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A VERY SHORT POLICY BRIEF

Sustainable Skill Development

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The Australia India Institute's A VERY SHORT POLICY BRIEF series examines key questions facing contemporary India and the Australia-India relationship. It combines in-depth academic analysis with clarity and policy relevance.



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Summary

Skill India is a major policy initiative of the Government of India, which seeks to provide vocational training to 400 million Indian workers by 2022. Australia can assist in improving skill provision in India, but it requires basic research on existing training regimes and a clear narrative about why it wishes to be involved. Australia should align plans for skill development with a long-term economic strategy for India.

Skill India: An Overview

By 2025, the average age in India will be 29, compared to 37 in China and 45 in Japan. A large working age population can potentially act as a demographic dividend. *Skill India* was launched by the Modi Government in 2015 to provide vocational training to 400 million Indian workers by 2022. The Government of India has committed itself to establishing 7,000 new Industrial Training Institutes (ITIs) to meet this goal.

Though its targets are ambitious, there have been a number of encouraging developments in *Skill India* so far:

1. *A Comprehensive Policy Framework.* There is now an overarching policy framework for expanding skill training efforts, outlined in the National Policy for Skill Development and Entrepreneurship (2015) and the National Skill Development Mission (2016). The priority status of skills development is reflected in the creation of a separate Ministry of Skill Development and Entrepreneurship in November 2015, tasked with upscaling skills training efforts while ensuring high quality.
2. *Development of a Skills Qualifications Framework.* The Indian government is improving and standardising the curriculum of vocational training centres through the establishment of a National Skills Qualifications Framework (NSQF). The NSQF allows both skills acquired through formal education and prior learning to be certified. This will give students greater certainty that their credentials will be recognised in the workforce and ensure that employers can be certain of the quality of students' qualifications. In addition, there are ongoing efforts to benchmark Indian skill training standards with international standards.
3. *Greater Industry Involvement.* The government is incentivising greater industry involvement in curriculum development through the formation of Sector Skills Councils (SSCs). The Government is encouraging SSCs to become involved in every stage of the skills training process. The Government of India has recently approved a new National Apprenticeship Promotion Scheme, to incentivise industry to take on more apprentices.

1. Mishra, M. (2014). Vertically integrated skill development and vocational training for socioeconomically marginalised youth: The experience at Gram Tarang and Centurion University, India. *Prospects*, 44, 297–316.
2. See <http://gramtarang.org.in/index.php>

4. *Positive, Replicable Models.* There are a number of effective vocational training institutions in India that may serve as models in taking *Skill India* forward. These institutions are providing effective links to industry to improve students' employment prospects, and several focus on India's socially and economically marginal students. An example is Centurion University's Gram Tarang Program, which recruits from among high school 'dropouts'.¹ As of 2016, they are training students in manufacturing, apparel, IT, sports and fitness, retail and hospitality.² In addition, a number of private companies in the manufacturing sector, such as Tata Motors and Bharat Forge, have a long history of investing in skills training and apprenticeships. These models could be replicated by other organisations.

Challenges

India nevertheless faces ten challenges in achieving its skills development ambitions.

1. *Poor existing training.* Only 10 per cent of the working age population in India have any technical training.³ India currently skills just 7 million people annually.
2. *Unrealistic institutional goals.* It took sixty years to build up India's current complement of it is. It is envisaged that their number will now double in just six years.
3. *Poor quality existing institutions.* ITIs are under-resourced and lack trained instructors and up-to-date syllabi.⁴ Up to 60 per cent of Indian vocational trainers lack any professional teaching qualifications.⁵ These issues are particularly acute in rural areas.⁶
4. *Lack of vocational education in schools.* Students in India are not able to enrol in vocational courses until Class 11 (China allows students to enrol from Class 9).⁷ There are also poor linkages between formal and vocational education in Indian schools.
5. *Low quality of schooling.* Outside of elite institutions, many schools in India are under-funded and suffer from teacher neglect and poor curricula. The 'raw material' for vocational training – high school matriculates – often lack skills in numeracy, literacy and other academic areas.
6. *Weak links to industry.* The existing ITI infrastructure is remote from industry and very few teachers have industry experience or connections. Apprenticeships and direct recruitment to industry are rare.⁸ Many businesses prefer to provide on-the-job training to unskilled, low-cost labourers, rather than recruiting workers with official vocational qualifications.⁹
7. *Disappointing labour market outcomes.* According to one recent estimate, only 20-30 per cent of those completing vocational training in South Asia transition to secure work.¹⁰ Early evidence from *Skill India* is equally disappointing. In 2015-16, one report suggests that only 80,000 of the 1.7 million youth who participated in the Prime Minister's flagship skills project, the Pradhan Mantri Kaushal Vikas Yojana, obtained work.¹¹

12. <http://qz.com/475874/why-indias-approach-to-its-unemployment-problem-is-wrong/>

13. Jeffrey, C., Jeffery, P., & Jeffery, R. (2008). *Degrees without Freedom? Education, Masculinities, and Unemployment in North India*. Palo Alto, CA: Stanford University Press.

