

# Education System & Employability: An Analysis in Developing India

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## Abstract

In 2021 India's population will be around 1.35 billion out of which approx. 65 percent will be in the working age group. A smaller ratio of Indian in old people to those of working age population than that of China and other developed countries. Mass education of youth and their gainful employment in productive jobs is central for capitalizing on India's demographic dividend. But India's performance with regard to both education and employment has been very disappointing. The approval by the Union Cabinet in July 2020 of India's New Education Policy 2020 (NEP-2020) has provided a new ray of hope among millions of youngsters. NEP 2020 aims to create education system more student centric than before and student can pursue their passion with enhance their skills too. If implemented properly this policy will enable our youth to become more employable.

**Keywords:** Education, Employability, NEP -2020, Demographic dividend

## Introduction

Education is regarded as one that contributes to social, political and cultural and economic transformation of a country. The social sector of a country, namely, health, rural development, education and employment generation has assumed great significance in the new economic regime. The prosperity of any nation is intrinsically linked to its human resources. Human capital is one of the most important assets of a country and a key determinant of a nation's economic performance. An increase in the human development index would lead to high levels of economic growth of the country. Adam Smith and other classical economists observed that expenditure on education could be regarded as a form of investments that promised future benefits. The strength of a nation is dependent on its intellectual and skillful citizens. It can be observed that education is an essential tool for achieving sustainability. In sustainable development a nation to meet the needs of the present without compromising the ability of future generations to meet their own need. Without a quality human capital, a nation will be weak as there is no human factor that is capable to embark on new initiatives and perspectives. A quality human capital comes from a quality education process. A carefully designed and well planned education system is critical to developing such human capital. Thus, institutions of higher learning play a very important role and the teaching and learning processes in institutions of higher learning should provide such knowledge and skills to future.

Education is one of the most important component to the human resources development and empowerment in the stages of growth of a nation. In modern education system, higher education consist of Law ,Pharmacy ,management, Engineering, Medicinesetc., plays a major role in delivering knowledge, values, and developing skills and, ultimately contributing in the growth and productivity of the nation. The Government of India is committed to providing primary education and certain facilities/subsidies for higher education, given the higher cost involved in the establishment of higher education institutes and in infrastructure, we are witnessing the warm entry of private sector torun educational institutions

## Aim of The Study

1. Analyzing the nature and scope of Indian education system.
2. Identifying the linkage between education and employment.
3. Role of government in making education system more effective.

**Demographic Contour**

According to the National Commission on Population, it is expected that the age profile of population of India will experience changes in the coming years. By 2018, approximately 50 per cent of the total population will be in the age group of 15–25 years. It is projected that vast population would enter the working age group in the next 15 years, leading to increase in productive activities and also savings rate as witnessed in Japan in the 1950s and China 1980s. In other words, there would be a tremendous rise in the number of employable work force in the job market which would demand commensurate investment in education in the literature, Demographic Dividend refers to population in the working age group of 15–60 which can be described as a major advantage for pushing the economic growth. It suggests that the major challenge before India is how this advantageous demographic profile can be utilized in the growth. Given the demographic profile advantage, the average Indian will be only 29 years old in 2020 as compared with 37 years for China and the U.S., 45 years for West Europe and 48 years for Japan. The global demographic profile, in future, would, therefore, lead to shortage of productive workforce globally but India will experience a surplus. There is need to understand that this advantage will not automatically changed into huge economic growth. Strategic intervention, proper planning and foresight in terms of encouraging investments in education and skills development by policy makers are needed to get advantage of demographic dividend

India growth story is a mixture of many ups and downs. On one hand, there is positives very high level of growth in manufacturing and services sectors, booming equity and commodity markets and on the other we have the negatives- exclusive growth, poor growth in agriculture (on which 52% of population depends), ailing infrastructure etc. We observed academicians and analyst on both sides with sound arguments and it is as same as a half glass of water- half full or half empty whatever you assumed.

With rapid advances in technology, increases in global trade, and the availability of highly educated foreign workers, Indian workers increasingly need advanced skills to remain competitive. Determining what skills workers need and providing the right opportunities for acquiring those skills will depend, in part, on building partnerships among the multiple federal agencies and other key non federal players that support employment training, industries, and employers. In developing these partnerships, avoiding redundancy and ensuring sufficient numbers of workers with the right skills will be crucial. This challenge may become more difficult to address if labour markets tighten over the next 20 years as the baby boom generation retires, labour force participation rates for women is increasing.

