



EMPLOYMENT STATUS OF EDUCATED AND SKILLED LABOUR IN THE  
UNION TERRITORY OF PONDICHERRY WITH RESPECT TO INDIA  
(A Gender, Social Group and Region Wise Comparison)

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*Abstract*

*A strategic concern in the growth and development of India's knowledge based economy has been the quality of workforce. The problem is now of un-employability rather than unemployment. Though there is a large investment by the Government and by individuals on education, the labour market still complains of shortage of skilled labour. The Government has taken initiatives to set up vocational training institutes catering to the needs of the employers and improving the employability of the workers. Previous studies highlight the importance of vocational training along with educational qualification. The Union Territory of Pondicherry (UTP) being under the Central Government receives aid in respect of improving literacy and reducing unemployment by equipping the labour force through training. Yet, unemployment exists and a good number of the labour force seeks employment outside the territory. Therefore it becomes necessary to find the position of the UTP in terms of employment of the educated and trained labour force in rural and urban area in comparison to India as a whole. This study is an attempt to indicate the extent of policy implications required for improving the employability of the labour force in the UTP. Gender, social group and region wise secondary data of the UTP and India on the status of employment of the educated and the trained has been collected from the Labour Bureau Report 2013-14, simple percentage method has been used to analyze the data and column charts have been used for the graphical representation of the results. A major finding of this research is that in India as well as in Pondicherry, the employment among those who received or receiving vocational training exceeded educated employed except in rural Pondicherry where educated employment was more. This indicates that trained personnel have more opportunities in the labour market than the educated.*

*Keywords: Gender, social groups, education, vocational training, employability*



## I. INTRODUCTION

Labour productivity reduces production cost and increases return on investment. Hence, in today's knowledge based economy, quality of workforce is more important than quantity. Employment has grown relatively quickly with many of the new jobs being in the industry and services sectors and so has the literacy rate improved, yet there have been immense shortages of top talents. There is mushroom growth of education and vocational training institutes that are skewing the skill distribution of the country. According to University Grants Commission, there have been 700 degree granting institutions, 35,500 affiliated colleges and 20 million enrolments in 2012-13[7] but the majority of working class personnel are the unemployable youth who are not fit to be absorbed by the labour market. India's unemployed population in the working age group of 15-29 years in 2012-13 was at a staggering 13.3 percent and unemployment rate among the illiterate was the lowest with 3.7 percent only in the same age group (Kapoor 2013)[4]. This indicates the challenge of severe paucity of quality labour and non-employability of large sections of educated workforce. With the increased services led by IT and IT-enabled services, sectors such as tourism have gained rapid prominence and the Union Territory of Pondicherry (UTP) being a hub of the sector. The capabilities and skills of the workers thus need to be redefined to improve both the development and growth outcomes of the sector.

Knowledge and skills are no more the monopoly of those who are formally educated or trained, but education and formal training are likely to open up avenues for workers, which may not be available otherwise for workers engaged in the informal economy. Irrespective of the mobility consequence, a number of studies demonstrate the impact of education and skills on worker productivity and incomes.

## II. REVIEW OF LITERATURE

Wasmer et. al (2006)[2] conducted a study in Poland and found that the incidence of over-education increased over the survey period and was associated with skill mismatch. According to Albrecht and Vroman (2002)[1] and Dolado et al. (2004)[3] matching models with job and worker heterogeneity could result in high skilled workers compete with low skilled workers for low skilled jobs indicating workers of a particular skill group ending up working in the 'wrong' sector. McIntosh (2005)[6] argued that the proportion of the population achieving vocational qualifications in UK lags behind both France and Germany, although it is more comparable with regard to the achievement of general qualifications. On the basis of cross-country evidence in Europe, Bassanini et al.(2006)[2] argue that countries with less stratified schooling systems have endowed workers with more versatile skills, who need less training to adapt to technical progress than their counterparts in countries with more stratified schooling systems.



