

## **How can the expansion of the apprenticeship system in India create conditions for greater equity and social justice?**

Erica Smith  
Federation University Australia

Ros Brennan Kemmis  
Charles Sturt University

Paul Comyn  
International Labour Organization

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*This paper reports on aspects of a recent project carried out for the International Labour Organization (ILO) and the World Bank, which was designed to feed into the process of updating and expanding India's apprenticeship system. The apprenticeship system in India is extremely small for the country's population, even taking into account the high proportion of jobs that are in the informal economy, and is subject to very rigid regulation. Expansion of the system has been seen as vital in order to improve the supply of skills to the rapidly expanding economy, and also to address issues of disparity in labour market participation and equity for certain groups in Indian society. The paper firstly explains how findings about apprenticeship*

*systems from ten other countries, together with analysis of the Indian situation, were used to present options for consideration by the Indian government. It then analyses these options for their social justice and equity implications.*

**Keywords:** *Apprenticeship, developing nation, equity, access to training*

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## **Introduction**

This paper reports on aspects of a recent project carried out for the International Labour Organization (ILO) and the World Bank, which was designed to feed into the process of updating and expanding India's apprenticeship system. The apprenticeship system in India is extremely small for the country's population, even taking into account the high proportion of jobs that are in the informal economy, and is subject to very rigid regulation. Expansion of the system has been seen as vital in order to improve the supply of skills to the rapidly expanding economy, and also to address issues of disparity in labour market participation and equity for certain groups in Indian society. However, until recently little firm progress had been made with the expansion of the system. The project used case studies of a number of countries to provide ideas for the Indian system, which were then tested with stakeholders.

India is a rapidly developing country with a population of over a billion people. But an important part of Indian economy and society is issues relating to social justice and equity; there are great disparities of income and of opportunity. These matters are of concern in all aspects of Indian public policy but many of the issues are quite intractable. Groups of concern are those from low socio-economic status, those in rural areas, women, and people from certain castes. In this paper we use findings from the project and additional commentary and analysis on the Indian situation to show how improvements to, and expansion of, the apprenticeship system could help to address these problems.

The paper is written by the two principal authors of the report, together with a staff member of the ILO who assisted with the final thematic analysis of the project data and has contributed additional data and analysis for this paper.

## **Background**

India has a population of 1.2 billion and the second largest labour force in the world, at almost half a billion people (Economist, 2011). For much of the 2000s, India experienced rapid growth, averaging 8 percent or more per annum. However, since the end of 2011, growth has slowed considerably as macroeconomic imbalances continue to generate further risks for the Indian economy. At the same time, outcomes in the labour market have lagged economic trends with a period of ‘jobless growth’ from 2004-10 only recently overcome by stronger employment creation in 2011- 12 (International Labour Organization [ILO], 2013).

Many people leaving agricultural employment have moved to the service sector which has resulted in what has been termed ‘service led growth’ (Sarker, Nathan & Singh, 2014). This structural transformation has clearly affected the labour market in India, but in fact the vast majority of workers continue to work in informal jobs and as such, the quality of employment has not improved in tandem with India’s growth (ILO, 2013). Of the 17 million new formal sector jobs created between 2009-12, the ILO has estimated that as much as 85 percent offer no employment benefits and social security (ILO, 2013). Until 2000, informal employment constituted 90 percent of jobs but that number went down to 82 percent by 2011-12. So whilst ostensibly more formal sector jobs are being created, in reality many of those can be categorised as informal, since they lack employment benefits and social security (ILO, 2013). It is also the case, as noted by Mehrotra, Gandhi and Sahoo (2013), that well over half of the labour force between 15-59 years of age also have extremely low levels of education or none at all.

