

# A Study of the Significance of Vocational Education and Entrepreneurial Skill Generation in Sustainable Economic Development of India

Devika Dhawan Shukla<sup>1</sup>, Dr. Madhu Bhatia<sup>2</sup>, Prof. R.K. Maheshwari<sup>3</sup>

<sup>1</sup>Research Scholar, Department of Applied Economics, Faculty Of Commerce, University of Lucknow.

<sup>2</sup>Assistant Professor, Department Of Commerce, University Of Lucknow.

<sup>3</sup>Professor, Ex. Head & Dean, Department of Applied Economics, Faculty of Commerce, University of Lucknow.

## Abstract:

Vocational and technical education are seen as essential components of the growth of the country. This is crucial to the continued development of the country. The general components of lifelong learning include attitudes, abilities, and knowledge. In India, Government's emphasis and support to TVET and Startup Policies, has given many people who would otherwise face multiple challenges in their schooling access to employment and skills. India, in spite of being one of the fastest growing economies of the world, lags behind in terms of per capita income. Tapping its most vital resource, that is, the youth population by making them employable to meet the industry needs through vocational education and skill generation can act as a game changer for India. Thus, the main goals of this study are to draw attention to the importance of technical education, vocational training, and the development of entrepreneurial skills for the country's sustainable development in India through implementation of New Education Policy 2020 and several Government Policies.

**Keywords:** Sustainable Development, Technical and Vocational Education(TVET),Startup policies, Per Capita Income.

## Introduction:

As a developing country, India still experiences the problems of poverty, youth unemployment or under employment and income inequalities. As against this, the contemporary scenario of technological advancements, modernization of trade, Industry and Commerce and Globalization add to the challenges faced by individuals and the nation at large. This demands a revolutionary and structured change in the education system of the country. The New Education Policy 2020 was introduced to bring that change, though success is awaited in its effective implementation. Introduction of Technical and Vocational education and Training (TVET), skill generation and creating support system for self-employment and entrepreneurial opportunities would play a pivotal role in promoting sustainable economic development in India.

The term Vocational Education, Training, and Skill Development (VETSD) refers to all phases and forms of the educational process that include, aside from general knowledge and academic abilities, the study of technologies and related sciences, the acquisition of Competencies, expertise, dispositions, and

comprehension about professions in the different facets of the social and economic spheres. A significant component of the country's education program is vocational education and training, or VET. Redefining the goals of vocational education is essential if it is to effectively contribute to the changing global environment transforming education and training to make it adaptable, current, pertinent, inclusive, and imaginative.

Secondly, Entrepreneurial activities act as a catalyst for economic growth of any country considering that they create new employment opportunities and patterns, meeting the needs of the consumers and improving the standard of living of the people. Now, that the linkage between Education, skill development and Economic development is vividly clear, steps taken in that field by shifting from traditional to vocational education, skill development and providing appropriate ecosystem for the startups will act as a game changer to the existing rapid growth of our Indian Economy. (According to the studies India is among the fastest growing economies of the world). The Indian government, both central and state, has launched many programs aimed at promoting entrepreneurship across the country. Notable initiatives include Start-up India, Stand-up India, Ease of Doing Business, and others. The way that markets, would-be business owners, and investors view startups has improved as a result of these initiatives. In addition, a number of business, government, and other regulations sought to foster a flourishing startup culture. In January 2016, the Indian government initiated the Start-up India program with the aim of promoting start-up culture and fortifying the inclusive ecosystem that fosters innovation and entrepreneurship. The Start-up India program lays out the path for the construction of an ecosystem that is favorable for the growth of start-ups in India. It is driven by topics such as "Simplification and handholding," "Funding support and incentives," and "Industry-academia partnership & incubation" (DIPP, 2018). Launched in multiple cities, Start-up India aims to create a strong startup ecosystem and turn India into a nation of job creators rather than job seekers. A number of tax advantages, simpler compliance, IPR fast-tracking, and other benefits are available to qualifying enterprises who are recognized by DPIIT as start-ups under the Start-up India initiative. In 2020,. (Godha, et al., 2020)

We must define "sustainable development" because, as Rist (2008) points out, "every 'developer' now speaks about 'sustainable development,' and no project is taken seriously unless it has a 'environmental aspect'" (Rist 2008: 192). The 1960s and early 1970s saw an increase in environmental awareness (see, for example, Carson, 1962, Boulding, 1966, Meadows et al., 1972), but the phrase "sustainable development" didn't become widely used until 1987.

