

## EMPLOYABILITY STATES OF INDIAN YOUTH

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### ABSTRACT

India has entered into the position where increasing number of young people enters into the productive age due to transition from high to low fertility and can garner the benefits of demographic dividend in the coming decades. India enjoys this benefit of "demographic dividend" and competes with the developed world in terms of availability of both skilled and unskilled labour to the work force. Chandrasekhar and Ghosh, 2006 observed that India is and will remain for some time one of the youngest countries in the world.

**KEYWORDS:** Productive Age, Benefits of Demographic, Demographic Dividend

### INTRODUCTION

According to National Youth Readership Survey, 2009, there are 332.7 million literate youth (13-35 years) in India constituting about 38 per cent of the total population in the country. Of the total literate youth, 62 per cent (206.6 million) lives in rural areas and the rest (126.1 million) in urban areas. In the 2001 census their population was 390.2 million which shows an annual growth rate of 2.05 per cent over the last 8 years. Assuming this growth rate to continue for another decade, the projected youth population for 2020 will be 574 million.

**Table 1: Population Parameters**

Parameters	Rural	Urban	All India
Estimated Household (Million)	144.2	61.4	205.6
Estimated Population (Million)	833.10*	377.09*	1210.19*
Household Size	5.1	4.8	5.0
Household Income (current prices)	51811	95160	64763
Per Capita Income (current prices)	10205	19797	12963
Household Income (2004-05 prices)	33439	54604	39763
Per Capita Income (2004-05 prices)	6587	11360	7959

\*Population as per 2011 Census

**Source:** Calculated by author from NCAER Data

This relatively high annual growth rate of youth population is giving rise to 'youth bulge' which creates a window of opportunity. India can reap the benefits of this increasing proportion of youth population only if it meets their educational aspirations. This trend is seen as significant on the grounds that what matters is not the size of the population, but its age structure. However, the challenge set by the demographic dividend is that of meeting the aspirations for education of a generation that is currently rapidly expanding.

Increasing proportion of young population in India is considered as an important asset when ageing is becoming a major problem in developed nations. However, numbers alone are not that important while quality of human resources matters much. In today's world uneducated and malnourished workers find little place in productive employment. India,

despite having edge in young population, lags behind other countries, including some developing nations, as far as education and health levels of the people are concerned.

This paper tries to establish the fact that employability among the youth in India

## YOUTH AND LITERACY

Compared with East Asian countries, India lagged much behind in literacy and education. The development of basic education was significantly more advanced in all those East Asian countries with successful growth-mediated progress at the time of their economic breakthrough compared with India – not just at that time but even today. Adult literacy rates (age 15+) for South Korea, Hong Kong and Thailand in 1960 were around 70 per cent compared to only about 28 per cent for India. Even in 1990 these rates were over 90 per cent in these East Asian countries but less than 50 per cent for India. China is also much ahead of India. (Dreze and Angus, 2002).

**Table 2: Distribution of Youth Literate Population**

	Population (Million)		Per cent distribution		Annual growth (%)
	Census (2011)	NYRS(2009)	Census (2001)	NYRS(2009)	
Rural	174.8	206.6	64.0	62.1	2.1
Urban	98.4	126.1	36.0	37.9	3.2
All India	273.2	332.7	100.0	100.0	2.5

**Source:** Calculated by the author from Census and NCAER Data

However, India's achievements are not all that bad in higher education. Even the literacy rates among the youth are significantly higher than overall literacy rate. Nilekani (2008) observes that an early sign of the immense potential of India's human capital has been the growth of IT/BPO sector and the rise of 'transformational outsourcing' by multinational firms across industries. India already has the second largest reservoir of skilled labour in the world. It produces two million English speaking graduates, 15,000 law graduates and about 9000 Ph.Ds every year. Moreover, existing pool of 2.1 million engineering graduates increases by nearly 300,000 every year.

It is interesting to note that the population of youth with graduate or above qualification (graduate+) has increased at 6 per cent to 31.9 million from the last Census figure of 20.8 million, while those with any secondary school qualification (6th to 12th) has grown at an annual growth rate of 4 per cent.

