

## SECTOR ASSESSMENT (SUMMARY): EDUCATION

### Sector Road Map

#### 1. Sector Performance, Problems, and Opportunities

1. Despite a steady increase in school and college enrollment since 2000, Himachal Pradesh remains constrained by the low employability of its school and college graduates. Like in other states of India, general education at the secondary and college levels in Himachal Pradesh is weak and not adequately aligned to the needs of the market. The curricula are outdated, the quality of teaching is weak, and the learning outcomes fall short of the requirements of the changing job market. The low employability of the school and college graduates is compounded by the weak quality of Himachal Pradesh's government-dominated technical and vocational education and training (TVET) system, which is fragmented across 12 government departments. There are no uniform benchmarks for quality assurance, outcomes, certification, or costs. The training equipment in most industrial training institutes (ITIs) and polytechnics, which form the backbone of the state's TVET system, is outdated. Trainers and instructors do not receive periodic refresher training to remain abreast with the requirements of industry. There is limited engagement with industry in terms of design and delivery of TVET programs, counselling, and placement services.

2. In 2013–2014, only 8.4% of Himachal Pradesh's population in the age group 15–59 years had received any type of vocational training (i.e., 5.5% had received formal training and 2.9% had received informal training).<sup>1</sup> Owing to these weaknesses, the problem of “educated unemployment” is growing in Himachal Pradesh. In 2013–2014, 13.6% of college graduates of Himachal Pradesh, 19.1% of post-graduates, and 24.1% of diploma or certificate holders were unemployed.<sup>2</sup> Consequently, dependence on government jobs remains high. In 2014, 65% of organized sector employment in Himachal Pradesh was in the public sector.<sup>3</sup> This is fiscally unsustainable and economically unproductive.<sup>4</sup> Between 2017 and 2022, net demand for skilled workers in the state's private sector will amount to 515,557, covering areas such as banking and financial services, retail, health care, tourism and hospitality, and pharmaceuticals.<sup>5</sup> Modernization of Himachal Pradesh's TVET system and stronger integration of vocational training with higher education is urgently required to ensure that the youth can compete for these emerging jobs, and gradually make the transition from the primary sector to the secondary and tertiary sectors, where job prospects are better and remuneration levels are higher.

#### 2. Government's Sector Strategy

3. To tap the potential of its human resources effectively, the Government of Himachal Pradesh (GOHP) aims to reform the state's TVET policy, institutional framework, and programs through the proposed Himachal Pradesh Skills Development Project. GOHP established the Himachal Pradesh Kaushal Vikas Nigam (HPKVN) as a specialized skills development company under the Department of Planning in September 2015 to bring about convergence across the

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<sup>1</sup> Government of India, Ministry of Labour and Employment, Labour Bureau. *Report on Education, Skill Development, and Labour Force, 2013–14 (Table 5)*. Chandigarh.

<sup>2</sup> Government of India, Ministry of Labour and Employment, Labour Bureau. 2014. *Education, Skill Development and Labour Force Volume III, 2013–2014 (Table 2.31)*. Chandigarh. <http://www.labour.nic.in/sites/default/files/Report%20Vol%203%20final.pdf>.

<sup>3</sup> Government of Himachal Pradesh, Directorate of Employment. *Annual Area Employment Market Report 2014–2015*. Shimla. Organized sector employment refers to public sector establishments and nonagricultural establishments in the private sector employing 25 or more persons.

<sup>4</sup> In 2012–2013, the share of salaries in total expenditure by the government was 33.8%, compared with an average of 23.6% for all other states.

<sup>5</sup> National Skill Development Corporation. 2012. *Skill-Gap Study for Himachal Pradesh, 2012–2022*. New Delhi.

fragmented TVET programs of Himachal Pradesh, align all TVET programs with India's National Skills Qualification Framework (NSQF) by the end of 2017, and facilitate private sector participation in the design and delivery of TVET programs. HPKVN will function as one of the implementing agencies for the proposed project, along with the Department of Technical Education, Vocational and Industrial Training (DOTE) and the Department of Higher Education (DOHE), the two main departments in charge of TVET and higher education.

