



## ► Policy Brief

June 2022

# Skills development and lifelong learning in India

## Challenges for trade unions<sup>1</sup>

### Key points

- ▶ India has long faced enormous challenges in upgrading the skill levels of its workforce. Not least among those challenges are its large rural population and the fact that most of its workers are in informal employment.
- ▶ The main initiatives that have shaped India's current policy approach to skills development and lifelong learning are the eleventh Five-Year Plan (2007–12), the National Policy for Skill Development and Entrepreneurship 2015 and the National Economic Policy 2020.
- ▶ National schemes, such as the Jan Shikshan Sansthan, address the most urgent training needs of the rural, informal and youth not in education, employment or training segments of the population. Such efforts require greater resourcing and more structured and systematic monitoring and assessment of outcomes.
- ▶ The skills challenges facing India's youths are severe, with a growing proportion of youths not in education, employment nor training and an uninterrupted rise in youth unemployment.
- ▶ The challenges of skills development are complex and multifaceted. Youth unemployment is highest among those with advanced educational qualifications. At the same time, apprenticeship schemes are regarded less than warmly by both employers and youths.
- ▶ An underlying weakness that requires urgent attention is the capacity of the Indian economy to create jobs. The skills development challenges must be tackled in tandem with plans for stronger and more robust job creation.
- ▶ Trade unions should seek and be given a greater role in redressing these challenges and in supporting the skills development needs of workers.

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## ► Introduction

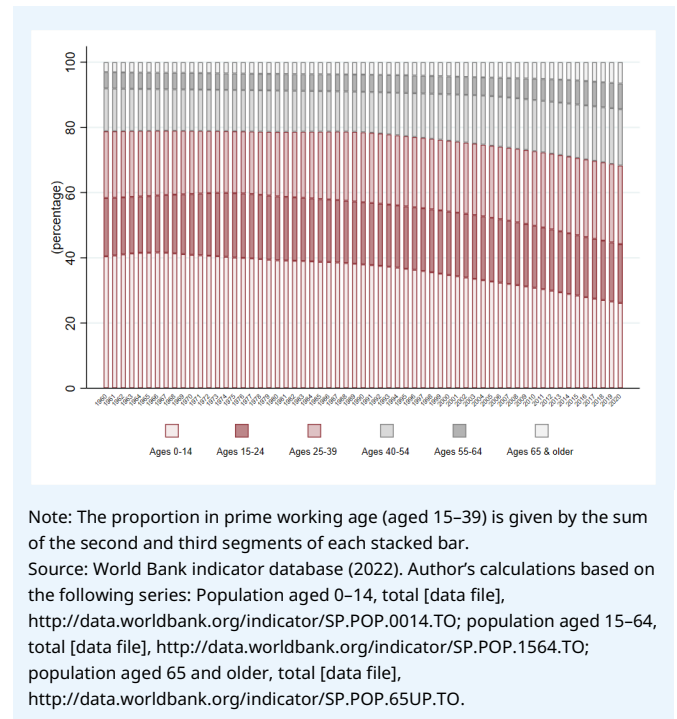
This brief provides a macroeconomic perspective of skills development and lifelong learning in India. It examines outcomes for the population and the workforce thus far and highlights the main areas of weakness. It also analyses the social and demographic context within which the main skills challenges arise while focusing on developments in the economy and labour market that have provided impetus for policy changes.

The Indian economy is the sixth largest in the world (in nominal US dollar terms). In purchasing power parity-adjusted terms, with price differences considered, it is the third largest, after China and the United States. Economic growth has strengthened steadily, from an annual average of 2.6 per cent in 1965–1974 to 6.8 per cent in 2005–14. Just before the COVID-19 pandemic, in the five-year period from 2015 to 2019, average growth hit 6.9 per cent. As a result of the pandemic, the economy shrank 8 per cent in 2020.

Since 2016, labour productivity growth has slowed. This has raised concerns about whether India can meet the output growth targets that have underpinned the Government's poverty reduction strategy. The poverty situation has improved, and the rate is significantly lower now than in earlier decades. Nonetheless, a substantial proportion of the population still lives below the poverty line.

Although India has a massive number of persons younger than 40, its population – as in many other countries – is ageing. After half a century of expansion, the proportion of persons of prime working age (aged 15–39) started to shrink as of 2018 (figure 1). This marks a turning momentum, with the prospect that India could become an ageing society before it becomes an upper-middle-income country.

► **Figure 1. Population, by age group, 1960–2020**



India has one of the largest proportions of rural population in the world, even though it has been declining every year for at least the past 60 years. Still, a majority of Indians, at 65 per cent in 2020, live in rural areas.

Over the past 60 years, the contribution of agriculture, forestry and fishing to total output has more than halved. In its place, the services sector has grown, especially the financial services subsector and the subsector for real estate, ownership of dwelling and professional services.

