

**FINAL DRAFT REPORT**

Report of the Working Group on  
Skill Development  
and Training

For XII Five Year Plan (2012-2017)



Ministry of Labour  
and Employment

**TABLE OF CONTENTS**

<b>1</b>	<b>INTRODUCTION .....</b>	<b>1</b>
<b>2</b>	<b>STRATEGIES AND MAJOR RECOMMENDATIONS IN THE XI PLAN:.....</b>	<b>9</b>
<b>3</b>	<b>CHANGED SCENARIO – RECENT REFORMS &amp; INITIATIVES.....</b>	<b>12</b>
<b>4</b>	<b>ROLES AND RESPONSIBILITIES OF DGE&amp;T IN SKILL DEVELOPMENT</b>	<b>17</b>
<b>5</b>	<b>STATUS OF SKILL DEVELOPMENT PROGRAMMES.....</b>	<b>19</b>
<b>6</b>	<b>RECOMMENDATIONS OF THE WORKING GROUP .....</b>	<b>28</b>
<b>7</b>	<b>SCHEMES RECOMMENDED FOR XII PLAN.....</b>	<b>37</b>

**ANNEXURES**

## **1 INTRODUCTION**

### **1.1 Overview on Five Year Plans:**

While fighting for independence of the country, the leadership aimed at economic, social and all round inclusive development of the nation. The government appointed planning commission to formulate and supervise the all round development of the country. Through several five year plans, the country has made rapid progress in all sectors of economic and social fronts viz.: employment, agriculture, transportation, education, internal & foreign trade etc. Through these plans, DGE&T under MoL&E has also contributed substantially for the cause of decent employability through various big and small schemes. The ministry is poised to continue with its untiring efforts to further the cause in the subsequent plans as well.

### **1.2 Importance of Skill Development and Training**

Skills and knowledge are the driving forces of economic growth and social development of any country. The economy becomes more productive, innovative and competitive through the existence of more skilled human potential. The level of employment, its composition and the growth in employment opportunities are the critical indicators of the process of development in any economy. Increasing pace of globalization and technological changes provide both challenges and growing opportunities for economic expansion and job creation. In taking advantage of these opportunities as well as in minimizing the social costs and dislocation, which the transition to a more open economy entails, the level and quality of skills that a nation possess are becoming critical factors. Countries with higher and better levels of skills adjust more effectively to the challenges and opportunities of globalization.

### 1.3 Employment Situation in India

India is a predominantly agricultural country where wage employment is a small percentage. There is a large population which is unskilled due to unavailability of sufficient infrastructure due to which they are unable to get decent employment. Moreover, there is a concern of low productivity due to inadequate skilling. This has resulted in a dismal inclusive growth in the country.

Some key statistics pertaining to employment situations [2009-10] are:

- |  |             |
|--|-------------|
| ▪ Total Labour Force   | 47.50 Crore |
| ▪ Total Employment   | 46.55 Crore |
| ▪ Total number of open employment  | 0.95 Crore  |
| ▪ Employment in organized sector   | 2.81 Crore  |
| ▪ Employment in unorganized sector   | 43.74 Crore |
| ▪ No. of job seekers in Employment Exchanges (as on 31/12/2010)  | 3.88 Crore  |
| ▪ 69% of the job seekers registered with the employment exchanges are less than 29 years of age during 2008                                      |             |
| ▪ Educated (X Standard and above) job seekers constitute about 75% of the total job seekers registered with the employment exchanges during 2008 |             |

### 1.4 Background and Objectives of the Working Group

Planning Commission vide its order no. Q-20017/3/2011/LEM/LP dated 7<sup>th</sup> April, 2011 has constituted a Working Group on Skill Development and Training under the Chairmanship of Secretary (Labour and Employment). A copy of the order incorporating Terms of Reference is at [Annexure-I](#)

The Terms of Reference essentially require that the existing skill development programmes may be reviewed with the intention of suggesting suitable strategies and mechanisms to meet future challenges.

The terms of reference are fairly comprehensive and therefore, it requires a comprehensive look at all aspects of skill development programmes.

The first meeting of the Working Group was held on 18<sup>th</sup> May, 2011 in Shram Shakti Bhavan, Rafi Marg, New Delhi under Chairmanship of the Secretary (Labour & Employment). A copy of minutes of the meeting is placed at Annexure-II.

In this meeting, the Working Group identified the challenges under the following heads in the sphere of Skill Development and Training:-

1. Quality and Relevance
2. Quantity, Expansion of Outreach & Equity
3. Systemic Reforms
4. Institutional Mechanisms

## **1.5 Quality and Relevance**

### ***1.5.1 Quality Issues***

Maintaining quality and relevance of skill development is the key to India's global competitiveness as well as improving an individual's access to decent employment. For enterprises to compete in the global economy, the quality of training must reach internationally comparable standards and be relevant to the needs of national and international markets. To increase the relevance with future employment market, promotion of self employment, soft skills and entrepreneurship skills need to be made an integral part of skill development.

### ***1.5.2 Mismatch in demand and supply***

The major issue in skill development is the mismatch between the demand and supply of skills. Presently the labour market is facing a strange situation, where on the one hand, an employer does not get manpower with requisite skills and on the other, millions of youth are looking for jobs. Mismatch between the supply and demand of skills is

unhealthy for both the economy and for the individual. Such a mismatch compromises potential economic development because the economy lacks the relevant skill base, while individuals suffer from unemployment or underemployment because they lack skills needed by the labour market. To overcome this issue there is a need for establishing a mechanism for providing access to information on skill inventory and skill map on real time basis.

### ***1.5.3 Shortage of Quality Trainers***

There is an urgent need for improving the quality and size of trainer resource. Skill up-gradation of trainers, their quality assurance, and improvement of their status in society are important to improve quality of training.

### ***1.5.4 Industry participation and Setting up of Sector Skills Council***

In order to make the skill development system relevant and driven by labour market signals, it is necessary to increase participation of industries through Sector Skill Councils. Functions of SSCs include identification of skill gaps, preparation of Skill Development plans and establishment of well structured sector specific Labour Market Information System to assist planning and delivery of training.

## **1.6 Quantity, Expansion of Outreach & Equity**

### ***1.6.1 Limited capacity***

While realizing the transformation of Skill Development, the first major roadblock is our limited capacity vis-à-vis the number of aspirants joining the vocational training courses.

Potentially, the target groups for skill development comprise all those in the labour force, including those entering the labour force for the first time which was estimated to be 12.8 million per annum, the work force in the organized sector (26.0 million) and in the unorganized sector (433

million) in 2004-05. The estimated current capacity is only about 5.1 million.

### ***1.6.2 Skill Development in Unorganized sector***

It is a fact that more than 90 percent of skilled input to the economy comes from unorganized sector which are unrecognized and uncertified. To promote skill development in unorganized sector following challenging issues need to be addressed:

- a) Skill up-gradation and certification
- b) Recognition of prior learning.
- c) Provision of literacy and basic education.
- d) Replication of successful models.
- e) Setting up of Skill Development Centres (SDCs)
- f) Provision of mobile training vans for larger out reach.

### ***1.6.3 Expansion of Coverage of Vocations***

In the present world, there are many emerging fields/trends which are coming up and are being adopted by the industry to maintain their competitive edge like Nano Technology, enhanced networking in IT domain, contemporary market tools in financial sector, adoption of new technology in traditional sectors, etc. Now-a-days there are several initiatives which are being adopted by the industry at a feverish pace, be it designing a green building, energy efficient appliances and so on. Thus, it is necessary that the current coverage of vocational training should expand and include all these areas as well to maintain relevance with changing times.

### ***1.6.4 Inclusion of disadvantaged group of society, women and differently abled persons***

Providing opportunities of skill development to all sections of society including women and disadvantaged sections such as SCs, STs, OBCs, minorities and economically challenged and differently abled persons of

society is necessary to achieve faster and inclusive growth. Any skill development activity, keeping them in isolation would not be a success in spirit. Women, for instance, face a multitude of barriers in accessing skills and productive employment, remaining on the job due to effect of globalization or otherwise and advancing to higher level jobs, as well as returning to the labour market after a period of absence spent, for example, in raising children. It has been observed that all these groups have faced societal problems and the infrastructure in place for them to address their special needs is still inadequate. Thus special efforts should be made in this regard.

#### ***1.6.5 Expansion to geographically secluded/hostile areas***

In our country, there are many places which lie in hilly areas, towns which are close to border, regions affected by extremism etc. where skill development initiatives have been unable to spread as required. This leads to an unwanted skill deficit in those pockets resulting in a large number of unskilled people. Due to this, there is a growing discontent among the people.

This situation requires expansion of skilling initiatives through conventional and non-conventional means in all those areas which would enhance their access to training; improve employability and increase employment opportunities for them which is essential for development of a just and equitable society.

### **1.7 Systemic Reforms**

#### ***1.7.1 National Vocational Qualifications Framework***

Currently there is no system in place which facilitates nationally standardized and acceptable, international comparability of qualifications. In the current system, issues like duplication and overlapping of qualifications, impeded chances of mobility of labour, difficulty in vertical and horizontal integration, inability to plan career etc. result in a very



complex structure where aspirants are unable to develop and enrich themselves. It is, therefore, needed to implement and run NVQF effectively which would address many such challenging issues by and large.

### **1.7.2 Labour Market Information System**

Dynamic and relevant inputs are imperative to take informed decisions. Presently, there is no system where the stakeholders of employment and training viz.: Government, Industry, Job seekers, private vocational training setups etc. can share relevant information on a common platform where each one can benefit by taking better and informed decisions. Due to this, initiatives from stakeholders are mostly taken in isolation and fall out of context with one or the other which does no good to anyone. Moreover whatever radical changes a stakeholder may take to improve the whole situation, it does not necessarily follow the wave length which does no good to the system as a whole.

To address this pertinent issue, a well structured and online LMIS would offer a solution to all which would make way for a healthy environment, benefitting all.

## **1.8 Institutional Mechanisms**

### **1.8.1 Trade Testing Cell**

The number of Industrial Training Institutes (ITIs), within the public as well as private sector, has been increasing significantly over the past years. Also, with the introduction of Modular Pattern in Craft Instructor Training Scheme CITS, the number of examinations conducted has also increased. The Trade Testing cell controls the entire activities relating to the examinations and certifications. All these have increased the volume of the work involved. This has resulted in delay in certification. The successful trainees have to wait for months to obtain the certificates. It

was, therefore, suggested that a Board be constituted under the DGE&T to control and conduct the examinations as well as certify the successful trainees.

### **1.8.2 Regional Directorate of Apprenticeship Training**

The activities under RDAT have grown exponentially. This has led to a high stress on the current manpower and infrastructure which are unable to handle all the responsibilities. The RDATs are now in a position where it has become hard on monitoring the implementation of new and existing schemes effectively thus reducing its expected output.

Due to this the Skill Development Initiatives are thus getting impeded by the overstrained RDATs.

In view of the above identified challenges, the Working Group was further divided into four sub-groups for focused discussions under the following areas:

- a. Quality and Relevance
- b. Quantity, Expansion of Outreach & Equity
- c. Institutional Mechanisms
- d. Systemic Reforms

The constitution of the four sub-groups along with their relevant ToRs is placed in Annexure III-a, b, c, d respectively.

## **2 STRATEGIES AND MAJOR RECOMMENDATIONS IN THE XI PLAN:**

### **2.1 Eleventh Plan Strategies:**

- To identify emerging requirements of training
- Increasing the number of persons trained every year
- Improving effectiveness, efficiency and relevance of training
- Providing facilities for lifelong learning
- To provide skill development needs of the unorganised sector
- Training of Instructors/Trainers.

### **2.2 Recommendations in the XI Plan**

#### ***2.2.1 Addressing skill development needs of the un-organized sector***

Policy framework for the un-organized sector may be developed in conjunction with stakeholders across different ministries, the private and NGO sector.

#### ***2.2.2 Introduction of short term courses in ITIs***

Introduce short term courses in ITIs for school drop-outs, unorganised sector workers. This would also enable facilities for the Life-long learning and continuous up-gradation of skills. In this regard, initiative taken by the DGE&T needs to be fully supported. For this, flexible and modern training delivery format is required as quality of training can go down easily if the stringent monitoring and regulatory mechanisms are not in place.

#### ***2.2.3 Capacity Building and motivation of persons & trainers in Vocational Training system***

All the human resource involved in Vocational Training, especially the trainers are the main pillars of it. There should be a provision which facilitates good career development (have a cadre for officers and trainers

in the DGE&T on the pattern of scientific services and similarly for trainers in the ITIs), incentive systems and compensation packages with the best in industry so as to attract & retain well qualified and experienced persons from industry. Equally important is to fill all the posts, especially instructional posts immediately. Shortage of manpower is one of the biggest factors which is adversely affecting quality of the training. These steps would actually propel the initiatives in skill development and training.

***2.2.4 Reform the National Vocational Qualifications Framework and address the problem of skills recognition through the introduction of:***

- a.) Competence based vocational qualifications
- b.) Practices allowing to test and certify skills of workers that have been acquired through practical experience
- c.) Modular based vocational programmes

***2.2.5 Developing courses for new emerging areas including services sector***

***2.2.6 Expansion of DGE&T support institutions providing services like research, learning material, training of trainers, monitoring and evaluation***

***2.2.7 To provide greater autonomy to the ITIs and introduce the accountability framework. Strengthening of linkages between ITIs and the local Industrial units***

***2.2.8 Adoption of new modern training technologies including multi-media***

**2.2.9 Focus on improving opportunities for women, disabled and other disadvantaged groups in vocational training**

**2.2.10 Public-Private Partnership in Skill Development**

**2.2.11 Management Information System for Skill Development.**

***There is a dire need to establish a Centre of Management Information System both at the Centre & State levels.***

### 3 CHANGED SCENARIO – RECENT REFORMS & INITIATIVES

#### Recent Initiatives in Skill Development at National Level

Government launched 'National Skill Development Mission' to create a pool of skilled personnel in required numbers, in line with employment requirement across the entire economy with particular emphasis on the twenty high growth employment sectors. Its goal is to provide within a five to eight year time frame, a pool of trained and skilled workforce to meet the requirement of a rapidly growing economy, thereby effectively leveraging India's competitive advantage. The strategy of the mission is to bring about paradigm change in the architecture of the existing VET system.

**i. "Coordinated Action Plan for Skill Development"** was approved by the cabinet having following 3-tier structure, aiming to create a pool of skilled personnel in appropriate numbers with adequate skills across the economy

**a. Prime Minister's National Council on Skill Development** has been set up as an apex institution to review the spectrum of skill development efforts for policy direction. The Ministers for Human Resource Development; Finance, Industries; Rural Development; Labour & Employment; Micro, Small and Medium Enterprises; Housing & Urban Poverty Alleviation; Tourism; Social Justice and Empowerment; Youth Affairs; Sports and Minister of State (Independent Charge) for Women and Child Development are members. Dy. Chairman of Planning Commission, Chairperson of the National Manufacturing Competitiveness Council, Chairperson of National Skill Development Corporation and 6 experts in the area of skill development are other members.

Principal Secretary to the Prime Minister is the Member Secretary to the Council. The functions of the above council are as under:

- i. Lay down overall broad policy objectives, strategies, financing and governance models to promote skill development
- ii. Review progress of activities relating to skill development periodically and provide mid-course corrections, including changes in part or whole, of current schemes under implementation
- iii. Orchestrate Public Sector/Private Sector initiatives in a framework of a collaborative action.

**b. A National Skill Development Co-ordination Board** has been set up under the Chairmanship of Dy. Chairman, Planning Commission. Secretaries of Ministry of Human Resource Development, Labour & Employment, Rural Development, Housing and Urban Poverty Alleviation, Micro Small & Medium Enterprises and Finance are members. Chairperson/Chief Executive Officer of National Skill Development Corporation, Secretaries of four States by rotation, for a period of two years and three distinguished academicians/subject area specialists are other members. Secretary, Planning Commission is Member Secretary of the Board.

The Board enumerates strategies to implement the decisions of the Prime Minister's National Council on Skill Development and develop appropriate operational guidelines and instructions for attaining the larger objective of meeting skill needs of the country.

