The Role of English in Skills Development in South Asia: Policies, Interventions and Existing Evidence

Elizabeth J. Erling

June, 2014
# Contents

Executive Summary  
List of abbreviations  
1. Introduction: Background and Context  
2. Methods used in this study  
3. Policy initiatives and interventions that promote skills development  
4. The relationship between English language skills and economic development  
5. Conclusions and implications  
Acknowledgements  
References  
Footnotes  
Bio  

The views and opinions expressed in this book are those of the editor and authors and do not necessarily reflect the position of the British Council.
There are strong demands for English across society because of its perceived economic and social value. There are also several policy initiatives and interventions that promote English language learning programmes as part of skills development. While skills development and English language teaching are in high demand, there are issues about how this demand can be met. In order to explore whether the cost of providing English language as part of skills development is worth the investment, this report explores the evidence that exists about the relationship between education, English language skills, skills development and economic development. These studies suggest the provision of quality education has a positive effect on economic development. While education is one factor that can lead individuals and nations to strengthen their opportunities for economic gain, a policy focus on education alone is not likely to bring on the desired impact. Education programmes need to be embedded in an overall development agenda, which support stability, regulation, transparency and good governance in order for there to be a significant impact. The research conducted in South Asia confirms a link between quality education and economic development. However, the benefits of education align with other socioeconomic variables, such as gender, sector, class and location. The research also suggests that the benefits of education may not be equalising, particularly in India. Moreover, large numbers of school children in South Asia are not experiencing education at levels that will allow them to benefit economically. Therefore, without provision of quality education and without targeting the long-embedded inequalities in terms of gender, caste, etc., education is not likely to provide disadvantaged individuals with the resources that they need to catch up. There is robust evidence that there is a relationship between TVET and economic gain, both for individuals and companies. This is also true in South Asia, although the returns vary greatly among countries, with the largest in the most developed country, Sri Lanka. One of the benefits of TVET for individuals is that behaviour traits valued by employers are transferred, providing an indirect link to employability and reward. There is not yet strong evidence of the effect of TVET on national economic development and social inclusion. This suggests that, as with education and economic development, the provision of TVET is unlikely to have the desired impact if not accompanied by other efforts to improve and stabilise the labour market. These studies suggest that skills in English have a positive impact on economic development. English language skills are highly rewarded in the labour market. Returns to English language skills are heterogeneous and, like education in general, they accrue along with other socioeconomic variables such as gender, ethnicity, class and location. These studies
There are strong demands for English across society because of its perceived economic and social value. There are also several policy initiatives and interventions that promote English language learning programmes as part of skills development. While skills development and English language teaching are in high demand, there are issues about how this demand can be met. In order to explore whether the cost of providing English language as part of skills development is worth the investment, this report explores the evidence that exists about the relationship between education, English language skills, skills development and economic development.

These studies suggest the provision of quality education has a positive effect on economic development. While education is one factor that can lead individuals and nations to strengthen their opportunities for economic gain, a policy focus on education alone is not likely to bring on the desired impact. Education programmes need to be embedded in an overall development agenda, which support stability, regulation, transparency and good governance in order for there to be a significant impact.

The research conducted in South Asia confirms a link between quality education and economic development. However, the benefits of education align with other socioeconomic variables, such as gender, sector, class and location. The research also suggests that the benefits of education may not be equalising, particularly in India. Moreover, large numbers of school children in South Asia are not experiencing education at levels that will allow them to benefit economically. Therefore, without provision of quality education and without targeting the long-embedded inequalities in terms of gender, caste, etc., education is not likely to provide disadvantaged individuals with the resources that they need to catch up.

There is robust evidence that there is a relationship between TVET and economic gain, both for individuals and companies. This is also true in South Asia, although the returns vary greatly among countries, with the largest in the most developed country, Sri Lanka. One of the benefits of TVET for individuals is that behaviour traits valued by employers are transferred, providing an indirect link to employability and reward. There is not yet strong evidence of the effect of TVET on national economic development and social inclusion. This suggests that, as with education and economic development, the provision of TVET is unlikely to have the desired impact if not accompanied by other efforts to improve and stabilise the labour market.

These studies suggest that skills in English have a positive impact on economic development. English language skills are highly rewarded in the labour market. Returns to English language skills are heterogeneous and, like education in general, they accrue along with other socioeconomic variables such as gender, ethnicity, class and location. These studies
do not suggest that use of local languages hinder economic development. Local languages may be of particular value in informal labour markets. Their use in education may also account for a stronger relationship between education and economic development. While the results so far point to positive returns to English, they may need to be interpreted with caution. This is because much research is about individuals working in high-level jobs (not the informal sector). There may also be some question about the measures for English and statistical calculations used in these studies. Finally, it is difficult to separate returns to English language skills from returns to quality education.

In order for educational initiatives – particularly those for English language education – to have the designed impact on economic development, the following recommendations can be made, based on the studies reviewed here:

- Education initiatives (at any level) need to be embedded within wider programmes for development;
- The quality of education (at all levels) needs to be ensured;
- A major focus of quality assurance in education should be on providing education through a medium that learners understand;
- To make education equalising, compensatory interventions for the less advantaged are necessary;
- More (high quality) pre-service and in-service TVET should be provided in South Asia, with links to industry and the private sector;
- Since patterns are changing and there are differences in each context, there is a need for more (and better) research (see below);
- As the incidence of TVET in South Asia is among the lowest in the world, there seems to be an urgent need for pre-service and in-service skills training.

The strong beliefs about the power of English make it all the more important for policy makers and project implementers to communicate clear messages about the value of basic education – and that skills in English are only likely to be of value if a strong educational base is in place. English language education, if part of skills development, should build on first language literacy and numeracy, and support also the development of generic employability skills.
do not suggest that use of local languages hinder economic development. Local languages may be of particular value in informal labour markets. Their use in education may also account for a stronger relationship between education and economic development. While the results so far point to positive returns to English, they may need to be interpreted with caution. This is because much research is about individuals working in high-level jobs (not the informal sector). There may also be some question about the measures for English and statistical calculations used in these studies. Finally, it is difficult to separate returns to English language skills from returns to quality education.

In order for educational initiatives – particularly those for English language education – to have the designed impact on economic development, the following recommendations can be made, based on the studies reviewed here:

- Education initiatives (at any level) need to be embedded within wider programmes for development;
- The quality of education (at all levels) needs to be ensured;
- A major focus of quality assurance in education should be on providing education through a medium that learners understand;
- To make education equalising, compensatory interventions for the less advantaged are necessary;
- More (high quality) pre-service and in-service TVET should be provided in South Asia, with links to industry and the private sector;
- Since patterns are changing and there are differences in each context, there is a need for more (and better) research (see below);
- As the incidence of TVET in South Asia is among the lowest in the world, there seems to be an urgent need for pre-service and in-service skills training.

The strong beliefs about the power of English make it all the more important for policy makers and project implementers to communicate clear messages about the value of basic education – and that skills in English are only likely to be of value if a strong educational base is in place. English language education, if part of skills development, should build on first language literacy and numeracy, and support also the development of generic employability skills.

---

**List of abbreviations**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>ASER</td>
<td>Annual Status of Education Reports</td>
</tr>
<tr>
<td>BPO</td>
<td>Business Process Outsourcing</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development (UK)</td>
</tr>
<tr>
<td>EIA</td>
<td>English in Action</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communication Technologies</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>IT/ITES</td>
<td>Information Technology /Information technology enable services</td>
</tr>
<tr>
<td>LICs</td>
<td>Lower Income Countries</td>
</tr>
<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organizations</td>
</tr>
<tr>
<td>NSDC</td>
<td>National Skill Development Council (India)</td>
</tr>
<tr>
<td>NVEQF</td>
<td>National Vocational Education Qualification Framework (India)</td>
</tr>
<tr>
<td>NVQ</td>
<td>National Vocational Qualification</td>
</tr>
<tr>
<td>RECOUP</td>
<td>Research Consortium on Educational Outcomes</td>
</tr>
<tr>
<td>STEM</td>
<td>Science, technology, engineering, mathematics</td>
</tr>
<tr>
<td>TEDP</td>
<td>Technical Education Development Project</td>
</tr>
<tr>
<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
</tbody>
</table>
1. Introduction: Background and Context

The South Asian countries of Afghanistan, Bangladesh, India, Iran, Nepal, Pakistan and Sri Lanka, have very different geographic, political, economic, social, linguistic and educational landscapes. There are, however, similarities, particularly with regards to labour market issues (World Bank, 2013). With a joint population of 1.6 billion, this region is home to nearly one quarter of the world’s population and is the most densely populated geographical region in the world. Around 20% of this population are aged between 15 and 24 (World Bank, 2013). While there is a growing middle class, South Asia is still one of the poorest regions in the world with the lowest GDP per capita, and poverty affecting each country. All countries in the region are facing a potential increase in economic growth and poverty reduction as a result of a higher proportion of working age people in their populations—a demographic dividend. This is due in part to a transition from a largely rural agrarian society to a more mixed economy where jobs have become progressively more skill-intensive. Moreover, the increased global flow of information made possible by new information technologies creates demand for ‘higher-level cognitive skills’ (Riboud, Savchenko and Tan, 2007).

