

## CHAPTER 4

# Employment, Vocational Education and Skill Development

### Employment

Increase in unemployment has been one of the main concerns of the Government. The Employment is one of the monitorable targets in the Tenth Five Year Plan. To create additional employment opportunities Tenth Plan has addressed areas of employment potentials. The Small and medium enterprises and agriculture, agro processing including animal husbandry and services sector like health and education have been identified as major employment providers. The unorganized sector in which nearly 92 % of the work force is engaged has been emphasized to improve the quality of employment in this sector.

2. The UPA Government in its Common Minimum Programme (CMP) has announced to introduce National Employment Guarantee Act to provide at least 100 days employment to begin with on asset-creating public works programmes every year at minimum wages for at least one able-bodied person in every rural, urban poor and lower middle class household. The draft bill namely "Rural Employment Guarantee Act" is under consideration. In the interim, a massive food-for-work will be started. Details are given in Chapter-7 of Rural Development of this plan document.

3. According to Employment and Unemployment Surveys of National Sample Survey Organisation (NSSO), unemployment rate on Current Daily Status has increased from 5.99% in 1993-94 to 7.32% in 1999-2000. The growth in employment has been measured at 1.07% per annum during 1994-2000 as compared to 2.7% per annum during 1983 to 1994. The labour force grown during 1994-2000 has been estimated at 1.31%. Table-1 presents the employment unemployment scenario. The higher growth in the labour force than work force during 1994-2000 has lead to increase in unemployment during the period. At the request of Planning Commission, NSSO, in the next quinquennial 61st (July 2004- June 2005) round will be collecting information on vocational training attained by the persons in the labour force specifically for youth in the age group 15-29 years. The information on vocational training collected through NSS round is expected to be very useful to study employment of the labour force by their level of vocational education.

**Table 1:- Past and Present Macro Scenario on Employment and Unemployment (CDS Basis)**

ALL INDIA					
	1983 (in million)	1993-94 (in million)	1999-2000 (in million)	1983-94 (Growth p.a.)	1994-2000 (Growth p.a.)
Work Force	239.57	315.84	336.75	2.7	1.07
Labour Force	261.33	335.97	363.33	2.43	1.31
Unemployed	21.76	20.13	26.58	-0.08	4.74
Unemployment Rate (%)	(8.3)	(5.99)	(7.32)		

Source :- NSSO All estimates are on CDS (Current Daily Status Basis) ( ) denote percentage

4. The Current Daily Status (CDS) basis information is not available from the Annual Rounds of NSSO. The latest such round for which data are available, as yet is for the period July- December 2002. On an average, the participation of population in the work force has increased between 1999-2000 and 2002 (July-December). Compared to 41.7 % work force participation rate of rural persons, and 33.7 % of urban persons in 1999-2000, the corresponding ratios in July-December, 2002 are 41.8% and 34.6 %. According to 58th (July-December 2002) round survey of NSSO, the female workforce participation rate in rural areas declined to 281 per thousand compared to 299 in the 55th (July 1999- June 2000) round. In urban areas, it increased marginally from 139 to 140. However, these estimates are based on thin samples, which suffer from large sampling errors.

### Jobs in Organized Sector

5. About 8 to 9 percent of the total workforce of the country is employed in the organized sector. Organized sector employment on March 31, 2002 was 27.2 million of which 69 per cent or 18.8 million was in the public sector. With public sector employment declining by 1.9 per cent in 2002 over 2001, there was a corresponding decrease of 2.1 per cent in employment in the organized sector in 2002.

6. To cope with the unemployment problem, Tenth Plan envisages creation of 50 million employment opportunities during 2002-07. The organized sector employment in the private sector has been emphasized for the better quality jobs. The employment and unemployment problem in all States are not necessarily same. Therefore, State Governments have to formulate state specific programmes to tackle the problem of unemployment. The Planning Commission has given broad policy guidelines in the Tenth Plan Document.

