



Vocational Training System and Employability for Indian Youth

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ABSTRACT

Generating new employment opportunity is a crucial task for every government. As the proportion of working age group of 15-59 years will be increasing steadily, India has the advantage of demographic dividend, most people lack relevant skills to do their jobs effectively at their workplace. However, very nominal percentage of the total workforce in India has undergone skills training. A national policy response is, therefore, needed to guide the skill development strategies and coordinated action by all stake holders to avoid a piecemeal approach. It is also important that the policies of skill development be linked to policies in the economic, employment and social development arenas. Though education level in the recent years has increased but skill development is still a crucial issue. Skill oriented education, vocational training and lifelong learning are major determinants of employability, and thus contribute to achieving the development objectives. In a bid to meet this skills deficit, the Government of India has launched various schemes to promote vocational education. This paper provides a broad description of the issue of skills development and its role in promoting economic growth. The realization of this demographic dividend led to the formulation of the "National Skills Policy" in 2009 which set a target of imparting skills training to 500 million, by 2022. The Prime Minister's National Council on Skill Development is an apex institution for policy direction and review. The National Skill Development Coordination Board formulates strategies to implement the decisions of the Council and evaluates the outcomes of the various other schemes and programs.

KEYWORDS : Vocational Training, Skill Development , Public Training System

Introduction

Skills and knowledge are recognized as major driving forces of economic growth and social development for any country. Skills development is means to stimulate sustainable development process and can make a contribution to facilitating the shift from the informal to the formal and well structured economy. India's much publicized demographic dividend can well prove to be annoyance if they do not become skilled and employable. With roughly 600 million of India's population below the age of 25 years, there is a definite need for large scale employment generation. The present capacity of the skill development programs is 3.1 million, though Indian government has set a target of skilling 500 million people by 2022. In a bid to meet this skills deficit, the Government of India has launched various schemes to promote vocational education and training.

As the proportion of working age group of 15-59 years will be increasing steadily, India has the advantage of demographic dividend, but most of the people lack relevant skills to do their works effectively. However, presently only 2% of the total workforce in India have undergone skills training. A national policy response is, therefore, needed to guide the skill development strategies and coordination among all stake holders. It is also important that the policies of skill development be linked to policies in the economic, employment and social development arenas. Though education level in the recent years has increased but skill development is still a crucial issue. Skill oriented education, vocational training and lifelong learning are major determinants of employability, and thus contribute to achieving the development objectives of the country. The main stakeholders in skills development are the industry, labour, the academy, and the Government.

As indicated by several studies and reports, India's youth severely lacks vocational training. In the 15-29 age group, only two per cent have undergone any sort of formal vocational training and only about eight per cent have received non-formal vocational training (NSSO, 61st round ;GOI, 2010). In a bid to meet this skills deficit, the Government of India has launched various schemes to promote vocational education.

The objective of this paper to provides a broad description of the issue of skills development and policy approach towards vocational training. This paper is organized into three section apart from introduction. Concept and Management of Vocational Training for Skill Development has been discussed in the first section while second section explains the Current Status of Vocational Training in India. The third section summarizes the main findings and policy suggestions.

I. Concept and Management of Vocational Training for Skill Development-

The main objective of vocational education and training is to prepare persons, especially the youth, for the world of work and make them employable for a broad range of occupations in various industries and other economic sectors. It aims at imparting training to persons in very specific fields through providing significant 'hands on' experience in acquiring necessary skill in the specific vocation or trade, which make them employable or create for them opportunities of self-employment. Vocational training can be classified into two sets- Formal and Non-formal vocational training.

Formal Vocational Training -The vocational training that took place in educational and training institutions which followed a structured training programme and led to certificates, diplomas or degrees, recognized by State/Central Government, Public Sector and other reputed concerns was considered as formal vocational training. By structured training programme, it was meant that (i) the training programme had a definite title with prescribed syllabus and curriculum and a specified duration of the training, and (ii) the training had some entry level eligibility in terms of education and age.

Non-Formal Vocational Training-Hereditary, Self-learning, Learning on the job:

I.1-Vocational Training in the Public Sector

Unlike vocational education, vocational training programs in India fall outside the formal schooling cycle. As discussed, vocational training is institution-based with varying entry requirements as well as course durations (based on the course). The proportion of practical to theoretical instruction in vocational training programs is also higher than in vocational education.

I.2-Management Structure of the Vocational Training System:

At National Level: National Council for Vocational Training- The NCVT is chaired by the Minister of Labor & Employment. Members represent central and state government departments, employers' and workers' organizations, professional bodies, the All India Council for Technical Education, representatives from scheduled castes and scheduled tribes, the All India Women's Organization, etc. Its functions include:

- establishing and awarding National Trade Certificates;
- prescribing training standards; and
- arranging trade tests and developing standards for National Trade Certificates;

At the State Level:

State Councils for Vocational Training (SCVTs), as well as Trade Committees, have been established to assist the NCVT. They advise state governments on training policy and co-ordinate vocational training in each state.

