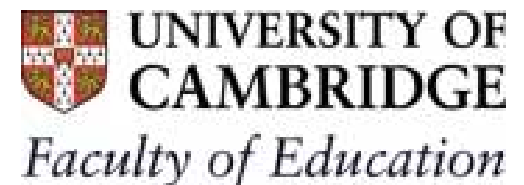


# Skills training and livelihood outcomes

*Insights from pathways of **drivers, tailors, and electricians** – and those with ITI training in 4 disadvantaged communities*

*Claire Noronha, Tanuka Endow and Neeru Sood*



# Details of study

**Objective:** To understand progress in livelihoods for young people (20-34 yrs) in these communities from their education and skills training.

**Sample:** 77 young skilled workers in 4 sites, one rural and one urban each in Alwar, Dewas. **Sample goes across social groups and income groups.**

**Method:** Semi structured interview schedule capturing schooling, training and work history. This includes access, training process; conditions of work, **and contribution of education and skills training to livelihood** as respondent perceived it.

# The Local Context -1

- Both rural sites have well developed transport infrastructure. Also electrical services, telecom penetration. So good rural urban linkages.
  - But, usual physical segregation for SCs. Low education level and low uptake of opportunities.
- Both urban sites better for range of activities and participation of SCs
- Industrial areas in both sites in decline phase. Alternatives well-developed, at some distance.

### Slide 3

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**AG1**

Terms better, best, both, and sites - too general?

also term 'site' - for states or rural urban?

better best in terms of what and between what - sounding sweeping?

Anomita, 12/09/2010

# Local context - 2

## Perceived hierarchy of work

**GOVT JOB — Height of aspiration. Even small jobs. Pursued after cl X**

**PVT CO JOB — Also prized for regular hours, good money, benefits**

**SELF EMPLOYMENT — Dignity and potential for more earning; often in combination with small retail etc**

**SKILLED WORK EMPLOYEE/APPRENTICE — Informal sector**

**EMPLOYMENT IN SHOP/FACTORY ETC — Low wage/the kedari basis**

**Mazdoori — Agricultural and non agricultural**

# Local context - 3

## Reported earnings

Pvt job in company	Rs 4000 to Rs 7000/-+ benefits	
<u>Skilled work</u>	<i>Self employment</i>	<i>Employee</i>
Driver	up to Rs 6000/-	Rs 1500 to Rs. 4500/-
Tailor	Rs 4000/ to Rs 6000/-	Rs 2000/ to Rs 4000/-
Electrician	Rs 4000 – to Rs 6000/-	Rs 2000/-
Petty employment	Rs 900/- to Rs 2000/-	

## Local context – 4

### The young man's agency

- Young man's privilege to search for a livelihood and make choices.
- Usual process – would take available job (or apprenticeship) after d/o (Alwar) or during secondary school years (Dewas)
- Pathways show discipline, responsibility, hard work, initiative – but the course is not smooth.

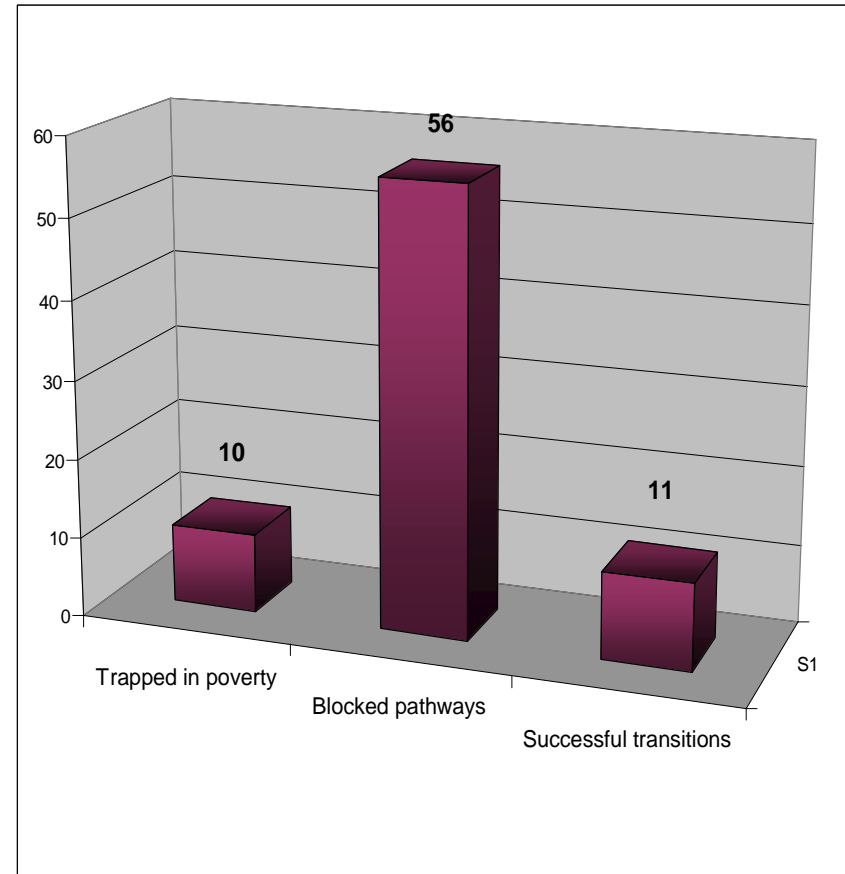
# The three major types of pathways in terms of progress...