### Employment Service

7. Employment Service within the Government set up is being delivered through a network of 945 employment exchanges. The main activities of employment exchanges are registration and placement of job seekers. The year wise detail regarding registration, placement and number of persons on the live register of employment exchanges are given in the table below :

**Table 2 : Registration and Placement through Employment Exchanges**

Year	No. of Employment Exchanges	Registration ('000)	Placement ('000)	Live Register * ('000)
1999	955	5966.0	221.3	40371.4
2000	958	6041.9	177.7	41343.6
2001	938	5552.6	169.2	41995.9
2002	939	5064.0	142.6	41171.2
2003	945	5462.9	154.9	41388.7

Source: Annual Report (2003-04), Ministry of Labour

8. Employment assistance to certain categories of population, e.g. physically handicapped, Scheduled Castes & Scheduled Tribes, is provided through special employment exchanges for physically handicapped and Coaching-cum-Guidance Centers for SCs/STs.

9. The employment exchanges, besides performing the function of registration and placement of jobseekers, are also involved in career counselling and promotion of self employment. Self Employment Promotion Cells have been established in 28 selected employment exchanges. Upto end of September 2002 approximately 75,000 persons have been placed in self-employment.

## **VOCATIONAL EDUCATION & SKILL DEVELOPMENT**

### **The present scenario- the need for a broad based thrust**

10. National Sample Surveys reveal that on CDS basis, 41 per cent of unemployed are educated (Class VIII and above) and nearly 60 per cent of the unemployed, among all youth educated to level Class VIII and above. In usual status, this percentage is about 80 for all. This shows that the education system does not provide the skills that are required in the job market.

11. The number of youth educated up to Class VIII will increase sharply as all children in the 6-14 age group will complete eight years of schooling by 2010. A rough estimate shows that the growth rate of number of such youth may be more than 2.2 per cent per annum in the next ten years. These numbers would be so large, that except for the relatively smaller number which will go in for secondary level education and above, it would be necessary to provide them access to a demand-based system of skill acquisition.

12. Also, the education and the skill profile of the work force in the country continue to be very low. High share of educated among the unemployed on the one hand and a very low educational attainment level of the present work force indicates the existing dichotomy between the education system and the world of work. The education system, as it exists today has a strong bias in favour of general education which does not equip an individual with skills required to either improve his employability or to start an enterprise on self employment basis. The reach of the vocational education infrastructure is limited. Bulk of the unorganized sector workers is not reachable in present scheme of vocational training system. Also the system suffers from many infirmities.

13. As it is, only five per cent of the new entrants to the labour force, in the 20-24 year age groups in India have exposure to formal vocational training, in contrast to 95 per cent in the Republic of Korea, which in turn shows up in per worker productivity in Korea being 18 times that of India. Our unskilled or less educated workers, who comprise 2/3rd of our total workforce, also need institutionalized vocational training to improve their productivity and equip them better for gainful work.

14. The above features of employment / un-employment situation, and the education patterns, reveal the need for a broad based thrust to vocational education and vocational training, which can benefit the youth, especially in the rural areas.

### **Monitoring of the developments in skill level of workforce, and benefits from acquisition of productive skills**

15. National Sample Survey Organization (NSSO) has, in response to a suggestion from the Planning Commission, initiated collection of house-hold data regarding number of vocationally trained personnel, source of training, trades in which training has been / are being acquired. NSSO has included collection of the information in respect of the vocational training from the 60th Round NSSO survey (January-June, 2004).

## **Initiatives through the Planning Commission**

16. Efforts are on at the level of the Central Government to improve and expand the vocational training system. Programmes for skill development are implemented through a number of Heads of Development in the Plan; the two principal Development Heads being 'education sector' and 'labour sector'. The Labour Ministry is drawing up a National Policy on Vocational Training with a focus on productivity and skills in the informal sector and in the rural areas. The Ministry of Human Resource Development is also revamping its vocational educational programme, after its evaluation by a number of expert groups.