The services sector contributed 61.5 per cent of economic output in 2016–17. Agriculture and manufacturing accounted for 17.4 per cent and 16.5 per cent, respectively.

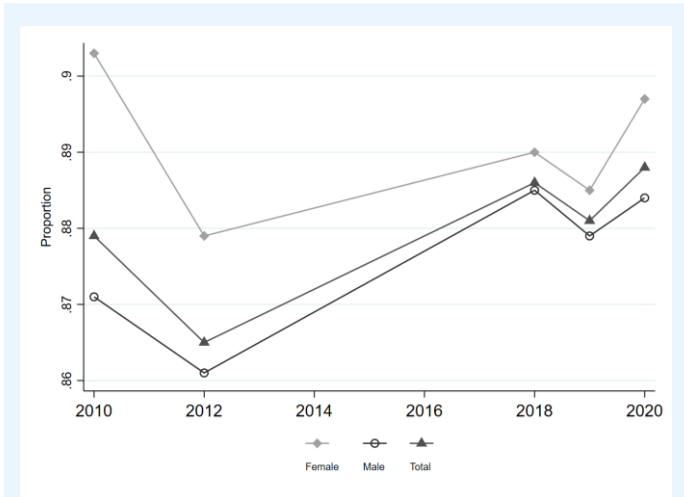
Agriculture is the largest employing sector in India, with about two fifths of the total workforce. Manufacturing accounts for a quarter and services takes the rest.

The economic advantage of India's massive population is diminished by its low labour force participation rate. Despite the relatively low level – in 1990 it was 58 per cent, the labour force participation rate has continued to fall. It dropped below half for the first time between 2012 and 2018. With the onset of the COVID-19 pandemic in 2020, it fell further, by 3 percentage points, to 46 per cent.

An overwhelming proportion of workers are in informal employment (figure 2). With nine in ten workers employed in the informal economy, this is a severe challenge for

policymakers. Such workers are often invisible to the system and are at increased risk of exploitation.

► **Figure 2. Informal employment, by sex, 2010–20**

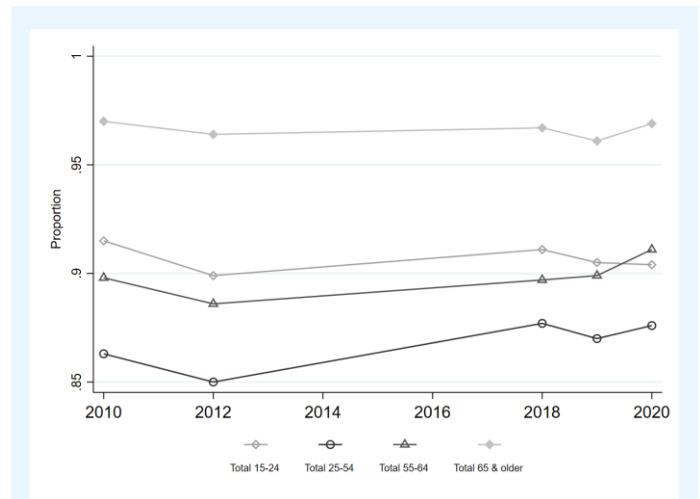


Note: The figure shows time-series plots of the proportion of workers who are informally employed in each year, according to sex.  
Source: ILOSTAT, indicator: EMP\_NIFL\_SEX\_AGE\_NB. Indicator label: Informal employment by sex and age (thousands).

For workers aged 65 and older, the proportion in informal employment is in an excess of 96 per cent, the highest among age groups (figure 3).

In general, the rates of informal employment tend to be higher among youths (aged 15–24) than for other age groups, except those older than 65 years. Since 2010, the proportion of informal employment among male youths has remained at more than 90 per cent. At the same time, the sharpest fall in informal employment has been for female youths, resulting in a decline of the rate for all youth workers. Any improvement has been negated by a rise among mature-age workers.

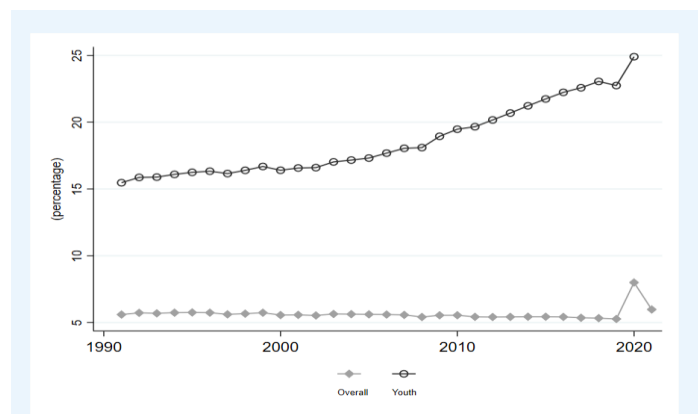
► **Figure 3. Informal employment, by age group, 2010–20**



Note: The figure shows time-series plots of the proportion of workers who are informally employed in each year, according to age group.  
Source: ILOSTAT, indicator: EMP\_NIFL\_SEX\_AGE\_NB. Indicator label: Informal employment by sex and age (thousands).

