

Educated Unemployed and Employment Differentials of Educated: Evidences from Field

(Yogesh Kumar, Joint Director, Institute of Applied Manpower Research, Planning Commission, Govt of India)

Part 1 : Educated Unemployed and Employment Preferential Differentials

1.1 . Background

The problem of unemployment has become one of the major concerns of many countries of the World. World Employment Review (1999) by ILO notes that employment situation in the world remains grim and the employment conditions in many parts of the world have deteriorated in recent past. The developing countries like India face some peculiar problems which include wage-insecurity, low productive employment, job-less growth and expanding magnitude of educated unemployed. Post liberalization particularly, as the organized sector, the major employer of educated persons, not growing adequately, the immediate impact is felt on the employment generation capacity of the economy. Moreover, the manufacturing sector witnessed the sharpest deceleration. Deceleration in the rate of employment growth is sharper in recent years.

The reasons for the high incidence of educated as elaborated by Khan (1996)¹ has been "a long consensus in India regarding education and its pro-growth ramifications ensured the availability of educated manpower in the economy but also resulting into serious problems of educated unemployed, and their number swelling." The problem of unemployment among educated is twofold. Firstly, they are unemployed because of scarcity of jobs in the job market but there is also unemployment because educated unemployed are not generally willing to take up the jobs which are of poor quality as quoted by Mehta (1992)². Education may enhance employability of individuals but also generates aspirations. The paper marks the changes witnessed in the rural areas of agriculturally advanced state of Haryana.

1.2 Objectives

Present study, therefore, aims to deal with the various problems related to the educated prevailing on fronts of employment (i.e. participation in enumeratory engagements) and unemployment in the labour market. It is also aimed to study the deprivations resulting thereof to the higher educated workforce in the economy in terms of income and employment opportunities, and rising aspirations with education levels.

¹ Khan, Q.U. (1996) 'Educated Unemployed - A New Look ', in K Ragavan and L Shekher (eds) *Poverty and Unemployment : Analysis of the Present Situation & Strategies for the Future*, New Age International

² Mehta G.S. 'Effects of Education in Occupational Structure of Employment', *Manpower Journal*, Vol 27, No 4, Jan-March 1992, pp. 23-31

It would also be endeavoured to go beyond the statistical figures and read in between the figures about the untold situations. The study aims to utilize the micro-level database generated in the state of Haryana encompassing the following aspects:

- Structure and nature of employment;
- Unemployment amongst various education categories;
- Employment structure, particularly share of non-farm sector;
- Gendered Effects in Occupational Structure of Employment;
- Scope of further employment in non-farm sectors of the persons

The study posits that the diversification to the non-farm employment as well as nature of non-farm occupation pursued at the household level is a function of education levels. In the process of testing the hypothesis, the study attempts to answer the following questions:

- What percentage of higher educated workforce as against low educated workforce diversifies to non-farm employment?
- What is the pattern of occupational diversification of the higher educated workforce as against lower educated workforce pursuing non-farm employment?
- With changing educational level, what is the impact on tendency of diversification of males' vis-à-vis females? And
- How does with educational level changes, pattern of occupational diversification vary among genders?

1.3 The Case Region

Secondary NSS data indicates some interesting features about the changing employment scenario of the state of Haryana, the chosen case region for carrying out above the study. These features of the state further reiterate the need for the economic and employment planners and policy makers to heed their attention to fast deteriorating employment scenario in the country.

What was found was that not only the participation rates of Haryana vis-à-vis the country as a whole in the rural areas was much less but the situation was getting worsened during NSS 50th to 55th round. In the context, it needs to be noted that Labour Bureau Statistics³ revealed that earner -population ratio was lowest in Haryana amongst all major states during 1983 and 1987-88. The situation deteriorated further in 1993-94.⁴ Insofar as LFPR and WPR are concerned, both remained less than all-India average by about 10 percentage points in 1993-94. The participation rate declined further in the state in 1999-2000 over that of 1993-94 and in case of females it was by about 7 per cent.

1.4 Data Base

For the purpose of the present study, no separate survey was conducted. It was decided to make use of the information already collected by the Institute of Applied Manpower Research for developing Human Development Index (HDI) for the State of Haryana. In addition to this, information was collected on many other related aspects, which were not used in the preparation of HDI. A separate study exclusively designed for finding out the tendencies of employment and resultant unemployment for different levels of education by males, females and overall, as well the aspirations of these with changing education levels would have been worthwhile but because of the cost and time involved for such a study, the available information, although limited in certain respects was utilized. It was felt that the analysis would throw at least a picture of indicative nature.

1.5 General Findings

a Educational Status of the Population

As the statement goes, "A poor human capital base of India's rural economy is indeed its Achilles' heel". Educational level of the population differ vastly. There are differences between males and females, as also between youth and others. Amongst 15+ males, almost 39 per cent are in secondary level and above, and almost equal number consists of up to middle level and only a little less than 23 per cent are illiterate. The highest percentage in case of 15+ females is that of illiterate (53.5 per cent), and only about 17 per cent are secondary and above. So far as youth population is concerned, 52 per cent males are educated up to secondary level or more and only about 8.9 per cent are illiterate; while amongst females, about a third are secondary and above, 27.1 per cent are illiterate and 39.6 are middle.