17. Besides the education and labour sector, many other Ministries / Departments have set up training establishments in their respective fields of specialization, for example, information technology, tourism, small industry, handlooms, handicrafts, fashion technology & apparels, sericulture, nursing, pharmacy, rehabilitation of physically challenged, child-care, agriculture & allied activities, and construction related activities. Such vocational training activities are covered in the separate Chapters dealing with the respective sectors.

## **Vocational Training**

18. Vocational training, being a concurrent subject, Central Government and State Governments share responsibilities. At the national level, Director General of Employment & Training (DGE&T), Ministry of Labour is the nodal Department for formulating policies, laying down standards, conducting trade testing and certification, etc. in the field of vocational training. A number of training institutions are also run by the DGE&T. At the State level, the State Govt. Departments are responsible for vocational training programmes. The Central Govt. is advised by National Commission for Vocational Training (NCVT), a tripartite body, to have representatives from employers, workers and Central/ State Governments.

19. Skill building and training contribute significantly for promoting the interests of individuals, enterprises, economy and society. Technology changes, changes in financial markets, the emergence of global markets for products and services, international competition, new business strategies, new management practices, new forms of business organization are among the more significant developments that are transforming the world of work. Skill building and training, a central pillar of decent works, is a means to empower people, improve the quality and organization of work, enhance citizens productivity, raise workers incomes, improve enterprise competitiveness, promote job security and social equity and helps individuals become more employable in rapidly changing internal and external labour markets.

## **Craftsmen Training Scheme**

20. There is a large training infrastructure with 4877 Industrial training Institutes (I.T.I.s) (out of which 1863 are under government sector and the remaining 3014 are in the private sector) having 7.10 lakh seats in the States. (The number of I.T.I.s / I.T.C.s with seating capacities in various States/U.T.s may be seen at Annexure 4.1).

21. Apart from I.T.I.s / I.T.Cs., Craftsmen Training in 22 trades is also imparted through 6 Model Training Institutes ( MTIs) attached to 5 Advanced Training Institutes ( ATIs) and one Central Training Institute ( CTI) under the DGE&T. Besides, one National Vocational Training Institute (NVTI) and 10 Regional Vocational Training Institutes (RVTIs) have been imparting craftsmen training in women's occupation.

## **Apprentice Training Scheme**

22. It is obligatory on the part of employers both in Public and Private sector establishments having required training infrastructure as laid down under the Apprentices Act, to engage apprentices. The Act covers 254 group of industries and about 20700 establishments engage apprentices. 153 trades in 32 trade groups have been designated for trade apprentices. As against, 2,32,745 training seats available, 1,63,221 apprentices have been undergoing training as on 30.6.2003. 102 subject fields have been designated for Graduate & Technician Apprentices and 94 for Technician (Vocational) Apprentices. As against 78461 training seats located for these categories, 43,478 have been utilized as on 30.6.2003.

## **Other Training Schemes**

23. The Ministry of Labour is implementing Advanced Vocational Training through 6 Advanced Training Institutes & 16 I.T.I.s and 2 ATI in Electronics and Process Implementation Set up at Hyderabad and Dehradun. The Ministry is also implementing Vocational Training Programme for Women through National Vocational Training Institute for Women and 10 Regional Vocational Training Institutes for Women besides 224 Women I.T.I.s and 568 Women Wings in General I.T.I.s. Similarly, Craft Instructor Training are imparted through 5 Advanced Training Institutes and Central Training Institutes for Instructors and 2 Foremen Training Institutes at Jamshedpur and Bangalore. The Central Staff Training and Research Institute undertake applied research in the field of Vocational Training and National Instructional Media Institutes, Chennai develops Instructional material for uniform training in different trades. Major activities of Central Plan in Vocational Training implemented by Ministry of Labour and Employment is given in Annexure 4.2.

