



## **DEMOGRAPHIC DIVIDEND, OPPORTUNITIES AND STATUS OF YOUTH EMPLOYMENT IN JHARKHAND**

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*This paper explores one of the most important issues in the state i.e. demographic dividend and opportunities and status of youth employment. The findings show that the youth unemployment particularly among educated youth is emerging as a major challenge and barrier in the road of harnessing state's 'demographic dividend', which needs urgent policy attention. Similar results have also been reported by the latest released report of annual labour force survey of national sample survey, 2017-18.*

### **INTRODUCTION**

India currently has the home of highest number of young people in the world. While the number of elderly people is increasing steadily in most of the countries in the world particularly in developed world, the youth population and working population (15 to 59 years of age group) in India is growing steadily. The working population of India stands at around 63 per cent of the total population in 2015-16 and in the next two decades it is estimated to reach to the highest level of about 66 per cent. Hence, in the coming years it will be a great opportunity to harness country's 'demographic dividend'.

Demographic dividend occurs when the share of working age people (15-59 years) in the total population is high because this indicates that more people have the potential to be productive and contribute to the growth of the economy. According to a study conducted by the United Nations Population Fund in 2018, the 'boom' of 'Demographic Dividend' is expected to remain for the next few decades only in select states of India. This is expected to be seen mainly in only few states such as Jharkhand, Chhattisgarh, Madhya Pradesh, Rajasthan, Uttar Pradesh and Bihar. This study, reveals that opportunities for 'demographic dividend' have been close in all the southern and western states like Kerala, Tamil Nadu, Delhi, Andhra Pradesh, Telangana, Gujarat, Punjab and West Bengal and Karnataka, while in states like Odisha, Himachal Pradesh, Maharashtra, Jammu and Kashmir, Assam, Uttarakhand and Haryana will be closed in the next few years.

### **Literature Review**

The literature on demography and employment in Jharkhand is very limited. The World Bank (2007) study shows that the state faced many challenges after its formation such as low per capita income, high incidence of poverty and little social development. This study revealed that social inclusion, improving infrastructure and resource mobilisation with political commitment was necessary to 'make development happen' in the state in the shortest possible time. Chkarabarty's (2015) paper highlighted that labour force participation rate of Jharkhand has declined in the past decades mainly due to withdrawal of self employment who involved either in agriculture or non agriculture sectors. She explained that the reduction in workforce may be due to increase participation of youth in higher education attainment particularly female from rural areas. Singh et al (2012) study explained that more than three-fourth of the workforce in the state was involved in agriculture but it contribute only one-fifth of the total state's GDP. This low contribution of agriculture is mainly due to high level of

underemployment in the sector and lack of productive employment opportunities outside the sector i.e. high productive non-farm sector.

Similar argument made by Mehta and Singh (2016) in their paper, which presents that agriculture remains the main source of employment in the state. The employment opportunities in non-farm sector are not enough, which makes a larger shift of people from low productive farm sector to non-farm sector and result in higher poverty reduction. However, the recent economic survey, 2018-19 highlighted some government efforts for employment generation and creation of other livelihood opportunities through skill development and entrepreneurship programmes in recent years. But, these efforts are not reflecting in the rising youth unemployment data during the same period.

Regarding educational status Rustagi and Menon (2013) paper examines the educational disparities in the state and stated that Jharkhand is one of the worst performers in this domain along with Bihar. There is widespread variations and differences in educational outcomes within the state, across districts, social groups and other inequities relating to schools, gender, learners' achievements. Amidst some of the progress in elementary education even in Jharkhand, in terms of enrolment, access and availability of schools and other infrastructural facilities, many of the challenges remain, constraining the strides towards universalisation or education becoming a right for all children between the ages of 5 to 14 years. From the high pupil teacher ratios, the insignificant improvements in retention at schools for many students to the challenge for quality of education and filling the gaps in teaching personnel, the concerns for achieving universal elementary education. In addition, the Economic Survey, 2018-19 also presents the low enrolment ratio in higher education is still a challenge for the state.

