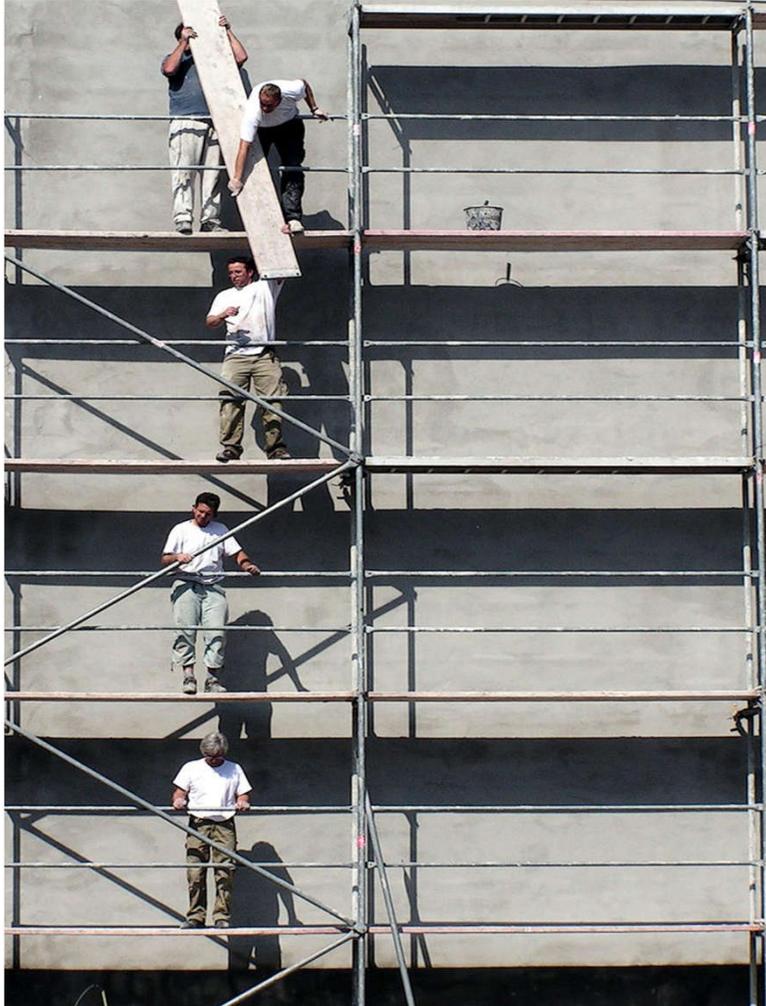# Path to Employability: Education & Skills in India

By Sabina Dewan

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About Us

The JustJobs Network is a research organization focused on one of the most pressing challenges of our time: **How to create more and better jobs.**

JustJobs
NETWORK

What we do

Conduct innovative research on the important questions that no one else is asking.

Design new tools to measure economic performance that make jobs the most important macroeconomic indicator.

Propose evidence-based solutions for tackling the jobs crisis to those who make policy, run companies, and lead non-profits.

Lead a global coalition of institutions advocating for new, jobs-rich policy agendas.
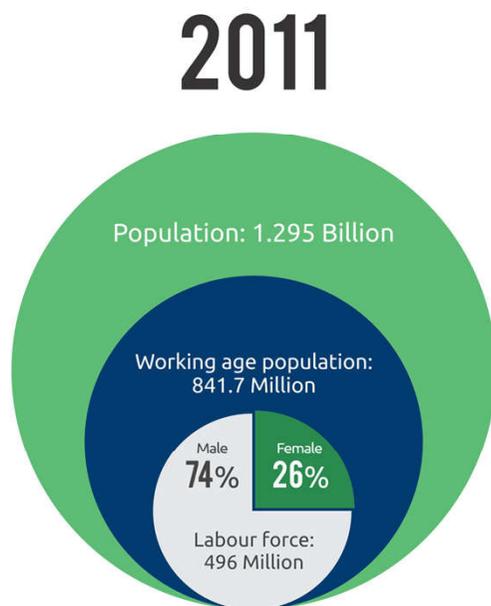
Labor Market Landscape