14. See Ghosh, J. (2016). To skill & be skilled. *Frontline*, September 30, Accessed September 15, 2016 from http://www.frontline.in/columns/jayati_Ghosh/to-skill-be-skilled/article9103716.ece

8. *Geographical unevenness*. Governments' skills training initiatives focus on constructing training centres in rural and regional areas. Yet job placements remain concentrated in cities, often far from students' homes. The challenges of living away from home result in a large majority of youth who receive placements quitting their jobs within a year.¹²
9. *Cultural perception of vocational careers and training*. Young people in India tend to regard vocational careers as low status, partly reflecting the historical connection between such work and 'low caste' activity. In some instances, youth in vocational training or careers find it difficult to find marriage partners in the arranged marriage system prevailing in many parts of India. A common view among youth in India is that academic degrees are preferable to vocational training as a means of achieving social mobility.¹³
10. *Lack of conceptual underpinning*. There has been little considered reflection on what 'skills' mean in the contemporary Indian context and the role of vocational training in sustainable and equitable development.¹⁴

International Involvement

The Government of India has been seeking to facilitate the involvement of international partners to help overcome the challenges of its skills drive. The US,¹⁵ Canada¹⁶ and New Zealand¹⁷ have all made commitments to assist, particularly through the provision of training to vocational educators. The EU has played a strong role in supporting the development of the NSQF and building a labour market information system.¹⁸ The strongest and most organised collaborations, however, have come from the UK and Germany.

The UK

The UK is attempting to position itself as India's 'partner of choice' in vocational education, particularly by advising on program development and policy. British colleges and companies have advised India on developing a VET system that is tailored to local contexts and is of high quality. Bourneville College, for example, has partnered with the West Bengal government and local industry, in order to develop curriculum that is relevant to the local jobs market for over 100 colleges. Likewise, the UK's City and Guilds have facilitated industry involvement in training programs throughout India, which has significantly improved staff retention and employee confidence when transitioning from college to work.

Other British companies have undertaken quality assessment and auditing of vocational courses to increase industry confidence in qualifications. There has also been a raft of initiatives to introduce English language modules into vocational courses to improve employment outcomes.¹⁹

These initiatives have support from a range of institutions, including the UK India Education and Research Initiative (which has a major arm devoted to skills), the Association of UK Colleges (which, as of 2013, has a consortium in India), the UK

15. <https://www.usaid.gov/india/press-releases/aug-6-2014-united-states-and-india-cooperate-strengthen-teaching-skills>

16. <http://monitor.icef.com/2015/05/canadian-colleges-set-to-play-a-bigger-role-in-indias-plans-to-train-500-million/>

17. <http://monitor.icef.com/2013/02/to-upskill-work-force-india-goes-international/>

18. <http://www.india-euskills.com/>

19. For these and other examples of UK-India skills collaborations, see British High Commission, New Delhi (n.d.). *Delivering World Class Skills: India-UK Partnerships*. Accessed 25/07/16 from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/260269/Education_is_Great_booklet_web__1_.pdf

India Business Council and UK Trade and Investment. These institutions facilitate collaborations, particularly by providing information and contacts. There is also an online portal, Spark UK India, which provides information on collaborations in education, skills and research.²⁰

Germany

German multinationals in India have a history of establishing on-site training programs that dates to the 1960s. Building from this foundation, in 2008 Germany and India compiled a roadmap for VET collaborations that connected with plans for the development of the Germany-India economic relationship. Germany would play a key role in setting up Sector Skills Councils, building an industry-led VET system and providing training to VET trainers.

An agreement has been made between the Rhine-Main Chamber of Crafts and Trades and Infrastructure Leasing and Finance Services to establish more than 100 training centres along the Delhi-Mumbai Industrial Corridor, with the aim of training more than 2 million workers.

