



Skill Development Restoration in India

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ABSTRACT

Skill development is an important driver to address poverty reduction by improving employability, productivity and helping sustainable enterprise development and inclusive growth. It facilitates a cycle of high productivity, increased employment opportunities, income growth and development. However, this is just one factor among many affecting the productivity whose measurement differs for individuals, enterprise and economy. The increase in productivity could be due to availability of skilled & healthy manpower; technological up gradation and innovative practices; and sound macroeconomic strategies. The manifestations of improved productivity can be in the form of improvement in real gross domestic product (economy), increased profit (enterprises) and higher wages (workers). In this study, an attempt has been made to conceptually analyse the skill development process in India and the agencies involved in its promotion.

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Introduction

Skill development is critical for economic growth and social development. The demographic transition of India makes it imperative to ensure employment opportunities for more than 12 million youths entering working age annually. It is estimated that during the seven-year period of 2005-2012, only 2.7 million net additional jobs were created in the country. To enable employment ready workforce in the future, the youth need to be equipped with necessary skills and education.

The country presently faces a dual challenge of severe paucity of highly-trained, quality labour, as well as non-employability of large sections of the educated workforce that possess little or no job skills. The skill development issue in India is thus pertinent both at the demand and supply level. To meet the demand side challenge, consistent efforts are being made towards expansion of economic activities and creation of large employment opportunities. On the supply side, a simple look at the projected youth population provides a fair reason to believe that India has the strength to cater to this demand. However, the employability quotient is questionable and remains a major area of concern. Already huge gaps exist between the industry requirements and the level of skills of workers due to varied reasons including inadequate training infrastructures, inappropriate mix of skills and education, outdated curricula, limited industry interfaces, limited standards, etc.

The skill development ecosystem in India is skewed towards a formal education system with limited vocational training. While the vocational training is in a dismal state both qualitatively and quantitatively, the higher education system itself is grappling with issues related to scale and quality.

Policy framework

The government has listed skill development as one of its priorities and aims to enhance participation of youth, seek greater inclusion of women, disabled and other disadvantaged

sections into the workforce, and improve the capability of the present system, making it flexible to adapt to technological changes and demands emanating from the labour market.

Currently, skill development efforts in India are spread across approximately 20 separate ministries, 35 State Governments and Union Territories and the private sector. A Ministry of Skills Development, Entrepreneurship, Youth and Sports was created when the Modi government took charge in mid-2014. The Ministry has been entrusted with the coordination of all stakeholders during the evolution of an appropriate skills development framework, removal of disconnect between demand and supply of skilled manpower, skills upgradation, building new skills, innovative thinking and assuring availability of talents. The policy framework governing the skill development ecosystem in India includes the Apprentices Act, 1961, the National Skill Policy and the National Skills Qualification Framework (NSQF).

The Apprenticeship Act of 1961

Apprenticeship programmes in India are governed by The Apprentice Act of 1961 and the Apprenticeship Rules of 1992. The organizational structure and rules and regulations overseeing it are complex and burdensome. The Apprentice Training Scheme is implemented by the ministries of Labour and Employment and Human Resource Development. The Ministry of Labour and Employment oversees 'trade apprentices' through six regional offices. The Ministry of Human Resource Development oversees 'graduate, technician, and technician (vocational) apprentices' through four boards located in different cities.

The Act regulates programmes of training of apprentices and makes it obligatory for employers in both public and private sector establishments to have training infrastructure as detailed in the Act. This has been primarily to ensure trainees get optimum access to real work environment and on-the-job training. One of the objectives of apprenticeship was also to ensure that employers get skilled workforce having adequate exposure to real work environment. About 254

groups of industries are covered under the Act and about 27,000 establishments engage apprentices.

However, there has not been much success in implementation of this Act. Although Apprenticeship Training Scheme has been running for over four decades, there has not been any significant improvement in respect of seat location as well utilization, as detailed in the table below. The key issues with the apprentices system in India relate to low participation of workers and employers, low rates of stipend, strict regulatory requirements for employers including penalties for non-compliance, less coverage of trades in services sector and lack of progression into higher qualifications.

The Apprentice Act of 1961 was recently amended in December 2014 to make it more responsive to industry and youth. The Apprentice Protsahan Yojana was also launched to support MSMEs in the manufacturing sector in engaging apprentices. As per the amended Act, work hours and leave benefits of Apprentices will be at par with the regular workers from the organised sector. Industries will be allowed to take more non-engineer graduates and diploma holders as apprentices, depending on the nature of the job, and new trades for apprenticeship training will be introduced. A portal is also being setup to make all approvals transparent and time bound.

The National Skill Policy

The National Policy on Skill Development was first formulated in 2009 to create a skills ecosystem in India. It acts as a guide to formulate strategies by addressing the different challenges in skill development. The objective is to empower the workforce with the required skills, knowledge and qualifications to make the Indian workforce globally competitive.

The government has introduced a National Policy on Skill Development and Entrepreneurship, 2015. The policy aims to provide an umbrella framework to all skill related activities carried out within the country, to align them to common standards and link skill activities with demand centres. In addition to laying down the objectives and expected outcomes, it aims at identifying various institutional frameworks which can act as the vehicle to reach the expected outcomes. The new skills policy also provides details on how skill development efforts across the country can be aligned within the existing institutional arrangements.