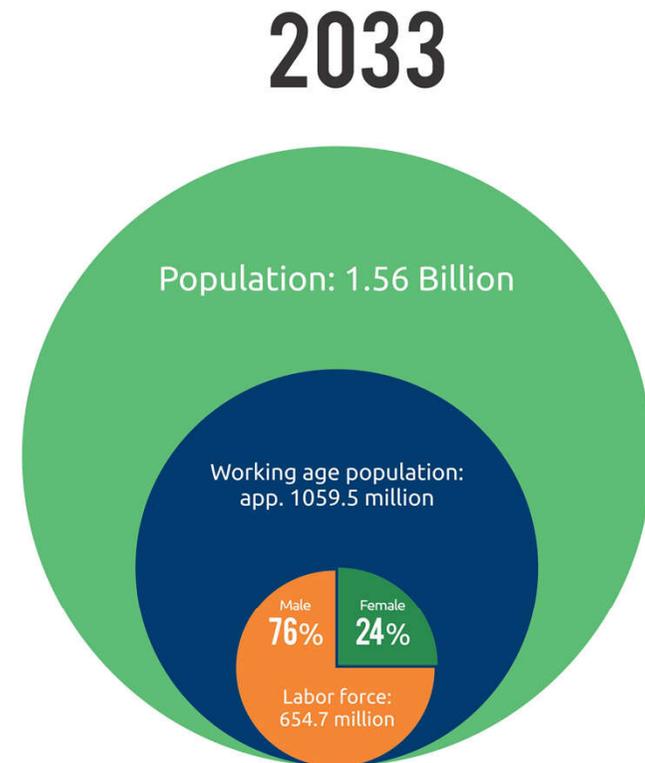➤ Low unemployment rate, but high informality, underemployment and poor quality employment.

➤ Increasing rural to urban migration owing to rapid urbanization - nearly 33% of India's population lived in urban areas in 2015; 300 million urban residents will be added by 2050.

Labor force participation rate in 2013 for the population aged 15 to 64 was 54%, well below most other emerging economies, reflecting a low (and declining) participation rate of women

2011

Population: 1.295 Billion

Working age population: 841.7 Million

Male 74%

Female 26%

Labour force: 496 Million

2033

Population: 1.56 Billion

Working age population: app. 1059.5 million

Male 76%

Female 24%

Labor force: 654.7 million

Source: ILO, Census 2014

Source: Population projected by ILO, 2033

![JustJobs NETWORK]

Labor Market Landscape

> ➤ Despite rising school enrollment, one in four youth (aged 15-24) were not in employment, education or training (NEET) in 2012

The Education System

➢ The formal school system in India – despite boasting high enrollment rates – has failed to contribute significantly to young people's employability. Almost 40% of those unemployed had upper secondary level of education

  ➢ 25% of students in class 8 could not read a class 2 text

  ➢ 56% of class 8 students in rural India could not do a three digit by one digit division problem correctly

➢ Lack of quality and perceived returns to schooling are among the reasons for a high dropout rate

Skilling to the Rescue?

➢ The current approach to skilling sets up a separate system to equip people with quick and basic training to make up for the failures of a broken education system

➢ Relative to other countries, India lags significantly in the share of its population that is skilled. Only 2.2% of India's workforce had undergone any formal skills training in 2011-12

➢ Only about one in 10 persons have received any skills training – formal or informal

➢ India needs an additional 109.7 million skilled workers by 2022 in 24 key sectors -- India's annual training capacity, including formal and on-the-job training, was estimated to be around 7 million in 2014

Skilling to the Rescue?

➢ Most training by NSDC affiliates involves a short course -- too short to be meaningful, with large variations in the quality of training across providers

➢ Retention rates are very low:

> ➢ On tracking it's trainees, Pratham found that after 3 months only 48% of placed trainees were working
> ➢ 23% were still working after 1 year

➢ Fewer women access training than men; in 2009, only 30.7% of students in formal vocational training were women

Employability

➢ Neither the education system, nor the current skills training apparatus is working well enough or at the scale needed to significantly enhance employability

➢ Explore ways to incentivize adoption of skill training among youth, especially women, and to improve retention rates

➢ There is a need to rethink the content, design and duration of the skill training and vocational courses

➢ Employability encompasses soft skill development, strong literacy and numeracy skills, experience and exposure to formal sector work environments

Questions

➢ Who should be responsible for skills training? For whom and by whom?

➢ What incentives would engage the private sector more in this effort?

➢ How should the current system be reformed to improve quantity of those skilled, quality of skilling and connection to employment?

Thank you!

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