4. In June 2016, GOHP approved the Himachal Pradesh Skills Development Policy (*Him Kaushal*, 2016), to guide the reform and scaling-up of skills development efforts in the state.<sup>6</sup> The proposed project will assist GOHP in effectively implementing *Him Kaushal*, 2016. To strengthen project design, an aspiration survey covering close to 6,500 youth aged 15–35 years from all 12 districts of Himachal Pradesh was conducted under the project preparatory technical assistance.<sup>7</sup> Around 49% of the respondents were women. The findings of the survey and feedback received from industry partners have informed the following menu of short- and long-term training programs to be supported by under the project:<sup>8</sup>

- (i) Short-term, NSQF-aligned vocational training programs focusing on trades that are in demand, such as apparel, beauty and wellness, banking and financial services, communication, hospitality, private security, tourism, and retail, will be supported.<sup>9</sup> Around 37,000 needy youth who are currently neither employed nor enrolled in any education or training program will be covered over the project period, 2017–2022.<sup>10</sup> The list of trades and job roles will be updated on the basis of regular consultations with the sector skills councils.<sup>11</sup>
- (ii) Since 90% of Himachal Pradesh's population is rural, vocational training should be combined with livelihood development opportunities for semiurban and rural workers who may not want, or are not able, to migrate out of the state for jobs. Hence, the project will establish six city livelihood centers (CLCs) and seven rural livelihood centers (RLCs) to provide a package of training, marketing, and business development support to around 8,000 rural and urban poor. Some of the RLCs will have production centers to provide processing, packaging, and marketing support to the local youth and small businesses.<sup>12</sup>
- (iii) Around 7,000 informal sector workers, who already have some skills but no formal certification, will be able to enroll for recognition of prior learning programs. By getting NSQF-aligned certificates, these informal sector workers will be able to improve their job prospects and command better wages.
- (iv) To strike an optimal balance between short-term courses designed mainly for entry-level jobs on the one hand, and longer-term technical education required for

<sup>6</sup> Department of Planning, Government of Himachal Pradesh. 2016. *Himachal Pradesh Skills Development Policy*. Shimla. <http://hpkvn.nic.in/download/HP%20Skill%20Development%20Policy.pdf>.

<sup>7</sup> Aspiration Survey of Himachal Pradesh Youth (accessible from the list of linked documents in Appendix 2 of the main text).

<sup>8</sup> All the training programs will be undertaken by qualified private training service providers, which will be procured by HPKVN through a process of open competition in line with ADB's policies and processes.

<sup>9</sup> The short-term vocational training programs are usually of 350 hours, and cover job roles at NSQF levels 3 and 4.

<sup>10</sup> This will include around 2,000 trainees with disabilities.

<sup>11</sup> HPKVN has already signed a memorandum of understanding with 21 sector skills councils, e.g., agriculture, automotive, electronics, health hospitality, life sciences, retail, and tourism. This will support trainees in accessing internship and placement opportunities in these sectors.

<sup>12</sup> Proposed City Livelihood Centers and Rural Livelihood Centers in Himachal Pradesh (accessible from the list of linked documents in Appendix 2 of the main text).

jobs in the manufacturing sector on the other hand, the project will assist 50 of the 103 government ITIs of Himachal Pradesh in upgrading their training equipment in line with the 2014 guidelines of the National Council of Vocational Training (NCVT). This will ensure that all ITI students will get NCVT certificates which will make them eligible for jobs across India.<sup>13</sup> Results-oriented institutional development plans will be prepared for these ITIs to ensure that their performance in terms of placement, enrolment of women, faculty training, counselling, placement, and industry engagement improves.<sup>14</sup>

- (v) To expand long-term TVET options for women, the project will establish a polytechnic for women in Rehan in the Kangra district. It will offer diplomas in civil engineering, architectural assistantship, electrical engineering, and computer engineering—skills that are in high demand—and improve access for the women who reside in the hilly northern and western parts of the state.<sup>15</sup> The polytechnic will have an annual training capacity of 720 and hostel capacity for 120.
- (vi) Himachal Pradesh is one of the first states in India to successfully integrate skilling with formal education by introducing vocational training courses at the secondary school level. As of the end of 2016, nearly 35,000 students of grades 9 to 12 across 500 secondary and higher secondary schools of Himachal Pradesh had opted for vocational courses (up to NSQF level 4) as electives. After graduating from school, many of these students may wish to continue with advanced vocational courses at the college level. The project will expand choices for 2,880 students by offering 3-year bachelor of vocational education degrees in selected colleges of Himachal Pradesh.<sup>16</sup> It will also provide 5,500 undergraduate students with the opportunity of enrolling in vocational training courses during their last year of college to enhance their employability. By integrating mainstream education with vocational education, the project will help college students to become “market-ready” by the time they graduate, expand their career choices, and reduce their dependence on public sector jobs.
- (vii) Career counseling and outreach services will be strengthened so that the youth can make informed choices about the type of training that matches their aspirations and aptitude.<sup>17</sup> The project will assist the Department of Labour and Employment in converting 11 employment exchanges into model career centers (MCCs). The MCCs will have career counsellors for guiding the youth, disseminating information on all public and private training schemes, and playing a proactive role in placements.