**c. A National Skill Development Corporation** has been set up by the Government as a non-profit company under Section 25 of the Companies Act, 1956, under the Ministry of Finance. It has an equity base of ₹10/- Crore of which 49% is contributed by the Government and 51% by the private sector.

**ii. State Missions on Skill Development:** State Governments have also been advised to set up state level missions under the chairmanship of Chief Ministers of respective States to guide and review the skill development activities at State level. As a follow-up, 25 States and 4 Union Territories have set up State Level Skill Development Missions.

**iii. National Policy on Skill Development:** Government formulated "National Policy on Skill Development" which was approved by Union Cabinet on 23<sup>rd</sup> February 2009. The policy is a guiding document for implementation of various skill development programmes in the country. Aims of the policy include "Enhancing individual's employability (wage/self employment) and ability to adapt to changing technologies and labour market demands". The policy has set a target of skilling 500 million persons by the year 2022. Training target for all Ministries/Departments, offering training programmes for sectors under their control, have been indicated in policy document and they have been mandated to fulfill their commitments.

The policy mandates re-engineering of NCVT as follows:-

"NCVT will be strengthened and re-engineered with a broader mandate and representation. The main functions include:

a) Design, development and maintenance of NVQF which inter alia includes:

- i) Setting up a framework for competency standards, structure of courses, credit structure, accumulation and certification.
- ii) Setting up a framework for affiliation and accreditation of institutions.
- iii) Quality control mechanism.

b) Labour market information system and dissemination of information at the national level.



c) Monitoring and evaluation on the effectiveness and efficiency of national skill development efforts through appropriate reporting and communication mechanism.”

❖ **Roles and responsibilities of NCVT’s stakeholders**

NCVTs stakeholders along with their roles and responsibilities are:-

**Government (Central /State or Local level):**

- a) Setting up priority and policy planning-statistics gathering
- b) Providing regulatory framework and enabling environment for stake holders.
- c) Devising financing mechanism, reward and promotional framework.
- d) Capacity building of social partners.
- e) Setting up of monitoring, evaluation and dissemination of information.
- f) Facilitating international co-operation.
- g) Setting up of a qualification framework and quality assurance mechanism.
- h) Preparation of work plans to meet sector specific skill sets.

**Employers/Industries:**

- a) Owning Skill Development activities.
- b) Identification of competencies and setting up of competency standards,
- c) Skill demand analysis and curriculum development.
- d) Facilitating training of trainers.
- e) Delivery of training, monitoring and evaluation.
- f) Participation in examination and certification.
- g) Participation in affiliation and accreditation process
- h) Sharing of work place experience, machinery and equipment.
- i) Support by way of physical, financial and human resources.

- j) Facilitating employment of trained graduates.
- k) Supporting skill development initiatives of other public and private agencies.
- l) Implementing apprenticeship schemes.
- m) Investing in skill development activities.

**Trade Unions:**

- a) Assist in developing competency standards.
- b) Assist in course designing, examination and certification.
- c) Raising awareness about the benefit of training, skill development plans and activities among the workers
- d) Promote skill up-gradation and lifelong learning among the workers.
- e) Running special skill development institutes for skill development of workers.
- f) Promoting investment on skill development among the employers.
- g) Facilitate improving status of VET trained graduates.

**Civil Society Organizations:**

- a) Raising awareness about skill development plans and activities among the public.
- b) Facilitate improving status of VET trained graduates.
- c) Implementing skill development programmes of the Government.
- d) Assist in developing competency standards.
- e) Assist in course designing, examination and certification.
- f) Promote lifelong learning among the public.
- g) Promoting dignity of labour among the public.
- h) Sharing experience of learning with others.

## **4 ROLES AND RESPONSIBILITIES OF DGE&T IN SKILL DEVELOPMENT**

Directorate General of Employment & Training (DGE&T) in Ministry of Labour and Employment is an apex organization for development and coordination of the vocational training including Women's Vocational Training to the employable youth in the country and to provide skilled manpower to the industry besides providing Employment Services.

### **4.1 Responsibilities**

Vocational Training is a concurrent subject of both Central & State Government. At the National level, the Directorate General of Employment and Training, DGE&T, Ministry of Labour is the nodal department for formulation of policies, laying down standards, grant of affiliation to institutes offering training courses under NCVT, monitoring training programmes, trade testing & certification and matters connected to the fields of vocational training and providing employment services. However, the day-to-day administration of Industrial Training Institutes (ITIs) offering training courses rests with the respective State Governments/ Union Territories Administrations. Opening of new institutes, actual conduct of training programmes through Industrial Training Institutes/ Centres are also the responsibilities of State Governments.

### **4.2 Advisory Bodies**

The Government is advised by two tripartite bodies at the National level, namely, National Council for Vocational Training (NCVT) and Central Apprenticeship Council (CAC) for the purpose of laying down the policies and training standards, trade testing and certification. Introduction of new trades & deletion of obsolete trades are also done with the recommendation of the council.

Both the councils are having members drawn from Industry, workers and employers organisations, Central Government Ministries, State/ UT Governments. Representation is also given to women, weaker sections of society and experts in field of Vocational Training.

Central Apprenticeship Council (CAC) is an apex statutory body which advises the Government on laying down policies and prescribing norms & standards in respect of Apprenticeship Training Scheme (ATS). The major functions of the NCVT are given in Annexure-IV.

State Governments set up State Councils of Vocational Training which advises the state governments in respect of vocational training at state level.

## **5 STATUS OF SKILL DEVELOPMENT PROGRAMMES**

DGE&T offers a range of training courses catering to the needs of different segments of the society. The courses are available for the school leavers, instructors of the training institutes, industrial workers, technicians, junior and middle level executives, supervisors/foremen, women, persons with disabilities, SC/STs, ex-servicemen, retrenched workers etc.

### **5.1 Flagship programmes administered by DGE&T**

#### **5.1.1 Craftsmen Training:**

Industrial Training Institutes (ITIs) were set up all over the country to impart skills both in engineering and non-engineering trades to youth of age 14 years and above. By 30.09.2011, 9404 institutes (2244 Government ITIs and 7160 Private ITIs) with a total capacity of about 13,21,920 seats were providing training to school leavers in the country. At present, 121 engineering and non-Engineering trades are covered under the scheme. The duration of the course varies from 6 months to 3 years. Educational qualifications for admission vary from 8<sup>th</sup>, 10<sup>th</sup> & 12<sup>th</sup> standard depending upon the trades. Some State Governments and Union Territories have introduced training course as per local needs, under the jurisdiction of State Councils for Vocational Training.

#### **5.1.2 Apprenticeship Training Scheme:**

The Apprentices Act, 1961 makes it obligatory for employers in specified industries to engage apprentices for undergoing Apprenticeship Training, which varies from six months to four years. The training consists of basic training followed by on-the-job or shop floor training in accordance with standards prescribed by the Government in consultation with the Central Apprenticeship Council. Presently, 235 trades are designated for trade apprentices and 3.15 lac seats located in

establishments in Central and State Public Sector and Private Sector. The Act was amended in 1973 to include training of Graduate and Diploma Engineers as "Graduate" & "Technician" Apprentices. The Act was again amended in 1986 to bring within its purview the training of 10+2 vocational stream as "Technician (Vocational)" Apprentices in 126 subject fields have been designated for the category of Graduate & Technician Apprentices and 126 Technician (Vocational) apprentices. 50,394 seats are allocated for these categories. The Act was further amended in 2008 with respect to reservation for candidates belonging to the OBCs, expenditure on related instructions and to provide flexibility in respect of the ratios prescribed for the apprenticeship seats.

### ***5.1.3 Women's Vocational Training Programme:***

Vocational Training facilities for women in the country are organized through a network of 1409 Women Industrial Training Institutes (ITIs) and 960 Women wings in general ITIs/ private WITIs with a seating capacity of about 74,124 under the control of State Governments.

National Council for Vocational Training has recommended that in general ITIs, upto 30 per cent of the sanctioned seats may be reserved for women candidates. Under the Vocational Training programme, managed directly by the Central Government, a National Vocational Training Institute (NVTI) for Women at NOIDA as an apex centre and Ten Regional Vocational Training Institutes (RVTIs) for Women at Mumbai, Bangalore, Thiruvananthapuram, Panipat, Kolkata, Tura, Allahabad, Indore, Vadodara and Jaipur have been set up with a present intake capacity of 7768 in long term courses. These Institutes provide training in basic, advanced and instructional skills. Besides this, short-term courses are also organized as per availability of infrastructure facilities. Till November, 2011 more than 90,000 women have been trained in these institutes since inception in long term as well as short-term courses.

#### **5.1.4 Craft Instructors Training:**

Advanced Training Institutes (ATIs) at Howrah, Mumbai, Kanpur, Ludhiana and Hyderabad and Central Training Institute for Instructors at Chennai were established in 1960s. Objective of the Craft Instructor Training is to train Instructors in the techniques of transferring hands-on skills, in order to train semi-skilled / skilled manpower for industry. Under the programme, instructors from State Govt. ITIs, private ITIs and Training Centres established by industries under the Apprentices Act are provided training. Training in 29 Engineering trades is offered in these institutes. Total seating capacity in the Engineering trades in operation in the above stated six Institutes is 1600.

To make training programme more flexible the modular pattern of Craft Instructor Training Programme (with multi-entry, multi-exit points) has been introduced in CTI and ATIs with effect from session started from Aug 2009. ATI (EPI), Hyderabad and Deheradun have also started Craft Instructor Training from session started from August, 2010. The following type of Craft Instructor Training courses are offered at the above institutes for instructors of ITIs:

- Trade Technology and Engineering Technology
- Training Methodology
- Refresher Courses for Advanced Modules of Multi Skill Courses.
- IT-Literacy courses
- Module on Quality tools & Quality concepts

#### **5.1.5 Advanced Vocational Training Scheme:**

Advanced Vocational Training Scheme was launched in October 1977 for training of highly skilled workers and technicians in a variety of advanced and sophisticated skills not available for other vocational training programmes. Regular full time course of 2 to 12 weeks duration are offered under the scheme. The scheme was introduced in 6 advanced training institutes located at Mumbai, Kolkata, Hyderabad, Kanpur,

Ludhiana, Chennai and 16 selected Industrial Training Institutes under 15 State Governments. These Institutes were modernized to conduct various advanced courses under the scheme as per requirement of the local industry.

#### ***5.1.6 Foremen Training/ Supervisory Training:***

Training programmes for supervisors/foremen for industry are organized at two Foremen Training Institutes located at Bangalore and Jamshedpur. These institutes (till October, 2011) have conducted 3662 courses and trained 49,080 foremen/supervisors in short-term and long term courses.

#### ***5.1.7 Central Staff Training and Research Institute:***

The Government in collaboration with the Government of Republic of Germany has set up the Central Staff Training and Research Institute, Kolkata in year 1968. The Institute has three wings- Training, Research and Development. The Training Wing provides training to the executives and administrators of vocational and industrial training in the country. The Research Wing conducts problem-oriented studies on different aspect of vocational training and the Development Wing is to develop and disseminate instructional material and aid/model for effective execution of industrial training

#### ***5.1.8 National Instructional Media Institute (NIMI), Chennai:***

National Instructional Media Institute (NIMI), Chennai has been set up to make available well prepared Instructional Material for the use of the trainees and trainers in (i) Industrial Training Institutes (ITIs) and (ii) Industries and Establishments implementing the Apprenticeship Training Programme. The Institute develops Instructional Media Packages (IMPs) comprising Written Instructional Material, Transparencies & Wall Charts



for different trades. NIMI has also ventured in the field of eLearning & Digitization of Instructional Material.

## **5.2 Recent initiatives in skill building**

### **5.2.1 Quality and Relevance**

#### **(i) Upgradation of 500 ITIs into Centres of Excellence**

Union Finance Minister in his Budget Speech 2004-05 and reiterated again in the Budget Speech up-gradation of 500 ITIs in the country (100 ITIs from domestic funding and 400 ITIs with World Bank assistance).

The objective of the scheme is to upgrade the existing 100 ITIs into “Centres of Excellence (CoE)” for producing multi skilled workforce of world standard. The highlights of the scheme are introduction of multiskilling course during the first year, followed by advanced/specialized modular courses subsequently by adopting industry wise cluster approach, multi entry and multi exit provisions, and Public-Private-Partnership in the form of Institute Management Committee (IMC) to ensure greater & active involvement of industry in all aspects of training. Curricula of 219 modules covering 21 sectors have been developed.

#### **(ii) Vocational Training Improvement Project (VTIP)**

The project was taken up with the assistance of World Bank at a total cost of ₹1581 Crores, inter alia, envisages up-gradation of 400 ITIs. For this project Central Government would share 75% of the expenditure and States would put in the remaining 25%. However for North Eastern States, the Central Government would provide 90% while NE States would put in only 10% from their side. So far (till November 2011), central share of ₹830.18 Crore has been released to States/UTs. Another ₹65.46 Crore has been spent for development of central institutes which are functioning under the direct control of DGE&T.

### **(iii) Upgradation of 1396 Government ITIs through Public Private Partnership**

In the Budget Speech 2007-08, Hon. Union Finance Minister announced up-gradation of 1396 Government ITIs into Centre's of Excellence through Public Private Partnership. In pursuance of this announcement a Scheme "Upgradation of 1396 Government ITIs through Public Private Partnership" has been formulated with a total outlay of ₹3550 Crore (₹3490 Crore for up-gradation of 1396 Government ITIs @ ₹2.5 Crore per ITI and ₹60 Crore for management, monitoring and evaluation of the scheme) to improve the employment outcome of ITI graduates from the vocational training system, by making design and delivery of training more demand responsive.

Under the Scheme an Industry Partner is associated for each ITI to lead the process of up-gradation. An Institute Management Committee (IMC) is constituted / reconstituted for each selected ITI (It consists of Industry Partner or his representative, as the Chairperson, four members from local industry are nominated by the Industry Partner, five members are nominated by the State Government, Principal, ITI, as ex -officio member Secretary). The IMC is registered by the State Government as a Society under Societies Registration Act. The interest free loan of up to ₹2.5 Crores is given by the Central Government directly to the IMC based on the Institute Development Plan (IDP) prepared under the leadership of Industry Partner. The IMC is given financial and academic autonomy to manage the affairs of the ITI. The IMC is also allowed to determine 20% of the admissions in the ITI. State Government will remain the owner of the ITI and will continue to regulate admissions and fees except 20% of the admissions which are allowed to be determined by the IMC. The interest free loan shall be repayable with a moratorium of 10 years and thereafter the loan shall be payable in equal annual instalments over a period of 20 years. The IMC may generate revenue by running production/ service centres, short-term courses, providing consultancy services, etc. National Implementation Cell and State Implementation Cell

is set up at Central and State level to implement the Scheme. An amount of ₹2550 Crore Has been released @ ₹2.5 Crore to each IMC Society of ITI as interest free loan for up-gradation of 1020 ITIs during 2007-08 to 2010-11. The fifth batch for covering remaining 376 Govt. ITIs is being taken up for up-gradation during 2011-12.

### **5.2.2 Quantity, Expansion of Outreach & Equity**

#### **(i) Skill Development Initiative: -**

Ministry of Labour & Employment in pursuance of excellence in vocational training has developed a new strategic framework for skill development for early school leavers and existing workers in close consultation with industry, State Governments and experts. Implementation of the SDI scheme was started from May, 2007.

The objectives of the scheme are: -

- To provide vocational training to school leavers, existing workers, ITI graduates, etc. To improve their employability by optimally utilizing the infrastructure available in Govt., private institutions and the Industry. Existing skills of the persons can also be tested and certified under this scheme.
- To build capacity in the area of development of competency standards, course curricula, learning material and assessment standards in the country.

