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► India Employment Report 2024

Youth employment, education and skills

Executive Summary



Foreword

The India Employment Report 2024 is the third in the series of regular publications by the Institute for Human Development on labour and employment issues. Undertaken in partnership with the International Labour Organization (ILO), this report examines the challenge of youth employment in the context of the emerging economic, labour market, educational and skills scenarios in India and the changes witnessed over the past two decades.

Drawing on the latest official data, the report highlights recent trends in the Indian labour market, which indicate improvements in some outcomes along with persisting and new challenges, including those generated by the COVID-19 pandemic. While the labour force participation rate, especially for women, and the unemployment rate experienced some improvement post-2019, this needs to be interpreted carefully due to an increase in agricultural employment in rural areas. A novel Employment Conditions Index applied across the states of India reveals a positive trend over the last decades, though this was negatively impacted by the COVID-19 pandemic.

India remains poised to take advantage of its demographic dividend, though the situation varies across the country. Education levels have improved considerably and is a key determinant of accessing better jobs. At the same time, educated youth have higher rates of unemployment, reflecting a mismatch with their aspirations and available jobs. Beyond a narrow view of the unemployed, there is a large proportion of youths, particularly young women, not in education, employment or training. Technological change and digitalization are rapidly affecting the demand for skills, which will continue to impact young people in the Indian labour market.

The report highlights five key policy areas for further action, which apply more generally and also specifically for youth in India: 1) promoting job creation; 2) improving employment quality; 3) addressing labour market inequalities; 4) strengthening skills and active labour market policies; and 5) bridging the knowledge deficits on labour market patterns and youth employment. Given the importance of these issues, we believe the report will serve as a timely and constructive input for policymakers, social partners, civil society and other researchers over the coming years.

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Executive summary

Background to the India Employment Report 2024

The **India Employment Report 2024** is the third in the series of regular publications by the Institute for Human Development on labour and employment issues. This report on Youth Employment, Education and Skills examines the challenge of youth employment in the context of the emerging economic, labour market, educational and skills scenario in India and changes over the past two decades. The report is primarily based on analysis of data from the National Sample Surveys and the Periodic Labour Force Surveys between 2000 and 2022, with a postscript for 2023. Other sources of data include the Annual Survey of Industries, the National Account Statistics and the Reserve Bank of India-KLEMS database.

Employment trends and current scenario

The key labour market indicators in recent years reflect paradoxical improvements. The labour force participation rate, the workforce participation rate and the unemployment rate showed long-term deterioration between 2000 and 2019 but improvement thereafter. The improvement coincides with periods of economic distress, both before and during the COVID-19 pandemic, with the exception of two peak pandemic quarters.

The trend in overall labour market indicators is mirrored even more strongly by the female labour market indicators. The female labour market participation rate, after declining significantly in the earlier years, took to a faster upward trend as of 2019, particularly in rural areas.

In general, there have been improvements in employment conditions over the years. The employment condition index prepared for this report and based on seven labour market outcome indicators indicated that between 2005 and 2022, there was a slow but steady increase in values, indicating improvement in employment conditions. But again, this trend was halted – and even reversed after 2019 – after onset of the COVID-19 pandemic. Notwithstanding the modest improvements, employment conditions remain poor.

The slow transition to non-farm employment has reversed. One of the most significant features of the Indian labour market is a slow and steady transition of the workforce away from agriculture and into the non-farm sectors. The share of manufacturing employment was stagnant, at around 12-14 per cent. The increase in non-farm employment was absorbed by construction and services. After 2019, this slow transition reversed due to the pandemic, with a rise in the share of agricultural employment as well as an increase in the absolute size of the agricultural workforce.

Women largely account for the increase in self-employment and unpaid family work. Nearly two thirds of the incremental employment after 2019 comprised self-employed workers, among whom unpaid (women) family workers predominate. The share of regular work, which steadily increased after 2000, started declining after 2018.