³ Labour Bureau, '*Rural Labour Enquiry Reports 1983, 1987-88, 1993-94*'. In the state it was just 43.6 per cent in 1983, and only 48.3 per cent in 1987-88. As compared, all-India ratios for the two periods were 54.5 and 54.6 respectively. Similarly in case of females too, the corresponding Earner-Population Ratios for the two periods (1983 and 1987) in the state were merely 21.4 and 9.6 compared with all-India figures of 32.5 and 30.7.

⁴ In the absence of gender-wise details, the deteriorating situation can be understood from the fact that whereas overall Earner Population Ratio in 1983 was 33.6, it came down to 30.0 in 1987-88 and further to 27.9 in 1993-94.

Table 1: Educational Status of Population

Educational Status	Population			
	Male		Female	
	15+	15-29	15+	15-29
<i>Illiterate</i>	22.8	8.9	53.5	27.1
<i>Upto Middle</i>	38.4	39.1	29.3	39.6
<i>Secondary and above</i>	38.7	52.0	17.4	33.3

Source : Computed Survey Results

b Labour Force Participation Rates (LFPR)

It is found that a large proportion of educated population amongst youth secondary and more educated in particular in the state is neither engaged nor willing to be engaged in economic activities. Whereas about 53 per cent of secondary and more educated in 15+ age-groups are aspiring for employment, only about 35 per cent of the youth (age-group 15-29) secondary and more educated are in this list.⁵ Among 'up to middle' also as against 54.27 per cent in 15+ age-groups aspiring for employment, only about 41.5 per cent of the youth lie in the category. The corresponding percentages for illiterates have been 36.88 and 36.44 for 15+ and youths respectively.

Table 2: Overall and Youth Population and their LFPR, WPR, UR

	15+			15-29 (youth)		
	Secondary and more	Upto Middle	Illiterate	Secondary and more	Upto Middle	Illiterate
<i>Population</i>	3210	3805	4111	2029	1832	793
<i>Labour Force</i>	1707	2065	1516	714	760	289
<i>Employed Workforce</i>	1558	1970	1487	577	670	273
<i>Unemployed</i>	149	95	29	137	90	16
<i>LFPR*</i>	53.18	54.27	36.88	35.19	41.48	36.44
<i>WPR**</i>	48.54	51.77	36.17	28.44	36.57	34.43
<i>UPR***</i>	4.64	2.50	0.71	6.75	4.91	2.02
<i>UR****</i>	8.73	4.60	1.91	19.19	11.84	5.54

LFPR* - Labour Force Participation Rate; WPR** - Workforce Population Ratio;

UPR** - Unemployment Population Ratio, UR**** - Unemployment Rate

c. Workforce Participation Rate (WPR)

Similarly, whereas about 48.54 per cent of secondary and more educated in 15+ age-groups are employed, only about 28.44 per cent of the youth (age-group 15-29) secondary and more educated are in this list.⁶ Among 'up to middle' also as against 51.77 per cent in 15+ age-groups aspiring for employment, only about

⁵ The labour force consists of those who offer themselves for the economic activities fetching income/ wages in cash, kind etc. They are either economically active or seeking employment.

⁶ The labour force consists of those who offer themselves for the economic activities fetching income/ wages in cash, kind etc. They are either economically active or seeking employment.

36.57 per cent of the youth lie in the category. The corresponding percentages for illiterates have been 36.17 and 34.43 for 15+ and youths respectively.

d. Gender Differentials in Educational Levels

Amongst 15+ males, almost 39 per cent are in secondary level and above, and almost equal number consists of up to middle level and only a little less than 23 per cent are illiterate; amongst 15+ females, an overwhelmingly 53.5 per cent are illiterate and only about 17 per cent are secondary and above. So far as youth population is concerned, 52 per cent males are educated up to secondary level or more and only about 8.9 per cent are illiterate; while for female population only about a third are in secondary level and above, 27.1 per cent are illiterate and 39.6 are up to middle level.

Table 3: Distribution of Population in Broad Educational Categories

	15+		15-29 (youth)	
	Male	Female	Male	Female
Population	5982	5144	2573	2081
Illiterate (%)	1365 (22.82)	2746 (53.38)	229 (8.90)	564 (27.10)
Up to Middle (%)	2229 (37.26)	1506 (29.28)	1007 (39.14)	825 (39.64)
Secondary and Above (%)	2318 (38.75)	892 (17.34)	1337 (51.96)	692 (33.25)

Source: Computed Sample Survey Results

e. Educated Vs Uneducated LFPR Differentials in case of Males and Females

Labour force participation is highest amongst 'middle educated' male followed by the 'illiterate males'. Only about two third males with 'secondary level and above' aspire for employment. So far as females are concerned, labour force participation rate is very low for all the three categories. Illiterates followed by and 'secondary level and above' followed by 'Middle educated' amongst females aspire to be in labour force.