This paper focuses on the concept of sustainable development, challenges, strategies and analyzing the role of vocational education and entrepreneurial skill development as a tool emphasized by the New Education Policy 2020 for empowering the youth and attainment of sustainable development.

### **Review Of Literature:**

(Reuben Plance, 2020) engages in a conversation that seeks to define TVET and identify why the state needs to invest in technical and vocational education, particularly at the post-secondary level. Not unexpectedly given the breadth of this inquiry, He leaves more questions unanswered than answered. The 21st century has witnessed a significant shift in the developmental paradigm, with a growing emphasis on sustainability, economic growth, labor market trends, migration patterns, and demographic changes. As the world grapples with the uncertainties of the knowledge economy and the changing global market landscape, the role of Technical and Vocational Education and Training has become increasingly crucial. The new wave of attention on TVET is driven by its potential to respond to the challenges presented by

the knowledge economy, which is characterized by economic competition and a high focus on skills development. Agrawal argues that both the state and individuals stand to gain from an effective TVET system that aligns with the productive needs of the labor market. (Yaakob et al., 2020) (Moses, 2016)

The quality and competence of TVET output are crucial in determining a nation's competitive advantages. The role of Information and Communication Technologies in TVET pedagogy, training delivery, teacher training, curriculum, and labs is essential in meeting the current era's challenges. (Hassan et al., 2021) Moreover, the cooperation and partnership between vocational schools and industries are crucial in building the quality and competence of TVET products that can impact and fit the industry's needs. (Moses, 2016)

According to some academics (Marope et al., 2015; Rojewski, 2009; Tikly, 2013), this economic justification has been one of the key factors influencing TVET's resurrection and contribution to Economic development in the recent years. Human capital theory serves as the foundation for perspective. It compares funding for education to funding for people and the economy (Becker, 1962; Schultz, 1961)

The idea that social companies may be able to help with societal problems is becoming more widely acknowledged. We must foster an atmosphere that gives entrepreneurs the assurance that, should they choose to build business models that assist those living in poverty, they will not encounter any difficulties (Jayanthi, 2019)

The climate that entrepreneurs operate in is greatly impacted by government policy. The environment for beginning firms is shaped by funding, laws, infrastructure, tax benefits, and support programs. By examining these regulations, we can learn how governments support or obstruct entrepreneurial environments (Ajayi-Nifise et al., 2024).

As India aims to become a higher-income nation, it is essential to develop and strengthen skilled workers' competencies by ensuring that suitable education and training is provided to cater to the needs of the industry and business. India's growth is predicted by the report to be robust, which will give the startup ecosystem a solid base on which to grow. (Source: Indian Economy Handbook, June 2014) Incubation, cost, tax clarity, and licensing are areas where companies should receive support. The entrepreneurial ecosystem can also be stimulated by offering young entrepreneurs and future business leaders access to tools for awareness-raising, inspiration, and meeting spaces in addition to startup funding.

**Objective of the study:** This paper's main goal is to examine the current situation, highlight the importance of the entrepreneurial skill development, training, and vocational education sectors, and offer suggestions for developing a management system that will support the growth, development, and popularization of these sectors.

### **Research Methodology:**

Secondary data serve as the main source for this study. This study is a survey of concepts. The study's pertinent data has been painstakingly gathered from a variety of reliable sources. These consist of scholarly websites, peer-reviewed publications, trade publications, reputable newspapers. Utilizing a variety of sources, the study guarantees a thorough comprehension of the subject and a solid foundation for its conclusions.