Employment is dominated by poor-quality employment in the informal sector and informal employment. Employment in India is predominantly self-employment and casual employment. Nearly 82 per cent of the workforce engages in the informal sector, and nearly 90 per cent is informally employed. Due to the nature of employment growth since 2019, the share of total employment, which is in the informal sector and/or in informal employment, increased.

Wages and earnings are stagnant or declining. While wages of casual labourers maintained a modest upward trend during 2012–22, real wages of regular workers either remained stagnant or declined. Self-employed real earnings also declined after 2019. Overall, wages have remained low. As much as 62 per cent of the unskilled casual agriculture workers and 70 per cent of such workers in the construction sector at the all-India level did not receive the prescribed daily minimum wages in 2022.

The production process has increasingly become capital-intensive and labour-saving. Due to increasing mechanization and capital use, the employment generation in India has become more and more capital-intensive, with fewer workers employed between 2000 and 2019 than in the 1990s. The skill intensity of employment in industry and services increased during this period, which was contrary to the labour market needs of the country.

Digitalization and introduction of new technologies are changing the structure of industrial employment. There has been a rapid introduction of digitally mediated gig and platform work, which are algorithmically controlled by the platforms and have brought about new features in control of the labour process. Increasingly, platform and gig work have been expanding, but it is, to a large extent, the extension of informal work, with hardly any social security provisions.

Disparities are predominant in the labour markets across states and regions. There are large variations between states in their employment outcomes, which are captured through the employment condition index prepared for this report. The index showed that although there were improvements in all states in labour market outcomes, albeit at different rates, there was little change in the position of states at the bottom and at the top. Bihar, Uttar Pradesh, Odisha, Madhya Pradesh, Jharkhand and Chhattisgarh had much poorer employment outcomes; they were at the bottom in 2005 and remained so in 2022. In most of the labour market indicators, the variations across the states were significant, suggesting impact of policies at the regional level.

The migration rate is likely to increase in future. The migration levels in India are not adequately captured through official surveys. The rates of urbanization and migration are expected to considerably increase in the future. India is expected to have a migration rate of around 40 per cent in 2030 and will have an urban population of around 607 million. The bulk of this increase in urban growth will come from migration. The pattern of migration also shows regional imbalance in the labour markets. The direction of migration in general is from eastern, north-eastern and central regions to southern, western and northern regions.

Growth and employment

Employment growth remained stagnant up to 2019 and then moved upward. Between 2000 and 2012, employment in India experienced an annual growth rate of 1.6 per cent, while gross value added grew at a much faster rate, at 6.2 per cent. This pattern was intensified between 2012 and 2019, when gross value added continued to grow at 6.7 per cent, but employment growth

was nearly negligible, at 0.01 per cent. After 2019 and due to the COVID-19 pandemic, there was a substantial increase in employment, with agricultural employment growth even outpacing the growth in agriculture gross value added.

The rise in labour productivity up to 2019 was accompanied by capital deepening. Labour productivity consistently increased alongside capital deepening, indicating that economic growth was increasingly associated with technological progress and productivity gains rather than employment. Labour productivity was the primary driver of per capita gross value added growth during 2000–19. The rise in capital intensity suggests that growth has been closely linked with technological advancements that favour capital-intensive production.

Employment has shifted from low-productivity agriculture to relatively higher-productivity non-agriculture sectors. During 2000–19, there was a shift in employment from low-productivity agriculture to relatively higher-productivity non-agriculture sectors. However, this transition slowed and then reversed between 2019 and 2022. Employment in the agriculture sector experienced negative growth rate during 2000–19, accompanied by significant growth in the construction and service sectors. This trend reversed with substantial growth in agriculture during 2019–22. This surge can be attributed to individuals returning to subsistence activities in agriculture due to the lack of work opportunities outside the agriculture sector that was exacerbated by the pandemic-related economic slowdown.

The construction sector maintains high employment elasticity. The construction sector stands out for consistently demonstrating high employment elasticity throughout the post-liberalization (after 2000) period. Yet, most jobs generated in this sector are characterized by low wages and their informality.