Table 4: Educated Vs Uneducated LFPR Differentials

Educational Status	Population			
	Male		Female	
	15+	15-29	15+	15-29
Population				
Total	5982	2573	5144	2081
Illiterate	1365	229	2746	564
Upto Middle	2299	1007	1506	825
Secondary and above	2318	1337	892	692
Labour Force				
Total	4475	1460	813	303
Illiterate	1055	171	461	118
Upto Middle	1848	646	217	114
Secondary and above	1572	643	135	71
LFPR				
Total	74.8	56.74	15.8	14.56
Illiterate	77.3	74.67	16.8	20.92
Upto Middle	80.4	64.15	14.4	13.82
Secondary and above	67.8	48.09	15.1	10.26
Total	100	100	100	100
Illiterate	22.8	8.9	53.5	27.1
Upto Middle	38.4	39.1	29.3	39.6
Secondary and above	38.7	52	17.4	33.3

There is a slump witnessed in case of males as well as females LFPR which is still sharper as educational levels rise. Labour force participation is amongst illiterate male youth remaining almost same as is labour force participation in 15+males, but where as LFPR in case of 'middle educated'. goes down from 80.38 for overall males to 64.15 for youth males (LFPR being three fourth times for youth males as compared to overall males) , LFPR amongst 'secondary level and above' male falls from 67.82 for overall males to 48.09 for youth males (LFPR being 2/3rd for youth males as compared to overall males). So far as LFPR among female youths is concerned, the rate has been found to be higher among illiterate youths compared to overall females, and is almost similar for 'middle educated' , amongst 'secondary level and above' there is decline (LFPR being 2/3rd for youth females as compared to overall females).

Table 5: Constituents of Labour force in the Nutshell

Educational Status	Population				Labour Force			
	Male		Female		Male		Female	
	15+	15-29	15+	15-29	15+	15-29	15+	15-29
<i>Population</i>								
Total	5982	2573	5144	2081	4475	1460	813	303
Illiterate	1365	229	2746	564	1055	171	461	118
Up to Middle	2299	1007	1506	825	1848	646	217	114
Secondary and above	2318	1337	892	692	1572	643	135	71
<i>Labour Force</i>								
Total	4475	1460	813	303	74.81	56.74	15.80	14.56
Illiterate	1055	171	461	118	77.29	74.67	16.79	20.92
Up to Middle	1848	646	217	114	80.38	64.15	14.41	13.82
Secondary and above	1572	643	135	71	67.82	48.09	15.13	10.26
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Illiterate	22.8	8.9	53.5	27.1	23.6	56.7	11.7	38.9
Up to Middle	38.4	39.1	29.3	39.6	41.3	26.7	44.2	37.6
Secondary and above	38.7	52.0	17.4	33.3	35.1	16.6	44.0	23.4

The majority of labour force amongst 15+ males is educated (41.3 percent 'up to middle', and 35.1 per cent 'secondary or more'). Similarly about 90 per cent of labour force amongst 15+ females is educated (44.2 percent 'up to middle', and 44.0 per cent secondary or more).

But a contrasting scenario is perceptible amongst youths. So far as educational level of the labour force is concerned, only little more than 23 per cent female labour force are in the secondary level and above, but almost two-fifths are still illiterate. In case of males, the percentage of illiterate is about 11.7, and only about 44 per cent are in the 'secondary level and above'. Thus, the state suffers in general from a poor human capital base. However, almost three-fifths of the female labour force still consists of illiterates. Only one out of six is in the category of 'secondary level and above'.

Table 6: Economic Participation of Population with Varying Education Levels

	15+		15-29 (youth)	
	Male	Female	Male	Female
Amongst Illiterate				
Population	1365	2746	229	564
Labour Force (LFPR)	1055 (77.29)	461 (16.79)	171 (74.67)	118 (20.92)
Employed Workforce (WPR)	1030 (97.63)	457 (99.13)	157 (91.81)	116 (98.31)
Unemployed (UR)	25 (2.37)	4 (0.87)	14 (8.19)	2 (1.69)
Amongst Up to Middle				
Population	2229	1506	1007	825
Labour Force (LFPR)	1848 (82.91)	217 (14.41)	646 (64.15)	114 (13.82)
Employed Workforce(WPR)	1761 (95.29)	209 (96.31)	561 (86.84)	109 (95.61)
Unemployed (UR)	87 (4.71)	8 (3.69)	85 (13.16)	5 (4.39)
Amongst Secondary and Above				
Population	2318	892	1337	692
Labour Force (LFPR)	1572 (67.82)	135 (15.13)	643 (48.09)	71 (10.26)
Employed Workforce(WPR)	1435 (91.28)	123 (91.11)	517 (80.40)	60 (84.51)
Unemployed (UR)	137 (8.72)	12 (8.89)	126 (19.60)	11 (15.49)

The above discriminations in the economic participation rates and educational levels require closer examinations as they just are not the isolated cases of the discriminatory characteristics of the society but are vital factors as the two aspects are quite correlated and are catalytic to one another's further discriminations.

f. Education and Employment Diversification Tendencies

Education level wise analysis indicates that not only a good number of illiterates or those educated up to middle, but also those educated secondary level and above resort to doing agricultural and allied activities. Nonetheless, the percentage of workers engaged in agricultural or allied jobs gets reduced substantially as the education level goes up from 'uneducated levels' to that of 'secondary and more educated' levels. This reduction has been from about 58 percent to 46 percent in case of males 15+, about 58 percent to 26 percent in case of females 15+, and about 59 percent to 33 percent in case of female youths. Only in case of male youths, there is a marginal reduction from about 53 percent to 50 percent (refer Table below).

Though the percentage of people taking up non-farm activities does not increase magnificently with educational levels, it is found that the nature of employment does vary with levels of education.

