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# Caste and Rural Youth in India : Education, Skills and Employment

Motkuri Venkatanarayana<sup>#</sup>

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## I Introduction

The demographic profile of India has undergone a considerable change especially during the last two decades. One of the advantage that Indian economy is said to be gained from the changing structure of its population is bulging young and working age population - considered as a demographic dividend. But harnessing such a demographic dividend, positively, in a growing and emerging knowledge-based economy is the major challenge. Particularly, harnessing the young who are in the transitional stage of childhood to adulthood is the cause of concern. There is a need to create increasing opportunities for them to develop their personality, functional capability and thus make them economically productive and socially useful.

The critical aspect of the challenge is the labour market entry where young people encounter difficulties in finding and maintaining a decent job. The International Labour Conference (ILC) 2005 had pointed out the issue of young workers who do not have access to decent work<sup>1</sup> (ILO, 2005a). Also there is growing concern about the youth unemployment which is seen as one of the most daunting problems encountered in both the developed and developing countries alike (ILO, 2005b, ILO, 2013). The ILO estimation shows that a quarter of the youth (or 238 million youth) population all over the world, in 2000, was living in extreme poverty<sup>2</sup> conditions (ILO, 2005b).

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<sup>1</sup> A significant number of youth are underemployed, unemployed, seeking employment or changing between jobs, or working unacceptably long hours under informal, intermittent and insecure work arrangements. It is without the possibility of personal and professional development; working below their potential in low-paid, low-skilled jobs without prospects for career advancement; trapped in involuntary part-time, temporary, casual or seasonal employment; and frequently under poor and precarious conditions in the informal economy, both in rural and urban areas (ILO, 2005a).

<sup>2</sup> That is in households earning less than US\$1 a day. If the broader US\$ 2 a day poverty line is applied, the number would jump to 462 million youth living in poverty.

Youth, defined by the United Nations as persons between the ages of 15 and 24, is a transitional period from childhood to adulthood. It is very crucial and constructive stage in the life cycle of human beings. Unless they, the young people, are provided with educational and employment opportunities, the young peoples' mind may be diverted to get into social conflicts leading to social unrest, anti-social activities and even extremism. Otherwise, young people are key agents for social change and driving force for economic development and technological innovation.

Having well acknowledged the consequence of growing youth population otherwise not properly harnessed, policy attention is turning up towards it. The employment of youth is a major focus of the Millennium Development Goals (MDGs). The Economic and Social Council (ECOSOC) also committed<sup>3</sup> to develop and implement strategies that give youth everywhere a real and equal opportunity to find full and productive employment and decent work.

Youth, when defined as persons between the ages of 15 and 24, represents around 18 per cent of the current global population. It indicates that almost one in every five persons in the world is a young person in the age group 15-24. A majority of them live in developing countries - about 84 per cent of the world's youth (UN, 2007). Again, the low-income and lower-middle income countries, which together account for 80 per cent of the world's young people, are highly concentrated in the sub-Saharan Africa and South Asia (ILO, 2005b). About 61.8 per cent of the youth population of the world lived in the Asian and Pacific region wherein India has the largest youth population (UN, 2007). India contributes to about 33 per cent of youth population in the developing Asian countries (ADB, 2008).

In this context, one can make an attempt to examine the employment and unemployment situation of the youth in India during the last two decades. In fact, there were attempts already made to look into the aspects of youth employment in general (see Dev and Venkatanarayana, 2011; Mitra and Verick, 2013). The present paper examines the changing nature of employment situation of rural youth in India by social group status, during the last two decades. The large part of the analysis in this paper is based on the NSSO quinquennial surveys on employment and

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<sup>3</sup> High-Level Segment of the Substantive 2006 Session participated by the Ministers and Heads of Delegations countries.

unemployment. In this respect we have used the unit record data of three rounds: 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) and estimations are derived.

Having said, the content of the paper is organized in the following way. The second section presents the trend in size of the youth population and the activity status of youth including labour/work participation and unemployment rate, over a period. The third section is about the prime interest of the papers i.e. the changing nature of activity status of the rural youth by social group composition. Section IV presents analysis of employability of the rural youth based on their educational levels and vocational training. The fifth section would deal with the working poor among the rural youth. The final section summarizes the concluding observations of the analysis.

## **II Size of the Youth Population and its Labour force participation**

### *2.1 Size of the Youth in India*

The youth of India, representing nearly one-fifth of its population, constitute a vital and vibrant human resource. In fact the size of the youth population in India itself would be larger than the total population of many countries in the world. About 70 per cent of the youth is located in rural areas, the rest 30 per cent is residing in urban areas. The size of the youth population (15 to 24 age group) has increased three fold during last four decades of 20<sup>th</sup> century, it increased from 73.22 million in 1961 to 189.98 million 2001 (see Table 2.1).

The total population of India, as per Census 2001, was 1028.6 million. Nearly 40 per cent of the population was in the age group of 13 to 35 years, and the number of youth aged between 15 and 24 years was 189.98 million comprising 19 per cent of the total population in the country. The recent Census figures show that the total population of India is around 1210.6 million. The age group wise population figures of Census of India for the recent year (2011) are yet to be out. As per the SRS estimation, the share of 15-24 age group in the total population of the country is about 20.1 percent in 2011. It means a further increase in the size of the youth population to 243.93 million by 2011.

**Table 2.1: Size of the Youth Population in India, 1961-2011**

Year	Population (in Millions)				% of Urban		Growth		Sex Ratio		% of Youth in T P
	15 - 19	20 - 24	15 - 24	All Ages	Youth	All	Youth	All	Youth	All	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>
1961	35.88	37.33	73.22	438.9	20.3		-	1.95	990	941	16.7
1971	47.47	43.10	90.57	548.2	23.6	20.2	2.15	2.20	935	930	16.5
1981	65.97	59.01	124.98	665.3	26.7	24.3	3.27	2.22	930	934	18.2
1991	79.04	74.48	153.52	838.6	28.3	25.7	2.08	2.14	925	927	18.3
2001	100.22	89.76	189.98	1028.6	30.8	27.8	2.15	1.93	907	933	19.0
2011	124.02	118.83	242.85	1210.6	29.8	31.5	2.53	1.60	928	943	20.1

**Notes:** 1. Figures for the year 1981 exclude Assam and for the year 1991 exclude Jammu and Kashmir; 2. *Youth* is between 15 to 24 years age group; 3. Growth is Population growth rate – Compound annual (CAGR); 4. T P – Total Population.

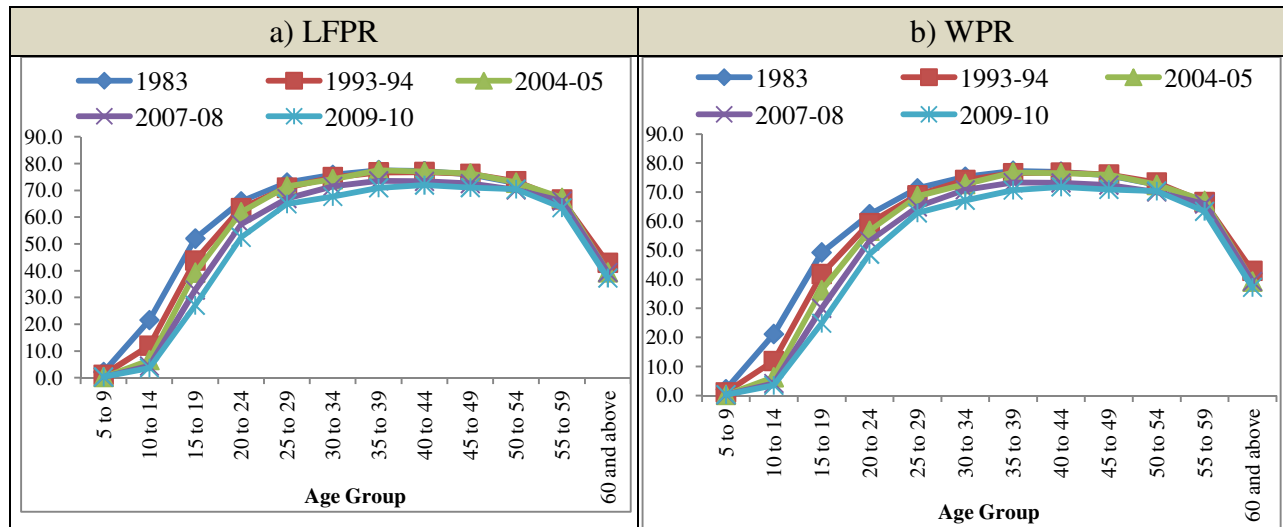
**Source:** 1. Visaria (1998); 2. Census, Registrar General of India (RGI).