Growth in manufacturing employment remains sluggish despite the robust gross value added growth. Employment in manufacturing expanded by only 1.7 per cent, even though the gross value added exhibited a high growth rate of 7.5 per cent per year during 2000–19. From 2019 to 2022, employment and gross value added increased by 3 per cent and 3.5 per cent per year, respectively, prompted by the partial post-pandemic recovery. The significance of the manufacturing sector becomes evident when considering that most of the additional employment generated in the sector was regular and self-employment types, with much higher earnings and productivity compared to construction, agriculture and some services, like trade.

The service sector has been the primary driver of India's growth since 2000. The remarkable performance by certain modern services contributed to the creation of more productive and decent employment. The services sector exhibited consistent growth during the periods of 2000–19 and 2019–22 in gross value added (7.5 per cent and 2 per cent, respectively) and employment (2.9 per cent and nearly 1.1 per cent, respectively). Software, IT, IT-enabled services, business and financial services had significant roles: They generated direct employment opportunities and stimulated job growth in other sectors through multiplier effects. These services consistently generated highly paid, regular formal job opportunities.

There has been slow and steady structural transformation, which reversed after 2019. An important feature of the growth process was the slow transition of the workforce from agriculture to non-agriculture between 2000 and 2019. The transfer of labour from agriculture has been to construction and services; manufacturing remained stagnant, at 12–14 per cent. There has been a decline in the share of agricultural employment but a much faster decrease in the share of gross

value added. This process of slow structural transformation reversed after 2019, with a substantial rise in agricultural employment. This pattern of growth is rather unique for a lower-middle-income country like India.

Challenge of youth employment

India remains poised to reap a demographic dividend. A large proportion of the population is of working age, and India is expected to be in the potential demographic dividend zone for at least another decade. But the country is at an inflexion point because the youth population, at 27 per cent of the total population in 2021, is expected to decline to 23 per cent by 2036. Each year, around 7–8 million youths are added to the labour force whose productive utilization could lead to India reaping a demographic dividend.

The education participation of youths and youths who are out of the labour force drive the low youth labour force participation rate. Youth participation in the labour market has been much lower than among adults and was on a long-term (2000–19) declining trend, primarily due to greater participation in education. But the increase in unemployment between 2012 and 2019, is attributable to a proportion of youths, mainly women, remaining out of the labor force. After 2019, the trajectory reversed, with a rise in the youth labour force participation rate (LFPR) and the worker population ratio and declining unemployment rates, particularly among rural women.

The activity status of youth reflects a preponderance of unpaid family work. Youths have greater participation than adults in regular employment and comparatively lower participation in self-employment. Among self-employed persons, the proportion of unpaid family workers is much larger for youths than for adults.

Youth employment is, by and large, of poorer quality than employment for adults. Employed youths have been much more likely to be in more vulnerable occupations (informal) or in the informal sector. Youth wages and earnings have increased with age but are lower than what they are for adults for all categories of employment. There has been only a marginal gap between youth earnings from wage employment and self-employment, indicating poor conditions of work.

The structural features of youth employment indicate less presence in the agriculture sector, although with an obvious gender gap. Youth have been relatively less engaged in agriculture and more engaged in industry and services. As youth grow older and acquire higher levels of education, they are more likely to engage in non-farm activities. Young women are more likely to engage in agriculture than young men. In tertiary sector activities, such as trade, hotels and restaurants, public administration, health and education and transport, storage and communication, there is a large gender gap in favour of men. Between 2000 and 2019, youths shifted out of agriculture much more than adults, but the COVID-19 pandemic reversed the long-term trend of youth employment expansion into non-farm sectors.

Youth unemployment and underemployment increased between 2000 and 2019 but declined during the pandemic years. Youth unemployment increased nearly threefold, from 5.7 per cent in 2000 to 17.5 per cent in 2019 but declined to 12.1 per cent in 2022. The incidence of unemployment was much higher among young people in urban areas than in rural areas and among younger youths (aged 15–19) than older youths (aged 20–29). Female unemployment rates were much higher than among men in 2019 but fell to the same level by 2022.