#### **Present status of scheme**

- 1386 Modules for employable skills covering 60 sectors have been developed
- 36 Assessing Bodies empanelled for conducting assessment.
- More than 11,17,584 persons have been trained/ tested (since inception)
- 6,705 Vocational Training Providers (VTPs) registered

## **(ii) Skill Development in 34 Districts Affected by Left Wing Extremism**

DGE&T has formulated a "Skill Development Plan" for youth of 34 Districts affected by Left Wing Extremism, so as to wean away youth from violent and destructive activities at a cost of ₹232.95 Crore. Scheme has been approved by Hon'ble LEM and FM on 29/3/2011.

The scheme has two pronged strategy:

- A. As an immediate measure during the current Plan period (11<sup>th</sup> Plan)
  - (i) Skill training programmes (in both long term training & short term training courses) for a total of 5000 youth in existing institutes (Government & Private) will be conducted.
  - (ii) Additional infrastructure will be created for:-
    - a) 34 Industrial Training Institutes (ITIs) @ 1 ITI / District
    - b) 68 Skill Development Centres (SDCs) @ 2 SDCs/District
- B. As long term measure the above strategies will be scaled up during the next Plan period (12<sup>th</sup> Plan) depending upon the progress.

## **(iii) Enhancing Skill Development Infrastructure in NE States and Sikkim**

New centrally sponsored scheme "Enhancing Skill Development Infrastructure in NE states and Sikkim" to enhance skill development opportunities for youth of the region has been formulated at a cost of ₹57.39 Crore. The scheme has been approved by Hon'ble LEM on 04/02/2011. The scheme consists following three components:-

- A. Upgradation of 20 ITIs at a total cost of ₹30.18 Crore
- B. Supplementing deficient infrastructure in 28 ITIs at a total cost of ₹24.24 Crore
- C. Establishment of Project Management Unit at Central and eight State head quarters at a total cost of ₹2.97 Crore.

**(vi) Setting up of 1500 ITIs**

1500 new Industrial Training Institutes (ITIs) in PPP mode preferably in un-serviced blocks. The state government will provide land with basic infrastructure (e.g. electricity, road, communication etc.) free of cost. Central government will participate by providing capital support in the form of Viability Gap Funding (VGF) while private player will take the lead role in establishment of the institutes. Approval process for the scheme is on.

**(v) Setting up of 5000 Skill Development Centres**

Although the Hon'ble Prime Minister has announce for setting up of 50000 Skill Development Centres (SDCs) MoL&E has formulated a scheme for establishment of 5000 Skill Development Centres (SDCs) in PPP mode following the same architecture as 1500 ITIs. Approval process for the scheme is on.

**(vi) Establishment of 15 Advance Training Institute (ATIs)**

There is acute shortage of trained instructors in the country. The present requirement of instructor is around 70000 and additional annual requirement is around 20000. The present instructor training capacity of the country is 1600. To meet the gap MoL&E has formulated a scheme to establish 15 Advance Training Institute (ATIs) in PPP mode. Approval process for the same is on.

**(vii) Establishment of 12 Regional Vocational Training Institutes (RVTIs)**

Skill development facilities for women are quite inadequate at present. To improve upon the women training facilities MoL&E has formulated a scheme to establish 12 Regional Vocational Training Institutes (RVTIs) in PPP mode. Approval process for the same is on.

## 6 RECOMMENDATIONS OF THE WORKING GROUP

The Working Group on Skill Development and Training held two meetings to discuss matters pertaining to the XII Five Year Plan. At the second meeting of the Working Group, the members decided to form four Sub-Groups to have focused discussions on relevant ToRs and issues. Consequently, following four Sub-Groups were formed:-

- Sub-Group I on Quality & Relevance
- Sub-Group II on Quantity, Expansion of Outreach & Equity
- Sub-Group III on Institutional Mechanisms
- Sub-Group IV on Systemic Reforms

The constitution of the Sub-Group along with their relevant ToRs are given at Annexure III (a, b, c, d).

The recommendations and their highlights have been annexed as under:-

Recommendations from Sub-Group I: Annexure V & V A

Recommendations from Sub-Group II: Annexure VI & VI A

Recommendations from Sub-Group III: Annexure VII

Recommendations from Sub-Group IV: Annexure VIII & VIII A

The recommendations of the Sub-Groups have been compiled to frame the final recommendation of the Working Group which have addressed the following issues:-

- Quantitative issues
- Expansion of Outreach and Equity
- Quality & Relevance
- Training of Trainers
- Systemic Reforms
- Institutional Mechanism
- International cooperation
- Social marketing
- Others:-Experience with IMCs, National Workers' Technical University, In-House capacity building

## 6.1 Quantitative Issues

Out of the target of skilling 500 million persons as set by Prime Minister's National Council on Skill Development, MoL&E has been entrusted with the responsibility to train 100 million persons by 2022. MoL&E has planned to cover 52% of the above target during XII Plan Period.

To meet this target, Working Group has recommended the following actions:-

- Promote the Training Institutes/ Vocational Training Providers in private sector, in PPP and create conducive environment to facilitate their working. Planning Commission has already approved setting of 1500 ITIs and 5000 Skill Development Centers.
- DGE&T should also work to extend financial support to private industrial training institutes in modernization of their infrastructure and expansion.
- Strengthen MES Scheme to address the skilling and certification of un-organized sector. Large scale capacity building of Assessors and Assessing bodies. Expand the vocations, coverage and reach.
- Strengthening ATS to cover more industries, expanding seating capacity, increase vocations.
- Explore possibility of creating SPVs to deliver training in capital intensive and unexplored sectors like mining, oil & gas, energy and aviation etc.
- Wherever necessary, DGE&T should come up with Central-Sector Schemes to set up institutes directly with their intervention.

The following schemes are proposed to address aforementioned issues:-

- Setting up of foreman training institute in Bangalore & Jamshedpur
- Building equipment & establishment of RVTI
- Skill Development Initiative

- Kaushal Vikas Yojna

## 6.2 Expansion of Outreach and Equity

To expand the outreach and equity of skill development initiatives, the Working Group has recommended the following actions:-

- The institutes should also be set up in SC/ST, minority and weaker sections of the society dominated areas to facilitate their participation in Skill Development and a special care should be taken to promote participation of women by providing conveyance, hostel and stipend.
- Large scale infrastructural initiatives are needed to expand the outreach of vocational training to go forward with the effort to realize inclusive growth. The focus of these initiatives would be on far-flung areas, border areas, hilly regions, places with high level of discontentment/extremism like Left Wing, NE States etc.
- To increase the outreach of skill development, it is imperative to have intensive application of Information & Communication Technology in the delivery of Skill Development programs which inter-alia includes Distance Learning and e-Learning.

The following schemes are proposed to address aforementioned issues:-

- ESDI in NE States & Sikkim
- Skill development of 34 districts affected by Left Wing Extremism
- Distance Learning Program
- Establishment of new ITIs in NE States & Sikkim
- Establishment of new RDATs



### 6.3 Quality & Relevance

To address the quality related issues, the Working Group has recommended the following actions:-

- Increased participation of Industries to make the courses relevant
- Defining the curriculum based on competencies
- Training and re-training of trainers for upgrading their skills.
- Improving curriculum design and method of assessment to bring quality into the system
- Establish dedicated body for assessment and certification which should be independent of delivery system making the assessment more relevant, transparent & swift and thereby improving the quality in skill development It can be named as National Board for Trade Testing and Certification.
- Create a pool of assessors by training and capacity building
- Promoting 3<sup>rd</sup> party certification to competent institutes (ISO 17024 certified).
- Building capacity of the State Governments/SCVT by way of filling up of vacant posts, imparting training, exposing to best practices, etc.
- I.T enabled programme delivery and assessment would also improve the quality of teaching as well as the understanding among students by use of modern teaching/training aids.

The following schemes are proposed to address aforementioned issues:-

- Upgradation of 1396 Govt. ITI through PPP mode
- Externally Aided Projects (EAP) for reforms and improvement in VT services rendered by Central and State Govt.
- Upgradation of training institutes
- National Instructional Media Institute Chennai
- Project implementation and trade testing at DGE&T
- Upgradation of DGE&T field institutes

- e-Learning program
- Strengthening of R&D in vocational training

## 6.4 Training of Trainers

Shortage of trainers was identified as a major challenge. To address this prominent issue, the following actions are recommended: -

- Quantitative expansion and qualitative up-gradation of Training of Trainers programme by way of strengthening and expansion of DGE&T institutes and setting up new Institutes for Training of Trainers (IToTs) in Central Sector, Private Sector, PPP
- At least one IToT be set up in North East at Dimapur (State Government has identified land) so that the people of NER should not feel alienated.
- Ludhiana being an industrial hub needs an institute catering to automobile retail, renewal energy and aviation sectors.

The following schemes are proposed to address aforementioned issues:-

- Expansion of Training of Trainers within DGET Institutes
- Setting up of ATIs and RVTIs
- Introduction of Instructor Training in MITIs
- International co-operation for training of trainers

## 6.5 Systemic Reforms

- Labour Market Information System (LMIS)  
Currently there is no common platform where the Industry, job seeker and Government can share information due to which none of them are able to take informed decisions and work in isolation creating no conclusive outcomes benefitting all. This necessitates

the development of a well established Labour Market Information System (LMIS).

The LMIS could be integrated effort of Sector Skills Councils, DGE&T, NCVT and IAMR. IAMR should be the nodal point for necessary research, design, maintenance and analysis of skill inventory.

Skill gap analysis at district level must be carried out to find out the availability, requirement of type & depth of skill, their connectivity with labour market, economy and availability of resources.

o National Vocational Qualification Framework (NVQF)

National Policy on Skill Development has mandated NCVT to set up NVQF to achieve the following objectives:

- Increase quality & relevance of skills
- Nationally accepted standards would be created
- Participation of stakeholder will increase & formalize
- Lifelong learning
- Recognition of prior & informal learning
- Facilitate credit accumulation & transfer which would convert all forms of learning in Higher certificate/diploma and degree.
- Provide modular structure of courses
- Creating system of degree and diploma in vocational field.

This requires setting up of a well structured NVQF.

The following schemes are proposed to address aforementioned issues:-

- Development of National Vocational Qualification Framework
- Development of Labour Market Information System
- Management Information System

## 6.6 Institutional Mechanisms

- Sector Skill Councils

The Working Group strongly recommended setting up of Sector Skills Councils to support setting up occupational standards / skill standards / competencies standards/standards for assessment and certification.

- Re-engineering of NCVT

National Policy on Skill Development has envisaged re-engineering of NCVT to play a greater role in the field of skill development. It is necessary that NCVT be given a status of statutory body, with its own secretariat so as to make its representation broadened and scope of work enlarged. The need to strengthen NCVT would be imperative for successful implementation of ambitious skill development schemes.

The following schemes are proposed to address aforementioned issues:-

- Employment Exchange Mission Mode Project
- Establishment of National Board for Trade Testing and Certification
- Re-engineering of NCVT

## 6.7 International Co-operation

In Globalised Labour market, where India aspires to be Skill Capital of the world, it should develop international network of training, institutes, policy makers, researchers and developers etc.

International co-operation is needed for:-

- Skill up-gradation and capacity building of trainers, managing policies, planning etc.
- Research and Development

- Promotion of technology in various aspects of skill development
- Participation in world skill competitions
- Conduct international training programs for SAARC/ASEAN/AFRICAN Countries, International competition and seminars.

A scheme of International Co-operation in Skill Development is proposed to address the above needs.

## **6.8 Social Marketing**

There is a great need of attaching prestige in the sphere of Vocational Training and make it aspirational in the society. To improve the social acceptability, intensive social marketing of skill development programs is necessary. This may include:-

- Minimum wages of trained and skilled graduate to be increased.
- Intensive campaigning through various audio-visual media
- Organize Skill fair and competitions at District, State and National level.

A scheme of Social Marketing of Vocational Training is proposed to address the above needs.

## **6.9 National Workers Technical University**

Working Group felt that National Workers Technical University is very much essential for:-

- Taking up research and development in the field of Skill Development and to design, develop higher qualification in the field of applied skills.
- Carry out and promote innovation and research, incubation of research

- Promote application of technology, develop new tools and techniques for various aspects for Skill Development.
- Develop various models for participation of various stakeholders including industries.
- The University will boost the social status of skill development and Vocational Training in general thus increases its acceptability in public domain.

A scheme of establishing a National Workers Technical University has been proposed.

### **6.10 Experience with IMCs**

DGE&T is experimenting with two types of IMC's, one in VTIP scheme and other in up gradation of 1396 ITIs. In VTIP, IMC's are advisory in nature whereas in 1396 ITIs they have more financial and academic autonomy but their experiences are mixed. They are more dependent on IMC's chairman and principals of ITIs and their mutual relationship.

As of now, it is difficult to say that either of the models is successful. They need more discussions between Industry partner and State Government and decide the contour of future cooperation.

A comprehensive study is recommended to decide various options for relationship and linkages between State Government and Industry Partner.

Strengthening and building capacities of the Institute Management Committees, widening their roles and responsibilities to contribute in more meaningful manner in operation of institutes.

## 7 SCHEMES RECOMMENDED FOR XII PLAN

Subsequent to the meetings held by the Working Group which garnered various views and inputs, following schemes were recommended for the next plan period which have been categorized into the following three categories:

- Existing schemes to be continued in XII Five Year Plan
- Schemes approved for implementation during XII Five Year Plan
- New plan schemes proposed

The total financial outlay is ₹14808.89 Crore. A consolidated statement for the same is given at Annexure XII.

### 7.1 Existing schemes to be continued in XII Five Year Plan

The total financial outlay of existing schemes to be continued in the XII Five Year Plan is ₹5228.19 Crore. A table giving a detailed financial outlay is at Annexure IX.

The existing schemes to be continued in XII plan are as follows:

- 1) Upgradation of 1396 Government ITIs through PPP mode
- 2) Externally Aided Projects (EAP) for reforms and improvement in Vocational Training services rendered by Central and State Govt.
- 3) Skill development of 34 districts affected by Left Wing Extremism
- 4) ESDI in NE States & Sikkim
- 5) Setting up of foreman training institute in Bangalore & Jamshedpur
- 6) Building equipment & establishment of RVTI
- 7) Upgradation of training institutes
- 8) National Instructional Media Institute, Chennai
- 9) Skill Development Initiative
- 10) Project implementation & trade testing at DGE&T

A brief table for the same is given in the following page:

(Figures in Crores of Rupees)

S.No	Name of Scheme (Existing Schemes)	Amount
<b>Centrally Sponsored Schemes</b>		
1	Upgradation of 1396 Govt. ITI through PPP mode	25.00
2	Externally Aided Projects (EAP) for reforms and improvement in VT services rendered by Central and State Govt.	800.00
3	Skill development of 34 districts affected by Left Wing Extremism	900.00
4	ESDI in NE States & Sikkim	6.17
	<b>Total</b>	<b>1731.17</b>
<b>Central Sector</b>		
1	Setting up of foreman training institute in Bangalore & Jamshedpur	23.50
2	Building equipment & establishment of RVTI	76.00
3	Upgradation of training institutes	66.45
4	National Instructional Media Institute Chennai	16.12
5	Project implementation & trade testing at DGET	100.00
6	Skill Development Initiative	3190.00
7	Expansion of Training of Trainers within DGET Institutes	24.95
	<b>Total</b>	<b>3497.02</b>
	<b>Grand Total</b>	<b>5228.19</b>

## 7.2 Schemes approved for implementation during XII Five Year Plan

The total financial outlay of schemes approved for XII Five Year Plan is ₹7155.29 Crore. A table giving a detailed financial outlay is at [Annexure X](#).

The schemes approved are as follows:

### 1) Kaushal Vikas Yojana:-

It is an ambitious scheme which would create 1500 ITIs and 5000 Skill Development Centres in the country.



## 2) Setting up of ATIs and RVTIs:-

Fifteen Advanced Training Institutes would be set-up to increase their presence in the country which is currently eight in number. Twelve RVTIs for women would be set up to include more and more women in skill development initiatives which would enable them to earn decent employment and gain economic independence.

## 3) Employment Exchange Mission Mode Project:-

Mission Mode Project on up-gradation and modernization of employment exchanges has been taken up as one of the projects under National e-Governance Plan of Govt. of India as announced by the Finance Minister.