The rate of growth in youth population is high higher than that of general population in India (see Table 2.1). The share of youth population in the total population in India increased from 16.7 per cent 1961 to 20 per cent in 2011. Moreover, in contrast with the general trend of deceleration in growth of population, it has shown acceleration for the youth population particularly since 1991. As a result the size and share of youth population is increasing over time. It is a clear indication of bulging youth population in India.

## ***2.2 Age-specific Labour / Work Force Participation***

The labour force participation rate (LFPR) by age group indicates that it is declining among younger cohorts below 30 years of age over the period and a slight increase in the older cohorts (see Figure 2.1). Owing to reshuffling of labour force across age groups, the overall participation rate remained same. The explanation of increasing enrolment for declining LFPR may be applicable to younger cohorts. But one has search explanation for increasing LFPR among the senior (30 + age) adult cohorts. It may be that the loss of income due to withdrawal of younger cohorts while attending education to the household has to be compensated. Moreover, the household has to increase its income level to invest in children's education. In this condition the number of adults available in the labour market might have to increase.

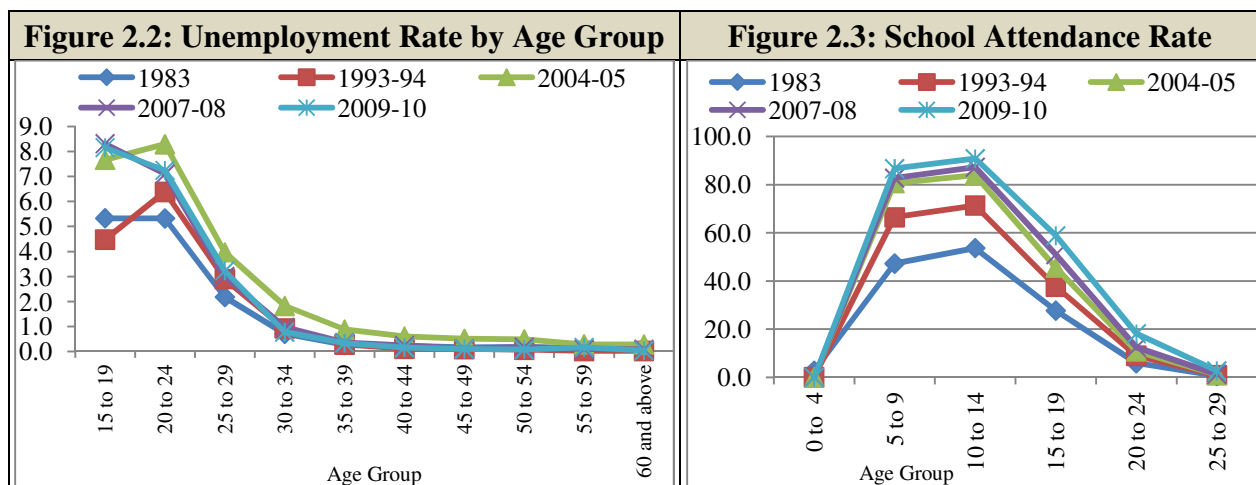
**Figure 2.1: Labour/Work Force Participation Rate (LFPR&WPR) in India by Age Group**



**Note:** 1. Usual Activity Status (principal and subsidiary); 2. Rural-urban combined; male-female combined.

**Source:** Author’s Estimates using NSS Employment and Unemployment Survey unit record data.

With respect to work participation rate by age groups it shows that though there is no drastic change in the overall work participation rate, the change is observed across age groups especially those of young age groups. The pattern observed in the case of labour force participation rate (LFPR) i.e. it is declining among younger cohorts below 30 years of age over the period and a slight increase in the older cohorts, is observed for WPR as well (see Figure 2.2).



**Note:** 1. Usual Activity Status (principal and subsidiary); 2. Rural-urban combined; male-female combined; 3. Percentage (of 5-29 age group) Attending Educational Institutions (Usual Status).

**Source:** Author’s Estimates using NSS Employment and Unemployment Survey unit record data.

The unemployment rate by five year interval age group shows that it is the highest among the younger cohorts especially 15 to 24 years age cohorts (see Figure 2.3). In other words, the incidence or instances of those who are willing to work and available for the labour market but unable find the work or employment is higher among the young (below 30 years) when compared to their seniors (30 + age). It is highest among the 20 to 25 years age cohorts. The situation of young jobseekers in comparison to adults seems to be hard.

### ***2.3 Children and the Young Attending Educational Institutions***

One of the factors that played crucial role in decline in labour and work participation rate, especially among younger age groups, is increasing attendance rate in educational institutions (Schools/colleges). A considerable proportion of younger age population is either withdrawing from labour force or postpone their entry into labour force in order to attend educational institution and pursuing higher studies.

The percentage of person below 30 years of age and attending educational institutions by age group indicates it has been higher among 5 to 14 years age group and the attendance rate is increasing over the period between 5 and 29 years of age (see Figure 2.4). The increase in the school attendance rate has a corresponding decline in labour force participation rate, as it is observed in the above (see Figure 2.1), in this young age cohorts.

### ***2.4 Labour / work Participation of Youth***

When we examined the usual activity status of the youth defined person aged between 15 to 24 years, it has shown that about two-fifths of the youth population in 2009-10 is engaged in labour force and another two-fifths of it is attending educational institutions – pursuing their further studies. The rest one-fifth is neither in labour force nor attending educational institutions. Sixteen years back in 1993-94, the LFPR was 14 percentage points higher and the attendance rate was 16 percentage points lower. Over time, especially during the last one-and-half decade i.e. between 1993-94 and 2009-10, the labour force participation rate (LFPR) of youth in India has declined. But the rate decline in LFPR is faster during the last half a decade (between 2004-05 and 2009-10) when compared to that of in the previous decade (between 1993-94 and 2004-05).

Correspondingly, there is a compensating increase in the percentage of youth in studies<sup>4</sup>. But the compensatory corresponding increase in percentage of youth in studies was less than the decline in percentage of youth in labour force particularly during the period between 1993-94 and 2004-05, the proportion of youth neither in labour force nor in studies has swelled during the period. Later, during the period between 2004-05 and 2009-10, as the increase in attendance rate was higher than the decline LFPR the proportion of youth neither in labour force nor in studies has declined.

**Table 2.2: Labour / Workforce Participation and Unemployment Rate of Youth in India**

Indicators	15-19 Age Group			20-24 Age Group			15-24 Age group		
	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
LFPR	43.8	39.3	27.1	63.3	61.9	52.4	53.0	44.5	38.9
WPR	41.8	36.3	24.9	59.3	56.7	48.6	50.1	40.5	35.9
UR	4.5	7.7	8.2	6.4	8.3	7.2	5.55	9.02	7.59
Studying	37.7	45.6	58.8	5.9	8.9	12.5	22.4	29.1	38.4
Jobless	20.5	18.2	16.3	34.8	34.3	38.9	27.5	30.4	25.7

**Note:** 1. Usual Activity Status (principal and subsidiary); 2. Rural-urban combined; male-female combined; 3. LFPR – Labour force participation rate; WPR – Work Participation Rate; UR – Unemployment Rate (with respect to labour force).