Given the fact that education play very important role in development there is a need to give overriding importance to education, both at school and higher level. Literary awakening to achieve 'education for all' should be the main priority areas for development. Achieving quality basic education is not an easy job. However, with the support of all the stakeholders the goal cannot be too difficult to achieve. Improvement in the children's reading habits and reading culture generally is a step in the direction of achieving the quality education. All stakeholders and concerned national institutes or private sector institutions should work together and all efforts should be coordinated to achieve this goal.

Women lag behind men in educational achievements. National Family and Health Survey (NFHS) – 3, conducted in 2005-06 reveals that only 45 per cent women are literate as compared with 22 per cent men in the age group of 15-49 years. Gap is quite large even among the young generation. Proportion of illiterate females is 26 per cent as compared with 11 per cent in case of males of 15-19 age group and in the age group of 20-24 the proportions are 35 and 16 respectively.

According to national Youth Readership survey, 2009, the population of literate youth has grown at 2.5 percent to 332.7 million from 273.2 million in 2001. As a result of relatively faster growth in youth literacy in urban India (3.15%) as compared to rural India (2.11%) and among females (3.23%) than among males (1.95%), urban share and female share in the total literate population has slightly improved from the 2001 level. However, there is still a huge gap between male-female (12 percentage points) literacy rates and rural-urban gap (19 percentage points).

This may here be noted that nearly 38 per cent literate youth live in urban areas and remaining 62 per cent in rural areas. Urban areas have higher proportion of youth in the age-group 25-35 years (45 %) as compared to rural areas (39 %). In contrast to this, proportion of youth in 13-19 years age group is little higher (39 %) in rural areas and lower (33 %) in urban areas. This is perhaps due to two reasons. One, there is a higher likelihood of migration of youth from rural to urban areas in the age group 25-35 years. Second, in the recent past fertility rate has declined in India, and because of higher education levels and higher costs of raising children in urban areas, the decline might have started earlier and may have been sharper in urban areas, thus reducing the proportion of 13-19 years age-group.

Gender differences in access to education exist in most parts of the developing world. Women face number of constraints which put them in a disadvantageous position. These constraints include disproportionate burden of reproductive work, restrictions on mobility, lower say in decision making, oppressive social norms and other cultural and ideological constraints. In India most girls are given responsibility of household chores at a very young age, resulting in either not joining or dropping-out from school at an early age.

Ramachandran (2000) observes that the lack of access to education, mobility and contact with the larger world has confined women to their immediate environment. Education is not perceived as a priority in their daily battle for food, water, fuel and subsistence chores for the survival of their family.

The National Youth Readership survey conducted by NCAER, New Delhi reveals that about 23 per cent of the youth represent Southern Indian states of the country followed by 21 per cent from the Central Indian states. However, the distribution of rural-youths according to regions is quite different from that of urban-youths. Of the total rural youth-literates (206.6 million), the Central Indian states comprises of about 23 per cent of the total literate youth in the rural areas followed by Eastern and Southern Indian states with 22 per cent of the literate youths from the rural areas. However, among the urban areas, southern Indian states has the largest share of the literate youth population with about 26 per cent followed by western Indian states with about 23 per cent.

The concentration of literate youth in the North Eastern region is only around 4 per cent of which about 5 per cent of them come from the rural areas but against less than 1 per cent of the literate youth coming from other smaller states and union territories, close to 1 per cent comes from urban areas.

## **YOUTH AND EDUCATION**

Internationalization has not only become a driving force for the restructuring of higher education, but also for revising curricula and providing teaching/learning facilities for higher learning or education with an international profile. Globalization on the other hand places new demands on higher or technical education to prepare the individuals for global work. One can say that new knowledge areas have been added to the hard and soft skills of traditional education, such as global and societal issues, cross and multicultural issues, knowledge of international labour markets, international

economy, foreign language proficiency, and solutions in a global context. These “new” skills could be called global professional skills.

