PERSPECTIVES

presents emerging issues and ideas that call for action or rethinking by managers, administrators, and policy makers in organizations

The Cultural Challenge in India's Massive Skills Development Ambitions

Kenneth King

India is no stranger to large numbers. But its current Eleventh Plan (2007-2012) has developed a scheme that appears to challenge even the wish lists of politicians. It has targeted increasing the proportion of formally and informally skilled workers in its total workforce from a mere 2 per cent now to 50 per cent by 2022, thus creating a 500 million strong resource pool. In this, it hopes to profit from a 'demographic dividend', gaining from the fact that its labour force is much younger than that in China and other competitor countries. It aims to supply the world's future skill needs for some 50 million workers, apart from satisfying its own.

This short paper[1] analyses the cultural challenge to this extraordinary ambition. What policies have produced these proposals for skilling almost half of India? How important is the perception of China's substantial lead in skills development? How crucial has been the evidence that more than 90 per cent of new jobs in India have been created in the informal sector? How critical has been the claim that such 'training' as has been available has been totally inadequate in terms of relevant theoretical knowledge?

The paper principally asks about the meanings behind the recent dramatic rise of technical and vocational education and training (TVET) in the policy agenda of India. What are the assumptions about the existing traditions and character of India's culture or cultures of skills development? Is the massive planned expansion of skilled people in India simply more of the same traditions, or is there a new paradigm involved?

A further intriguing issue must surely be this: that India achieved almost double-digit growth quite early despite having a tiny proportion of its workforce formally skilled.[2] This might suggest that it would be difficult to persuade the private sector dramatically to change gear and invest in training.

There is no shortage of unique conditions, therefore, in seeking to understand why the world's second largest nation, in population terms (1.2 billion in 2011), should be proposing the largest ever expansion of skilled people in the next ten years.

KEY WORDS

India

Technical and Vocational Education and Training

Skills Development

Planning Commission

Skills Targets

Informal Sector

Skills via Casual Labour

[1] A first and much longer version of this paper was presented in the UKFIET Oxford Conference of September, 13-15, 2011.This was developed into an article for a special issue of *International Journal of Education Development on Skills Development* (King, 2012).

[2] Historically, India has had an average quarterly GDP growth of 7.45% from 1997-2011.

Origins and Traditions of Skills Training in India and the Skills Mission

The Prime Minister, Manmohan Singh, has played a key role in articulating the high priority for skills training of the Indian workforce. Back to at least 2004, there have been speeches extolling the need for 'all new entrants to the workforce' to be 'equipped with the requisite skills for high productivity and high quality work', and spelling out the implications for the modernization of the industrial training institutes (ITIs) and apprenticeship training schemes, as well as the active involvement of industry in both the public and private sectors in curriculum design and management. He argued that there was much to be learnt, especially from Germany, when it came to industry's active participation in apprenticeship training (Singh reported in Planning Commission, 2007: 74).

But perhaps in identifying the skill levels of the workforce as 'an area of concern', and in arguing that 'the quality of manufacturing output and the wages paid to labour are critically dependent on the quality of labour', the Prime Minister might have said more about why industry should be expected to invest more in the quality and training of its labour. He might have explained the paradox that there appears to have been a lack of interest by employers in formally trained labour in India despite the economy booming.

It may be worth reflecting on whether there are particular reasons within the culture and history of India's formal and unorganized sectors that have some bearing on these low enrolments in TVET just mentioned. Part of the answer is provided by a fascinating account of the 'Building of technical skills' in the Human Development Report (HDR) in South Asia 1998 (Ul-Haq and Ul-Haq, 1998: ch.7). This provides a searing analysis of the state of skills across the countries of South Asia. The start of the chapter gives a flavour:

> The vocational and technical education programmes in South Asia are often inadequate, irrelevant, and qualitatively poor. There is perhaps no other field in education that requires from South Asian policy-makers more fundamental rethinking, sweeping reforms, and extensive change. (*ibid*, 96).

