

IDE Research Bulletin

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Transition from School to Work: Linkage of Education and Employment in India

Project Organizer

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[Title of Project]

Transition from School to Work: Linkage of Education and Employment in India

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[Outline of the research project]

Youth unemployment has become a significantly challenging global issue. Sharp increases in youth unemployment and underemployment have been built upon long-standing structural obstacles, such as skill mismatch and an increase in the total youth population. These factors are preventing youth in both developed and developing countries from making a successful transition from school to work. With the pressure of youth population growth and the characteristic proportion of young people with a mismatch of skills, the proportion of young people with a stable profession in developing countries is extremely low compared to developed countries. This research aims to decipher the complex interrelationship between educational choices, achievement, and employment trends based on different education levels and types of schooling in several states in India. A macroscopic analysis on the effect of employment skills development was also conducted using industrial statistics and household surveys across the country.

[Research Details of Each Researcher]

1. **“The State of Higher Education Institutions and Student Employment Opportunities in India: A Nation-Wide and District Level Analysis”**

SASAKI Hiroshi

It is said that higher education in India is currently spreading rapidly. However, most of the facts related to this have not been clarified because India's public certification system is complicated and a high quality database is absent. Therefore, this study required clarification of the perspective of higher education problems in India. The perspective of the opportunity of higher education is the number, kind, location, and state of educational institutions including the increase and decrease trend, which means that the education opportunity before the secondary education completion. In addition, my research was conducted on both national and local (District) levels to study this problem.

Data analysis of the public database of higher education, the All India Survey on Higher Education (AISHE), on which maintenance began in 2010, and a field survey in Varanasi (VNS), a city in eastern Uttar Pradesh, has been carried out. Surveying was conducted in several educational institutions with 40 youths.

From the data analysis of AISHE, it is clear that higher education in India is already in the popularization stage (as general school attendance was 24% in 2014), and has grown to an extremely large extent. After the 1990s, a major trend in the spread of higher education was not an increase in public university enrollment but, consistent with India's reputation as a communication hub, distance learning programs and small scale colleges became clear not a private educational institution, as for the leading figure at an opportunity of the higher education to enlarge in a thing. I can point out a similar characteristic from the analysis of data of AISHE about the VNS district.

However, from a field investigation in VNS, statistics of the higher education that I could not find in AISHE became clear. First, it was confirmed that many institutions, which actually did not function as "schools," were included in AISHE database as educational institutions. This indicates a problem in the precision of AISHE as a database. Second, it became clear that there were a lot of informal educational institutions, or private education services, outside many public educations. These services have a competitive or complementary relationship with authorized educational institutions, and play an important role in providing opportunities for education and vocational training of students who have completed their secondary education. However, this information cannot be extracted from the information provided by AISHE. These facts show a limit of AISHE, and it may be said that a further field investigation is necessary to deepen understanding of the problem of this research topic.

2. "Education History and Social Relations in the Career of the Orphanage-Graduated Youth"

HARIZUKA Mizuki

In this research project, to target the orphanage graduates of NGO-operated institutions, research was conducted on the role that education and social relations play in career development. In March

and August of 2015, I conducted the field surveys with a focus on their current work situation and interviewed them on their career plans in Delhi.

The purpose of the survey of the graduated youth of the NGO orphanage 'A,' was to clarify two questions from the viewpoint of the youths themselves. Point 1: What kind of education history do they have? Point 2: What kind of social relations are influential in finding employment or in career formation? Through two surveys, interviews of eight young people were carried out. Among those surveyed, six people were observed current work situation. Five of the eight people had acquired undergraduate level education. The lowest education level completed was lower secondary. Six in eight people had also received a higher education after they started working, or had been aiming to go to a higher education institution. With the exception of one person who graduated from the faculty of engineering at a private university, all the youths surveyed who had received higher education completed it through correspondence in order to make their studies compatible with work. Their tuitions had been paid through scholarships from the NGO or their foster home.

As for their work, four people were in media relations, one person was in tourism, one person was self-employed, one person was a sports instructor, and one person was working for a foreign-affiliated construction company. All of the eight members got their first job through a connection with the NGO. With the exception of the youth who worked for a foreign company, all of the youths earned some extra income through side jobs in addition to their principal job.

In addition, six of the eight people lived with people they knew from the NGO, celebrating religious festivals and birthdays together, events that are usually shared with family or relatives. After having left the NGO, the network that they had formed through the NGO seemed to become the foundation of their life in the city for most of the youths. It seems that this network largely formed the basis of their business and private lives. I would like to further examine the details of the role of this network, which served as the basis of their career formation, in the future.

