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.
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 - 8-12\textsuperscript{th} 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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• 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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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.
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.
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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(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.
Policy and Programme Responses

(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.

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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:

- Recommended, all ITIs and ITCs to run in 2-3 shifts to accommodate a 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:

- Impact of VTIP:
  - Modernization of tools, equipment & machinery
  - Training of trainers
  - Set a chain of reforms
  - Motivated Govt 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:**

- 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.
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