### III. STATEMENT OF THE PROBLEM

India being on high alert with its growing population of educated unemployed and wide skill gap, the UTP is likely to face similar situation; more so because it includes four enclaves located in three states of South India; the coastal towns of Pondicherry and Karaikal in Tamil Nadu, Yanam in Andhra Pradesh and Mahe in Kerala. These regions are influenced by the corresponding states' education, skill and employment levels. Pondicherry had a work force participation of 35.66 percent during 2011-12 and the rural unemployment was measured at 2.6 percent as against 2.3 in India and the urban unemployment was 3.1 percent as against 3.8 percent in India. The sudden increase in the number of educational institutions, government initiatives towards training programs, demand for skilled workforce as well as increase in educated unemployment necessitates understanding the status of the Union Territory with respect to India.

### IV. OBJECTIVES

The objectives of the study are:

- to compare the gender wise employment status of the educated across rural and urban region of India and the UTP.
- to compare the gender wise employment and unemployment status in UTP with respect to India for vocational training across region.
- to compare the nature of job by region in India and the Union territory that most needs vocational training.
- to enumerate the employment status in vocational and education level according to region in India and the UTP.

### V. RESEARCH METHODOLOGY

Secondary data of employed and unemployed per 1000 distribution of population aged 15 years and above across gender and region with respect to education and vocational training has been taken from the Labour Bureau Report of Chandigarh under The Government of India, Ministry of Labour and Employment based on the Fourth Annual Employment-Unemployment Survey 2013-14 conducted by Labour Bureau. Simple percentage method has been used for analysis and comparison of Union Territory of Pondicherry with respect to India on aspects as status of employment according to education level and status of employment according to persons received or receiving vocational training in terms of region and gender has been studied. The results have been depicted in the forms of tables and charts.

### VI. ANALYSIS AND INTERPRETATION

Table 1 shows a comparison of Union Territory of Pondicherry with respect to India in terms of employment status in education. There is higher level of employment among illiterate male and female in rural India and UTP. Employment of illiterate urban female is 25.5 percent in UTP as against 18.4 percent in urban India. Employment of primary educated males in rural



and urban UTP is 97.7 percent and 92.1 percent respectively, whereas it is 87.5 percent and 85.5 percent respectively in rural and urban India. The employment of post – graduate female in rural as well as below primary educated male in urban UTP is the highest (100 percent).

Table 2 indicates that the situation of employment across social status in vocational training is impressive in India as well as UTP. The UTP stands ahead of India as a whole in terms of 100 percent employment among schedule caste and other backward classes in rural UTP and among others in both rural and urban UTP as against India. Where employed female in rural India is only 56.8 percent, in rural UTP there is 100 percent employment among females. Employment among male and female OBC in urban India is 86.7 and 52.2 percent respectively, in urban UTP it is 65.9 and 46.1 percent only. 93.9 percent males in urban UTP are employed.

Table 3 compares the percentage of educated and trained employed male and female in rural and urban region of UTP with respect to India. Employed population with vocational training exceeded educated employed in rural India and urban UTP and India with 85.2, 84.2 and 69.5 percent respectively. Whereas in rural UTP educated employment was more for both male and female with 64.9 and 24.5 percent respectively, the same was less in rural India with 71.6 and 27.2 percent respectively. In urban India, the employment among female with vocational training is 47.8 percent as against educated employment of 16.2 percent. The difference between employment among trained and educated is low in case of rural and urban male in India as well as urban UTP. A striking feature is the employment of trained females in rural UTP which is only 5.5 percent as against 53 percent in India, a drift away from the general trend.

