

# Vocational Skill Development and Training for Economic Development

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**Abstract:** This paper attempts to highlight the positive role that skill development can play in providing the livelihood to the large number of underprivileged and unemployed population of India.

India has one of the largest technical manpower in the world. Human capital is an essential determinant of economic growth. Skills and knowledge are the driving forces of economic growth and social development of any country. It's comprised of different factors like education, health, migration, vocational training, and information technology development. Vocational training and skill development are among them. Vocational training improves the productivity and enhances the efficiency of the labour force for better participation in economic development. A central vocational training standardization system, accredited nationally and globally, for maintaining the quality of the vocational education can enhance credibility of vocationally trained persons in the industry. India achieves the twin targets of economic growth and inclusive development, India's Gross Domestic Product (GDP) has to grow consistently at 8% to 9% per annum. The positive role that skill development can play in providing the livelihood to the large number of underprivileged and unemployed population of India.

This paper also aims to establish the relationship between vocational training and the economic prosperity of our country.

**Keywords:** Economic growth, Education, Gross Domestic Product, Health, Information technology, Migration, Skill development, Social development, Vocational training.

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## 1. INTRODUCTION

Vocational Education and Training (VET) is an important element of the nation's education initiative. In order for Vocational Education to play its part effectively in the changing national context and for India to enjoy the fruits of the demographic dividend, there is an urgent need to redefine the critical elements of imparting vocational education and training to make them flexible, contemporary, relevant, inclusive and creative. The Government is well aware of the important role of Vocational education and has already taken a number of important initiatives in this area. A skill is an ability and capacity acquired through deliberate, systematic, and sustained effort to smoothly and adaptively carryout complex activities or job functions involving many areas. If ideas are involved, the skill is called cognitive skill, if things are involved, the skill is known as technical skill and if people are involved, the skill is termed as interpersonal skills.

Skills and knowledge are the driving forces of economic growth and social development of any country. They have become even more important given the increasing pace of globalization and technological changes provide both challenges that is taking place in the world. Countries with higher and better levels of skills adjust more effectively to the challenges and opportunities of globalization.

## 2. NEED FOR SKILLS

Skills and knowledge are the driving forces of economic growth and social development for any country. Countries with higher and better levels of skills adjust more effectively to the challenges and opportunities of world of work. As India

moves progressively towards becoming a 'knowledge economy' it becomes increasingly important that the country should focus on advancement of skills and these skills have to be relevant to the emerging economic environment. In order to achieve the twin targets of economic growth and inclusive development, India's Gross Domestic Product (GDP) has to grow consistently at 8% to 9% per annum. This requires significant progress in several areas, including infrastructure development, agricultural growth coupled with productivity improvements, financial sector growth, a healthy business environment, ably supported by a skilled workforce.

The agriculture sector accounts for about 20% of the economy. The secondary and tertiary sectors account for about 25% and 55% respectively. For the economy to grow at 8% to 9%, it is required that the secondary and tertiary sectors grow at 10% to 11%, assuming agriculture grows at 4%. In such a scenario, it is obvious that a large portion of the workforce would migrate from the primary sector (agriculture) to the secondary and tertiary sectors. However, the skill sets that are required in the manufacturing and service sectors are quite different from those in the agriculture sector. This implies that there is/will be a large skill gap when such a migration occurs, as evidenced by a shrinking employment in the agriculture sector. This scenario necessitates skill development in the workforce. Out of the current workforce of about 450 million, only about 8%-9% are engaged in the organised/formal sector. In India, only about 5% of the workforce has marketable skills, as compared to 50% to 60% in other countries. The magnitude of the challenge is further evident from the fact that about 12 million persons are expected to join the workforce every year. This emerging socio-economic scenario is poised to drive the demand for skilling India.

### 3. NATIONAL POLICY ON SKILL DEVELOPMENT

#### *Jan Shikshan Sansthan (JSS):*

JSS have evolved from the erstwhile Shramik Vidyapeeths to meet the educational and vocational training needs of illiterate and neo literate adults and young people in urban and rural India. Jan Shikshan Sansthans are set up by voluntary agencies, which are provided financial assistance for taking up vocational training programmes for illiterate and neo-literate persons, people belonging to socio-economically weaker sections, disadvantaged groups, unskilled and unemployed youth in the age group of 15-35 years. Within all these groups the Jan Shikshan Sansthans are expected to give priority to women. A total number of 271 JSSs have been sanctioned in different parts of the country.

#### *Centrally Sponsored Scheme of Vocationalisation of Secondary Education:*

The Centrally Sponsored Scheme of Vocationalisation of Secondary Education was launched in year 1988. The Scheme was implemented through State/UTs and NGOs /VA in the formal and non-formal sector respectively. The Scheme envisaged selection of vocational courses on the basis of assessment of manpower needs. The main objectives of the scheme, as spelt out in the National Policy on Education 1986, were to provide diversification of educational opportunities so as to enhance individual employability, reduce the mismatch between demand and supply of skilled manpower and to provide an alternative for those pursuing higher education. Vocational Education was made a distinct stream intended to prepare students for identified occupations spanning several areas of activities.