### **National Education Policy 2020:**

The National Education Policy (NEP) of 2020 has established a specific objective of introducing skilling and vocational education to 50% of school students by the year 2025, with the intention of extending this

exposure to nearly all students by the year 2030. The National Education Policy (NEP) 2020 is a transformative framework that aims to revamp the entire education system in India. And, one of the significant highlights of NEP 2020 is its emphasis on holistic & vocational education. Recognizing the importance of skill development and practical knowledge, NEP 2020 aims to provide a boost to vocational education in India. It aims to combine theoretical knowledge with practical skills, making the student’s job ready and face life challenges.

**FLEXIBILITY AND CHOICE**

Students are encouraged to select their subjects with NEP 2020 depending on their aptitudes and interests. Students can follow their passions and choose vocational courses based on their interests thanks to this program. Additionally, it seeks to help students in a range of industries, including engineering, finance, healthcare, and tourism, acquire specialized skills. Nationwide, specific skill development centers will be developed as part of NEP 2020. Additionally, these centers will use cutting-edge tools, resources, and infrastructure to deliver instruction. The government wants to raise the standard of vocational education and prepare students for the future by using these centers.

**AIMS TO PROVIDE RECOGNITION TO VOCATIONAL EDUCATION**

Vocational education will be repositioned as a significant and respectable component of society and the educational system as a whole as part of NEP 2020. Through vocational education that is acknowledged, respected, and provided with equitable chances, students can select their professional routes according to their interests and abilities.

**CONTINUOUS SKILL UPGRADATION**

In order to keep vocational education relevant in the quickly changing labor market, NEP 2020 emphasizes the necessity of ongoing skill grading. Vocational education may continue to be sensitive to industry demands and provide students with the most up-to-date skills necessary for employment by keeping up with the changes in the field.

Thus, NEP 2020 holds a new era for vocational education in India. By giving due importance to vocational education and integrating it into mainstream learning, the policy aims to empower students. And, with the right implementation and sustained efforts, NEP 2020 can potentially transform India's education system.

**Table 1: A comparison of Current Education system in India with Key changes introduced under NEP 2020**

<b>Current System</b>	<b>Key Changes</b>
Integration of vocational education from Class 9 onwards, with limited vocational exposure	Integration of vocational education from Class 6 onwards for providing vocational exposure to all students
Vocational Education from Grade 9	Vocational education from Grade 6 for career education and community and work based learning.
Career guidance and counselling	Career guidance and counselling Career guidance and counselling with student support system
Limited linkage with community and industry	Community and industry partnerships for vocational exposure through informal internship programme

Limited choice of subjects	Students will be given increased flexibility and choice of subjects including vocational subjects.
No framework for learning outcome based assessment and evaluation	Framework and guidelines for learning outcome based assessment and evaluation.

Source: created by the author

**Vocational Education meaning and background for its incorporation in NEP 2020:**

The 12th Five-Year Plan (2012–2017) estimated that only a very small percentage of the Indian workforce in the age group of 19–24 (less than 5%) received formal vocational education, whereas in countries, such as the United States of America, the number is 52%, in Germany 75%, and South Korea, it is as high as 96%. These numbers underline the urgency of the need to hasten the spread of vocational education in India. One of the primary reasons for the small numbers of students receiving vocational education is the fact that vocational education has in the past focused largely on Grades 11–12 and on dropouts in Grade 8 and upwards. Moreover, students passing out from Grades 11–12 with vocational subjects often did not have well-defined pathways to continue with their chosen vocations in higher education. The policy recommends introduction of vocational education from Grade 6 onwards to provide access to all students high quality vocational education, necessary to enable them to acquire necessary skills for further education and training and a clear and recognized pathways to employment. The vocationalisation of education will be expanded in all the government and government aided schools through Samagra Shiksha Abhiyan. All students will participate in a 10-day bagless period during Grades 6-8 where they intern with local vocational experts, such as carpenters, gardeners, potters, artists, etc. Similar internship opportunities to learn vocational subjects may be made available to students throughout Grades 6- 12, including holiday periods. Pre-vocational education will be introduced for all children from Grades VI to VIII. For this purpose, based on NCERT framework, Ministry of Education will prepare detailed guidelines. Students would be able to develop an understanding of the work environment, career options and pathways, which is necessary for developing a positive attitude towards Vocational Education and Training and lifelong learning. Access to relevant career information, guidance and student support services, which integrate education, labour market and community services will be enhanced through technology. Skill Based Aptitude Test (SBT) will be introduced to provide guidance to the students for career choice. Awareness programmes will be organized to change the general attitude towards Vocational Education. Public Awareness to de-stigmatize Vocational Education will be done through social media.