## **Centrally Sponsored Schemes**

### *(i) The CSS of North East Region & J&K*

24. The Centrally Sponsored Scheme on "Establishment of new Industrial Training Institutes in the North Eastern States & Sikkim" is being implemented at a total cost of Rs. 100 crore for Strengthening and Modernization of existing I.T.I.s, Establishment of new I.T.I.s and providing technical assistance for training of faculty / sponsored candidate. An amount of Rs. 38.01 crore has already been sanctioned under civil works, Rs. 23.06 crore under equipment procurement and Rs. 0.20 crore under technical assistance scheme. (State-wise release of funds is given in Annexure 4.3).

25. The Centrally Sponsored Scheme of North Eastern States & Sikkim was extended to the state of Jammu & Kashmir at a total cost of Rs. 30.60 crore. The cost of merged schemes will, therefore, be Rs. 130.60 crore during the Tenth Plan period. Provision for implementation of the merged scheme has been made in the Annual Plan 2004-05.

### *(ii) Competency based certification system for informal sector*

26. The training system for capital-intensive sector and hi-tech area has always received a highly preferential treatment in contrast to those working in the informal sector. However, there is no certification system for a large chunk of workers, who do not have any formal education but have acquired proficiency of their own or through family tradition or through long experience. In the absence of a proper certificate, these class of workers are subjected to exploitation and do not get any avenues for better employment opportunities in the market and their mobility is very restricted.

27. To evolve a competency based certification system of skills acquired through informal mode i.e. family tradition or experience on the job without formal education and to increase the employability of large workforce as well as the productivity, Planning Commission has approved the Centrally Sponsored Scheme - Testing and Certification of Skills of Workers in the Informal Sector at an estimated cost of Rs. 2.00 crore. Central assistance would be provided to the States to meet the expenditure on training, to evolve a credible system of skill testing and certification and to utilize the services of assessors. This is a pilot scheme, outcome of which will be reviewed.

*(iii) Upgradation of 500 existing Industrial Training Institutes*

28. The Ministry of Labour & Employment proposed a new scheme for "Upgradation of 500 exiting I.T.I.s in 5 years @ 100 I.T.I.s per year to World Standard by creating a public-private partnership model for designing and implementing the scheme". The scheme is proposed in light of the Finance Minister's Budget Speech 2004-05 and a provision of Rs. 2.00 crore is made in the Budget. The salient features of the scheme is to introduce multi-skilling modular courses; improved physical infrastructure facilities; adoption of new training technologies; and building up partnership with nearby industry and setting up of Institute Management Committees to make training wholly demand driven. The proposal is considered in two phases i.e. (i) Upgradation of 100 I.T.I.s will be taken up through domestic resources and (ii) Upgradation of remaining 400 I.T.I.s will be accommodated in the Externally Aided Project under the World Bank Funding. The funding pattern of both will be 75:25 to be shared by the Govt. of India and the State Govt. The Planning Commission has extended in principle clearance for the Externally Aided Project to negotiate with the World Bank through Department of Economic Affairs, Ministry of Finance.

**Improving linkage of training with prospective employment.**

29. To increase employment prospects of trained manpower, industry-institute interaction has been initiated in industrial Training Institute and Institute Managing Committees (IMCs) were set up under the leadership of a local employer / industrialist. IMCs consist of representative of industry and industrial associations, technical experts, concerned officials of Central and State Governments are being formed in the state Industrial Training Institute (I.T.I.s). As many as 292 I.T.I.s in 17 States have already constituted IMCs granting partial autonomy, which have given encouraging results. State Governments are being encouraged to cover practically all the training institutes by the IMC mode of management.

**Financial Outlay for Skill Development and Vocational Training**

30. The Financial outlays for scheme relating to Vocational Training and Skill Development are given in Section 5.4 (Labour Welfare and Social Security) of Chapter 5 "The Social Net".