The implementation of this project will help job seekers register online from anywhere and approach any employment exchange for assistance in getting employment.

A brief table for the same is given under:

*(Figures in Crores of Rupees)*

S.No	Name of Scheme (Approved Schemed for XII Plan)	Amount
<b>Centrally Sponsored Schemes</b>		
1	Kaushal Vikas Yojna	5181.78
2	Setting up of ATIs and RVTIs	604.80
3	Employment Exchange Mission Mode Project	1368.71
	<b>Total</b>	<b>7155.29</b>
	<b>Grand Total</b>	<b>7155.29</b>

### **7.3 New plan schemes proposed**

The total financial outlay for the new plan schemes proposed is ₹2425.41 Crore. A table giving a detailed financial outlay is at Annexure XI.

The new schemes are under these major components:-

- **Infrastructural Initiatives**
- **Key changes in Skill Development set-up**

#### **7.3.1 Infrastructural Initiatives:-**

The proposed schemes under this section are:

##### **7.3.1.1 Introduction of Instructor Training in MITIs**

With a view to train 500 million people by the year 2022 and a strong commitment of providing quality training, the need of having trainers in the right numbers and quantity is even more pronounced.

The demand for trained instructors is huge as compared with the gross capacity of instructor training of DGE&T field institutes. Presently, the gross requirement of instructors is 79,000. The additional requirement of instructor per annum is about 20,000. With this background, the present instructor training capacity of 1600 per annum is considered too inadequate. As of now, there is a huge gap between training capacity of institutes and availability of trained instructors and it is foreseeable that in near future, this gap would further increase exponentially which may become a serious bottleneck in implementation of schemes designed to deliver quality training. DGE&T is focusing its attention to train instructors in large numbers.

To address this issue, the facilities of MITIs would be upgraded so as to introduce Craft Instructor Training Scheme. This initiative

would add further capacity to bridge the gap between the demand and the existing infrastructure in place.

The output from such an initiative would be 1200 trained instructors per year at the rate of 300 trained instructors / MITI every year. As of now there are 4 MITI.

### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
19.00	28.50	28.50	9.50	9.50	95.00

#### **7.3.1.2 Establishment of new RDATs**

With the passage of time, the activities of all the RDATs have increased manifold. At present, RDATs with the existing manpower strength and its existence in diverse locations are not in position to monitor the implementation of new and existing Schemes effectively which has been the biggest impediment in the delivery of training qualitatively.

The Apprentices Act, 1961 is being remodeled and the implementation of establishment which is operating same business or trade from different locations situated in more than four States will rest with the Central Government. It is expected that a large number of such types of establishments which were earlier with State Governments would come under the purview of the Central Government. The implementation of such types of establishment will be done through RDATs.

The major works which would be done by RDATs would be:-

- The work relating to the inspection of ITIs for the purpose of granting affiliation has been increased tremendously. Accordingly, the joint inspections of ITIs have to be increased in order to maintain the quality of training in the ITIs.

- Work related to Survey and re-survey of Central sector and private sector establishments to locate training seats for Apprentices, Inspection of establishments to check facilities for training and to see the progress of training in conformance with the prescribed schedule.
- Conduct of progressive trade tests of Apprentices, Making arrangements for conducting final Trade Test of Apprentices, Registration of Apprenticeship Contracts, and issue of National Apprenticeship certificate to successful Apprentices etc.
- Preparation/revision of training curriculum in consultation with the industry and Convening of Regional Apprenticeship Advisory Committee meeting, workshop/seminar.
- To assist State Directors in the development of basic training programmes and facilities for Related Instruction for all trades which are already designated or are proposed to be designated.
- Supervision of the work of apprentices in the State Public and private sector Industries within the Region.
- Study and project the technological development in industry in respect of products, processes, machine and other tools, handling of material, inspection techniques and the like and report to Headquarters, DGET and other as directed by Head quarters.
- Inspection of Basic Training & Related Instruction Centre

In view of the larger role played by RDATs with the additional responsibilities entrusted to them and further diversification of its activities in the emerging scenario, it is proposed to create 04 new RDATs in the relocated regions in order to converge overall focus

on the skill development more quantitatively and qualitatively. The proposed locations of the new RDATs are:

- Ludhiana, Punjab
- Guwahati, Assam
- Bhopal, Madhya Pradesh
- Bangalore, Karnataka

### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
12.40	18.60	18.60	6.20	6.20	62.00

#### **7.3.1.3 Establishment of new ITIs in NE States & Sikkim**

Industrially, the NER continues to be the most backward region in the country, and the States in the region hardly have any industrial base, except perhaps Assam, because of its traditional tea, oil and wood based industries. To some extent, Meghalaya has made some headway in setting up of small and medium industries. There are a number of factors contributing to the lack of industrial growth in the region like poor infrastructure, inadequate supply of electricity, violence and extortion, etc.

The North Eastern Region Vision, 2020 has stated that despite expansion of education infrastructure, satisfactory literacy rate and pupil-teacher ratios in the region, the skills and knowledge base of the youth in NER is inadequate to equip them to compete at national and international levels for employment or for entrepreneurial activities. The Vision for the region, therefore, envisages a vast expansion in the availability of opportunity for acquiring skills and competencies; this would entail mobility and migration of persons to other parts of the country thus promoting national integration and encouragement to people to set up industry in their own region meeting the overall development goal.

Although NE States are supported by various schemes, they are still lagging far behind the national average of number of persons per seat. In addition to these infrastructure, it also required recurring expenditure e.g. procurement of training material, salary of instructional ministerial Staff & providing stipend to trainees, etc.

As far as the North Eastern States and Sikkim are concerned, there are only 74 ITIs with seating capacity of 10,852 under NCVT & around 6, 000 under SCVT as against the total seating capacity of 12.27 lakhs in the country. The number of ITIs in the N.E. States and Sikkim barely constitutes 0.841% of total ITIs in the country. N.E. States are also sensitive from the insurgency point of view and creation of employment opportunities is crucial to prevent large scale frustration among local youth. This will help in weaning away of youth from extremist activities. Therefore, it is necessary that central assistance be provided for Vocational Training in the region.

Broad objectives of scheme are –

1. To establish 34 new ITIs with at least 5 trades in each ITI.
2. Capacity Building and Technical Assistance aims to provide funding for skill development, enhancing of employability and competencies and promotion of self-employment and entrepreneurship amongst youth.
3. To sustain adequate supply of semi-skilled /skilled workers and also for value creation through dynamic vocational training policy & creation of infrastructure.
4. Skill up gradation of existing workforce in the new areas of technology.
5. To provide entrepreneur development services for the self employment of youth.

### Phasing of Expenditure (₹ in Crore)

2012-13	2013-14	2014-15	2015-16	2016-17	Total
141.10	69.43	25.88	-	-	236.41

#### 7.3.1.4 Upgradation of DGE&T field institutes

India as a nation is poised to grow in the international sphere after the economic boom and rising faith of the world in the Indian story of growth. But this cannot be realized in spirit if our basic training facilities are not even close in comparison with its counterparts overseas. There is a pertinent need to upgrade training facilities to world class standards to catch up with the global trends.

This is necessary as it would make certain that the building blocks of our society are well educated, aware of latest advancements and well versed with latest training aids to perform sophisticated work.

In the present world, there are many emerging fields/trends which are coming up and are being adopted by the industry to maintain their competitive edge like Nano Technology, enhanced networking in IT domain, contemporary market tools in financial sector, adoption of new technology in traditional sectors, etc. Moreover, areas need to be identified which are relatively new to our country like Spa therapy, modern day gymnasiums, Yoga, work-life balance to adjust with sedentary lifestyle, crèche, old age home management, exposure to operate promotional campaign related to health and social welfare like blood donation, eye donation, organ donation, TB prevention, diabetes / HIV / AIDS/ etc awareness camps, requiring specialized instructors etc. Now-a-days there are several initiatives which are being adopted by the industry in a feverish pace, be it designing a green building, energy efficient appliances and so on. Thus it is necessary that the current

coverage of vocational training should expand and include all these areas as well to maintain relevance with changing times.

DGE&T has identified that women training in our country is still below expectations. To improve the situation, DGE&T has proposed to establish new RVTIs, but it is required that special focus be given on upgradation of facilities in RVTIs while addressing any special needs for women. This would be a major step towards ensuring that participation of women in skill development initiative increases.

Apart from upgrading facilities to address the changing needs of education, DGE&T recognizes that the world of today is facing its biggest challenge- Climate Change and excessive resource pressure from mankind. There have been many international level talks on reducing the impact of mankind on earth especially the carbon footprint which is ever increasing. India has also ratified on reducing its carbon footprint. On this regard, DGE&T has proposed to set-up environment friendly field institutes which would have least possible impact on our environment.

An all-encompassing upgradation of DGE&T institutes would require heavy investment and technical know-how which needs to be adequately financed.

### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
49.00	73.50	73.50	24.50	24.50	245.00

#### **7.3.1.5 In-House capacity building**

Considering the number of new schemes to be launched and many existing ones to be continued, a significant need of In-House Capacity Building has come up. Moving forward with ambitious



plans without building the requisites might end up in mismanagement and disorderly operations.

To handle this situation, there is a need of identifying the gaps in the current capacity of the Human Resource available and train them accordingly.

The training needs of DGE&T staff can be well met by strengthening CSTARI, Kolkata, which has a dedicated wing of Training apart from Research and Development.

For this purpose, CSTARI needs to develop relevant training modules, material etc. after thoroughly understanding the needs; set up state-of-the-art delivery channels like videoconferencing, self paced learning material, etc. This would enable a larger outreach of training. Moreover, modern facilities would be provided to the trainees to augment and enhance the training like setting up WiFi enabled classrooms and hostels. Care would be taken to make the training relevant and up-to-date.

### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
31.50	26.25	26.25	10.50	10.50	105.00

#### **7.3.1.6 e-Learning Program**

It is proposed to set up an e-Learning program, giving students the option of being educated in a medium apart from the traditional classroom environment. e-Learning comprises all forms of electronically supported learning and teaching which can be self-paced or instructor-led. The information and communication systems, whether networked learning or not, serves as specific media to implement the learning process. It covers both out-of-classroom and in-classroom educational experiences via technology, even as advances continue in regard to devices and curriculum.

Presently, skill development in India is primarily being done through various classroom establishments. In a large country like ours with varied geography across the country, such a system needs to be strengthened by e-Learning whose core advantage lies in its ability to cover distances. e-Learning would not only increase the scale but also facilitate the expansion of outreach of skill development initiatives. It would be a major initiative to put skill development opportunity at the doorstep of youth in difficult to reach areas, regions with hostile environment like LWE affected areas, NE States, J&K, etc. e-Learning would undoubtedly contribute in achieving the target of skilling 500 million persons by the year 2022.

There is another shortcoming in the traditional classroom setup which imparts education, at present, without any technological aids. e-Learning enhances the learning experience by substantiating and enriching the points to be put across in a more lucid and wholesome manner leaving little room for ambiguity which is especially beneficial in sophisticated fields of study.

Additionally, the issue of trainee's learning pace is well addressed. e-learning is self-paced, and learning is done at the learner's pace. The content can be repeated until it is understood by the trainee. It can be made compelling and interesting with multimedia, and the trainee can be given multiple learning paths depending on his or her needs. In regular classroom setting, all trainees are treated as having equal abilities and there is little flexibility in terms of timing and completion of the course.

Government of India, under its National eGovernance Plan (NeGP) has identified various mission mode projects (MMPs), out of which Common Service Center (CSCs) is one of the projects wherein villages are being provided with computing facility on PPP mode. This provides the opportunity to bring technology interface to

the people at the grass root level without having the need of having PC / laptop / UPS backup and internet with the end beneficiary. CSCs may be allowed to provide e learning content through their own ICT infrastructure on pay per use basis.

### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
75.00	75.00	62.50	18.75	18.75	250.00

#### **7.3.1.7 Distance Learning Program**

It is proposed to set up a distance learning program, giving students the option of being educated in a medium apart from the traditional classroom environment. The distance learning augments the overall education format by which, as per the needs of the students, a portion of the course is delivered other than the classroom which can be large or small (which depends upon the type of course).

The distance learning program would have various mediums (delivery channels) through which the vocational training can be imparted. This would give the students the flexibility in gaining education via a medium that is most suitable. Care would be taken that the information and content in various medium are regularly updated.

A dedicated unit for distance learning would have to be made which would handle the formation of course material and pedagogy necessary for a distance learning medium. It would have to look after the need for updating the course.

It become essential to introduce distance learning programs as there are many citizens who due to different reasons are unable to get quality education through the traditional means. The reasons may be like:

- People having family responsibilities

- Occupation leaving lesser free time
- Self paced individuals
- Limited mobility
- Unreasonable geographic distance to quality educational facility, living in a hostile environment or in place where vocational training institutes are not present, etc.
- People who are in places where extremism is prevalent as it is both difficult for setting up an ITI with regular trainers and also difficult for students to commute to and fro in such an environment. As distance learning knows no geographical limitations, it is very effective in increasing the outreach of vocational training.

This would also help in expanding the outreach of vocational training across the country.

#### **Phasing of Expenditure (Rs. in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
43.50	43.50	36.25	10.88	10.88	145.00

#### **7.3.1.8 Establishment of National Workers Technical University**

A National Workers Technical University (NWTU) is proposed for promoting higher education and applied research, and granting formal academic degrees in a variety of subjects related to technical domain for industrial / MSME workers. The University would provide practical and academic knowledge related to business needs to improve the productivity and efficiency of both organization and the individuals.

Considering the needs of the workers and the industry, the workers may attend short term to medium term courses while taking sabbatical from the work to enhance their skill sets and employability. Through constitutional powers, workers may be

assured of retaining their employment if attending a course at NWTU.

Proposed NWTU shall design specific courses based on the demand from the employer and shall both train and certify the worker. The University, being first of its kind would award Bachelors, Masters and Doctoral degree which will have national recognition.

NWTU would facilitate workers to enhance their competence and get necessary recognition by the way of forming competency levels (from level 1 to level 5, where 1 being the most basic and 5 being the most proficient).

Recognizing the importance of soft skills, NWTU may also offer courses related to behavior and attitudinal changes for technical workers to support the change management initiatives undertaken by the Industry / Organization or to improve the overall productivity of the organization.

There is a lack of intellectual repository in the field of vocation where NWTU, recognizing this gap, would provide an environment for research and innovation by conducting research work/PhD Programs. Moreover, a University with quality research can give a lot of meaningful information to the industry managers through research work conducted.

The proposed NWTU will also advise Central/State Government on various measures/interventions on the related subjects. This would be a part of the larger initiative of continuous quality improvement.

The University would also grant affiliations to other institutions to further the cause of the University and broaden its outreach.

NWTU's major objectives would be:-

- Provide technical education for workers considering current needs and trends

- Develop a framework for vocational courses with higher competencies
- To provide scope for career development wherein a person can mature by acquiring skills in vertical as well as in horizontal level
- To provide an environment to candidates to research and innovate by establishing an innovation cell in the University and run Doctoral programs.
- Continuous quality improvement
- Trainers training
- Design and development of new courses

The University is proposed to be set up in National Capital Region (NCR).

#### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
35.00	52.50	52.50	17.50	17.50	175.00

#### **7.3.2 Key changes in Skill Development set-up:-**

The proposed schemes under this head are:

##### **7.3.2.1 Re-engineering of NCVT**

At present, National Council for Vocational Training is the apex advisory body to the Government of India which looks after various functions like trade testing and certification, prescribing standards in respect of syllabi, equipment, duration of courses and methods of training, inspections of training institutions, recognizing training institutions, etc.

It has been decided to add many promising schemes like National Vocational Qualification Framework (NVQF) which would require setting up a framework for competency standards, structure of courses, certification, setting up a framework for affiliation and accreditation of institutions and Quality Control

Mechanism; Labour Market Information System (LMIS) which would require a common platform among all stakeholders and regular dissemination of information; Monitoring and evaluation on the effectiveness and efficiency of national skill development efforts through appropriate reporting and communication mechanism, etc.

These initiatives would change the skill development fabric in India requiring changes in the current set-up of NCVT.

