



VOCATIONAL EDUCATION PERFORMANCE BENCHMARKS FOR INDIAN ECONOMY

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Abstract

In response to the ‘challenge and an opportunity that the Indian government sees in its booming youth population, the Indian government is attempting to ramp up VET. The National Skills Development Policy in 2009 set the target of upskilling 500 million workers by 2022 to meet the impending skills gap; it is worth noting, however, that the government currently estimates training capacity to be 7 million per year. A more recent estimate from the Institute of Applied Manpower Research argues that 291 million additional workers are needed for the same period. This is particularly pertinent to the building, construction and real estate industry, the auto and auto components industry, and the textiles and clothing industry. The lack of skills supply is characterised by the government as a key issue for the economy: ‘The country presently faces a dual challenge of severe paucity of highly-trained, quality labor, as well as non-employability of large sections of the educated workforce that possess little or no job skills

Keywords: skills supply , VET, by All India Council for Technical Education

1.1 Introduction

The Secondary Education commission observed, “We accept that after the successful conclusion of the Secondary Course, a majority of students will take up some suitable vocational pursuits and in due course achieve a reasonable degree of competence in it either through practice and experience or through apprenticeship training. But there would like, and would be in a position, to pursue higher studies. For such students, polytechnics or Technological Institutions should be available where technical courses covering two or more years would be provided. They should be eligible to take the certificates or diplomas awarded by the state or by All India Council for Technical Education. Those who take the higher secondary Certificate with Vocational Subjects may be exempted from the first year of the course, while those who obtain the High Schools Certificates should be required to put in the full period of training. These courses of students, will have to be planned by the expert Board of studies set up by the states or by the All India Council for Technical Education.”

For Agricultural education, the Commission recommended that all States should provide more opportunities for this education so that more students may take to it and adopt it as a vocation. The Commission was not satisfied with the existing facilities, It remarked, “At present there are not many schools which have agriculture as a subject of study, and even where it does exist, the instruction given is so theoretical and divorced from practical application that it does not serve any useful purpose. “The Commission also remarked that the training in agriculture, has to be provided largely in the field. The student should have opportunities to work under realistic conditions for a considerable part of his study so that he may acquire the right approach to agriculture. The Commission also recommended that along with agriculture, two other allied subjects should be closely integrated- Horticulture and Animal Husbandry.

1.2 Review of Related Literature

Kureshi, J. A. (1990)¹² made a study on the title “A critical study of the vocational interest of the students of Arts, Science and Commerce studying at graduation level in senior colleges in the rural areas”.

The study probes the vocational interest of students (Arts, Science and Commerce) at graduate level and makes a comparative study of the interest of male and female students.

All students studying in colleges in the rural areas form the population for the study and the sample comprise 600 students. 'The Vocational Interest Inventory was used.

The major findings of the study were –

- I) Rural students had less interest in agriculture and more interest in vocations connected with science.
- II) Students from Arts and Commerce faculties expressed high interest in persuasive and executive vocations.
- III) Students of all the three categories showed little interest in social vocation.
- IV) White collar vocations were preferred by students. They showed less interest in vocations involving physical labour.

Misra, A.K. (1994)²³ argued that when compared to general education, technical and vocational education has lower status in public mind in a large number of countries, including India. Hence, it is necessary to promote self-employment through industry linkage at a greater level, and articulation between vocational education and the first degree level education. Curriculum improvement, teacher competency, entrepreneurship development, better theoretical base were suggested for the status enhancement of the vocational education.

Rao, P.H.S. (1996)²⁴ analysed vocational education at school level and the continuance of it at the first degree level and concluded that unfortunately in many states of India the vocational programme could not take off for a variety of reasons such as no availability of trained and qualified personnel, lack of instructional facilities, equipment's, and above all, on-the-job training and apprenticeship which in turn would affect the student's vertical mobility. All such drawbacks in the +2 vocational courses did not make the learners of it neither for jobs and self-employment, nor could they get admission in the colleges. He suggested that to minimise this disastrous situation the existing vocational programme should be given weightage to improve self-employment or might lead them for the search of new insights through continuing tertiary education in the respective fields.