So far as any diversification is concerned, it is found (refer table below) that while Illiterates main occupation is generally 'non-agricultural wage labour' (about 25-27 percent for 15+ and about 30-35 per cent for youth), 'up to middle educated' have tendency to take up either artisan/independent work' (about 7 to 9 percent for 15+ as well as for youth) or again 'non-agricultural wage labour' (about 20 -28 percent for 15+ as well as for youth). The pattern of male and female employment amongst 'illiterates' and 'up to middle educated' does not find any major diversification patterns.

'Secondary and more educated', on the other hand, reveal that there is a significant proportion of workforce opts for 'salaried employment'. This is found that amongst males about 29-36 percent for 15+ as well as for youth opts for 'salaried employment' A diversion from males is observed distinctly in case of females 15+ 'secondary and more educated'. In their case it is found that as high as 54 per cent opt for 'salaried employment'. In this education category, only much less females opt for 'non-agricultural wage labour' (about 7 percent as against 9 percent in case of males 15+, and 10 percent as against 12 percent in case of males youth).

Table 7: Detailed Classification of Population according to Literacy Level and Workforce Participation: Category-wise Employment

State as a Whole			Category-wise Employment									
			01	02	03	04	05	06	07	08	09	10
Illiterate	15+	M	42.4	1.5	14.0	25.0	7.1	2.5	0.2	4.2	0.1	3.1
		F	14.2	9.6	33.9	26.5	4.6	0.9	0.0	4.6	0.2	5.5
	15-29	M	31.8	0.6	20.4	35.7	7.0	1.3	0.6	1.3	0.6	0.6
		F	13.8	9.5	35.3	28.4	5.2	0.0	0.0	2.6	0.0	5.2
Up to Middle	15+	M	44.1	1.1	9.2	19.3	8.3	7.7	0.2	8.9	0.5	0.6
		F	12.4	11.5	20.6	27.8	6.7	3.3	0.0	12.0	1.0	4.8
	15-29	M	37.4	0.9	11.8	25.7	9.3	8.0	0.2	5.0	0.7	1.1
		F	9.2	13.8	24.8	28.4	6.4	3.7	0.0	8.3	0.9	4.6
Secondary & above	15+	M	41.4	0.6	3.8	9.1	6.6	7.2	0.5	29.2	1.0	0.6
		F	17.9	4.1	4.1	7.3	4.1	4.1	2.4	53.7	0.8	1.6
	15-29	M	43.5	1.0	5.4	9.9	9.9	6.4	0.2	21.3	1.5	1.0
		F	20.0	5.0	8.3	11.7	5.0	5.0	3.3	36.7	1.7	3.3
Total	15+	M	42.8	1.0	8.5	17.2	7.4	6.3	0.3	14.6	0.6	1.2
		F	14.3	9.3	25.7	23.8	5.1	2.0	0.4	14.2	0.5	4.7
	15-29	M	39.3	0.9	10.2	20.3	9.2	6.5	0.2	11.3	1.1	1.0
		F	13.3	10.2	25.6	24.9	5.6	2.5	0.7	11.9	0.7	4.6

Codes for Occupation are :

01-Cultivation, 02- Allied agricultural activities, 03- Agricultural wage labour, 04- Non-agricultural wage labour, 05- Artisan/ Independent work, 06- Petty Shop/ Other small business, 07- Organised business/ Trade, 08- Salaried employment, 09-Qualified profession not classified anywhere 10-Own household work

g. Scope of further employment in non-farm sectors of the persons

So far as scope of labour force in non-farm sectors is concerned, as sector-wise information is not available in greater depths, an attempt has been made to look into the status of employed workforce declassified into agricultural (and allied) employment as against non-agricultural (and non-agriculture allied) employment. This two-way classification of the employed should provide a broad idea about the availability of non-farm opportunities for the workforce in the economy.

Table below indicates that the workforce is more or less evenly distributed between agricultural and non-agricultural sectors, irrespective of their gender class, or age groups (youth and non-youth). Yet males have a slight edge in agricultural pursuits over the females, who lead in non-agricultural engagements.

Table 8: Classification of the Labour force into Agricultural and Non-agricultural Workers

		Labour Force				
		Agricultural and allied		Non-agricultural		Total
		Number	%	Number	%	Number
15+	<i>M</i>	2212	52.34	2014	47.66	4226
	<i>F</i>	389	49.30	400	50.70	789
	<i>T</i>	2601	51.86	2414	48.14	5015
15-29	<i>M</i>	622	50.36	613	49.64	1235
	<i>F</i>	140	49.12	145	50.88	285
	<i>T</i>	762	50.13	758	49.87	1520

Table 9: Classification of Employed into Agricultural and Non-agricultural Workers

Level of Education	Workers							
	Agricultural and Allied				Non-agricultural			
	15+		15-29		15+		15-29	
	M	F	M	F	M	F	M	F
<i>Illiterate</i>	57.86	57.77	52.87	58.62	42.14	42.23	47.13	41.38
<i>Upto Middle</i>	54.40	44.50	50.09	47.71	45.60	55.50	49.91	52.29
<i>Secondary and Above</i>	45.85	26.02	49.90	33.33	54.15	73.98	50.10	66.67