The current employability in higher learning is unable to meet the actual needs of the human resources market. In the process of transition of higher education from elite education to mass education, attention is paid to cultivation of university students’ employability. On the one hand, we incorporate cultivation of employability into classroom teaching; on the other hand, we increase the proportion of practical teaching and meanwhile establish a scientific assessment and follow-up mechanism for the employability of students in higher learning to form a new personnel training model of institutions of higher learning meeting the needs of global social and economic development.

In the wake of rapid growth in higher education (HE) participation in the UK, and the increase in global market competition experienced by many employers, UK universities came under intense pressure to equip graduates with more than just the academic skills traditionally represented by a subject discipline and a class of degree. A number of reports issued by employers’ associations and HE organizations urged universities to make more explicit efforts to develop the ‘key’, ‘core’, ‘transferable’ and/or ‘generic’ skills needed in many types of high-level employment (AGR 1993, 1995; CBI 1989, 1994, 1999; CVCP 1998; CIHE 1996).

From the perspective of employers, ‘employability’ often seems to refer to ‘work-readiness’, that is, possession of the skills, knowledge, attitudes and commercial understanding that will enable new graduates to make productive contributions to organizational objectives soon after commencing employment. Indeed, studies of employer demand for graduates in engineering and science disciplines have found that appropriate work experience and evidence of commercial understanding rank highly as selection criteria because of commercial pressures to seek graduates who will not require long ‘learning curves’ when they start employment (Mason, 1998, 1999).

The number of fresh university graduates has been increased substantially during the last decade due to the high competitiveness in the labour market and the consequent dire need for specialization. This increase led to the rapid expansion of higher education in India. The Government of India is giving top priority to the employability of young graduates.

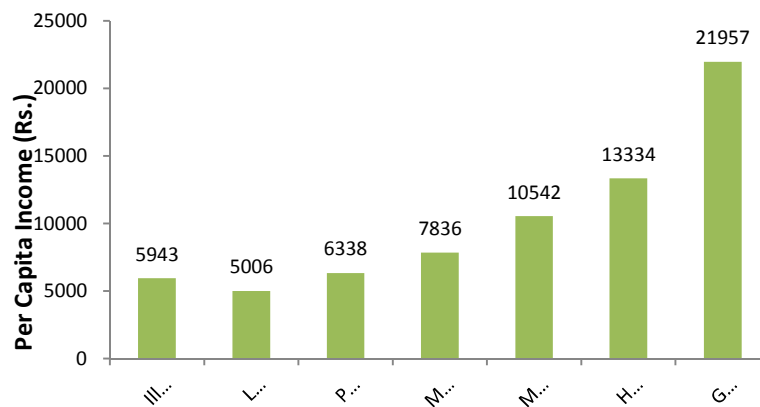
The employment status of higher education has been main concern in other parts of the world particularly in US and European countries. The average graduates employment rate in England was 84 per cent while France, Spain and Italy has an employment rate of 69 per cent, 73 per cent and 79 per cent respectively (Mora et al., 2003; Schomburg and Teichler, 2006). Regarding the unemployment rates of university graduates of EU countries, Latvia (1.2%), Ireland (1.6%), Netherlands (1.7%) and Luxemburg (1.9%) enjoy the lowest rates of less than 2%. On the contrary, Spain (9.2%), Lithuania (8.5%), Hungary (7.5%) and Greece (7.1%) present graduates unemployment rates exceeding 7%. As far as the overall unemployment rate is concerned, Poland seems to be in the worst EU position (18.6%). By comparing the results, it becomes clear that countries with high overall unemployment rate have also high graduates unemployment (Euro stat, 2004).

In India the educational attainment of the working age population (15-64 year olds) has improved considerably since 2000. The share of population with at most lower secondary education is down by 5.3 per cent, and the share with tertiary education is up 3.6 per cent. Compared to this almost 108 million people in the age bracket 15-64 have low educational qualification in the European Union working age population. There is a wide variation in the share of the

working age population with high educational attainment, from 9.9 per cent in Romania to 29.7 per cent in Cyprus. The share of 25-64 year-olds with high educational attainment in the EU, which is at 23 per cent, is far behind the 40 per cent of both the US and Japan. According to recent projections, in 2015, around 30% of jobs are expected to require qualifications on the level of higher education and almost half will require at least medium level qualifications at upper secondary education levels.