Arora, S. (1999)²⁹ reveals that despite of the goals and objectives of vocational education at +2 level, there were many issues and problems responsible for the very slow progress of it. It was suggested that to achieve the objectives of vocational education the identified hindrances like the mismatch between the offered course and the need and demand of the society, the selection of students for vocational education is not based on their ability,

aptitude, and interest, the absence of uniform pattern in selecting them into vocational stream, insufficient availability of textbooks and instructional materials in all regional languages, shortage of qualified and trained teachers, inadequate allotment of financial assistance and limited facilities for study tour, on- the- job training and apprenticeship should be removed.

1.3 Objective of the study

We start from the following objectives-

- To explore the Indian Agriculture sector and Manufacturing Sector.
- To analyse the role of vocation education in productivity of agriculture sector and manufacturing sector.
- To analyse the current situation of employment in both sectors.

1.4 Research Design

1.4.1 Collection of data

This study is based on the secondary data which is collected from the Reserve bank of India, CSSO, NSSO, Ministry of Employment Govt. of India, etc.

1.4.2 Research Methodology

The study find the cause and effect relationship between vocational education and Indian Economy the descriptive statistical tools and techniques will be used.

1.5 Present Status of Indian Economy

While much of the developed world expects to see its labour force shrink by 4% over the next two decades, India's workforce will increase by 32%.ⁱ In fact, the government estimates that 365 million people will become eligible for the workforce by 2024. Up to 13 million people will be seeking employment each year. The country is also experiencing a booming youth population. The average age of the population in 2020 will be 29 years old, as opposed to 40 years of age in the US and 46 years of age in Europe. The Indian government recognises these trends as both 'a challenge and an opportunity' It is therefore no surprise that Prime Minister Narendra Modi is placing so much effort on his Make In India programme, which he hopes will turn India into a global manufacturing hub to boost jobs. He also has visions

of the young population supplying ‘the requisite manpower to all,’ helping to fill international skills gaps

Table 1.1

Item Description	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
GVA at basic prices	8106946.00	9202692.00	10363153.00	11504279.00	12566646.00	13841591.00
Taxes on Products including import duties	890060.00	1057977.00	1180444.00	1291662.00	1518512.00	1759613.00
GDP	8736329.00	9944013.00	11233522.00	12467959.00	13764037.00	15253714.00

With Gross Domestic Product (GDP) growth averaging 7.5 per cent between 2014- 15 and 2016-17, India can be rated as among the best performing economies in the world on this parameter. Although growth is expected to decline to 6.5 per cent in 2017-18, bringing the 4-year average to 7.3 per cent, the broad story of India’s GDP growth to be significantly higher than most economies of the world does not alter. The growth is around 4 percentage points higher than global growth average of last 3 years and nearly 3 percentage points more than the average growth achieved by emerging market & developing economies (EMDE).