Recent research suggests that education systems in these countries are not preparing people with the skills that this new market demands (The Economist, 2013; World Bank, 2013). Thus this ‘youth bulge’ has the potential to become a demographic disaster (Singh, 2012; Sinha, 2013). The region is also home to the largest proportion of unemployed and inactive youth in the developing world (see Table 1 for statistics on unemployment and youth unemployment in these countries). Moreover, there are high levels of underemployment, even among educated youth (World Bank, 2013). In this economic context, remittances from migrant workers are an important source of income in many South Asian countries (e.g. in Bangladesh recorded remittances exceed $10bn annually, which is equal to 10-12% of the GDP). However, the majority of migrant workers are low-skilled with little education. Such workers are more likely to wind up in the most vulnerable positions, with low wages and indecent working conditions.

Thus, there is an urgent need for these countries to facilitate people’s entry into the workforce by offering them opportunities for skills development. This would allow them to take advantage of employment opportunities in their home countries. It would also allow migrant workers to command higher wages, thereby increasing the likely level of remittances to their home countries.

Governments in the region are making the ‘upskilling’ of their populations a priority, and this will also be a focus of development agendas post 2015 (UNESCO, 2012). Several skills have been identified as lacking (see NSDC, 2009), but particularly prevalent are skills such as computer literacy, communication skills and English language skills. A recent report by the Economist (2013: 3) noted that:

For South Asia, it is ‘soft skills’ such as English language and communications that will enhance the competitiveness of workers in key sectors such as business-process outsourcing and hospitality.

This report will explore the role that English language learning may play in skills development in South Asia. This report:

• summarises some current policy initiatives and interventions that promote English language learning programmes as part of skills development in these countries.
• explores the evidence that exists about the relationship between English learning, skills development and economic development.
• summarises the implications of this research.
• closes with recommendations for policy makers and for further research.

<table>
<thead>
<tr>
<th>Country</th>
<th>Unemployment rate</th>
<th>Youth unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>35.0% (2008)</td>
<td>NA</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>5.0% (2012)</td>
<td>9.3% (2005)</td>
</tr>
<tr>
<td>India</td>
<td>8.5% (2012)</td>
<td>10.2% (2010)</td>
</tr>
<tr>
<td>Iran</td>
<td>15.5% (2012)</td>
<td>23.0% (2008)</td>
</tr>
<tr>
<td>Nepal</td>
<td>46.0% (2008)</td>
<td>NA</td>
</tr>
<tr>
<td>Pakistan</td>
<td>6.2% (2012)</td>
<td>7.7% (2008)</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>5.2% (2012)</td>
<td>19.4% (2010)</td>
</tr>
</tbody>
</table>

* Youth = 15-24
2. Methods used in this study

The methods used to undertake this study include the following:

1. Interviews: In order to gain a better sense of the skills development agendas and major projects promoting English language learning in these countries, telephone interviews were conducted with British Council representatives in each of these seven South Asian countries in October and November, 2013. Colleagues at the Open University who have been active in delivering educational programmes in South Asia were also interviewed. These interviews explored recent and relevant information and policy documents on the country’s educational goals regarding employability and skills development, as well as the challenges to implementing these policies. They focussed in particular on any specific policies and programmes that aim to promote English language learning as part of enhancing skills development in the school, TVET and higher education sectors. Questions were also asked about the technological environment in these countries and uses of technology for educational purposes.

2. Internet search: The interviews were followed up by a systematic internet search for policy documents, scoping reports and evaluations of the policies and projects that had been discussed.

3. Database search: In order to find the most recent and reliable evidence about the relationship between English language learning and economic growth, a systematic search of social science databases was conducted. The search terms used to find sources included economic growth, returns to education, skills, TVET, technical education and English. While not limited to this, the focus of the search was on the most recent studies published (from 2006-2013) and on studies that focussed on South Asia. Earlier research was not included, as economic approaches in exploring returns of particular skills and cognitive abilities have become more nuanced and much improved in recent years.

4. Analysis of methods used in studies: Many of the publications found through the search featured quantitative research using complex statistical methods to explore relationships between economic development, education and English language learning. These approaches were scrutinised and compared, and there is an attempt here to highlight the key messages of this research with regards to skills development and English language learning in South Asia. Studies for which the reliability and validity of methods employed were questionable (e.g. Chakraborty and Kapur, 2012) have not been included.

5. Peer review: This report has also been subject to rigorous review by statisticians, educational experts and policy implementers at the British Council, the Open University, and elsewhere (see Acknowledgements).

3. Policy initiatives and interventions that promote skills development

In response to the needs for a more highly skilled labour force, governments across South Asia have launched a range of skills development initiatives. The different countries are at varying places on a spectrum of activity with regards to skills development programmes – with some only at the beginning of implementation. As resources are finite in these countries, the level of the skills development process seems to reflect the stage of development of a country’s economy and the current governance and operational contexts (Dunbar, 2010). In a country like Afghanistan, which has been devastated by decades of conflict, there are so many needs in terms of post war restructuring, that skills development – while perhaps central to this – features further down on the agenda. At the other end of the spectrum, skills development is a major priority in Sri Lanka, whose current President envisions the country becoming a ‘knowledge hub, serving as a key link between the East and the West (Rajapakse, 2010).

**Improving the quality of general education**

The provision of education is part of any nation’s economic development plan, so any initiative to expand or improve educational agendas and is also part of ‘skills development.’ Focus on the Millennium Development Goals (MDGs) has resulted in numerous programmes being implemented across South Asia with the aim of improving access to and the quality of general education, particularly at the primary level (World Bank, 2013). There are also initiatives which are increasing the focus on vocational skills within
secondary education so that school leavers are more employable. The National Vocational Educational Qualification Framework (NVEQF) pilot in Haryana, India, for example, (funded by the Wadhwani Foundation) is introducing vocational education in Class 9 and 10 in forty government schools in eight districts in an attempt to better prepare students for jobs in the retail, IT/ITES, security and automobile sectors.

**Expanding and improving Technical and Vocational Education and Training (TVET)**

There have been efforts across South Asia to expand and improve the quality of post-school vocational education, also known as TVET (Technical and Vocational Education and Training). TVET has been defined as:

the study of technologies and related sciences and the acquisition of practical skills, attitudes, understanding and knowledge relating to occupation in various sectors of economic life (UNESCO, 2013).

The approach paper for Nepal’s 13th Development Plan has committed to a strategy of increasing skills development opportunities and making the TVET system accessible and industry-oriented (Government of Nepal, 2013). In India, too, efforts are being made to encourage school leavers to enter TVET by attempting to build correspondence between education and work (see Srivastava and Khare, 2012). In Iran, the provision of TVET is being expanded in Further Education colleges.

Development projects also support the expansion of TVET. For example the European Commission-Bangladesh-ILO project on technical vocational training and education (2007-2013), the Sindh Skills Development Project in Pakistan (funded by the World Bank) and SKILL Nepal (Skill and Know-how Imparted at Local Level).

In the past, TVET has often been perceived a ‘last resort’ for those who did not get into university. This is due to its association with ‘low pass rates; poor labour market insertions; poorly qualified teachers; inadequate resources; low curricular relevance; dead-end qualifications; and high inefficiency’ (McGrath, 2012: 630). Therefore, many skills development agendas are being accompanied by campaigns to improve the image and status of TVET. In Sri Lanka, for example, a large media campaign has promoted the importance of TVET to individuals and the national economy, helping to take away the stigma of vocational education. Part of the change in perception of TVET will be supported through the implementation of quality assurance standards which are also being developed. Perceptions will also change when TVET qualifications link to tangible job prospects.

**Coordinating approaches to skills development**

Another major challenge for South Asia regarding skills development is to develop a coordinated skills development agenda, bringing TVET institutions under one umbrella to achieve optimum impact. In response to this, The Government of India has adopted a coordinated approach to skills development, setting it as a national priority with the ambitious aim of upskilling 500 million people by 2022 (see King, 2012). The National Skills Development Agency (NSDA) was constituted in 2013 to provide the over-arching framework for different skills development missions in the country and to anchor the National Skills Qualifications Framework (NSQF). In Nepal, the TVET Policy 2012, supported by the ADB, is aiming to bring under one umbrella the various types of TVET currently offered through an array of Ministries, universities, private colleges, NGOs and development agencies. In Pakistan, the National Vocation and Technical Education Commission has been established to expand access to vocational education and implement a national training strategy.

