

**1. What vulnerabilities does decline in economic growth bring along? What are the most vulnerable groups of population towards economic shocks? Are there mechanisms to address this vulnerability? Examine.**

### **Approach**

The question is based on economic slowdown. First define what is an economic slowdown. Then mention what vulnerabilities it brings with it. Next focus on vulnerable groups in an economic slowdown and what measures are there to reduce their vulnerability.

### **Introduction**

Economic decline is a slowdown or a massive contraction in economic activities. A significant fall in spending generally leads to a recession. Such a slowdown in economic activities may last for some quarters thereby completely hampering the growth of an economy. In such a situation, economic indicators such as GDP, corporate profits, employments, etc., fall. The current situation due to pandemic which started with lockdowns qualifies as economic decline which affects economy and vulnerable population.

### **Body**

Vulnerabilities resulting out of economic slowdown:

- One of the consequences of recession is unemployment, which tends to increase, especially among the low-skilled workers, due to companies and even government agencies laying off staff as a way of curtailing expenses.
- Another result of recession is drop in output and business closures. Fall in output tends to last until weaker companies are driven out of the market, then output picks up again among the surviving firms. With more people out of work, and families increasingly unable to make ends meet, there will be demands for increased government-funded social schemes.
- With drop in government revenues during recession, it becomes difficult to meet the increased demands on the social sector.
- Educational achievement: Unemployment and income losses can reduce educational achievement by threatening early childhood nutrition; reducing families' abilities to provide a supportive learning environment (including adequate health care, summer activities, and stable housing); and by forcing a delay or abandonment of college plans.
- Opportunity: Recession-induced job and income losses can have lasting consequences on individuals and families. The increase in poverty that will occur as a result of the recession, for example, will have lasting consequences for kids, and will impose long-lasting costs on the economy.
- Private investment: Total non-residential investment is down by 20% from peak levels through the second quarter of 2009. The reduction in investment will lead to reduced production capacity for years to come. Furthermore, since

technology is often embedded in new capital equipment, the investment slowdown can also be expected to reduce the adoption of new innovations.

- Entrepreneurial activity and business formation: New and small businesses are often at the forefront of technological advancement. With the credit crunch and the reduction in consumer demand, small businesses are seeing a double squeeze.

#### Vulnerable population in Economic shocks

- Indian economy is large informal. This informality has to suffer first in any economic slowdown. COVID-19 revealed how much Indian cities depend on the informal economy. The suspension of trade and commerce destroyed the earnings of a large casual labour force, who had few savings to survive without work.
- The rural India which was already facing an agrarian distress and farmer suicide has been impacted more due to Covid-19 slowdown. In rural India, lockdown disrupted the harvest of winter crops, making it difficult to distribute and sell produce. Many farmers moved to subsistence crops, while others created new linkages within the food system, including direct farm-to-home delivery models.
- Women have suffered more than men. They are more likely to have lost work, and have been prevented from accessing healthcare and family planning services.
- Children's which lack the agency face issues such as child labour, malnutrition, trafficking due to economic slowdown as the poor families are not able to maintain cost of living.
- Poverty rises which gives rise to unemployment. This unemployment on top of already jobless growth in economy leads to issues such as low disposable income, starvation, lack of health care.
- Migrants who go away from their home state for income generation have to either live in inhuman conditions or return to villages with no source of income.
- The deprived castes of India who have faced historical injustices also make most of its poor. Thus any slowdown effects them and hampers their development

