Chapter 46

Impact of Green Growth and Development Path for Skilled and Unskilled Job Creation and Economic, Social Sustainability: Case Study of India – A Recursive Dynamic CGE Model Approach

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ABSTRACT

This chapter captures the possible impacts of green growth strategies and interventions in terms of skilled, unskilled job creation in context of an emerging country like India. Additionally, it addresses how income generation from specific possible green growth related interventions can have a ripple effect on development indicators like literacy rates, infant mortality rates, poverty. Further it links skilled and unskilled employment generation with “Right to Livelihoods” and MGNREGA and its implications for state level fiscal subsidies. Job creation reflects economic gain for different class of households in the short and long term. This economic gain reduces the level of inter-household and intra-household inter-temporal inequality levels. In the long run, this reduction in the inequality level can create a positive impact on the social sustainability.

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INTRODUCTION

Policy Relevance of Green Growth Interventions for Job Creation and Development in India

In India, role of green growth in development path has been accepted and debated in recent past but for the first time it was contextualised within policy discourse of Thirteenth Finance Commission (TFC). TFC report has mentioned that growth of India should be promoted without compromising the needs of development with minimal impact on use of natural resources. An inclusive green growth pathway for a country has to generate new jobs across different sectors of the economy to promote an inclusive developmental path. Creation of job opportunity and skill enhancement within a green growth path can also have the potential to address the challenge of unemployment in India. Currently, India, has a dearth of sufficient skilled workers but the existing vocational training schemes often are successfully unable to target casual and informal workforce which contributes over 90 per cent of India’s working population (Hajela, 2012). Skill shortage only aggravates the existing unemployment problem. Within current employment patterns, only about 5% of the workforce has marketable skills, as compared to 50% to 60% in some developed countries like Japan). This situation exists even though there are number of central government ministries which offer skill development initiatives through school education, institutes of higher learning, specialised vocational training institutes. Gravity of this challenge is going to increase within the backdrop of inclusion of 12 million persons who are expected to join the workforce every year (IMACS, 2010). This establishes the need of creating both jobs, skill within the Indian economy to address the future developmental goals.

Therefore, with this background it is important to assess the potential of a green growth interventions and strategies in addressing skilled, unskilled job creation in the Indian economy. This can therefore address development needs of people of the country by impacting a broad section of the population which includes women, youth, farmers, rural population and slum dwellers that can benefit from such job creation (ILO, 2010). Analysis of the quarterly survey on job creation in India shows a gap of 43.15% (Indian Express, April 2014). Therefore, this adds to the seriousness of focusing on job creation for the Indian economy as a policy imperative.

Green building and renewable energy promotion are some of the key sectors of green growth intervention other than natural resource management and resource, material and autonomous energy efficiency improvement across sectors of the economy. Creation of skilled jobs in green building and renewable energy sector can also address and strengthen implementation of measures recommended by the subgroup (created in August, 2009) of the task force on “Climate Change and Green Jobs”. Measures of the subgroup to create green jobs under MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) through promotion of mitigation measures like enhancement of renewable energy and energy efficiency interventions within the country(ILO, 2010) can be strengthened by green growth promoting measures.

It will also consolidate and fast track addressal of the Article 41 of the Indian Constitution which deals with providing a non – justiciable right to work under directive principles of state policy. MGNREGA in 2005 first highlighted that the state through its economic capacity can actually convert non justiciable rights to work into justiciable ones along with a focus on skill development. A green growth and development intervention creates skilled jobs across rural households of India and therefore has a scope, potential to feed into this policy and human rights space enshrined within the constitution of India.