**Primary Aspects of Sustainable Development:**

It is helpful to review the main components of sustainable development in order to illustrate the potential contribution of TVET to this endeavor.

Three key components are included in the idea of sustainable development:

**Economic:** In order to be economically sustainable, a system needs to be able to generate products and services on a permanent basis.

**Environmental:** Stable resource base maintenance is necessary for an environmentally viable system. keeping non-renewable resources depleted and avoiding overusing renewable resource systems only to the extent that sufficient replacements are invested in. Among them are preservation of air quality, biodiversity, and other unusual ecosystem services Under the category of financial assets.

**Social:** To be socially viable, a system needs to attain equitable distribution, sufficient supply of political



responsibility, gender parity, and social services including health and education participation.

### **TVET aspects related to sustainable development:**

TVET appears to cover a wider range of kinds, levels, sorts, duties, and stakeholders than elementary, secondary, and even higher education.

- From post-primary to secondary and post-secondary, the level is covered;
- There is a possibility of formal or informal learning arrangements;
- The private sector, the government, or both may bear some of the accountability;
- During early training, the learner may be a young individual, but they may also be a skilled worker acquiring extra credentials;
- The primary goal of education could be the acquisition of knowledge relevant to the workplace and abilities, but it could also represent personal growth and engaged civic life. Refer to the 1991 Feasibility Study. This demonstrates the extensive range of TVET. How may the emphasis be reduced to dimensions and problems.

### **Solving the problem of Youth Unemployment in India under NEP 2020:**

Youth unemployment appears to be rising up to the sky because many of them lack “employability” skills that is often acquired from technical and vocational schools. Unemployment is the biggest challenge in India along with non-availability of skilled workers. Though, most of the time, the problem is not the availability of the job, but the mismatch or lack of skills to carry out a particular job. The National Education Policy 2020 will serve as a modernization for changing the educational system to increase people's employability in the future. The NEP 2020 emphasizes key strengths for a fulfilling career, highlighting the value of education in providing students with the necessary skills. NEP 2020 focuses on the value of education in empowering students with the skills they require. The paper attempts to look into the causes of poor employability of Indian graduates and also review the measures that need to be taken up so as to overcome this gravest concern of employability gap by implementing NEP in fruitful manner. Education and employment are the fundamental principles that shape people's potential and contribute to the growth and development of a nation. "Employability is tied in with having the capacity to acquire essential work, support business and access progressed business if necessary"<sup>1</sup>. In another words in the event that an individual is taught, the term of "employability" alludes to a bunch of accomplishments-abilities, understandings and individual credits — that make graduates bound to acquire business and find success in their picked occupations, which benefits themselves, the labor force, the local area and the economy<sup>2</sup>. It illustrates that a person should possess a certain set of skills, aptitudes, and traits in order to find employment in a different field and achieve genuine success in his chosen field, which will lead to overall improvement of the nation. Employability has become a fundamental concern for both the government and Higher Education Institutions (HEIs) <sup>5, 6, 7</sup>. Every year, India produces more than five million graduates but the ineffectiveness of the Indian educational system was being questioned. Engineers comprise a small (but significant) part of it at around six hundred thousand, whereas the rest take up a variety of three or four year bachelor degree programs. Entrepreneurs fought for position-ready talent, and job seekers chased new fields of employment where their skills matched their interests <sup>3</sup>. As per the National employability report, graduates 2013, a significant proportion of graduates, nearly 47%, were found not employable in any sector, given their English speaking and cognitive skills. Further, not more than 25% of the graduating students could apply concepts to solve a real-world problem in domain

of Finance and Accounting.

