



CURRENT AFFAIRS



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EMPLOYMENT CRISIS IN SOUTH ASIA AS PER WB REPORT

THIS ARTICLE COVERS 'DAILY CURRENT AFFAIRS' AND THE TOPIC DETAILS OF "JOBS FOR RESILIENCE REPORT". THIS TOPIC IS RELEVANT IN THE "ECONOMY" SECTION OF THE UPSC CSE EXAM.

UPSC GS3 MAINS SYLLABUS: INDIAN ECONOMY AND ISSUES RELATING TO EMPLOYMENT.

WHY IN THE NEWS?

A new World Bank report, "Jobs for Resilience," warns that South Asia, including India, is failing to create enough jobs for its young population. This could jeopardise the region's demographic dividend, even though it's expected to have the world's fastest economic growth (6.0-6.1%) in 2024-25.

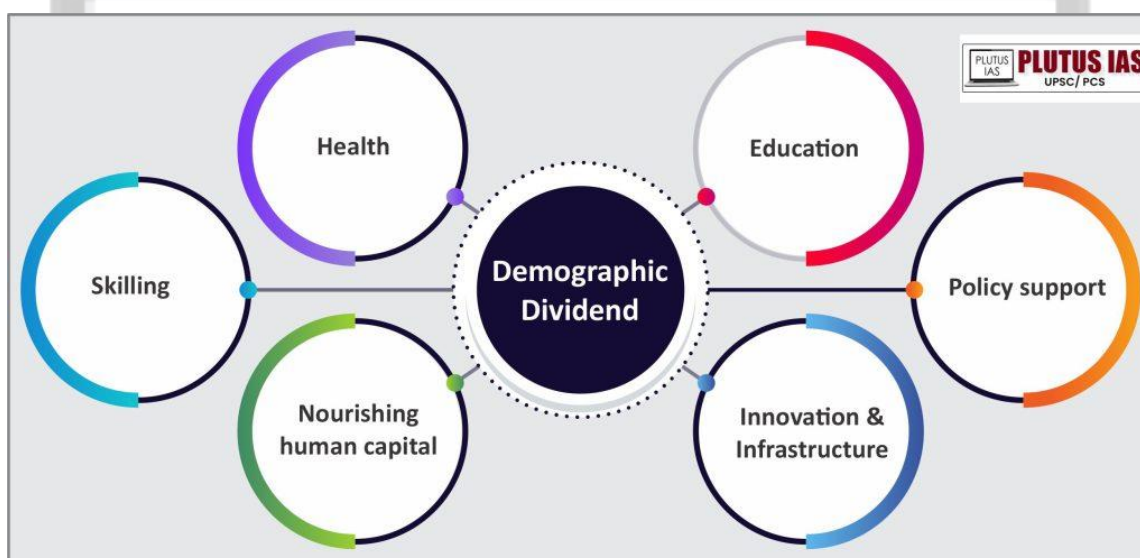
SIGNIFICANT FINDINGS OF THE REPORT

- **Decline in Employment in South Asia:** South Asia's employment ratio dropped by 2% from 2000 to 2023, while most emerging markets held steady. This weakness persists even after a post-pandemic surge.
- **Low Participation:** Compared to other developing economies, South Asia has significantly lower employment ratios across the board. In 2023, only 59% of the working-age population was employed, far below the 70% average in other regions.
- **Climate Vulnerability of the region:** South Asia is caught between a rock and a hard place. The region is particularly **susceptible to the impacts of climate change, but its limited government resources make it difficult to implement large-scale adaptation policies.** This leaves the burden of coping with climate shocks on businesses, farmers, and especially poor households, who are often hit the hardest.
- **Jobless Growth:** Unlike other emerging economies, South Asia's labour markets have been plagued by declining employment ratios for decades. This means a shrinking share of the working-age population is actually employed. The root of the problem lies in the slow job creation within the non-agricultural sector. While agriculture has seen a decline in its workforce, other sectors haven't been able to absorb these displaced workers efficiently. This sluggishness is partly attributed to complex regulations and economic conditions that hinder business growth, further limiting job opportunities.
- **Employment trend in Men and Women:** Men's employment rates in South Asia have declined over the past two decades, while women's rates remain persistently low – contributing significantly to the overall weakness.
- **Impact on overall growth:** While South Asia saw strong labour productivity growth in the 2010s, it faltered after 2020 and now falls below the average for developing economies. Unlike other regions, South Asia's economic growth relied heavily on both productivity gains and

population growth. However, declining employment ratios are now hindering further output growth.

WHAT DOES THE REPORT TALK ABOUT INDIA'S SCENARIO?

- **Migration Patterns:** The pandemic led to a return of migrant workers to rural areas in India, with emigration from rural areas also slowing down. India also has the second-highest percentage of workers in agriculture (44%) after Nepal.
- **Market trend:** India's employment growth was sluggish in the 2010s but showed signs of improvement after the pandemic. The employment ratio, however, remains a concern, declining significantly until 2022, with a partial recovery in 2023.
- **Uneven Composition:** India's industrial sector is seeing some growth due to government investments, relaxed regulations, and an increase in contract labour. The services sector, particularly IT, BPO, and healthcare, thrives due to a skilled workforce and digital infrastructure, but this limits opportunities for unskilled workers.