National Policy on Skill Development has envisaged re-engineering of NCVT. Its representation would be broadened and scope of work enlarged. It could decide on future broader policies to meet national objectives of manpower requirement.

NCVT would be granted autonomy with its own secretariat by an introduction of a bill in the parliament. The need to strengthen and re-engineer NCVT would be imperative for successful operations of NCVT considering its enlarged ambit.

### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
12.00	18.00	18.00	6.00	6.00	60.00

#### **7.3.2.2 Establishment of National Board for Trade Testing and Certification**

In the present scenario there is a single Trade Testing Cell located at the DGET headquarters which looks after the large volume of Trade Testing and Certification single handedly. Being outdated and having limited capacity, the certificates are handed over to the students after a gap of months which extends many a times up to 6-8 months. Even though provisional certificates may be handed over sooner but students still suffer a lot as many firms and organizations, like Railways, do not entertain application from students who have not received their certificates.

Candidates miss the chance of immediate employment. Moreover they lose touch with what they have acquired in their studies. Thus, a state-of-the-art Trade Testing Centre would positively remove such shortcomings and would make way for much smoother operations.

The objectives of proposed NBTTTC are:-

1. To design and conduct all India Trade Tests

- The question will be designed for each trade and delivered to the concerned trade centre
- On evaluation of the examination, the results will be entered into the centralized "Trade Testing Certification" system
- The centralized 'TTC' system will be developed and deployed by the NBTTTC, which will be accessible through intranet/VPN based internet by each centre
- NBTTTC will re-engineer the existing procedures to adopt the following:-
  - Issue of provisional certificate by the centre (Generated on-line by 'TTC' system) to the candidate
  - Printing of trade certificate by NBTTTC and sending the same by courier in a pre-defined service level agreement with a logistics partner.
  - Provision of an electronic certificate and giving legal sanctity to it.

2. 'TTC' system will have centralized database maintaining the records of each candidate/student from various schemes of NCVT



3. To declare results and issue certificates in a time bound manner
4. To provide necessary infrastructure, which is currently obsolete, to handle the new situation under which the new scheme would operate.

### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
56.80	85.20	85.20	28.40	28.40	284.00

#### **7.3.2.3 Skill Education Voucher**

It is proposed to introduce a skill education voucher which would essentially be a government voucher issued to eligible students that allows them to get free or subsidized training from a list of empanelled private and public skill providers. This is necessitated as there are many people who are unable to afford the education fees who may perform well and get employed if financial support is extended to them.

For this purpose a corpus would be required and upon identification of the target people for the scheme, the voucher would be handed to them which would enable them to get vocational education.

### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
10.00	10.00	10.00	10.00	10.00	50.00

#### **7.3.2.4 Social Marketing of Vocational Training**

It is seen that there is a general negative conception of vocational training in our country. It is so much so that even the pass outs from such institutes are not seen at par with people of other educational background. Due to this many people hesitate in

opting for such training. Moreover, persons who are in the vocational training field, be it the students, trainers etc. are therefore de-motivated which consequently brings the quality down.

The industry's primary skill demand is chiefly met by pass outs from vocational training institutes, but due to the negative conception, quality input is not there. The industry in turn has to manage with whatever they get which gets reflected in their lower output and quality.

A plausible reason could be the low remuneration and social benefits which persons from Vocational Training background get. Steps would be taken to improve this situation so that people may be motivated and do not see the careers after such training in a poor light. Moreover stress on industry has to be made to employ trained instead of untrained persons which does not make vocational training very fruitful for many people.

A good marketing strategy is therefore needed which would categorically identify the areas requiring attention and tackle it in a well formulated manner. Social marketing would strive to make vocational training aspirational and prestigious. An advertising and a P.R agency would be engaged to develop a well laid out marketing strategy to cover all identified issues with inputs from DGE&T.

It would be necessary to give a face to the social marketing which would help perpetuate the message to the society and the target group as well. For choosing the brand ambassador, care would be taken that the person is popular and to whom people listen and follow.

Social marketing would also attract private players to invest and further the cause of skill development and training considering that they would be of great value by adding on to the scale as well as relevance of skill development.

It is a hard fact that there are many people in this country which due to no employment opportunities take on anti social/nationalist activities which is detrimental for themselves and the society. Such cases are reported in large numbers in areas where Left Wing Extremism is present, J&K, NE States etc. Social marketing of vocational training along with creating infrastructure for the same would greatly help in persuading the disadvantaged group to join the mainstream and be a productive part of the society.

#### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
90.00	55.00	55.00	50.00	50.00	300.00

#### **7.3.2.5 International Co-operation in Skill Development**

India is the fourth largest economy in the World in terms of GDP. It has its voice heard in major world platforms and is even vying a seat in the UN Security Council. Considering the present status, we should share our technical competence and assimilate it from others so as to create a sustainable economic environment.

An atmosphere of mutual collaboration is desired wherein countries can adopt best practices of each other. For this, they need to share experience & knowledge, conduct Student Exchange Programs, Staff Exchange Programs or any other programs which would be a constructive approach in this front.

World Skill Competitions provide a very good platform for mutual learning. They have become an Olympic for skills. Many Governments are participating actively either directly or through private companies. In India, the role has been given to NSDC. DGE&T being nodal department must participate in World Skill Competitions. At present, one or two persons are participating in World Skill Competition as delegate involving Director General.

World Skill Competition is a place for learning through competence of other countries. Therefore it's essential that from every occupation, technically competent person(s) should participate to learn from other countries. It will help in developing new curriculum and the existing ones. This will also work as a tool for motivation in DGE&T institutes and ITIs.

There is a need of Regional Collaboration with SAARC and African countries where India would be doing its part as a responsible nation when it is poised to grow in the international sphere. Students and Trainers would be called upon and trained in our set-ups while the funding for the same would be sought from international agencies.

Moreover, being projected internationally through such initiatives, it would also bring a change in the image of our country especially in the vocational training front. This would be favorable in the field of social marketing of vocational training as well, thus making it aspirational.

In the realm of Research and Development, technology is changing dynamically in today's world which is greatly affecting today's industrial practices. Various institutions and countries therefore invest in R&D to remain abreast of such changes and to remain competent. It's necessary to update our skills and skill development systems at par with leading economies of the world through international collaboration.

It is essential to carry out joint research projects with lead research institutions in Australia, South Korea, Germany, Switzerland, USA, etc. to propel the skill development systems proportional to technical developments in the world. Organization of international events like competitions, seminars, consultations, workshops, etc. is also essential for knowledge and information sharing.

### Phasing of Expenditure (₹ in Crore)

2012-13	2013-14	2014-15	2015-16	2016-17	Total
19.60	19.60	19.60	19.60	19.60	98.00

#### 7.3.2.6 Promotion of Entrepreneurship

India is going through a phase marked by high economic growth having its presence felt globally. Economic growth has percolated in the small cities as well as in rural areas. This has created a variety of demand of consumable goods and services in those regions which was earlier limited to basic necessities. On the other hand the organized sector of our country supplying these goods and services is constrained by its limited outreach of end-to-end supply chain model which still has a long way to go and is therefore not in a position to meet the ever increasing demands of this new emerging market.

To meet the demands of these small cities and rural areas, entrepreneurship would be promoted locally. This would help create a self sustainable economic model which in turn accelerates the GDP Growth. To promote private enterprise, support from various institutions (viz. MSME, Lead Bank, State Directorate etc.) should be required. A library of project reports (Trade wise, District wise) for development of Micro Enterprises would be created. The concerned ITIs of a region would take benefit from such reports. Suitable/willing candidates will be trained to develop their entrepreneurial skills. Lead banks would be identified in each district to extend financial support to such micro enterprises. It would be necessary that basic managerial training also be given which would assist the entrepreneur in managing his/her venture effectively.

This scheme would open up an opportunity for ITI graduates to become entrepreneurs besides bee lining in the labour market as a job seeker.

### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
1.00	1.00	1.00	1.00	1.00	5.00

### **7.3.2.7 Development of National Vocational Qualification Framework**

To stimulate and support reforms in skills development and to facilitate nationally standardized and acceptable, international comparability of qualifications, a National Vocational Qualifications Framework is proposed to be established. All the existing Institutions/Councils/Boards under different Ministries, involved in skill development will be encouraged to follow National Vocational Qualification Framework. Moreover emphasis on inter-ministerial coordination would also be given. This framework will have the following features:-

- a) Competency based qualifications and certification on the basis of nationally agreed standards and criteria.
- b) Certification for learning achievement and qualification.
- c) A range of national qualification levels – based on criteria with respect to responsibility, complexity of activities, and transferability of competencies.
- d) The avoidance of duplication and overlapping of qualifications while assuring the inclusion of all training needs.
- e) Modular character where achievement can be made in small steps and accumulated for gaining recognizable qualification.
- f) Quality Assurance regime that would promote the portability of skills and labour market mobility.

g) Lifelong learning through an improved skill recognition system; recognition of prior learning whether in formal, non-formal or informal arrangements.

h) Open and flexible system which will permit competent individuals to accumulate their knowledge and skill through testing & certification into higher diploma and degree.

i) Different learning pathways – academic and vocational – that integrate formal and non-formal learning, notably learning in the workplace, and that offer vertical mobility from vocational to academic learning.

j) Guidance for individuals in their choice of training and career planning.

k) Comparability of general educational and vocational qualifications at appropriate levels.

l) Nationally agreed framework of affiliation and accreditation of institutions.

m) Multiple certification agencies/institutions will be encouraged within NVQF.

This set-up would cover the following broad objectives:

- Development of Competency Based Skill Standards on a national basis covering variety of occupations, sector wise, enabling skills dividend present in the country, though from wherever it may be acquired (formal/non formal), to be acknowledged.
- Enabling candidates a horizontal and vertical mobility to build skills in area of interest and requirement which would be requiring clearly defined standards at each level.
- To ensure that the standards of performance are globally benchmarked.

A framework of the proposed NVQF with timelines is at Annexure XIII, XIII (a).

### Phasing of Expenditure (₹ in Crore)

2012-13	2013-14	2014-15	2015-16	2016-17	Total
14.80	22.20	22.20	7.40	7.40	74.00

#### 7.3.2.8 Development of LMIS

In the current scenario, as there is no common platform where the Industry, job seeker and Government can share information, none of them are able to take informed decisions. This translates to an environment where none of them are in a same wavelength. Prospective employees may acquire skills which have very less demand or they may take a career path which has little relevance in the market.

The Government on the other hand does not know what the dynamic industry wants and what the status in the labour market is. For this reason the government is unable to take relevant HR planning decisions which can be valuable to all.

The industry is also hit as they are unable to get people as per their demands which results in low output and poor quality. This necessitates the requirement and implementation of a Labour Market Information System which would pave a way for a shared platform providing relevant data to all stakeholders and handle such significant issues which are being faced today.

LMIS would undertake the following activities:

- Meta-data of skill inventory would be created through studies at micro level by Sector Skill Councils (SSC) to find out the availability, requirement of type & depth of skill, their connectivity with labour market, economy and availability of resources



- Identification of skill gaps with a provision of regular update.
- A data repository which is dynamic in nature would be created with an architecture keeping in mind the needs of the user viz.: Government, Industry, employment seeker, etc. Regular flow of information being the key input, the server would keep updating the data to provide real time relevant information.

LMIS can be run from V.V Giri National Labour Institute which would require up-gradation of its existing facilities.

The LMIS could be integrated effort of Sector Skills Councils, DGE&T, NCVT and IAMR. IAMR should be the nodal point for necessary research, design, maintenance and analysis of skill inventory.

#### **Phasing of Expenditure (₹ in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
26.40	39.60	39.60	13.20	13.20	132.00

#### **7.3.2.9 Management Information Systems**

DGE&T, under MoL&E, has taken up development of Management Information System and web based portal with the help of M/s Wipro. This is expected to:

- Allow timely and transparent flow of information through the various tiers of the vocational training sector in the country, namely the Industrial Training Institutes (ITIs), the state and the centre.
- Allow easy handling of storage, processing and retrieval of large quantities of data, of searching and sorting of specific information uniformly, accurately and quickly, and for smooth information flow and easy generation of reports

- Become an invaluable tool to aid decision-making in the management and development of individual institutions and the sector as a whole.

Presently, System Requirement Specification (SRS) has been completed and design of the MIS is under process. The User Acceptance Testing (UAT) is expected to start shortly before pilot testing is done. It is planned to train officials from each of the Govt. ITIs/State Headquarters. Funds are also being released to the States for procurement of dedicated equipment (computers etc.) for the implementation of MIS.

It is felt that sufficient efforts as well as funds will be required to change/modify the system application before it is stabilized. Funds have been mainly kept for its final development and also payment for its operation in the Data Centre.

The funds will be utilized for making payment for the development of MIS (revision/change) for the vocational training as well as meeting recurring expenditure. The scheme will be transferred to Non Plan once the system is fully developed.

MIS will thus help in improving the internal and external efficiencies of the individual institutions (ITIs) by:

- Improving planning of training of trainers of ITIs and other institutions; reducing drop outs and improving passout rate in ITIs; and thus, leading to improving the quality of training in ITIs.
- Reducing the mismatch between demand and supply;
- Improving the employability of passouts

### **Phasing of Expenditure (Rs. in Crore)**

2012-13	2013-14	2014-15	2015-16	2016-17	Total
2.50	2.50	3.00	3.00	3.00	14.00

A brief table for the New Schemes is given below:

(Figures in Crores of Rupees)

<b>S.No</b>	<b>Name of Scheme (New Scheme)</b>	<b>Amount</b>
<b>Infrastructural Initiatives</b>		
1	Introduction of Instructor Training in MITIs	95.00
2	Establishment of new RDATs	62.00
3	Establishment of new ITIs in NE States & Sikkim	236.41
4	Upgradation of DGE&T field institutes	245.00
5	In-House capacity building	105.00
6	e-Learning Program	250.00
7	Distance Learning Program	145.00
8	Establishment of National Workers Technical University	175.00
9	Strengthening of R&D in vocational training	95.00
	<b>Total</b>	<b>1408.41</b>
<b>Key Changes in Skill Development set-up</b>		
1	Re-engineering of NCVT	60.00
2	Establishment of National Board for Trade Testing and Certification	284.00
3	Skill Education Voucher	50.00
4	Social Marketing of Vocational Training	300.00
5	International Cooperation in skill development	98.00
6	Promotion of Entrepreneurship	5.00
7	Development of NVQF	74.00
8	Development of LMIS	132.00
9	Management Information System	14.00
	<b>Total</b>	<b>1017.00</b>
	<b>Grand Total</b>	<b>2425.41</b>

No. Q-20017/3/2011/LEM/LP  
Government of India  
Planning Commission  
(Labour, Employment & Manpower Division)

Yojana Bhavan, Sansad Marg,  
New Delhi- 110001  
Dated 07/04/2011.

**Order**

**Constitution of Working Group on Skill Development & Training for the Twelfth Five Year Plan (2012-17).**

In the context of preparation of 12<sup>th</sup> Five Year Plan it has been decided to set up a Working Group on Skill Development & Training.