The Government of Sri Lanka has gone quite some way in introducing a comprehensive skills development initiative as part of its national poverty reduction and economic development strategy. In support of the Government’s attempts to improve the country’s skill-based competitiveness, the Asian Development Bank (ADB) has run the Technical Education Development Project (TEDP) since 2005 (ADB, 2013b), which has introduced a qualification system, developed training centres for TVET educators, and is helping to upgrade that status of TVET institutes to Universities of Vocational Technology: ‘The project is rated as successful, relevant, efficient, effective and likely to be sustainable’ (Dunbar, 2010: 6). Further iterations of the project will include a focus on English language teaching, as the TEDP scoping report found that TVET students need to be facilitated with English for their industries within their courses. It comments that ‘competencies in math, science, and English are essential to avoid failure’ (ADB, 2013b: 18).

**Skills mapping**

The development of the skills sector requires a better understanding of the demands of the labour market. For this reason, it has become important to undertake a labour market analysis, mapping the individual skills needed for each sector and identifying skills gaps. Research conducted by India’s National Skill Development Corporation (NSDC), for example,
catalogues the skills requirements in twenty-one sectors including IT and ITES industries, media industries, tourism, hospitality and healthcare among others (NSDC, 2009). In additional to technical skills, employees have been found to need generic 'employability' skills such as problem-solving, basic computer literacy, language and communication skills to make them employable (Aggarwal, 2010). The importance of soft skills in each of the sectors, including communication skills, has been identified. In particular, lack of English skills is being cited as a major factor in many contexts across the region (ADB, 2013a). In fact, research conducted by Aspiring Minds, India’s ‘leading employability solutions company’, which has produced an employability test conducted across the country throughout the year, concludes that 47% of graduates were found ‘not employable in any sector, given their English language and cognitive skills’, with the problem being even more pronounced among students from smaller towns and cities (Aspiring Minds, 2013: 7). It is within this context – where there is a strong demand for English skills and an apparent inability to find employees with these skills – that this research is set.

3.1 The role of English in South Asia

English has continually had a presence in the Indian subcontinent due to British colonial history in the region and the language’s subsequent emergence as a global force with a high instrumental value in various domains, particularly commerce and education (McArthur, 2002). As the region is linguistically diverse, English serves as an instrumental link language between countries and regions. It has official status in India and Pakistan. In Bangladesh, the national language is Bangla, but English has been used as a language of education and in higher law courts since colonial times. In Sri Lanka, English has been brought back as a link language after a post-colonial ‘Sinhala Only’ policy (Kennett, 2010). While Nepal was never part of British India, the status of English there is similar: It is classed as the country’s primary foreign language and it is used as the language of higher education, particularly in STEM subjects. While English has no official status in Afghanistan, the language plays an important role as a language of development. In Iran, English is taught as a foreign language from Grade 7. Across the region, English is seen as essential in accessing the best higher education opportunities, which then lead to the best employment opportunities.

While English has traditionally been demanded in specialised education and high-level careers, it is now increasingly in demand in a growing number of fields. More and more employers are using school results in English, or results in other types of English assessment, as recruitment criteria, particularly in the private sector and in public institutions. Communication skills in English are framed as a ‘basic skill’, alongside Computer literacy. This can be seen in the following quote from a major recruitment consultant in India:

India’s language diversity means that English is like Windows; an operating system. This has always been true for high end services but now applies to even many unorganised services (security, door to door sales, electricians, etc) and manufacturing because of the increased use of distributed IT systems for internal processes (Teamlease, 2012).

English is also increasingly instrumental as the language of migration: Capstick (2011) shows how fluency leads to increased opportunities for migration among migrants from Pakistan. Research from Bangladesh suggests that if migrant workers were trained in vocational skills, including English, the remittance earnings could go up by $30 billion a year (Haque, 2010).

As English has been upheld as a mark of education, culture and status across South Asia, knowledge of the language is perceived to lead to enhanced social status (Gupta, 2001). Research on attitudes towards English often reflect a strong belief in the power of English and a desire to be one of the many who speak the languages, for reasons of practicality and prestige (see Erling et al, 2012).

As the demand for English has increased across South Asia, English education has become more prominent in the national curricula of these countries – in part to better equip school leavers for the job market. In Bangladesh, for example, it is compulsory from Grade 1 and a mandatory part of a school-leaving certificate (Banu and Sussex, 2001; Mc Arthur, 2002: 328). Low-cost private English-medium schools are mushrooming across the region in response to parental demand for English and as a reaction to the low quality of government school (Baird, 2009). In Andhra Pradesh, India, for example, the uptake of private schooling increased from 24 per cent among children born in 1994-5 to 44 per cent among children born in 2001-2 (Woodhead, Frost and James, 2012). Private English language tutoring schools are also common across the region (see Hamid, Sussex & Khan, 2009). Despite the increase in provision of English, the low quality of education that is often provided means that demands are not being met.
3.2 Skills development initiatives that include English

As a result, there are a number of TVET initiatives in the region, often supported by international organisations, that specifically promote English as part of skills development. In Bangladesh, for example, the English in Action project (funded by the UK’s Department for International Development) promotes the learning of English ‘as a route into work and out of poverty’ (EIA, 2013). In Sri Lanka, Skills for Life in Sri Lanka is an organisation delivering skills development training through initiatives like English for Life and ICT for Life6 In India, Project Genesis, a Corporate Social Responsibility initiative, works with 15,000 students in over 240 colleges to provide training in English and soft skills to make general degree college students ‘BPO employable’ (Nilekani, 2010: 95).

Delivery

One crucial issue in regards to the delivery of TVET in general and English language in particular is the ability to provide sufficient capacity to meet the scale of demand. One million additional skills-training places are needed every month for the next eight years in order to meet the demand (Bamfield and Upton, 2013: 45). One factor common to all countries in the South Asian region – although again to varying degrees – is the increased access to and use of technology, particularly mobile phones. Evidence is emerging from projects in the region which are successfully harnessing technologies like mobile phones and tablets to deliver educational interventions (see further Raftree, 2013). Examples of this can be seen in English in Action in Bangladesh, where mobile phones are being used to deliver employment-related English language teaching (see BBC Media Action, 2013), or in the Akash tablet project in India, which will feature English for Employability materials.

While mobile technologies present exciting opportunities, caveats remain about their ability to reach the disadvantaged; technology is still expensive and out of reach for many, and gender barriers are high in using mobile technologies in the region (Raftree, 2013: 32). ICT literacy in rural and some urban areas is a serious issue – with many people never having seen a computer before and 85% of this huge youth market not having access to the internet (Haque, 2010). Moreover, some forms of TVET may be ‘less conducive to purely distance learning’ and ‘many learners have needs that mean they strongly benefit from face-to-face interactions with other learners and with teachers and support staff’ (McGrath, 2012: 626). Therefore, several challenges need to be tackled before skills development can reach the masses and break down barriers to education through technology.

Summary

To sum up:
- There are several initiatives to expand the quantity and quality of skills development in South Asia, including programmes that promote English for employability.
- These programmes have arisen due to demands from employers for better skilled employees, and employees with skills in English.
- There are also strong demands for English across society because of its perceived economic and social value.
- While skills development issues and English language teaching are in high demand, there are issues about how this demand can be met.

It is within this context that the need to understand the cost and value of providing English language teaching has arisen. If decisions are taken to invest in English language education as part of skills development, it should be recognised that providing quality English language teaching at scale requires a major investment over time. Is the investment worth it? To help answer that question, the following section of the report introduces the academic body of literature that explores the relationship between economic development and education, skills and English language ability in South Asia. This discussion provides further insight into whether and how the provision of English language teaching might have a positive effect on an individual’s and nation’s development.
4. The relationship between English language skills and economic development

So far, there is only minimal hard evidence quantifying the relationship between English language skills and economic gain for nations and individuals. This is both because of a lack of data and because of the difficulty of proving causality. However, the picture is getting richer as increasingly nuanced econometric studies are being undertaken with ever richer data pools in response to a demand for evidence-based policy. In this section, the most recent studies conducted in this area are discussed. The report focuses strictly on quantitative studies and their findings, primarily studies which have been published since 2006. It includes a discussion of:

1. studies that explore the relationship between education and economic development in general (with a focus on South Asia).
2. the evidence that exists regarding the relationship between TVET and economic development.
3. the evidence regarding the relationship between English language skills and economic development (with a focus on studies concerning South Asia).