Another important feature of the Indian labour market is that India has the largest youth population in the world with around 66% of the total population under the age of 35, (which is the upper limit used to define ‘young people’ in official Indian documents), representing over 808 million young people). Young people are much more likely to be unemployed than older people: for the age group 20-24 living in urban areas in India, 9.7% of young men and 18.7% of young women were unemployed in 2009-10. In comparison, the unemployment rate for Indians aged 30-34 reached only 1.2% and 3.4% for men and women, respectively (United Nations, 2010). While India is experiencing a

‘demographic dividend’ due to the youth bulge, many young people are reported to struggle to acquire the right skills demanded by employers to successfully navigate the transition from school to work (Comyn, 2014). As noted by Mitra and Verick (2013), a major long-term challenge in India is the fact that many youth, because of poverty and poor human capital endowment are forced to participate in the informal labour market at an early stage as they cannot afford to remain without an income for long. Often they become what are known in India as ‘necessity entrepreneurs’.

### ***Equity groups***

The employment challenges outlined above are, of course, exacerbated for particular groups in the labour market, such as people with disabilities. Whilst estimates of the share of people with disabilities varies considerably from two to ten percent of the Indian population, due to inconsistent statistics (ILO, 2011) the ILO has noted that ‘because of the sheer size of the Indian population, even the lowest estimate of disability makes it equal to the population of several European countries put together. Viewed in this perspective, persons with disability represent the single largest combined minority group in India’ (ILO 2011, p. 8).

The caste system also affects participation in the labour market. As noted by Gang, Sen and Yun (2012), this elaborate system of stratified social hierarchy, which distinguishes India from most other societies, leads to clustering of certain social groups in ‘occupations that are the least well paid and most degrading in terms of manual labour’ (Gang et al 2012, p. 1). Whilst affirmative action policies of successive governments have increased the share of so called ‘Scheduled Castes’ and ‘Scheduled Tribes’ in educational institutions and public sector employment, and there is evidence that occupational segregation is weakening in urban areas amongst some groups, across the board, ‘Scheduled Caste’ and ‘Scheduled Tribe’ households ‘continue to experience poverty rates that are much higher than the rest of the population’ (Gang et al 2012, p. 1).

In addition, notable gender disparities persist in the labour market, as is evident from the large gap between the labour force participation rates of men and women. The latest data show an increase in the labour force

participation rates of women in urban areas, but a continuing decline for rural women (Kelkar, 2013). Average participation rates for women now stand at 39.9% compared with 84.8% for men (Mitra & Verick 2013, p. 2). In rural and urban areas, among early labour market entrants, males are usually in casual wage employment, while their female counterparts tend to be self-employed (Mitra & Verick, 2013: p. 13).

In a recent review of the role of skills development in improving labour market outcomes for women, the Institute of Social Studies Trust (ISST) identified some of the major challenges for women. These included rigid occupational segregation; inequitable access for women in vocational education and training (VET); relatively low levels of education amongst potential women trainees; the lack of recognition of prior learning of potential women trainees; and the relatively high opportunity cost of learning for women (ISST, 2012). These issues are reflected in the relatively low participation rates of women in training. Whilst consolidated data for India does not exist, some reports suggest that female participation is as low as nine percent of training programs (e.g. ISST, 2012) as a result of cultural constraints which see parents hesitating, for example, to send their daughters to far away training centres which lack basic infrastructure such as separate hostels and toilets.

### ***Attempts to increase workforce skills***

Beyond the issues facing disadvantaged groups in the labour market, the sheer scale of India's challenge to improve the skills of its burgeoning labour force is significant. Whilst 12 million people enter the workforce each year (Federation of Indian Chambers of Commerce and Industry [FICCI], 2010), less than 10% have had access to training (OECD, 2011) despite the fact that 90% of jobs require vocational training (Confederation of Indian Industry [CII], 2009). Whilst National Sample Survey data is compromised by definitional issues, Mehrotra, Gandhi & Sahoo (2013) calculate that 'hardly 2 percent of the Indian workforce has formally acquired skills and only another 2.4 percent workers have some technical education' (2013, p. 2). Furthermore, the CII (2009), a major industry association, has estimated that only 6% of the workforce receives any form of workplace training.