## STATEMENT SHOWING NUMBER OF ITIs/ITCs WITH SEATING CAPACITY IN VARIOUS STATES/UNION TERRITORIES AS ON 24.07.2003.

Sl.	Name of State/UTs	No. of Govt. ITIs	Seating Capacity (Govt.)	No. of Pvt. ITCs	Seating Capacity (Pvt.)	Total ITIs/ITCs (3+5)	Total Seating Capacity (4+6)
1	2	3	4	5	6	7	8
	<b>NORTHERN REGION</b>						
1	Haryana	80	13301	25	1428	105	14729
2	HP	55	5361	8	916	63	6277
3	J&K	38	4332	0	32	38	4364
4	Punjab	108	14095	50	3036	158	17131
5	Rajasthan	90	9008	33	2572	123	11580
6	UP	184	38468	123	12212	307	50680
7	Chandigarh	2	1016	0	0	2	1016
8	Delhi	14	9252	47	2052	61	11304
9	Uttaranchal	56	5912	16	1592	72	7504
	<b>Sub-Total</b>	<b>627</b>	<b>100745</b>	<b>302</b>	<b>22840</b>	<b>929</b>	<b>124585</b>
	<b>SOUTHERN REGION</b>						
1	Andhra Pradesh	91	23679	465	85074	556	108753
2	Karnataka	114	19596	474	31120	588	50716
3	Kerala	82	15136	467	43785	549	58921
4	Tamil Nadu	67	23756	614	61471	681	85227
5	Lakshadweep	1	96	0	0	1	96
6	Pondicherry	7	1256	7	424	14	1680
	<b>Sub-Total</b>	<b>362</b>	<b>83519</b>	<b>2027</b>	<b>221874</b>	<b>2389</b>	<b>305393</b>
	<b>EASTERN REGION</b>						
1	Arunachal Pradesh	2	368	0	0	2	368
2	Assam	24	4536	3	84	27	4620
3	Bihar	28	10256	19	3288	47	13544
4	Jharkhand	14	2564	19	2212	33	4776
5	Manipur	7	540	0	0	7	540
6	Meghalaya	5	622	2	304	7	926
7	Mizoram	1	294	0	0	1	294
8	Nagaland	3	404	0	0	3	404
9	Orissa	27	6544	150	14996	177	21540
10	Sikkim	1	140	0	0	1	140
11	Tripura	4	400	0	0	4	400
12	West Bengal	48	11924	16	836	64	12760
13	A&N Islands	1	220	0	0	1	220
	<b>Sub-Total</b>	<b>165</b>	<b>38812</b>	<b>209</b>	<b>21720</b>	<b>374</b>	<b>60532</b>
	<b>WESTERN REGION</b>						
1	Goa	11	2652	4	420	15	3072
2	Gujarat	135	69140	119	15874	254	85014
3	Madhya Pradesh	136	19538	30	2604	166	22142
4	Chattisgarh	77	8456	57	6200	134	14656
5	Maharashtra	347	65582	266	29282	613	94864
6	Dadra & Nagar Haveli	1	228	0	0	1	228
7	Daman & Diu	2	388	0	0	2	388
	<b>Sub-Total</b>	<b>709</b>	<b>165984</b>	<b>476</b>	<b>54380</b>	<b>1185</b>	<b>220364</b>
	<b>Grand Total</b>	<b>1863</b>	<b>389060</b>	<b>3014</b>	<b>321814</b>	<b>4877</b>	<b>710874</b>

## Vocational Training implemented by Ministry of Labour & Employment.

Major Activities of Central Plan in Vocational Training implemented by Ministry of Labour & Employment are briefly discussed below:-

### ❖ **Advanced Vocational Training**

Advanced vocational training is imparted to upgrade and update skills of several industrial workers. Under the scheme, short-term training in selected skill areas is being imparted through modular courses in 6 Advanced Training Institutes and 16 I.T.I.s in the current year. To meet the growing demand, the facilities were extended to 30 more I.T.I.s. So far, 96,652 industrial workers have been trained till December, 2003.