## INCOME AND LITERACY

With the changing economic structure brought about by industrialization and large scale development in social structure, education sector has done quite well in providing basic education to the Indian masses. However, education makes a big difference to earning level for the Indian households. About 17 per cent of the household in India do not have a single literate. This is about 9 per cent in urban areas and about 24 per cent in rural areas. On the other hand, we find that about 20 per cent of the head of the households are graduates or have higher degree. The proportion is about 30 per cent in urban areas and about 10 per cent in rural areas.



**Figure 1: Average per Capita Income by Education Level of Head of Household**

As expected the mean household income increases with the increase in education level. On an average, a household of illiterates in India earns almost 5.7 times less than the Graduate household. However, urban households are quite better off in earning by all level of education. On the other hand, an illiterate on an average earns about 3.8 times less than a graduate but this inequality has been slightly less in rural areas compared to urban areas in the country.

## EXPENDITURE ON EDUCATION

From the earlier section, we have seen the literacy rate and the demographic dividend greatly influence the employability among the people and more particularly Indian youth. The lower level of educational attainment leads to smaller supply of skilled labour to the employment market. However, the root cause of the lower level of educational attainment has been the lower level of expenditure incurred on education. Both government and household expenditure on education seems to go hand in hand.

Table 3: Break-up of MPCE by Item Group

Item group	Monthly per capita Expenditure (Rs.)		Item group	Monthly per capita Expenditure (Rs.)	
	Rural	Urban		Rural	Urban
Cereals & Cereal Substitutes	101	106	Fuel and Light	57	105
Pulses & their Products*	18	24	Clothing & Footwear***	30	49
Milk & Milk Products	47	83	Education	15	53
Edible Oil	26	36	Medical	37	55
Egg, Fish & Meat	19	28	Misc. Consumer Goods	33	73
Vegetables	34	47	Conveyance	21	69
Fruits	10	24	Other Consumer Services	21	74
Sugar, Salt and Spices	27	34	Rent	3	59
Beverages & Refreshments Processed Food**	25	65	Taxes and Cess	1	8
Food Total	308	447	Durable Goods	19	43
Pan, Tobacco & Intoxicants	15	17	Non-Food Total	251	605
			All Items	559	1052

\*Includes gram; \*\*Includes purchased cooked meals; \*\*\*Excludes Tailoring Charges.

**Source:** Calculated from NSSO68<sup>th</sup> Round Survey Data

Educational expenses formed 3 per cent of total consumer expenditure in rural India and 5 per cent in urban India. The expenditure on education includes expenditure on goods purchased for the purpose of education, viz., books and journals, newspapers, paper, pen, pencil, etc., and also magazines, novels and other fiction. It also includes fees paid to educational institutions (e.g., schools, colleges, universities, etc.) on account of tuition and other fees like game fees, library fees, etc., and payment to private tutors. Expenditure on Internet other than telephone charges is also included. Occasional payments to the school fund made on account of charities, and "donations" generally, are not included, as they are regarded as transfer payments.

Table 4: Break-up of MPCE by Item Group

Item group	Expenditure as %age of Total Consumption Expenditure		Item group	Expenditure as %age of Total Consumption Expenditure	
	Rural	Urban		Rural	Urban
Cereals & Cereal Substitutes	18	10	Fuel and Light	10	10
Pulses & their Products*	3	2	Clothing & Footwear***	5	5
Milk & Milk Products	8	8	Education	3	5
Edible Oil	5	3	Medical	7	5
Egg, Fish & Meat	3	3	Misc. Consumer Goods	6	7
Vegetables	6	4	Conveyance	4	7
Fruits	2	2	Other Consumer Services	4	7
Sugar, Salt and Spices	5	3	Rent	1	6
Beverages & Refreshments & Processed Food	5	6	Taxes and Cess	0	1
Food Total	55	43	Durable Goods	3	4
Pan, Tobacco & Intoxicants	3	2	Non-Food Total	45	57
			All Items	100	100

\*Includes gram; \*\*Includes purchased cooked meals; \*\*\*Excludes Tailoring Charges.