3. “Employment and Career Course of Higher Education Graduates in Rural India: Observations in South Tamil Nadu”

NAKAMURA Mari

The graduates of many higher education systems engaged in fierce competition for improved employment opportunities as the youth population of India spreads and the number of higher educated youths expands. Through interviews and surveys in higher education institutes and colleges in Tamil Nadu, I examined the employment and career course of higher education graduates in a rural area of south Tamil Nadu, where investment in higher education is one of the highest in India.

I interviewed students who entered or graduated from higher education institutions in rural areas in the Madurai and Dindigul districts in south Tamil Nadu to hear about their future plans and

finding employment. I collected information at the Gandhigram Rural Institute at Dindigul with many students from rural villages in particular. The divisions of the social classes that the students belonged to were Scheduled Castes (SC) 20%, Scheduled Tribes (ST) 10%, Most Backward Castes(MBC) 24%, others 46%, and the majority belonged to a backward caste. The occupations of the students' parents were laborer (37%), farmer (22%), self-employed (20%), driver (10%), government employee (7%), and white-collar worker in a private company (5%). The yearly income of 83% of the families was less than 120,000 rupees. As for their future career aspirations, 56% of the students said government-affiliated work (public employee), 29% said private enterprise (including banks), and 15% said self-employment or starting a business. The percentage of students who said that they were looking for jobs while preparing for qualifying examinations was 54%.

Finding employment with a reputed company in a big city was an attractive option to some students, but it was observed that many students pursued further higher education courses for entering the stable teaching profession. Or, they found a job with a local company, usually in the informal sector. Particularly, some students from rural villages who were expected to begin earning income as soon as possible took jobs with small or family businesses doing manual labor in the non-organized sector. Even if students wanted to be a government employee or a bank officer, they had to continue studying for years for an examination and do so amongst fierce competition. It was observed that although educational opportunities had increased, graduates often found themselves facing employment mismatches and finding few opportunities in terms of career options available.

4. "From School to Work: Muslim Youths' Education and Employment Trends in an Indian Community"

KABIR Humayun

India has been witnessing a twin paradox in terms of development. On the one hand, rapid economic growth gives the country a heightened status in the global economy, but on the other hand, the benefits of development and growth fail to transform the lives of a vast number of underprivileged and impoverished social and religious groups. Structural disparity and social inequality remain as major impediments to mobility across social classes and amongst religious minorities. At the heart of this paradox, Muslim minority groups, which account for 14.4% of India's vast population and outnumber the entire population of many countries in the world, are much debated and discussed both among scholarly and policy circles, for the community has the lowest living standard in the country on a per capita basis, as was suggested by the National Sample Survey Office (NSSO) in 2013. As India's poorest and worst educated religious group, Muslim workers aged 15 and above represent the highest participation in informal employment sectors. They occupy a significant proportion of low-paid jobs. Despite the government's various schemes and measures

that aim to uplift India's Muslims socially and economically, their lives remain visibly and tangibly less changeable. Considering the wider social disparity and structural constraints in Indian society, this paper addresses the linkage of education and employment among a selected number of Muslim youths aged 20 and above from a village in Hapur district, Uttar Pradesh. The village, predominantly inhabited by Muslims, is demographically composed of several socio-religious groups including Muslim-General, Muslim-OBC, Hindu-SC, and Hindu-OBC. The trend of school attendance among Muslims, as argued in this paper, has increased, but the widely held notion of a negative correlation between education and career (formal employment) affects the schooling choices and decisions on the length of schooling. Moreover, a sense of alienation and a feeling of being a "minority" or an "other" also affect their perception of their choices in regards to schooling and employment. A large number of Muslim students dropped out before completing their secondary school education to search for livelihood opportunities. They often utilized kinship and extended kinship relations and networks, beyond the formal employment sectors, mainly in artisanal, crafting, farming, and self-employed sectors when obtaining employment. As this paper contends, it was the Muslim youths' lower educational attainments, particularly in higher education, that eventually confined them to some defined working space. This is the result of multiple forces: overburdened family members, uncertainty of return to education, limited access to economic resources and to educational institutions that are socially recognized and privileged. Rather than pursuing a goal-oriented career, most of the Muslim youths were simply trying to meet the needs of their own livelihood and family contexts, for example, by studying and working at the same time.