The Report does raise the key point that many employers have a preference for on-the-job training as opposed to institution-based training, but the point is not elaborated. In fact, this goes to the heart of the problem. Across South Asia, there is a very widespread preference for training workers on the job. Typically, workers are taken on as unskilled, casual labourers, and over many years, the more promising and hard-working are sifted out, and attached to older, skilled workers. In the early years, the trainees are paid little and sometimes even nothing. Frequently, they get none of the social benefits accorded to permanent workers. Because the labour laws give great protection to permanent workers, employers go to great lengths to avoid staff gaining such status. Many workers are literally 'permanent casuals'; they sign contracts which agree to their being sacked before the deadline that would entitle them to be permanent, and they are then rehired.[3]

If this is indeed the system and culture of labour force training that prevail in India, apart from the more progressive firms, then the challenge of getting industry involved in designing and managing training, as the Prime Minister hopes, may be huge. The point is, however, that industry is already massively involved in labour training, but in a very profitable and exploitative fashion. Thus, when the Task Force on Skills Development of the Planning Commission argues that 'There has to be a paradigm shift in the national policy on skill development with the private sector playing a lead role instead of the government, as they are the job providers', it does not acknowledge that the private sector is already playing too dominant a role in labour recruitment (Planning Commission, 2007: I, emphasis in original). When the Task Force emphasizes the priority of 'a shift from a *supply-* to a *demand*-driven policy', it does not seem to have noticed that the present system is already very demand-driven, but driven by a massive demand for using cheap, unskilled labour, and training on the job (*Ibid.* emphasis in original).[4] We shall need to be aware of this existing demand-driven system as we

[3] See Jan Breman's work (1996) on Footloose labour for confirmation of these patterns in Gujarat State.

[4] The Executive Director of Tata comes close to admitting this is the system: 'Of the 120 lakh [12 million] new entrants to the workforce, the ITIs (private and public put together) are able to handle about 7 lakh only. The rest either are fresh hands – they come into the workforce untrained or are trained by the employer on the job. Some others get trained at an unorganized local shop, but mostly they remain untrained or under-trained' (Planning Commission, 2007: 3).

note constant calls at the present time for India's skills system to be more demand-led.

The failure to acknowledge the nature of the existing labour training system within industry may compromise the current TVET reform process. This is not to say that the private sector will not be sympathetic to initiatives where the government is offering large amounts of new funding to encourage industry's involvement with the ITIs, but it may not lead to industry abandoning its mainstream, tried and tested system of training through casual labour on the job.

Learning from the past, and from the work of previous commissions, should be important when it comes to designing skill development initiatives or national skill missions. Yet it would seem that the planning of the current skills mission has been undertaken without much interest in the work of the National Commission on Enterprises in the Unorganized Sector (NCEUS), set up in 2004, or in the work of its Task Force on Skill Formation in the Unorganized Sector set up the following year. Despite the unorganized sector being responsible for 93 per cent of the employment, the NCEUS had been closed down by 2009, and its innovative scheme for training millions of poor youth never saw the light of day (Unni, 2011).

The series of steps towards the current skills mission were already underway during the deliberations of the NCEUS. Every year starting from the Budget Speech of 2004-2005, the Finance Minister has referred to the skills priority — there was upgrading of technicians to 'world class' from 500 ITIs; already in 2004, there was enthusiastic mention of the public private partnership (PPP) model. Then in 2005-2006, there was the pledge to use the PPP model to 'promote skills development programme under the name "Skill Development Initiative" (Planning Commission, 2007: 73-4).

By the Independence Day, August 15 2006, the Prime Minister had returned to his concern about India being a high growth, but low skills economy, and had moved the idea of a skill development initiative to a 'Mission mode', signaling a higher priority than a skill development initiative:

> We will need to ensure far greater availability of educational opportunities at the higher education level so that we have not just a literate youth but a skilled youth, with skills which can fetch them gainful employment. As our economy booms and as our industry grows, I hear a pressing complaint about an imminent shortage of skilled employees. As a country endowed with huge human resources, we cannot let this be a constraint. We are planning to launch a Mission on Vocational Education so that the skill deficit in our economy is addressed. (Planning Commission, 2007: 74).