**Source:** Author's estimates using 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

As all the youth that is available for work could get work and hence there arise the problem of unemployment. The unemployment rate for youth with respect to their labour force stands at 7.5% in 2009-10 which is undoubtedly very much higher than the rate in the general labour force (15+ years age labour force) in India. Although the unemployment rate for youth appears to be

<sup>4</sup> The educational aspirations of the youth are increasing over time. More than one-third of the youth population in India has attended educational institutions during 2009-10. The attendance rate was below one-fourth (22.4%) of rural youth in 1993-94, it increased to 29.1% in 2004-05 and further to 38.2% in 2009-10 (see Table 2.2). It was observed that the attendance rates are higher among the male and urban youth when compared to their female and rural counterparts respectively (Dev and Venkatanarayana, 2011). The improvement in attendance rate during the period is highest among the female youth especially urban female youth followed by rural female youth. The rate of increase in attendance rate was sharp and higher between 1983 and 1993-94 (the increase was about 6.7 percentage points) but that momentum has slowed down between 1993-94 and 2004-05 (5 percentage points). This slow down was more so among the male youth population and youth of urban locality. But the rate of increase was higher during nineties (i.e. between 1993-94 and 2004-05) than that of the eighties (i.e. between 1983 and 1993-94), for the female youth especially for those living in rural areas (also see Dev and Venkatanarayana, 2011). The very low level of attendance rate in the initial point of time among the young females could have been the reason for the sharp increase. It contributed to reduction in the gender (male-female) and locational (rural-urban) differences in attendance rate, over time.



declined in 2009-10 from the rate observed in 2004-05 (9%), it is still higher the rate observed 16 years back in 1993-94 (5.6%).

Among the youth, there are two distinctive groups: the teenagers (15-19 years) and the senior youth cohorts (20-24 years). The teenager cohort has even lesser labour force participation rate and correspondingly a higher attendance rates when compared to their senior cohorts (20-24 age group). Moreover, the decline in LFPR and increase in attendance rate in India during the last one-and-half decade period is faster among the teenagers. But, alarmingly, there is a rising in unemployment rate among the teenagers' labour force and it is higher in 2009-10 than that of their senior cohorts.

### ***2.5 The Jobless Youth***

In the recent past along with the unemployed youth there is also increasing concern over the youth those who are neither in labour force nor in studies. The latter category is not covered in the category of unemployed. They are neither contributing to any economic activity nor investing in human capital by attending educational institutions (ILO, 2013). They are inactive even in terms of seeking employment. It is a kind of voluntary unemployment or unrevealed unemployment which was left out of policy measure for quite some time. They are considered to be discouraged workers. Therefore, the policy attention has turned to focus on these discouraged young workers who are excluded from the measures of youth unemployment. The efficiency of unemployment rate as a sufficient indicator for measuring the problem of youth in the labour market has been questioned for a long time (O'Higgins, 2008).

The discouraged young workers are those young people who are neither in education/attending educational institutions or employment, and they may not be actively searching work. They are not searching for work because they know or believe that acceptable employment is not available (O'Higgins, 2008). Thus, the broad or relaxed definition of International Labour Organisation (ILO) on unemployment rate in fact includes this category of people who are neither attending school/colleges nor employed. This category of youth is defined as jobless youth (see O'Higgins, 2008). The category of jobless youth by definition includes both the unemployed and those who are neither employed nor in educational institutions (also see Dev and Venkatanarayana, 2011).

One must note that the unemployment rate is for the labour force and the incidence of joblessness is for the population. It is evident that the joblessness among the youth is much higher than the incidence of unemployment. The joblessness among the youth in India seems to be significantly high where about one-fourth (25.7%) of youth population was found to be jobless in 2009-10 (see Table 2.2). When compared with the situation of early nineties (i.e. 1993-94) it shows a marginal decline. But there was a rise in joblessness among the youth in India during the period between 1993-94 and 2004-05. Later, during the period between 2004-05 and 2009-10, it has shown a sharp decline. The decline is due to the decline in both unemployment rate of youth as well as the percentage neither in labour force nor in studies.

The estimated total population (all Ages) for the year 2009-10 (i.e. as on 1<sup>st</sup> January 2010) is around 1187.12 million. While taking into account SRS estimate at 20% is the share of youth in the total population, one can derive the size of the youth population at 237.42 million. The labour force participation (LFPR) and work participation rates (WPR) based on usual status for the youth population (15-24 age group) in India in 2009-10 was around 38.9 and 35.9 per cent respectively. Thus the size of the youth labour force i.e. the person available for the labour market was 92.2 million and the size of the work force i.e. persons working or employed in one or other kind economic activity was 85.2 millions.

The difference between labour force and workforce indicates the unemployed (i.e. those who are willing to work and available for the labour market but could not find employment or work). It was about 7.0 million young persons (15-24 age group) in India in 2009-10 were unemployed. Almost an equal number of youth in labour force, were attending educational institutions (i.e. about 91.1 million youth comprising 38.4 per cent of the youth population). It means that there are still about 54.1 million youngsters who are neither in labour force nor attending educational institutions – they remain idle. If we put together the unemployed youth and those who were neither in labour force nor in studies, and referred to them as the jobless, the estimate turns out to be around 61.1 million i. e. youth in India found to be jobless in 2009-10.

One the whole, the analysis of age-specific labour force participation has shown that there is a drastic reduction in LFPR younger age cohorts and disturbingly there is an increasing rate of unemployment and concentration of it among the these younger age cohorts. Among the youth,

the unemployment rate of teenaged workforce is increasing. Even more disturbing phenomenon is the joblessness among the youth.

### **III Caste and Rural Youth**

Herein, in this section, the analysis is focused on the rural youth and it is extended to social groups (Caste). In the following analysis we use caste and social group interchangeably referring to same meaning.

According to Census 2011, more than two-thirds (about 68.8%) of the total population (irrespective of age group) in India is located in rural areas. By social groups, Scheduled Castes (SCs) and Scheduled Tribes respectively account for 16.6% and 8.6% of the total population in India. If both the social groups are put together they (SC/ST) form around one-fourth of total population of the country. Moreover, most of the SCs and STs live are located in rural areas – more than three-fourths (76.6%) of SCs and around 90% of the STs. Within the rural areas, the representation of SC/STs is higher than that of in the overall level. These (SC/ST) are the social groups regarded as the marginalized sections in the development process of Indian society.

Indeed the World Bank study has observed that while the success story of growth of Indian economy and its poverty reduction in the recent past is well appraised, marginalized sections such as the SC/ STs are 20 year behind the average performances (World Bank, 2011). The study says although one cannot deny the fact that these marginalized sections too have benefited from the growth that witnessed over time in the Indian economy, its impact is not be substantial enough to break the shackles of their backwardness. It is because of the social exclusion that these marginalized groups in India, was rooted in historical division of society along lines of caste, tribe and gender. Therefore, the study says these inequalities were structural in nature and as these groups were trapped in this structure, they were unable to take advantage of the opportunities offered by economic growth (World Bank, 2011).

Thus, in order to do away with such disadvantages associated with these social groups, it needs greater policy efforts. The recent policy effort in the form of inclusive growth which involves opportunities of productive employment, may be the new beginning. In this context, the

following situational analysis of rural youth by social groups with respect to their labour force participation and employability might flag off issues that require immediate policy measures. Although one is not sure of about Census data on caste-wise youth population, one can derive size of the SC/ST population while assuming their share in the total population (25%) and applying it pro-rata, at around 60 million in 2011 that is the youth in India belonging to SC/ST (together) community. Of which about 50 million<sup>5</sup> youth is located in rural India.

### ***3.1 Activity Status of Rural Youth***

The labour force participation rate (LFPR) of rural youth aged between 15 and 24 years has shown a continuous decline during the last one-and-half decade i.e. between 1993-94 and 2009-10. It declined from 59.2% in 1993-94 to 41.9% in 2009-10 (Table 3.1). Correspondingly, the percentage of rural youth attending educational institutions was increasing during the period. The attendance rate has increased 17.5% to 34.3% during the period. Such a pattern of decline in LFPR and increase in attendance rate of rural youth is observed across social groups. In terms of rate of change (decline/increase) for the rural youth in general the increase in attendance rate is faster than the decline in LFPR. In contrast, the rate of decline in LFPR is faster than the rate of increase in attendance rate particularly among the youth of SC/STs. The change (i.e. decline) in LFPR is faster among the SC/ST when compared with that of the ‘others’ community. With respect to attendance rate, it is other way round wherein the youth of SC/STs were lagging behind that of the ‘others’ community in the rate increase in the proportion of youth studying.

For the rural youth in general, as a result of a fast rise in attendance rate over the rate of decline in LFPR, the proportion of those who were neither in labour force nor in educational institution. On the other side, the unemployment rate in their labour force has increased (Table 3.1). As a result the jobless among the rural youth in general remained same at around one-fourth (26.5%) of their population, between 1993-94 and 2009-10. By caste, the unemployment rate and joblessness among the rural youth labour force particularly belonging to ST community has increased during the period but it is still less than the rate observed for any other social group.

