



Skill Development in India: Challenge and Response

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Indian Context

- Largest democracy in the world with 1.2 billion population.
- “Youngest nation” in the world with 54% population under the age of 25 years.
- Median age of 24 years as compared to 30 for China, 38 for Europe and 41 for Japan.
- Total workforce of 459 million.
- Global skilled manpower shortage of 56.5 million by 2020 while India is likely to have surplus of 47 million.

Constitutional Framework

- Federal structure of Government with 28 States and 7 Union Territories.
- 'Training' and 'Employment' on the concurrent list of Constitution.
- Union Government responsible for Policy formulation and States for implementation.
- Directorate General of Employment & Training (DGE&T) responsible for Policy formulation, laying down standards, development and revision of course curriculum, affiliation, trade testing & certification.

Skill Development System

1. Craftsmen Training Scheme (CTS)

- Skills imparted through vocational training schools, called 'Industrial Training Institutes' (ITIs) (Govt.) and 'Industrial Training Centres (ITCs) (Private).
- No. of ITIs/ITCs - 8783
(Govt.-2212 & Private-6571)
- Seating Capacity - 1.22 million
- Number of trades - 116
- Entry Qualification - 8th to 12th standards
- Minimum age - 14 years

2. Apprenticeship Training Scheme (ATS)

- Skills imparted through 'in-plant' training with basic theoretical training in a vocational school.
- Number of Establishments imparting training – 25,472.
- Seating Capacity - 0.31 million
- Number of trades - 235
- Entry Qualification- 8-12th standards & ITI passouts
- Minimum age - 14 years

3. Modular Employable Skills (MES)

- Skills are imparted through short term modular courses either in a vocational training school , known as Vocational Training Provider.
- Training strictly according to skill gap survey with strong industry linkage.
- Decentralized model of implementation.
- Flexible delivery schedule – part time, full time, weekends, onsite, offsite to suit various target groups.

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MES

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- Training capacity – 1 million per annum.
- Course duration - 60 to 1100 hours.
- Number of courses – 1252
- 6398 vocational training providers
- 41 independent assessing bodies to assess competencies of trainees .
- Certification by National Council of Vocational Training (NCVT)
- Recognition of prior learning.
- Opportunity for life long learning.

Key challenges in Skill Development

1. Quantitative dimension:

- Entry into labour force - 12.8 million per annum
- Training capacity - 4.3 million per annum
- Shortage of training institutions
- Less number of Institutes in rural areas, hilly & difficult areas
- Shortage of trainers.

2. Qualitative dimension:

- Demand-supply mismatch

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Key challenges in Skill Development

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3. Relevance:

- Low industry interface

4. Systemic gaps:

- Labour Market Information System
- Sector Skill Councils
- National Vocational Qualification Framework.
- Re-engineering of NCVT as National Vocational qualification and accreditation authority.

Policy and Programme Responses

1. Formulation of National Skill Development Policy in 2009 which provides a holistic framework to address all issues systematically.

- Target to train 500 million persons by 2022.
- Aim to enhance individual employability and increase competitiveness of the country.
- It addresses issues of expansion of outreach, equity & access, quality & relevance, creation of Sector Skill Councils, development of Labour Market Information System, National Vocational Qualification Framework, etc.

Policy and Programme Responses

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2. National Skill Development Mission set up with three-tier governance structure:

(i) PM's National Council on Skill Development:

- Chaired by the Prime Minister himself.
- It consists of Ministers of HRD, Finance, Industry, Rural Development, Labour & Employment, etc. as members.
- It also consists of six experts in the area of skill development as other members.
- It is the highest body for policy direction and review under skill development .

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Policy and Programme Responses

Contd...

(ii) National Skill Development Coordination Board has been set up under the Chairmanship of Deputy Chairman, Planning Commission.

- It consists of Secretaries of ministries of HRD, Labour & Employment, Rural Development, Finance, etc as members
- Four State Governments and three eminent experts on skill development are also members of the Board.
- It carries out the decisions taken by the PM's Council and coordinates the efforts of skill development among 17 Ministries and all State Governments and Union Territory Administrations.

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Policy and Programme Responses

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(iii) National Skill Development Corporation

- It has been set up as a private sector arm of the Government.
- It is a non-profit company with 51% share by private sector and 49% of Government of India.
- It is chaired by an eminent industrialist from private sector with 3 Directors from Govt. and 7 from Private Sector.
- Government's initial contribution is US \$ 222 million. It is required to mobilize resources private, Govt., bilateral and multilateral sources.
- Discussion are on with World Bank for funding NSDC projects.

3. Quantitative Dimension:

➤ Proposed to set up 1500 more ITIs and 50,000 Skill Development Centres (SDCs) in Public Private Partnership (PPP):

✓ Approval process on.

➤ Proposed to set up 15 Advance Training Institutes (ATIs) and 12 Regional Vocational Training Institutes (RVTIs) in PPP to train trainers in large numbers

✓ Approval process on.

Quantitative Dimension:

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- Recommended, all ITIs and ITCs to run in 2-3 shifts to accommodate larger number of trainees.
- Use of Information and Communication Technology tools to reach out to remote areas to enhance training capacity and improve quality .

4. Qualitative dimension:

- All 1896 Govt. ITIs are being modernized in a phased manner at a cost of US \$1.18 billion.
- 400 ITIs taken up for modernisation with World Bank assistance under Vocational Training Improvement Project (VTIP)
- Biggest intervention by world Bank in Vocational Training by contributing US \$ 280 million.

4. Qualitative dimension:

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➤ Impact of VTIP:

- Modernization of tools, equipment & machinery
- Training of trainers
- Set a chain of reforms
- Motivated GoI to invest more into Skill Training & development .

5. Improve relevance:

- Use Industry in a big way in modernisation and running of the ITIs :
 - Institute Management Committees (IMCs) set up as local level management in ITIs.
 - A prominent Industry partner as Chairman with 4 other members from industry.
 - 5 members from Govt.
 - Academic and financial autonomy provided to IMC.
- Training-cum-Placement cells in all ITIs/ITCs are being set up.
- Introduction of six soft skills in all ITIs/ITCs:
 - Communication skills
 - Computer literacy
 - English proficiency
 - Quality management tools
 - Occupational safety & health and
 - Entrepreneurial development skills.

6. Systemic reforms:

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- Success of any skill development system depends on industry centeredness and getting labour market information on real time basis.

- Developing a robust labour market information system by modernisation of all 1000 employment exchanges in PPP and developing a national web portal at a cost of US \$481.5 million

- Setting up Sector Skills Councils:
 - 1 already set up for automobile sector
 - 4 in final stages.
 - 25 under process.

- Development of a sound National Vocational qualification Framework:
 - 3 workshops on Australian, Scotland and European Union Qualification Frameworks already held.
 - A National Steering Committee formed.
 - World Bank assisting with eminent experts.

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7. Expected Outcomes

- Enhance training capacity to about 40 million per annum.
- Make the Labour Market System dynamic to bridge demand and supply of skills on real time basis.
- Meet total domestic requirements.
- Surplus may be used by other aged & aging economies of the world.

Thank you

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