



INCLUSIVE GROWTH - GS III MAINS

Q. The obstacle tripping India's growth is the mismatch between skills, jobs and incomes. Explain how inclusive growth solves the problems of India's growing trinity - skills, jobs and incomes. (15 marks, 250 words)

News: *A new economics for inclusive growth*

What's in the news?

- The obstacle tripping India's growth is the mismatch between skills, jobs and incomes.

Inclusive Growth:

- Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all.

Features:

- Long-term perspective with sustainable growth.
- Broad-based and spread across all sectors for economic diversification.
- It must be inclusive of the large labour force concerning market access, resources and an equal environment for trade and business.
- Focus on pace and pattern of growth.
- Potential outcomes are employment generation or income distribution.
- A comprehensive approach that is in line with pro-poor growth.

Elements of Inclusive Growth:

- **Skill development:**
 - The employable population needs vocational training and education for skill development for better output.
 - In India, there is a dearth of highly trained workforce on the one hand and conventionally trained youths are unemployed on the other hand.
- **Financial inclusion:**
 - It means access to financial aid and services for all and affordable especially for vulnerable groups.
 - For inclusive growth and economic development, financial inclusion is crucial.
- **Technology:**
 - With the advent of Industrial Revolution 4.0, advancements in technology can increase and decrease inequality causing urban and rural divide.
 - Digital India Mission is an attempt by the government to smoothen the divide by increasing digital literacy.



- **Economic growth:**
 - As one of the fastest-growing economies in the world, India has to focus more on inclusive growth for overall economic development.
- **Social development:**
 - It is another important aspect of inclusive growth as it targets the marginalized and vulnerable sections of the population.
 - Investing in social structures for providing services for the marginalized sections will create capable future generations as well boost fiscal growth.

Challenges:

- **Poverty:**
 - A recent World Bank report published that extreme poverty in India declined by 12.3 % between 2011 and 2019.
 - But India still has a long way to go as poverty is one of the causes and reasons hindering inclusive growth.
- **Unemployment:**
 - Unemployment among the educated urban youth has increased alarmingly, especially after the Covid-19 pandemic.
 - The workforce is mostly employed in informal sectors with no social security.
 - Now, the gig economy is taking over the employment market. Though it provides more opportunities to people, it still lacks social security for the employed.
- **Urban and rural divide:**
 - Rural India is facing agricultural backwardness majorly due to declining per capita land availability and yield due to climate change, land degradation, etc.
 - There are significant regional and social disparities between the urban and rural populations and the divide was widened by digital advancement as well.
- **Social issues:**
 - Social issues like gender disparity, caste system, and religious disparity are also causing hindrance to inclusive growth.
 - Malnutrition among children is another worry affecting the future of the country.

Policy Measures for Inclusive Growth in India:

- **Constitutional Provisions:**
 - The Indian Constitution has inclusive clauses to prevent discrimination.
 - Article 15 prohibits discrimination based on religion, race, caste, sex, or place of birth.
 - Article 16 emphasizes equal opportunities for employment and office under the State.
 - Article 16(4) allows for reservation in promotion for Scheduled Castes and Scheduled Tribes.



- **National Rehabilitation Policy:**
 - The government of India has formulated the National Rehabilitation Policy to provide welfare measures for displaced persons.
- **Women Empowerment:**
 - Commissions and organizations like the National Commission for Women (NCW) and the National Council for Empowerment of Women have been set up.
 - Reservation of seats in Local Self Government Institutions promotes gender inclusiveness.
- **Reservation Policies:**
 - Reservation of seats in Parliament and State Assemblies for SCs and STs promotes political inclusion.
 - Minority Commissions have been constituted for the welfare of minority communities.
- **Mahatma Gandhi Rural Employment Guarantee Scheme (MGNREGS):**
 - The scheme includes a minimum reservation of 33% for women and addresses irrigation facilities for Scheduled Castes and Scheduled Tribes.

WAY FORWARD:

- **Education and Skill Development:**
 - Enhance access to quality education and skill development programs for all sections of society.
 - This includes improving the quality of government schools, establishing vocational training centers, and providing scholarships and financial aid to underprivileged students.
- **Healthcare Accessibility:**
 - Ensure affordable and accessible healthcare facilities for all citizens.
 - Increase the availability of healthcare infrastructure in rural and remote areas, and implement health insurance schemes to cover marginalized populations.
- **Poverty Alleviation:**
 - Implement targeted poverty alleviation programs to uplift economically disadvantaged communities.
 - This can include direct cash transfers, microfinance initiatives, and employment generation schemes.
- **Rural Development:**
 - Focus on rural development by investing in agricultural infrastructure, irrigation facilities, and rural industries.
 - Encourage sustainable agricultural practices, promote rural entrepreneurship, and provide financial support to farmers.
- **Women Empowerment:**
 - Promote gender equality and empower women through initiatives such as education, skill training, and entrepreneurship programs.



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- Ensure equal access to healthcare, legal support, and employment opportunities for women.
- **Infrastructure Development:**
 - Develop robust physical infrastructure, including transportation, electricity, and connectivity, in both urban and rural areas.
 - This improves accessibility, boosts economic activities, and reduces regional disparities.
- **Inclusive Governance:**
 - Foster inclusive governance by encouraging citizen participation, promoting transparency, and reducing corruption.
 - Empower local self-governments and involve marginalized communities in decision-making processes.
- **Private Sector Engagement:**
 - Encourage corporate social responsibility (CSR) initiatives that focus on inclusive development.
 - Encourage private companies to invest in social sectors and support community development projects.
- **Sensitization and Awareness:**
 - Promote awareness and sensitize society about the importance of inclusivity and equal opportunities.
 - Conduct campaigns, workshops, and educational programs to address stereotypes, biases, and discrimination.