Educated youths have experienced much higher levels of unemployment.¹ The youth unemployment rate has increased with the level of education, with the highest rates among those with a graduate degree or higher and higher among women than men. In 2022, the unemployment rate among youths was six times greater than among persons with a secondary or higher level of education (at 18.4 per cent) and nine times greater among graduates (at 29.1 per cent) than for persons who cannot read and write (at 3.4 per cent). Educated female youths experienced higher levels of unemployment compared with educated male youths.

India has a large proportion of youths, particularly young women, not in education, employment or training. One in three young people has had such status in India, which has been almost equal in rural and urban areas and increased over the years after 2000. Young women are much more likely to not be in employment, education or training than young men, and this was especially more pronounced among older youths than younger ones. In fact, women not in employment, education or training amounted to a proportion nearly five times larger than among their male counterparts (48.4 per cent versus 9.8 per cent) and accounted for around 95 per cent of the total youth population not in employment, education or training in 2022.

During the COVID-19 pandemic, the youth labour market indicators worsened only during peak periods. After the lockdowns, the youth labour market indicators recovered quite quickly. But this movement was accompanied by additions to the labour force and workforce, primarily in poor-quality work. The number of youths in self-employment expanded much more than in other categories of employment during the pandemic, which was mostly in household unpaid work, especially among rural women and considered the worst form of employment. Additionally, the number of young workers engaged in regular salaried jobs declined during the pandemic period. The participation of young people in employment expanded in subsistence agriculture and in the low-productive and low-wage construction sectors during the pandemic, while it remained somewhat stable in the industrial and services sectors. This sectoral trend suggests an increase in largely informal, unpaid and low-paying work, especially in farming and the construction sectors and among women.

Technological change and digitalization have rapidly affected the demand for skills and for certain types of employment. The proportion of high- and medium-skill jobs is greater among youths than among older people. Young people are also better represented in the gig and platform economy, where jobs remain insecure and the labour process is tightly controlled through algorithmic management. In services and, to a lesser extent, in manufacturing, youth are more likely to be in high- and medium-skill jobs.

Regional trends and outcomes of youth employment vary across states. Because states are at different stages of demographic transition, the potential demographic advantage also varies across them, as do the employment outcomes. A synthetic indicator constructed for this report to capture regional outcomes found that youths fare poorly in Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Madhya Pradesh, Assam, Odisha and West Bengal, many of which also otherwise have a high potential

1 The National Sample Survey Office's annual Periodic Labour Force Survey categorizes general education attainment levels in India into the following: "not literate, literate without formal schooling or below literate, primary, middle, secondary, higher-secondary, diploma/certificate course, graduate, post-graduate and above". Persons with a technical education are also listed as having a technical degree in: agriculture, engineering/technology, medicine, crafts, other subjects; or having a diploma or certificate in those streams, which is further categorized as "below graduate level" or "graduate and above level". "Graduate" throughout the report refers to university graduates (with a bachelor's degree) or persons with an equivalent recognized diploma or certificate.

demographic advantage. But most of the southern and western states, along with some of the northern states, such as Himachal Pradesh and Delhi, show higher values of the composite index.

Education and youth employment

Improvements in educational attainment remain steady, although disparities persist.

Education attainment among the youth has improved significantly in the past two decades across all sections of youth, indicating that youth are better equipped to deal with technological change and emerging labour market opportunities. However, gaps persist and have grown for some social groups, the individual monthly per capita expenditure quintiles, location (rural or urban) and region. Thus, different segments of youths have placed differently in terms of availing of the emerging labour market opportunities. At an aggregate level, as much as 42 per cent of youths have less than a secondary level of education and only 4 per cent of them have accessed formal vocational training.

Returns to education are low at lower levels of education. Analysis of returns to different levels of education showed that improvement at the lower levels of education bring little incremental returns. The highest jump occurred for employed youths who had a graduate degree or higher or technical education. Returns were influenced by gender, location, social origin and economic background.