### ❖ **Vocational Training Programme for Women**

To provide training facilities to women in employable skills and for taking up self-employment income generating activities, training facilities exclusively for women are continued to be imparted through a National Vocational Training Institute for Women (NVTI) and 10 Regional Vocational Training Institutes (RVTIs) for Women. During 2002-03, about 3423 women have been trained in various training courses. In the State sector, as per the data gathered till October 2003, there are about 792 institutes (224 WITIs and 568 Women Wings in general Private I.T.I.s.) with about 46262 training seats.

### ❖ **Craft Instructors' Training**

Qualified trainers are the fundamental key to providing quality skill development for helping trainees reach high standards in vocational competencies. Their training and retraining is critical element of any successful training system. In the current year a total of 1099 trainers from all over the country were trained in 27 trades through 5 ATIs and Central Training Institutes for instructors.

### ❖ **Advanced Vocational Training in Electronics and process Instrumentation**

Two Advanced Training Institutes in Electronics and Process Instrumentation set up at Hyderabad and Dehradun offer advanced vocational training courses in the field of Electronics and Process Instrumentation. A total of 1986 short term and long term courses were conducted at two institutes since inception and 23134 trainees have been trained up to October, 2003. During the year 2003-04, 132 Courses have already been conducted and 1234 participants have been trained at these institutes.

### ❖ **Supervisory Training / Foreman Training**

Short-term / tailor-made programme and long-term courses are conducted at two Foremen Training Institutes under DGE&T to train the existing and potential shop-floor foremen and supervisors in technical and managerial skills.

These institutes have conducted 2320 courses and trained 32209 foremen / supervisors in short-term and long-term course up to November, 2003. During the year 2003-04, 1083 persons were trained in 93 courses at these institutes.



❖ **Development of Instructional Material**

National Instructional Media Institute (NIMI) earlier known as Central Instructional Media Institute (CIMI) at Chennai was established to develop and disseminate instructional materials in the form of Instructional Media Packages (IMPs) for use of instructors and trainers of various trades under Craftsmen Training and Apprenticeship Training. NIMI has been granted autonomy with effect from 1.4.1999 and it has been functioning as an autonomous society. So far 120 instructional Books have been developed in English and 35 in regional languages of which 116 have been published under the craftsmen training scheme.

❖ **Staff Training and Research Institute**

The Central Staff Training and Research institute was set up in 1966 with the technical assistance from the Government of Federal Republic of Germany to conduct training programme for executive staff and to undertake applied research in the field of Vocational Training and also to develop, disseminate instructional materials and projected / non-projected training aids. Up to October, 2003, the Central Staff Training and Research Institute at Calcutta has trained 14,042 personnel and completed 155 projects covering various aspects of Vocational Training. During the year, Institute has developed 5 new and revised / updated 10 existing curricula of the trades of various training activities under vocational training programme.

## Annexure 4.3

**STATE-WISE RELEASES OF FUNDS UNDER CENTRALLY SPONSORED SCHEME (CSS)**

Name of the scheme                      Establishment of I.T.I.s in North-East States and Sikkim

Year of Inception                      2000                                      (Rs. In lakhs)

<b>S.No.</b>	<b>State /U.T.</b>	<b>2000-2001</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
1.	Arunachal Pradesh		150.84	114.75	276.97
2.	Assam		170.97	360.5	1116.23
3.	Manipur			132.8	245.63
4.	Meghalaya		3.43	52.12	74.67
5.	Mizoram		26.39	135.18	287.35
6.	Nagaland		188.65	152.15	779.21
7.	Tripura		1.96	184.39	380.27
8.	Sikkim			17.46	28.70
	<b>Total</b>	<b>0.00</b>	<b>542.24</b>	<b>1,149.35</b>	<b>3189.03</b>