While unemployment rates have remained relatively stable, India suffers from chronic youth unemployment (figure 4). Since 2012, more than a fifth of youths (aged 15–24) has been unemployed. In 2020, the youth unemployment rate leapt to 25 per cent. Of even greater concern is the fact that the hardest hit by unemployment are youths with advanced educational qualifications. The third of youths in this group who were unemployed in 2020 highlights the crisis with job creation in the Indian economy.

► **Figure 4. Unemployment rates, overall and youth, 1990–2020**



Note: The figure shows time-series plots of the proportion unemployment rates of all persons aged 15 and older and youths aged 15–24.  
Source: ILOSTAT, indicator: UNE\_2EAP\_SEX\_AGE\_RT. Indicator label: Unemployment rate by sex and age – ILO modelled estimates, November 2021 (percentage).

## ► TVET policy development

When the economic liberalization of the 1990s led to an increase in demand for skilled workers, there had not yet been any plan for skills development. But the Government was determined to meet that need. The main strategy at the time was contained within the National Policy on Education of 1985.

A coherent policy direction for skills development only emerged with the eleventh Five-Year Plan (2007–12) under then-Prime Minister Manmohan Singh, the original architect of economic liberalization. The eleventh Five-Year Plan marked a major turning point for skills development in India. Under what it termed “a National Education Plan”, the Government proposed a National Skill Development Mission and a strategy for inclusive growth that emphasized access to education and skill development, “especially for the poor”.<sup>2</sup> This commitment was affirmed by spending allocations, with more than one fifth of overall spending directed to education. This represented nearly a quadrupling of actual spending over the tenth Five-Year Plan.

One emphasis of the plan was the adoption of public–private partnerships in skills development.<sup>3</sup> The plan also envisaged a major technological innovation in the form of a labour market information system for those who complete skills-upgrading programmes. To improve job matching with employment opportunities, a system was to be established for career tracking and placement through the issuing of a biometric smart-card ID. The intention was to enable the availability and shortage of skilled personnel in specific locations to be systematically monitored through a national database. It is not yet clear if what was launched eventually in 2020 (see the ASEEM discussion further on) matches what the plan expected.

The policy momentum continued in 2008 with the convening of the Prime Minister’s National Council on Skill Development. Under this Council, the National Skill Development Corporation was constituted as a public–private partnership for implementing activities.<sup>4</sup> This was followed in 2009 by approval of a National Skill Development Policy. Developed in collaboration with the

International Labour Organization (ILO), this policy set an ambitious target of training as many as 500 million youths by 2022.<sup>5</sup>

The coverage of the National Skill Development Policy 2009 was wide and extended to formal and informal apprenticeships, training for self-employment persons and entrepreneurial development and e-learning, web-based learning and distance learning. It encompassed five operational strategies, including the creation of a National Vocational Qualification Framework and partnerships with the private sector. The Vocational Qualification Framework is an open and flexible system that enables individuals to accumulate knowledge and skills. The private sector partnerships expand and innovate the delivery of skills development opportunities.<sup>6</sup>

In a sign of the recognition of the importance that skills development had gained by this time, the policy emphasis continued even after a change of government. The new Prime Minister, Narendra Modi, announced plans in 2014 to revise the National Skill Development Policy, leading to the National Policy on Skill Development and Entrepreneurship. In July 2015, the National Skill Development Mission was officially launched on World Youth Skills Day, which set out the framework for implementing the national policy. According to the Government, “the Skill India Mission provides the institutional framework for scaling up skills development efforts across the country”.<sup>7</sup>

The most significant new initiative that the 2015 national policy introduced was training for entrepreneurs, especially among youths and persons in rural areas, to tackle the unemployment of these two demographic segments.

Education policy has a major role in determining skills development. The National Education Policy 2020 supersedes the previous education policy, which had been in force since 1985. It is a comprehensive framework for transforming the entire education system, with coverage over vocational training as well as lifelong learning.<sup>8</sup> The policy underlines the need to address the fact that only a small percentage of the workforce aged 19–24 (less than 5 per cent) receives formal vocational education.<sup>9</sup>

<sup>2</sup> Planning Commission, *Eleventh Five-Year Plan 2007–12: Volume I Inclusive Growth* (2008).

<sup>3</sup> *Eleventh Five-Year Plan 2007–12*, para. 5.41.

<sup>4</sup> *Eleventh Five-Year Plan 2007–12*, para. 5.42.

