

Target of inclusive growth and demographic dividend of India

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Abstract- The lopsided growth of India has resulted into economic opportunities for a few at the cost of economic deprivation of many. For ambitious target of inclusive growth it is essential that India capitalizes on her demographic dividend effectively on a sustainable basis. Demographic dividend as it stands today for India shall turn out to be a nightmare if Human capital of India is not harnessed sensitively. This research paper elucidates and finds out as to how phenomenon of inclusive growth and demographic dividend of India are complementary to each other.

Index Terms- Inclusive growth, Human capital, social capital, Knowledge economy, Industry-Academia interaction

I. INTRODUCTION

Today India is ambitiously aiming at inclusive growth. The compulsive reason behind this obsession for inclusive growth is that the economic policy measures of successive governments have widened the gap between the rich and the poor even though they may have been successful in redistribution of Income. The 'inclusive growth' as a strategy of economic development received attention owing to a rising concern that the fruits of economic growth have not been equitably shared. Growth is inclusive when it creates economic opportunities ensuring equal access to them.

Apart from addressing the issue of inequality, the inclusive growth may also make the poverty reduction efforts more effective by explicitly creating productive economic opportunities for the poor and vulnerable sections of the society. But what is the strategic advantage India enjoys in terms of its demographic potential? Simply put, India has a relatively higher proportion of a youthful population than the developed economies such as Korea, Japan and Europe.

Experts estimate the size of India's workforce population will swell to 95 crore in 2026. Additionally, by 2020, the average Indian will be only 29 years old, compared to 37 years in China and US; 45 years in West Europe; and 48 years in Japan. In effect, in eight years, workers elsewhere would have crossed the prime of their working lives, inching towards retirement—a demographic handicap.

Then the question arises as to who will write India's success story in stimulating inclusive growth. The answer to this crucial question lies in the young population of India. One phrase that is spreading the vibes of optimism in India and even across the world is "India's demographic dividend." The demographic dividend, put simply, is that more than half of India's population

is under the age of 25. The next few decades will see this age group become productive agents of an economy.

Such optimism needs to be cautiously tackled. The canvass of more than half of India's population which is below the age 25 is quite big and more importantly consists of intellectual reservoirs of growing economy. In fact, there is ample evidence that in the past, several countries have exploited demographic dividends and ensured periods of economic prosperity. But all this assumes that the phenomenon of Human resource development is well taken care of in India. The basic social and educational infrastructure is highly needed to paddle the cause of "Inclusive growth" by exploiting "demographic dividend" of India. It is easier said than done for it requires immense social and intellectual capital.

Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable. Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together.

Intellectual capital refers to human capital with intelligence and skills. The world needs to realize there's no better place for human capital than India and there is no better way to solve problems than to invest in this capital. The growth rate of wealth in India in recent years has been higher than in China. The secret: the ability of India's thought capital, or intellectual capital, to unleash human potential resulting in more efficient use of physical capital.

The economy of 21st century is recognized as knowledge economy (K-Economy). In this context harnessing the cutting edge knowledge with in India is the need of the hour. Whether in manufacturing or mining, building or banking, in today's knowledge-based economy, any organization's competitive advantage is ultimately going to come, not from its high-tech plant or equipment, but from its people.

The ability to develop and utilize technology has always been of critical importance, expansion of technological know-how horizon is a driving force of inclusive growth. Knowledge is now both the currency of power and of the marketplace.

The contribution of knowledge as a factor of production has surpassed that of capital and labour in many industries, and not merely in the high-tech sector. Globally, Indians are playing a major part in this, but India's role is limited — confined mostly to software and (to a lesser extent) pharmaceuticals.

Over the next decade, Europe, USA and — unbelievably — China too, will face a shortage of working-age population. India, in contrast, will have a surplus. One projection indicates a surplus of 47 million in India in 2020 and shortages of 17 million

in the US, 10 million in China and over 10 million in Europe. The deficit of skilled professionals is likely to be even more acute.

Here then is an extraordinary opportunity: global demographics and the domestic pool of knowledge professionals together open up unique possibilities for India to become the dominant player in the world-wide knowledge economy. Research, development, design, testing, and professional services can be undertaken in a whole host of areas. What the Indian software industry has achieved, with its scorching pace of growth and phenomenal brand equity, is only the tip of the iceberg in terms of the potential.

So far so good. The concern here is whether the country is prepared to provide gainful employment to all its young population graduating from schools and colleges. This should be a matter of serious contemplation.