**Source:** Calculated from NSSO Data

The average rural Indian spends 10 paise (out of every rupee spent on consumption) on fuel for cooking and lighting, 5 paise on clothing and footwear, 7 paise on medical expenses, 4 paise on conveyance, another 4 paise on all other consumer services, 3 paise on consumer durables and 3 paise on education.

**Table 5: Monthly HHS Expenditure on Education (In Rupees)**

States	Books	Newspaper	Library	Stationery	Tuition Fees	Private Coaching	Other Edu Exp	Total on Education	Total Monthly HH Expenditure
All India	15.12	7.79	0.12	16.80	53.65	18.94	3.54	115.95	3490.68
Rural	12.62	2.92	0.11	14.89	29.09	10.28	2.81	72.73	2728.12
Urban	21.69	20.62	0.13	21.82	118.42	41.74	5.47	229.90	5501.18
Assam	6.00	5.80	0.10	13.60	14.10	11.90	7.10	58.50	3035.10

**Source:** Calculated from NSSO Data.

Education and sending a child requires more than just providing a school with infrastructure facilities that requires expenditure to be incurred in books, tuition fees, private coaching and others. The NSSO survey found out that an average Indian household spends only Rs. 15.12 on books in a month while the total expenditure of an average household in India on education has been Rs. 115.95 (Table 5). However in rural India, average household spends only about Rs. 73 on education. Others surveys such as NCAER and NFHS also support this evidence.

**Table 6: Percentage Distribution of Expenditure on Education and Reading**

States	Books	Newspaper	Library	Stationery	Tuition Fees	Private Coaching	Other Edu Exp	Total on Education
All India	0.43	0.22	0.00	0.48	1.54	0.54	0.10	3.32
Rural	0.46	0.11	0.00	0.55	1.07	0.38	0.10	2.67
Urban	0.39	0.37	0.00	0.40	2.15	0.76	0.10	4.18
Assam	0.20	0.19	0.003	0.45	0.47	0.39	0.23	1.93

**Source:** Calculated by the author from NSSO Data.

The survey result also shows that an average household in India spend only minuscule a little over 3 per cent on educations. At the state level the picture has been very different. While some developed states spend higher on education, the north eastern states find itself a place that is higher than all India average. However, the situation is much grim in Assam. An average household in Assam spends about Rs. 59 on education which little less than 2 per cent of the total monthly household expenditure.

## CONCLUSIONS

Education is the single most important factor contributing to young people's chances of leading productive and responsible lives. Overall, the commitments made under the Millennium Development Goals are clear with regard to the emphasis placed on both primary and secondary education, aspects of particular relevance for young people between the ages of 15 and 24. In view of the foregoing, renewed emphasis must be placed on implementing lifelong learning schemes to provide culturally, socially and economically appropriate education. With access to learning opportunities on a

continuous basis; it is possible to address the problem of conventional formal schooling being removed from local cultural and social environments; and can alleviate economic hardship, particularly for young people.

The basic thrust of the reform process in the educational process is linked with structural adjustment in the economy and increasing the skill needs of the labour market conditions to match the speed of transformation. In the current scenario, it has been asserted that the employability largely depends on the level of education and that too for the skilled based education. With low expenditure on education, quality and skilled based education suffers a set back and that is again reduces the scope of employability in the surging market.

Public expenditure and household expenditure in India need to address the issue of enhancing the quality and quantity of education in the country at this juncture when skill based education finds top priority in enhancing the employability scenario in the country. Since rural India accommodates the chunk of the population and that too the youth population, simple enhancing the literacy level is not expected to improve the employability structure rather an increase in expenditure level is expected to do a trick in employment market.

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