A further analysis provides a clearer picture of switching over to non-agricultural pursuits educational level changes. This also signifies the scope and tendencies of employment of the different people falling in different categories of education. To determine the potential of an activity providing employment to a larger workforce suitably, there were certain assumptions made by the author. An activity was assumed to have a significant role in future in employing people if as on date at least 5 per cent ⁷ of employed people pursue a particular economic activity which means a minimum of 5 per cent are employed in that activity. This was assumed so for all the different classes of population, i.e., males and females, youth, and overall 15+ populations. It is found that with higher education, the scope of economic activity gets widened for the people. While in the case of illiterates most predominant activity other than primary activities has been the non-agricultural wage labour. The other activity providing scope for illiterates is artisan or independent work for males; and own or household work for females. While up to middle educated males have scope in non-agricultural wage labour, artisan or independent work, and petty shop/ other small business, females have scope in non-agricultural wage labour, artisan or independent work and salaried employment. Persons with secondary level and above have rather four options. The most predominant activity in their case is salaried employment, followed by non-agricultural wage labour, artisan or independent work and petty shop and small business.

Thus, there is a significant differential found between educational levels, i.e., people with different levels of education donot pursue all sorts of non-agricultural jobs equivocally. As the education level improves, there are a significant number of persons pursuing activities atypically of non-casual nature. Many of the secondary

⁷ Instead of bothering about other aspects of diversification - such as migration, versatility of employment options available, and strength (in terms of providing employment to a large percentage of workforce) of the other (non-farm) sectors, it is endeavoured to just make an assessment of these activities by arbitrarily assuming the presence and significance of these activities if a minimum of 5 per cent of the workforce are engaged in it.

and above educated were looking for themselves salaried, i.e., more regular type of employments. The tendency was more evident in case of secondary and above educated females.

1.6 Conclusions: Educational Levels and Employment Correlates

- *The participation rate in the economic activities is found to be higher amongst the illiterates. But this has been more so in case of females.* As against 74.81 percent of overall 15+ male's population joining labour force, 77.29 percent of illiterate population join the labour force. While about 23.1 percent of the total 15+ males population comprise of the illiterates, among those joining labour force, illiterates constitute about 23.6 per cent. In case of females, as against 15.84 percent of overall 15+ population joining labour force, 16.79 percent of illiterate 15+ populations join the labour force. The difference between the illiterates percentage of the total population and of the total labour force is quite perceptible as is revealed from the fact that while illiterates percentage is about 53.4 percent in the 15+ populations, their percentage among the labour force is 56.7 per cent.
- *The different economists find different consequences of the increase in educational level on employment prospects..* It is found that not only a good number of illiterates or those educated up to middle, but also those educated secondary level and above resort to doing agricultural and allied activities. Nonetheless, the percentage of workers engaged in agricultural or allied jobs gets reduced substantially as the education level goes up from 'uneducated levels' to that of 'secondary and more educated' levels. However, the reduction graph is much steeper in case of females than males. While the reduction has been from about 58 percent to 46 percent working in agriculture and allied activities in case of males 15+, as the education level goes up from 'uneducated levels' to that of 'secondary and more educated' levels, the reduction is much sharper in case of females 15+ (from about 58 percent to 26 percent). The differential in reduction of agricultural and allied pursuits carried out is still more eminent in case of youth workforce. While the reduction in case of female youths pursuing agricultural and allied jobs is found to be from about 59 percent of 'uneducated levels' to 33 percent in case of 'secondary and more educated' employed female youths; in case of male youths, the reduction is only marginal from about 53 percent to 50 percent.
- *The economic participation of females is more of low paid casual/ conventional type.* As most of the female workers are illiterates, and very few educated up to middle, a look into the structure of employment in the two classes for males and females would highlight the employment differential prevailing between genders (as about 84.5 per cent of females have education 'up to middle'). It is found from the primary data analysis that while illiterates males mostly carry out activities such as artisan (or independent) work other than primary activities, females carryout household works. So far as persons having education up to middle level is concerned, males pursue activities such as non-

agricultural wage labour, artisan or independent work, and petty shop/ other small business, while females are mostly engaged in non-agricultural wage labour, artisan or independent work and salaried employment.

- *'Secondary and more educated' levels where there is found a diversion from conventional agricultural, agricultural allied and other informal or unorganized labour employment practices.* 'Illiterates' and 'up to middle educated' male and female do not indicate any major diversification patterns. It is remarkable to find that even 'Secondary and more educated' levels, while amongst 15+ as well as youth males, only about 29-36 percent opt for 'salaried employment' in case of females 15+ , as high as 54 per cent opt for 'salaried employment'.
- *With higher education, the range and nature of economic activity gets widened and of higher order.* As the education level improves, there are a significant number of persons pursuing activities atypically of non-casual nature. Many of the 'secondary and above educated' look for salaried, i.e., more regular type of employments. The tendency was more evident in case of secondary and above educated females.