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<sup>13</sup> In 2014, NCVT revised the syllabi of the vocational trades offered under the Craftsman Training Scheme. The Quality Council of India, which assesses the availability and quality of training facilities in ITIs, and thereafter recommends the ITIs for affiliation with NCVT, has withdrawn recognition of training for several trades in many of the ITIs of Himachal Pradesh. Unless the required training equipment is purchased and facilities upgraded to the revised NCVT standards, these ITIs will not be able to offer NCVT certificates to their trainees. Without an NCVT certificate, the ITI graduates will not be eligible for jobs in public sector enterprises and private companies.

<sup>14</sup> Technical and Vocational Education and Training Reforms in Himachal Pradesh (accessible from the list of linked documents in Appendix 2 of the main text).

<sup>15</sup> Currently, Himachal Pradesh has only one polytechnic for women, located in Solan district in southern Himachal Pradesh. It has an annual training capacity of 420 and hostel accommodation for 210.

<sup>16</sup> Introduction of Bachelor of Vocational Education and Graduate-Employability Programs in Selected Colleges of Himachal Pradesh (accessible from the list of linked documents in Appendix 2 of the main text).

<sup>17</sup> Counseling and Communication Modules (accessible from the list of linked documents in Appendix 2 of the main text).

- (viii) HPKVN will sign memoranda of agreement with relevant industries to get around 4,000 youth directly trained by them.

5. All training programs—short and long-term—funded by the project will be aligned to NSQF. Measures such as establishment of a new women’s polytechnic and provision of hostel facilities in CLCs will help women of small towns and rural areas to access good-quality TVET programs. Gender-sensitive counseling services will be offered at the MCCs. Funding of vocational training programs focusing on certain functions in the service industry—such as retail sales associate, general duty assistant, and customer relationship management—and introduction of bachelor of vocation education courses will expand career choices for women.<sup>18</sup> Relevant outcome and output indicators included in the design and monitoring framework will be tracked by the management information system on a sex-disaggregated basis. This will link the MCCs to India’s National Career Services portal maintained by the Ministry of Labour and Employment. The trained and certified youth of Himachal Pradesh will be able to access job opportunities within and outside the state.

### 3. ADB Sector Experience and Assistance Program

6. The Asian Development Bank (ADB) entered the TVET sector in India in 2011 at the request of the Government of India. Three loans have been approved to date in the states of Meghalaya, Kerala, and Odisha.<sup>19</sup> Capacity development technical assistance financed by the Japan Fund for Poverty Reduction is also being provided to all the three loans. Technical assistance has also been provided to the National Skill Development Corporation (for \$1.1 million) and the National Skill Development Agency (\$1.5 million).<sup>20</sup>