<sup>5</sup> See [www.skilldevelopment.gov.in/sites/default/files/2019-09/National-Skill-Development-Policy-March-09.pdf](http://www.skilldevelopment.gov.in/sites/default/files/2019-09/National-Skill-Development-Policy-March-09.pdf).

<sup>6</sup> The National Vocational Qualification Framework has since been renamed to the [National Vocational Education Qualification Framework](#) and currently comes under the purview of the Ministry of Human Resource Development.

<sup>7</sup> See [www.ilo.org/dyn/normlex/en/?p=NORMLEXPUB:13100:0::NO::P13100\\_COMMENT\\_ID:4002352](http://www.ilo.org/dyn/normlex/en/?p=NORMLEXPUB:13100:0::NO::P13100_COMMENT_ID:4002352).

<sup>8</sup> Ministry of Human Resource Development (MHRD), *National Education Policy 2020* (2020).

<sup>9</sup> MHRD, *National Education Policy 2020*, 43.

The policy singled out a main impediment – the perception of vocational education as inferior to mainstream education. It called for a “complete re-imagining” of the potential offered by vocational education. The National Education Policy 2020 aims to change this perception by integrating vocational education programmes into mainstream education at all levels, from middle school to higher education. Among its targets is the ambition that at least half of the student population in the secondary and higher education systems engage in vocational education through, among other strategies, collaboration with industrial training institutes, polytechnics and local enterprises.

The industrial training institutes (first established in 1950) had been the cornerstone of the technical and vocational education and training (TVET) system up to about a decade ago. Emphasis, however, was on vocational education rather than vocational training. This is evident from the implementation of the National Skill Development Mission during the eleventh Five-Year Plan as well as in the National Education Policy 2020. Together with the polytechnics, this system of vocational education offers courses ranging from one to three years.

The reliance on the vocational education system to produce trained diploma holders who are capable of responding to the needs of industry depends on ensuring that the curricula align with those needs (of prospective employers). As it turned out, the lack of industry input led to “rampant” unemployment among diploma holders.<sup>10</sup>

One of the problems with India's early efforts in skills training was that without a systemic incorporation of views and feedback from industry, the vocational education programmes became too “theoretical”.<sup>11</sup> The tendency to veer away from the planned vocational focus towards an academic emphasis is a familiar design challenge in all TVET systems worldwide. It also was exacerbated by the perception that vocational education is meant for students who perform poorly in the academic track.<sup>12</sup>

The National Skills Development Corporation led a significant shift in emphasis towards courses of durations shorter than a year, which were developed with considerable inputs from industry. Its first task was to set

up an infrastructure that would enable skills development initiatives on a large scale and achieve training targets in a timely manner. This involved reaching out to stakeholders and developing links with them so that they are an intrinsic part of the system. To ensure a process by which standards are set and regularly reviewed and updated, sector skill councils were established. To ensure the capacity for large-scale training provision, links with training partners were made. The focus of the early efforts was on youth.

To contribute to the overall target of a half billion skilled workers by 2022, the National Skills Development Corporation targeted the skilling of more than 150 million youths in 21 sectors by the same date.<sup>13</sup>

The National Policy on Skill Development and Entrepreneurship 2015 provided fresh estimates of the total need for skilling, reskilling and upskilling of the existing workforce and calculated that the number of persons aged 15–45 requiring training was 128 million for the farm sector and 170 million for the non-farm sector.<sup>14</sup> To achieve this target, the National Skills Development Corporation embarked upon a nationwide endeavour to swiftly expand the provision of short-term training.

The main short-term training programme now under way nationwide is the Pradhan Mantri Kaushal Vikas Yojana (PMKVY, or Prime Minister's Skill Development Plan).<sup>15</sup> It was piloted from 2016 to 2020. The latest version of the scheme, PMKVY 3.0 (2020–21) was launched in January 2021.<sup>16</sup>

The expansion in training capacity also applied to the vocational education system anchored by the industrial training institutes and polytechnics.

Following the launch of the eleventh Five-Year Plan, there was a surge in the number of industrial training institutes. At the time, there was an estimated 5,114 institutes, of which 1,896 were run by state governments while 3,218 were privately operated (also referred to as industrial training centres). Since 2015, the majority of these institutes, about five in six, have been privately run.

In 2010, the first sector skills council was piloted with the approval of the National Skill Development Corporation. This was the Automotive Skill Development Council. To

<sup>10</sup> UNESCO, *Vocational Education First: State of the Education Report for India 2020, Technical and Vocational Education and Training (TVET)* (2020), 40.

<sup>11</sup> UNESCO, *Vocational Education First*.

<sup>12</sup> Ministry of Skill Development and Entrepreneurship (MSDE), MSDE, *Annual Report 2020–2021* (2021), 10. The Ministry identifies this as the first of 13 challenges that continue to dog India's efforts in promoting skills development for its workforce.