The imperative of economic growth, combined with concerns over

the social consequences of failing to offer livelihood opportunities to its large young population, have however, led the Indian government to invest heavily in skills development and pursue new models to improve the quality and relevance of education and training. The Prime Minister's National Council on Skill Development set a target of training 500 million skilled individuals by 2022 pursuant to the 2009 National Skill Development Policy (NSDP). The NSDP intends to meet the 2022 target by expanding public institutions in rural areas; using innovative delivery models such as mobile and decentralised delivery; using skill development centres rurally to provide training information, guidance and delivery; involving local municipal bodies ('panchayats') and local government in skill delivery mechanisms; improving access to apprenticeships and raising female participation in training by introducing the Women's Vocational Programme (Ministry of Labour and Employment [MOLE], 2009).

However, decision-making in the skills system in India remains highly fragmented at both a national level, where 17 ministries and departments are involved in skills development (Planning Commission, 2008), and at regional level, where a similar breadth of structures and responsibilities exist. As noted by the Planning Commission, the 'sheer magnitude of scale' and 'duplicated or excessive bureaucracy' pose serious challenges to improving the quality and relevance of education and training in India (Planning Commission, 2009). In this environment, although reports of increasing skills demand are common (see for example CII, 2014), the supply of skills is failing to provide adequate access for those most disadvantaged in the labour market. Despite the efforts of both the National Skills Development Corporation (NSDC) to stimulate a private training market and the efforts of various government ministries to increase the number of publicly funded institutions (see Planning Commission, 2013), policy makers have only slowly come to realise the importance of also increasing the extent of workplace training.

### ***Context for the 2012 research project on apprenticeships***

In this context, apprenticeships in India are being recognised as an increasingly important way for young people to make the transition from school to work whilst at the same time assisting with

economic development. Whilst the Indian apprenticeship system is well established and supported by legislative and administrative arrangements that have been developed over several decades, by international standards it is underutilised, with inadequate incentives for employers, and insufficient structure and resources to link apprenticeships with career and vocational guidance services to the extent they exist (Comyn, 2014). Thus it is currently unable adequately to fulfil either economic development or social justice ends, both generally seen as aims of apprenticeship systems (Smith, 2010).

The high levels of youth unemployment and under employment in the formal economy are of course multiplied hugely when the informal economy is considered. Depending on whether or not agriculture is included, the informal economy represents more than 90% of economic activity in India, involving enterprises and/or workers that are not registered or covered by the various laws and regulations governing business and employment. In the informal economy, the major system for skills development is through informal apprenticeships, based on the traditional 'ustaad-shagird' system of helper and master craftsmen. Under these arrangements employers employ younger workers, sometimes only for very short periods of time, and train them on the job to carry out very specific tasks that are not necessarily expected to be transferrable to other work contexts. These informal apprenticeships are not regulated and apprentices generally do not receive any kind of formal certification.

Whilst the National Skills Development Policy of 2009 recognised the need to expand and strengthen both the formal and informal apprenticeship systems, specific reform proposals were not made until after the Planning Commission's Review of Apprenticeships (Planning Commission, 2009) led to a series of proposed changes to the 1961 Apprenticeship and 1992 Apprenticeship Rules.

However, little progress was made in advancing these reforms until 2012 when the ILO and World Bank commissioned the research reported in this paper to provide focussed technical assistance to India's Ministry of Labour & Employment (MOLE) to develop options for the reform of apprenticeships in the country. While the findings of the research were wide-ranging, the paper focuses on those findings particularly relevant

to social, economic and gender equity.

## **Research method**

The methodology for the research included a first stage comprising case studies on eleven countries' apprenticeship systems (India itself, plus ten others), a cross-case analysis and the development of a framework for a model apprenticeship system. The second stage of the project involved more detailed analysis of the Indian system and the preparation of an options paper for India, which was then presented to stakeholders at a technical consultation in New Delhi.

The international country case studies were written by in-country experts (apart from two cases where such people could not be found), to ensure that the authors had a deep understanding of the countries' culture, politics and economics. Several of the experts were members of the International Network on Innovative Apprenticeship (INAP) and others were recommended by senior figures in international organisations. The experts were asked to validate their case studies with at least one academic from another institution and at least one senior government official. In their case studies they were asked to identify policy development in their countries that they considered helpful and those considered to be unhelpful; and to list current issues. The eleven countries included developed and developing countries in five continents, and India itself was included among the case studies. The choice of countries was partly guided by the preference of the funding body and partly proposed as a purposive sampling that would include representatives both of countries with more developed economics and those with less developed economies. The cross-case analysis was carried out to develop good practice principles and features of a 'model apprenticeship system' (Authors 1).