Part 2: Education Employment Correlates

2.1 Introduction

National Sample Survey Organization (NSSO) data on unemployment for the years 1972-73, 1977-78, 1983, 1987-88, 1993-94 and 1999-2000 indicate that the Labour Force Participation Rates (i.e., LFPRs) for rural males are stable at around 55-56 per cent and for females around 32-34 per cent. In the latter years, the NSSO survey results indicate a decline in the LFPRs, particularly amongst age groups 15-24. Admittedly, these data do not indicate anything about the quality of employment and incomes of the employed which have to be carefully examined while doing manpower and employment planning; still LFPRs do provide important signals on current rate and future scenario of unemployment levels. Thus, the problem of unemployment among educated is twofold. Firstly, they are unemployed because of scarcity of jobs in the job market but there is also unemployment because educated persons are unwilling to take up the poor quality jobs available plentiful in a backward economy.⁸

2.2 Objectives

It is so necessary primarily to look into trends, characteristics and structure of employment and unemployment in the country. Simultaneously, it is also necessary to make a review about the scenario of educated unemployed across different social groups highlighting inter-group differentials. This would enable

⁸ Education though enhances employability of individuals but also generates aspirations (Saxena, 1988).

determining possible causes of unemployment, before ascertaining measures to address them. Thirdly, the whole exercise should provide an idea about the links between education and employment, both qualitative and quantitative links.

Present study, therefore, aims to deal with the various problems with a micro-level data base encompassing the following aspects

- Structure of Employment of Educated as against Uneducated ;
- Unemployment amongst Various Levels of Education ;
- Differentials in the above aspects across Genders ;
- Employment structure, particularly share of non-farm sector ;
- Effects of Education in Occupational Structure of Employment ;
- Scope of Further Employment in Non-farm Sectors of the Educated Persons.

The objectives of the study are, however, limited by the fact that it utilizes a given data base and not a data set generated specifically in response to a set of research questions.

The study posits that unemployment of the educated is a function of compulsions of low payments and non-availability of matching employment opportunity to their aspirations. In the process of testing the hypothesis the study attempts to the following questions:

- Which attributes lead to more employment?
- What is the pattern of employment of those lower educated vis-a-vis those more educated?
- What is the scope of employment for different persons having different levels of education?
- Whether there are significant differentials observed between genders with respect to above three questions?

2.3 A Brief Profile of the Sample Population of the State

The population of the state for knowing the employment status has been disaggregated in two main classes for males and females - first classification being of 15 years or more persons. Further the persons in age groups 15 to 29, considered as the youth population, have been considered for separate study. It is observed that there were 5982 males and 5144 females in the first category. The youth males consisted of 2573 persons, while 2081 females lied in this category. It is also evident that a significant proportion of 15+ male populations (about 75 per cent) are labour force. The labour force, amongst 15+ females consists of just about 16 percent. The presence of labour force amongst youth population in case of males particularly is much less compared to overall 15+ population (youth male LFPR being only 56.74).

Employed workforce percentage in the males and females 15+ populations are about 71, and 15.5 percent respectively (percentage for youth males and females being about 48 and 14 percent respectively). Distribution of male and females 15+ and youth population in broad education categories is attempted next. It is noted that while more than 50 percent females in 15+ categories are illiterate; in case of males the illiterates constitute less than 25 percent. Secondary and more educated account for almost 40 percent of 15+ males, but only one out of six females have reached to same level of education.

So far as educational levels of youth males and females are concerned, only about 9 per cent of males and about 27 percent females are illiterates. As compared to this, secondary and more educated constitute almost 52 percent and 33 percent of youth males and females population respectively.

2.5 Education Level wise Economic Participation

The education level wise employment and unemployment figures and corresponding percentages are presented in Table 3. As against 77 percent of the 15+ male illiterates joining the labour force, only about 17 per cent of 15+ females join the labour force. The figures for illiterate youth males and females (those in age group 15-29) joining labour force are almost 75 and 21 percent respectively. Moreover, as has been found, about 97.6 percent of these 15+ illiterate males in labour force are employed (they are working in some remunerative job, remaining being unemployed); and the percentages of employed in case of youth and 15+ illiterate females are about 99 and 98.5 respectively (rest unemployed). A significant variation from above tendencies is noted in case of youth illiterate males, where only about 91.8 per cent of labour force is accounted as employed and almost 8.2 percent are unemployed.

Labour force percentage for three out of four categories of population (viz. 15+ females, and youth males and females) amongst up to middle educated has dropped compared to illiterates, the only exception being 15+ males where percentage of population joining labour force has accentuated. There is noticed a significant slump in case of youth males and females by about 10.5 and 7 percent respectively. It is also observed further that about 95 to 96 percent of the 15+ males and females, and youth females lying in the labour force are employed (remaining being unemployed); in case of youth illiterate males, only about 86.8 per cent of labour force are employed and almost 13.2 percent are unemployed.

There is a major deviation (in terms of further decline) in labour force participation rate is observed in case of secondary and more educated persons and this has been so for three (15+ males, youth males and youth females) out of four categories of population, exception being 15+ females category, where there is a slight increase from upto middle educated females. The unemployment rate (i.e., labour force minus those employed) is found to be rather very high in all the cases (nearing nine per cent) but is exceptionally higher in case of youth males (close to 20 per cent)

Table 6 (redrawn): Economic Participation of Population with Varying Education Levels