This brief reviews clearly shows that there is no comprehensive study particularly on 'demographic dividend' and employment of youth employment in the state. Therefore this paper attempts to explore this important issue in detail through the latest available information on employment and unemployment in Jharkhand.

In this context, it is important to explore whether the state like Jharkhand, which has been developing at a very fast pace over the last few years, is ready to capitalise the opportunities of this 'demographic dividend' and mainly the 'opportunities of this growing youth bulge'. This paper is based on latest available data of employment and unemployment survey of Labour Bureau, 2015-16 and other relevant published report on Jharkhand such as Economic Surveys.

This paper is divided into four sections: section 1 introduces the topic; section 2 reviews the literature, relevance of the study and data sources used; section 3 discusses the findings and last section 4 concludes with some important policy suggestions.

## **DISCUSSION**

### **Demographic Dividend**

It has been observed that the benefit of demographic dividend does not happen automatically and contribute to the development of any region or a country. This is related more to the appropriate utilisation of its working, and young population who are entering to the labour force every year. It also depends on proper skill training and creation or generation of suitable and enough employment opportunities for the growing youth population. According to the census of India 2011, the working population of Jharkhand was 57 percent and youth population comprised of more than half of it. Hence, to understand the importance of 'demographic dividend', it is necessary to understand the present educational status and jobs availability for youth in the state.

## Education and Employment Situation

According to the employment and unemployment survey of 2015-16 conducted by the Labour Bureau, approximately half the labour-force in the state has up to middle level educational qualification, which also include illiterate (Table 1). If we look at the youth it is also observed that more than one-third of the youth have either middle school or low level of educational qualification. Though in the recent years, the number of youth having secondary and higher secondary educational qualification have increased substantially, however, the number of youth having tertiary (graduate and above) level education is still low i.e. little less than 8 percent. There has been significant increase in both enrolment rate and completion rate of education level of youth up to secondary and higher secondary, while the youth enrolment rate and completion rate at tertiary level education is still very low. This shows the poor condition of higher or tertiary educational among both adults and youth in the state, which has strong association with quality of employment in the labour market.

**Table 1: Level of Education (in %) by Broad Age-Groups in Jharkhand**

Level of Education	15-29 years	30-59 years	15 to 59 years
Illiterate	2.7	18.5	11.4
Up-to middle school	33.3	43.3	38.9
Secondary	27.7	12.2	19.1
Higher Secondary	28.6	16.2	21.7
Graduate	7.3	8.7	8.1
Post Graduate	0.4	1.1	0.8
Total	100	100	100

*Source: Labour Bureau Survey, 2015-16*

The overall unemployment rate among adults and older persons is almost negligible in the state, while the youth unemployment rate is not only much high than others but also rising over the period (Figure 1).

**Figure 1: Overall Unemployment Rate (in %) by Broad Age-Groups in Jharkhand**



*Source: Labour Bureau Survey, 2015-16*

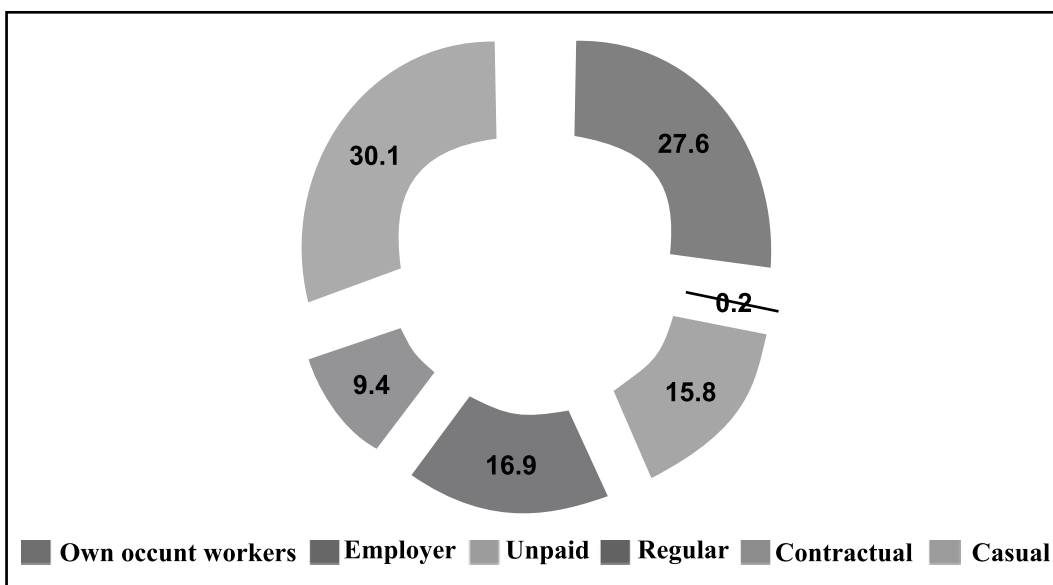
One in every five youth is unemployed in the state. The unemployment rate of female youth is 12 percentage points higher than that of male. This is true in case of all the age-groups. This demonstrates that enough jobs are not available for female. The female are willing to work but due to lack of suitable jobs they prefer to wait for such jobs.