**Main challenges in our education system are Lack of qualified Indians in Indian education:**

The most glaring problem which is arising is the acute shortage of qualified Indians in Indian school and in higher education. It is well-known fact that many engineers, doctors, management professionals, lawyers remain unemployed despite when we know a lot of opportunities is available in the Rest of the world. One of the major reason is the lack of good quality education as a result people are qualified but not come in employable category. There is urgent need to initiate the mechanism for rating and ranking universities and colleges. Although few Universities and colleges have initiated at present, but there is no compulsion for institutions to get accreditation in India. Government of India has already started a proposal to introduce accreditation and making it compulsory for all. We, therefore, require Unified rating agencies to give accreditation to colleges and schools.

**Expenditure on education**

By far one of the most pressing problems is the unavailability of money or inadequate funding of Indian education programs or systems. In terms of expenditure incurred on education, particularly on higher education, during the year 2010–11, the government spent around Rs.15, 440 crore which is about 85 per cent of the revised budget estimates for the year. The recent 66th round of NSSO survey reveals that between 1999 and 2009, spending on education in general jumped by 378 percent in rural areas and 345 per cent in urban areas of the country. The survey further reveals that spending on children's education underlines sharp increase – 63 per cent for rural and 73 per cent for urban families. However, if we measure the expenses on education as a percentage to GDP, India lags behind some developed/ developing nations (Table 1). We recognize that the gap in investments in education in India can perhaps be filled by private sector playing a crucial role

**Table 1:  
Expenditure on Education**

Country	Spending on education as a % of GDP	Country	Spending on education as a % of GDP
Switzerland	5.8	South Africa	5.3
U.S.	5.7	Thailand	5.2
France	5.6	Chile	4.2
U.K.	5.3	Brazil	4.2
India	4.1	Malaysia	8.1
Mexico	5.3	Russia	3.8

Source: United Nations Human Development Programme

**Infrastructure Facilities**

The capacity utilization is very low in the school, college and in Universities both in private and public sectors is their inability to provide necessary physical infrastructure to run the institutions. The infrastructure is one the prime requirements for ranking of the institutions of better quality which

include real estate, state of the art class rooms, library facility, hostels, furniture, sports facilities, transport, etc. We need a apolitical private sector participation in the establishment of colleges for providing good quality of physical infrastructure which covers all.

#### **Difficulties of students in Higher Education**

Colleges and universities need to establish programs which can deal effectively with the problems and needs of the Indian student..

#### **Student-Teacher Ratio**

One more area for improving the Indian education system is to improve the student-teacher ratio which is not good. In India, this ratio is very high as compared to certain countries in the world. For example, while in developed countries this ratio stands at 11.4, where as in case of India, it is as high as 22.0. It is even low in Western Asia (15.3), and Latin America (16.6). There is urgent need to recruit quality teachers and strengthen the teacher's requirement in order to handle classes. In developed countries where students are given part-time teaching assignments as an experimental way, India can also explore such possibilities specifically in technical and higher education to handle lower level classes.

#### **Employability**

It is being widely acknowledged by nations across the world that skilled manpower is a critical fuel that will power their current and future growth. The paucity of this vital resource is causing most developed and emerging nations to draw up strategies that enable them to plug their talent shortages. Whether it is China—which is keenly pursuing English education as the means of integrating into the global economy—or Brazil, which is providing computer skills to its people using the platform of vocational training—nations are focusing on building relevant, employable manpower that can catalyze their economic and social growth and give them a global edge. India too is part of this talent development wave. The importance of rightly skilled people has been underlined by the success of the country's IT-BPO industry, which is now globally recognized because of its IT specialists, software programmers and architects<sup>1</sup>.

Furthermore, a strong focus on the sciences and mathematics and disciplines such as engineering, have resulted in this significant competitive advantage for the country. India's strengths in the area of computer learning—provided by global technology majors and Indian IT education leaders, have given the country a huge headstart. While India is certainly making progress with its "people-driven" focus, a fact that we need to be alert to, is that competition is slowly catching up. In order to sustain its global advantage, and emerge even stronger in the 21st century knowledge society, India needs to further build on its people power in myriad industry sectors. Corporate need millions of additional rightly skilled Indians, who can meet the requirements of hirers in the country as well as overseas. India's huge pool of people in the working age group can give us a unique advantage over the ageing

Western and emerging economies. However, for this to happen, people must be equipped with skills

that India and other nations require. This potent pool of human resources must transform into India's key asset, which can be harnessed across industry sectors, filling positions from the grassroots to higher levels. The right kind of primary, secondary and higher education, coupled with relevant vocational training, can help India leverage its "demographic dividend," and sustain its momentum and pre-eminence on the world stage. Greater reforms are needed in the area of education and there is a requirement for many more people with international-level certifications and qualifications, who can serve as our base of global talent. Academia, the government and industry have to combine their strengths to actually craft and implement the strategies that will build this manpower pool. India indeed, has the potential to build a workforce that can facilitate balanced, inclusive growth in the country and address the skills gaps faced by the world.