The National Skills Qualification Framework

The National Skills Qualifications Framework (NSQF), notified on 27th December 2013, is a competency-based framework that organizes all qualifications according to a series of levels of knowledge, skills and aptitude. Presently, more than 100 countries have, or are in the process of developing national qualification frameworks.

Under NSQF, the learner can acquire the certification for competency needed at any level through formal, non-formal or informal learning. The NSQF is anchored at the National Skill Development Agency (NSDA) and is being implemented through the National Skills Qualifications Committee (NSQC) which comprises of all key stakeholders.

Specific outcomes expected from implementation of NSQF are:

Mobility between vocational and general education by harmonization of degrees with NSQF;

Recognition of Prior Learning (RPL), allowing transition from non-formal to organized job market; Standardised,

consistent, nationally acceptable outcomes of training across the country through a national quality assurance framework; Global mobility of skilled workforce from India, through international equivalence of NSQF;

Mapping of progression pathways within sectors and cross-sectorally; Approval of National Occupational Standards (NOS)/ Qualification Packs (QPs) as national standards for skill training. As of 31st March 2015, across 28 sectors, standards for 1319 job roles pegged at NSQF levels 1 to 8 have been defined by the Sector Skill Councils (SSCs). Fourteen SSCs have covered development of 80% of entry level workforce QPs. The NSQF provides for a five year implementation schedule and at the end of the fifth year (2018), it shall be mandatory for all training/educational programmes/courses to be NSQF-compliant, and all training and educational institutions shall define eligibility criteria for admission to various courses in terms of NSQF levels.

The system of multi-entry and multi-exit will enable students to acquire some skills after finishing compulsory general schooling, then enter the labour market and gain some work experience and return to the vocational education and training system to continue their vocational education/training. It would be particularly beneficial for relatively poor students, since it would enable them to continue in either the vocational education stream of the secondary system or the ITI system, rather than dropping out from the educational or vocational training space altogether.

Nodal bodies for Skill Development in India

Ministry of Skill Development and Entrepreneurship

The creation of the first-ever separate Ministry of Skill Development and Entrepreneurship was announced by Prime Minister Narendra Modi in June 2014. It is conceived to encompass all other ministries to work in a unified way, set common standards, as well as coordinate and streamline the functioning of different organisations working for skill development.

The Ministry of Skill Development and Entrepreneurship is entrusted to make broad policies for all other ministries' skill development initiatives and National Skill Development Corporation (NSDC). Mapping and certifying skills, market research and designing curriculum, encouraging education in entrepreneurship, make policies for boosting soft skills and computer education to bridge the demand and supply gaps are among the other goals.

MHRD

The Ministry of Human Resource and Development (MHRD) governs the polytechnic institutions offering diploma level courses under various disciplines such as engineering and technology, pharmacy, architecture, applied arts and crafts and hotel management. MHRD is also involved in the scheme of Apprenticeship Training. Apart from this, MHRD has also introduced vocational education from class IX onwards, and provides financial assistance for engaging with industry/SSCs for assessment, certification and training.

Central Ministries

There are 21 Ministries under the central government who are also working for the purpose of skill development. There are two approaches that these Ministries have: one approach is setting up training centres of their own for specific sectors like (adopted by Ministry of Labour & Employment, Ministry of Agriculture, Ministry of Health & Family Welfare, etc.). The second approach is in the form of

Public Private Partnership (as adopted by Ministry of Rural Development, Ministry of Women and Child Development, etc.).

Enabling agencies

NSDC

The National Skill Development Corporation India (NSDC) is a public private partnership organisation (now under the Ministry of Skill Development and Entrepreneurship) that was incorporated in 2009 under the National Skill Policy. Its main aim is to provide viability gap funding to private sector in order to scale up training capacity.

The NSDC has tied up with more than 187 training providers, many of whom have started scaling up their operations. The NSDC has also been entrusted to set up SSCs ensuring right representation of employers and to extend financial support to operationalise them. It also undertakes research initiatives, pilot projects, and skill gap studies to create a knowledge base for the sector. They have supported and incubated 31 SSCs that is intended to facilitate the much needed participation and ownership of the industry to ensure needs-based training programmes. The National Skills Development Agency (NSDA) is working with the State governments to rejuvenate and synergise skilling efforts in the State. The National Skills Qualification Framework (NSQF) has been anchored at NSDA and efforts have been initiated to align all skilling and education outcomes with the competency based NSQF levels.

The NSDC's mandate also involves capacity building by working with different stakeholders and identifying best practices to create an excellence model. The NSDC has also been working to create awareness about the skill ecosystem and has rolled out electronic and print campaigns.

Sector Skill Councils

The National Skill Development Policy of 2009 mandated the NSDC to setup SSCs to bring together key stakeholders i.e. industry, work force and academia. As on date, 29 SSCs are operational and 4 more SSCs have been approved by NSDC. They are funded by NSDC for the initial few years and are expected to become financially self-sustaining as they grow.