The Scheme provides broad guidelines in respect of management structure, curriculum design, infrastructure development, vocational surveys, instructional material, teachers and their training, school-industry linkage, examination and certification, modification of recruitment rules, financial assistance to NGOs and other aspects. Since inception of the scheme, 9,619 schools with about 21,000 sections have been created with an intake capacity of about 10.03 lakhs students. About 150 vocational courses were being offered. According to the evaluation conducted by Operations Research Group (1996) the proportionate share of vocational students vis-a vis total enrolment at the higher secondary stage was 4.8% and 28% of vocational pass outs were employed/self employed. Rs. 765.00 crore has been released to the State Governments and Non-Government Organizations. During 10th Plan an allocation of Rs. 350.00 crore was given under the scheme. An expenditure of Rs. 63.69 crore was incurred during 10th Plan Period.

The existing scheme is presently under revision to address the issue of enhancement of employability of youth through competency based modular vocational courses, to maintain their competitiveness through provision of multi entry and

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multi exit learning opportunities and vertical mobility /interchangeability in qualifications, to fill the gap between educated and employable and to decrease the pressure on academic higher education.

### ***Central Board of Secondary Education (CBSE):***

CBSE is offering 34 Vocational courses consisting of 107 subject in its about 500 government and government aided schools across the country. During the academic session 2007 - 08, Financial Market Management was introduced as vocational package in class 11. CBSE launched three new vocational courses, namely, “Hospitality and Tourism,” “Mass Media Studies & Media Production” and “Geospatial Technology” from the academic session 2010-11. CBSE is making efforts to introduce more such courses in collaboration with relevant industry/organization, and has facilities for joint certification.

### ***National Institute of Open Schooling (NIOS):***

NIOS offers 82 vocational education courses through its accredited vocational Institutes which include Government Institutes, NGOs and Registered Societies. 1063 Accredited Vocational Institute (AVI) provides training to neo literates’ upto pre-degree level.

### **THE RELATIONSHIP BETWEEN VOCATIONAL TRAINING AND ECONOMIC PROSPERITY:**

Economic Prosperity is a relative term it means that overall, the economy is doing well and most people have sufficient income for essentials and perhaps a little extra. It means that businesses are hiring and jobs are relatively easy to get. It does not mean that everyone has a job or that everyone is well off. The opposite of economic prosperity is recession or depression. The Government of a country has the responsibility to provide all the means to its citizens to be able to earn sufficient money to fulfill the basic needs of life. While the government will be able to provide the facilities in the form of food, shelter, clothing, education, healthcare and infrastructure to all its citizens, it has the added responsibility of providing employment opportunities also to those citizens who are under developed due to other factors like suppression by other dominant communities or perennial poverty.

### **INITIATIVES TAKEN BY THE GOVERNMENT OF INDIA TOWARDS SKILL DEVELOPMENT:**

Having realized that developing the skills required in areas which can contribute to the economic development of our country, is the most desirable path to be followed for a quick and sustainable improvement in the economic conditions of the country, the Government of India has created a new frame work for skill development. The framework identifies the infrastructure to be created for inculcating and improving the skills of the vast number of unemployed youth, both in urban and rural areas of the country. In order to improve the skills of the youth and make them employable, the Government of India has set a target of providing the necessary skills in various vocations in 500 million people by 2022 and in 50 million people in the 12th plan. As per the National Policy on Skill Development, this target has been planned to be achieved by focusing on improving quality, quantity, access and outreach of training. Innovative measures such as virtual classrooms, mobile vans, simulation based training, etc., have been implemented to reach the people locate in areas difficult to reach. 23 Central Ministries are involved in this task of skill development. In order to recognize this learning, workers are tested and given certificates of trained manpower. There are general programmes, group-specific and region specific, for enhancing the employability of the youth. The National Skill Development Agency has been mandated to monitor the progress of skilling in the country, operationalise the National Skill Qualification Framework, which facilitates both horizontal and vertical mobility and makes skill inspirational among the prospective trainees. To incentivize the students and help the disadvantaged, the government has started Standard Training & Assessment Reward (STAR) Scheme, wherein the successful trainee is provided an incentive of Rs 10,000. Besides this, students are provided scholarship and other facilities, particularly in the remote areas. Further, through sector skill councils an attempt is made to link training with the industry requirement. The Government is also working to expand access to education and vocational training for workers in the country side, including rural broadband networks to connect remote areas with educational opportunities as also using Common Service Centers at the Panchayat level for training.

**KEY FEATURES OF THE NEW FRAMEWORK FOR SKILL DEVELOPMENT:**

- Training is to be provided by Vocational Training (VT) Providers under the Government, Private Sector and Industrial Establishments.
- Demand driven Short term training courses based on modular employable skills should be decided in consultation with Industry and organized.
- Different levels of programmes (foundation level as well as skill up gradation) are to be planned to meet the demands of various target groups.
- Optimum utilization of existing infrastructure to make the training cost effective and successful.
- Testing of skills of trainees should be done by independent assessing bodies who would not be involved in conduct of the training programme. This is meant to ensure that the assessment of the individual is after the completion of the training is done impartially.
- The essence of the scheme is in the certification that will be nationally recognized by both the government agencies and industry/trade organizations.