State government departments deliver vocational training through: (a) the ITIs that operationally report to and are funded by them, and (b) the ITCs that are privately funded and managed (some of these get financial support from the state governments).

Certificate level crafts training: It is open to 5 million students approximately in a year who leave school after completing high school. About 80% of the students take admission in engineering courses, and the remaining in the non engineering trades. In addition, there are about 150,000 apprentices in various industries.

Training system for graduates: Even after three years graduation, over 60 % of all graduates remained unemployed. Although a significant proportion of apprentices find employment, about two-thirds are not employed in that trade for which they were trained. There appear to be three reasons for this: (a) limited growth and labor demand in the manufacturing sector, (b) mismatch between the skills attained and those actually in demand, and (c) mismatch between the skills taught and the graduates' own labor market objectives.

II. The Vocational Training Landscape in India: Current Status

This huge demand for vocational education and the enormous gap in capacity makes the situation precarious for India. The enormity of the challenge is well-recognized; the government has taken a slew of measures including the setting-up and funding of new ITIs, studying the sustainability of vocational models, establishing payee mechanisms, vocational standards, creation of sector skill councils, modular employability schemes, etc. Recently, the government has set up the National Skill Development Agency (NSDA) with a mandate to coordinate all skill development initiatives which have resulted in an increase in capacity in recent years.

Table-1. India's Population: Age and Employability

India's Population (2013) 1.27 bn		India's Population (2015) 1.32 bn	
0-14 yrs-360 mn, 15-60 yrs-810 mn, >60 yrs-100 mn		0-14 yrs-370 mn, 15-60 yrs-840 mn, >60 yrs-110 mn	
Employed 600 mn (90% need Vocational Training)	Unemployed/ Not willing to work 210 mn	Employed -625 mn (90% need Vocational Training)	Unemployed/ Not willing to work 215 mn

Need Training 80 mn	Need Re-training 460 mn
Need Training 85 mn	Need Re-training 475 mn

Some Facts:

- The vocational education stream is quite small enrolling less than three percent of students at the upper secondary level.
- Vocational students appear intent on entering higher education rather than entering the labor market
- Despite the poor outcomes, policymakers remain keen to expand vocational education
- International experience suggests that employers mostly want young workers with strong basic academic skills, and not necessarily vocational skills.

Table.2: Number per 1000 persons of different age groups who received formal vocational training during 2004-05 and 2011-12 in India

category of persons age group	15-19	20-24	15-24	25-29	15-29	30-44	45-59	15-59
68th round (2011-12)								
rural								

male	6	26	15	31	19	15	10	16
female	7	16	11	15	13	9	4	9
person	7	21	13	23	16	12	7	13
urban								
male	15	55	34	66	44	60	43	50
female	20	48	34	54	41	33	18	33
person	17	51	34	60	43	47	31	42
rural+urban								
male	9	36	21	43	27	30	20	26
female	11	26	18	28	21	16	8	16
person	10	31	20	35	24	23	14	22
61st round (2004-05)								
rural								
male	5	21	12	23	15			
female	7	15	11	16	13			
person	6	18	11	19	14			
urban								
male	19	72	45	69	52			
female	18	63	40	55	45			
person	18	67	43	63	49			
rural+urban								
male	9	36	21	37	26			
female	10	28	19	26	21			
person	9	32	20	32	24			

Source: NSS 68th round, 2015 and NSS 61st round, 2008, NSS Report on Status of Education and Vocational Training in India, GOI, New Delhi

Note: In NSS 61st round (2004-05), information on formal vocational training received was collected for persons of age 15-29 years

Manufacturing companies still experienced problems finding employees with the right skills. Mostly, these shortages were in trades that were supplied by the ITIs/ITCs – implying that their graduates did not suit employers' needs. Most employers felt that graduates lack practical knowledge and did not perform well enough in the use of computers, practical use of machines, communications and team work practices. So, they need considerable on-the-job training to bring their skill levels to match the needs of the industry. Occupations in demand over the 90s included administrative, executive and managerial workers, sales workers, low-skill construction workers, skilled workers like toolmakers, and machine and transport equipment operators. Declines occurred in occupations that had been among the largest employers of workers with low educational attainments, including housekeepers, cooks and maids, and occupations based on agriculture and allied activities. The textile industry also lost jobs in urban areas, reducing employment in occupations like spinning, dyeing, weaving and knitting. Even in rural areas, employment prospects are better for the more qualified and the situation is likely to become tougher for the untrained or uneducated workers.

If India wants to emulate countries where the vocational education system has succeeded, sweeping reforms are needed. This will require significant commitment on the part of policymakers.

II.1- Constraints of Public Training System:

- The management of the system is fragmented between central and state authorities – the National and State Authorities for vocational training (NCVT and SCVTs). There is often a duplication of effort and little coordination between them leading to diverse accountability.
- Institutions do not have incentives to improve their performance. They have minor freedom to fill places to capacity, replace training courses with new ones, and ensure that students receive quality training.
- Industry involvement in the vocational training system is emerging. Until recently there was limited participation of employers in defining training policies and developing courses. Industry associations and individual employers are showing considerable interest in involving themselves in developing and managing ITIs.
- Trends suggest that the accumulation of human capital in rural areas has been low and growth will be centered on urban areas.