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<sup>5</sup> By taking into account the share of rural in the general population of SC/ST in 2011.

**Table 3.1: Labour / Work force Participation and Unemployment Rate among Rural Youth in India by Social Group**

Caste	15-19 Age Group			20-24 Age Group			15-24 Age group		
	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<b>LFPR – Labour Force Participation Rate (%)</b>									
ST	68.4	59.4	39.8	82.8	78.3	66.8	75.5	58.0	52.7
SC	55.1	49.0	34.1	70.7	67.8	57.9	62.3	47.7	44.6
OBC	-	44.0	29.3	-	65.8	54.5	-	43.6	40.8
Others	45.5	35.5	24.7	65.0	61.5	50.2	54.7	36.2	36.5
All	49.5	44.3	30.4	67.9	66.5	55.5	58.2	43.8	41.9
<b>Unemployment Rate (%)</b>									
ST	2.2	3.0	7.2	1.4	2.8	4.5	1.77	2.88	5.37
SC	2.4	6.8	7.9	2.9	6.2	5.1	2.63	6.53	6.38
OBC	-	6.0	6.3	-	6.0	4.7	-	6.08	5.44
Others	3.2	8.6	8.8	5.0	8.3	8.0	4.18	8.58	8.57
All	2.9	6.3	7.3	4.1	6.2	5.5	3.55	6.34	6.35
<b>WPR – Work Participation Rate (%)</b>									
ST	66.8	57.6	36.9	81.6	76.1	63.8	74.2	56.4	49.9
SC	53.8	45.7	31.5	68.6	63.6	55.0	60.7	44.5	41.8
OBC	-	41.4	27.4	-	61.9	52.0	-	40.9	38.6
Others	44.1	32.4	22.5	61.8	56.3	46.1	52.4	33.1	33.4
All	48.1	41.5	28.1	65.1	62.3	52.4	56.1	41.0	39.2
<b>% Attending Educational Institutions (Studying)</b>									
ST	18.9	31.6	44.6	3.5	6.4	8.6	11.2	19.1	27.4
SC	22.0	34.5	46.8	3.3	6.1	7.7	13.3	21.3	29.9
OBC	-	40.4	54.2	-	6.5	11.6	-	24.7	35.2
Others	31.9	49.0	59.2	5.5	10.2	16.9	19.5	31.0	39.7
All	28.7	40.6	52.7	4.9	7.3	11.8	17.5	25.0	34.3
<b>% of Jobless – Unemployed and those neither in studying nor working</b>									
ST	14.3	10.8	18.5	14.9	17.5	27.6	14.6	21.0	22.7
SC	24.3	19.8	21.8	28.0	30.3	37.3	26.0	33.2	28.3
OBC	-	18.2	18.3	-	31.6	36.4	-	31.8	26.2
Others	24.0	18.6	18.3	32.7	33.5	37.0	28.1	32.2	26.8
All	23.2	17.9	19.1	30.0	30.3	35.8	26.4	31.1	26.5

**Note:** 1. For the year 1993-94, Others category includes OBC.

**Source:** Author's estimates using 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

Among the rural youth, both the teenagers (15-19 age group) and senior cohort (20-14 age group) have shown a decline in LFPR and increase in attendance rate during the period between 1993-94 and 2009-10. While the decline in LFPR is from 49.5% to 30.4% for rural teenagers, it is from 67.9% to 55.5% for senior cohorts of rural youth during the same period (Table 3.1). Correspondingly, while the increase in attendance rate is from 28.7% to 52.7% for teenager, it is from 4.9% to 11.8% during the period. It shows that senior cohort has been maintaining higher LFPR and lower attendance rate than that of their juniors (teenagers). Moreover, the rate of

decline LFPR and the rate of increase proportion studying among the teenager were higher than their senior cohorts. A disturbing trend is that the unemployment rate among the teenagers' labour force is increasing between 1993-94 and 2009-10, and it is found to be higher than that of their senior cohorts in 2009-10. The joblessness among the senior cohort is found to be increasing during the period; it increased to more than one-third (35.8%) of their population. Among the teenager, the joblessness had declined considerably (23.2% to 17.9%) between 1993-94 and 2004-05 but later it has shown a rise (to 19.1%) in 2009-10.

Such a pattern is observed across social groups. But the rate of decline in LFPR is faster among ST youth, for both the teenagers and senior cohort (Table 3.1). Despite that LFPR is continued to be higher among the ST youth, for both the teenagers and senior cohort, and followed by SCs. There is increasing unemployment rate among teenaged SC/STs too. Unlike the other social groups, ST senior cohorts experienced the increase in unemployment rate. The rate of increase in attendance rate is slower among SC/ST youth, for both the teenagers and senior cohort. As a result, although the increase in joblessness among senior cohort is observed across social groups, the rate of increase is found to be high among those belonging to SC/ST communities.

### ***3.2 Distribution of Workforce by industry and status of employment***

Among rural youth those who are working, the percentage engaged in agriculture has declined and there was a corresponding increase in the percentage engaged in non-agriculture has increased during the last one-and-half decade between 1993-94 and 2009-10. Still, however, more than one-third of the rural youth workforce is engaged in agriculture. Such a dependency on agriculture is the highest among the youth workforce belonging to ST community and followed by the SCs. During the last 16 years period between 1993-94 and 2009-10, the rate of decline in the proportion of youth workforce engaged in agriculture is faster (annual basis) during the last five years period between 2004-05 and 2009-10.

Across social groups, such a change in the structure of youth workforce is very slow particularly among STs and it is very rapid among SCs. The proportion of rural youth workforce of SCs that engaged in agriculture declined from 81% in 1993-94 to 59.5% in 2009-10 and that is found to be lower than the all social groups average and that of the 'others' community as well. It

indicates the faster diversification of rural youth workforce of SCs into non-agricultural activities.

**Table 3.2: Percentage of Rural Youth Workforce in India Engaged in Agriculture and Non-Agriculture Sectors by Social Group**

Caste	15-19 Age Group			20-24 Age Group			15-24 Age Group		
	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<b>% of Agriculture</b>									
ST	88.4	83.4	78.4	87.0	81.0	76.4	87.6	82.0	77.2
SC	82.5	70.8	61.7	79.6	66.3	58.0	81.0	68.3	59.5
OBC	-	70.2	68.2	-	67.7	62.2	-	68.8	64.2
Others	78.6	67.4	63.2	74.2	64.2	62.7	76.2	65.5	62.6
All	80.7	71.5	66.9	76.9	68.3	63.3	78.7	69.7	64.5
<b>% of Non-agriculture</b>									
ST	11.7	16.6	21.6	13.0	19.0	23.6	12.4	18.0	22.8
SC	17.6	29.2	38.3	20.4	33.7	42.0	19.1	31.7	40.5
OBC	-	29.8	31.8	-	32.3	37.8	-	31.2	35.8
Others	21.5	32.6	36.8	25.9	35.8	37.3	23.9	34.5	37.4
All	19.4	28.5	33.1	23.1	31.7	36.7	21.4	30.3	35.5

**Note:** For the year 1993-94, Others category includes OBC.

**Source:** Author's estimates using 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

Among the youth between the teenaged and senior cohort workforce, the proportion of those engaged in agriculture is relatively higher among the teenaged than that of their senior cohorts. The rate of decline in proportion engaged in agriculture is almost same for both the age cohorts during the 16 years period between 1993-94 and 2009-10.

The status of employment of those rural youth actually employed indicates that a large proportion of them in general, are found to be self-employed and it is followed by casual labourer. About 45.9% of rural youth workforce in 2009-10 is self-employed and another 39.2% are working as casual labourers (Table 3.3). Among the caste groups, almost an equal proportion (46%) of SC youth in workforce is self-employed and working as agricultural labourers. Social groups inequalities are explicit with respect to the proportion of regular wage/salaried among the youth workers wherein it the lowest among ST youth followed by SC youth. Although there is increase in proportion of regular salaried across social groups, the rate of increase in proportion is very slow in the youth workforce of STs followed by SCs. More than half (55.4%) of the SC youth workforce in rural India is working as casual labourers, it is the

highest among the social groups. Among the workforce of SC senior cohort, there is an increasing dependence on casual labour.