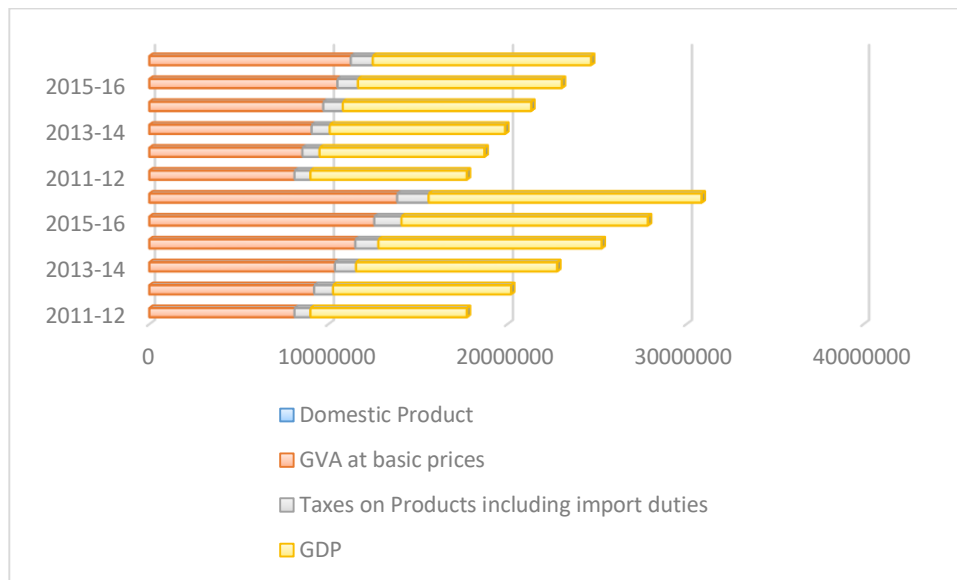
Figure 1.1

Figure 1.1 is the graphical presentation of GAV and GDP which shows that the GAV and GDP of the country during the periods of 2011-12 to 2015-16 is increasing very smoothly because of the good economic condition of the country.

Table 1.2

Item	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Gross Fixed Capital Formation	2997733.00	3145793.00	3194924.00	3278096.00	3448193.00	3797875.00
Dwellings, Other buildings & Structures	1723713.00	1734527.00	1771200.00	1871193.00	1850712.00	1909063.00
Machinery & equipment	1049198.00	1113578.00	1069088.00	1100577.00	1202018.00	1447607.00
Cultivated biological resources	7946.00	7086.00	6972.00	7118.00	8562.00	9330.00
Intellectual property products	216877.00	290602.00	347663.00	299208.00	386893.00	431875.00
Public Non-Financial Corporations	328529.00	329269.00	350210.00	366333.00	437174.00	433799.00
Dwellings, Other buildings & Structures	135586.00	137781.00	132212.00	155775.00	202711.00	196540.00
Machinery & equipment	165774.00	160841.00	174015.00	183044.00	183587.00	205931.00
Cultivated biological resources	209.00	213.00	231.00	124.00	97.00	92.00
Intellectual property products	26959.00	30434.00	43752.00	27390.00	50779.00	31236.00
Private Non-Financial Corporations	958412.00	1113766.00	1214385.00	1188971.00	1416658.00	1614316.00
Dwellings, Other buildings & Structures	230402.00	286872.00	283787.00	319320.00	410447.00	424883.00
Machinery & equipment	551588.00	582299.00	644372.00	611492.00	690370.00	813107.00
Cultivated biological resources	1029.00	1327.00	286.00	256.00	1529.00	1486.00
Intellectual property products	175393.00	243267.00	285940.00	257903.00	314313.00	374839.00
Public Financial Corporations	8428.00	9462.00	12523.00	10618.00	11190.00	10572.00