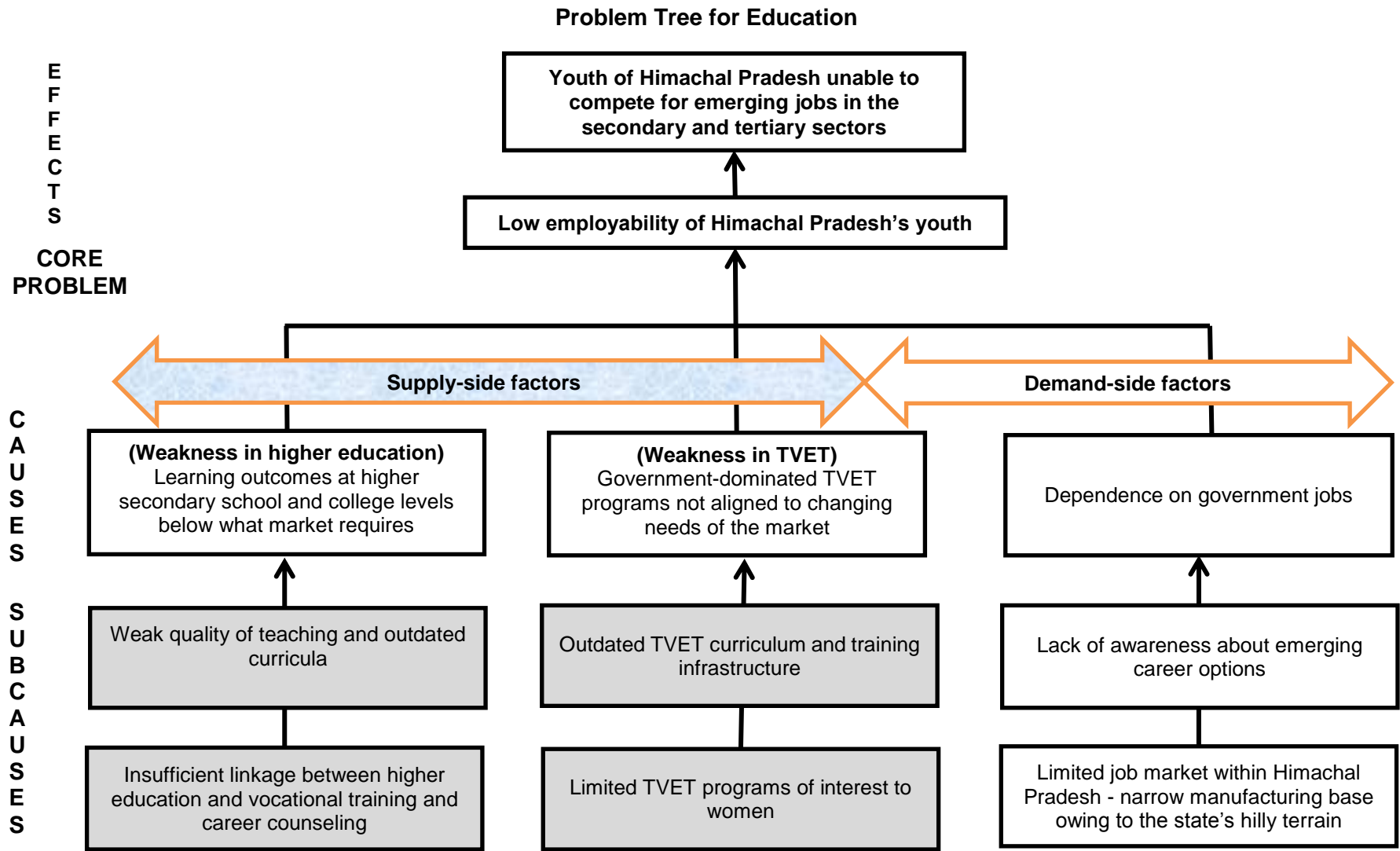
7. ADB has been focusing on effectively implementing the core mandate of the National Skill Development Policy, 2009, and National Policy on Skill Development and Entrepreneurship, 2015, in its partner states. It is strengthening the skills development missions of these states by aligning all TVET programs to national standards (i.e., NSQF) while reducing duplication across various departments; introducing vocational education at the high school and college levels; and facilitating public–private partnerships. Links with industry associations are being strengthened so that a market-aligned skills ecosystem can be created in the states to expand access to quality training institutes, and improve the effectiveness of ITIs by upgrading their infrastructure, modernizing their equipment, training their faculty and master-trainers, and assisting in widening the reach of quality TVET to women and persons with disability.



8. ADB’s experience at the state level, plus engagement with the National Skill Development Corporation, National Skill Development Agency, and the national Ministry of Skill Development and Entrepreneurship puts it in a strong position to support India’s skills development efforts. ADB is ready to scale up its future lending substantially at state or central levels, as required, to reinforce the Government of India’s efforts in human capital development.

<sup>18</sup> In 2011–2012, Himachal Pradesh’s workforce participation rate was 63% for rural women but only 28% for urban women. It was 87% for rural men and 73% for urban men.

<sup>19</sup> ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Technical Assistance Grant to India for Supporting Human Capital Development in Meghalaya*. Manila; ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Results-Based Loan and Administration of Technical Assistance Grant to India for Supporting Kerala’s Additional Skill Acquisition Program in Post-Basic Education*. Manila; ADB. 2017. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Technical Assistance Grant to India for Odisha Skill Development Project*. Manila.

<sup>20</sup> ADB. 2011. *Technical Assistance to India for the Skills Development for Inclusive Growth*. Manila; ADB. 2014. *Technical Assistance to India for the Capacity Building of the National Skill Development Agency*. Manila.



 Supported under ADB loan  
 Not supported under ADB loan

ADB = Asian Development Bank, TVET = technical and vocational education and training.  
Source: Asian Development Bank.