Chapter I

INTRODUCTION

The quality of a nation’s workforce is important for economic growth and social development. Important determinants of the quality of the workforce are its skill and its flexibility namely the ability of the workers to move across sectors of the economy and between industries as the structure of the economy changes. Skill and flexibility are increasingly important for faster growth and improved welfare in a highly competitive and rapidly changing world economy, as they improve a country’s ability to acquire and adapt technology to lower cost of production of goods and services to meet the requirements of new markets. Flexibility itself depends partly on the skills acquired by a worker.

Training for productive employment was historically a private matter. Skills were acquired through apprenticeship or on the job training and financed through lower wages during the learning period. The small enterprise sold training as well as goods. Not merely blacksmiths and carpenters, but even lawyers, accountants and physicians learnt their trade this way. The rise of mass production and large organizations led to an increasing division of labour that replaced the single craftsman who personally carried out the entire task associated with the product. Entry-level jobs required a high level of industrial discipline though few skills.

Early in the twentieth century initial training for entry level jobs in the United States, then the largest industrial economy was provided in large factory schools. Educational reformers, however, saw vocational training as a natural role for an expanding secondary school system, and vocational schools were born (Herschbach1973). Much of Europe followed. Although initially employers often assumed considerable responsibility for training, gradually this responsibility for training was taken over by vocational schools. It was then a short step to the common wisdom of the 1950’s and 1960’s that governments, particularly in developing countries, needed to supplement capital investment with investment for training workers with relevant occupational skills.
The supply of skilled workers and technicians in developing countries needed to be increased if quicker economic growth through accelerated industrialization was to be achieved. Government with significant assistance from international agencies, built, equipped and staffed a variety of institutions to prepare young people for skilled wage employment and created or strengthened the technical training capacity of ministries and state owned enterprise. Vocational training designed to develop skills for specific occupations or jobs was considered more appropriate than general education for improving employment prospects of youngsters (Roy 1947).

The content of the curricula in these programs is derived from occupational standards or more directly from analysis of the tasks to be carried out on the job. The effectiveness of these curricula can be measured by the extent to which trained persons can use their acquired skills in employment. Individuals usually acquire training in the expectation that it will increase their income, by enabling them either to find employment or to move to a higher paying job. Individuals may of course seek training for other reasons also, such as a desire to work in a particular occupation or simply to gain personal satisfaction. Except possibly for the last motive, skills are acquired for economic gain. Similarly, employers invest in the skills of their employees to improve their productivity and hence the profitability of the firm.

In both industrial and developing countries, most middle level skills are acquired through work experience and training during employment financed by enterprises and workers. An initial level of technical skills can be acquired before employment in secondary vocational schools, labour training centers and post secondary technical education institutions that may be privately or publicly owned and operated. These different institutions represent a nation's training capacity. This study focuses on the effectiveness of training institutes in enabling the participants to find employment.

THE CONCEPTUAL FRAME WORK

The main issue addressed in this study is the extent to which skill training and technical education programmes enable individuals to find employment. Vocational training and educational programmes have been promoted by international agencies as an
effective channel for reducing unemployment among different groups of people in the labour market.

The specific focus of the study is the differential motivations of women and men who enter such programmes, what type of gender differentiation occurs and the impact of the programmes on the access to employment. A main assumption made is that each training programme serves a more or less specific labour market segment, or occupational niche for enterprises in the local industrial district. Specifically, it is assumed that the geographical area served by an educational system gradually increases with the level of training. Training at a lower educational level serves only a narrow local area whereas tertiary and university education levels serve regional and national levels. The training analyzed here is assumed to serve employers at the level of the industrial district. These broad questions will be broken down into several more specific questions in the study.

Our analysis divides the major actors in the vocational training programs in India and their interactions into the following major categories:
A) Employers looking for skilled employees.
B) Training institutions who wish to provide relevant programmes for their students, and
C) 'Trainees' going through the system, and who are looking for programmes which provide them with good access to jobs acceptable to them and their families.