These SSCs are expected to lay down the National Occupational Standards for different levels of jobs in their respective sectors, formulate certification and accreditation norms, strive to create knowledge repository on current requirement of skill development in the industry, assess the supply of skilled workers, identify the demand and supply gap in each sector, and identify trends and future requirements. With availability of trainers being a major challenge in scaling up the capacity, SSCs are also expected to play a crucial role in getting right industry support to facilitate training of trainers for their respective sectors.

NCVT, SCVT and Quality Council of India

Established under Ministry of Labour and Employment with a view to ensure and maintain uniformity in the standards of training all over the country, the National Council for Vocational Training (NCVT) was set up in 1956. This certifying body conducts All India Trade Tests for those who complete training in ITIs and awards National Trade Certificates to successful candidates. The Council has representation from central and state government departments, employers' and workers' organisations, professional and learned bodies, All India Council for Technical Education, scheduled castes and scheduled tribes,

All India Women's Organisation, among others. The State Council for Vocational Training (SCVT) at the state levels and the sub committees have been established to assist the National Council.

The Quality Council of India (QCI) was set up jointly by Government of India and the Indian industry as an autonomous body to establish a national accreditation structure in the field of education, healthcare, environment protection, governance, social sectors, infrastructure, vocational training and other areas that have significant bearing in improving the quality of life. All institutions (Government and private ITIs) seeking formal affiliation from NCVT have to first get accreditation from the Quality Council of India.

Implementing agencies

Industrial Training Institutes

The DGET which governs Industrial Training Institutions (ITIs) has recently been aligned with Ministry of Skill Development and Entrepreneurship. There are more than 10,000 ITIs with a capacity of approximately 1.5 million seats. The DGET also governs RVTIs (Regional Vocational Training Institutions) and ATIs (Advance Training Institutions) focusing on specialized and high-end skill sets and trainers courses. Three major skill development schemes of the DGET that are being implemented through government ITIs and private ITCs include the Craftmen Training Scheme, the Apprenticeship Training Scheme, and the Modular Employability Scheme.

Craftmen Training Scheme: The scheme is being run in over 10,000 institutes with a seating capacity of about 1.3 million. The training is available for about 116 trades and the course generally has duration of 2 years. The courses generally require a minimum educational qualification of having passed the 10th or 12th grade (some trades accept students who have passed the 8th grade). Under these schemes, emphasis is largely on the practical aspects, with practical to theory teaching ratio being 70:30.

Apprenticeship Training Scheme: As mentioned earlier, around 27,000 establishments are providing apprenticeship training to 211,632 youths (for 2013-14). The training usually varies between 6 months to 4 years. The minimum educational qualification is different for different trades. For some trades, educational qualification is SSC passed or equivalent, whereas for some it is two classes below SSC. There is provision of Apprenticeship Training for ex-ITI students based on a bi-annual national level test.

Modular Employable Skills: The programme was initiated in 2007 with the objective of expanding the outreach of the training facilities to school dropouts and in recognition of need for prior learning of workers in the unorganized sector. The target workers include those who have left school after 5th or 6th grade or have acquired on-job-training but do not have formal certification. Under this scheme, short duration courses are provided to prospective trainees using both government and private infrastructure. 1,402 modules covering more than 60 sectors have been developed, 36 Assessing Bodies empanelled for conducting assessment, 6,951 Vocational Training Providers (VTPs) registered and more than 1.35 million persons have been trained/tested up to 31.3.2012.

Private Training Service Providers

The private sector has been taking various initiatives on its own and in collaboration with the government and international entities, to upgrade in-house training facilities

and also to provide training to potential employees to make them job-ready. Many large corporations like Larsen & Toubro, Bharti Group, Hero Group, Maruti, ITC, Infrastructure Leasing & Finance Services Ltd. etc., have established training facilities that offer world-class training programmes. The government provides partial support in funding by way of sponsoring the tuition fee of the students.

NSDC has 203 training partners under its PPP module, which include for-profit as well

as non-profit entities. In the last four years, these training partners have trained over 2 million people in more than 25 sectors, at 2500+ fixed and mobile centres, in over 350 districts across the country.

Conclusion

With no uniform definitions of occupational standards for different job roles across industry segments, new entrants to the workforce in particular are often confused about where they stand on the employability scale, and are left completely at the mercy of Human Resource (HR) representatives of organizations to decide this for them. Skill development is a Chief Executive Officer (CEO) agenda. Industry leaders have to start taking ownership of driving the SSCs and the NOS exercise in their respective domains through greater involvement as without the occupational standards, accrediting system and certification in place, skill development would be reduced to just another futile exercise. Similarly, the various skill development programmes run by the different ministries and states could also align their requirements through the SSCs. It is imperative to focus along the entire value chain of skill development,

mobilisation to placement including post-placement support, and making this system scalable and sustainable. It is not a purely financial effort as it requires a great deal of understanding and social engineering as well. The skills landscape has to be transformed. Unlike many developed countries, where skill development initiatives have been largely led by the government, the private sector in India has the opportunity to play a significant role in the country being able to produce job-ready and industry-ready professionals in large numbers.

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