**Table 3.3: Percentage Distribution of Rural Youth in Workforce by Status of Employment**

Caste	15-19 Age Group			20-24 Age Group			15-24 Age Group		
	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<b>% of Self-employed</b>									
ST	52.3	47.3	48.9	48.1	49.4	49.5	49.5	47.7	47.6
SC	37.1	38.6	33.8	33.9	38.5	32.9	34.7	36.7	31.2
OBC		59.0	54.6		60.4	52.3		56.6	50.0
Others	64.9	63.8	58.5	64.7	66.0	61.8	60.8	57.9	51.7
All	57.3	53.6	49.1	56.3	55.5	49.7	54.4	51.7	45.9
<b>% of RWS</b>									
ST	1.7	2.5	3.1	3.8	3.8	4.5	3.7	4.9	5.5
SC	3.7	5.1	6.3	4.8	6.7	8.6	6.8	11.8	13.4
OBC		5.9	4.6		7.8	8.8		12.2	13.7
Others	4.0	6.4	5.7	7.0	10.2	11.1	11.3	18.9	22.7
All	3.7	5.4	5.0	6.2	7.6	8.7	9.5	13.0	15.0
<b>% of Casual Labour</b>									
ST	46.0	49.8	48.0	46.3	46.3	46.0	46.8	46.8	47.0
SC	59.1	54.4	59.9	53.5	53.5	58.5	58.5	49.9	55.4
OBC		33.8	40.8		30.6	38.9		30.0	36.3
Others	31.0	28.2	35.8	30.6	21.9	27.1	27.9	21.4	25.6
All	39.1	39.6	45.8	21.9	35.6	41.7	36.0	34.0	39.2

**Note:** For the year 1993-94, Others category includes OBC.

**Source:** Author's estimates using 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

To sum up, there is decline in LFPR and increase in attendance rate among the rural youth too and such a change is predominant among the rural teenagers. Increase in the rate unemployment among rural youth labour force is disturbing it is particularly among the rural teenaged labour force. Even more disturbing is the joblessness among the rural youth as well particularly the rural senior cohorts.

The structure of rural youth workforce followed the usual path of rural workforce. Structural change in rural youth workforce too is very slow. There is a high dependence (more than two-thirds) of rural youth workforce on agriculture. Such a dependence on agriculture is highest among ST youth. But the diversification into non-agriculture appears to be high among rural youth workforce of SCs.



#### IV Employability: Educational Levels and Skills of Rural Youth

In the emerging knowledge-based techno-economy employability of a job-seeker do matters. Employability is an emerging concept gaining momentum in the labour market literature<sup>6</sup> (for instance see ILO, 2005). The concept of employability indicates the person's capability of gaining initial employment, maintaining employment and moving to new employment by choice. Therefore, employability of a person depends on the knowledge, skills and attitudes possessed by that individual along with the access to the labour market information (Weinert *et. al.*, 2001). In this context there is a changing policy agenda with respect to the labour market from the 'job protection' to 'security through employability' (*ibid.*). It is to equip the job-seekers with skills that match the demand in the labour market at the entry level and throughout their working life as well.

The recent McKinsey report (2013) points out at a conundrum saying that there are job-seeking youth (supply) and there are employers who require the manpower (Demand) and hence looking for people whom they can employ. But many of the job-seekers were not employed and the employers could not fill the jobs (McKinsey, 2013). It is because of the mismatch in terms of the type of skilled labour that industry demands and kind of skilled labour in supply (*ibid.*). It is definitely a challenge in the context of increasing pace of globalization and technological change, both of which increases the job insecurity and job displacement where the unskilled are getting excluded from the labour market. Therefore, the critical factor is skill formation which involves schooling, professional or technical education, and vocational training (see Dev and Venkatanarayana, 2011). However, educational levels, literacy skills and vocational skills among the youth in India seem to be very low.

Our estimates based on NSS quinquennial survey of employment and unemployment shows that there were about 12% of total youth in India still remained as illiterates in 2009-10. Alarming, one-third of total illiterate youth, 123 million, in the world is located in India (UNESCO, 2012).

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<sup>6</sup> In fact for a long time there has been a notion of human capital in the development economics. The human capital base of the country is said to be an important factor and it accounts for a considerable portion of growth of a country (see for instance Schultz, 1962; Barro, Sala-i-Martin, 1995). Education, defined in terms of literacy skills and schooling levels (enrolment ratios - in primary and secondary schools - mean years of schooling), is an important component of human capital. Besides, vocational trainings and on-the-job trainings are also crucial for improving the human capital base of the society/country. Such a human capital base or the skills embedded with them is critical for the youth to enter into labour market with an opportunity of decent work.

The levels of education among the youth in India shows that little above four-fifths (82%) of them have completed primary schooling in 2009-10; further, 69% completed middle, 43% completed secondary, and only 22% could complete higher secondary education. It indicates more than half of the youth in India were having educational levels below secondary which is fundamental for further higher education (general, technical and vocational courses), vocational training and skill formation. Those who could not complete such schooling they never get a second chance for the same and hence would be disadvantaged in labour market particularly skilled labour, in their life time. The situation of rural youth in India is further distressing; more so disturbing is in the case of those belonging to socially backward communities.

#### *4.1 Educational Levels of the Rural Youth - Population*

What we can observe among the rural youth of their human capital base and employability is not encouraging. The basic minimum of human capital base is the literacy skills. Although the literacy rate has shown a increase over a period, still there are about 15% of youth in India found to illiterates in 2009-10 (Table 4.1). By caste, there was a fast reduction in illiteracy especially among the youth of SC/ST community during the last 16 years period between 1993-94 and 2009-10. Still, however, there are 21.5% and 18.2% of youth population respectively belonging to ST and SC community are found to be illiterate in 2009-10. When compared with the ‘others’ community, the illiteracy rate is 2.5 times higher among the youth belonging to SC/ST communities.

Among the teenagers the illiteracy is little lesser at 10% but among the senior cohorts it is higher – little more than one-fifth (20.8%) of the senior cohort of youth population, in 2009-10. Unless the adult literacy programme targets these illiterate youth, they don’t have chance to acquire literacy skill. Otherwise, they will have to carry out their further life being illiterate and hence possibility of exclusion from a labour market that ensures the productive employment.

One has to note that the literacy in general in India is broadly defined as acquiring simple reading, writing and arithmetic skills. Such a definition includes those who can read a few words of a text and can write his/her name and can count numbers. This kind of literacy may not mean much in their working life. In order to address such an inefficient broad definition, the

UNESCO<sup>7</sup> has, way back in 1960s itself, brought in a concept of 'functional literacy'<sup>8</sup> (see UNESCO, 2005). By this definition of literacy one has acquire literacy skills including reading and understanding, writing and arithmetic skills. Acquiring such literacy skills is equivalent to completion of primary schooling (UNESCO, 2012). Again, in order to be functional literate, one has to acquire and carry those literacy skills throughout their living life (ibid).

**Table 4.1: Educational Levels of Rural Youth in India by Social Group**

Caste	15-19 Age Group			20-24 Age Group			15-24 Age Group		
	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<b>% of Illiterate</b>									
ST	50.7	30.0	13.0	63.8	43.1	30.4	57.2	41.7	21.5
SC	43.4	22.4	12.4	57.2	37.3	27.0	49.9	32.4	18.2
OBC		18.7	9.4		29.3	21.0		27.6	14.2
Others	28.5	11.0	6.1	37.7	17.5	11.3	32.9	14.5	8.4
All	33.5	18.5	9.6	44.1	29.4	20.8	38.6	26.5	14.4
<b>% of Literates</b>									
ST	49.3	70.0	87.0	36.2	56.9	69.6	42.8	58.3	78.5
SC	56.6	77.6	87.6	42.8	62.7	73.0	50.1	67.6	81.8
OBC		81.3	90.6		70.7	79.0		72.4	85.8
Others	71.5	89.0	93.9	62.3	82.5	88.7	67.1	85.5	91.6
All	66.5	81.5	90.4	55.9	70.6	79.2	61.4	73.5	85.6

**Note:** For the year 1993-94, Others category includes OBC.

**Source:** Author's estimates using 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

In this respect, if one looks into the proportion of the rural youth who have completed the primary schooling, there is considerable progress during the last 16 years period. Primary completed proportion increased from half of rural youth population to the three-fourths during the period (Table 4.2). The progress among the teenagers is little higher but among the senior cohorts it is lesser. Still, one-fourth of the rural youth in India have not completed primary schooling at all.