	15+		15-29 (youth)	
	Male	Female	Male	Female
Amongst Illiterate				
Population	1365	2746	229	564
Labour Force (LFPR)	1055 (77.29)	461 (16.79)	171 (74.67)	118 (20.92)
Employed Workforce (WPR)	1030 (97.63)	457 (99.13)	157 (91.81)	116 (98.31)
Unemployed (UR)	25 (2.37)	4 (0.87)	14 (8.19)	2 (1.69)
Amongst Up to Middle				
Population	2229	1506	1007	825
Labour Force (LFPR)	1848 (82.91)	217 (14.41)	646 (64.15)	114 (13.82)
Employed Workforce (WPR)	1761 (95.29)	209 (96.31)	561 (86.84)	109 (95.61)
Unemployed (UR)	87 (4.71)	8 (3.69)	85 (13.16)	5 (4.39)
Amongst Secondary and Above				
Population	2318	892	1337	692
Labour Force (LFPR)	1572 (67.82)	135 (15.13)	643 (48.09)	71 (10.26)
Employed Workforce (WPR)	1435 (91.28)	123 (91.11)	517 (80.40)	60 (84.51)
Unemployed (UR)	137 (8.72)	12 (8.89)	126 (19.60)	11 (15.49)

b. Educational Levels and Occupational Pursuits of Persons

The below table clearly shows that occupational pattern differs widely with educational qualifications. While a significant proportion of populations, irrespective of education status are pursuing primary activities, the propensity to take up various non-farm activities vary from one educational level to another. Though the percentage of people taking up non-farm activities does not increase magnificently with educational levels, it is found that the nature of employment does vary with levels of education.

Table 7 (Part1) depicts distinctly while Illiterates generally end up as 'non-agricultural wage labour' as the main non-agricultural pursuit followed (about 25-27 percent for 15+ and about 30-35 per cent for youth), 'up to middle educated' have tendency to take up either artisan/independent work' (about 7 to 9 percent for 15+ as well as for youth) or again 'non-agricultural wage labour' (about 20 -28 percent for 15+ as well as for youth) to be the main non-agricultural pursuits. 'Secondary and more educated', on the other hand, opt for 'salaried employment' mostly (about 29-36 percent for 15+ as well as for youth, exception being females 15+ in which case it is as high as 54 per cent) and only a few going in for 'non-agricultural wage labour' (about 7-12 percent for 15+ as well as for youth) and 'artisan/independent work' (about 5-10 percent for 15+ as well as for youth).

It is apparent from the above analysis that the people with more education tend to prefer more secured jobs, i.e., jobs with assured income packages.

a. Unemployment

It is perceptible from the preceding analysis that people with more education tend to opt or prefer more secured jobs, i.e., jobs with assured income packages. This sets forth challenges before employment planners to meet the liking and preferences of such educated people. The magnitude of educated unemployed is addressed in this context vide computation of unemployed percentages at various education levels.

Amongst the labour force, i.e., amongst the people interested in pursuing an economic activity with returns, the unemployment percentages are more in case of males than that of females. While 5.60 percent of male labour force remains unemployed, only about 2.9 percent females remain unemployed.

Further the unemployment levels among the youths for both – males as well as females - are distinctly higher than their respective overall unemployment levels. As against 5.56 percent of total male labour force remaining unemployed, about 15.5 percent of youth males are unemployed, and while only 2.9 percent of overall females are unemployed, among youth females the respective figure is 5.9 per cent.

Unemployment across Educational Levels

Moreover, it is observed that unemployment rates increase as the educational levels of the person's increases. Amongst 'secondary and above educated' in all the different types (15+ males and females, and so also youth males and females) the unemployment is the highest followed by those educated 'up to middle'. The 'illiterates' in all the categories are least susceptible to unemployment.

Table 10: Percentage of Unemployed at different Educational Levels

Educational Levels	Males		Females	
	15 +	15-29	15+	15-29
Illiterate	2.37	8.19	0.87	1.69
Up to Middle	4.71	13.16	3.69	4.39
Secondary and above	8.72	19.60	8.89	15.49
Total	5.56	15.41	2.95	5.94

To get an idea of participation rate variations of higher educated persons a comparison of labour force in secondary and above educated level is made with that of population proportion in secondary and above educated level. Significant differentials are found between the percentage of population with secondary and above education level and that of labour force with same education level. Higher educated persons were found more in percentage terms in the population than in the labour force. Still higher percentage of youth in population is observed as compared to labour force. The persons with more education have lesser percentage in labour force. All this proves that educational status of population is on increase, but there still lies a gap between secondary or more percentage in labour force as compared to population which indicates that people with higher education has less tendency to go in for available jobs.

This vividly shows that the youth population is more prone to be unemployed than overall 15+ population. This means, not only more educated tend to remain out of workforce, youth population also remain out of reckoning.

b. Impact of Higher Incidence of Educated Unemployment and Youth Unemployment

Table 5 reveals an overwhelming large number of employed in the state having no formal education or educated only 'up to middle' level. 'Illiterates' constitute about 24.5 per cent and 58 per cent of 15+ males and females respectively. Moreover, almost two-thirds of the 15+ males and about 84.5 per cent of females have education 'up to middle'. Thus only about a third of male labour force and less than one-sixth female labour force have education level 'up to secondary or more'.

The situation in case of youth males and females is equally pathetic. Although only 12.7 per cent of males of this category are 'illiterates', in this category those 'up to middle' if added, the percentage becomes 58. Similarly, about 79 per cent of youth females have education 'up to middle level'.

With significant proportion of educated population remaining unemployed or out of work, it is quite possible that majority of employed labour force has lower levels of education and skill. And lower educational level might result in lower efficiency in working.

c. Scope of Employment at Various Levels of Education

So far as scope of labour force in non-farm sectors is concerned, as sector-wise information is not available in greater depths, an attempt has been made to look into the status of employed workforce declassified into agricultural (and allied) employment as against non-agricultural (and non-agriculture allied) employment. This two-way classification of the employed should provide a broad idea about the availability of non-farm opportunities for the workforce in the economy.