<sup>13</sup> National Skill Development Corporation, *Annual Report 2009–10* (2010), [www.nsdindia.org/annual-reports](http://www.nsdindia.org/annual-reports).

<sup>14</sup> MSDE, *National Policy on Skill Development and Entrepreneurship* (2015), Appendix II, [www.msde.gov.in/reports-documents/policies/national-policy-skill-development-and-entrepreneurship-2015](http://www.msde.gov.in/reports-documents/policies/national-policy-skill-development-and-entrepreneurship-2015).

<sup>15</sup> MSDE, *Pradhan Mantri Kaushal Vikas Yojana, Guidelines (2016–2020)* (2016).

<sup>16</sup> MSDE, *Annual Report 2020–2021*.

date, there are 38 autonomous industry-led sector skill councils. According to the Ministry of Skill Development and Entrepreneurship, these councils are important for determining occupational skills requirements and training standards. They do so by creating National Occupational Standards and setting up qualification bodies, developing competency frameworks, conducting programmes for trainers and conducting skills gap studies. The sector skills councils also assess and certify trainees based on the National Occupational Standards.

In 2013, the National Skills Qualifications Framework was implemented. Its introduction was an important step in addressing concerns about the lack of opportunities for students from the vocational education stream to go for higher education. According to the National Council for Vocational Education and Training, the Skills Qualifications Framework is a quality assurance mechanism that organizes qualifications according to levels of knowledge defined in terms of learning outcomes that a learner must possess regardless of whether they were in formal, non-formal or informal learning. The National Council is under the Ministry of Skill Development and Entrepreneurship, which is the designated national skills regulator.<sup>17</sup>

India has moved towards harnessing technology and the internet. A nationwide labour market information system, called Aatmanirbhar Skilled Employee Employer Mapping, or ASEEM, was launched in July 2020. Users can sign up for an account online. Access on a mobile device is also possible through an app that can be downloaded from the online Google Play Store.<sup>18</sup> According to the latest update, 12 million candidates and around 1,350 potential employers are registered on the portal.<sup>19</sup>

The eSkill India, an internet portal under the National Skill Development Corporation, leads the way on digital learning.<sup>20</sup> The portal aggregates courses from its network of "knowledge partners" and is an effort to advance the national skills development effort by facilitating access to opportunities for learning and training. Among the knowledge partners are prominent names, such as Microsoft, LinkedIn, IBM, the Khan Academy, SAS and Amazon. The Ministry of Skills Development and Entrepreneurship reported in 2021 that the top-three sectors for enrolment in the portal are information technology, electronics and health care. Together, they accounted for 57 per cent of total enrolment in the eSkill portal in 2020.

## Underserved groups

Among efforts other than the PMKVY scheme to address the training needs of workers in informal employment, one of the most sustained and prominent is the Jan Shiksha Sansthan (Mass Education Initiative).<sup>21</sup> It began in March 1967 through a network of non-government organizations. Originally called Shramik Vidyapeeth (before 2000), the first programme was established in Mumbai for the adult education needs of industrial workers in urban areas. Its success led the Government to develop a nationwide network of Shramik Vidyapeeth institutions.

For any person considering joining an apprenticeship in India, there are two options: the National Apprenticeship Promotion Scheme and the National Apprenticeship Training Scheme. The Promotion Scheme launched in 2016 under the Ministry of Skill Development and Entrepreneurship. The Training Scheme is under the Ministry of Education and consists of a one-year programme that caters to persons who have a technical diploma or engineering degree qualification.

Depending on the course of study or field of training, there are three categories of apprentices: (i) designated trade apprentices for any trade or occupation listed in the Official Gazette by the Government; (ii) optional trade apprentices for any trade or occupation determined by the industry; and (iii) persons pursuing a degree course under any recognized institution or university and using apprenticeship training as an integrated and embedded component of the curriculum.

The main legislation governing apprenticeships is the Apprentices Act of 1961, which has been amended several times. The original Act only covered trade apprentices. As educational attainment in the population improved, additional categories to distinguish entry qualifications were added through amendments in 1973, 1986 and 2014, which brought apprentices who are university and diploma holders within the Act. In addition to the three categories of apprenticeships, there are six categories corresponding to entry-level qualifications of the apprentice: trade apprentices, optional trade apprentices, fresher apprentices, technician (vocational) apprentices, technician apprentices and graduate apprentices.

<sup>17</sup> The Council is in charge of skills regulation. It was formed from the National Council for Vocational Training and the National Skills Development Agency, in a merger completed in August 2020.

<sup>18</sup> See <https://play.google.com/store/apps/details?id=com.aseem>.

<sup>19</sup> MSDE, *Annual Report 2020–2021*, 68.

<sup>20</sup> See <https://eskillindia.org/>.

<sup>21</sup> MSDE, *Annual Report 2020–2021*.



The two types of categories appear to operate in parallel and seem to be more relevant for the legislation in which they are specifically referred to.