In 2012, The German Federal Ministry of Education and Research established an organisation - iMOVE – that encourages German training providers to become involved in establishing new training institutes in India.²¹

Industry has taken the lead in many Germany-India skills collaborations, including:

- As of 2010, Volkswagen has an academy in Pune, which trains students in both technical skills and customer service and provides apprentices with placements in their Indian factories.²²
- Since 2011, the Siemens Technik Akademie, Berlin, partners with local training institutes in India in regions where it plans to set up plants or already has plants. It works with local institutes to develop certified skills training at a standard acceptable to mechatronic MNCs.
- Responding to projected high growth rates in maritime and off-shore industries, the GL Academy Mumbai offers targeted advanced training on industry-relevant topics. It uses a modular system that fills gaps that standard vocational training centres cannot provide.
- The consultancy firm Machwüth Team International travels with German companies to India to help them establish uniform global standards in competency. It also designs customised training programs for German MNCS, partnering with an Indian firm, Atyaasa Consulting, which develops training modules that are suitable to the local context.²³

20. <http://spark-ukindia.org/>

21. http://www.imove-germany.de/cps/rde/xchg/imove_projekt_international/hs.xsl/from_our_network.htm?pb-type=&content-url=/cps/rde/xchg/imove_projekt_international/hs.xsl/12982.htm

22. http://www.volkswagenag.com/content/vwcorp/info_center/en/news/2010/10/Volkswagen_Group_opens_training_academy_in_India.html

23. For more detail on these and other examples of Germany-India partnerships, see https://www.imove-germany.de/cps/rde/xbcr/imove_projekt_de/p_iMOVE_Success-Stories_2009.pdf

Australia's Role

Australia's excellent vocational education system makes it well-suited to engage with India in its skills development ambitions. Our system has:

- A very clear qualifications and accreditation framework
- Curricula defined in terms of industry needs
- Apprenticeship programs
- Sound systems for data collection regarding students' employment outcomes.²⁴

The Government of Australia has already been working to leverage these advantages. Substantive collaborations began in 2010²⁵ and have been significantly up-scaled since. Much of this has come at the request of the Government of India.

Under the aegis of the Australia India Education Council (AIEC), there have been a number of initiatives to foster Australia-India collaborations in skills, including:

1. Collaboration between India's Sector Skills Councils and their Australian equivalents to benchmark Indian qualifications in a range of industries against international standards. Qualifications for 26 job roles have been benchmarked to Australian standards. This has facilitated greater industry involvement in India's vocational education system and will hopefully lead to improved global recognition for India's skills qualifications.²⁶
2. Launching three pilot projects for Australia's International Skills Training Courses in India. These were developed by the Australian Government in partnership with industry in a bid to promote global demand for quality skills training, and to address skills shortages.²⁷
3. Facilitating partnerships between India's National Skill Development Agency and Australia's National Centre for Vocational Educational Research. It is hoped that this will bolster India's capacity for practical, policy-relevant research on skills development.
4. Hosting a series of Australia India Skills Conferences in both Australia and India to encourage collaboration and exchange.²⁸

In the near future, there are also a series of exchanges planned between representatives of Australian and Indian vocational training institutes. These visits will facilitate institution-to-institution linkages.

Yet Australian investments in VET in India have often been unsuccessful. Only a handful of students have graduated from Australian RTOs based in India. According to a report by the Australian Trading Commission, Australian firms that have attempted to work in India found inadequate infrastructural support, outdated curricula and a lack of industry participation.²⁹ Australian firms have struggled to provide quality training at rates that are competitive with local providers.

These shortcomings are largely due to the lack of a comprehensive framework for engaging with India on skills. Unlike the UK, Australia has not yet developed comprehensive institutional supports to facilitate skills collaborations and, unlike Germany, has not aligned skills collaborations with long-term plans for economic engagement with India.

24. Karmel, Tom (2014). Learning from successful skills development systems: lessons from Australia. *Prospects*, 44, 235–247.

25. Guthrie, Hugh & Beddie, Francesca (2011). Skills Agenda: A paper for Ministers and the Australia India Education Council. Adelaide: National Centre for Vocational Education Research. Accessed 25/07/16 from <http://www.australiaindiaeducation.com/skills-agenda.html>

26. See <http://www.australiaindiaeducation.com/bilateral-projects-1.html>

27. <https://www.education.gov.au/internationalskillstraining>

28. <http://www.australiaindiaeducation.com/bilateral-projects-1.html>

29. Notably, these are all areas in which the UK and Germany have been more proactive in assisting India to reform, ensuring greater success for their own VET interventions

Recommendations

1. Basic research is required into how 'skills', 'vocation' and 'training' are practiced and understood in India. This would need to take account of the multitude of ways in which these words/terms are understood in different contexts and according to social inequalities based on gender, caste, and race. Such basic research would greatly enhance institutional efforts to promote specific forms of skill development in different parts of India. At present evidence is either highly schematic – comprised of brief desktop reviews of 'evidence' – or anecdotal.
2. There is an urgent need for a clear overall narrative regarding why Australia should be engaged with skill development in India. This narrative should be based around the goal of encouraging skill development that is socially inclusive and economically viable in the long-term. There are already models for such a sustainable approach: Deakin University's Institute of Koorie Education (IKE) and Centurion University, for example.
3. Following Germany's example, the Australian government should develop a long-term economic strategy for its engagement with India which, in turn, should be linked to its skills and international education strategies.

30. <http://www.deakin.edu.au/ike>

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