#### Mechanisms to address vulnerability

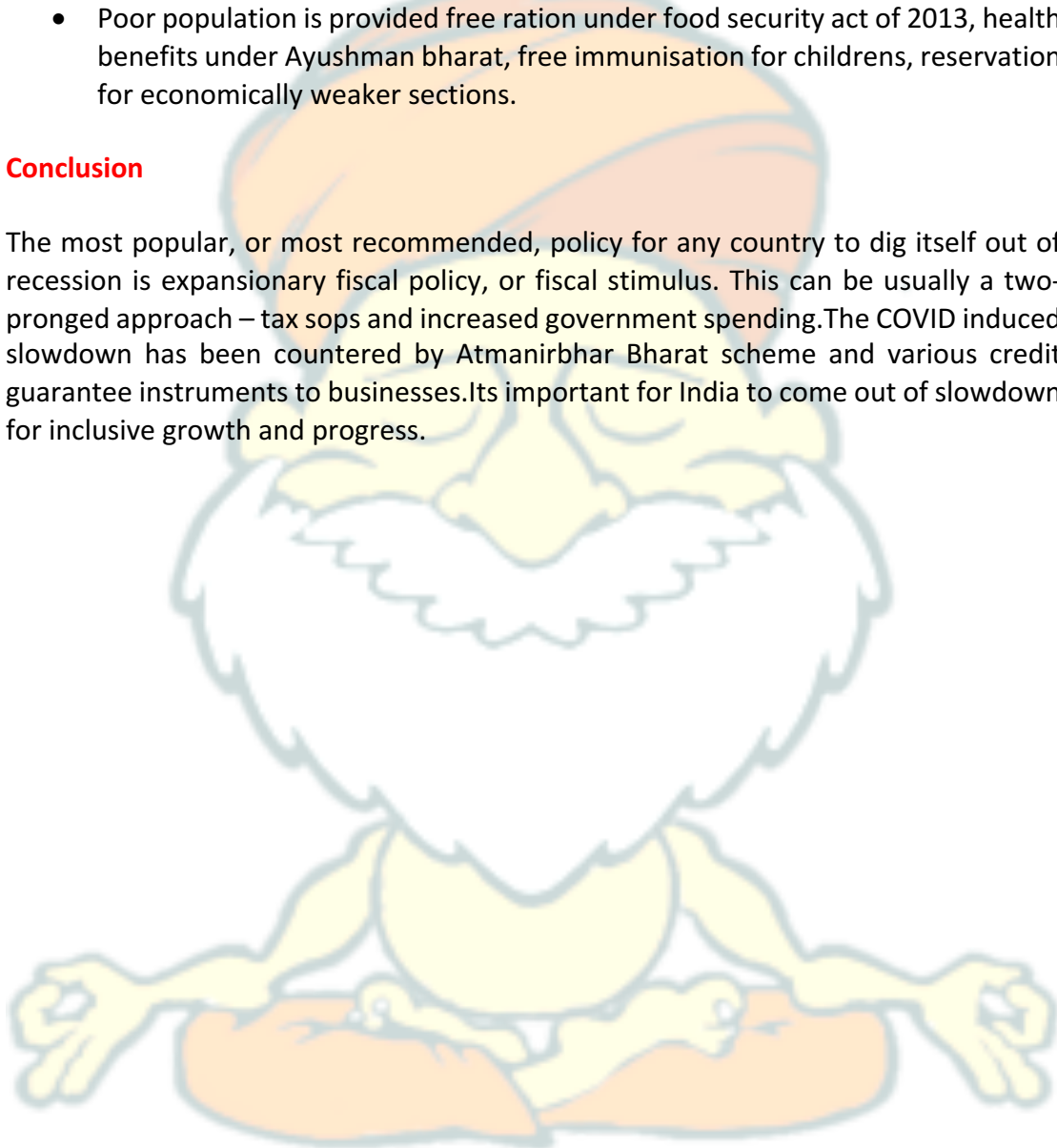
- Rural population: Government has implemented MGNREGA scheme in rural parts of India to address the issue of unemployment. There are also schemes on irrigation and easy farm loans to revive Indian economy. The institutional support of NABARD and local panchayats is important factor.
- Migrants: Government through different plans have tried to achieve balanced development to avoid the unnecessary migration for rural populations. Further schemes such as one nation one ration card which will induce portability to PDS system and legal measures such as inter state migration acts support migrants.
- Women are vulnerable due to lack of independence in finance and social sector. Government has formed various self help groups to give them ability to save and become financially independent. Further schemes such as Beti Bachao

Beti Padhao, Sukanya Samriddhi scheme and free institutional deliveries help them sustain.

- Children receive benefits from mid day meal scheme for nutrition, right to education act for learning and child rights commission to handle their problems independently.
- Dalits and Tribal groups have their own development boards, provision of reservation in education and job sector to handle the economic slowdowns and benefits under Ayushman bharat for health benefits .
- Poor population is provided free ration under food security act of 2013, health benefits under Ayushman bharat, free immunisation for childrens, reservation for economically weaker sections.

### **Conclusion**

The most popular, or most recommended, policy for any country to dig itself out of recession is expansionary fiscal policy, or fiscal stimulus. This can be usually a two-pronged approach – tax sops and increased government spending. The COVID induced slowdown has been countered by Atmanirbhar Bharat scheme and various credit guarantee instruments to businesses. Its important for India to come out of slowdown for inclusive growth and progress.



