[**The great mismatch**](https://www.dawn.com/news/1688770/the-great-mismatch)

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IN Pakistan, estimates show that 9.2 per cent of the youth (those in the 15- to 24-year age bracket) do not have jobs. While governments are often criticised for not creating an enabling environment for the youth, an alternative narrative from employers also exists. Employers complain that despite being flooded with applications, it’s difficult to find the right candidates. According to McKinsey, a global consultancy which conducted an in-depth study in nine countries on the issue, only about 40pc of employers think they can find enough entry-level workers with skills. The issue of mismatched skills is global.

Being dependent can be hurtful for the youth in several ways. For instance, studies link unemployment to higher criminal activities, increased unhappiness, and suicide. Even if the impact of unemployment is not that severe, the time spent randomly sending CVs to employers and awaiting responses is time spent not being productive, both at the aggregate and individual level.

Then there is the ‘wage scarring effect’. Research from the University of Bristol found that, by the age of 42, men who had been jobless in their youth earned 13pc to 21pc less than those who had had jobs. Studies also show that the longer people are out of work, the more their negotiation powers diminish and the poorer their skills, confidence and motivation — all unobservable indicators of efforts for better incomes.

With a new government, there are reasons for optimism. A few things need to change. For instance, the obsession with university and graduate degrees must be broken. While it is known that college graduates earn significantly more in their lifetime than high school graduates, it is important to recognise the enormous variation in returns to education. Cross-country data shows that primary and secondary education plays a far more vital role in developing countries than in OECD countries where economic growth depends on higher education.

Vocational training must not be treated like a stepchild.

Secondly, rising underemployment, in which skilled people are forced to take low-paid and low-skilled jobs, crowds out less-skilled labour and diminishes the chances of employment for less-skilled people. This is because the limited number of jobs are taken by individuals who tick all the boxes of human capital for employers, hence hindering the entry of low-skilled workers.

Thirdly, there is a need to stop treating vocational training like a stepchild of education. An example of exceptional vocational training comes from South Korea, which created a network of vocational schools called ‘Meister’ (the German word for ‘master craftsman’). These schools were created to address the shortage of basic workers who were referred to as ‘young Meisters’. The schools not only created skilled workers but also combated the obsession with academics. (South Korea has one of the world’s highest university enrolment rates).

Fourthly, employers and educators need to stop existing in parallel universes. The gap needs to be reduced. Governments fund universities and universities are too busy humming their own melodies, resulting in a huge gap between what is taught and what is needed to be learnt. Universities should update their curricula, and the government, with the assistance of universities and employers, should build model vocational education institutes which can also mimic the workplace.

For example, the TAFE Challenger Institute of Technology in Australia, a training provider, has a fully functioning gas plant (minus the actual gas) where young people are trained to the point of perfection. It is time to rethink and revamp vocational education in this country.

Last but not the least is the role of the private sector. The private sector is responsible for creating some 90pc of jobs in the developing world. Policies that promote economic growth by removing sludge from labour processes can also boost employment. It requires redesigning labour laws to suit both employers and employees. One interesting model to study is the European Union’s ‘Flexicurity’, which makes hiring and firing easier for employers while the unemployed are supported by the state. To reduce market segmentation, the distinction between temporary and permanent contracts can also come to an end. Only a basic contract may exist where benefits and job security gradually accumulate.

Some of the proposed solutions include an increased focus on middle and secondary education, revamping vocational education, establishing model training centres, increased connectivity between educators and employers, decreasing sludge, improving labour contracts, updating university curricula and concentrating on inclusive economic growth. As US president Theodore Roosevelt observed in a Labour Day speech in 1903: “Far and away, the best prize that life offers is the chance to work hard at work worth doing.”

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