**The composition of the Working Group on Skill Development & Training will be as follows :**

- |    |   |                 |
|----|---|-----------------|
| 1. | Secretary,<br>Ministry of Labour & Employment<br>Shram Shakti Bhawan,<br>New Delhi-110001.              | <b>Chairman</b> |
| 2. | Secretary or Nominee,<br>Deptt. of School Education & Literacy,<br>Shastri Bhawan,<br>New Delhi-110001. | Member          |
| 3. | Secretary or Nominee,<br>Deptt. of Women & Child Development,<br>Shastri Bhawan,<br>New Delhi-110001.   | Member          |

DDG(M)  
GE&T)  
1518  
20/5/11



DDG(M)  
20/5  
JDT(B)

- ②
4. ✓ Secretary or Nominee,  
Deptt. of Rural Development,  
Ministry of Rural Development,  
Krishi Bhawan, New Delhi-110001. Member
  5. ✓ Secretary(Labour),  
Govt. of Karnataka,  
MS Building,  
Bangalore – 560001. Member
  6. ✓ Secretary(Labour),  
Govt. of Maharashtra  
Matralaya,  
Room No. 620-A,  
Mumbai – 400032. Member
  7. ✓ Pr. Secretary(Labour),  
Govt. of Gujarat  
5<sup>th</sup> Block, 6<sup>th</sup> Floor,  
Sachivalaya,  
Gandhinagar – 382010. Member
  8. ✓ Pr. Secretary(Labour),  
Govt. of Andhra Pradesh,  
L- Block, Floor – 3,  
Room No. 308,  
Secretariat Office,  
Hyderabad – 500022. Member
  9. ✓ Secretary(Labour),  
Govt. of Assam,  
Assam Secretariat,  
Dispur – 7810 06. Member

③

- |       |  |        |
|-------|--|--------|
| 10. ✓ | Pr. Secretary (Labour),<br>Govt. of Rajasthan,<br>Secretariat,<br>Jaipur – 302005.   | Member |
| 11. ✓ | Secretary(Labour),<br>Govt. of Bihar,<br>Vikas Sadan,<br>Patna.  | Member |
| 12. ✓ | Prof. S.S. Mantha,<br>Vice Chairman & Chairman (Acting),<br>All India Council for Technical Education,<br>7 <sup>th</sup> Floor, Chanderlok Building,<br>Janpath, New Delhi-110001.  | Member |
| 13. ✓ | Chairman or nominee,<br>Medical Council of India<br>Pocket- 14 , Sector - 8, Dwarka Phase -1<br>New Delhi – 110077   | Member |
| 14. ✓ | Shri Chandrajeet Banerjee,<br>Director General,<br>Confederation of Indian Industry (CII),<br>The Mantosh Sondhi Centre,<br>23, Institutional Area,<br>Lodhi Road, New Delhi-110003. | Member |
| 15. ✓ | Secretary General,<br>FICCI,<br>Federation House, Tansen Marg,<br>New Delhi-110001.  | Member |
| 16. ✓ | Mr. Paul Comyn,<br>Sr. Specialist, Vocational Training & Skill<br>Development,<br>Core 4B, 3 <sup>rd</sup> Floor,<br>India Habitat Centre,<br>Lodhi Road, New Delhi-11003.           | Member |

(4)

17. Dr. V.S. Raju, Member  
Former Director of Delhi IIT,  
House No. 74, Road No. 9, Jubilee Hills,  
Hyderabad-500 0034
18. ✓ Director, Member  
Pandit Sunderlal Sharma Central School of  
Vocational Education(PSSCIVE),  
131, Zone-II, M.P. Nagar,  
Bhopal-462 011
19. ✓ Dr Som Mittal, Member  
NASSCOM  
International Youth Centre  
Teen Murti Marg  
Chanakyapuri, New Delhi 110 021
20. ✓ Shri M.N. Chaini, Member  
Former President, MEDC.  
Y.B. Chavan Centre,  
Mumbai - 400021.
21. ✓ Ms. Uma Ganesan, Member  
6th Floor, Regensis Delta II,  
Gigaspace, Viman Nagar,  
Pune 411014.
22. ✓ Shri Sunil Kadam,  
Officer on Special Duty,  
University of Pune,  
9/174, Sahakar Nagar,  
5, Chambur,  
Mumbai – 400 071.

5

- |     |   |        |
|-----|---|--------|
| 23. | Dr. Raghav Narsalay,<br>India Lead,<br>Accenture Institute for High Performance,<br>Accenture, 6 <sup>th</sup> Floor, DLF Centre,<br>Sansad Marg,<br>New Delhi-110001.      | Member |
| 24. | Sh. Dhananjay Datar,<br>Managing Director,<br>Impact Systems Pvt. Ltd.,<br>Suvarna D-4, Aniket Society No. 1,<br>Bibvewadi Road,<br>Pune – 411 037.                         | Member |
| 25. | Shri Dilip Chenoy,<br>MD&CEO, National Skill Development<br>Corporation,<br>D-4, Clarion Collection, (Qutub Hotel),<br>Shaheed Jeet Singh Marg, New Delhi-16.               | Member |
| 26. | Shri Manish Sabharwal,<br>CEO, Team Lease<br>27, 3 <sup>rd</sup> Cross,<br>18 <sup>th</sup> Main Grape Garden,<br>6 <sup>th</sup> Block, Koramangla,<br>Bangalore – 5600095 | Member |
| 27. | Dr. Naresh Trehan<br>Chairman & Managing Director<br>Medanta- The Medicity<br>Sector-38, Gurgaon, Haryana- 122001   | Member |
| 28. | Adviser(Health, Nutrition & FW),<br>Planning Commission.  | Member |



6

29.	Adviser(Tourism), Planning Commission.	Member
30.	Adviser(VAC), Planning Commission.	Member
31.	Adviser(LEM) or representative, Planning Commission	Member
32.	Joint Secretary & DGE&T, Ministry of Labour & Employment Shram Shakti Bhawan, New Delhi-110001.	Convener

2. The Terms of Reference of the working group will be as under :

- a) To review the present status of Skill Development Programme and outcome of training imparted under different trades and to suggest effective ways and means to facilitate achievement of the target of 500 million persons to be covered under Skill Development Programme by 2022.
- b) To assess the impact of on-going programmes for Skill Development under different streams like Craftsmen & Vocational Training including non-formal training system and skill development efforts in the unorganized sector with regard to their relevance in the context of technological changes taking place in the economy and also in achieving the objectives like productivity and incomes, specially in the unorganized sector of the economy;
- c) To assess the feasibility and potential available for providing vocational skills to all entrants to labour force and the feasibility of attending this target by the end of 12<sup>th</sup> Five Year Plan and to suggest strategy for attending this objective.

7

- d) To review the growth of vocational training industry outside the domain of public sector since its inception and to suggest necessary framework for Vocational training policy to facilitate its growth.
- e) To identify and assess emerging requirements of training both formal and non-formal and assess the capacity and potential of the existing institutional set up in relation to emerging skill requirements.
- f) To suggest appropriate labour market intelligence system for better matching of demand and supply of marketable skills.
- g) To suggest ways and means for augmenting the role of industry from merely advisory level to that of supplementing inputs for managerial level to further strengthen the industry-institute inter-action in the ITIs.
- h) To examine various aspects relating to autonomy of Institute Management Committees (IMCs) as contrasted with the option(s) like i) Adoption of ITI by industry associations and/or ii) restricting the scope to that of merely technical input rendered by industry associations.
- i) To examine the functioning of existing institutions, at National and State level, such as National State Councils for Vocational Training, Apprenticeship Council, etc.;
- j) To suggest appropriate framework for Skill Development of rural youth.
- k) To suggest appropriate framework for skill development required for women as a means of women empowerment particularly in the rural areas and also in low income occupations in urban areas.
- l) To suggest necessary mechanism for developing a framework of National Qualification Pathway (NQP) to interlink vocational education, vocational training and academic education in order to facilitate inter-stream movement of students and vocational trainings.
- m) Any other issue(s) concerning employment policy and programmes with the consent of the Chairman of the Working Group.

8

3. The Chairman of the Working Group may co-opt any other person as Member of the Working Group if considered necessary.

4. The Working Group will submit its report by 31<sup>st</sup> July, 2011. LEM Division of the Planning Commission will provide secretarial service for the Working Group.

5. The expense towards TA/DA of the official members will be met by respective Govt. Departments /Institutions to which they belong. The TA/DA of non-official members shall be governed by the provisions of SR190(A) as per the entitlement of Group-A officers of the Govt. **They shall be permitted to travel to & fro for the meeting by Air (cheapest economy class only by Air India).**

6. Shri Munish Kumar, Director (Labour, Employment & Manpower), Room No. 557, Yojana Bhawan, New Delhi, (Tel. 23096506 or 23042592) will be the nodal officer for this Working Group.

*Jeewan Sharma*  
(Jeewan Sharma) 7-4-11

Deputy Secretary to the Government of India

To

Chairman and all the Members (incl. Convener) of the Working Group.

Copy to :

1. PS to DCH/ MOS(Planning)/ Members/Member-Secretary, Planning Commission.
2. All Principal Advisers/ Sr. Consultants/ Sr. Advisers/Advisers/ HODs in Planning Commission.
3. Prime Minister's Office, South Block, New Delhi.
4. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
5. Information Officer, Planning Commission.
6. Joint Secretary(Administration), M/o Labour & Employment.
7. Director (Finance), Planning Commission.

*Jeewan Sharma*  
(Jeewan Sharma) 7-4-11

Deputy Secretary to the Government of India

\*\*\*\*\*

(16) (9)

SECRETARY (L&E)  
 Dy. No. 1357/2011  
 Date 12/5/11

No. Q-20017/3/2011/LEM/LP  
 Government of India  
 Planning Commission  
 (Labour, Employment & Manpower Division)

Yojana Bhavan, Sansad Marg,  
 New Delhi- 110001  
 Dated 26/04/2011.

Secy (OT)  
 AS  
 DGS

Corrigendum

Constitution of Working Group on Skill Development & Training for the Twelfth Five Year Plan (2012-17).

PI. false  
 Ms. D  
 In supersession of the earlier order of even No. dated 07/04/2011 on the above mentioned subject the revised order is as follows :

DDG(T) 13/5

The composition of the Working Group on Skill Development & Training will be as follows :

- |  |                        |
|--|------------------------|
| <p>1. Secretary,<br/>                 Ministry of Labour &amp; Employment<br/>                 Shram Shakti Bhawan,<br/>                 New Delhi-110001.</p>                           | <p><b>Chairman</b></p> |
| <p>2. Secretary or Nominee,<br/>                 Deptt. of School Education &amp; Literacy,<br/>                 Shastri Bhawan,<br/>                 New Delhi-110001.</p>              | <p>Member</p>          |
| <p>3. Secretary or Nominee,<br/>                 Deptt. of Women &amp; Child Development,<br/>                 Shastri Bhawan,<br/>                 New Delhi-110001.</p>                | <p>Member</p>          |
| <p>Secretary or Nominee,<br/>                 Deptt. of Rural Development,<br/>                 Ministry of Rural Development,<br/>                 Krishi Bhawan, New Delhi-110001.</p> | <p>Member</p>          |

JDT(CRNB)  
 17/5

Pl. let me know what changes have been made  
 16/5

JDT(B)  
 Recd. on 19/5  
 11-15-11

MM  
 19/5

DDG(T)  
 (DGE&T)  
 No. 1473  
 18/5/11

JDT(CRNB)  
 Dy No - 122  
 Dt - 19/5/11

271  
 23/6/11



5. Secretary(Labour),  
Govt. of Karnataka,  
MS Building,  
Bangalore – 560001.

Member

6. Secretary(Labour),  
Govt. of Maharashtra  
Matralaya,  
Room No. 620-A,  
Mumbai – 400032.

Member

7. Pr. Secretary(Labour),  
Govt. of Gujarat  
5<sup>th</sup> Block, 6<sup>th</sup> Floor,  
Sachivalaya,  
Gandhinagar – 382010.

Member

8. Pr. Secretary(Labour),  
Govt. of Andhra Pradesh,  
L- Block, Floor – 3,  
Room No. 308,  
Secretariat Office,  
Hyderabad – 500022.

Member

9. Secretary(Labour),  
Govt. of Assam,  
Assam Secretariat,  
Dispur – 7810 06.

Member

10. Pr. Secretary (Labour),  
Govt. of Rajasthan,  
Secretariat,  
Jaipur – 302005.

Member

11. Secretary(Labour),  
Govt. of Bihar,  
Vikas Sadan,  
Patna.

Member

		(18) (11)
12.	Prof. S.S. Mantha, Vice Chairman & Chairman (Acting), All India Council for Technical Education, 7 <sup>th</sup> Floor, Chanderlok Building, Janpath, New Delhi-110001.	Member
13.	Chairman or nominee, Medical Council of India Pocket- 14 , Sector - 8, Dwarka Phase -1 New Delhi - 110077	Member
14.	Shri Chandrajeet Banerjee, Director General, Confederation of Indian Industry (CII), The Mantosh Sondhi Centre, 23, Institutional Area, Lodhi Road, New Delhi-110003.	Member
15.	Secretary General, FICCI, Federation House, Tansen Marg, New Delhi-110001.	Member
16.	Mr. Paul Comyn, Sr. Specialist, Vocational Training & Skill Development, Core 4B, 3 <sup>rd</sup> Floor, India Habitat Centre, Lodhi Road, New Delhi-11003.	Member
17.	Dr. V.S. Raju, Former Director of Delhi IIT, House No. 74, Road No. 9, Jublilee Hills, Hyderabad-500 0034	Member
18.	Director, Pandit Sunderlal Sharma Central School of Vocational Education(PSSCIVE), 131, Zone-II, M.P. Nagar, Bhopal-462 011	Member

- (12)
19. Dr Som Mittal, Member  
NASSCOM  
International Youth Centre  
Teen Murti Marg  
Chanakyapuri, New Delhi 110 021
20. Shri M.N. Chaini, Member  
Former President, MEDC.  
Y.B. Chavan Centre,  
Mumbai - 400021.
21. Ms. Uma Ganesan, Member  
6th Floor, Regensis Delta II,  
Gigaspace, Viman Nagar,  
Pune 411014.
22. Shri Sunil Kadam,  
Officer on Special Duty,  
University of Pune,  
9/174, Sahakar Nagar,  
5, Chambur,  
Mumbai – 400 071.
23. Dr. Raghav Narsalay, Member  
India Lead,  
Accenture Institute for High Performance,  
Accenture, 6<sup>th</sup> Floor, DLF Centre,  
Sansad Marg,  
New Delhi-110001.
24. Sh. Dhananjay Datar, Member  
Managing Director,  
Impact Systems Pvt. Ltd.,  
Suvarna D-4, Aniket Society No. 1,  
Bibvewadi Road,  
Pune – 411 037.

2	Shri Dilip Chenoy, MD&CEO, National Skill Development Corporation, D-4, Clarion Collection, (Qutub Hotel), Shaheed Jeet Singh Marg, New Delhi-16.	Member
26.	Shri Manish Sabharwal, CEO, Team Lease 27, 3 <sup>rd</sup> Cross, 18 <sup>th</sup> Main Grape Garden, 6 <sup>th</sup> Block, Koramangla, Bangalore – 560095	Member
27.	Dr. Naresh Trehan Chairman & Managing Director Medanta- The Medicity Sector-38, Gurgaon, Haryana- 122001	Member
28.	Adviser(Health, Nutrition & FW), Planning Commission.	Member
29.	Adviser(Tourism), Planning Commission.	Member
30.	Adviser(VAC), Planning Commission.	Member
31.	Adviser(LEM) or representative, Planning Commission	Member
32.	Joint Secretary & DGE&T, Ministry of Labour & Employment Shram Shakti Bhawan, New Delhi-110001.	Convener



2. The Terms of Reference of the working group will be as under :

- a) To review the present status of Skill Development Programme and outcome of training imparted under different trades and to suggest effective ways and means to facilitate achievement of the target of 500 million persons to be covered under Skill Development Programme by 2022.
- b) To assess the impact of on-going programmes for Skill Development under different streams like Craftsmen & Vocational Training including non-formal training system and skill development efforts in the unorganized sector with regard to their relevance in the context of technological changes taking place in the economy and also in achieving the objectives like productivity and incomes, specially in the unorganized sector of the economy;
- c) To assess the feasibility and potential available for providing vocational skills to all entrants to labour force and the feasibility of attending this target by the end of 12<sup>th</sup> Five Year Plan and to suggest strategy for attending this objective.
- d) To review the growth of vocational training industry outside the domain of public sector since its inception and to suggest necessary framework for Vocational training policy to facilitate its growth.
- e) To identify and assess emerging requirements of training both formal and non-formal and assess the capacity and potential of the existing institutional set up in relation to emerging skill requirements.
- f) To suggest appropriate labour market intelligence system for better matching of demand and supply of marketable skills.
- g) To suggest ways and means for augmenting the role of industry from merely advisory level to that of supplementing inputs for managerial level to further strengthen the industry-institute inter-action in the ITIs.
- h) To examine various aspects relating to autonomy of Institute Management Committees (IMCs) as contrasted with the option(s) like i) Adoption of ITI by industry associations and/or ii) restricting the scope to that of merely technical input rendered by industry associations.