If we look at the unemployment figures with the level of education of the youth, which can be seen from Figure 2 that unemployment rates is higher among youth with the higher level of educational qualification. About half of the graduates and postgraduate youth in the state are unemployed, while the unemployment among the less educated uneducated and illiterate is almost negligible.

**Figure 2: Unemployment rates and Level of Education among Youth in Jharkhand**

*Source: Labour Bureau Survey, 2015-16*

**Figure 3: Status of Employment among Youth Workforce in Jharkhand**



*Source: Labour Bureau Survey, 2015-16*

This reveals that the participation of youth in better quality employment is low. These figures point out the lack of suitable or better quality job opportunities and their creation in the state. In addition to this, more than 60 percent of the youth is still employed in low productive agriculture activities and only 7 percent of the youth are employed in the high productive manufacturing sector. Hence, a large number of youths are employed in the agriculture even today. These findings pointed to the fact that the present and previous governments in the state have failed to create enough suitable or quality employment opportunities in non-farming sectors and particularly for higher educated both male and female youth.

### **Government Efforts**

The state government has made considerable efforts to provide adequate employment opportunities through several livelihood and welfare schemes such as National Rural and Urban Livelihood Mission, Mahatma Gandhi National Rural Employment Guarantee Scheme, Startup Village Entrepreneurship Program, JOHAR, Employment Fair and schemes by Government of India - start-up, stand-up, Mudra, National Skills Mission and others. According to Economic Survey 2018-19, about 53 percent of the households in the state have got the benefit in form of employment from the government run schemes. Till date more than 1 lakh youth have been trained under these schemes, however, out of every 10 youths, 8 youths are still searching for work. In addition, new technology based gig market is also creating many job opportunities for the youth in the state through such as Ola, Uber, Zomato, Swiggy etc. However, these new jobs are mostly low paid and informal job without any job security and social security benefits.

### **NEET Category of Youth**

As a result of this, the share of the people who are not working and are dependent on the working population is increasing constantly. This is increasing the economic insecurity of the dependent in many working population of families such as the elderly and children. In the last few years the average

growth rate of Jharkhand has been very good but, for the educated young population, there are no opportunities for jobs; in light of these facts it is appropriate to say that in the this will not only lead to economic loss for the state but there may be many social consequences of growing unemployment among youth in the coming years.

## **CONCLUSION**

The average growth rate of Jharkhand has been more than 8 percent in the last few years, which is higher than the national average growth rate of around 7 percent during the same period. However, the state is not able to get the benefit of this high growth. The 'demographic dividend' is a limited time opportunity. If appropriate steps will not be initiated in time, then this 'demographic dividend' will turn into a disaster. It primarily depends on how the state prepares its young population for the future. According to Thomas Malthus a renowned Economist and Demographer, if adequate supply of resources has not been done for the growing population, the gap between the population and the resources will increase In the long run and this may lead to poverty and inequality in the region, also known as 'Malthusian catastrophe'.

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