We try to study the extent to which the different perspectives are attuned to each other's wishes so that the system works effectively and promotes more access to skilled employment. We need to know the key activities of the major participants and the ways in which they are linked together. The model (Graph1.1) indicates the relationships between different groups involved in the system as it currently operates in India.
LABOUR MARKET (LOCAL)
*LARGE SCALE ENTERPRISE
*SMALL SCALE ENTERPRISE

GOVERNMENT AND PRIVATE INSTITUTES PROVIDING SKILL TRAININGS (I.T.I'S, R.V.T.I'S, NVT.I, POLYTECHNICS)

TRAINEEs GOING THROUGH THE SYSTEM; DIFFERENTIATED BY GENDER, EDUCATION, EXPERIENCE AND SOCIAL BACKGROUND

THE MODEL

Graph: 1.1
In India the craftsmen training scheme (CTS) under the national vocational training system was started in 1950, for imparting skill training in various vocational trades to meet the skilled manpower requirement of the country. The list of government and private I.T.I’s in various states and union territories as on 31-01-2005 is in Annexure II (GOI 2005-2006). A tracer study of ITI graduates in the states of West Bengal, TamilNadu, Gujarat and Delhi was carried out during July-September, 1997 (Indian statistical institute, Calcutta) and another of eleven I.T.I’s in seven northern states from 3-9-1997 to 23-9-1997 to assess the impact of the World Bank project. The latter found an improvement in the infrastructure facility of the I.T.I’s with replacement of obsolete machines and equipment, and introduction of new courses catering to emerging demands for skilled workers (GOI 1998-99). But the institute’s relationship with the market has not been assessed. Regional vocational Training Institutes (RVTI’s) and National vocational Training Institute (NVTI) seem to have been relatively neglected while the polytechnics, the base of the system seem to have been altogether ignored (Bala 1999). Present study plans to look at the extent to which I.T.I's, NVTI, RVTI’S and polytechnic institutes located in various part of the country are catering to industries. The industries are selected (electrical and garments) on the bases of the trades in which training is provided by these institutes.

The broad objectives of the present study are;

a) Identification of the training needs of the individuals;
b) Examination of the factors influencing the choice of courses by the trainees;
c) Analysis of the manpower requirements of the region around the training institute;
d) Study of the relationship between the supply of trainees and the demand for skills in the labour markets;
e) Concentration on the extent of mismatches between the supply and demand for skills, and the possible role of the government in eliminating such mismatches;

HYPOTHESES

a) Skill training increases worker productivity and hence wages and employment.
b) Private training institutes cater better to the needs of the labour market than the government-training institutes.
c) Trainees from polytechnic institutes are better placed for an industrial job compared to those from the I.T.I’s.

d) The trade in which training is provided by these institutes does not respond rapidly enough to changes in the demand for a particular trade or skill in the labour market.

DATABASE/SOURCE

The study is based on primary and secondary sources of data, in order to trace the gradual evolution of Training Institutes in India. Primary data was obtained from the field surveys, which included interviews with teachers, principals, students and graduate trainees of these institutes and through a sample survey of local industries in the urban labour market. These surveys are particularly important for the first four objective of the study listed above. The main sources of secondary data for India is be various census reports of India, annual reports of the Ministry of Human Resource Development, annual reports of the Ministry of Labour, annual reports of the Employment Exchange, annual reports of All India Council for Technical Education and annual reports of the Department of Training and Technical Education, besides the reports of the Labour Information System Division (LISD) of the National Informatics Center (NIC) set up in the Ministry of Labour, and annual reports of the National Labour Institutes.

METHODOLOGY

For the primary data structured interviews were conducted. Purposive sampling was used to select the interviewees, so that all the trades could be represented for the institute as well as industry. Three sets of questionnaire are constructed.

a) For training institutes.
b) For the graduate trainees.
c) For industries to look at the link between demand and supply of skills.

The following standard information was compiled for each interviewee: age, labour market status (employed unemployed, out of labour force) occupation, seniority, industry, size of the employing firm, school-leaving date, and educational attainment, labour market experience as measured by the number of years between school and the survey date.
Data thus obtained through survey was analyzed through cross tabulation to establish inter linkages between vocational specialization and type of employment found in the labour market.

CHAPTER SCHEME

The study consists of six chapters it starts with the introduction chapter that discusses brief background, objectives, database, and the methodology of the study. The next chapter discusses the existing skill development system in India and other countries. Chapter three discusses the vocational education system in developed and developing countries. Chapter four discusses the factors influencing the choice of training course by women. Chapter Five analyses work experience of trainees and its relation with their training programme. In the last chapter we draw some conclusions and policy implications from our analysis.