Dwellings, Other buildings & Structures	2220.00	1877.00	3289.00	1614.00	3399.00	3070.00
Machinery & equipment	6048.00	7225.00	8882.00	8763.00	7581.00	7300.00
Cultivated biological resources	0.00	0.00	0.00	0.00	0.00	0.00
Intellectual property products	160.00	361.00	352.00	241.00	211.00	202.00
Private Financial Corporations	22467.00	22682.00	24292.00	25663.00	35776.00	31867.00
Dwellings, Other buildings & Structures	10850.00	8881.00	8320.00	10660.00	13934.00	9175.00
Machinery & equipment	9070.00	9739.00	12073.00	12115.00	12780.00	11217.00
Cultivated biological resources	9.00	33.00	0.00	0.00	0.00	0.00
Intellectual property products	2539.00	4028.00	3898.00	2889.00	9062.00	11475.00
General Government	304303.0 0	316600.0 0	354916.0 0	387198.0 0	442555.0 0	506864.0 0
Dwellings, Other buildings & Structures	222391.0 0	236337.0 0	255401.0 0	297419.0 0	351852.0 0	406010.0 0
Machinery & equipment	69978.00	67540.00	85749.00	78993.00	78029.00	86188.00
Cultivated biological resources	166.00	296.00	125.00	81.00	244.00	639.00
Intellectual property products	11769.00	12428.00	13641.00	10704.00	12429.00	14027.00
Household Sector	1375593. 00	1354014. 00	1238598. 00	1299314. 00	1104841. 00	1200457. 00
Dwellings, Other buildings & Structures	1122264. 00	1062779. 00	1088191. 00	1086405. 00	868377.0 0	869385.0 0
Machinery & equipment	246740.0 0	285934.0 0	143997.0 0	206170.0 0	229672.0 0	323863.0 0
Cultivated biological resources	6533.00	5217.00	6330.00	6657.00	6692.00	7113.00
Intellectual property products	57.00	84.00	80.00	81.00	99.00	96.00
Intellectual property products	57.00	84.00	80.00	81.00	99.00	96.00

Table 1.2 is the data of the Indian economy performance with all the sectors from 2011-12 to 2016-17 in this data we can see many ups and down in the different sector but my focus is on the gross fixed capital formation which reported a positive growth by year by year.