5. "Skill Sorting and Production Chains: Evidence from India"

(<http://www.ide.go.jp/English/Publish/Download/Dp/545.html>)

ASUYAMA Yoko

It is widely known that India's recent economic growth has been fueled by its service sector. One possible cause for India's service-led growth is its skill-sorting pattern: many service sector firms attract relatively higher-educated workers than the manufacturing sectors. Kamath (2011) and Sohoni and Kathuria (2014) showed that many highly talented graduates who studied engineering at the Indian Institutes of Technology (IIT), one of the most distinguished institutions of higher education in India, go on to choose non-engineering occupations, such as IT, finance, and consultancy services. For example, only 33% of students at IIT Bombay took engineering jobs in 2013 (Sohoni and Kathuria, 2014). These highly intelligent students should foster the development of India's manufacturing industries, but they do not; instead, they contribute to strengthening the competitiveness of India's service sector.

Why does this skill-sorting pattern occur? This study offers one possible answer to this question.

It is hypothesized that India's skill-sorting patterns and skill wage differentials are a result of interactions among India's unequal skill distribution, low input quality, and variations in industries' production chain lengths. First, producing manufactured goods tends to require more intermediate inputs than are required to produce service goods. In other words, manufacturing industries tend to form longer production chains than service industries. Second, it is assumed that the quality of the final good deteriorates more as more intermediate inputs are involved as a result of increased defect rates. The magnitude of such quality deterioration is likely to be larger in developing economies such as India, which are characterized by a large pool of unskilled labor, poor infrastructure (e.g., unstable electricity supply and poor roads), and less-advanced technology. In this case, wages in manufacturing industries that require many intermediate inputs are dragged down significantly because of substantial quality deterioration compared to wages in service industries. Consequently, high-skilled individuals choose not to work in manufacturing industries where they cannot earn wages worthy of their skills, instead choosing to work in service industries.

This study both theoretically and empirically confirms this hypothesis, that is, higher-skilled individuals work in industries with shorter production chains (i.e., industries that require more intermediate inputs) because of higher returns to skill. The empirical results remain robust even when considering selection bias, alternative reasons for inter-industry skill wage differentials, and a different period.

Note: The above abstract is mostly the extract taken from the original manuscript, IDE Discussion Paper No. 545.

References:

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6. "Thoughts on the Issue of Finding Employment Among University Students in Delhi."

MURAMAYA Mayumi

In this study, my research subject was to elucidate the institutional side of the problem of finding employment of university graduates in Delhi, India. The unemployment problems facing people with a high educational background is a well-known fact, but previous studies have either

studied the problem on the macro level of the actual situation based on data from national sample surveys, or sociological and anthropological investigations which focused on the action of highly educated youth who faced difficulties in finding employment. Previous references to the institutional side of finding employment and the young labor market were extremely limited with the exception that a human network was emphasized. Additionally, I tried to find new research documents in Delhi, but there were no studies that took up this theme directly, except for some books on self-development. For this reason, it is thought that the way of finding employment is shared as a kind of tacit knowledge in Indian society. Therefore, through the hearing from university graduates and youths past their senior year of vocational education, I adopted the method of studying an employment search system and the problems of their employment search that they recognized.

It is relatively well-known that students majoring in engineering, or possessing an MBA from institutions such as the Indian Institute of Technology (IIT) or the Indian Institute of Management (IIM), obtain employment through the placement cells of their respective universities. However, this is the case of extremely few elite educational institutions. Furthermore, the students majoring in professional disciplines (such as engineering, medicine, and agriculture) that is easy to be tied to finding employment is 40% of the whole, and remaining 60% is the general education specialty that include Science, Commerce, or Arts. Of these, the majority are arts majors, comprising 30%. Therefore, the hearing survey of 100 people that was carried out as the joint research project in 2014 was focused on students with general majors. In conclusion, the placement cells of the universities do not actually support the majority of its students; for the students with general majors, job hunting is entrusted to their own individual efforts. In addition, the majority of students hope for a public sector job, including teaching. The students who graduated university and college were preparing for various types of examinations, such as the civil service examinations, while they took jobs that they consider "to be temporary" while they continued to take supplementary courses or more than Masters' degree course. Their main source of employment information is through job portal sites and supplementary lessons school. As most of the students wanted to be public employees, they strongly asserted that if it was almost high pay, they didn't want the private enterprise job, which image that asserted that there was not employment security. Finally, the need for further research on the actual situation of management among Indian private enterprises is suggested.