Classification of the Employed into Agricultural and Non-agricultural Workers as shown in table 8 (part 1) indicates that the workforce is more or less evenly distributed between agricultural and non-agricultural sectors, irrespective of their gender class, or age groups (youth and non-youth). Yet males have a slight edge in agricultural pursuits over the females, who lead in non-agricultural engagements.

Education level wise analysis also indicate that not only a good number of illiterates or those educated up to middle, but also those educated secondary level and above resort to doing agricultural and allied activities. Nonetheless, the percentage of workers engaged in agricultural or allied jobs gets reduced substantially as the education level goes up from 'uneducated levels' to that of 'secondary and more educated' levels. This reduction has been from about 58 percent to 46 percent in case of males 15+, about 58 percent to 26 percent in case of females 15+, and about 59 percent to 33 percent in case of female youths. Only in case of male youths, there is a marginal reduction from about 53 percent to 50 percent (refer Table 9).

A further analysis provides a clearer picture of switching over to non-agricultural pursuits educational level changes. This also signifies the scope and tendencies of employment of the different people falling in different categories of education. To determine the potential of an activity providing employment to a larger workforce suitably, there were certain assumptions made by the author. An activity was assumed to have a significant role in future in employing people if as on date at least 5 per cent⁹ of employed people pursue a particular economic activity which means a minimum of 5 per cent are employed in that activity. This was assumed so for all the different classes of population, i.e., males and females, youth, and overall 15+ population.

It is found that with higher education, the scope of economic activity gets widened for the people. While in the case of illiterates most predominant activity other than primary activities has been the non-agricultural wage labour. The other activity providing scope for illiterates is artisan or independent work for males; and own or household work for females. While up to middle educated males have scope in non-agricultural wage labour, artisan or independent work, and petty shop/ other small business, females have scope in non-agricultural wage labour, artisan or independent work and salaried employment. Persons with secondary level and above have rather four options. The most predominant activity in their case is salaried employment, followed by non-agricultural wage labour, artisan or independent work and petty shop and small business.

Thus, there is a significant differential found between educational levels, i.e., people with different levels of education do not pursue all sorts of non-agricultural jobs equivocally. As the education level improves, there are a significant number of persons pursuing activities atypically of non-casual nature. Many of the secondary and above educated were looking for themselves salaried, i.e., more regular type of employments. The tendency was more evident in case of secondary and above educated females.

2.6 Concluding Observations

Higher unemployment levels in rural areas among higher educated is largely an outcome of inadequacy of suitable employment opportunities to the more educated.

The non-farm employments as on date appear to be lower than the farm employments particularly for males, who constitute the major portion of the workforce.

Haryana has not followed much of economic activities diversification inducing higher non-casual employments resulting in lowering of educated unemployment. There are little changes in employment structure over years.

⁹ Instead of bothering about other aspects of diversification - such as migration, versatility of employment options available, and strength (in terms of providing employment to a large percentage of workforce) of the other (non-farm) sectors, it is endeavoured to just make an assessment of these activities by arbitrarily assuming the presence and significance of these activities if a minimum of 5 per cent of the workforce are engaged in it.

Any efforts to reduce unemployment amongst educated must concentrate on providing adequate non-casual non-agricultural employment opportunities which as on date appears to be negligible.

Notes :

1. The Neo-classical theories of discrimination highlight that the discrimination in the labour market is practiced by employers on some rational basis.
2. Studies by Freeman, R.B. (1973) and Kain J.F. (1969) point out discrimination in labour market occurring due to emergence of some dominant groups.
3. Mukhopadhyaya, S (1981) finds, in particular, women receiving discriminatory treatment from employers.
4. Papola T.S. (1982) finds that women too receive unequal treatments by employers on the pretext of unsuitable for certain kinds of jobs.

References

1. Ahuja Y.L. ' Educated Unemployment in India' Institute of Applied Manpower Research, *Working Paper No. 74, 1991*
2. Becker, G.S. *The Economics of Discrimination*, Chicago University Press, II Edition, 1971
3. Kain, J.F. (ed.) *Race and Poverty: The Economics of Discrimination*, Englewood Cliffs, New Jersey Printice Hall, 1969
4. Khan, Q.U. (1996) 'Educated Unemployed - A New Look ', in K Ragavan and L Shekher (eds) *Poverty and Unemployment : Analysis of the Present Situation & Strategies for the Future*, New Age International
5. Marshal R. 'The Economics of Racial Discrimination: A Survey', *Journal of Economic Literature*, Vol. 12, No. 3, 1974, pp. 860-862
6. Mehta G.S. 'Effects of Education in Occupational Structure of Employment', *Manpower Journal*, Vol 27, No 4, Jan-March 1992, pp. 23-31
7. Pradeep Kumar, ' Impact of Educational Development on Employment of Women : The Indian Experience, *Manpower Journal*, Vol 24, No 1, April-June, pp. 31-53
8. 'Rise in Unemployment among Educated', *the Hindu*, 13.11.1972, p. 7
9. Robinson D., *Local Labour Market and Wage Structure* Grower Press, London, 1970
10. Five Year Plans : VII, VIII, IX, X and XI , Planning Commission,