Path to Employability: Education & Skills in India

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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.
What we do

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

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.

Design new tools to measure economic performance that make jobs the most important macroeconomic indicator.
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.
Despite rising school enrollment, one in four youth (aged 15-24) were not in employment, education or training (NEET) in 2012.
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 its 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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