## VII. FINDINGS

The status of UTP with respect to India:

- Gender disparity in the Union Territory is less than in India with respect to educated employed in both rural and urban areas. Employment of illiterate urban female and primary educated males in rural and urban UTP is higher than in urban India. Also, employed Post Graduate females in rural UTP are the highest among all others.
- Two striking feature of unemployment with respect to education level are:
  - Unemployment increases with the level of education in both India and UTP and
  - Female unemployment in urban UTP declines with increase in education level; from higher secondary onwards as against the general trend in India.

Pondicherry is found to have more educated unemployed than India. The graduate males in rural and post graduate males in urban Pondicherry were found to be highly unemployed when compared to that in India.

- Social group wise employment status among those who have received or receiving vocational training indicates that India fairs well in the employment status for all social groups, whereas in Pondicherry, other backward classes in urban area is less employed





than in rural area. But also, UTP as against India has always been in an advantageous position with the scheduled caste and backward classes with 100 percent employment.

- The position of employment among trained females in rural UTP is much better than that in India, but the male in rural area and the female in urban among the backward classes in UTP show considerable unemployment.
- A comparison in employment under education and vocational training highlights that urban UTP and India behaves in a similar manner in featuring employed with vocational training exceeding educated employment except in rural UTP where employment among educated males and females are higher than in vocational training.

### VIII. POLICY IMPLICATIONS

Societal inequalities, inadequate education infrastructure, quality of education and lack of effective assessment of skills are some of the reasons for the wide skill gap paralyzing the labour market.

In respect of education, training and employment, The Union Territory of Pondicherry fares better with respect to India as a whole. Yet, being a part of India with an open economy spread across three states, the UTP needs to move towards further improvement, overcoming the drawbacks especially in case of educated employment among males and has to realize the importance of vocational training especially in rural UTP in order to accelerate India's growth and development.

As is seen in the analysis, the employment level falls with the rise in education, indicating the need of improvement in the structure of education. The education system is supply driven and not demand driven due to lack of interface among different stakeholders' viz. policy makers, industry, training providers and educational institutions. The motive of the educational institutions must be to educate as per industry's requirements so that demographic dividend can be tapped fruitfully.

There is also a need to increase formal employment, to avoid more working age group joining low paid sector. However, this also requires creation of adequate decent jobs in the non-farm sector mainly manufacturing. The challenge of improving the employability of the working age group and their accessing decent jobs requires improvement in quality of education, job training, up gradation of skills, and interface between industry, policy makers and training institutions.

There should be an integrated policy focus on promoting growth that supports livelihood. As UTP is low in self-employment, the Government should take initiatives to develop entrepreneurship skill and training should be given under Entrepreneur Development Programme (EDP).

To impart industrial training and provide employment opportunities to the educated unemployed, in-plant, advance, vocational trainings should be arranged with stipend to trainees as encouragement. Management trainings such as Labour Management, Marketing Management, Quality Control, Productivity etc should be provided at college level so that the workforce becomes eligible to be hired by multinational companies.



**IX. CONCLUSION**

India faces a paradoxical situation where, on the one hand, the educated and trained working groups are looking for job and on the other hand industry is suffering from unavailability of skilled workers. This skill mismatch makes the working population unemployable. Union Territory of Pondicherry is also in the grip of educated unemployment. Awareness among the working population in the UTP about various plan schemes and vocational institutions need to be initiated and promoted. In addition, the need to speed up the setting up Sector Skills Councils and putting the National Occupational Standards in place to make National Skill Qualification System operational is the need of the hour. This would facilitate modification of curriculum in tune with the industry's requirement.