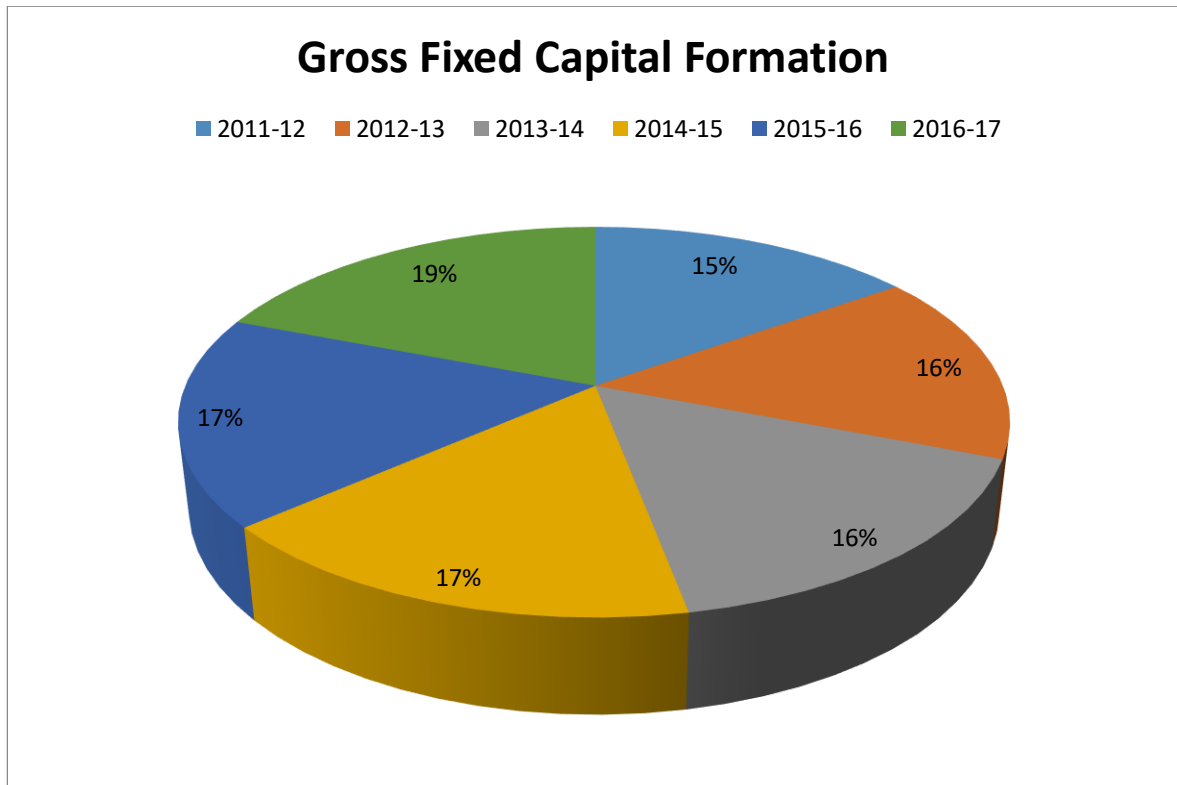
Figure 1.2

Figure 1.2 is the pie chart presentation of gross fixed capital formation of India which shows that the gross capital formation is reported positive growth from 2011-12 to 2016-17. In 2011-12 it was 15% which increased 19% in 2016-17. In 2013-13, 2013-14 the growth rate was constant.

1.6 Vocational Education and Capital formation

In response to the ‘challenge and an opportunity that the Indian government sees in its booming youth population, the Indian government is attempting to ramp up VET. The National Skills Development Policy in 2009 set the target of upskilling 500 million workers by 2022 to meet the impending skills gap; it is worth noting, however, that the government currently estimates training capacity to be 7 million per year. A more recent estimate from the Institute of Applied Manpower Research argues that 291 million additional workers are needed for the same period. This is particularly pertinent to the building, construction and real estate industry, the auto and auto components industry, and the textiles and clothing industry. The lack of skills supply is characterised by the government as a key issue for the economy: ‘The country presently faces a dual challenge of severe paucity of highly-trained, quality labor, as well as non-employability of large sections of the educated workforce that possess little or no job skills.’ Youth unemployment rates are also concerning. Youth unemployment is significantly higher than the adult population, and the rates of youth unemployment have risen from 6.8% in 2004-05 to 10.3% in 2009-10. There is mixed

evidence, however, concerning vocational education and training's effect on youth unemployment in India. Several studies have failed to demonstrate the positive impact of vocational training on job prospects, and indicate no discernible difference in wage expectations. A recent study found that 11% of 15-29 year olds who had received vocational education and training were unemployed: lower than the unemployment rate for graduates of general secondary education but higher than the overall employment rate for the age group. Academic qualifications are not without problems, largely concerning underemployment after graduation. But being underemployed is often preferable to being unemployed. In 2007, 60% of graduates from Industrial Training Institutes were still unemployed three years after graduation. However, this trend is reversing; with studies in 2015 by the World Bank showed that unemployment amongst ITI graduates at 40%. Apprenticeships have shown potential to contribute to the economy: an International Labour Organization (ILO) cost-benefit analysis, based on several case studies of small businesses, found that the increased earnings associated with apprenticeships typically outweighed the associated costs. The National Policy for Skill Development and Entrepreneurship (2015) also recognises the potential of the informal sector – which makes up 93% of the workforce – to contribute to the economy. The Policy has the objective of developing and launching a framework for the Recognition of Prior Learning (RPL). As mentioned above, this framework will assess and certify prior and informal learning, supporting workers into employment in the formal sector. This is the first serious attempt to target the informal workforce through a structured approach, and will be done through the Sector Skills Councils, funded by the PMKVY project.

1.7 Conclusion of the Study

India is one of the fastest growing economies in the world, but its growth can only be sustainable if it has the skills to drive it forward. As this case study highlights, there is encouraging progress being made – namely the different government led initiatives to increase investment and incentivise learning. The challenge for India will be maintaining this momentum. The introduction of employer engagement in the system is a positive step forward, but more needs to be done to incentivise vocational training to adequately reward workers who have undertaken skills development programmes. Additionally, if Prime Minister Modi wants India to provide 'the requisite manpower to all,' development of

international partnerships is key to Indian skills policy to ensure skills supply meets international demand and quality standards.

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