(23)

i) To examine the functioning of existing institutions, at National and State level, such as National State Councils for Vocational Training, Apprenticeship Council, etc.;

j) To examine if there is any need for establishing a National Workers' Technical University and suggest its ideal location.

k) To examine if a National Institute of skill inventory and skill building or any new institute for undertaking continuous 'skill gap surveys as well as for creating and maintaining a dynamic labour market information system be set up. Can any of the existing institutions of the ministry of Labour & Employment like V.V. Giri National Labour Institute be upgraded for this purpose?

l) To suggest appropriate framework for Skill Development of rural youth.

m) To suggest appropriate framework for skill development required for women as a means of women empowerment particularly in the rural areas and also in low income occupations in urban areas.

n) To suggest necessary mechanism for developing a framework of National Qualification Pathway (NQP) to interlink vocational education, vocational training and academic education in order to facilitate inter-stream movement of students and vocational trainings.

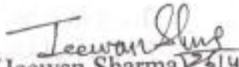
o) Any other issue(s) concerning employment policy and programmes with the consent of the Chairman of the Working Group.

3. The Chairman of the Working Group may co-opt any other person as Member of the Working Group if considered necessary.

4. The Working Group will submit its report by 31<sup>st</sup> July, 2011.

5. The expenditure on TA/DA in connection with the meetings of the Working Group in respect of the official members will be borne by the respective Ministry/Department. **Non-official members of the Working Group will be entitled for TA/DA as admissible to Grade I officers of the Government of India. (Travel entitlement by Air India/Indian Air Lines [Economy class] only.)** This would be met by the Ministry of Labour & Employment.

6. For the purpose of Liaisoning with Planning Commission by the Ministry of Labour & Employment in respect of this working group Shri Munish Kumar, Director (Labour, Employment & Manpower), Room No. 557, Yojana Bhawan, New Delhi, (Tel. 23096506 or 23042592) will be the officer concerned.

  
(Jeewan Sharma) 26/4/11

Deputy Secretary to the Government of India

To

Chairman and all the Members (incl. Convener) of the Working Group.

Copy to :

1. PS to DCH/ MOS(Planning)/ Members/Member-Secretary, Planning Commission.
2. All Principal Advisers/ Sr. Consultants/ Sr. Advisers/Advisers/ HODs in Planning Commission.
3. Prime Minister's Office, South Block, New Delhi.
4. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
5. Information Officer, Planning Commission.
6. Joint Secretary(Administration), M/o Labour & Employment.
7. Director (Finance), Planning Commission.

  
(Jeewan Sharma) 26/4/11

Deputy Secretary to the Government of India

\*\*\*\*\*

## **MINUTES OF THE MEETING OF THE XII PLAN WORKING GROUP ON “SKILL DEVELOPMENT AND TRAINING” HELD ON 18<sup>th</sup> MAY, 2011**

A meeting of the XII<sup>th</sup> Plan Working Group on “Skill Development and Training” was held on 18<sup>th</sup> May, 2011, under the Chairmanship of Secretary (L&E) in Committee Room, ‘C’ Wing, S.S.Bhawan, New Delhi-01.

The list of the participants is annexed (Annex – I)

At the outset, DGE&T and Joint Secretary, MoL&E, Convener of the meeting, welcomed the Chairman, Members of the Working Group and other participants. He mentioned about the mandate of the Working Group as contained in Planning Commission’s OM No: Q-20017/3/2011/LEM/LP dated 07.04.2011.

2. Secretary (MoL&E) and Chairman of the Working Group extended a warm welcome to all the participants and requested the convener to make a short presentation about the current status on various schemes of Skill Development and Training.

3. The convener made a short presentation touching relevant points which included present status of various schemes now in operation under DGE&T, schemes in pipeline, DGE&T’s role in policy formulation, key challenges, the need of improving relevance and the systemic reforms required.

4. Thereafter, the participants were requested by the Chairman to express their views. The views expressed by the participants are as follows:-

### **Prof. S.S MANTHA, CHAIRMAN, AICTE**

- I. Various meetings with industry were carried out recently and the industry leaders felt that the society does not look ITI education at par with under graduation or post graduation education.

- II. There are several skill based modules available which were created by a number of bodies. It is proposed that a vocational framework is created where these different ideas and modules can be joined together.
- III. A draft report has been prepared where the idea is to come up with around 900 - 1000 hour level programs subsequently divided into 9 to 10 modules, in vocational education. Each program is a sector specific competency module. This can be started from 8<sup>th</sup> standard, wherein level of vocational education would be less and formal education would be more. Subsequently the level of vocational education input would increase and formal education input would decrease to the level where both are somewhat same in 12<sup>th</sup> standard. After the 12<sup>th</sup> standard the vocational input would be more than the formal education. This would be of a different level. At the end of these 3 years, the candidate would get bachelors in vocational training or technology diploma. At any level, one can drop out and get a job.

**Shri M.N. CHAINI, CHAIRMAN, MEDC**

- I. With the past experience, it is a known fact that PPP model is successful in the country, however there are certain gaps that need to be looked into. While making the future plan, we need to address the issues that exist in overall skill development for the country like shortage of teachers and principals in addition to the lack of relevant skills among the vocational trainers as they are not able to deliver what they should be delivering.
- II. As the ToR in the PPP model is decided at the Government and not at the institution level which at time is demotivating for the faculty, as well for the whole infrastructure etc. and therefore it is recommended to incorporate the voices of the institutions while deciding the overall contours of the PPP model.
- III. After experience, it is seen that it is not true that the industry has loop holes rather we need to work upon the gap areas.
- IV. One needs to know what skills are being required in the industry. This would help in understanding the core sectors. Accordingly, the focus and budget should be allocated.



**Shri ARBIND MODI, CONSULTANT TOURISM, PLANNING COMMISSION**

- I. Apart from concentrating on the number of training institutes, it is necessary that the geographical spread of training institutes is also given due importance. It should be seen that these institutes are not concentrated on a particular area but are spread in every district.
- II. There should be a proper feedback system also in place regarding the institutes to understand which one is doing better and which one is not. This would help to know where to refocus on efforts.

**Shri MANISH SABHARWAL, CEO, TEAM LEASE**

- I. The main points regarding the issue are Cost, Quality and Scale. The way to go is balancing all these by giving some focus on the overall issues like restructuring as even though the governments have moved on, redundant practices still continue which bog down the whole thing. Whereas the resources should be utilized more efficiently.
- II. To do better, one should get priorities set and focus more on their implementation. These can be in the areas of apprenticeship, employment reform, broader PPP model and national vocational qualification framework.
- III. Apprenticeship should be incentivized to the industry as the penalty clause is not giving the boost to apprenticeship as desired. The communication gap between policy makers and industry should also be reconciled.
- IV. Coming on to the issue of labour management information system, it is necessary to focus on to where the jobs are coming from and that is the employment exchanges. This is where real time information is.
- V. The NVQF also needs to be given attention especially to the coordination between Ministry of HRD and MoL&E. This would result in other ministries falling in line too.
- VI. Lastly, the PPP model is indeed doing well but there is a concern regarding accountability and responsibility as well. People tend to shift both of them which is not the best thing to do. Something should be done regarding this to ensure better implementation.

**Smt. SUPRIYA BANERJI, DIRECTOR GENERAL, CII**

- I. Training of trainers is an important point to be looked at, as the overall outcome depends a lot on this.
- II. A proper brand building exercise should be there for vocational training so as to improve the level of esteem attached in vocational training. This is necessary as it is very low as of now.

**Shri B.P PANT, DIRECTOR, FICCI**

- I. The scale in vocational training is a problem which still needs to be addressed. More stress should be laid on apprenticeship programs as this will truly augment the role of ITIs. The government should also stress on PPP model and that of bringing the industry on board as otherwise there is a lot of pressure on the training institutes and government revenues.
- II. The number of private ITIs is around three times more than the government ITIs. One need to resolve the issue of scale and quality, full attention must also be given to these private ITIs.
- III. The quality of trainers here is abysmally low. With such trainers the pass outs would also be of poor quality. A provision of around three year industry exposure for the trainers should be there in India like Australia where it is five years. This would improve the quality of the trainer and ultimately the quality of the pass outs.
- IV. Moreover, it is proposed every time that more and more ITIs would be opened but the problem is of the number and quality of trainers. Attention should be given to this need.
- V. The quality of the pass outs needs to be measured. But as of now the method is just by the pass out percentage. This should be replaced with a better way i.e., by doing continuous evaluation or any other better way.
- VI. A periodic evaluation should be introduced to measure the performance of both government and private ITIs. This performance should be measured at three points viz. entry, exit and during the tenure of the student in the ITI/ITC. By this way quality as well as employability of the candidates can be safeguarded. This point should go in the 12th five year plan.

**Shri ADITYA PRAKASH, STATISTICAL ADVISOR, MINISTRY OF WOMEN AND CHILD DEVELOPMENT**

- I. Programs like STEP (Support for Training and Employment) have been undertaken to up gradation of skills in women. This is being done through help of voluntary organizations. But there is no guarantee of getting employment or certificate. Moreover to come up with a better and a more formal program, the SABLA program is taking shape with the help of the MoL&E as well. This program would target especially the adolescent girls.
- II. Convergence of the schemes of various ministries is necessary as mostly the ministries are working on the same pattern especially in the area of skill up gradation. This would genuinely help in achieving results in a better way.

**Shri A.J.BANGA, Director, MINISTRY OF RURAL DEVELOPMENT**

- I. Till last year, 148 projects have been sanctioned to cover 11.5 lakh youth by 2013- 2014 and our target is to cover one crore BPL youth in the next ten years.
- II. The main issues which are being faced are quality of trainers, infrastructure etc.
- III. The training should be imparted as per the aspiration and the education level of the candidate. This would enable them to go farther in their life.
- IV. Security issues are also there which need to be addressed when companies under PPP go for training to certain districts.

**Shri VYAS JI, PRINCIPAL SECRETARY DEPARTMENT OF LABOUR RESOURCES, GOVT. OF BIHAR**

- I. If one needs to look at the problem of scale, private ITI's need to be motivated to come up and open their institutes in rural and uncovered areas instead of focusing on particular areas like big cities.
- II. The quality of trainers in the institutes is important. The instructors need to be trained and retrained as part of the policy.
- III. Another point of concern is budget. The problem as per the general belief is not that there are lesser funds but rather that whatever budget is there, even of the state itself, is not spent. This is due to the reason that the absorption level is low.



- IV. There should be an incentive scheme for women for the vocational training. A sum of around Rupees 150/- can be given to each trainee which would help them financially too, apart from getting education.

**Shri SHAILENDRA SHRIMALI, SR. DIRECTOR TECHNICAL EDUCATION DEPARTMENT, GOVT. OF RAJASTHAN**

- I. There is a great dearth of trained instructors. This year Rajasthan is establishing an Advanced Training Institute for Trainers Training. It is necessary that the revamping of syllabus is done. The current ones are old and need to be reviewed & changed as per current prevailing needs. Rajasthan is envisaging opening an ITI/ITC in every block as generally private ITIs do not open in desert, hilly or tribal areas.
- II. Apart from this, strengthening of directorate is also very essential to control things in a better manner.

**Dr. ALKA BHARGAVA, DIRECTOR OF DOSE&L**

- I. We have skill development in three ways: school system (high secondary level), national institution (open school), and for new literate or illiterate through Jan Shiksha Sansthan.
- II. One has to provide training to the teachers & retrain whatever they did earlier so that they can give out their best.
- III. The industry involvement is required to be there right from the identification of courses, providing training to teachers, providing certification, curricular development, and evaluation assessment.
- IV. We are developing the National Vocational Educational Qualification Framework for horizontal/vertical mobility from school stage and higher education and ITI for strengthening the partnership between ITI and school system.

**Shri PAUL COMYN, SR. SPECIALIST, VOCATIONAL TRAINING & SKILL DEVELOPMENT, ILO**

- I. There is need to strong mechanism for co-ordination which should be looked at. Establishing a better resource secretariat to support the work of the

National Skill Development Coordination Board and ramp up the agenda of the Board is very crucial because there are fundamental issues like strategic planning for governmental effort around skill development system and this system should be national system and not multiple systems under various ministries. A national approach is necessary. Coordination in data feeding and interpretation at a central level should be there.

- II. Apprenticeship has to be a part of solution when it comes to increasing capacity. Focus on people with disabilities should also be there; this is a big untapped resource too. Industry involvement in terms of PPP is necessary and should be flexible and bring in all institutions and not just the ITI's. Establishment of sector skills councils is crucial and acceleration of formation of sector skill councils should be given top priority. There should be more incentives in apprenticeship program.
- III. Status of vocational training should be improved by social marketing. This should be given priority also. Apart from teachers and trainers, attention for overall development should be given to people in ministries and departments as well so that functioning from that side is smooth.
- IV. One needs to rethink what educational and technical requirements an instructor needs to have in relation to their level and accordingly necessary changes should be undertaken.

**Dr. SANDHYA CHINTALA, SENIOR DIRECTOR, NASSCOM**

- I. Scaling quality and capacity should be across the pipeline as impact on higher end depends on the inputs and initiatives at the base.
- II. Sector Skill Councils have been identified as game changers. There are multiple providers of skill development like 3<sup>rd</sup> party providers, government agencies, member companies themselves, etc. For the issue of scale, we need to have one standard outcome for different levels of entry. Therefore, if Sector Skill Council wants to operate as a game changer, it is recommended that their standards of outcomes with regard to their skills and competencies that are ascertained by the industry have to be followed by all. This co-ordination is important as there is very little time to get to the scale required for the future.

- III. Technology can be a tool for taking care of shortage of teachers and curricula requirements, etc. But it should be seen and ensured that this technology should be a learning tool. Important weightage should be given to setting up of standards not only in a particular area but throughout the industry.

**Shri DILIP CHENOY {MD & CEO, NSDC}**

- I. We should look at sustainable skill development industry. Institutes that deliver skills should not be subsidized rather well managed which would make them sustainable and efforts should be targeted on the candidates as well.
- II. It is important to make vocational training aspirational. One needs different parameters to make it aspirational and industry can help in this by giving better job profile, etc.
- III. Choice, competition and accountability are necessary to make the model sustainable. State governments can also do something by encouraging and financing the students.
- IV. If the grant models are converted in loan model in institutions, the employability can be ensured.
- V. A thought should be given regarding restructuring of NSDC into a PPP model in the 12th plan.

Secretary (L&E), Chairman of the Working Group summed up with the following concluding remarks:-

(i) In XII Plan, the following aspects must be given close attention:-

- Quantitative issues
- Qualitative issues
- Issues relating to systematic reforms
  - ✓ Re-engineering of NCVT
  - ✓ Establishment of NVQF
- Expanding the outreach to rural India
- Training of Trainers

- Training of Assessors for making the assessment more reliable and acceptable vis-à-vis maintaining the quality and acceptable by industry.
  - Strengthening Research and Development activities to maintain relevance with the dynamic nature of labour market.
  - Intensive international cooperation for adopting international practices as well as promoting mobility of labour forces across boundaries.
- (ii) Joint Secretary DGE&T, Convener of the working group will circulate a discussion paper on Skill Development and Training, which will form the basis for future discussion.
- (iii) The members of the working group will offer their views on the discussion papers for making the discussion more fruitful.

The meeting ended with a vote of thanks to the Chair.