Following this announcement, there was set up a Working Group on Skill Development and Vocational Training to feed into the forthcoming Eleventh Five Year Plan, 2007-2012. Intriguingly, it referred no less than 200 times to the industrial training institutes (ITIs), but only five times to the unorganized sector, where the great bulk of all vocational training takes place, informally, in India. Surprisingly, in light of the NCEUS being already under way at the time, the informal sector was acknowledged to produce almost all new jobs and most of the national GDP, but was dismissed as not being eligible for formal training:

> The largest share of new jobs in India is supposed to come from the unorganized sector that employs up to 93 per cent of the national workforce and produces 60 per cent of GDP. Since small and micro enterprises are supposed to play a central role in the national employment creation strategy, they should be assisted in development of skills. The formal skill training system, because of its educational entry requirements and long duration of courses, is basically not designed to offer skills to the low-educated people [of the unorganized sector]. (Planning Commission, 2006: 27-8)

The Eleventh Five-year Plan was unusual in dedicating no less than an entire chapter of its first volume to skill development and training. It did for the first time look at skill development seriously and set out a number of key figures, targets, and concepts that would determine the Indian discourse about skills for the next several years. The Plan effectively launched the National Skill Development Mission which the Prime Minister had, more narrowly, announced in 2006 as the Mission on Vocational Education.

Amongst these key figures and targets, it would claim that only 2 per cent of India's 15-29 year olds had received formal vocational training, and another 8 per cent

non-formal vocational training, compared to 60-90 per cent in industrialized countries. Apart from this stark contrast with such countries, there was also the crucial comparison with China, the other 'Asian driver'. Here one of the frequent references in the policy literature relating to training is that India had relied on just a few long duration courses covering about 100 skills; by contrast, in China 'there exist about 4,000 short duration modular courses which provide skills more closely tailored to employment requirements' (Planning Commission, 2008: 87). These references to China reinforce the comments made in other key policy documents on training such as the World Bank's Skill Development in India (2006), where China not only has very many million more young people securing vocational education in school but has a very much higher ratio of firms providing in-service training (68%) than India (17%).

The quantitative review of the formal training arrangement across the country reaches the severe conclusion that only 2 per cent of the entire workforce has had skills training, and 80 per cent of the new entrants to the labour market have had no access to such training. The qualitative audit is equally depressing. Surprisingly, for such a detailed review of the nation's training system, there is almost no mention of the long-held tradition of training via casual labour on the job, which we referred to above. The nearest the Plan comes to analysing this vast culture of training on the job without any security of employment is in its comments on the 'low-paying capacity of learners and the reluctance of industries to train workers for fear of losing them to competition' (*Ibid*, 89-90). When the Plan reviews training in the vast, informal, unorganized sector, it observes that 'By and large, skill formation takes place through informal channels like family occupations, on-the-job training under master craftsmen with no linkages to the formal education training and certification' *(ibid*), but what it does not acknowledge is that this is precisely what is happening in large swathes of the so-called formal system.

What was impressive about the series of reports produced by the NCEUS was that it defined the unorganized or informal sector very carefully so that it included the millions in the agricultural sector, as well as the millions working informally in the organized sector. In 1999-2000, of the 362 million informal workers in the 396 million labour force, not less than 26 million were to be found in the organized or formal sector of the economy. In other words, the informal sector is to be found *inside* the formal sector, as in the case of the millions of workers hired informally, trained informally, and given no social security (NCEUS, 2006). In fact, in India, almost half of the 56 million in the organized sector of the economy are effectively informally employed.

Arguably, it is these figures on the 93 per cent of the Indian workforce in the informal sector that should have seized the attention of the Eleventh Plan with its ambition for 'inclusive growth'. But the Plan, in its concern with national training policy, failed to take advantage of the detailed work being done, in parallel, in the NCEUS, on skill formation in the unorganized sector (NCEUS, 2009). Perhaps understandably more attention was given to rethinking the fortunes of the relatively very small formal sector training institutions, and the small vocational education option in upper secondary schools. But what was missed in this focus on the formal sector was the recognition that the small size and character of the formal training system were directly connected to and explained by the size of the informal training system. The Plan's desire therefore to 'bring about a paradigm change in handling of 'skill development programmes and initiatives' will logically be impossible if the focus is restricted to the formal training system (Planning Commission, 2008: 87).

Before concluding this paper on the challenge to new skills initiatives from the long-standing training traditions in India, we should underline that much of this new policy thinking is based on powerful and largely unquestioned assumptions about 'how skills can be developed into actual productive use' or how the self-employed 'can enhance their productivity' (Planning Commission, 2008: 90). Arguably, the thinking around the skills development mission falls neatly into what McGrath, quoting Giddens, terms productivism, the notion that the role of skills is fundamentally concerned with employability, productivity, and ultimately economic growth. There have of course been other politics of skills in India's history, and none more famous than Gandhi's vision of skills-for-all in village India, not merely as a crucial element of Indian self-reliance but also as an essential part of being human (Gandhi, 2008).

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