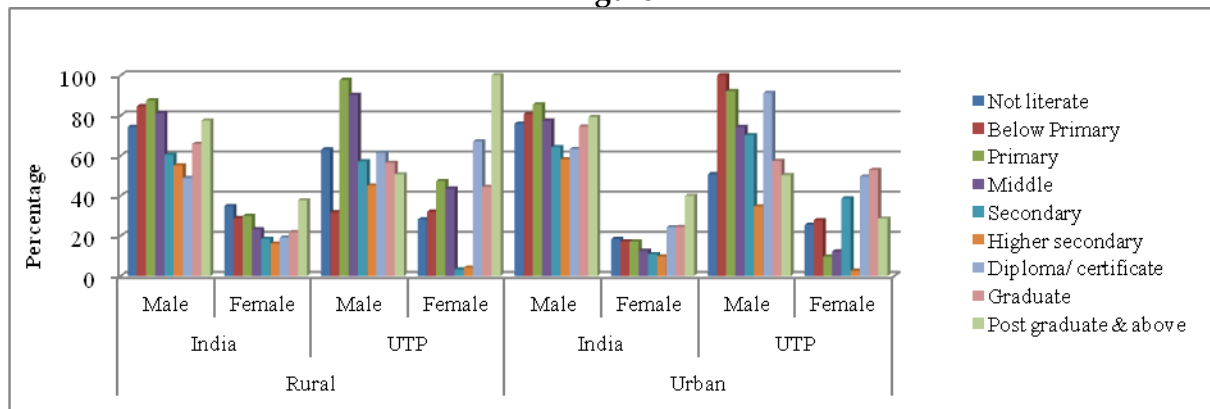
**Table 1**  
**Employment according to Level of Education by Gender and Region**

*In percent*

S. No.	Education Level	Rural				Urban			
		India		UTP		India		UTP	
		Male	Female	Male	Female	Male	Female	Male	Female
1	Not literate	74.3	34.8	63	28.2	75.9	18.4	50.7	25.5
2	Below Primary	84.6	28.8	31.7	32	80.7	17.2	100	27.8
3	Primary	87.5	29.9	97.7	47.3	85.5	17.1	92.1	9.6
4	Middle	81.1	23.3	90.2	43.5	77.4	12.5	74.2	12.2
5	Secondary	60.4	18.5	57.1	3.2	64.2	10.8	70.1	38.6
6	Higher secondary	55.1	16.1	45	4.1	58.1	9.7	34.6	2.6
7	Diploma/ certificate	48.8	19.1	61.3	67	63.3	24.2	91.2	49.5
8	Graduate	65.8	21.8	56.4	44.4	74.5	24.4	57.3	52.9
9	Post graduate & above	77.5	37.7	50.6	100	79.2	39.9	50.2	28.6

Source: Labour Bureau, 2014, Annexure IV, pp 39-40, 147-148

**Figure 1**



**employment according to Level of Education by Gender and Region**  
**Table 2**



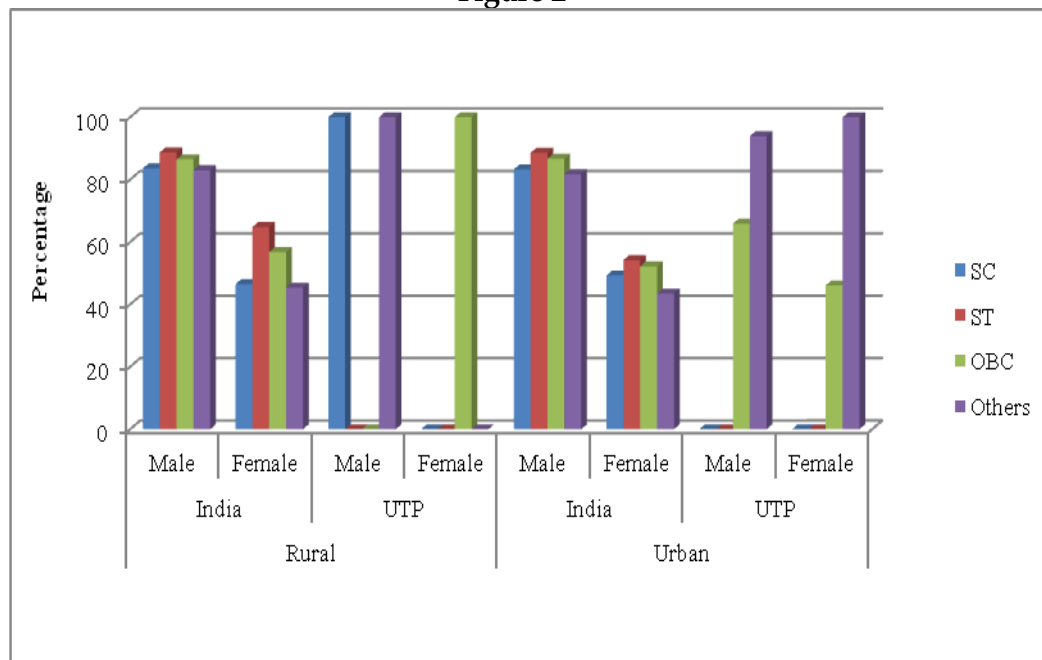
Employment in Vocational Training by Gender, Region and Social Groups