## **2. What are the initiatives meant for addressing the vulnerabilities of rural landless labourers? Examine their efficacy and limitations.**

### **Approach**

Define what is meant by rural landless labour's and mention some vulnerabilities in introduction. In next part write various initiatives to handle these vulnerabilities and add what issue the particular initiative is facing. In next part mention some practical solutions.

### **Introduction**

As per census of 2011, proportion of landless people in rural India had reached around 55%. The essence of the problem lies in the growth of the landless in our rural society from 28.1% in 1951 to 37.8% in 1971, from 40.3% in 1991 to less than 55% in 2011. It is estimated that around 30 lakh farmers lose their land each year because of debt, uncertain weather conditions and fluctuating prices of crops. Some of the factors of vulnerability for rural landless farmers are poverty, lack of tenure for landless farmers, absence of documents and non-inclusion in government programs, no or inadequate credit facility and debt trap among others.

### **Body**

Initiatives meant for addressing the vulnerabilities of rural landless labourers and their efficacy and limitations

- Land Consolidation Act, 1961 – define the size of land that an individual/family can own. But the ceiling limits varied from state to state. There has been circumvention of this act. According to the census of India, 47.3% of the farmers in the country are landless tillers.
- The initiatives in the form of Acts such as the Workmen's Compensation Act (1923), the Industrial Disputes Act (1947), the Employees State Insurance Act (1948), the Minimum Wages Act (1948), the Coal Mines Provident Funds and Miscellaneous Provisions Act (1948), The Employees Provident Fund and Miscellaneous Provisions Act (1952), the Maternity Benefit Act (1961), the Seamen's Provident Fund Act (1966), the Contract Labour Act (1970).
- Mahatma Gandhi National Rural Employment Guarantee (MNREGA) scheme – As per the memorandum submitted by All India Agricultural Workers Union (AIAWU) to the Prime Minister, Labour Minister and Rural Development Minister. Instead of 100 days work the figures are only 37 days per family. The wages of labour under MNREGA are less than the minimum wages declared by different states and often thousands of crores of dues have not been paid for work done as a result of not receiving central funds in time.
- Unorganized Sectors' Social Security Act (2008) – The Act provides for constitution of National Social Security Board to recommend social security schemes viz. life and disability cover, health maternity benefits, old age

protection and any other benefit as may be determined by the Government for unorganized workers. However the act is non-binding and there is no concrete provision for an unorganized worker in this Act.

- Aam Admi Bima Yojana – providing for death and disability cover to rural landless households between the age group of the 18 to 59 years.
- Rashtriya Bima Yojana for BPL families (a unit of five) in unorganized sector. The scheme providing for smart card based cashless health insurance cover of Rs. 30,000/- per family per annum on a family floater basis.
- Indira Gandhi National Old Age Pension Scheme provides for old age pension of Rs. 200/- per month to persons above the age of 60 years and for the persons above the age of 80 years the amount of pension has been raised to Rs. 500/- per month.
- Pradhan Mantri Garib Kalyan Yojna in pandemic times have provided succour to rural landless in terms of nutrition.

Suggestions for above issues :

- Minimum pension of Rs. 3000 every month for old and destitute agricultural labourers is needed in the current state of inflation.
- There was more than enough ceiling-surplus land vested in gram panchayats, along with waste and forest land that has been inhabited for generations by Adivasis without pattas. Tilling rights can be given for such lands to landless labour's.
- In case of land acquisitions, agricultural labourers losing their jobs should be compensated adequately.
- Universal basic income for bare minimum living standard.
- Universal health care in rural areas for better health outcomes.
- More development and investment in rural areas rather than sole focus on urban area's.
- Industrial development to reduce disguised labour in agricultural fields.
- Rural landless should be given say in rural development policies for better development.

### **Conclusion**

Landless labour is a vital factor of agricultural production; their productivity and earnings being an important determinant of the level of economic prosperity. Despite their indispensability, they continue to suffer silently, leading a life of poverty and pauperisation. A comprehensive Act, catering to the security needs of the unorganised sector such as Food, Nutrition, Health, Housing, Employment, Income, Life and accident, and old age is need of the time.

**3. Educated unemployed youth is one of the most vulnerable sections of the population. Do you agree? Substantiate. What measures should the government adopt immediately to address this challenge? Suggest.**

### **Approach**

Define what is meant by educated unemployed. Mention what vulnerabilities they face and suggest measures to overcome this issue. In conclusion make your stand clear on how educated unemployed are vulnerable as it is demand of the question.