### **Ways to enhance employability through NEP 2020:**

1. Education is meant to empower, enlighten, expand knowledge, and prepare students for profitable work. Therefore, it is imperative that the deficiencies in our educational system be filled in order to address the issue of graduates' poor employability. The policy makers have created a number of points under NEP 2020 to improve employability. Education based on skills In India, where there is a low desire to become skilled and a strong demand for skilled professionals, skill-based education is a necessity rather than a choice. For a graduate to be eligible for an interview, they must have both the necessary subject knowledge and soft skills.
2. 93% of Indian graduates with higher level professional degrees, according to a survey report on employability, lack employability skills. The advancement of skill-based learning at the higher education level may help close this enormous gap. To close the skills gap in employment, the Indian government has launched several organizations and institutions that provide skill-based education. Among the government's programs to leverage knowledge and skills for social and economic development are the National Vocational Education Qualification Framework, the National Skill Development Corporation, and the Skill Development Bureau. It is important to inform students about these government programs.
3. Therefore, it is imperative that the deficiencies in our educational system be filled in order to address the issue of graduates' poor employability. The policy maker created a number of points under NEP 2020 to improve employability<sup>17</sup>; these are depicted in Figure 1 and are covered in more detail below. Education based on skills In India, where there is a low desire to become skilled and a strong demand for skilled professionals, skill-based education is a necessity rather than a choice.
4. For a graduate to be eligible for an interview, they must have both the necessary subject knowledge and soft skills. 93% of Indian graduates with higher level professional degrees, according to a survey report on employability, lack employability skills. The advancement of skill-based learning at the higher education level may help close this enormous gap. To close the skills gap in employment, the Indian government has launched several organizations and institutions that provide skill-based education. Among the government's programs to leverage knowledge and skills for social and economic development are the National Vocational Education Qualification Framework, the National Skill Development Corporation, and the Skill Development Bureau. It is important to inform students about these government programs.

### **Entrepreneurial Skill Generation Programs:**

The Indian government has recognized the importance of entrepreneurship and innovation in driving economic growth and development. This is evident from various programs aimed at fostering startups, particularly in states like Uttar Pradesh, where the government is actively creating a conducive environment for potential entrepreneurs to flourish and contribute to job creation and technological advancements in the region (Bala & Raj, 2019). Furthermore, the implementation of supportive policies and initiatives not only aims to provide financial assistance and mentorship but also addresses the socio-economic challenges that barriers to entry disproportionately affect aspiring entrepreneurs, particularly women, who face unique hurdles in accessing resources and networks within this vibrant ecosystem. (Babu & Sridevi, 2019) (Agarwal & Lenka, 2018)

Entrepreneurship can promote economic growth, if the government supports it properly. Entrepreneurs who launch new businesses are renowned for their ability to create jobs and influence market trends. An entrepreneur has a unique opportunity to boost the economy and progress society by generating new employment opportunities. In addition to providing value to their clients, startups have a direct impact on the cities in which they settle. Thus, Government of India has launched several programs to provide a supportive and convenient environment and encourage skill generation to budding startups, small businesses to contribute towards India’s sustainable development.

**Table 2: Significant Government Of India’s Policies or Programs for promoting Entrepreneurial Skill Generation:**

S.NO	Government Policy/Program	Objective
1.	Make in India	Designed in India To establish and promote the businesses to produce and assemble in India.
2.	Start-up India	Designed to assist business owners by creating a strong business environment.
3.	Start-up India Seed Fund Scheme Launch (SISFs)	Launched in April 2021 and required INR 945 crore in funding give startups financial support for Proof of idea, creation of a prototype, testing of the product, and market entry as well as commercialization.
4.	Income Tax benefits U/s 80 IAC	This clause exempts income tax for three out of the first ten years following, consecutive financial years integration.
5.	Atal Innovation Mission (AIM)	AIM has adopted a comprehensive strategy to guarantee the development of an inventive, problem-solving mindset in schools as well as an entrepreneurial environment in colleges, research centers, the commercial sector, and the MSME sector.
6.	Pradhan Mantri Mudra Yojana	Banks and other financial organizations can obtain MUDRA loans for up to INR 10 (Indian rupee ten) lakhs without the need for collateral.