Before going into the evidence, it should be noted that focussing on the returns to education and putting the focus on economic gain exhibits a rather narrow conception of development. Broader conceptions of ‘human development’ embrace improved governance, security, better health, the eradication of poverty, social cohesion and environmental sustainability, amongst other things. In line with this perspective, quality education:

- is important in a rights-based perspective and due to its social benefits such as reductions in fertility and mortality, empowerment, better democratic participation, etc. (Fasih et al., 2012:8).
- benefits other people in society (through securing of basic cognitive skills, literacy and numeracy which bring changes that are beneficial to families and communities) (Colclough, Kingdon and Patrinos, 2010).

These factors alone justify an investment in education.

4.1 Education and economic development
Robust links between quality education and economic growth have been established in developing countries using a variety of econometric methods (Fasih et al., 2012; Hanushek and Woessmann, 2008; Little and Green, 2009). Some of these studies have been conducted at the national level, looking at developing countries’ economic growth, while others focus more on the level of individual gains. The findings established so far are summed up by a systematic review sponsored by UKAid in 2012 which summarises the evidence on the relationship between education, skills and economic growth in low-income countries (LICs). The results indicate that largely human capital does have a positive and genuine effect on growth in LICs. The estimates of the effect of education and skills on economic growth give an increase varying between 0.4% and 24% per unit of education or skills investment (Hawkes and Ugur, 2012: 4).

They thus conclude with confidence that higher levels of education and skills (however they are measured) are conducive to higher productivity and the latter is conducive to higher output in the economy (Hawkes and Ugur, 2012: 10). In Figure 1 (see next page), Hawkes and Ugur demonstrate the channels through which education and skills may affect economic growth, which include productivity being improved through enhanced quality and an increase in people who join the labour market. There are also less direct channels through which education affects development, such as the fact that people who are more highly skilled can make better uses of investment and also have a higher demand for variety, leading to innovation.

It is important to note that Hawkes and Ugur refer to ‘human capital’ having an impact on economic growth, not education per se. What contributes to development is not simply the provision of schools, teachers and materials for learners, but effective, quality education (Hanushek and Woessmann, 2008). Education initiatives promoted through the Millennium Development Goals (MDGs) have resulted in a tremendous increase in the number of children being in school in developing countries, including South Asia. There is growing evidence, however, that in some of these contexts children are managing to formally complete their primary education without gaining the benefits – cognitive and otherwise – that promote development (cf. Uwezo, 2012; Williams, 2013 and the ASER reports discussed below).

Finally, it should be noted that a survey of the literature on the links between education and economic growth in East Asian countries has shown that investment in education on its own is not
Channels through which education and skills may effect economic growth

Education and Skills

Percolates through

Channels (through which education and skills may affect growth)

- Labour productivity
- Labour market participation
- Interaction with capital
- Enhanced individual income (innovation)

Intermediate effects of education and skills on:

- Improved quality of the labour input therefore increasing output per worker (labour productivity gain)
- Previously inactive workers able to join the labour market (e.g. female labour due to lower fertility rates)
- More skilled workers make better use of domestic and foreign investment (interacts with physical capital and innovation)
- Higher demand for variety, leading to product and process innovation

Eventual effect on GROWTH

Feedback effect
sufficient for economic development in developing countries (Permani, 2009). Other measures need to be pursued alongside investment in education, and these include:

- promoting foreign direct investment and foreign technology,
- maintaining macroeconomic stability,
- developing effective regulation,
- adopting a transparent financial system, and
- developing effective and respectful governance (Permani, 2009: 16).

Permani (2009) also found that the higher the level of economic development in a country, the greater the demand is for better and higher education systems.

**Summary**

- These studies suggest the provision of quality education has a positive effect on economic growth.
- While education is one factor that can lead individuals and nations to strengthen their opportunities for economic gain, a policy focus on education alone is not likely to bring on the desired impact.
- Education programmes need to be embedded in an overall development agenda, which also supports stability, regulation, transparency and good governance in order for there to be a significant impact.

**4.1.1 Education and economic development in South Asia**

Studies have also been conducted about the relationship between education and economic growth in the specific region of South Asia. The most significant and relevant of these with regards to the skills discussion was undertaken in India and Pakistan and focuses on economic returns to schooling and skills, including English language skills for individuals (Aslam, Kingdon and Kumar, 2010). This study was conducted as part the Research Consortium on Educational Outcomes and Poverty (RECOUP), a five-year DFID-funded project. It involved a purpose-designed household survey administered to over one thousand urban and rural households each in Pakistan and India during 2006-2008. Education was measured both in terms of years of schooling and through tests of literacy, numeracy and English language (discussed further in Section 5.3.1 below). It thus gives rich insight not only into the returns to the quantity of people’s education, but also the quality of it in different occupations (including the less documented areas of the self employed and those working in agriculture). Some of the findings of this study will be discussed here and corroborated by those of other studies recently conducted on returns to education (e.g. Aslam, Bari and Kingdon; Colclough, Kingdon and Patrinos, 2010; Fasih et al, 2012).

**Findings: the importance of educational quality**

Aslam, Kingdon and Kumar (2010) conclude that, in both India and Pakistan, the benefits of education accrue both via promoting a person’s entry into lucrative occupations and via raising their earnings. They confirm that the quality of education is significant in determining increased earnings. Fasih et al (2012: 29) also found educational quality to be significant: those who do worse in the labour market (for a given school attainment) are those individuals who received lower quality schooling.

Considering the established importance of educational quality, recent reports on educational quality in South Asia is particularly alarming. The 2012 and 2013 ASER reports conducted in India and Pakistan show that, despite increasing enrolment, there is a growing percentage of children in school who are radically behind where they should be in terms of reading levels and mathematics, and levels are dropping instead of increasing (ASER, 2012; ASER-Pakistan, 2012; Mukal, 2014). There thus appears to be a pressing need to improve education at the most basic level in South Asia, particularly with regards to the demands of the labour market.

**Complexity and heterogeneity**

While the returns to education for individuals are confirmed in these studies, the picture that is found is complex and heterogeneous with regards to region, sector, gender and other socioeconomic variables. Aslam, Kingdon and Kumar (2010: 15) find different patterns in India and Pakistan: ‘the labour markets of the two countries reward education differently depending on the sector of employment’. (cf. Mohapatra and Luckert in press). In India (but not Pakistan), a low probability of being in unpaid work or out of the labour force was established for the uneducated, but this increases with level of education. While at first glance this trend may seem paradoxical, it arises from the lack of job opportunities for the educated, particularly in rural areas (Aslam, Kingdon and Kumar, 2010: 12).

There are also differences between sectors: large returns to education are found in the agricultural sector (where they were not expected) and in self employment (which suggests that education plays a productivity-enhancing and poverty-reducing role). The effect of education differs for women and men:

- There is a much higher return to men’s education and a much higher chance that men are working
(particularly in Pakistan where there is still a relative scarcity of skilled women). Earnings are lower for rural workers than for urban workers. And the average earnings of Scheduled Castes (SC) and Scheduled Tribes (ST) – the historically disadvantaged groups – are lower in all types of employment.

**Level of education and changing patterns**

With regard to level of education, these studies have found that the threshold of better paying jobs has shifted up. While previous educational policies have been based on the assumption that returns to education are greatest for lower education levels (e.g. Education for All and the MDGs), it no longer seems that increasing education by small amounts at low levels raises earnings substantially (Aslam, Kingdon and Kumar 2010: 22). The changing patterns in returns to primary education are confirmed by Colclough, Kingdon and Patrinos (2010) and Fasih et al (2012), who find that primary school completion is no longer sufficient to provide access to lucrative jobs and reduce poverty. This is likely to be a result of the increase in supply of primary completers and the simultaneous fall in demand for people with low skills (Fasih et al, 2012: 6).

There are, however, substantial returns to higher secondary and tertiary schooling in both countries, particularly for women. For the limited number of women who proceed to higher education, education lowers the gender gap (Aslam, Kingdon and Kumar, 2010: 23). Fasih et al (2012) also found that wage premiums are higher for those with university and higher vocational qualifications: The return to an extra year of education progressively increases with education level. So as society becomes more educated, those with more education continue to earn higher wages, while those with lower education levels do not catch up.

**Two-way causality**

The changing patterns in returns to education are also presumably adding to the increased pressure in South Asia to expand the system at secondary and higher levels, including vocational education. This suggests what was found in East Asia: a two-way causality (Permani, 2009). Economic development increases demand for educated labour, resulting in a massive expansion in school enrolments. This leads, in turn, to an increase in the competitiveness of educated workers, resulting in higher incomes and higher economic development.