- Another lacuna is the lack of evaluative evidence on the impact of vocational education or training. There have been no impact evaluation system which examine the wage and employment outcomes for graduates of these institutions.

II.2- Training for the Informal Sector

Over 90 % of employment in India is in the 'informal' sector, with employees working in relatively low productivity jobs. Provision of appropriate skills may thus be an important intervention to increasing the productivity of this workforce. However, both demand as well as supply-side constraints have inhibited skills development.

1. On the demand-side: Many employees identify lack of access to capital, cumbersome bureaucratic bottlenecks, and lack of access to quality equipment as their main challenges in the informal sector.

2. On the supply-side, there has been a variety of attempts to assist with training in the informal sector. The most important are probably Community Polytechnics (training about 450,000 people a year within communities), Jan Shikshan Sansthan (offering 255 types of vocational courses to almost 1.5 million people, mostly women) and the National Institute of Open Schooling (NIOS) (offering 85 courses through over 700 providers recognised by the NIOS). But, none of these programs has been evaluated rigorously

II.3-Problem Areas in present Vocational Training System : A Few Points of Findings

- India has a weak non-public training market.
- High dropout rate at Secondary level- A large part of the 18-24 years age group in India has never been able to reach college.
- Experience suggests that what employers mostly want are young workers with strong basic academic skills and not just vocational skills. The present system does not emphasize general academic skills.
- Private & Industry Participation is lacking. There are no incentives for private players to enter the field of vocational education.
- private training sector owing to the large number of unaccredited training providers,
- There are significant differences between public and private provision of training.
- In terms of outcomes, the results appear mixed i.e. ITC graduates do not fare better on the labor market than do graduates from ITIs.
- Employed workers trained in private institutions derive productivity benefits from participating in training (while gains to employees receiving training in public institutions are insignificant).
- Key problems faced by private skill training providers include lack of access to resources and regulatory barriers hindering entry into the training market.
- Many private providers identified the lack of access to credit, and financing of initial investments in the private training center as key constraints to setting up training centers with adequate facilities, and in upgrading centers.
- The level of regulations are not uniform across states, in many cases private providers complain about excessive government bureaucracy in the registration of training institutions, as well as in accreditation and certification of courses provided. In order to get around this, many institutions often end up being unaccredited.
- Here again, a key role that the government can play is in disseminating information on quality of training provided.
- State governments should instead take a more active role in disseminating relevant information (for example, type of training provided, fees, and particularly the dropout and completion rates of different providers).

III. Conclusion & Policy Propositions:

The diverse training needs of informal sector operators cannot be met by simply reorienting public training institutions. More young people acquire competence through traditional (informal) apprenticeships - although reliable data for India are not available, figures for other countries suggest it could amount to anywhere between 50 to 70 percent of employees in micro-enterprises. These apprenticeships are based on traditional technologies and ideas from previous gener-

ations, and the quality of training is only as good as the skills of the master and the master's willingness and ability to pass on those skills. The theoretical aspect of learning is weak or absent; only the simplest skills are learnt, resulting in low quality products.

The governments can play a facilitating role in training for the informal sector. Instead of delivering training themselves, governments could focus on creating an environment to support non-public providers through: (i) establishing a policy framework (regulations and incentives); (ii) supporting curriculum development, training of trainers, and competency based skills testing; (iii) stimulating investment through tax incentives or financial support so as to increase the capacity and the quality of training; and (iv) revising apprenticeship acts that are outdated and contain regulations that hamper enterprise-based training.

Despite the fact that the Indian economy has witnessed a considerable growth in the last two decades, this growth rate has not been uniform. Underemployment, low educational levels, a high rate of drop-outs and lack of proper vocational training which can provide better employment opportunities, are still prevalent. The shortage of skilled workforce is evident from the discrepancies of demand and supply in the market. India will have a surplus of 56 million working people while the global shortage of skilled working people will be 47 million by 2020 (outlook,2014). With a 'demographic dividend' of more than 50% of the population within the age bracket of 25, the 11th Five Year Plan identified the potential of India emerging as an important global entity in skill development. Currently only 10% of the youth population has proper vocational training. Realizing the importance of proper vocational training and skill development programs, the 11th Five Year Plan established the PM's National Council for Skill Development (for framing policies), the National Skill Development Coordination Board (for coordinating the various skill development programs), and finally the National Skill Development Agency (NSDA – a catalyst to enhance the skill development programs).

The 12th Five Year Plan outlines strategies for further improving the vocational training programs at both the Center and State levels. Public training institutions play a limited role in producing skills for the informal sector. While one of the mandates of ITIs and ITCs is to train workers for the informal sector, evidence shows this is rarely the case. The share of ITI graduates who entered self employment or became employers was not much greater than 10 per cent while only around 5 per cent of ITC graduates joined the unorganized economy. It would require a major investment to upgrade facilities and equipment, to develop new curricula and materials to be able to provide the package of skills needed by the informal sector by the government.

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