For the cross-case analysis the following guidelines and information sources were used to develop the structures and headings:

- The format of the case study guidelines, which was itself developed partly from the project terms of reference but also informed by the following two documents
  - ▶ The INAP memorandum on apprenticeship architecture

(INAP Commission, 2012);

- ▶ Analysis of apprenticeships in the International Encyclopaedia of Education (Smith, 2010);
- The cross-country analysis in the European Commission report on apprenticeship supply (European Commission, 2012); and
- An apprenticeship life-cycle model developed in an Australian study (Smith, Comyn, Brennan Kemmis & Smith, 2009) to describe the progression through an apprenticeship for the individual apprentices.

The cross-case analysis drew together data from the countries using a thematic approach and simple data display techniques (Miles & Huberman, 1994). The analysis covered both systemic issues and operational matters relating to ‘the life cycle of the apprentice’. A matrix was developed from the country experts’ authors’ responses to a section on apprenticeship systems’ issues, strengths, weaknesses and learning from policy developments. The authors worked with the data to produce further analysis to develop a model apprenticeship framework. The data were then further reduced to develop an identification of the features of a model apprenticeship system, and proposed measures of success and associated challenges, derived from the data. This framework consisted of the following features:

- A set of principles under ten major headings (listed below, under ‘Findings’);
- A listing of possible measures of success under four major headings (engagement, quality, outcomes and public policy), and associated challenges; and
- Factors to be considered when expanding a country’s apprenticeship system.

The information and data generated in the first phase of the project were then used to generate a draft Options Paper for the Indian apprenticeship system. The analysis was mapped against identified problems in the Indian system assisted by an analysis of four major reports on apprenticeship and telephone interviews with three key informants in the Indian system recommended by the ILO. The Options

Paper also attempted to evaluate the efficacy and workability of each option using all the data gathered during the other phases of the project. The draft Options Paper was presented at a Technical Consultation of around 80 national stakeholders in New Delhi in September 2012, with suggestions for major change and minor change associated with each of thirteen options. Feedback was gained from groups of participants who each considered a grouping of three or four options. The feedback was used to finalise the Options Paper (Authors 2) and identify which options gained widespread, limited or no support from stakeholders. It was recognised that, realistically, those which gained no support would be unlikely to be progressed.

For this paper, the authors have used the data generated by the methods described above to provide information about the current and potential capacity of the Indian apprenticeship system to create conditions for greater equity and social justice.

## **Findings**

### ***Findings of the project as a whole***

The cross-case analysis led to the proposition of a series of principles that underpin a 'model apprenticeship system', under ten major headings. These headings were:

1. Occupational coverage
2. Participation
3. National government structures
4. Stakeholders
5. Quality training providers
6. Employer responsibilities
7. Simplification
8. Financial and other incentive
9. Provisions for the apprentice
10. Support for employers and apprentices

Given that the focus of this paper is on equity issues, a brief overview of the propositions relating to equity follows. Among the propositions that would lead to greater equity, it was recommended that apprenticeships should be available in all industries and in a range of occupations, particularly those typically undertaken by women as well as men. It was argued that a systematic approach to adding occupations to the list of apprenticed jobs would help to secure equity in this area. It was proposed that apprenticeships should be open to people of either gender, of all ages, and in rural as well as urban areas; and that mature aged people should be able to enter apprenticeships without formal school qualifications. Disadvantaged or disabled people needed to be helped into apprenticeships via special incentives for employers. Finally, it was proposed, on the demand side, that barriers for entry to the system should be as low as possible for employers, while retaining quality; and that there should be support for small and medium enterprises employing apprentices.

It should be noted that the wide variety of arrangements among the case study countries on equity-related matters indicated a need for reform elsewhere besides India; but, equally, the project's 'solutions' to equity issues were each found amongst arrangements in at least one of the country case studies.