**Summary**

- The research conducted in South Asia confirms the links between quality education and economic development.
- The benefits of education align with other socioeconomic variables, such as gender, sector, class and location.
- The benefits of education may not be equalizing, particularly in India.
- Large numbers of school children in South Asia are not experiencing education at levels that will allow them to benefit economically.

Therefore, without provision of quality education and without targeting the long-embedded inequalities in terms of gender, caste, etc., education is not likely to provide disadvantaged individuals with the resources that they need to catch up.

**4.2 TVET (Technical and Vocational Education and Training) and economic development**

TVET is regarded as a particularly suitable means of promoting economic development, as its purpose is to provide individuals with skills that are more or less directly applicable in the workplace (Comyn and Barnaart, 2010). TVET has been deemed particularly important in proving a remedy for youth unemployment, which, as discussed above, is becoming a major concern of all countries in the South Asian region. It is also promoted for its potential to promote social inclusion – improving access to education and providing a smooth transition from schooling to the workplace (Nilsson, 2010).

There is still relatively little known about the specific economic returns to TVET, despite its increase in focus. As Nilsson (2010: 252) notes, ‘Empirical evidence to support the assumptions [about TVET] is not that frequent’. One reason for the dearth in evidence about the effectiveness of TVET is that it is difficult to define and differentiate from other types of education, and therefore also difficult to single out its effects on productivity.

**The impact of TVET**

Nilsson (2010) presents an overview of meta-studies on the returns to TVET, both at the level of the company and the individual. From these, he is able to conclude that there is a solid base of evidence confirming the relationship between TVET and the economic gain of individuals and companies.

Nilsson also finds that formal TVET schooling provides a major venue for transmitting values, norms and codes of behaviour to young people – which are highly valued by many employers. Thus, regardless of any other return to TVET, given the strong demand for soft skills in South Asia, there appears to be some value of simply being in formal schooling as employers value (and reward) the values transferred there. This finding is supported by Aslam, Bari and
Kingdon (2012) who found that education among both men and women in Pakistan is highly correlated with positive behaviour traits; thus the return to higher schooling attainment is partly a reward for possessing these traits (160).

However, evidence of the effect of TVET on overall economic development of a nation and social inclusion is far from conclusive. This mixed result stems from the fact that the causes behind youth unemployment and the subsequent difficulties to reduce it are complex and intertwined. Nilsson thus suggests that while TVET may be part of the solution to increasing economic development, it cannot be all of it.

**The impact of skills development in South Asia**

Within South Asia, research has been conducted on how skills affect labour market outcomes in Bangladesh, India, Pakistan and Sri Lanka (Riboud, Savchenko and Tan, 2007). Drawing on household, labour force and firm-level surveys since 1990, this study finds that the average returns to post-school training are positive and statistically significant, even after controlling for educational attainment and other worker attributes (Riboud, Savchenko and Tan, 2007: 80). The returns are highest in Sri Lanka, and substantially higher for computer training in all countries.

The study finds, however, a rather low incidence of post-school vocational training, among the lowest in the world. It ranges from 2.4% in Pakistan to 12% in Sri Lanka (Riboud, Savchenko and Tan, 2007: 63). The incidence of training rises with the level of educational attainment, meaning that those who go on to vocational training generally have a high educational base to start with. Certain occupational groups are more likely to receive vocational training (e.g. technicians, clerical personnel), where people working in sales, services and agriculture have the lowest share of individuals receiving training. The report suggests that companies that provide training to their employees tend to be larger, export oriented and innovators.

The report finds that the supply of skills is still lagging far behind demand and TVET has not yet received enough attention from the public sector, which has focussed on improving lower levels of education. It concludes by suggesting that TVET should be the focus of national priorities given the crucial importance of education and training for sustaining high rates of growth in the regions.

**Summary**

- There is robust evidence that there is a relationship between TVET and economic gain, both for individuals and companies. This is also true in South Asia, although the returns vary greatly among countries, with the largest in the most developed country, Sri Lanka.
- One of the benefits of TVET for individuals is that behaviour traits valued by employers are transferred, providing an indirect link to employability and reward.
- There is not yet strong evidence of the effect of TVET on national economic development and social inclusion. This suggests that, as with education and economic development, the provision of TVET is unlikely to have the desired impact if not accompanied by other efforts to improve and stabilise the labour market.
- As the incidence of TVET in South Asia is among the lowest in the world, there seems to be an urgent need for pre-service and in-service skills training.

**4.3 English Language Skills and Economic Development**

In recent years, various researchers have attempted to devise means of understanding and calculating the relationship between English language skills and economic development (cf. Zhang and Grenier, 2013). Much of this research has been conducted in the developed world, looking at the advantage of learning the dominant language for migrants to English-speaking countries (see Coleman, 2010). Particularly significant is the work of François Grin, who specialises in language economics and language policy evaluation. In 2001, he published a groundbreaking study on English and economic value, in which he looked at the Swiss linguistic and market situation and concluded that salary premiums rise along with competence in English, even when education and experience are controlled for (Grin, 2001). This study paved the way for much of the work to follow. In contexts where English is learnt as a second or foreign language, results have generally pointed towards economic benefits of learning English; however, as with the studies into education and economic growth, the picture is very complex as returns to English accrue with other variables. This kind of work is being increasingly conducted in the developing world to quantitatively explore the strong perceptions that English language learning is necessary for countries’ and individuals’ economic development (see Erling & Seargeant, 2013).

**Correlations between English language skills and economic growth**

There are a number of recent studies that, using existing data pools, find positive correlations between English language skills and the economic growth of
various nations. In one such study, Ku and Zussman (2010) constructed a dataset based on mean national scores in the Test of English as a Foreign Language (TOEFL) spanning thirty years in 100 countries in which English is not a first language. Controlling for other factors influencing trade, they argue that English proficiency has a strong and statistically significant effect on bilateral trade flows.

In 2012, Lee, used GDP per capita, economic growth and TOEFL test scores as measures and argues that English proficiency can be seen as a necessary but not sufficient condition for economic development in the countries he studied (which includes Iran as the only South Asian country). He finds that countries with higher levels of English proficiency among their populations are likely to grow faster economically in Asia and Europe – but not necessarily in Africa or Latin America. He thus concludes that:

English proficiency will have a positive impact on economic development if the increase in English proficiency is complemented with a minimum threshold of physical capital, technology, political stability, good governance and other factors. The improvement in English proficiency without sufficient accumulation of physical capital, technology and social capital will not add significantly to the economic development of a country. (Lee 2012: 18)

Thus, reminiscent of the findings of Permani (2009), it can be seen that in developing countries, investment in English alone is not likely to result in economic growth if not accompanied by other measures.

Recent Euromonitor research (2010, 2012) (discussed further below) has also attempted to investigate the extent to which promotion of English language learning is an important factor in various developing countries’ achieving economic growth. In these studies, a scoring system for each country’s economy and education system was created in order to determine the nature of the relationship between the two. Much of the evidence presented in the reports is based on perceptions of the value and need for English, acquired through interviews with representatives from multinational companies, large industries, universities and recruitment agencies, who, as discussed below, might not represent the majority of the workforce in many developing economies. The 2010 study concludes that, while economic growth may be slow in these contexts, English is seen as offering a key competitive advantage in a difficult employment environment. The 2012 study reports that each of the governments that the studies examined regard English language skills as an essential part of achieving growth which will give domestic companies a competitive edge in the global economy as well as attract investment from abroad.

Does multilingualism hinder economic growth?

While it has been shown that English language skills can enable foreign trade and attract foreign investment, this does not mean that society multilingualism acts as a barrier to economic development – an argument that has been used by many to promote English as an, international lingua franca (see Ku and Zussman, 2010). Arcand and Grin (2013) find that in postcolonial contexts in Sub-Saharan Africa and Asia, widespread competence in English is not necessarily associated with a higher level of economic development (measured by GDP). Instead, their analysis points to the fact that use of local languages increases income per capita in these contexts. They thus conclude that, contrary to common assumptions, there are solid grounds for considering societal multilingualism as conducive to economic development.

Arcand and Grin’s findings result from innovative ways of approaching the available data. Unlike previous studies, their analysis is rooted in the argument that variables like English and linguistic diversity cannot and should not be considered in isolation of other factors. To address this issue, they use a statistical method (called instrumental variable) that allows them to construct a proxy for English that is independent of other confounders. The results produced when using this method suggest that the statistical analyses used
in previous research on language and development need to be reviewed, and perhaps have been seriously misinterpreted for many years.

