

Education and Job-Mismatch: An Evidence from Indian Labour Market

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In the recent years, the skill-mismatch literature in labour market draws a considerable interest among the researchers and policymakers of the Economy. The massive expansion of the higher education held accountable for the skill mismatch in the labour market. The literature of skill mismatch usually talked about two kinds of skill mismatch. One is a vertical mismatch, which emphasizes on the overeducation and under-education of the workforce, and, second is a horizontal mismatch, which is a measure of the employability of workforce from the same level of educational background. The educational mismatch literature mostly concentrates on the vertical mismatch or overeducation (Mavromaras et al, 2010). In our research, we are looking at the vertical mismatch or job-education mismatch of the Indian workforce.

In the Indian society, the higher education is attached with the so much prestige that students want to remain in school regardless of any career perspective, and hence the educated unemployment is escalating in the nation. Therefore, the prospect of the job-education mismatch in the Indian labour market can't be denied. However, there is no direct measure of identification of the skill of workers in the labour market. But, two alternative method is available to classify the skill, one is by occupational classification, and another is by the level of education. Both the methods are restricted with own limitations. Occupation Classification gives broad categories of skills like professional, assistant professionals, clerical, sales & service workers which are considered as more skilled workers and rest those who "typically involves the performance of simple and routine physical or manual tasks." Educational classification identifies skill level based on the formal educational attainment. In this classification, the workers who have completed their education in higher secondary and above level considers as the skilled workers and rest are assumed as unskilled workers (Unni and Rani 2004). Going a step further from both the classifications, in our method, we incorporate both the definition of skill and construct a new variable of "education and skill match" to check overeducation, undereducation and skill match in the Indian labour market. The information and data from the 61st round (2004/05) and 68th round (2011/12) of National Sample Survey Office (NSSO) are used for our analysis. In our analysis, we found a very poor match for education and jobs in the India labour market, which stands at only 5.9

percent in 2004-05 and 12.4 percent at 2011-12. The overeducated workers are increasing from 64.7 percent to 66.19 percent during the same period. The undereducated workers decline from 29 percent to 21 percent during the same period. The increasing job-education match and declining undereducation and increasing overeducated workers clearly indicating the expansion of the higher education in the Indian labour Market. The highest match of education and skill observed in the casual employment category when it found lowest in the self-employed category. The self-employed of the Indian labour market is vastly under-educated, followed by regular and casual employment. The proportion of the overeducated decreases as age progresses and matching increases initially up to an age group 40-44 and observe decline after that; which identifies the vital role of experience in the labour market. The females are highly overeducated in India, but the less undereducated than the male workers. The urban areas are having lower undereducated but experience more overeducated and low job match than the rural areas. In the religious categories, the Muslim workers have the highest overeducated percentage and lowest match of job and education in labour market. The Hindu, Christians and Other religious category have an almost same percentage of overeducated when Hindu workers have the highest match of occupation in the labour market. Among the social groups, the Other (residual category) has the highest and ST category has lowest overeducated workers in the labour market. The SC category has the highest job match, and the Other category (residual category) has the lowest job match in the labour market. Even though the SC category has the highest match of education and job match, they found significantly in higher proportion at the lowest level of skill from both occupational classification and educational classification of skill.

In our paper, our main objective to look at the education and job mismatch across industrial classification, diverse age group, social groups, religion, between sexes (Male and Female) and place of residence (Urban and Rural). The change from the other round of NSS will be observed in the analysis. Finally, in our analysis, we will use multinomial logit model (MNL) to understand all possible association between various socio-economic and demographic characteristics of an individual and likelihood of job-education mismatch in labour market of the nation.