **working age group of 15-64 years** between **2020-2050** as per **UN Population Statistics database**.

Demographic Dividend is defined as the **economic growth potential** that can result from **shifts in the population age structure**, i.e., when the **share of the working age population is larger than the non-working age population**.

Thus, with a whopping **22% of the incremental workforce** over the **next 3 decades** in India, the **job ecosystem is not sufficient** to sustain the economic growth. Although investment, reforms and infrastructure are likely drivers of economic growth, **no growth driver is as certain as the availability of people in the working age group**. India's **demographic dividend** lends it the potential to become **a global production hub** for large consumer goods & services.

However, it is a worrying fact that India's **demographic dividend will start declining** in the decade **post 2050**. Thus, 2020-50 provides a narrow window of opportunity for India to harness its demographic potential.

High quality school education, relevant higher education and skill development aligned to industry needs are the pre-requisites if India is to become an economic powerhouse which not only creates **good quality jobs for its youth**, but also **services for the world**. Due to **continuing drop-outs** from schools and **pandemic related disruptions**, there has been a resultant **learning losses**, which must be bridged in a mission-mode campaign.

India hosts **many labor market imbalances** and the **knowledge-skill mismatch** impacts the productivity growth, which is critical for India to enhance its long-term growth. In **2019-20**, **only 73 million of India's 542 million strong workforce received any form of vocational training**. In the global context, compared to the 24% in China, 52% in USA, 68% in UK and 80% in Japan, **India** has a paltry share **of 3%**. Also, **unemployment** is at a **45 year high**.

To overcome such challenges the **youths may be offered skill vouchers and scholarships**



linked to the *National Skills Qualification Framework*. This can create an ***industry-ready model***, leading to ***transformation from supply-based to demand-based skill system***. The government should also consider setting up ***multi-skill training institutes in MSME clusters*** to ***impart skill based on local demands***.

In addition to government initiatives, ***corporate investment in employee education and training*** should continue to play a critical role to meet the demand for high-skilled workforce. Thus, ***greater government-industry collaboration*** holds the key for skilling the burgeoning workforce of India.

Legacy IAS Academy