**4. ADVANTAGES**

The training courses lack focus on the changing job market. As a result it was seen from various reports that the number of students is declining for long term vocational courses, mainly in ITIs. The training policy should be focused on the changing job market in order to attract young people. More autonomy needs to be provided to institutes and they should have market linked infrastructure. For publicly funded training, equity distribution is also a problem. But job creation must be done regionally, not centrally; otherwise it will create regional imbalances of trained manpower. According to NSSO report (No. 470, 55th round) about 27 per cent of the Indian population were migrants. The proportion of migrants was higher (33 per cent) in urban areas than (24 per cent) in the rural areas. It was mainly in search of jobs. Creating job opportunities regionally can help maintain the equilibrium in future days.

- ITIs must focus on low-literate youth and provide new vocational qualifications/training programmes and also on unorganized sector, otherwise it will cause long term losses. To take an example automobile industry is a technology intensive industry but most of the workshops are running without formally trained staff (we have currently no database of that). Sometimes, lack of training skills may harm the delicate instrument of vehicles. A vital challenge is to formally train workers for the crafts industry where a considerable number of informally trained craftsman work together..
- A central vocational training standardization system, accredited nationally and globally, for maintaining the quality of the vocational education can enhance credibility of vocationally trained persons in the industry.
- To attract more students from school level, reorientation of vocational courses is needed.
- There should be a bridge organization to relate R&D institutes and vocational education system. It would help the vocationally trained person to get the benefits of R&D.

**5. CHALLENGES**

- There are several challenges that are faced by the government in imparting quality skill training to the youth of the country. These challenges include:
  - Increasing capacity and capability of the existing system to ensure equitable access for all
  - Maintaining quality and relevance
  - Creating effective convergence between school education and the government's skill
  - Development efforts

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- Creating institutional mechanism for research development quality assurance, examinations and certification, affiliations and accreditation
- Mobilizing adequate investment for financing skill development In order to provide adequate training to the youth and develop necessary skills, the Government of India took steps to improve the skill training scenario in the country.
- In 2009, the government formulated the national skill development policy that laid the framework for skill development, ensuring that individuals get improved access to skills and knowledge.

### 6. SUGGESTIONS

- a) A policy of non-discrimination will be pursued vigorously to provide equal access for women to skill development and employment.
- b) This Policy will aim to raise women participation to at least 30% by the end of the 11<sup>th</sup> Plan.
- c) Proactive measures that overcome barriers and facilitate participation, such as hostels for women, scholarships, transport, training materials and loans, will be made available on a large scale.
- d) The Women's Vocational Training Programme will be expanded and the institutional network providing training facilities exclusively for women, so that they can obtain skills with high wage and self-employment potential, will be greatly expanded.
- e) In order to promote skills and employability of women, the sectors which employ a large number of women will be identified. These may include construction, home-based traditional crafts or piece rate work, financial and health service as well as agricultural sectors.
- f) Gender stereotyping in vocational courses will be eliminated to encourage women's participation in non-traditional occupations, including existing and emerging technological fields.

Training in general and skills development in particular, not only play a vital role in individual, organisational and overall national economic growth but are integral part of Human Resource Development (HRD). Moreover it looks at overall vocational training needs and assesses the existing gaps in meeting the national economics goals, and thus formulates policy recommendations for an effective and efficient vocational training programme to meet the emerging new challenges and for prosperous economic growth.

### 7. CONCLUSION

Skills and knowledge are the driving forces of economic growth and social development of any country. As India moves progressively towards becoming a 'knowledge economy' it becomes increasingly important that the country should focus on advancement of skills and these skills have to be relevant to the emerging economic environment. The Government of India has created a new frame work for skill development. The framework identifies the infrastructure to be created for inculcating and improving the skills of the vast number of unemployed youth, both in urban and rural areas of the country. In order to improve the skills of the youth and make them employable. A central vocational training standardization system, accredited nationally and globally, for maintaining the quality of the vocational education can enhance credibility of vocationally trained persons in the industry. Short term training courses based on modular employable skills should be decided in consultation with Industry and organized.

The demand for vocationally trained and technically educated human resource rises with every step towards industrialization and modernization of production units and work premises. Yet another outcome of such a transformation is the surge in demand for commercially educated human resource with the inflow of capital. Therefore, skill and capital are complementary. With the emergence of globalization there is an increase of capital inflow from developed to developing countries implying that even without technology imports, capital output ratios in developing countries would rise and, given the complementarities between capital and skill, this would raise the relative demand for skilled labour [O'Conner and Lunati (1999); Mayer (2000) and ADP (2004)]. Different levels of programmes (foundation level as well

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as skill up gradation) are to be planned to meet the demands of various target groups. Optimum utilization of existing infrastructure to make the training cost effective and successful.

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