The finding that competence in local languages may be associated with economic development is being substantiated by other studies. This may be because much of the economic exchange in informal sectors in these countries requires use of local or regional languages (see Coleman et al, 2013). This has also been suggested by Jain (2011), who finds that workers who are fluent in the dominant language of a region in India receive higher returns in the labour market. It may also be that the use of local languages for education increases the quality of education, Pinnock (2009) has argued for the centrality of language for education and therefore development. New evidence on showing the strong correlation between reading ability in the first language and reading abilities in second language (Dunlea and Dunn, 2013) further strengthen the argument for a strong foundation in local languages.

**Summary**

- These studies suggest that skills in English have a positive impact on economic development.
- They do not, however, suggest that use of local languages hinder economic development.
- Local languages may be of particular value in informal labour markets. Their use in education may also account for a stronger relationship between education and economic development.

**4.3.1 English language skills and economic development in South Asia**

Turning to South Asia, there are several studies that have attempted to empirically explore the return to English language learning.

**Euromonitor (2010) in South Asia**

While the overall findings of the Euromonitor reports were summarised in Section 4.3, the 2010 report gives particular insight into two South Asian Contexts: Bangladesh and Pakistan. It reports that in Bangladesh, around 86% of the organisations interviewed felt that English language skills were an important factor in recruiting new employees (in Pakistan it was 75%). With regards to an individual’s economic advantage of knowing English, it reports that the salary gap between someone who can speak English and someone who cannot is 5-15% in Bangladesh and 10-15% in Pakistan.

While this study is overwhelming positive about the demand for and benefit of English, it should be noted that it only concerns waged employment in sectors where international communication is prevalent. While the number of people working in these sectors is large in real terms, it only represents a tiny percentage of these countries’ populations. This means that these figures may not reflect the impact of English language skills for the general population. Studies such as Azam, Chin and Prakash (2010) and Aslam, Kindgon and Kumar (2010) give more insight into the economic value of English language skills for the general population.

**Azam, Chin and Prakash (2010)**

Azam, Chin and Prakash (2010) used the India Human Development Survey of 2005 to quantify the effects of English-speaking ability on wages. Measures of English language ability seem to be based on self-reporting, although this is not specified in their report. Their findings show that being fluent in English (compared to not speaking the language at all) increased the hourly wages of men by 34%, and thus had the same economic impact on wages as completing secondary school does, and it had half as much impact as completing a Bachelor’s degree. Simply being able to speak a little English increased male hourly wages by 13%.

This study also finds considerable heterogeneity in returns to English (cf. Kobayashi, 2007; Levinson, 2004). More experienced and more educated workers receive higher returns to English. Returns to English were lower for women, particularly those in rural areas, and were also significantly lower for members of India’s Scheduled Caste, the historically disadvantaged grouping in Indian society. They thus conclude that:

- upward mobility does not come automatically with English skills in India; some obstacles, which likely include long-rooted discrimination against low caste, impede low caste group members even when they have a skill that is valued by the modern labour market (Azam, Chin and Prakash, 2010: 18).

**Aslam, Kinddon and Kumar (2010)**

A similarly complex picture is found in India and Pakistan by Aslam, Kinddon and Kumar (2010) – mentioned above – who, as part of their research on the economic returns to schooling, attempt to quantify the relationship between English language skills, occupational attainment and economic gain. They find that English language skills are very highly rewarded in both countries. With regard to the various skills measured (literacy, numeracy and English language), the largest increase in earnings is generated by English language knowledge. English language skills are rewarded more highly among Indian men than Pakistani men; this could have
something to do with the types of jobs available in each country (Aslam, Kindgon and Kumar, 2010: 21). Returns to English language skills are greater for women than for men in both countries, perhaps because of the relative scarcity of women with these skills.

Reflecting on their own results, the authors question whether the returns to English are not also reflecting returns to quality of education and/or the high returns of tertiary education (Aslam et al, 2010: 23). They state that this is likely to be the case as, unlike the literacy and numeracy skills measured in the study, which are acquired at basic levels of education, English language skills are acquired at higher levels of schooling. Similarly, those with better English language skills are more likely to have experienced a higher quality of education. These results can be compared to a study that suggests that students in Pakistan who enter higher education without sufficient English language skills also do not tend to have sufficient skills in other areas (Khan et al, 2012). So just as high levels of English seem to be a sign of high levels of education, low proficiency in English seems to be a sign for poor educational quality. This hints to what others have mentioned as ‘a fuzzy boundary between being educated and knowing English’ (Shamim, 2011: 301).

Summary
Using different methodologies, these studies all find evidence of a positive correlation between English language learning and economic gain.

- English language skills are highly rewarded in the labour market.
- Returns to English language skills are heterogeneous and, like education in general, they accrue along with other socioeconomic variables such as gender, ethnicity, class and location.
- While the results so far point to positive returns to English, they may need to be interpreted with caution. This is because:
  - Much research is about individuals working in high-level jobs (not the informal sector).
  - There may be some question about the measures for English and statistical calculations used in these studies.
  - It is difficult to separate returns to English language skills from returns to quality education.

5. Conclusions and implications

While the relationship between education, English language skills and economic gain might seem obvious given people’s strong perceptions, the quantitative studies discussed above provide detail into the complexity of the relationships which can help to inform policy making. The research here allows us to empirically understand the complexities of this relationship.

**5.1 Summary of research so far**
These studies suggest that there is a relationship between quality education and economic development. The evidence and conviction is strong enough that the provision of quality education is to be the priority of development goals post 2015 (UNESCO, 2012). This relationship between education and economic development, however, is complex and depends on other confounding factors which need to be understood. This is also true for the relationship between TVET and English language skills.

At a national level, the relationship between education and economic development seems to depend on other larger development factors such as the accumulation of physical capital, technology and social capital (Lee, 2012) and stability, regulation, transparency and governance (Permaini, 2009). Thus investment in education – and English language education – is only likely to bring on the desired benefits if it is embedded in a comprehensive programme for development. Similarly, the provision of TVET is of limited value to society if not coupled with other measures to curb youth unemployment.

The relationship between (English language) education and economic development is not static: Patterns of the returns to education are changing. Primary education may no longer be enough to allow an individual to break out of vicious circle of poverty. The fact that society is becoming more educated means that there are stronger demands for higher quality education at higher levels, including vocational. As more and more people learn English, the demand and value of English language skills is likely to decrease (Graddol, 2010; Grin, 2001).

At the individual level, the benefits of quality (English language) education are heterogeneous. They accrue along with other socioeconomic variables such as gender, ethnicity, class and location. There are also differences across countries, in rural and urban areas; and for different individuals depending on their
background. This suggests that (English language) education on its own will not allow a person to overstep other socioeconomic obstacles. Further investment in education – doing nothing else different – will lead to an increase in inequality (cf. Colclough, Kingdon and Patrinos, 2010; Fasih et al, 2012). Compensatory interventions are necessary in order to equalise opportunities for the less advantaged.

There are strong returns to English language skills. But these returns might be reflecting the returns to quality education and higher levels of education (Aslam, Kingdon and Kumar, 2010). Several studies seem to be pointing to the fact that low proficiency in English often seems to correlate with low educational quality. Therefore, focussing only on English without enhancing the quality of general education is not likely to have the intended effect on their educational and economic situation.

Language of instruction can play an important role in the delivery of quality of education. The fact that so many English-medium private schools are mushrooming in the region is likely a response to the strong perception of the economic advantages of knowing English. These schools – while they tend to outperform government schools – are often still of very poor quality. In India, English-medium education has been found to produce poor educational results and to increase social inequalities (Annamalai, 2013; Rao, 2013). More and more, quality of education is being linked to the medium that education is delivered through (see Ferguson, 2013). If children do not have access to quality learning through a language that they understand, this learning is not likely to have the desired impact (Pinnock, 2009 and Graddol, 2010). And those who have strong reading skills in their first language are more likely to be better readers in any additional languages (Dunlea and Dunn, 2013). Arcand and Grin (2013: 263) also suggest that it may be the use of local languages for learning in some developing countries that leads to the higher stock of human capital – and thus eventual economic development (cf. Jain, 2011).

**Policy recommendations**

In order for educational initiatives – particularly those for English language education – to have the designed impact on economic development, the following recommendations can be made, based on the studies reviewed here:

- Education initiatives (at any level) need to be embedded within wider programmes for development;
- The quality of education (at all levels) needs to be ensured;
- A major focus of quality assurance in education should be on providing education through a medium that learners understand;
- To make education equalising, compensatory interventions for the less advantaged are necessary;
- More (high quality) pre-service and in-service TVET should be provided in South Asia, with links to industry and the private sector;
- Since patterns are changing and there are differences in each context, there is a need for more (and better) research (see below).