The Apprenticeship Rules of 1992 (first published in 1962 in the Official Gazette) stipulate the terms and conditions governing apprenticeships according to trade, course or subject field and in matters such as the period of apprenticeship, hours of work and payment terms.

The Rules were amended in 2019 to raise the hiring limit of apprentices to 15 per cent of the total strength of an establishment and to increase the minimum stipend. For those who leave school in the fifth to ninth years, the prescribed minimum stipend is 5,000 rupees a month. For graduate apprentices or degree apprentices, the minimum is 9,000 rupees per month.

The eleventh Five-Year Plan reported that as of June 2006 (best available data), more than 20,800 public and private sector establishments were covered under the Apprentices Act and 23,000 places were available, of which about 17,200 were filled. It did not announce any significant new initiative or legislative changes to increase placements or promote apprenticeships among employers. Considering the relatively small number of placements and the role of the public sector as an employer, it appears that apprenticeships receive much less support than training initiatives, such as the PMKVY and the Jan Shiksha Sansthan schemes.

The National Policy on Skill Development and Entrepreneurship 2015 pointed out the relative lack of emphasis on apprenticeships and made a strong commitment to expand the practice by reaching out to industry as well as micro, small and medium-sized enterprises with incentives to encourage taking on apprentices. It targeted a tenfold increase in apprenticeship opportunities over five years, but there was no mention of the possible allocations of placements that major employers, such as the government or multinational enterprises should commit to.

The latest update on the Promotion Scheme reported significant progress towards increasing the number of apprenticeships as of December 2020, with about 97,000 companies registered with the online portal to engage apprentices and more than 160,000 youths registered as candidates.

For the Training Scheme under the Ministry of Education, comparable progress also was reported. For example, the northern region reported 32,325 training places available and 49,991 candidates in 2019.

## Implementing bodies

The primary responsibility for skills development and lifelong learning lies with the Ministry of Skill Development and Entrepreneurship. The Ministry of Education takes some of the lead through its education policymaking. The Ministry of Labour and Employment, under which the Directorate General of Employment and Training is responsible for vocational training, participates as well.

The Ministry of Skill Development and Entrepreneurship was created in 2014. It consists of ten institutions covering various areas of training, vocational education, skills, small business development and entrepreneurship.

The National Skill Development Mission singles out three agencies under the Ministry that can spearhead various aspects of the skills development drive under the overall coordination of a governing council chaired by the Prime Minister. These are the Directorate General of Training, the National Skills Development Corporation and the National Skill Development Agency (now part of the National Council for Vocational Education and Training).

Working under the Ministry, there is also the Agriculture Skill Council of India, a non-profit organization that oversees skills upgrading of farmers, wage workers and others in the organized and unorganized segments of the agriculture sector and sectors involved in activities related to agriculture.

In all, nearly half of the government ministries are involved in the national TVET effort, with a significant amount of overlap. In addition, the state governments also have their own departments that oversee skills development. Each ministry sets up training establishments in the areas under its purview, presumably because of its ability to reach the potential recipients of the type of training in question.

From a policy perspective, the large number of central and state government institutions involved certainly raises the risk of policy misalignment.

## Lack of trade union involvement

The trade unions are conspicuously absent from any involvement in affairs relating to skills development and TVET in India. This is true at almost all levels, including policy and implementation. This may have historical roots. For example, trade unions were not considered as eligible for representation in the Central Apprenticeship Council Rules of 1962 while employers were.

An exception to this was in the National Skill Development Policy 2009 that was developed in collaboration with the ILO. It gave trade unions a prominent role in a

quadrupartite framework that included civil society organizations along with the government and employers.<sup>22</sup>

The roles and responsibilities of trade unions were clearly recognized in the policy framework:

- a) Assist in developing competency standards.
- b) Assist in course designing, examination and certification.
- c) Be involved in raising awareness on the benefits of training, skill development plans and activities among workers.
- d) Promote skills training, retraining and upgrading among workers.
- e) Be involved in running special institutes for skill development of workers.
- f) Be involved in promoting investment in skill development among employers.
- g) Facilitate improving the status of vocational educated or trained graduates.

There is little evidence that such involvement by the trade unions as prescribed in the National Skill Development Policy 2009 was realized.

In terms of implementation, there is no mention at all of representation of trade union or employee organizations in the statement of the National Skill Development Mission. Even though there are provisions in the articles of association of the many high-level councils and committees overseeing various aspects of skills development for the inclusion of employee organizations, there are no representatives at all from the trade unions in the lists of members in published documentation that is available. Trade unions are also absent from the sector skill councils.

## ► Evidence of policy outcomes

The eleventh Five-Year Plan estimated that with just 3.1 million training places, nearly four fifths of the new 12.8 million workforce entrants could not access any training opportunities. With this situation, the already severe

training gaps that the workforce suffered from would only worsen.