<sup>7</sup> United Nations Educational, Scientific and Cultural Organisation (UNESCO).

<sup>8</sup> The notion of functional literacy was initially used in the UNESCO's Experimental World Literacy Programme (EWLP) initiated in the General Conference in 1966 (see UNESCO, 2005). Later on the notion was in the discussed extensively and expanded. Finally the concept was adapted by the UNESCO in 1978. It, functional literacy, is defined as "A person is functionally literate who can engage in all those activities in which literacy is required for effective functioning of his group and community and also for enabling him to continue to use reading, writing and calculation for his own and the community's development".

It is to be noted that in the emerging knowledge based globally competitive techno-economy, in order to find a place in the skilled labour market it is requisite to have literacy skills and educational levels beyond the completion of primary schooling. In this respect only one-third of rural youth in India have completed middle schooling in 2009-10 (Table 4.2). With respect to secondary schooling completion, mere one-third of rural youth could succeed in doing so. When compared to the situation in 16 years back (in 1993-94), it appears to be considerable progress during the period between 1993-94 and 2009-10. The progress among teenagers with respect to primary and middle level completion rate is more appalling than their senior cohorts. But a considerable proportion of rural youth, still left out in completing the elementary schooling and a large proportion of them could not get a chance to complete their secondary level schooling. These youth, those who could not complete schooling, they lost the opportunity and never get a chance for doing so in their life time. Therefore, they have to carry for their remaining living life the disadvantage in the labour market of being illiterate/having poor educational levels.

**Table 4.2: Schooling Completion Rates for three Levels of School Education (Primary, Middle and Secondary) among Rural Youth across Social Group - All India**

Caste	15-19 Age Group			20-24 Age Group			15-24 Age Group		
	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<b>% of Primary Completed</b>									
ST	39.8	58.2	78.3	27.7	43.2	60.4	33.8	44.7	69.5
SC	45.7	67.0	80.8	33.4	51.8	64.4	39.9	57.6	74.2
OBC	-	71.9	84.7	-	60.2	70.7	-	61.9	79.0
Others	61.7	81.3	89.5	51.6	73.0	81.5	56.9	76.6	86.1
All	56.6	72.0	84.3	45.7	59.9	71.0	51.4	63.1	78.7
<b>% of Middle Completed</b>									
ST	25.4	39.1	57.2	18.1	28.7	43.3	21.8	27.1	50.4
SC	29.7	46.1	61.9	23.1	37.0	46.3	26.6	38.7	55.7
OBC	-	55.3	71.2	-	46.0	57.9	-	44.4	65.8
Others	46.0	64.3	75.7	39.0	58.5	67.3	42.7	58.5	72.1
All	40.9	54.2	68.7	33.8	45.4	56.2	37.5	45.2	63.4
<b>% of Secondary Completed</b>									
ST	8.6	12.7	25.0	9.3	13.2	24.7	9.0	8.7	24.8
SC	10.0	17.6	29.6	11.5	18.9	25.1	10.7	15.0	28.0
OBC	-	24.0	36.9	-	24.6	38.5	-	18.8	38.1
Others	18.6	32.3	42.9	23.1	37.2	47.8	20.7	30.4	45.7
All	16.0	23.7	35.4	19.5	25.4	36.5	17.6	20.1	36.3

**Note:** For the year 1993-94, Others category includes OBC.

**Source:** Author's estimates using 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

Across social groups, even among the rural youth belonging to SC/STs there is progress in terms of primary completion rate but the progress among the SC/ST, in any measure, is not higher than of ‘others’ community (see Table 4.2). Hence, the social group inequality with respect to education continues among the rural youth and thereby ST youth followed by SC remained as the most disadvantaged with respect to education. One-third of ST youth located in rural India could not complete primary schooling, one-half of them remained out in completing middle schooling and three-fourth of them could not succeed in completing secondary schooling. Similarly, such is the case of rural youth belonging to SC community.

#### ***4.2 Educational Levels among the working and jobless Youth***

If we look at the literacy and educational levels of youth employed and the jobless youth, there are explicit differences among the youth employed and the jobless (see Table 4.3). There were about 80.9% of the working youth are literates in 2009-10, but among the jobless youth the literacy rate is considerably lower at 73% in the same year. Such differences in literacy rate between working and jobless youth is observed among the teenager and senior cohorts as well. Among the caste groups also such a difference in literacy rate between working and jobless youth is observed, but it is found to be lesser among the ST youth when compared to the rest of the groups (see Table 4.3).

When examined educational levels among the working youth and jobless it is observed that schooling completion rates are lower among the Jobless youth when compared with that of the employed youth. But the differences in schooling completion rates between working and jobless youth is reducing with the higher levels of education (see Table 4.4). On the other hand the incidence of jobless among the rural youth declining with the level of education – it is higher among those with lower education level and lower among those with higher education level (see Figure 4.1). Such a pattern is observed across social groups.

**Table 4.3: Differential Literacy Rate between the Working and Jobless Rural Youth in India - across Social Groups**

Year	Working Youth					Jobless Youth				
	ST	SC	OBC	Others	All	ST	SC	OBC	Others	All
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
<b>15-24 Age Groups</b>										
1993-94	34.6	46.0	-	61.5	54.8	41.0	34.9	-	55.2	63.4
2004-05	54.8	67.6	73.6	82.9	71.7	55.6	56.0	62.3	76.5	64.2
2009-10	70.2	76.5	82.6	89.2	80.9	72.3	69.0	70.4	82.4	73.3
<b>15-19 Age Groups</b>										
1993-94	36.6	48.8	-	60.4	54.8	42.6	35.6	-	54.5	63.2
2004-05	54.7	69.2	71.9	81.1	70.8	61.0	61.4	65.2	76.1	66.8
2009-10	77.9	79.0	84.1	89.3	83.0	74.7	74.1	72.9	81.5	75.4
<b>20-24 Age Groups</b>										
1993-94	32.9	43.6	-	62.3	54.8	39.4	34.2	-	55.8	63.5
2004-05	54.9	66.4	74.9	84.0	72.5	51.6	51.8	60.1	76.8	62.3
2009-10	65.2	74.6	81.6	89.1	79.5	70.5	65.1	68.9	82.9	71.9

**Note:** For the year 1993-94, Others category includes OBC.

**Source:** Author's estimates using 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

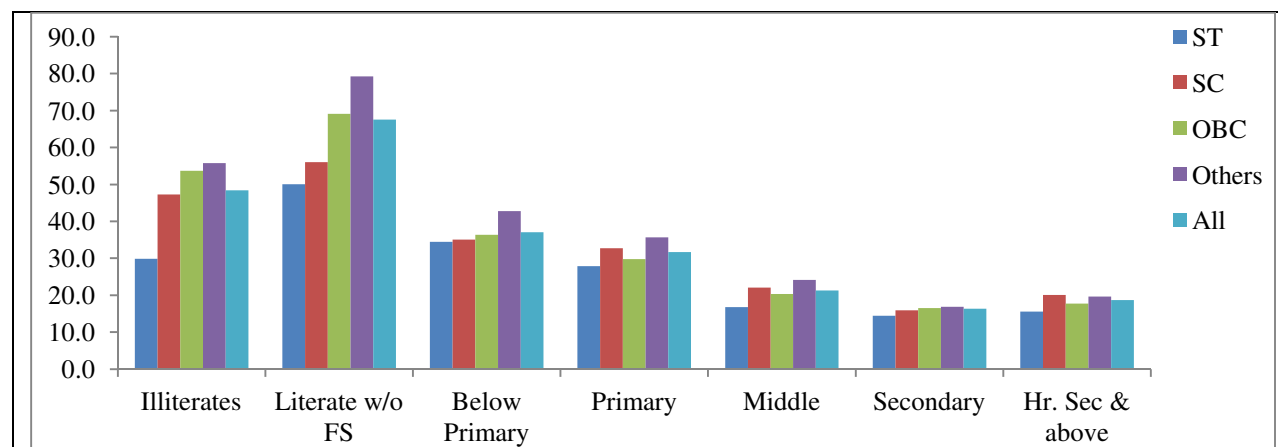
**Table 4.4: Schooling Completion Rates (of Primary, Middle and Secondary) among Working and Jobless Rural Youth (15-24 Age Group) across Social Group - All India**