In percent

S. No.	Social Status	Rural				Urban			
		India		UTP		India		UTP	
		Male	Female	Male	Female	Male	Female	Male	Female
1	Schedule Caste	83.6	46.5	100	0	83.3	49.3	0	0
2	Schedule Tribe	88.7	64.8	0	0	88.6	54.2	0	0
3	Other Backward Classes	86.5	56.8	0	100	86.7	52.2	65.9	46.1
4	Others	83	45.4	100	0	81.7	43.5	93.9	100

Source: Labour Bureau, 2014, Annexure IV, pp 1, 37

Figure 2



Region wise Employment in Vocational Training by Gender and Social Group

Note: The zero values against scheduled tribes in rural and urban UTP and against schedule caste in urban UTP indicate that there are no schedule tribes in the union territory and no schedule caste in urban UTP have been provided vocational training.



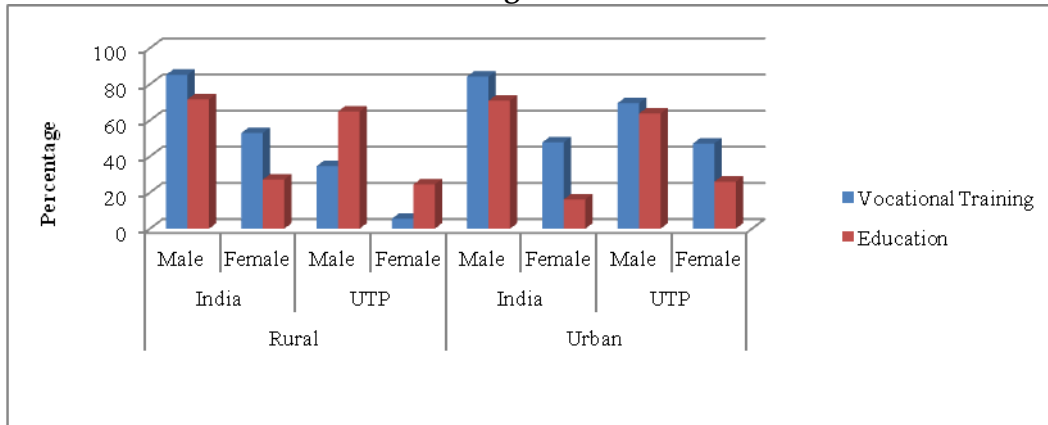
**Table 3**  
**Educated Employed versus Trained Employed**

*In percent*

S. No.	Employed	Rural				Urban			
		India		UTP		India		UTP	
		Male	Female	Male	Female	Male	Female	Male	Female
1	Vocational Training	85.2	53	34.6	5.5	84.2	47.8	69.5	47.1
2	Education	71.6	27.2	64.9	24.5	70.9	16.2	63.8	26

Source: Labour Bureau, 2014, Annexure IV, pp 1, 37, 39-40, 147-148

**Figure 3**



**Educated Employed versus Trained Employed**

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