STRATEGIES FOR MAXIMISING THE OUTPUT FROM THE DEMOGRAPHIC DIVIDEND

- **Investing in Human Capital:** Prioritise quality education for all, with a focus on STEM fields (Science, Technology, Engineering, and Math) to equip the workforce with in-demand skills.
- **Bridging the Gender Gap:** Address gender disparities in education and training to unlock the full potential of the female workforce.
- **Invest in Infrastructure:** Upgrade infrastructure like transportation and communication networks to improve connectivity and facilitate business growth.
- **Vocational Training:** Expand vocational training programs to equip individuals with practical skills relevant to the needs of the labour market.
- **Modernisation of Labour Laws:** Review and update labour laws to create a more flexible and responsive labour market.
- **Embracing Technology of the digital era:** Invest in digital skills training and promote digital literacy to prepare the workforce for the increasing role of technology in the workplace.
- **Healthcare Investments:** Invest in healthcare systems to ensure a healthy and productive workforce.
- **Social Safety Nets:** Strengthen social safety nets to provide support for vulnerable populations, particularly the elderly and those transitioning out of the workforce.

PRELIMS PRACTISE QUESTIONS

Q1. Consider the following statements regarding the Periodic Labour Force Survey (PLFS) Annual Report 2022-2023:

1. The Worker Population Ratio (WPR) in rural India has declined in the last 10 years
2. The agriculture sector has witnessed a growth in employment opportunities in the last few years

Which of the above statements is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

ANSWER: A

Q2. What does the term “demographic dividend” refer to?

- (a) The decrease in birth rates within a population
- (b) The economic benefits derived from a youthful population
- (c) The increase in life expectancy in a society
- (d) The redistribution of wealth among different age groups

Answer: B

MAINS PRACTISE QUESTIONS

Q1. Evaluate the role of government policies and institutions in fostering the development of human capital, drawing from Robert Putnam’s research on social capital and community development. How can governments effectively promote human capital accumulation to enhance overall societal well-being?

Himanshu Mishra

INDIA’S BORDER INFRASTRUCTURE PUSH

INDIA’S BORDER INFRASTRUCTURE PUSH

This article covers ‘Daily current affairs’ and the topic details the article ‘India’s Border Infrastructure push’ which published in observers research foundation. This topic has relevance in the International relations and security section of GS2 and GS3 of UPSC CSE exam.



Why in the news?

In early March, Indian Prime Minister Narendra Modi inaugurated the Sela Tunnel in Arunachal Pradesh, close to the Sino-India border. This tunnel is crucial for strengthening India's defense at the Border region to counter China's aggression at the border.

PM Modi's visit in Arunachal Pradesh for the inauguration of Sela Tunnel was criticized by China, which it claims as its eastern territory and part of Tibet.

China has developed state-of-the-art infrastructure across the Sino-Indian border as well in the Tibetan Autonomous Region (TAR)

ABOUT SELA TUNNEL:

According to an Indian media report, the Sela tunnel project, including the tunnels — a main tunnel and an escape tunnel for emergency services — the approach and link roads is around 12 km.

It will reduce the distance between the strategically critical monastery town of Tawang and Dirang by 12 km and save around 90 minutes for travelers in each direction. More importantly, the tunnel provides a huge relief from weather-related issues.

NEED FOR BUILDING BORDER INFRASTRUCTURE:

Unfriendly neighborhood- India is having tough relations on its northern frontier with China and Pakistan. There is also the possibility of a two front war as increasing closeness between China and Pakistan.

Hilly terrain- The geography in the northern frontier includes himalayan mountains and cold desert. Where it is highly difficult to mobilize army personnel.

Chinese aggression- China's **salami slicing strategy**, which reflects an aggressive attitude towards neighboring countries which is visible in its border incursions in Ladakh's Galwan valley, Doklam in Bhutan (an important strategic point for India).

Neglected areas- Many border regions especially in North-eastern frontier were neglected till the last decade. Chinese claim on the Arunachal Pradesh compels India to build strong border Infrastructure.

Strategic advantage- As the world is getting more and more polarized considering the recent conflict in Ukraine and the Middle East, building a resilient border infrastructure is part of India's futuristic insight for its national security.

RECENT INITIATIVES FOR BUILDING BORDER INFRASTRUCTURE

Bharatmala Project: Launched in 2017, Bharatmala is a flagship road development program aimed at connecting major cities and economic corridors across the country. A significant portion of this project focuses on enhancing road connectivity in border areas to facilitate easier movement of goods and personnel.

Vibrant village program: Building hitherto neglected villages which are sparsely populated across border areas. It also aims to boost tourism and infrastructure development of these regions.

Strategic Roads and Bridges: There has been a concerted effort to construct strategic roads and bridges along India's borders, especially in regions prone to security challenges. These roads and bridges not only improve accessibility for border security forces but also aid in faster deployment during emergencies.

Border Infrastructure Development Fund (BIDF): The Border Infrastructure Development Fund was established to ensure systematic development of infrastructure along India's borders. It provides funding for the construction of roads, bridges, and other infrastructure projects in border areas.

Integrated Check Posts (ICPs): Integrated Check Posts have been set up at key border crossings to facilitate trade and commerce while ensuring security. These facilities provide customs clearance, immigration services, and other amenities to facilitate smoother movement of goods and people across the border.

Strategic Railway Lines: In addition to road infrastructure, there are plans to develop strategic railway lines along the border to enhance connectivity and logistics support for defense forces.

In the past, India has faced a loss of its territory to China due to neglect of its security architecture. India can no longer afford the same to happen again. That is why focussing on building border Infrastructure is crucial strategic move for national security

PRELIMS QUESTION

Border road organization, the body to develop the border Infrastructure comes under which ministry.

1. Ministry of home
2. Ministry of Industries
3. Ministry of defense
4. Ministry of road, transport and highways

MAINS QUESTION

Border infrastructure connectivity is crucial for any country's national security. Discuss.

Ankit Kumar