Year	Working Youth					Jobless Youth				
	ST	SC	OBC	Others	All	ST	SC	OBC	Others	All
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
<b>% Primary Completed</b>										
1993-94	24.8	34.5	-	48.7	42.3	31.4	25.0	-	44.6	49.5
2004-05	39.8	54.4	60.3	71.0	58.5	40.5	43.7	51.8	65.4	52.9
2009-10	59.5	66.3	72.5	80.6	71.0	58.6	59.5	60.3	73.1	63.2
<b>% Middle Completed</b>										
1993-94	13.6	20.6	-	33.2	27.1	19.5	15.5	-	31.0	32.4
2004-05	22.19	33.19	41.48	51.52	39.18	24.7	27.9	37.9	46.5	37.0
2009-10	38.0	44.0	55.5	59.3	51.1	35.2	38.2	45.5	54.5	45.1
<b>% Secondary Completed</b>										
1993-94	4.9	7.4	-	14.9	10.6	7.8	6.7	-	15.2	13.6
2004-05	6.0	11.0	16.1	24.9	15.5	7.6	11.9	17.3	25.9	17.7
2009-10	15.0	17.6	27.6	33.1	24.7	16.2	17.0	24.3	30.7	23.4

**Note:** For the year 1993-94, Others category includes OBC.

**Source:** Author's estimates using 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

**Figure 4.1: Joblessness (%) among Rural Youth in India by the Level of Education across Social Groups, 2009-10**



**Note:** 1. Male-female combined; 2. Social groups specific rural youth.

**Source:** Author's estimates using 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

### 3.3 Vocational Training of the Rural Youth

Besides the literacy and education, the possession of specific skills comes to advantage for the person in the labour market. Such skills may be acquired through by undergoing vocational training. In the Indian context, the skill formation by vocational training for the youth, however, seems to be a distant phenomenon. It is observed from the NSS survey<sup>9</sup> that more than 90 per cent of the rural youth across social groups, have not received any kind of vocational training (see Table 4.5). It indicates a negligible level of formal vocational training for the rural youth. More disturbing trend is that the proportion of rural youth who have undergone any vocational training has declined between 2004-05 and 2009-10. It could be due to the considerable decline in percentage of rural youth received a hereditary nature of vocational training.

<sup>9</sup> NSS quinquennial survey on employment and unemployment records particularly since 61<sup>st</sup> round (2004-05), the information related to whether an individual (aged between 15 to 30 years) receiving or received vocational training if what kind of training he/she has received.

**Table 4.5: Percentage of rural Youth in India undergone Vocational Training**

Particulars	2009-10					2004-05				
	ST	SC	OBC	Others	All	ST	SC	OBC	Others	All
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Receiving formal VT	0.53	0.56	0.52	1.12	0.68	0.18	0.75	0.91	1.11	0.85
Received formal VT	0.60	0.87	0.99	1.23	0.98	0.62	0.92	1.17	1.50	1.15
Non-formal VT- hereditary	1.87	1.38	1.66	2.10	1.73	6.14	3.99	4.27	3.28	4.14
NF-VT: Self-learning	0.46	0.56	0.73	0.84	0.69	-	-	-	-	-
NF-VT: on the job learning	0.40	1.26	0.86	1.60	1.09	-	-	-	-	-
NF-VT: Others	0.25	0.32	0.41	0.42	0.37	1.69	2.70	3.52	3.50	3.15
None – Not received VT	95.89	95.05	94.84	92.68	94.28	91.37	91.63	90.14	90.61	90.70
Total	100	100	100	100	100	100	100	100	100	100

**Note:** 1. Male-female combined; 2. '-' no information; 3. VT – Vocational Training; NF – Non-formal.

**Source:** Author's estimates using 61<sup>st</sup> and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

As there has been increasing demand for skilled labour and declining demand for the unskilled ones especially in the non-agriculture sector, the nature of labour market has been transforming from unskilled to highly skilled. In this context, the skill formation would give an advantage in the labour market at the entry level and during the career as well. There have been policy efforts in this effort, particularly since the beginning of 11<sup>th</sup> Five Year Plan which witnessed the establishment of National Skill Development Council and the launch of variety of skill development programme targeting particularly youth (aged between 15 to 30 years), all over the country. But the outcome of such a policy effort is not reflected in 2009-10 figures on percentage of youth who received any vocational training.

To sum up, what one can observe from the above analysis is that considerable portion of rural youth population in India illiterates and without completing even a primary schooling. More than two-thirds of the rural youth could not complete secondary schooling. Educational levels of the youth seem to give them an advantage in the labour market. The joblessness found to be high among the rural youth with poor levels of education than those with better school education.



## V. Working Poor among the Rural Youth

An International Labour Organisation (ILO) report says despite Asia being home to global economic powerhouses, it also had more than one billion “working poor”, who earned less than €1.55 a day. India is one of those Asian countries with a large number of working poor. Working poor is a term used to describe individuals who are employed but remain in poverty owing to different reasons (Sundaram and Tendulkar, 2002 & 2004). Poverty, in popular understanding, is identified with low income which prevents a family from obtaining and enjoying the basic necessities of life, including a minimum of food, clothing, shelter and water and the concept is referred as income poverty<sup>10</sup> (Dev and Venkatanarayana, 2011).

Taking the Planning Commission’s poverty estimations (HCR) following the recent Expert Group’s (known as Tendulkar Committee) methodology, based on the NSS quinquennial consumer expenditure surveys. Such state level by sector estimates are embedded into NSSO quinquennial survey on employment and unemployment which also records the abridge form monthly consumption expenditure, and derived the overall population below poverty line. Then an attempt is made to examine the poverty levels among workers and derive the incidence of working poor among the youth workers in India.

The head count ratio of poverty in the rural India is about 33.8 per cent in 2009-10. It indicates a considerable reduction during the last 16 years period when compared with the situation of poverty level in 1993-94. It has declined from the level of 50.1% in 1993-94 to 41.8 per cent in 2004-05 and further to the present level (see Table 5.1). The rate of decline in poverty ratio for rural India is found to be much faster during the period between 2004-05 and 2009-10 than that the period between 1993-94 and 2004-05.

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<sup>10</sup> The concept of poverty is multi-dimensional including material (income) and non-material poverty dimensions. It indicates not only levels of income and consumption, but also health and education, vulnerability and risk, and marginalisation and exclusion of the poor from the mainstream. There has been much debate about how exactly poverty should be defined. In *Development as Freedom*, Sen defines poverty as the deprivation of basic capabilities that provide a person with the freedom to choose the life he or she has reason to value. These capabilities include good health, education, social networks, command over economic resources, and influence on decision-making that affects one’s life. Income is important because money allows a person to develop his or her capabilities, but it is only a means to live a valuable life (Dev and Venkatanarayana, 2011).

**Table 5.1: Working Poor among Rural Youth in India – Percentage of workforce living below Poverty Line**

Caste	HCR of Poverty in Population				HCR of Youth Workforce in BPL Households			
	15-19 Yrs	20-24 Yrs	15-24 Yrs	Total	15-19 Yrs	20-24 Yrs	15-24 Yrs	Total
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>
<b>1993-94</b>								
ST	59.7	60.2	60.0	66.1	64.1	61.5	62.7	63.4
SC	53.4	53.8	53.6	60.8	56.3	55.0	55.6	58.0
OBC	-	-	-	-	-	-	-	-
Others	39.3	38.0	38.7	44.6	44.5	39.7	41.9	42.7
Total	43.9	43.3	43.6	50.1	49.6	45.6	47.4	48.5
<b>2004-05</b>								
ST	53.4	54.8	54.1	59.6	62.7	57.3	59.6	56.9
SC	44.9	44.0	44.5	52.7	48.6	43.6	45.9	48.3
OBC	35.1	33.7	34.5	40.1	38.6	33.7	35.9	36.0
Others	23.8	23.3	23.6	28.3	30.6	24.0	26.7	24.8
Total	36.0	35.5	35.7	41.8	42.5	36.7	39.2	38.5
<b>2009-10</b>								
ST	45.0	43.2	44.2	50.4	49.9	45.2	47.0	47.1
SC	37.9	33.6	36.1	41.2	43.3	32.5	37.1	36.8
OBC	29.5	28.3	28.9	32.6	36.0	28.2	31.3	28.6
Others	20.3	16.6	18.6	21.9	28.3	16.9	21.0	18.9
Total	30.8	28.1	29.6	33.8	38.3	28.9	32.6	30.4

**Note:** 1. For the year 1993-94, Others category includes OBC; 2. HCR – Head Count Ratio; BPL – Below Poverty Line.

**Source:** Author's estimates using 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

With respect to rural youth, it is observed that the percentage of rural youth located in households living below poverty line is lower than the rural population (all ages) average. The poverty ratio for the rural youth was 43.6% in 1993-94 and it declined to 35.7% in 2004-05 and further to 29.6% in 2009-10 (see Table 5.1). It also shows that the rate of decline in poverty level was slower for the rural youth than that of the rural population. Therefore, the difference in poverty ratio for the rural youth and population is reducing.