Source: created by the author

An alternate approach to secondary, technical, and vocational education that provides self-sufficiency in funding and connects its procedures to real-world labor and market conditions is school enterprise. School enterprises, which bring conventional schools and vocational institutes closer to the realities of life, especially the world of work and self-employment, combine market production with organized vocational instruction. Students' growing enthusiasm and interest in their studies is the fundamental component of educational enterprise. Quality of work and revenue creation are directly correlated with the sustainability and quality of learning (Kafka et al. 2006). School enterprises encourage us to challenge predetermined curriculum and syllabuses in favor of student-developed active learning procedures 24.

**Conclusion**

The National Education Policy 2020 has given due importance to vocational education, and capacity dev-



elopment of teachers to boost the employability skills and vocational skills of the learners at all levels. Quality of VET is to be enhanced by identifying, designing and development of vocational courses that meet the common norms and skills standards identified at the national level. Accreditation of vocational courses and registration of providers would also enhance the quality and sustainability of the VET programmes and it should include the process of selection and recruitment of teachers, the selection of students, the course delivery, assessment and awarding qualifications to students. The administration and management of the VET system as a whole and provision of student support services would require a strong system of capacity development of the stakeholders at all levels i.e. National, State, District and Institutional levels. Best practices in vocational education and training with focus on specific criteria which can be replicated in different institutions in the relevant areas need to be identified and shared at various levels to promote effectiveness in pedagogical and other aspects of implementation of VET.

There is no gain saying that no nation can foster beyond the quality of its citizens. Admittedly, a nation level of development depends on the soundness of its educational system. The emerging economies which have recorded unprecedented breakthrough in their critical sector (courtesy of their TVE programmes) are typical examples. Job creation, occupational skills and solving the problems of unemployment are achievable if Technical and Vocational Education is revitalize in our educational system as well as entrepreneurial skills are promoted.

Based on the foregoing, it is observed that Technical and Vocational Education and promotion of startups occupies an important position in the sustainable development of the nation, acting as a catalyst for increasing employability, increase in per capita income of India, making better utilization of the resources (youth population in India) and thus increasing the standard of living of the people in India. Development that is sustainable for people, communities, and the environment—and that advances social justice and the fight against poverty—is best supported by skill development.

### References:

1. <https://www.indiatoday.in/education-today/featurephilia/story/nep-2020-aims-to-provide-boost-to-vocational-education-in-india-heres-how-2395273-2023-06-20>
2. [https://www.education.gov.in/shikshakparv/docs/background\\_note\\_Reimagining\\_Vocational\\_Education\\_Skill\\_building\\_revised.pdf](https://www.education.gov.in/shikshakparv/docs/background_note_Reimagining_Vocational_Education_Skill_building_revised.pdf)
3. [https://www.education.gov.in/shikshakparv/docs/Background\\_note\\_vocational\\_education.pdf](https://www.education.gov.in/shikshakparv/docs/Background_note_vocational_education.pdf)
4. [https://books.google.co.in/books?hl=en&lr=&id=ULe-\\_5q-gloC&oi=fnd&pg=PA1&dq=role+of+vocational+education+in+sustainable+development&ots=HLU4ueLkSI&sig=VTXHYq8XY21bRJIJOBjgNRTOn3g&redir\\_esc=y#v=onepage&q&f=false](https://books.google.co.in/books?hl=en&lr=&id=ULe-_5q-gloC&oi=fnd&pg=PA1&dq=role+of+vocational+education+in+sustainable+development&ots=HLU4ueLkSI&sig=VTXHYq8XY21bRJIJOBjgNRTOn3g&redir_esc=y#v=onepage&q&f=false)
5. <https://www.sciencedirect.com/science/article/abs/pii/S0738059316300700>
6. <https://intervoc.de/seoul/docs/Kronner-ADBI-Seoul-Sustainable-Paper-2005-09-09.pdf>  
<https://www.tandfonline.com/doi/full/10.1080/00219266.2024.2320110#d1e212>
7. <http://dx.doi.org/10.3126/jtd.v1i0.13085>
8. <https://hdl.handle.net/10419/182458>
9. <https://www.scdl.net/Downloads/DirectorForum/PhDThesis.pdf>