Indian Economy · GS - III

India's demographic dividend can become a demographic challenge if employment generation and educational reforms fail to keep pace with the aspirations of its youth. Examine.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 18/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Demographic dividend, youth bulge, labour force participation, educated unemployment, skill mismatch, quality of education, vocational training, formal employment, labour-intensive manufacturing, entrepreneurship, women in workforce, skill development, human capital formation.

Model Answer

Introduction

India's large working-age population offers an opportunity to accelerate economic growth. However, this demographic advantage depends on the availability of productive employment, quality education and industry-relevant skills.

Major Challenges

1. **Educated Unemployment:** Increasing educational attainment has not always translated into employment opportunities matching young people's qualifications.

2. **Skill Mismatch:** Traditional education often emphasises theoretical learning, while emerging industries require technical, digital and vocational competencies.

3. **Insufficient Quality Employment:** Informal employment, underemployment and job insecurity affect income stability and career progression.

4. **Regional and Gender Disparities:** Unequal access to education and employment opportunities, along with barriers to women's workforce participation, limits the productive use of human resources.

5. **Changing Labour Market:** Automation, artificial intelligence and technological changes are transforming occupational requirements.

Reforms Required

- Improve foundational literacy, learning outcomes and higher education quality.
- Strengthen vocational education, apprenticeships and industry-academia collaboration.
- Promote labour-intensive manufacturing, MSMEs and employment-generating services.
- Expand women's access to safe workplaces, childcare and flexible employment.
- Strengthen employment data and career guidance systems.

Conclusion

India's demographic dividend is not automatic; it requires investment in human capital and productive job creation. Aligning education with economic requirements can transform the country's young population into an engine of inclusive and sustainable growth.

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