Non-student youths have had a declining worker population ratio except during the recent pandemic period. A declining trend in the worker population ratio continues among non-student youths; it is more marked among those with a low level of education. The worker population ratio among all non-student youths, especially young men, exhibits a weak inverted U-shaped pattern in relation to educational attainment. This underscores the dual challenges faced by men with low and high levels of education in terms of their participation in the labour market. The worker population ratio among technically qualified non-student youths has declined sharply, raising concerns about the quality of technical education. Formal vocational training among young individuals in India continues to be associated with a low worker population ratio as well as unemployment.

Education correlates with better jobs. Highly educated youths are predominantly employed in regular salaried jobs. But youths with little education engage more in casual or informal work. Youths with technical degrees and graduate-level diplomas are more predominant in regular or formal employment than youths without technical qualifications. Highly educated youths tend to more actively engage in the high-productivity sectors, primarily the tertiary sector, such as business, telecom, finance and information technology. The skills and knowledge acquired through higher education equip these individuals with the expertise required to excel in these sectors, which contributes significantly to economic growth and development. Less-educated youths are more likely to be employed in the primary (agriculture) and secondary sectors (manufacturing and construction). Youths with technical degrees and graduate diplomas are involved more in the tertiary sector.

The probability of any kind of employment is lower as education rises but higher for youths having technical education. The probability of being employed rises with age; it is higher for men and in rural areas and for socially deprived groups; it increases for those in higher expenditure quintiles. And it is higher for the country's more economically dynamic regions – the North, West

and South. The likelihood of highly educated youths being engaged in regular formal employment increases with the level of education and technical qualifications.

Youths with a low level of education want stable jobs, and the vast proportion of young men and women want to be employed. An Institute for Human Development survey of youths in low-income localities in Delhi and Ranchi (the capital of Jharkhand State) found a high propensity for education among youths but a low propensity for vocational training. Educated youths, whether men or women, want jobs and aspire for stable white-collar jobs. But most young women still opt out of the labour force due to societal pressures, and the actual nature of jobs that young people do is markedly different from the jobs that they aspire to. The average waiting period for a first job is more than a year.

A large proportion of highly educated young men and women, including the technically educated, are overqualified for the job they have. The analysis of the extent to which highly educated youths (graduate level and higher) had taken up blue-collar public sector jobs indicated large shares, even in 2004–05, with the mismatch increasing for students with only a graduate degree. Even among the technically qualified youths, nearly two fifths of them engaged in vocations that did not correspond to their qualifications. Although educational attainment has increased overall, there appears to be sharp constraints on the demand side that are pulling down the employment rates (for highly educated and poorly educated youths) and thus pushing up the unemployment rates. This leads to even highly educated youths taking up a low-skill blue-collar job. Insight into these dynamics can aid in policy formulation to address the complex challenges surrounding youth employment and to promote inclusive and equitable opportunities for all.

Despite the considerable progress, the level of educational attainments at higher levels remain low and quality is a concern. The drop-out rates after the middle and secondary levels of education in poorer states and among marginalized groups are high. Enrolment in higher education in India, although rising, is much lower than the levels in developed as well as in middle-income countries. The quality of education continues to remain a concern. There is significant learning deficit at school levels and in general, and the quality of education imparted by institutions of higher learning remains poor.

Skills and active labour market policies

Skills training and active labour market policies (ALMPs) supplement and complement each other in overcoming the skills-supply and skills-demand gaps. In the rapidly changing labour market scenario, skills training is needed to improve the employability of youths while short-term skills training along with other ALMPs are needed to bridge the supply–demand gaps and skill mismatches. A proper skills and ALMP setting can help to realize India's demographic potential.

