Research Paper Commerce

Vocational Education And Training (VET) In India

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ABSTRACT

In recent times , our education system has been discussed in many forums with regard to it's quality and relevance. India is ranked third in terms of graduates output next to that of USA and china, but in terms of quality, we are trailing, as hardly as one percent of our student get quality based education. India's transition to a knowledge based economy requires a new generation of educated and skilled people. The competitive edge will be determined by it's people's ability to create, share and use knowledge effectively. With rapid transformation of societies in social, political, economic, technological, and education spheres, there has been a change in the perspectives on the need for and nature of VET. New challenges have begun to emerge, and old ones to remerge. This article provides a brief account of the progress made by India in VET, and discusses a few important issues concerning the method of financing VET in India.

INTRODUCTION :

In recent times , our education system has been discussed in many forums with regard to it's quality and relevance. India is ranked third in terms of graduates output next to that of USA and china, but in terms of quality, we are trailing, as hardly as one percent of our student get quality based education. India has 350 universities, 18000 colleges and 6000 ITI's ,which every year come out with about 500000 technical graduates ,of which, according to NASSCOM estimates, 75 percent are not easily employable and 2.3 million graduates, of which 90 percent are considered unemployable. It is a well know fact that technical education plays a vital role in human resource development of the country by creating skilled manpower, enhancing industrial productivity and improving the quality of life. To achieve the goals of a knowledge economy, India needs a flexible education system, basic education to provide the foundation for learning, secondary and tertiary education to develop core capabilities and core technical skills and further means of achieving lifelong learning .This should facilitate quality learning. With more than 8000 institutes in the degree sector, 2500 in the polytechnic sector and more than 1.9 million seats at the entry level in the degree stream, 0.5 million in the polytechnic stream, we have one of the largest technical education systems in the world. A host of ITI's in every state also cater to vocational education and skill building.

NEED FOR SKILLED MANPOWER :

Two greatest concerns of employers today are finding good workers and training them. The difference between the skills needed on the job and those possessed by applicants, sometimes called the skills gap is of real concern to human resource managers and business owners looking to hire competent employees. While employers would prefer to hire people who are trained and ready to go to work, they are usually willing to provide the specialized, job specific training necessary for those lacking such skills. Most discussions concerning today's workforce eventually turn to employability skills. Finding workers who have employability or job readiness skills that help them fit into and remain in the work environment is a real problem. According to a study conducted by Confederation of Indian industry and Boston consulting group (CII & BCG) , India has a large population base of 1.14 billion with demographic shift in favor of working age group (15 -59 years), while the overall population is projected to grow at 1.4% over the next five years the working age is expected to grow at 2.15%. If the present trend continues, 109 million persons will attain working age during the period of 2007- 2012. The net addition to workforce is, therefore expected to grow to 89 million of which around 13 million are likely to be graduates and about 57 million are likely to be school dropouts or illiterates. A significant share of incremental demand is likely to be for skilled labour graduates and vocationally trained people are expected to account for 23% of incremental demand by 2012. The study further estimates that India is likely to increase deficit of 5.25 million employable graduates and vocationally trained workforce by 2012. Hence focusing on vocational education is of primary importance.

IMPORTANCE OF VOCATIONAL EDUCATION AND TRAINING :

General or vocational education? This is a "tough choice" in many developing countries. In the human capital framework, general education creates 'general human capital' and vocational and technical education creates 'specific human capital' (Becker, 1964). The former is portable across one's life and from job to job, while the later one is not and hence many advocate general education, as more suitable to the flexible labour force that can change task and even the type of work; but the later one has an advantage, imbibing specific job-relevant skills, that can make the worker more readily suitable for a given job and would make him/her thus more productive. Hence both are important, and education systems in many countries therefore include both general and vocational streams of education in varying proportions.

Leading social scientists have lent strong support for vocational education. For instance, Thomas Balogh (1969) was emphatic in arguing: "As a purposive factor for rural socio-economic prosperity and progress, education must be technical, vocational and democratic." He in fact suggested that even "elementary education must impart technical knowledge to rural youth in an eminently practical way ". The case for VET received much support in the context of the global educational crisis. VET was viewed as the solution to the educational problems in the developing economies. It was believed that many educational problems could be solved by diversifying the secondary education curriculum: the unbridled demand for higher education could be controlled, the financial crisis in education would be eased by reducing pressures on higher education budgets, and unemployment among college and secondary school graduates would be reduced. All this was based on the following assumptions:

- Differentiation of occupation in the developing economies requires secondary school graduates with varied skills. Because of changes in production processes resulting

from technological advances, the nature of the demand for skills, both in terms of quantity and quality, changes. Modern technology requires fewer highly qualified middle and lower level skilled personnel. Vocational education can produce exactly this kind of manpower.