The sustained policy momentum since then has reportedly increased this number to more than 10 million people being trained each year across all ministries.<sup>23</sup> Separately, the PMKVY 2.0 (2016–20) scheme was reported to have trained more than 10.5 million persons.<sup>24</sup> However, it is not clear if the numbers are comparable across schemes and years.

The sharp rise in the number of training programmes has also led to concerns about quality. For instance, while the number of industrial training institutes has climbed, the training for instructors appears to have lagged far behind simply because the capacity in the designated instructor training facilities has not kept pace.<sup>25</sup> It remains to be seen whether the use of instructors who do not fulfil the stipulated training criteria will have a knock-on effect on the overall outcomes of the training system.

Of the 271 Jan Shiksha Sansthan centres that were operating in 2008–09, 23 were closed by the end of 2017 “on account of non-satisfactory performance or financial irregularities”.<sup>26</sup>

These examples show that there is a system in place for monitoring the performance of training providers. They also confirm the fears associated with ramping up training capacity too quickly. While there are clearly systems in place throughout the TVET framework for monitoring, assessing and reporting outcomes, the process lacks detail and structure in key aspects, such as whether measured outcomes from the large number of different schemes are directly comparable and where the most efficient interventions have been achieved.

In the case of the large proportion of informally employed workers where training needs are likely to be much more urgent, concerns about whether and how training quality is maintained should also be heightened.

The issue of training quality extends to advanced technical skills. The eighth edition of the *India Skills Report* published in 2021, for instance, assessed the employability of Bachelor of Technology and Master of Business Administration holders to be less than half of the graduates.<sup>27</sup>

Even now, the short-term training courses that are conducted are mainly at the entry level and would, at best,

<sup>22</sup> MSDE, *National Skill Development Policy* (2009), section 2.3.3.

<sup>23</sup> UNESCO, *Vocational Education First*, 80.

<sup>24</sup> MSDE, *Annual Report 2020–2021*, 62.

<sup>25</sup> MSDE, *Annual Report 2020–2021*, 97.

<sup>26</sup> MSDE, *Annual Report 2020–2021*, 159.

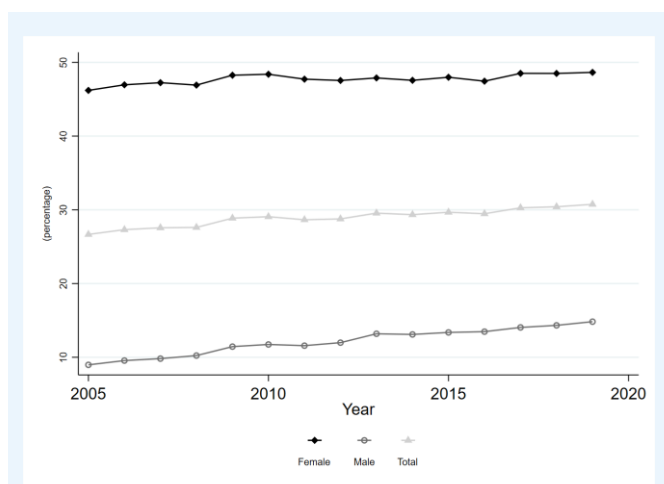
<sup>27</sup> See <https://indiaeducationforum.org/pdf/ISR-2021.pdf>.



only meet the immediate skills needs of trainees.<sup>28</sup> Just as with the Ministry of Skill Development and Entrepreneurship's annual report, the National Education Policy of 2020 acknowledges the challenges. In particular, it points to the weak state of literacy and numeracy clouding the prospects for lifelong learning.

Nearly one third of youths in India are not in employment, education or training (NEET). The gender difference among youth NEET is also one of the widest in the world, with roughly one in two female youths in that category (figure 5). Given the priority that is accorded to the needs of youths in the skills development policy framework since 2007, the large and steadily growing proportion of youth NEET seems alarming. It remains to be seen whether the details of the policy implementation match the lofty vision offered by government policy initiatives.

► **Figure 5. Youth not in employment, education nor training, 2005–20**



Note: The figure shows time-series plots of the percentage of youths who are not in employment, education or training (NEET) in each year, according to sex. The proportion of female youth NEET is more than three times what it is for male youth.

Source: ILOSTAT, indicator: EIP\_2EET\_SEX\_RT. Indicator name: Share of youth not in employment, education or training (NEET) by sex -- ILO modelled estimates, November 2020 (percentage).