Introduction:

Educated unemployment, in simple words, is not finding a job in a particular industry despite holding a relevant degree and willing to work at industry standard wages/salaries. According to a report, almost 2 million graduates and half a million postgraduates are unemployed in India. around 47% graduates in India are not suitable for any kind of industry role. Above all, the level of educated unemployment in India increases with higher education. while, at the primary level, youth unemployment is somewhere around 3.6%, it is 8% at the graduate level and 9.3% at the post-graduate level.

### **Body**

Young Indians (aged 15-24 years) constitute nearly a fifth of India's total population, according to the country's 2011 Census. By 2020, they are predicted to make up a third of the country's population. It is noted that the youth (between 20-24 years), who constitute around 40 per cent of India's labour force, have an unemployment rate of 32 per cent. The Periodic Labour Force Survey for 2017-18 released by National Sample Survey Office too shows that unemployment rate increased with education level.

- The rate of unemployment in urban India is lower than that of the rural across at higher levels of educational categories (secondary and above) and also for all the study periods. However, it is higher in the case of urban India than rural at lower levels of educational categories (less than secondary).
- The unemployment rate among educated is lower in the developed nations as compared to developing nations at the international level, it is evident that the developed states within India account for higher rates of educated unemployment than the developing and underdeveloped states. This may be due to the fact that the developed states account for higher number of educated people than the developing and underdeveloped regions
- In India, not only is the rate of unemployment higher with an increase in levels of education, but also, when it comes to the issue of gender bias, it becomes obvious that women face much higher rates of unemployment as against their male counterparts across all the educational categories.
- The probability of finding jobs increases as age increases but, after a certain age, the probability decreases irrespective of the levels of development across

states. This may be mainly due to the presence of age restrictions in the formal job market and a decrease in productivity with an increase in age.

- Their mental makeup, their behaviour and their actions in their period of waiting are influenced by a varied set of factors. For example, it matters how their families treat them – which to some extent may depend on their financial status.
- Many are burdened by student debt, which begins to weigh heavily in the absence of proper employment. Other factors such as the company they keep, the nature of cultural and political discourse and the political and other activities of the major parties and their leaders also matter.
- In India, where the economy is growing but where it is not clear whether employment prospects have improved, young people with higher levels of education are even more likely to feel cheated, frustrated, resentful, or even angry than under conditions of economic stagnation.
- The problem of unemployment for the educated gives rise to the problem of poverty. Young people after a long time of unemployment indulge in illegal and wrong activities for earning money. This also leads to an increase in crime in the country. Unemployed persons can easily be enticed by antisocial elements. This makes them lose faith in democratic values of the country. It is often seen that unemployed people end up getting addicted to drugs and alcohol or attempts suicide. These factors surely make the educated unemployed one of the most vulnerable.

In this regard, following can be some of the measures the government may adopt immediately to address this challenge:

- There are a number of labour intensive manufacturing sectors in India such as food processing, leather and footwear, wood manufacturers and furniture, textiles and apparel and garments. Special packages, individually designed for each industry are needed to create jobs.
- Public investment in sectors like health, education, police and judiciary can create many government jobs. Along with it, decentralisation of Industrial activities is necessary so that people of every region get employment.
- Entrepreneurs generate employment to many in a country; therefore, the government needs to encourage entrepreneurship among the youth. Similarly, concrete measures aimed at removing the social barriers for women's entry and their continuous participation in the job market is needed.
- Government needs to keep a strict watch on the education system and should try to implement new ways to generate skilled labour force. Further, the effective implementation of present programs like Make in India, Skill India, Start up and Stand-Up India is needed.
- There is a need for National Employment Policy (NEP) that would encompass a set of multidimensional interventions covering a whole range of social and economic issues affecting many policy spheres and not just the areas of labour and employment. Vocational education should be encouraged so that after education, people do not have difficulty in getting jobs because they will be better trained for work.

- More use of Information Technology (IT) should be made in giving education.
- Education should cater to the needs of the employment markets.
- More opportunities should be made available in the tertiary sector where more educated unemployed people can find jobs.

### **Conclusion**

Unemployment is a major issue which India faces and has been further exacerbated by the pandemic. In this the focus has been always on the whole section. But in the view of increasing students who are educated but unemployed as special initiative is necessary to address their issues of skill, quality of education, unemployment benefits and counselling to connect to job markets of India and western world. The demographic dividend should not be allowed to morph into demographic disaster for India.