### ***Findings about India***

The research showed that India has only about 300,000 apprentices compared with a labour force of nearly 500 million people, which reflects a proportion of less than 0.01% of the workforce. Even when it is considered that up to 90% of India's economy is informal, the proportion of India's formal workforce that are apprentices is only 0.1%. This rate remains however a small proportion when compared with other countries that the analysis defined as 'small system' countries. The country case studies showed that relatively 'small systems' such as the United States, had a participation rate of 0.3% of the workforce, and 'large systems' such as Germany and Australia had around 3.7% of their workforces participating in apprenticeships. It became apparent from analysis of the Indian reports, the telephone interviews, and the feedback at the workshop, that the Indian system was based firmly on the post-war English apprenticeship system, with a great deal of

bureaucracy often incomprehensible to employers and those outside the system. It was confined to a limited number of occupations which were mostly (but not entirely) traditional trades undertaken mainly by men; although IT had been added to the list of apprenticeships due to the initiative of a major employer. In this respect it was similar to the Australian system prior to the 1985 Kirby report, which led to the establishment of traineeships (Kirby, 1985). Moreover, physical fitness requirements made entry to some apprenticeships difficult for people with disabilities. It was also found that apprenticeship, and vocational education and training (VET) in general, was seen as a relatively undesirable pathway for young people in secondary education, compared with an academic route into higher education.

It had been recognised in the past few years that there was a clear imperative for reform in the Indian apprenticeship system. There was fast growing demand for newly skilled members of the workforce and a parallel recognition that issues of social justice and equity, particularly in relation to gender, need to be addressed in new and concerted ways.

Four significant reports and policy documents were analysed as part of the research; collectively these illustrate the growing feeling that change was needed.

**Report 1:** *Ministry of Labour and Employment (MOLE). National Policy on Skill Development (2009). Government of India: New Delhi.* The focus of the policy statement was not only apprenticeships, but more broadly on the development of the national skill system. The document identified a number of problem areas including the under-participation by women, rural and regional people, minorities, people with disabilities, and people facing personal economic difficulties and child labourers. The recommendation from the Ministry to address these problems included an expansion of the formal apprenticeships system to 1 million participants, revisions of the Apprenticeship Act 1961 and particular measures to improve access for women, people with disabilities, and other disadvantaged groups. The policy also proposed the introduction of 'dual-type' apprenticeship programmes that combine on and off the job training, as apprenticeship in India, following initial training, is carried out entirely by companies. In the informal apprenticeship system, the report recommended that there be a greater

degree of social protection introduced for apprentices.

**Report 2:** *Planning Commission Sub-Committee report on re-modelling India's apprenticeship Regime* (2009). This report set out to identify why employers were averse to taking on apprentices, to suggest methods for overcoming difficulties, and to increase the attractiveness of apprenticeships to potential applicants. The comprehensive list of 'problem areas' was also matched with a set of recommendations on how these problems could be addressed. This report did not specifically focus on equity groups.

**Report 3:** *Akhilesh, commissioned study on apprenticeship Law in India*. (2010). This comprehensive study of the Apprentices Act 1961 and other legislation examines the ways in which the regulatory framework surrounding apprenticeships impacts on young people and the skill development for youth. The conclusions reached in this report echo those of the preceding two reports and it includes a set of recommendations for reforms. This report also focuses on the issue of gender equity and the disparity between the genders in the apprenticeship profile. "Many manufacturing firms state outright that the women apprentices are not suitable to work in their firms. In this new era where women are equally empowered in nearly all fields of work, the Apprentices Act should also take into consideration the role of women in the development of the society and country as a whole" (p. 97). The analysis in this report also shows that of the very small number of people taking up formal apprenticeships "we can observe that about 10% came from a scheduled caste, 1% from scheduled tribes, 7% from minorities, 0.23% of physically challenged people and 20% (were female)" (p. 97).

This report concluded with a long list of suggested changes to Apprenticeship legislation including the increased coverage of the Act to include more industry areas; the removal of geographic boundaries; the introduction of reserved places for women; the creation of a fund to promote apprenticeships and better working and learning conditions for apprentices.