The Indian skills training scenario has changed with initiation of several policies and setting up of institutions. India's skills scenario has changed significantly over the past 25 years or so. A national skills mission has been set up, and two national skills policies have been formulated to guide skills development. A Ministry of Skill Development and Entrepreneurship was established in 2014, with several institutions created to work in partnership with the private sector to determine skills gaps, create courses, implement programmes and certify skills. Although several ministries and departments are involved in skills training, the apex Ministry of Skill Development and Entrepreneurship has formulated an umbrella programme called the Pradhan Mantri Kaushal

Vikas Yojana for implementing short-term and long-term programmes. Skill development is being integrated within the education system, and Centres of Excellence are being set up.

Expansion of skills training faces many challenges. First, there is a limited uptake of training due to factors on both the supply and demand sides, even though there is evidence of a gap between the supply and demand for skills. Second, there are spatial imbalances in the training. The creation of training capacity is low in poorer regions where the potential demographic advantage is high. Third, there are low levels of socio-economic inclusion in training programmes, despite evidence that training positively relates to education and socio-economic levels. Fourth, the overarching nature of informality makes it difficult to design training such that returns from it can be internalized by trainees. And fifth, the returns from training are inadequately remunerated in the labour market, making training socially and economically less attractive.

Apprenticeship training remains low. Although there is a renewed focus on apprenticeship training, low apprenticeship enrolment against the stated targets is an issue of concern. Of around 120,000 establishments, only around 25,000 offer apprenticeships. Given the size of the youth population, it is very low.

Fresh stimulus for entrepreneurship development is an important policy instrument. Although government policy stressed entrepreneurship development in the past, it only recently was singled out as a key instrument to create a fresh supply of and demand for jobs. The National Policy for Skill and Entrepreneurship Development articulates five pillars of an ideal environment for entrepreneurship: access to funding; an entrepreneurial culture; supportive regulatory and tax regimes; educational systems that support entrepreneurial mindsets; and a coordinated approach that links the public, private and voluntary sectors. But there has hardly been satisfactory progress in most of these spheres.

Job search assistance programmes are still in infancy. Digitalization has provided opportunity for developing job assistance programmes. This includes setting up the Aatmanirbhar Skilled Employee Employer Mapping, or ASEEM, portal, which helps to match skills supply with demand. Yet, policy interventions designed to facilitate matches between job seekers and employers are having modest effect on youth employment due to the mismatch between the expectations and the job offers received through the online job search platform. Job fairs are another means of bringing jobseekers and employers together in a region.

Emerging policy agenda

Some policy issues emerging from this analysis need to be urgently tackled.

Mission 1: Make production and growth more employment-intensive. Five groups of policy measures are recommended here: (a) Integrate an employment creation agenda with macro and other economic policies to boost productive non-farm employment, especially in the manufacturing sector. India is likely to add 7–8 million youths annually to the labour force during the next decade or so. To absorb them along with existing unemployed and underemployed youths, the country needs to have a high rate of growth but also an employment-intensive process of growth. (b) Give primacy to labour-intensive manufacturing employment to absorb the abundant unskilled labour and also to combine with select services. Support the emerging employment-generating modern manufacturing and services sectors (identified in this report) through appropriate policies and other benefits. (c) Direct greater focus

to micro, small and medium-sized enterprises, especially by providing a more supportive, decentralized approach. This will require close examination of local policies and the regulatory environment, support for marketing and technology enhancement (including digitalization and artificial intelligence) and a cluster-based approach to manufacturing. (d) Increase agriculture productivity, create more non-farm jobs and promote entrepreneurship. (e) Expand and invest in the green and blue economies. There is huge potential for employment creation if it is supported by strategic investments, capacity-building initiatives and policy frameworks.