1. Little or no mobility through skills – and trapped in poverty
2. Generally some progress, but blocked pathways (the majority experience)
3. Successful transitions to stability/  
upward path



# Progress along pathway – Of the 77...

1. Trapped in poverty (9 out of 10 < cl 10, many cl 5-7)
2. Blocked pathways (Over half >cl 10, others usually cl 9)
3. Successful transitions/on upward path (9 of 11  $\geq$  cl 10)



# Blocked pathways

- Typical pathways show respondents struggling against different kinds of barriers
- Flux and uncertainty cause erratic progress

**Both the better schooled and the less schooled are affected** e.g. Rajesh (25 yrs, UA ITI trained) is staying with 2 elder brothers so ... 'no problem with food expenses etc. **Otherwise how is Rs 2600/-enough?**' He has worked here for 3 years under a thekedar. At the same time the few with cl 5-7 are also earning little.

# Flux within the skilled occupation

**Inherent to the work context, all three skills and now to ITI s as well**

Demand fluctuations e.g. heavy work in the wedding season, factories suddenly close; changes in macro context e.g. the contract labour for ITI s; influx of readymades hit tailors, cheap throwaway Chinese electrical goods lessened demand for repair services.

Lack of market support also stressful – credit, loans, and training

Delayed rural payments (*'everything is on credit'* .)