**Report 4:** *Confederation of Indian Industries (CII) submission on the Apprenticeship Act, for Ministry of Labour and Employment consultations* (2011). This submission provides recommendations

for the reform of the Apprenticeship Act and focuses on setting targets for apprenticeship numbers, the industry areas to be included and the improvement in the conditions under which apprentices are employed. As might be expected from an industry body, the submission also advocated for the removal of some of the regulation around apprenticeships, such as removal of special labour laws for apprentices. The suggestions most relevant to equity groups concerned easier methods for adding occupations to the designated list of apprenticeships, and the availability of apprenticeships in all geographic areas.

### ***Options presented to Indian stakeholders***

Based on the findings of the research and the analysis of the significant reports, 13 options for the Indian apprenticeship system were presented to stakeholders at the technical consultation. These were divided into four themes so that groups of stakeholders would each discuss three or four related options to. In this paper we report primarily on Theme 3 'Increase participation', as this theme related most closely to the topic of the papers. The other themes were: 'Simplify access'; 'Improve training quality'; and 'Harmonise the system'.

In developing the options related to increased participation we incorporated the equity-related principles from the international cross-case analysis.

The table to follow summarises the proposals developed by the authors, and the feedback received at the technical consultation in New Delhi. For each option we proposed a major change and a minor change if the major change appeared unpalatable or unworkable.

**Table 1:** Overview of options to increase participation in apprenticeships in India

<b>Option</b>	<b>Summary of major change proposed (Selected items relevant to equity)</b>	<b>Summary of minor change proposed (Selected items relevant to equity)</b>	<b>Feedback from stakeholders</b>
Cover more of the economy	Responsibility allocated to a body systematically and regularly to scan the environment to ensure that the list of occupations broadly reflects the structure of the economy, and to manage processes for adding new occupations and removing unnecessary ones.	Quicker processing of applications for new occupations through a minimum service guarantee from the Directorate General of Employment and Training (part of the Ministry of Labour and Employment), and acceptance of proposals from any stakeholder.	Need to prioritise certain occupations. Need for a national 'live' list.
Provide financial incentives to participants, enterprises and training providers	Change the stipend to a proportion of minimum wage for the occupation; Introduce financial incentives for employers – on employment, completion and retention of an apprentice, and for employing disadvantaged apprentices; Ensure major government infrastructure projects budget for payment of a proportion of apprentices' wages to ensure apprentices are employed;	Introduce financial incentives for employers – e.g. on employment and completion of an apprentice, and for employing disadvantaged apprentices.	Financial incentives for employers should be dependent on performance

<p>Introduce non-financial strategies to increase participation among more people</p>	<p>Open apprenticeships to people of all ages above 14 years (in non-hazardous trades) and without minimum educational qualifications (with language, literacy and numeracy support); publicity campaign, accessible web presence, and school careers education. Improved information about occupations in demand through better linking of apprenticeship information to labour market statistics.</p>	<p>Undertake a publicity campaign, develop an accessible web presence, and highlight apprenticeships in school careers education.</p>	<p>Stakeholders supported opening to people of all ages, but not the removal of the education requirements.</p>
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It should be noted that when the feedback at the technical consultation was analysed, the first two options in the table above were generally supported, while there was little enthusiasm for the third option.

Despite clear advice from the major industry stakeholders during the workshop and through independent submissions to the government (see for example CII [2011], one of the four reports discussed above), the government did not act on any of the recommendations listed in Table 1 in either a revised Apprenticeship Act or Apprenticeship rules until July 2014, when drafts for comment were circulated internally and are soon to be made available for public review (MOLE, 2014).

### Discussion and conclusion

Each of the reports analysed for the second stage of the project were predicated on the premise that the creation of greater levels of equity

and social justice would be the outcome of a reformed and more effective apprenticeship system. Thus while equity groups are not explicitly mentioned in all of these reports, the capacity of apprenticeships to improve social justice and equity for all groups was an implicit thread. It was assumed that improvements in the operation of the formal and informal apprenticeship systems will not only contribute to the creation of a more skilled workforce but will also create conditions for “a better life” for Indian workers. As a country with great disparity of income and opportunities this issue runs through all Indian public policy.

