

Education and skills

IMPROVING THE QUALITY OF EDUCATION AND SKILLS DEVELOPMENT

- ▶ The first challenge is to improve the quality of primary and secondary education, including second chances for youth and adults with only basic skills.
- ▶ Increasing demand for skilled workers is not being met by the Indian education and skills system. Increased and better quality vocational training and on-the-job training might help address this.
- ▶ India needs to improve the quality of its higher education system and expand access, while better using and disseminating the knowledge gained through innovative education models being developed in India and elsewhere.
- ▶ New technologies could be exploited further, including massive open online courses and virtual classrooms.

What's the issue?

India has one of the world's fastest growing economies, but a lack of skills among the working population is one of the main bottlenecks to higher and more inclusive growth. Strong growth in key sectors, including information and communication technology (ICT), raises the demand for skilled workers. But employer surveys indicate skills shortages in ICT, financial services, tourism, retail, and skill-intensive manufacturing: in 2013, 61% of India's employers reported recruitment difficulties. These shortages, aggravated by a shortage of qualified trainers and the low willingness of employers to pay skills premia, have forced graduates into jobs unrelated to their training.

Only 2.5 million vocational training places at the post-secondary level are available, while 12.8 million people enter the labour market every year (see Table). The youth unemployment rate is five times that for adults, indicating challenges in the school-to-work transition. Participation rates are very low for prime-age women, youth and older workers. India's informal sector employs approximately 85% of all workers and provides limited access to training. Informally acquired skills are not easily recognised, hampering transit to the formal sector.

Gross tertiary enrolment rates increased from 9% to 25% between 2000 and 2012. While India has dramatically expanded access to education since 2000, only 63% of 15 year olds are in secondary school and the participation of two Indian states in the PISA '2009+' round suggest that learning outcomes are low. With 28.5 million students enrolled in 2012,

the Indian tertiary education system is the world's second largest after China. But it is not clear whether the average quality of the teaching and learning is up to international standards.

The 2009 National Policy on Skill Development marks a major change in Indian policy in this area. The initiative aims to improve the quality and relevance of skills and training, and make education and training more responsive to employer needs while also including under-represented groups. It seeks to expand apprenticeships, and to train 500 million people by 2020.

Open and distance education, especially in the post-secondary sector, has always been a large and important part of the system but faces the universal problems of quality and recognition. Quality assurance procedures have been established and systems of oversight and accreditation implemented, but not all quality challenges have yet been adequately addressed.

In this context, Massive Online Open Courses (MOOCs) are a very important phenomenon, with India reported to be the second largest consumer of MOOCs after the United States. Indian students enrol heavily in MOOCs produced by American providers, but increasingly Indian universities and platforms are also providing MOOCs. However, as with open and distance education, oversight and accreditation issues remain.

» There is significant room to improve India's education outcomes

2012 unless indicated otherwise

	India	OECD
Public expenditure on education as % of GDP (2011)	3.4%	5.2%
Expected years in education (2011 for India)	11.7	17.6
Gross enrolment rate in education (2011, ages 14-18 for India and 15-19 for OECD)	69%	84%
Gross enrolment rate in tertiary education	25%	71%
Women aged 15-25 who are neither in education, employment or training (2005/2006 for India)	57%	14%
Men aged 15-25 who are neither in education, employment or training (2005/2006 for India)	15%	12%
Youth unemployment rate	10.3%	16.3%

Sources: OECD (2014), *Education at a Glance*; OECD (2014), *Economic Outlook for Southeast Asia, China and India*; OECD (2012), *Closing the Gender Gap: Act Now*; World Bank World Development Indicators database, ILO Laborsta database, OECD Employment and Labour Market Statistics database.

Why is this important for India?

Strengthening India's education and skills system is essential to boost inclusive growth and take India to a higher phase of economic development. India's Five-Year Plan (2012-17) aims to raise the overall literacy rate to over 80% and reduce the gender gap to less than 10%. The 2013-14 budget focuses on the poor, with the goal of creating opportunities for young people to acquire the education and skills needed for decent employment.

But expanding access to education needs to be matched by determined efforts to raise quality and relevance. Recent improvements in educational attainment and deeper integration into global value chains have often not been sufficient to ensure the competitiveness of the labour force, as shown by the lower quality of education.

What should policymakers do?

- ▶ Focus on developing and employing the skills required by tomorrow's innovation-driven economy.
- ▶ Adopt a coherent and strategic approach to the design and implementation of skills policies to achieve greater access to quality education and training, and better learning outcomes.
- ▶ Work with the private sector to develop education systems responsive to the needs of productivity-driven economies, including through vocational training and life-long learning, to achieve a better match between the skills demanded and those supplied.
- ▶ Address remaining quality challenges in open and distance education, including MOOCs, especially in the post-secondary sector.



Further reading

OECD (2007), *Giving knowledge for free: the emergence of Open Educational Resources*, OECD Publishing.
<http://www.oecd.org/edu/cei/givingknowledgeforfreetheemergenceofopeneducationalresources.htm>

OECD (2010), *Learning for Jobs*, OECD Reviews of Vocational Education and Training, OECD Publishing.
<http://www.oecd.org/edu/cei/givingknowledgeforfreetheemergenceofopeneducationalresources.htm>

OECD (2012), *Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies*, OECD Publishing.
<http://skills.oecd.org/documents/oecdskillsstrategy.html>

OECD (2012), *India-OECD Collaborative Workshop on Education and Innovation*, summary report.
<http://www.oecd.org/edu/cei/indiaoecdinitiative-collaborativeworkshoponeducationandinnovation.htm>

OECD (2014), *International Workshop on Innovative Efforts for Universal Quality Education*, summary report.
<http://www.oecd.org/edu/cei/international-conference-innovative-efforts-universal-quality-education.htm>