In contrast to the situation in the population, the percentage of workers living in BPL households was higher for the workforce of rural youth when compared to the average of rural workforce (all ages) particularly since 2004-05. The percentage of rural workers living in BPL households was

48.5% in 1993-94 and it reduced to 38.5% in 2004-05 and further to 30.4% in 2009-10 (Table 5.1). Whereas, for the workforce of rural youth the poverty ratio was 47.4% in 1993-94 and it reduced to 39.2% in 2004-05 and further to 32.6% in 2009-10. Particularly among the teenaged workforce it is considerably higher than average of rural workforce.

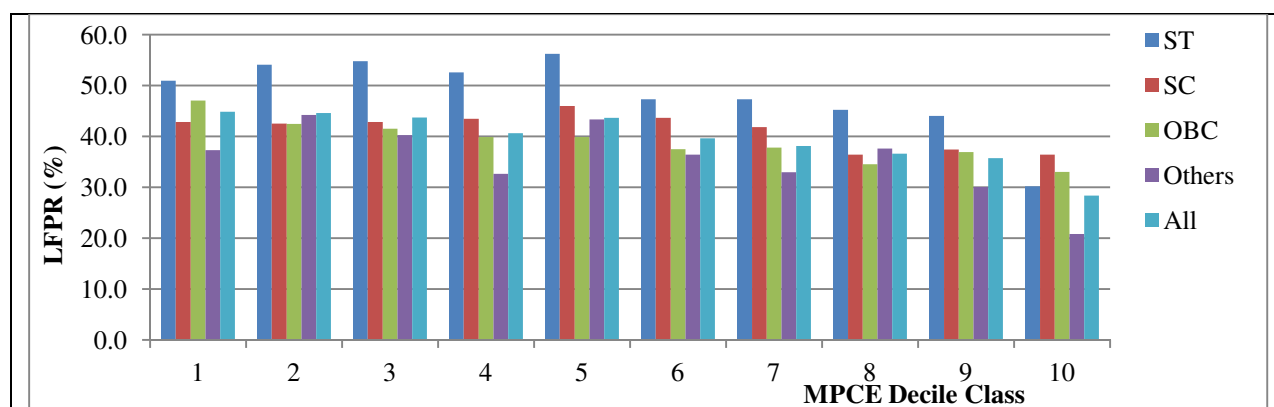
There is a considerable reduction, during the last 16 years, in poverty ratio with respect to rural workers in general and workforce of the rural youth in particular. The rate of reduction in poverty ratio among workforce of rural youth is slower than that of the average of rural workers. As a result, during the period between 2004-05 and 2009-10, the difference in poverty ratio between workforce of rural and the average rural workforce has increased.

Across social groups too, the same pattern mentioned above is observed. Notwithstanding, the decline in poverty ratio in youth population as well as youth is found to be sharpest among the most disadvantage categories (SC/ST) when compared to the 'others' category. The pattern of decline in poverty levels across social groups observed for the youth is same as that of overall population and workforce. There still, however, exist considerable differences in levels of poverty in youth population as well as youth workforce across social groups wherein those belonging to SC/STs categories are the most disadvantaged. The incidence working poor among the youth as well as in the caste-specific general population is the highest among ST followed by SCs; it is 47% and 37% respectively among ST and SC youth (15-24 years age) workforce in 2009-10. Between these two social groups there exists 10 percentage points and when compared with the 'others' community (21%) the incidence is almost three times high especially among the ST youth.

Moreover, the higher poverty ratio of youth in workforce when compared to the ratio in their population indicates that the labour force participation rate of rural youth living in poorer households is higher than those of non-poor households. The Figure 5.1 indicates such scenario wherein the LFPR is higher in the lower MPCE classes and lower in the higher MPCE classes. Such a pattern is observed across social groups although there are differences in participation rates across social groups in each social MPCE class. The high participation among the lower MPCE classes indicates they can't afford luxury of leisure and can't spare any hand out of work,

so that their participation is desperate – the opportunity cost of leisure is high. Such a situation is predominant among the ST and SC communities.

**Figure 5.1: Labour Force Participation Rate (LFPR) of Rural Youth in India by MPCE Decline Class across Social Groups, 2009-10**



**Note:** 1. Male-female combined.

**Source:** Author's estimates using 66<sup>th</sup> (2009-10) Rounds of NSSO's Employment and Unemployment Survey unit record data.

In summary, the above analysis has shown that while the poverty ratio in the population is lower among the rural youth than the rural average, it is found to be opposite in case of workforce – wherein the head count ratio (HCR) of poverty is higher in the workforce of rural youth when compared to the average of the rural workforce in general. Such pattern of HCR in population and workforce is across social groups. But the incidence of working poor is considerably high among the youth belonging to ST and SC communities. Moreover, the higher poverty ratio of youth in workforce when compared to the ratio in their population indicates that the labour force participation rate of rural youth living in poorer households is higher than those of non-poor households.

## VI Concluding Remarks

The paper examined the employment and unemployment situation of the rural youth in India during the last one-and-half decade period and policy issues related to youth employment. Importantly the analysis is extended to the social groups.

The analysis of age-specific labour force participation has shown that there is a drastic reduction in LFPR younger age cohorts. For the decline in labour force participation rates of the youth in general in India there is a corresponding increase in the attendance rate in educational institutions. It is a welcome phenomenon. But disturbingly there is an increasing rate of unemployment and concentration of it among these younger age cohorts. Among the youth, the unemployment rate of teenaged workforce is increasing. Even more disturbing phenomenon is the joblessness among the youth.

With respect to the rural youth too there is similar pattern of decline in LFPR and increase in attendance rate among the rural youth is observed and such a change is predominant among the rural teenagers. Increase in the rate unemployment among rural youth labour force is disturbing it is particularly among the rural teenaged labour force. The joblessness among the rural youth in general and the rural senior cohorts in particular is disturbing trend.

The structure of rural youth workforce followed the usual path of rural workforce. Structural change in rural youth workforce too is very slow. There is a high dependence (more than two-thirds) of rural youth workforce on agriculture. Such a dependence on agriculture is highest among ST youth. But the diversification into non-agriculture appears to be high among rural youth workforce of SCs.

The employability of the rural youth with respect to their skill based indicates that still a considerable proportion of rural youth in India remained illiterates and without completing even a primary schooling. More than two-thirds of the rural youth could not complete secondary schooling. Educational levels of the youth those who have completed schooling seem to give them an advantage in the labour market. The joblessness found to be high among the rural youth with poor levels of education than those with better school education.

The analysis of working poor among the rural youth indicate that while the poverty ratio in the population is lower among the rural youth than the rural average, it is found to be opposite in case of workforce – wherein the head count ratio (HCR) of poverty is higher in the workforce of rural youth when compared to the average of the rural workforce in general. Such pattern of HCR in population and workforce is across social groups. Moreover, the higher poverty ratio of

youth in workforce when compared to the ratio in their population indicates that the labour force participation rate of rural youth living in poorer households is higher than those of non-poor households.

There is a need for a youth-specific employment policy that addresses the concerns of young workers. Policies to safeguard the employment rights of young workers should be mainstreamed into the National Youth Policy alongside its objective of preparing youth with up-to-date technological, technical and vocational skills as well as through entrepreneurial activities. A priori, it has to improve human capital of the youth through the reform of the educational and vocational system. The quality and appropriateness of education and training have an immense impact on the employability of young people.

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