Capital needed for startup costs, expansion, maintenance

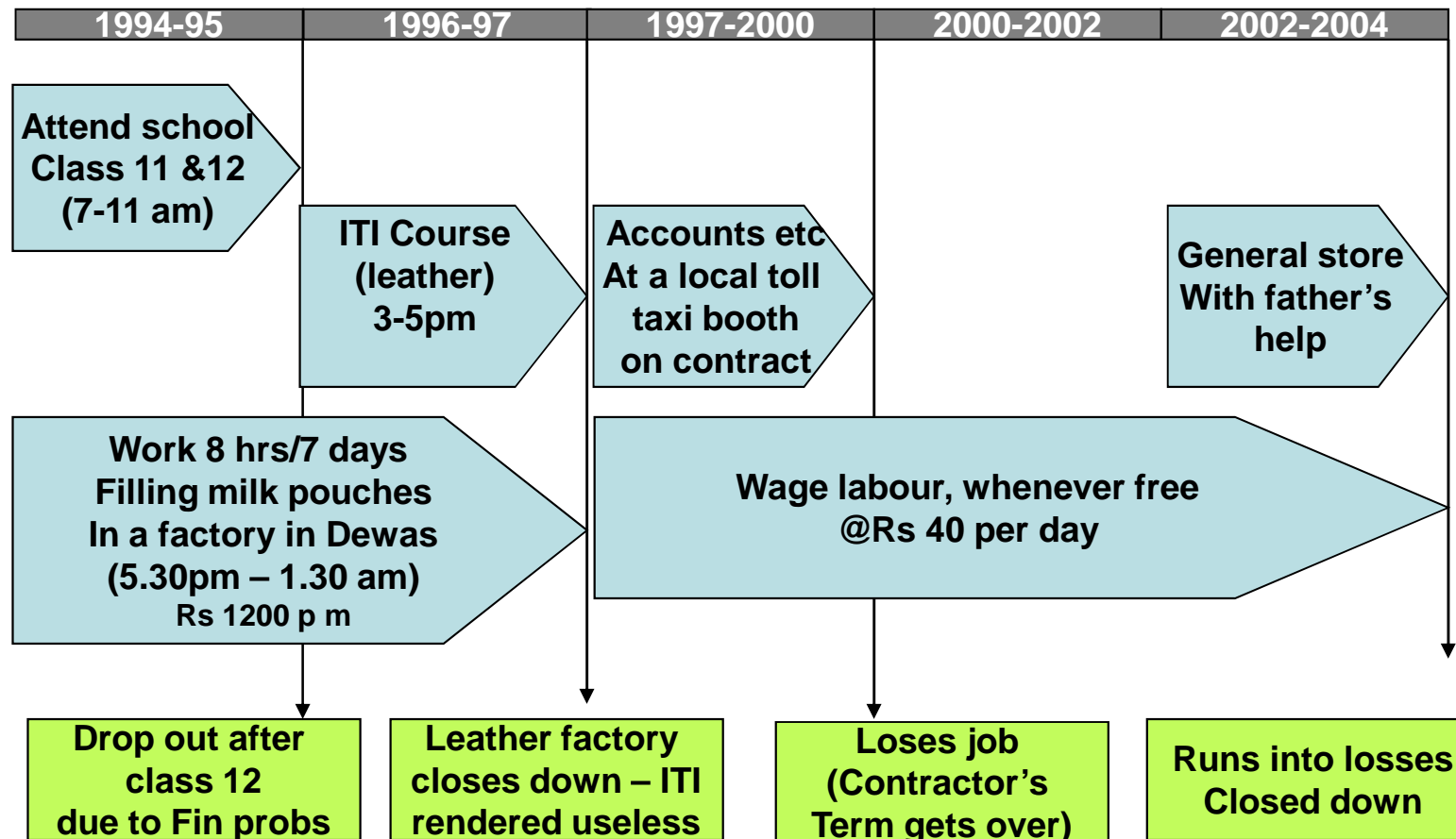
Credit for buying supplies in bulk

Opportunities for further training/certification

No backup for times of lean earnings

Low bargaining power -- tailors and drivers and the ITI trained complained of **oversupply of skilled workers**

# Heterogeneity – Mahendra's moves



In 2005, buys Mahindra jeep. Plies in Dewas, and makes pilgrimage trips  
Feels this to be a good venture for the family

so...limited progress on pathway

- Pathways chequered and erratic from inherent and external factors
- Lack of access to credit/loans **made skilled person family dependent**
- Earnings from skilled work not high
- Many are in **pluri activity mode** in different ways.

## 2. Trapped in poverty-multiple overlapping vulnerabilities

*[earnings are]... 'just not enough'*

- Dominated by **drivers** with **low education**, some with just cl 5-7
- Mainly **wage labour fathers** , they too entered labour market early as wage labour
- Belong to **socially vulnerable groups** sc/st, obc, Muslim

# Half in and half out of wage labour

Some progress – from wage labour.

Indication of labour market segmentation... The two scheduled castes were stuck at tempos (Rs 1500/-), OBCs moved from tempos to trucks. Muslims bypassed tempos,

Earnings very low. Rs 2000/- to Rs 3500/-, even when the driver had long years of experience.

Also erratic. Wage labour used as fall back option

Only freedom is to change employers

### 3. Successful transitions -- Out of poverty/vulnerability – into stability

*'lots of progress in life'*

- Mixed social group
  - 9 out of 11 are class 10+ - education advantage?
- 3 of the 7 ITI s had secured the prized permanent job. (**All were 32+**)
- 2 are less educated (both FC) – caste advantage?



# Education advantage – post class 10 – nuanced benefits

Less educated drivers very vulnerable , better schooled ones -- have more **self esteem**, feel they are **recognised as 'educated'**, **command better earnings**

Many better schooled respondents were **expressive** about the way in which their literacy and numeracy skills gave them an advantage.

Many **see more choices including higher order choices** open to them

Are **flexible** about using these choices

# How better schooled better able to handle labour market flux

## Different type of pluri activity

Pk (OBC graduate), electrician found Chinese goods interfering with business. Now does insurance agent work as well.

H (cl 12 FC) intends to take up Bajaj training as a financial advisor

## Switch to more remunerative occupations

e.g. the ITI trained – several have switched since ITI employment erratic and low

# Caste leverage – powerful role overshadows low education

Sunil's father, an FC trader, suffered business losses running into lakhs when Sunil was in primary school. But his own understanding of the system, helped his son out of poverty. He knew loans for business start ups were available to the ITI trained. ITI training was available to boys from families in BPL category who had passed class 8. When Sunil passed class 8 the father

- persuaded the Collector to sign his application to put family in BPL category.
- persuaded bank manager to sign loan application – *in one day*.
- bought machines for making plastic bags and began a factory.

# Contrast with SC deficit...two unhappy urban Dewas tailors

- TC, **graduate**, (SC) could only find the job of security guard for night duty. This is on contract and he has already worked for 6 companies. He now runs the shop during the day with the help of family, and is security guard by night.
- TS, **cl 9** (FC) shut shop and joined an electrical factory. In two years learnt the work and did an exam which made him an electrician. '*Not difficult, they were my friends.*'
- Now he also does house wiring contracts.

# Summing up – with skills policy implications

Current expansion of skills training opportunities has to take into account

Strong focus on **employment opportunities** and **employment support**

**Education vulnerability** of the little educated and advantages enjoyed by the class 10 plus group **suggest better education levels must go along with skills training.**

**Labour market segmentation** specially owing to lack of social capital needs to be recognised and addressed.