Ironically, after globalization India is witnessing jobless growth. In the back drop of this reality the question remains whether India can create meaningful job opportunities. If India as a nation is not fully prepared to harness her population demographic dividend then India's youth protuberance and their galloping aspirations could be a recipe for disaster.

Realization of this dream is, however, contingent on a large number of factors. Primary amongst these is the need to support, strengthen and expand the education system so as to ensure both quantity and quality. Access to higher education in India at present is very low at 12% whereas in Europe and USA the percentage of enrollment is whopping between 57 to 75%. Obviously we need to increase the enrollment target up to 30%, in order to tap the global economic opportunities offered by mechanism of globalization. In India's case, the traditional and massively failed approach is to treat both education and jobs as if they were contagious diseases: insulated behind high walls, preventing ordinary people from having easy access to them. We must have a mechanism in place which allows mass participation in economic activities that is the key for inclusive growth. Unless the young populace of the country participates meaningfully in economic activism and economic expansion, the standard of living will fail to improve. The government has failed to deliver education and jobs. So after over sixty years of failure, it's time to try a different approach. Liberalize education (and labour) and let the solution begin to scale at the same pace as the problem.

The economic reforms of the 1990s have unleashed the private sector and enabled it to become the engine of change and growth. Meaningful public-private participation model at all levels of education shows some good signs however much is desired to be achieved.

Substantial up gradation of the physical and pedagogical infrastructure is urgent. This requires better classrooms, laboratories and libraries; modern teaching aids, including audio-visual and computer/Internet facilities; attracting, retaining and continuously upgrading the best faculty talent; relevant and continually updated curricula. Closer interaction with industry and R&D organizations is a necessity for academia. Also, in order to attract and retain bright students, there is a need for generous and easily available student loans/grants, paid internship in industry, and teaching assistantships. These are especially necessary for research and professional education, with rising costs.

For majority part in India robust interaction between Industry and academia is either missing or is being treated as marketing tool. In developed nations Industry –Academia always has a symbiotic relationship. For acquiring real time knowledge, education and industrial hub must coexist and cooperate with each other on numerous counts.

A private-public partnership, both at state and central levels would be a good way of moving forward. We have an exceptional and unique opportunity to turn what many consider a liability — our large population — into our biggest asset. Can we mount a National Education Development Program to make India the headquarters of the Global Knowledge Bank and the intellectual capital of the world?

For harnessing the Human resource of India we need to make this country an attractive destination for her young population. The loss on account of brain drain is known to us. The man hours and capital investment goes into making the people contributing agents of modern society should reap rich advantages to India. The young graduates must be able to find meaningful jobs and congenial work culture in India.

The challenge before higher education is three pronged. Capacity-building to produce college professors; timely intervention and mediation to help disadvantaged students gain access to education and creation of a sustainable business model for academic institutions that also provides affordable education. Here economic viability of educational institutes is a matter of crux. With entry of private capital in primary and higher education there is a mushroom growth of educational institutes in India. However in some regions it has disturbed the demand supply equation. Supply side has become too strong where as the demand scenario is too weak to cope up with growing supply position. This adverse demand supply miss match has rendered many educational institutions economically unviable hence from the radar of such redundant institutions the quality aspect has got eclipsed which in the long run may prove to be very detrimental for India as such.

Therefore we need to have macro and micro economic outlook while allowing private capital to take care of India's growing need of education. Our aim is not to deprive the young population of technical and professional qualification but the equation of economic sustainability of educational institutes and their quality aspects cannot be turned a blind eye to.

As of today the techno-managerial and scientific know-how of India is too limited. They are undoubtedly the driving forces for economic development of any country. Therefore we need to perch upon the immediate task of absorbing cutting edge knowledge and best of global practices to accelerate the rate of inclusive growth. While doing so we must avoid staunch following of the west. We have the unique beauty of our own culture and mindset. We must assimilate and absorb which is suitable and sustainable to us over the long run. Staunch following of west and reckless partnership with the foreign universities as a means of marketing strategy shall boom rang on us dangerously.

The issue of "inclusive growth" and "demographic dividend" must get addressed side by side. The canvas of education and industry must get strengthened hand in hand. Education and industry must have a symbiotic existence. The present doom scenario of industry starving of quality human resource and

quality human resource starving of meaningful employment opportunities in Industry must be successfully over come.

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