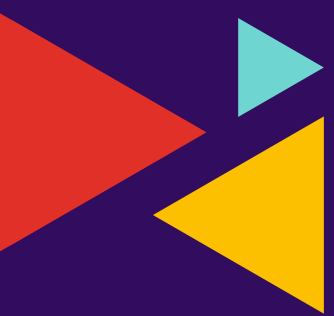
Mission 2: Improve the quality of jobs. This can be strengthened in three ways: (a) Invest in and regulate sectors that are likely to be an important source of employment for young people, such as the care sector, digital economy, etc. However, concerns regarding quality of jobs remain and need to be addressed. (b) Create an inclusive urbanization and migration policy. India is likely to experience a higher rate of urbanization and migration in the future as more and more youths aspire to seek decent employment, which would be available mostly in urban areas. An inclusive urban policy is required to address the needs of migrants, women and impoverished young people in India (recognizing that young people dominate the migration flows). India is also among those countries from where significant international migration is taking place – 3.5 million people migrated looking for work between 2010 and 2021 – and the migration policy should be supportive of them. (c) Secure a strong supportive role of labour policy and labour regulation by ensuring a minimum quality of employment and basic rights of workers across all sectors.

Mission 3: Overcome labour market inequalities. The creation of good-quality employment needs to be supplemented by measures that reduce the stark inequalities in the labour market. Six approaches would help improve the current situation: (a) Craft policies that boost women's participation in the labour market with quality work. These policies should include larger provision for institutional care facilities, adaptable work arrangements, improved public transport, improved amenities and enhanced workplace safety. These policy measures should be seamlessly integrated into the urban planning and development agenda. (b) Embrace different strategies to tackle the problems of youths not in employment, education or training, including those who are unemployed and youths (mainly women) who have opted out of the labour force for a variety of reasons. (c) Impart quality and mainstreaming skills in education for inclusion of socially and economically poorer groups and to improve employability. The quality of education needs to be augmented at all levels, with equitable access to all sections of society and in all regions. The National Education Policy is attempting an overhaul of education at all levels and mainstreaming skills training in education with the aim of fulfilling Sustainable Development Goal 4, unleashing the creative and employment potential of individuals and meeting the developmental challenges facing the country. This will require, as the policy recognizes, critical changes in educational governance and substantial human and financial resources, with a focus on implementation and outcomes. (d) Improve information and communication technology access and bridge the digital divide. (e) Create a non-discriminatory labour market. Concrete measures are needed to address labour market discrimination against women and marginalized social groups. (f) Adopt regional-level policy approaches to reduce labour market inequalities across regions and states. This is very important, given the broad differences across regions and states in the labour market outcomes and the potential demographic dividend.

Mission 4: Make systems for skills training and active labour market policies more effective. Skills training and ALMPs are crucial for bridging the supply–demand gaps and improving

employability. The analysis of youth-related data for this report led to three areas for necessary change: (a) Skills development and ALMPs need a more effective role in bridging the supply–demand gap in jobs and in making the overall labour market more inclusive. A large and more targeted role for state governments and stronger partnerships with the private sector and other stakeholders is also needed, along with greater contribution by the private and non-state sector. (b) Greater effort is needed to facilitate youths to connect with work opportunities through the labour market and job search information, with hand-holding for youths from marginalized segments. (c) The Government should address the issue of unfilled vacancies in the public sector by leveraging technology, conducting efficient assessments and implementing transparent and merit-based selection procedures.

Mission 5: Bridge the deficits in knowledge on labour market patterns and youth employment. Bridging such deficits requires: (a) reliable labour market statistics on the emerging new forms of jobs to shape effective policy, given the fast-changing nature of the labour market as well as the uncertainties consequent upon emerging technologies, and (b) more effective use of implementation and monitoring data for estimates of youths and formal jobs.

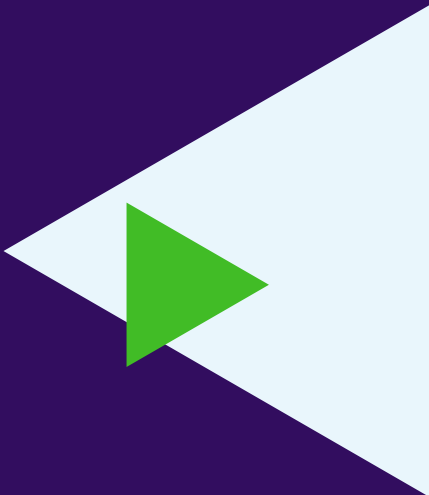


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