

India's political class has failed to realise the gravity of the employment crisis

Twenty-five million people have applied for 90,000 blue collar jobs recently advertised by Indian Railways. This statistic captures the fundamental divide in the Indian economy. All talk of young Indians being engaged in the knowledge-based digital economy and creating potential unicorns is valid only for a minuscule minority. An overwhelming majority is desperately looking for government jobs, even if it involves daily drudgery.

The preference for government jobs has traditionally come from three reasons. Interestingly, two of these are rapidly becoming less relevant. One, the majority of jobs with secure incomes and social security are still in the public sector. The latest data (for 2011-12) from the Centre for Monitoring Indian Economy puts this figure at 60%. Two, the reservation policy gives a better chance of landing these jobs to almost half of India's population, those belonging to the scheduled castes and tribes and other backward classes. The public sector is not going to be generating enough jobs to meet India's employment challenge. And in many states, cut-offs in reserved categories are already on a par with or even above the scores for unreserved seats. The third reason is still valid. A large number of public sector jobs do not require any special skill. A person just needs the minimum educational qualification to apply for these jobs.

The third reason is the biggest threat to India's demographic dividend. Our education system, barring a few exceptions, has failed to impart the skills to India's job-seekers to even compete for skill and better paying jobs in the private sector.

India's political class has failed to realise the gravity of the problem. This government's political detractors accuse it of derailing employment growth due to its policies. The government says it is fostering entrepreneurship as a way to create jobs. It is disappointing that the fundamental challenge described above is not even being discussed. 2014 was no ordinary mandate in India's political history. Does young India think not enough has been done with it? We will know a year from now.

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