



## Citizen-led Employment Generation is What's Needed

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(This editorial is based on the article “Citizen-led Employment Generation is what's Needed” which appears in Livemint on 21st December 2018.)

**As one of the youngest countries in the world, India often feels secure in the growth of its demography and a decreasing dependency ratio.** On the negative side, demographic liability comes as part and parcel of a demographic dividend.

**China is going through the pains of a working-age population too, that has peaked at 1 billion citizens and is starting to decline rapidly. In 15 years, a similar process will happen in India, as our dependency ratio peaks and then declines.**

The next decade will be decisive for India to use its growing demography to foster inclusive growth. This next decade is a “do or die” moment for ending unemployment. Towards this end, which is ‘Citizen-led Employment Generation’, a new strategy has been devised by PwC\* called ‘**Nagarik: Transformation through large-scale employment generation**’.

[PwC\* - PricewaterhouseCoopers is a multinational professional services network headquartered in London, United Kingdom; among other services, they are known for their auditing services]

### **What is the dependency ratio**

- The dependency ratio is a measure showing the ratio of the number of dependents aged zero to 14 and over the age of 65 to the total population aged 15 to 64.
- This indicator gives insight into the number of people of non-working age compared to the number of those of working age.

### **The two emerging demographic perspectives that can be observed in India:**

- The north and east have high fertility rates, low labor force participation and high marginal employment.
- In contrast, the west and south have low fertility rates and, in some instances, is showing a shortage of manpower.

This is resulting in interstate migration, creating social tensions. The west and south are resentful when they see “outsiders” stream in on packed trains. The north and east are likely to experience increasing social strife when a digitally alive population fails to fulfill their aspiration.

## Creating large-scale local employment

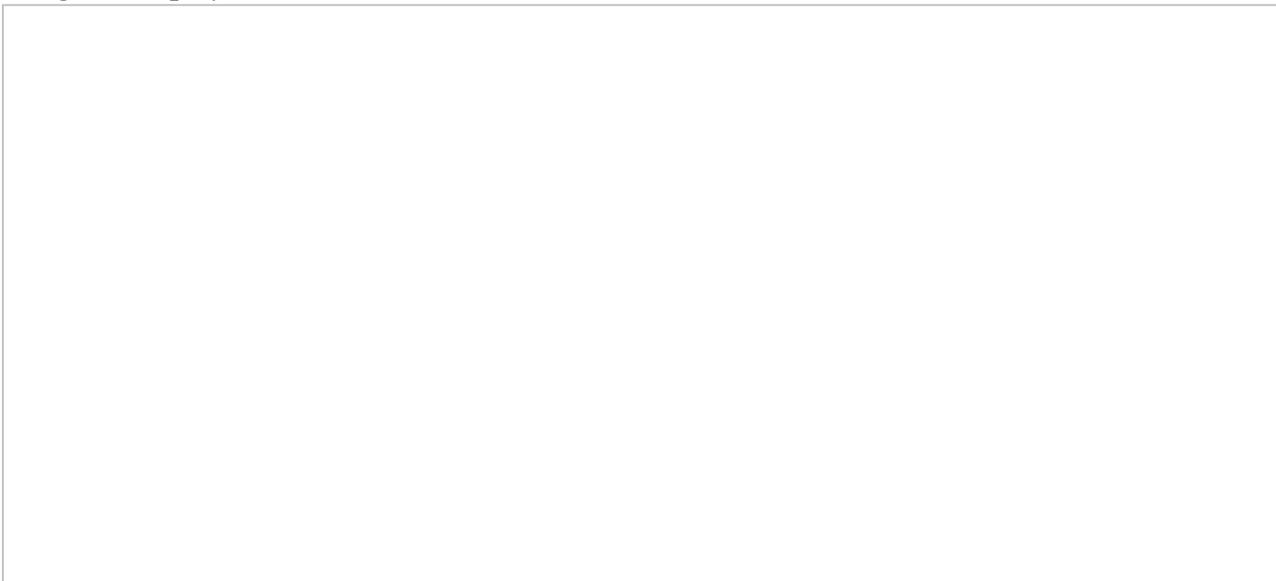
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- Achieving inclusive growth and creating large-scale local employment requires a focus on smaller districts that house a majority of our population and still remain rural or semi-urban and in some cases tribal.
- Employment generation also requires a district-level effort for job creation that links local entrepreneurs to markets, with solutions that specifically use local resources.
- **To achieve this, a new approach to large-scale employment called NAGARIK has been mooted.**

## What is the Nagarik Approach?

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- It is a new approach to large-scale employment that understands that employment generation is the task of citizens, society, and the private sector, not just the government.
- **It is, therefore, a platform that is market-led, and citizen-driven.**
- It visualizes citizens, the private sector and government playing an active role in job creation through entrepreneurship, execution, and enablement.
- Access to market and technology are the two key pillars of this strategy. Resources would be sourced and consumed at the local level, saving time and costs.
- **It focuses on all the components of employment and customizes its focus depending on the key challenge of a specific district, state or nation.** For example, while the number of new jobs to be created may be the key concern for UP and Jharkhand, with 48% of marginal labor in their workforce, the states might focus more on converting marginal employment to full time.



## Key advantages of Nagarik

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- **Nagarik shifts our mindset towards citizens** – from seeing them only as consumers to valuing them as producers, with local value addition from local resources as a key feature of the solution.

- **Nagarik complements ‘business as usual’ job creation and the recent focus on skill development.** States and districts will continue creating employment in the normal course of growth while Nagarik tackles the ‘extra employment’ that is required given the strong demographic growth in population.
- **Employment opportunities created by Nagarik in a district are largely local,** and this helps reduce migration, social stress and creates local economic activity, rather than a remittance economy.
- **The quantum of funding required from the government is relatively low** – typically 30% of the overall funding, with banking and private capital as key sources of finance to help generate employment.
- **The flow of products becomes more local as local resources** (agricultural, dairy, animal husbandry, tribal produce) are also consumed locally, reducing the round trip time and cost to and from a large urban center.
- **Over time, the Nagarik solution would reduce the cost of producing goods in larger cities,** diversify the sourcing options of existing factories and actively shift the economy to smaller districts.

## Way Forward

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- **Nagarik requires support and participation from the representatives of the people** who can actively encourage citizens to take part in the solution.
- Nagarik should be seen as helping create a people’s movement aided by government and private sector funding and expertise.
- **Nagarik has direct applicability to the backward states in the north and the east.**
- These 10 states [Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Rajasthan, Jharkhand, Maharashtra, Odisha, West Bengal, Bihar, and Assam] have 62% of our total population but will have 80% of new employment requirements over the coming decade. By creating local employment, widespread migration from these states can be reduced.
- **Nagarik is equally applicable in other parts of the country, where the urban-rural divide creates ‘contrasts and economic divides’ that need to be bridged.**
- Nagarik should be seen as a once in a lifetime opportunity to focus on building the real India, involving citizens and utilizing the bountiful resources of our smaller districts where employment is most needed.