### 5.3 Need for more research

This discussion above clearly indicates that there is a growing evidence base that gives detailed insight into the complexity of the relationship between education, English language skills and economic development – and this research can be used to help understand and counter the skills gap in South Asia’s labour market. However, the research conducted so far only begins to shed light on the magnitude of contexts and the complexity of issues need to be better understood in order to enhance the quality of education and skills development in South Asia.

**More data on more contexts**

In line with the ‘data revolution’ being called for by the Higher Level Panel, which emphasises the importance of evidence-based development policy-making (HLP, 2013), there is a need for more data on the evidence of the relationship between English language learning and economic development. As there is heterogeneity in each of the contexts studied, and as India and Pakistan have been the subject of the majority of research reviewed here, there is a need for a larger evidence base that includes studies conducted in each of the South Asian countries. The more informed the understanding of how English can benefit individuals in each of these contexts, the better able we will be to design policies and strategies that provide better value for money and fulfil the needs that people actually have as well as meet demand.

**Purpose-built studies**

In conducting new research, it is particularly important to have studies such as Aslam, Kindgon and Kumar’s (2010) which are purpose-built and give detailed insight into the returns of cognitive skills and English language learning. The majority of work carried out previous to this has used existing data, which are often, as Arcand and Grin (2013: 250) point out, ‘incomplete, imprecise, of questionable reliability and of restricted comparability’.

**Consistent statistical approaches**

For this research, consistency is needed in the statistical approaches applied. Lee (2012: 18)
suggests that establishing the relationship between English language and economic gain can differ depending on ‘different empirical framework and different measures for the proficiency level of English’. This was the experience of Arcand and Grin (2013), who came to radically different conclusions from previous research when using different empirical methods, suggesting that the results of previous studies need to be revisited. Some compromises inevitably have to be made to deal with the complexity of the problem and the lack of adequate data. However, better and more sophisticated methods like the ones applied in Arcand and Grin can be used to address the fact that English skills do not impact on economic development like an external intervention (e.g. rainfall), but are part of a complex web of factors that each make their contribution.

**Consistent measures of English**
There is also a need for more clarity and consistency in the types of measures used for English, and the Common European Framework of Reference might be useful for this. The studies reported on here use different measures of English language ability – with some of them providing little to no information about the measures used. Some make use of TOEFL test scores (e.g. Arcand and Grin, 2013; Ku and Zussman, 2010; Lee, 2012). Others seem to be based on self-reporting (e.g. Azam, Chin and Prakash, 2011; Bhandari and Bordoloi, 2006). Still others seem to have developed an assessment instrument. Aslam, Kingdon and Kumar (2010), for example, mention that a test of English with 19 questions was undertaken by the study’s participants, but no further information on this test is provided. Without knowing more about the validity and reliability of the tests used to measure English language skills, it is difficult to accept the findings of such studies. The effects reported could possibly be a consequence of the test’s design, which would skew the results and impact on their conclusion.

**Value of local/regional languages**
Along with more studies on the role of English in economic development, there is also a need for more research on the value of local languages for economic growth. The work of Arcand and Grin (2013) suggests that knowledge of local languages might be more (or equally) valuable for economic growth in the multilingual contexts of the developing world. This is the impression given in an overview of the skills needed for 21 sectors of the Indian employment environment, where a demand for regional languages is commonly expressed (NSDC, 2009). Cross country migration for employment requires people to speak regional languages in addition to national languages for communication with the local population (see also Coleman et al, 2013; Graddol, 2010).

**Better understanding of the role of English in the labour market**
We also need a more detailed understanding of the labour market and the skills requirements – and the potential role of English in skills development. Some findings suggest that, more than anything, there is a need for employees with a good solid basic education, with the ability to read and write, able to express themselves, able to make their own decisions, numerate and able to use their numeracy in real life situations (cf. Coleman et al, 2013; Khan et al, 2012). Graddol notes that ‘although government reports identify English as a key skill in vocational training, it is not yet clear where the jobs requiring English are, or what kind of English they might require’ (2010: 38). While there have been increasing attempts to make the needs for English more explicit, particularly in India (e.g. NSDC, 2009), ‘what an employer imagines is needed is not always what an employee actually finds most crucial in everyday work’ (Graddol, 2010: 103). It may also be the case – as argued by Lockwood (2012:107) – that the problems being experienced in recruiting employees with English skills may reside more in gatekeeping practices than in the levels of English of applicants.

Therefore, there is an urgent demand for needs analyses of the language competencies needed in particular job roles – about real things employees are
having to do – or would like to do – with language. Such studies would allow governments to design appropriate education and training policies. And based on that, sector-specific skills development courses, including English, could be developed.

**The role of English in the informal sector**
The need for skills mapping is particularly prevalent in the informal labour sector, which accounts for up to 90% of jobs in South Asian countries (The Economist, 2013). It is important to gain a better understanding of the skills needed there and any potential advantages of English language: ‘We know little about [the needs of people working in the informal sector] and whether having better English might help because their daily lives go largely undocumented’ (Graddol, 2010: 34). Much research so far (e.g. the Euromonitor studies) gives insight only into high-level positions in international companies, where only a tiny proportion of people in these countries work. Indeed, Coleman et al (2013: 90) argue that big business does not contribute largely to employment in many development contexts. It would be useful to gain insight into the skills that the majority of people need to provide their services more effectively. This may include things such as basic bookkeeping, financial planning, understanding how to approach banks and use their services, joining and setting up cooperatives, understanding one’s rights, simple promotional skills, basic health and safety (especially for people engaged in making and selling food), responsibilities when employing somebody else (e.g. reasonable working hours and remuneration), how to write menus/price lists, etc. English might be one of the skills needed, but this cannot be taken for granted.

**Broader conception of development**
Finally, in addition to understanding the economic value of English language skills, it would be instructive to have more insight into how English language skills may enhance human development. This would explore its functions for individuals in terms of life-outcomes, and of its benefits and costs for society as a whole – particularly when measuring the real costs, over time, of providing quality English language teaching at scale.

**5.3 Need for more resources**
If decisions are taken to invest in English language education as part of skills development, it should be recognised that providing quality English language teaching at scale requires a major investment over time. In order to deliver this English language training, a wealth of complicated issues needs to be explored, for example:

- Where can English courses ideally be placed in the skills curriculum? Should they be integrated into the programme (which is preferable) or will they be delivered as an add-on? In order for English language teaching to be meaningful to learners, it is best if it is specific to the sector of employment (or potential employment). This suggests that generic English language classes are not what is required.
- But if English language skills are too integrated into a skills development programme, they become difficult to assess and benchmark. So how can they be assessed, benchmarked and accredited?
- If materials are not to be generic, does resource and expertise exist to produce materials of high quality that are specific in terms of language, context and sector? This calls for both English and sector expertise, both of which are not always readily available in any context.
- What is the most appropriate pedagogical model for the delivery of these materials and programmes? Do face-to-face facilities exist? Can mobile technologies be effectively used? If so, how can we be sure to reach out to disadvantaged groups who don’t generally have access to such technology?
- What language will be used for the delivery of the skills development and English curriculum? Research and experience suggests that local languages are needed for the delivery of the skills curriculum and that the focus of English language training in this context should be on English as a skill, not as the medium of instruction (Kamwangamalu, 2010). With this in mind, how will skills development materials be translated and localised?
- Are there trained teachers available to deliver the courses required for a skills-related English curriculum? If not, is there a cadre of trainers who can train them? Is it possible to set up teacher education programmes and to produce suitably qualified teachers? If not, how long will it take before these programmes are in place?

Of course, solutions can be found to these complicated issues, but significant expertise and resource is required to do this in order to provide quality English language education that is meaningful to learners. It is therefore worth considering what is the best investment to help people become more employable and receive higher earnings – particularly when, as mentioned above, there is still such a need to provide the population with basic literacy and numeracy and generic employability skills (Aggarwal, 2010). It may be that people who have a strong educational background may be better placed to learn the functional English that their job requires once they are in their post (again, an area for future research).
5.4 Final remarks

Research shows us that there is clearly a need for skills development in South Asia, and that people with higher literacy and numeracy skills and English language skills are more likely to gain employment and earn higher wages. Studies like Azam, Chin and Prakash (2010) have produced impressive findings, citing increases in wages of 13% for speaking a little English and 34% for speaking it fluently, and such statistics have been celebrated in the media (see Nagarajan, 2014). The details of such studies, however, are often neglected. English is promoted as if it is a panacea for poverty and skills development, and the fact that English accrues with other socioeconomic variables and is only likely to be acquired if there is a strong base of general education is not kept in sight.