Understanding the employment scenario and hiring opportunities many studies have been conducted to ascertain the existing skills gap in India. In a June 2009 report, India's leading market research firm IMRB has examined the country's employability scenario and attempted to gain an understanding of the skill sets required by different industry verticals.

The IMRB study indicates

The total employment figures for urban India stand at 67 million

1. Around 28 million people are employed by the country's services sector
2. Recruitment in services is pegged at 5.4 million
3. The balance services potential is 4.8 million
4. While sectors such as facilities management (FM) and security, leasing, hire/purchase, travel,
5. tourism and logistics, and organized retail typically employ undergraduates, the telecom, media and entertainment, BFSI (banking, financial services and insurance), hospitality/pharma and healthcare verticals are employing graduates and above. The pharmaceutical and healthcare verticals, in fact are dominated by specialist employees.

#### **Employment issues**

Over the next few years, a significant hiring opportunity is going to be thrown up by the services sector that is expected to employ around 5.4 million people. A high growth potential, scaling salaries, and the prospect of faster career growth, are drawing both undergraduates and graduates in urban India to the services segment. Facilities Management and Security (1.1 million), Pharma, Healthcare and Hospitality (0.7 million) and Banking, IBs, stock broking and Insurance (1.3 million), are expected to emerge as the key hiring verticals over the next three years. Provided they are equipped with the necessary hard and soft skills to add value to the workplace, both graduates and undergraduates are expected to fill these recruitment numbers. Since graduate level learners are better at English communication and computers, it is the undergraduate segment. That will need extra grooming and training (especially in English

and computers), so that they can gain employment in various industries.

In first stance it appear that the country has the potential to fill all these emerging job positions over the next five years. Research by McKinsey & Co. indicates that only around 25 percent of engineering graduates coming out of the country's specialized colleges are job ready, while a mere ten percent of graduates from various disciplines are employable. The situation gets worse when we come down to the undergraduate levels, where, the skills gaps are even more acute. India's skills shortages are the result of the significant challenges the country is facing in the areas of primary, secondary, tertiary and vocational education. Even though investment in education has been rising over the years, thanks to the private sector participating in India's education system, the country is still facing the following difficulties:

1. Around 9 million children are not enrolled in schools
2. • Only 15 percent of Indian students reach high school, while around seven percent graduate
3. • Approximately 40 percent of students, most girls, drop out by secondary school
4. • According to The Economist, half of 10-year-old rural children cannot read at a basic level, over 60 percent are unable to do division and half drop out of school by age 14.
5. Only one in ten young people has access to tertiary, or higher education in India. This figure was extremely low as compared to Western nations such as the US, Canada and Australia, where over 80 percent of people within the 17-24 years age group are accessing higher education. Even countries in the South Asian region such as the Philippines, Thailand, Malaysia and China have a higher percentage of youth joining the higher education system.
6. 25 percent of teaching positions nationwide are vacant.
7. 57 percent of college professors lack either a Master's or Ph.D. degree.
8. India's key degree-granting engineering colleges and polytechnics are facing a shortage of faculty and quality output.

However, it is in the area of vocational education that India is truly lagging behind. Barely one in five job seekers in India have ever had any sort of vocational training, and do not possess even the most rudimentary skill sets that make them relevant to different industry segments such as Manufacturing, Retail, Logistics, etc. Inadequate vocational training has resulted in shortfalls in the area of numbers, quality of manpower and skill types

When we disaggregate employment on basis of education, for men there has been a marginal increase across all education levels, but for women increase is mostly at middle school and below. As this section would not get high-fancied jobs, women are mostly getting low paid jobs

When you look at where most employment is happening it is at part-time jobs. Women are getting

more of these jobs. Employment has increased in India but the growth rate has slowed.

### Conclusion

Today in the era of fast globalization and rapid innovation. And it seems that with this fast moving technological world, the Indian educational system seems to go nowhere. Though we are aware about the positive frame of minds about the Indian students all over the world, we tend to overlook the fact that most of them find abode in rest of the world and majority in USA or in Australia.

Indian education is full of enormous pages of obsolete, outdated theory with no innovative approach or any practical mind. The eagerly awaited new books have nothing new to offer except more than flashier cover pages. Moreover no importance is given to the present co-curricular activities. Whether it is fulfilling the current demand or not. All this results in an all Indian sundae comprising of bored students who consider studies as an interminable disease and teachers who are victims of disinterest. This also increases suicides among students.

It is high time educationists start moving with the times. With the NEP 2020 at least Indian educators can think in broader way. They need to realize that they can no longer continue to burden the youth with unimaginable pressure and simultaneously provide encouragement to pursue their creativity. An entirely new approach is needed to be adopted which focuses upon innovation, Research and practical aspects of education in school and in higher education. And the sooner this reform is brought, the better it is for us.

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