The options advanced as part of the project were similarly designed to meet equity goals as well as provide economic benefits. The first of the three options described in Table 1, would, if adopted, immediately open up the possibility of apprenticeships to women, whose preferred occupations are poorly represented in the current system, and to people in rural areas, since the occupations currently listed are predominantly urban-based. The second option would provide incentives to employers to take on disadvantaged people as apprentices, which would encourage employment of people with disabilities and from Scheduled Castes and Scheduled Tribes. The third option in Table 1 was not strongly supported by stakeholders at the technical consultation. While expansion to adults was supported, albeit weakly (opening up the possibility of ‘second chance’ apprentices), removal of the education requirements, which was not supported, would have opened up access to groups who fared poorly in the current secondary education system.

One problem that remains is the size and strength of the informal economy in India and the problems that this creates for apprenticeship systems. The informality of much working life in India compromises the capacity of apprenticeships to deliver greater levels of social justice and equity, along with many other issues created by the social political, economic and religious barriers endemic in India. The resistance of many to regulations and the rule of law is exemplified by current extraordinarily low levels of employer participation in apprenticeship, despite the fact that there is, in fact, a mandated requirement for employers of a certain size to take on apprentices. Consequently, it remains to be seen whether a reformed Indian apprenticeship scheme will translate to improved access and labour market outcomes for the most disadvantaged in India. As with other developing countries, in

India additional regulation or requirements could serve to prevent employers from joining the formal apprenticeship system.

What is likely to be implemented? As mentioned earlier, a new draft Apprenticeship Act is currently available for consultation. Whilst there was a feeling that MOLE had not satisfactorily responded to the calls for change with its revised draft apprenticeship act and rules, it is clear that with a 'pro-business' government, that came to power in May 2014, led by new Prime Minister Narendra Modi, the momentum for change has increased and hope remains for a more thorough and internationally relevant review of the apprenticeship system. Whilst a final revised draft of the apprenticeship act and rules has thus not yet been agreed upon, the MOLE draft includes at least some measures to increase participation. Whilst the draft is silent on the use of incentives, they do propose improved links with vocational guidance systems and employment services to facilitate increased commencements and participation by disadvantaged groups in the labour market. The draft also targets increased access by reducing the size of enterprises able to employ apprentices and by including provisions that allow employers to effectively establish an apprenticeable trade without external review. Whilst this latter proposal may increase access in absolute terms, it effectively gives employers the ability to retain workers as apprentices for longer periods and at different occupational levels within an enterprise and in doing so, could weaken quality employment, mobility and skills development through apprenticeships, which could in fact have adverse equity implications. Whilst it is expected that these measures will be contested, it is likely, at least, that the number of apprentices in India will increase as a result of the new Act and rules.

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## **About the Authors**

**Erica Smith** holds a Personal Chair in Vocational Education and Training at Federation University Australia, formerly the University of Ballarat. She has published widely, mainly on training policy,

apprenticeships and traineeships, enterprise training, and vocational education and training (VET) practitioners. Erica is co-chair of INAP, the international network for apprenticeship research, and contributes to a range of national and international consultations on apprenticeship.

**Ros Brennan Kemmis (AM)** is an Associate Professor in Education at Charles Sturt University where she is a member of the Research in Professional Practice, Learning and Education (RIPPLE) Institute. She has been actively involved in the Vocational Education and Training (VET) sector for over 20 years, both as a teacher-educator and a researcher. Her research interests include E-Learning in VET, language, literacy and numeracy, traineeships and apprenticeships, and Indigenous participation in VET and VET teaching.

**Paul Comyn** is based in New Delhi as the Senior Specialist for Vocational Training & Skills Development in South Asia for the ILO. He has been working in South Asia for 6 years and has been actively involved in the reform of apprenticeship systems across the region including in India, Sri Lanka, Bangladesh, Pakistan and Nepal. His interests include industry engagement in skills development and vocational education and training policy.

### **Contact details**

*Professor Erica Smith  
School of Education and Arts  
Federation University Australia  
PO Box 663  
Ballarat, Vic 3353*

*Email: [e.smith@federation.edu.au](mailto:e.smith@federation.edu.au)*