Despite what research tells us, perceptions and ideologies about the value of English are pervasive and very strong across South Asia– even for the rural poor (Erling et al, 2012; Erling & Seargeant, 2013; Coleman, 2011; Seargeant & Erling, 2011). There is ‘an extraordinary belief, among almost all castes and classes, in both rural and urban areas, in the transformative power of English’ (Graddol, 2010: 59). Thus, in effect, it may not really matter what the data say. The populations of these countries seem to be convinced of the value of English.

The strong beliefs about the power of English make it all the more important for policy makers and project implementers to communicate clear messages about the value of basic education – and that skills in English are only likely to be of value if a strong educational base is in place. English language education, if part of skills development, should build on first language literacy and numeracy, and support also the development of generic employability skills.

More research will allow us to shed more light on the benefits and costs of learning English for society as a whole. High-quality, meaningful English language education is expensive and puts a large burden on educational systems. If English is to be taught, we should ensure that it is taught in a way that allows people to access more information and make more informed choices about their employment and education and that it is providing people with the skills that they can and want to use to enrich their lives.
Final remarks

Research shows us that there is clearly a need for skills development in South Asia, and that people with higher literacy and numeracy skills and English language skills are more likely to gain employment and earn higher wages. Studies like Azam, Chin and Prakash (2010) have produced impressive findings, citing increases in wages of 13% for speaking a little English and 34% for speaking it fluently, and such statistics have been celebrated in the media (see Nagarajan, 2014). The details of such studies, however, are often neglected. English is promoted as if it is a panacea for poverty and skills development, and the fact that English accrues with other socioeconomic variables and is only likely to be acquired if there is a strong base of general education is not kept in sight. Despite what research tells us, perceptions and ideologies about the value of English are pervasive and very strong across South Asia— even for the rural poor (Erling et al, 2012; Erling & Seargeant, 2013; Coleman, 2011; Seargeant & Erling, 2011). There is ‘an extraordinary belief, among almost all castes and classes, in both rural and urban areas, in the transformative power of English’ (Graddol, 2010: 59). Thus, in effect, it may not really matter what the data say. The populations of these countries seem to be convinced of the value of English.

The strong beliefs about the power of English make it all the more important for policy makers and project implementers to communicate clear messages about the value of basic education— and that skills in English are only likely to be of value if a strong educational base is in place. English language education, if part of skills development, should build on first language literacy and numeracy, and support also the development of generic employability skills. More research will allow us to shed more light on the benefits and costs of learning English for society as a whole. High-quality, meaningful English language education is expensive and puts a large burden on educational systems. If English is to be taught, we should ensure that it is taught in a way that allows people to access more information and make more informed choices about their employment and education and that it is providing people with the skills that they can and want to use to enrich their lives.

I am grateful to the British Council for funding this research and to the Open University for granting me the space to conduct it. I would also like to thank friends and colleagues at the British Council and the Open University who have shared with enthusiasm their thoughts, expertise and knowledge about English skills for employability in South Asia. These include Lesley Dick, Jim Donohue, Leighton Ernsberger, Nirupa Fernandez, Tony Fisher, Eranda Ginige, Gary Hallsworth, Jovan Ilic, Kathryn Kelly, Pat McLaughlin, Sarah Parvez, Nishat Riaz, Talha Shahzad, Salman Shehzad, Prithvi Shrestha, Sagun Shrestha, Leila Tehrani, Alex Tyers and John Woodthorpe. I was overwhelmed by these people’s interest in and support of this research, and their unyielding dedication to improving and expanding education at all levels in South Asia. Alison Barrett was particularly supportive of this research and inspirational in her conviction about its importance. While any errors or oversights in this report remain my own, I am indebted to the following critical readers who kindly provided me with thoughtful feedback that has allowed me to improve and develop my ideas: Alison Buckler, Hywel Coleman, John Knagg and Philip Seargeant. Special thanks go to Dr. Christophe Ladroue at the University of Warwick for providing statistical expertise in interpreting the quantitative data analyses applied in the studies reviewed in this report. As always, I am grateful to Quirin, Marie and Ylva Gerstenecker for their unwavering support.
**References**


BBC Media Action (2013) BBC Janala. Available online at www.bb.c.uk/mediation/where_we_work/asia-bangladesh/bbcjanala.html


Mohapatra, S. and M. K. Luckert (in press) Educational returns beyond the mean: Differences along wage distributions of men and women in India’s formal labor market. International Journal of Educational Development


Available online at:
www.meducationalliance.org/content/moblies-youth-workforce-development-landscape-review


Many of the similarities between these countries stem from their relationship to India—the geopolitical centre of the region. This often results in the region being ‘Indo-centric’ (Srivastava and Khare, 2012). Indeed much of the research reviewed in this report focuses on India.

Bhutan and Maldives are not covered in this report, although they are sometimes considered to be part of the South Asian region.

A report by Chakraborty and Kapur (2012) on returns to English in West Bengal, for example, has been excluded because of concerns with the validity of their study. Chakraborty and Kapur report that individuals who were more likely to have learnt English in school earned significantly higher wages and gained better occupational outcomes than those who did not, even when the level of overall education was controlled for. But when the findings are put under scrutiny, it can be seen that, while they point in the direction of a real effect of exposure to English on the average wage, the figure cannot possibly be as high as what is reported. Thanks to Christophe Ladroue for this analysis.

It is unclear from the report how much is contributable to English skills alone. As noted in Section 5.3.1 of this report, lower skills in English can be indicative of poor quality of education. Moreover, research conducted on the BPO industry in India and the Philippines found ‘a problematic stakeholder understanding of what to look for in language ability when recruiting staff; it also revealed the problematic use of language assessment tools and practices in terms of validity, reliability, practicality, and fairness’ (Lockwood, 2012: 107). Therefore, more needs to be known about the test used by Aspiring Minds before accepting its validity.

www.skillsforlife.lk

According to the World Bank, a low-income country is any country in which gross national income per capita in 2011 at purchasing power parity was $1,025 or less.

Human capital is the stock of competencies, knowledge, social and personality attributes, including creativity, embodied in the ability to perform labour so as to produce economic value.

Special thanks to Hywel Coleman for his insights into the potential needs of people working in the informal sector. See also Coleman et al (2013).
Many of the similarities between these countries stem from their relationship to India—the geopolitical centre of the region. This often results in the region being 'Indo-centric' (Srivastava and Khare, 2012). Indeed much of the research reviewed in this report focuses on India. Bhutan and Maldives are not covered in this report, although they are sometimes considered to be part of the South Asian region.

A report by Chakraborty and Kapur (2012) on returns to English in West Bengal, for example, has been excluded because of concerns with the validity of their study. Chakraborty and Kapur report that individuals who were more likely to have learnt English in school earned significantly higher wages and gained better occupational outcomes than those who did not, even when the level of overall education was controlled for. But when the findings are put under scrutiny, it can be seen that, while they point in the direction of a real effect of exposure to English on the average wage, the figure cannot possibly be as high as what is reported. Thanks to Christophe Ladroue for this analysis.


It is unclear from the report how much is contributable to English skills alone. As noted in Section 5.3.1 of this report, lower skills in English can be indicative of poor quality of education. Moreover, research conducted on the BPO industry in India and the Philippines found ‘a problematic stakeholder understanding of what to look for in language ability when recruiting staff; it also revealed the problematic use of language assessment tools and practices in terms of validity, reliability, practicality, and fairness’ (Lockwood, 2012: 107). Therefore, more needs to be known about the test used by Aspiring Minds before accepting its validity.

www.skillsforlife.lk

According to the World Bank, a low-income country is any country in which gross national income per capita in 2011 at purchasing power parity was $1,025 or less.

Human capital is the stock of competencies, knowledge, social and personality attributes, including creativity, embodied in the ability to perform labour so as to produce economic value.

Special thanks to Hywel Coleman for his insights into the potential needs of people working in the informal sector. See also Coleman et al (2013).

Dr. Elizabeth J. Erling is a Lecturer in English Language Teaching in the Centre for International Teacher Education at the Open University, UK. She has been involved in the DFID-funded projects *English in Action* (EIA) in Bangladesh and TESS-India. Her research is practice-oriented and rooted in real-life issues facing English language educators and policy makers in development contexts. She recently published an edited volume on *English and Development: Policy, Pedagogy and Globalization* (Multilingual Matters), which brings together leading scholars in the field to critically explore the role of English language education in development initiatives. In 2010, she was awarded funding from the British Council’s English Language Teaching Research Partnerships Awards for research investigating attitudes to English as a language for international development in rural Bangladesh.