- Vocational education would contribute to such progress, both by reducing unemployment, through creating employment in the fields of pre-vocational specialisation and self-employment, and by engendering a higher propensity for labour force participation at the end of secondary schooling, improving productivity, and correspondingly resulting in higher graduate earnings. Vocational and technical secondary education can establish a closer relationship between school and work.
- Vocational education is also seen as an equity measure. As an antidote to urban-biased elite education, vocational education will promote equity with a rural bias and serve the needs of relatively poor people. Also as Grubb (1985) states, vocational education has been seen as the answer to an enrolment problem: the tendency of some students (especially lower class students) to drop out of schools without occupational skills, a problem that vocational education promises to resolve by providing a more interesting and job-relevant curriculum. More specifically, it is believed to be an effective answer to rural problems, "to alleviate unemployment; to reorient student attitudes towards rural society," to halt urban migration; to transmit skills and attitudes useful in employment , and as an important measure of development for disadvantaged youth in rural and urban areas.
- Further, vocational education is considered helpful in developing what can be termed as 'skill-culture' and attitude towards manual work, in contrast to pure academic culture and preference for white collar jobs; and to serve simultaneously the hand and the mind.

Organisations such as UNESCO and the World Bank have played a leading role in reviving and furthering the cause of vocational or diversified secondary education. UNESCO adopted in 1974 an important detailed recommendation concerning technical and vocational education, and argued for provision of technical and vocational education as "an integral part of general education," as "a means of preparing for an occupational field," and as an instrument to reduce the mismatches between education and employment and between school and society at large. The World Bank's sector policy paper on education attacked school curricula as excessively theoretical and abstract, insufficiently oriented to local conditions, and insufficiently concerned with attitudes and with manual, social and leadership skills; and accordingly the Bank also suggested increasing vocationalisation of the curricula of academic schools.

LOAN FOR VOCATIONAL EDUCATION :

To develop skilled workforce in the country, the Indian Bank's Association (IBA) has approved a vocational education loan scheme. This will benefit around 25 lakh people in the country, who can avail loans in the next three years for pursuing vocational courses offered by industrial training institutes and polytechnics and other technical and professional courses from recognized colleges and universities. The interest rate charged will be linked to the base rate of banks as decided by the individual banks or at reduced rates, if an interest subsidy is provided by the central or state governments to all or a class of beneficiaries proposed to be targeted. Banks will charge a simple interest rate during the study period and up to the commencement of repayment. The note on model loan scheme for VET also mentions that servicing of interest during the study period and the moratorium period till commencement of repayment is optional for students. Also an interest concession of 1% will be provided if the interest is serviced during the study period and the subsequent moratorium period prior to the commencement of repayment. The bank will not charge any processing fee for the loan.

QUANTUM OF LOAN FOR VOCATIONAL COURSES (in Rupees)

S.No	COURSE DURATION	AMOUNT
1	Up to 3 Months	20000
2	Up to 3-6 Months	50000
3	Up to 6-12 Months	75000
4	Above 12 Months	150000

The loan will be provided by all member banks of IBA and banks and financial institutions as advised by the RBI. Banks will not take any collateral or third party guarantee. However, the parent will execute the loan document along with the student borrower as joint borrower. Insurance for the is optional and the borrower can repay the loan anytime after commencement of repayment without having to pay any prepayment charges. Banks will have to implement the scheme from july 1 after taking the approval of their board. Any student of Indian nationality can avail the loan. The scheme is vital as the country would require 10 to 15 million skilled workers every year. The loan will include expenses for tuition course, fee, examination, library and laboratory fee, caution deposit, purchase of books, equipment and instruments. It will also cover any other reasonable expenditure found necessary for completion of the course.

CONCLUSION :

Access to secondary education and VET is crucial and for most of them secondary education and VET will be the last stage of their formal schooling. An effective school to work transition for these young people, will improve their employment prospects and lifetime earnings. It is time we imbibed an approach to education and skill development which is human an d Indian in essence, perspective and content in that it serves our needs of effective and qualitative education, employability, self-employability and reemploy ability. The new loan scheme for vocational courses will help a large number of people and will make them employable with skills.

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