The eleventh Five-Year Plan warned that the increase in employment under the two preceding plans had been due to growth in informal employment. As one of its core operating principles, the National Skill Development Policy 2009 listed the intention to “expand formal employment”, explaining that “formal employment is not only fiscally attractive but more amenable to financing innovations”. At the same time, it acknowledged that this would require a

review of existing legislation at both the state and central government levels that “encourage informal and unorganized employment”. More than a decade later, however, the Ministry of Skill Development and Entrepreneurship continues to identify this as an important challenge.<sup>29</sup>

## ► Conclusion

India ratified the ILO Human Resources Development Convention, 1975 (No. 142) in 2009. In 2019, the ILO Committee of Experts on the Application of Conventions and Recommendations commented on several aspects of India's application of Convention No. 142. For instance, the Committee noted that “approximately 460 million people in India require upskilling or reskilling and only 17 per cent of jobseekers possess a diploma or a certificate in technical courses”.<sup>30</sup>

The skills development needs of the vast Indian population make those of most other countries pale into insignificance. There are also enormous variations across the different regions in terms of basic conditions (such as educational attainment and state of local infrastructure), making the centralized application of a uniform set of TVET policies inadequate for the challenges faced by local communities. There are also wide differences in outcomes that require close attention to the rigorous standards of governance.

Given the scale of the challenges, it is fair to say that the lack of trade union involvement is a tremendous weakness of the existing approach to skills development. Without a prominent role whereby trade unions represent the needs and concerns of workers to ensure that policies are relevant to the lived experiences of workers in their jobs, the effectiveness of such policies to serve the needs of individuals in the vast Indian workforce will be substantially weakened.

Despite the challenges that the size of the workforce and the complexities of its skills needs has presented, there have been signs of progress over the past decade. This is evident not just in terms of provision of and access to vocational training for workers but also in the commitment to policy improvement. This indicates that much more can be done with trade unions on board.

<sup>28</sup> UNESCO, *Vocational Education First*, 80.

<sup>29</sup> The challenge is described as the existence of a “pre-dominant non-farm, unorganised sector employment with low productivity but no premium for skilling”. See MSDE, *Annual Report 2020–2021*, 8.

<sup>30</sup> See [www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:13100:0::NO::P13100\\_COMMENT\\_ID:4002352](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:13100:0::NO::P13100_COMMENT_ID:4002352).

In terms of depth and quality, improvements still seem to be concentrated in vocational education rather than vocational training. The efforts at incorporating vocational training into the education framework will be important towards improving workforce skills in the time to come. However, it still does not address the needs of those who are already in the workforce. This is an important issue that trade unions can do more to intervene on behalf of workers with policymakers and employers.

In many ways, the lack of trade union involvement shows. It is quite clear that given the resource constraints and the magnitude of the challenges, the target of skilling half a million youths by 2022 was overly ambitious on more than one front. First of all, it was clearly an excessive numerical target that appeared to reflect the magnitude of the problem rather than the capacity to deal with it. Second, it did not properly distinguish the different forms of upgrading that would be required for different segments of the workforce. While it likely did consider the enormity of the coordination challenges involved, there were no plans to fully address them in the nationwide push to reach out to the informally employed and to keep them effectively engaged.

The lack of formal employment opportunities may have ramifications for long-term human capital development in the country. If it discourages people from entering the workforce because of a perceived lack of opportunities, that will lead to a vicious cycle. As it is, India has one of the lowest labour force participation rates in the world.

Trade unions can do more to represent women workers and youths and bring attention to the challenges they face. Setting a high bar for achievement may be useful as a device for galvanizing the nation into action. But in the current context, unattainable targets could lead to policy paralysis. This could be worsened if multiple implementing bodies are responsible on a wide front of action, making it much harder to hold the line. The setback shown by a large and slowly growing proportion of youth NEET indicates that while the prioritization of youths in the skills development drive of the past decade or so has been correct, the implementation could well be ineffective or, worse, misdirected. This and other signs, such as the persistent gender imbalance in many of the

employment statistics, suggest that a much more incisive implementation regime may be needed.

Several of the skills challenges today were identified more than a decade earlier in the National Skill Development Policy 2009. This could also suggest that a much longer time frame would be needed to address them. The most intractable of the challenges is certainly the entrenchment of informal employment within the social and economic norms of India. There is no doubt that schemes such as PMKVY and JSS are moving towards focusing on the skills development needs of the informal workforce. Hence, more structure and depth should continue to be injected into their efforts. The continuing lack of trade union involvement in meeting the skills development needs of the informally employed is a particular area of concern. It is also at odds with the fact that one of the persistent challenges in India's skills development efforts has been to reach out to persons in rural and informal employment.

There is certainly scope for trade unions to take the initiative to tap their networks and develop capacity to reach out to underserved segments of the workforce and understand their skills development and learning needs. With their experience, unions can take on an important role in various aspects of training.

On the positive front, due to the vision laid out in the eleventh Five-Year Plan to focus on the skills development needs of the population, there has been a sustained and coherent policy focus that has survived the change of government. With more focused implementation, improved resource planning and more realistic targeting, the maintaining of such policy coherence should continue to be a guiding principle for the efforts ahead.

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