\*\*\*\*\*

*Annexure III (a)*

**SUB-GROUP I ON QUALITY & RELEVANCE**

**Terms of Reference for Working Group**

- To assess the impact of on-going programmes for Skill Development under different streams like Craftsmen & Vocational Training including non – formal training system and skill development efforts in the unorganized sector with regard to their relevance in the context of technological changes taking place in the economy and also in achieving the objectives like productivity and incomes, especially in the unorganized sector of the economy.
- To identify and assess emerging requirements of training, both formal and non-formal, and assess the capacity and potential of the existing institutional set up in relation to emerging skill requirements.
- To suggest ways and means for augmenting the role of industry from merely advisory level to that of supplementing inputs for managerial level to further strengthen the industry-institute interaction in the ITIs.
- To examine various aspects relating to autonomy of Institute Management Committees (IMCs) as contrasted with the option(s) like i) Adoption of ITI by industry associations and/or ii) restricting the scope to that of merely technical input rendered by industry associations.
- Any other relevant issues with the consent of the Chairman of the Working Group

**Additional Agenda**

- To identify areas giving boost to skill development
- To suggest a roadmap for social marketing of Vocational Training

**Members of the Sub Group I on QUALITY & RELEVANCE:**

- O Secretary or nominee, Dept. of School Education & Literacy
- O Secretary (Labour), Govt. of Maharashtra
- O Principal, Secretary (Labour), Govt. of Rajasthan
- O Adviser (Health, Nutrition &FW), Planning Commission
- N Prof. S. S. Mantha, Vice-Chairman & Chairman (Acting)
- N Dr. V.S.Raju, Former Director of Delhi IIT
- N Ms. Uma Ganesan
- N Sh. Dilip Chenoy, MD & CEO, NSDC
- C Representative of Quality Council of India
- C Representative of TTTI Chandigarh
- C Representative of CSTARI
- C Representative of IAMR
- C Representative of State Department of Jharkhand, Kerala, Karnataka & Orissa
- C Representative of NSDC
- C Representative of Employment Directorate of DGE&T
- C Representative of FICCI
- C Representative of CII
- C Representative of NASSCOM
- C Director (MES): Convener (Mr. D. Nijhawan)

O - Official Member

N-Non-official Member

C- Co-opted Member

**SUB-GROUP II ON QUANTITY, EXPANSION OF OUTREACH & EQUITY**

**Terms of Reference for Working Group**

- To review the present status of Skill Development Programme and outcome of training imparted under different trades and to suggest effective ways and means to facilitate achievement of the target of 500 million persons to be covered under Skill Development Programme by year 2022.
- To assess the feasibility and potential available for providing vocational skills to all entrants to labour force and the feasibility of attending this target by the end of 12th Five Year Plan and to suggest strategy for attending this objective.
- To review the growth of vocational training industry outside the domain of public sector since its inception and to suggest necessary framework for vocational training policy to facilitate its growth.
- To suggest appropriate framework for Skill Development required for women as a means of women empowerment particularly in the rural areas and also in low income occupations in urban areas.
- To suggest appropriate framework for Skill Development of rural youth.
- Any other relevant issues with the consent of the Chairman of the Working Group

**Additional Agenda**

- To suggest ways for dealing with shortage of Trainers, Master Trainers & Assessors
- Creation of infrastructural facilities, uniformly throughout the country thereby reducing regional imbalance and augmenting growth in emerging sectors of economy.
- To suggest robust architecture for successful Public Private Partnership.

- To ensure more inclusive growth especially the disadvantaged, people of backward regions and vulnerable groups e.g. Left Wing Extremism, J&K, N-E States etc.



**Members of the SUB-GROUP II ON QUANTITY, EXPANSION OF  
OUTREACH & EQUITY**

- O Secretary or nominee, Deptt. of Women & Child Development
- O Principal, Secretary (Labour), Govt. of Gujarat
- O Secretary General, FICCI
- O Adviser (Tourism), Planning Commission
- N Chairman or nominee, Medical Council of India
- N Director, PSSCIVE
- N Sh. Sunil Kadam, University of Pune
- N Sh. Manish Sabharwal, CEO, Team Lease
- C Representative of NSDC
- C Representative of M/o Rural Development
- C Representative of M/o Social Justice and Empowerment
- C Representative of M/o Tourism
- C Representative of M/o Tribal Affairs
- C Representative of M/o Women & Child Development
- C Representative of M/o Youth Affairs and Sports
- C Representative of M/o HRD
- C Representative of M/o MSME
- C Representative of M/o Textiles
- C Representative of M/o Agriculture
- C Representative of DONER
- C Sh. V. K. Singh, Director: Convener

O - Official Member

N-Non-official Member

C- Co-opted Member

### **SUB-GROUP III ON INSTITUTIONAL MECHANISMS**

#### **Terms of Reference for Working Group**

- To examine the functioning of existing institutions, at National and State level, such a National State Councils for Vocational Training, Apprenticeship Council etc.
- To examine if there is any need for establishing a National Workers' Technical University and suggest its ideal location.
- To examine if a National Institute of skill inventory and skill building or any new institute for undertaking continuous 'Skill Gap Surveys' as well as for creating and maintaining a dynamic Labour Market Information System be set up. Can any of the existing institutions of the Ministry of Labour & Employment like V.V.Giri National Labour Institute be upgraded for this purpose?
- Any other relevant issues with the consent of the Chairman of the Working Group

#### **Members of the Sub Group:**

- O Secretary or nominee, Deptt. of Rural Development
- O Principal, Secretary (Labour), Govt. of Andhra Pradesh
- O Principal, Secretary (Labour), Govt. of Bihar
- O Adviser (VAC), Planning Commission
- N Sh. Chandrajeet Banerjee, Director General, CII
- N Dr. Som Mittal, NASSCOM
- N Dr. Raghav Narsalay, India Lead
- N Dr. Naresh Trehan, Chairman & Managing Director
- C Representative of NSDC
- C Representative of IAMR
- C Representative of NCI
- C Representative of DDG (E)
- C Representative of Netaji Subhash Chandra Institute of Technology (Delhi)
- C DDG (T): Convener (Mr. A.Kesai)

O - Official Member

N-Non-official Member

C- Co-opted Member

## **SUB-GROUP IV ON SYSTEMIC REFORMS**

### **Terms of Reference for Working Group**

- To suggest appropriate Labour Market Intelligence System for better matching of demand and supply of marketable skills.
- To suggest necessary mechanism for developing a framework of National Qualification Pathways (NQP) to interlink vocational education, vocational training and academic education in order to facilitate inter-stream movement of students and vocational trainings.
- Any other relevant issues with the consent of the Chairman of the Working Group

### **Additional Agenda**

- To suggest ways in building a sound tripartite set up which would enable free flow of information leading to more informed and effective decision making
- To decide the extent and outreach of industry participation in PPP model to ensure employability
- To suggest systemic reforms to be undertaken which would make the existing trade testing and certification system faster and more transparent

**Members of the SUB-GROUP IV ON SYSTEMIC REFORMS**

- O Secretary (Labour), Govt. of Karnataka
- O Secretary (Labour), Govt. of Assam
- O Secretary, Ministry of MHUPA
- O Adviser (LEM) or representative, Planning Commission
- N Sh. Paul Comny, Sr. Specialist, Vocational Trg. and Skill Development
- N Sh. M.N.Chaini, Former President, MEDC
- N Sh. Dhananjay Data, MD
- C Representative of NSDC
- C Representative of PSSIVE
- C Representative of HRD
- C Representative of Planning Commission
- C Representative of CII
- C Director (T) - Convener (Mr. R.P Dihngra {representative})
- C Representative ILO (Ms. Boonpala)

O - Official Member

N-Non-official Member

C- Co-opted Member

**The major functions of the NCVT are:**

1. Recognize training institutions run by government or by private agencies for purposes of the grant of National Trade Certificates and lay down conditions for such recognition;
2. Establish and award National Trade Certificates in engineering & non engineering trades and such other trades as may be brought within its scope by the Government of India;
3. Prescribe standards in respect of syllabi, equipment, and scale of accommodation, duration of courses and methods of training;
4. Arrange trade tests in various trade courses and lay down standards of proficiency required for a pass out in the examination leading to the award of National Trade Certificate;
5. Arrange for ad-hoc or periodical inspections of training institutions in the country to ensure that the standards prescribed by the council are being followed;
6. Co-opt, if necessary, any person or persons to advise the council in connection with its work;
7. Prescribe qualification for the technical staff of training institutions;
8. Prescribe the standards and conditions of eligibility for the award of National Trade Certificates;

## Inputs by Sub-Group 1

### Report of the Working Group –I “Quality & Relevance”

#### A. Background

The sub group was formed and met on the 5<sup>th</sup> of August 2011. A subsequent meeting was held on the 23<sup>rd</sup> of August 2011.

As the time was short, it was agreed that the members would forward studies and reports that have been done to form the background for the discussions for the meeting on the 23<sup>rd</sup>.

Based on the notes and additional inputs by members the recommendations are as follows.

The members opined that the scope of the TOR shall be enlarged in order to bring other schemes.

#### B. Terms of Reference

The revised TOR is given below:-

1. To assess the impact of on-going programme for Skills Development under different streams like Craftsmen , Apprenticeship & MES including non-formal training system and skill development efforts in the unorganised sector with regard to their relevance in the context of the technological changes taking place in the economy and also achieving the objectives like productivity and incomes, especially in the unorganized sector of the economy;
2. To identify and assess emerging requirements of training , both formal (ATI, ITI, MES NSDC funded projects, etc) and non-formal ( Ministry of Rural Development and NSDC funded projects, etc.) , and assess the capacity and potential of the existing institutional set up in relation to emerging skills requirement.;
3. To suggest ways and means for augmenting the role of industry from merely advisory level to that of supplementing inputs for managerial level to further strengthen the industry-institute interaction in the ITIs
4. To examine various aspects relating to autonomy of Institute Management Committees (IMCs) as contrasted with the option (s) like i) Adoption of ITI by industry associations and or/ ii) restricting the scope to that of merely technical input rendered by industry associations.
5. Remodelling of Apprenticeship Training in order to bring unorganised sector also.
6. To suggest ways and means for augmenting the role of industry from merely advisory level to that of supplementing inputs for managerial level to further strengthening the industry-institute interaction in other schemes.
7. A) To suggest ways and means of creating, strengthening and galvanizing network of existing Skill Councils and their alliances at national and regional level with wide participation of stakeholders for a) mapping available skills and identification of skill gaps for enhancing productivity, employment and creation of new enterprises at different levels and preparation of plan for delivery of skill training, b) mapping technical and vocational education and skill training facilities at different levels, c) establishing well-structured specific skill training and labour market information system, d) developing national occupational standards (NOS) and qualifications from lowest to highest levels of jobs in the sectors and sub sectors for getting these registered on the national qualification framework, which will be used to establish outcome and objective of skill training programme, curricula, delivery mechanism, assessment, certification and managing performance in sectors (e) developing a robust accreditation mechanism which can test the efficacy of all Vocational Training Providers in carrying out training as per NOS and (f) setting up and implementing suitable and outcome driven assessment and certification systems to measure competencies against defined performance criteria.

- B) To study the need, and scale, and facilitate setting up of industry driven large scale train the trainer's enterprises.
8. To identify areas giving boost to skill development
  9. To suggest road map for social marketing of Vocational Training

A list of members of the Sub Group are at Annexure I

Annexure I: Composition of Sub Group I

### C. Sharing of Experiences

A list of papers shared is in annex II

Annexure II

The following papers were shared:

Mr Nijhawan could you please add a list.  
(do not know if Mr Amalan has sent a paper)

- NSDC would request IAMR to share their findings
- CII would share the results of the study conducted by them.
- Ministry of Rural Development, would share experiences from EGMM, and the Ministry of Rural Development
- QCI would share the findings of the studies done by QCI.
- Ministry of HRD share report on Remodeling of Apprenticeship training to bring unorganised sector .
- The DGET would be requested to share the current proposals for the amendment of the Apprentices Act.
- NSDC would provide a note on SSC's
- The Ministry of Human Resources would also be requested to share the current status of NVEQF.

### D. Recommendations

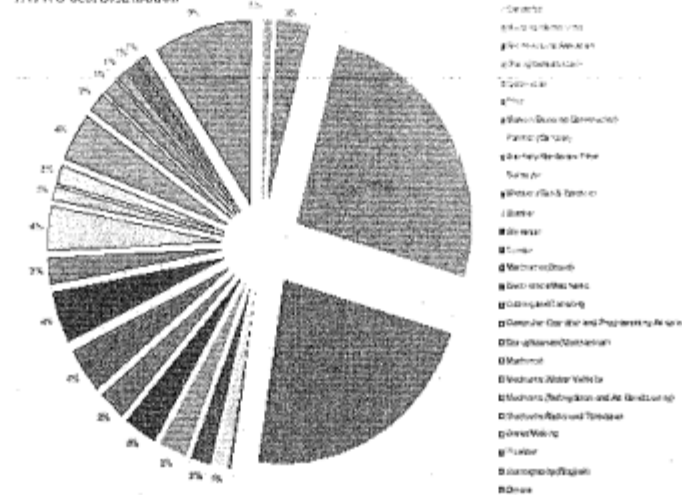
The Sub-group deliberated on the various Terms of Reference:

- 1 To assess the impact of on-going programme for Skills Development under different streams like Craftsmen , Apprenticeship & MES including non-formal training system and skill development efforts in the unorganised sector with regard to their relevance in the context of text of the technological changes taking place in the economy and also achieving the objectives like productivity and incomes, especially in the unorganized sector of the economy;

The findings of the group were as follows:

- A. The on- going programmes such as the Craftsman training, Apprenticeship etc. out of the 128 trades, having a capacity of approximately 1.2 million seats, select trades ( electrician and fitter) accounted for a significant number (48.4%) of seats as given below. 7 trades accounted for 85% of the seats.

ITI/ITC Seat Distribution



- B. The number of seats or facilities did not reflect the demand that there was from industry or to meet the aspirational needs of those who wanted to become entrepreneurs. Even in a sub sector like construction, there seemed to be a mismatch and again select trades accounting for a large percentage of seats.
- C. The capacity utilization varied in various ITI's was on an average 70%.
- D. The training in the unorganised sector was mainly through programmes operated in the PPP mode by various government departments at the centre and state level.
- E. The training in the unorganised sector was normally of short duration programmes.
- F. The successful programmes were those that focused at delivering training for a predetermined job role as well as those that promoted entrepreneurship.
- G. While the MES programme was being delivered by many Vocational Training Providers, there were cases where this scheme was not operated in the manner it was designed for. Corrections have been made in the operation of this scheme but more needs to be done.
- H. There are two types of apprenticeship programmes one under the Ministry of Human Resource Development and the other by the Ministry of Labour. While there are benefits of the current system, a Committee Chaired by Mr Manish Sabharwal had recommended certain changes. This was reviewed by another committee and certain changes had been suggested to the Act. As per information provided to this committee,

**The following amendments are proposed in the Apprentices Act, 1961**

- (i) Implementation of apprenticeship training scheme in those organisations which are operating business/trade in more than four States, will rest with Central Government.
- (ii) Penal provisions, especially those relating to imprisonment may be reviewed appropriately. Employers who are 'proven' willful
- (iii) Change in the definition of "Worker" under the Act.
- (iv) Preference should be given in the employment to those apprentices who have been trained by a particular industry when job opportunities open up in that particular industry or firm.



- I. The various types of programmes could be classified as those that were supply side oriented, i.e. the focus was on enrolling students training them according to the existing programmes and then offering them for placements or leaving it to the trainee to find the job. With no commitment on the need to place a certain percentage of trainees passing out. The others were demand side focused and outcome based as funding was linked to the number placed.
- J. Some of the institutions particularly those under the PPP project (ITI's) and those funded by certain ministries and states conducted limited skill gap surveys around the area where they proposed to set up training centers. This was not done across all training programmes.
- K. In cases where the job post training was not clear, there was a higher dropout rate than in programmes where employability was demonstrated.
- L. Most of the programmes were to train people for entry level jobs. According to the World Bank study only 17% of firms in the manufacturing sector sent working persons for training. There seemed to be very little linkage if any between skill development and improved productivity.
- M. The National occupation standards had been formulated some time ago and had not been revised.
- N. Most trainees were employed at the entry level with the minimum wage being the benchmark, wages also varied across states.
- O. In many cases where the job after training involved migration, the expectation of wages was high. Also the learning was that it was easier for a group to migrate rather than individuals.

Since this has been collected to assess the present situation, no recommendations have been made by the Sub Group at this stage.

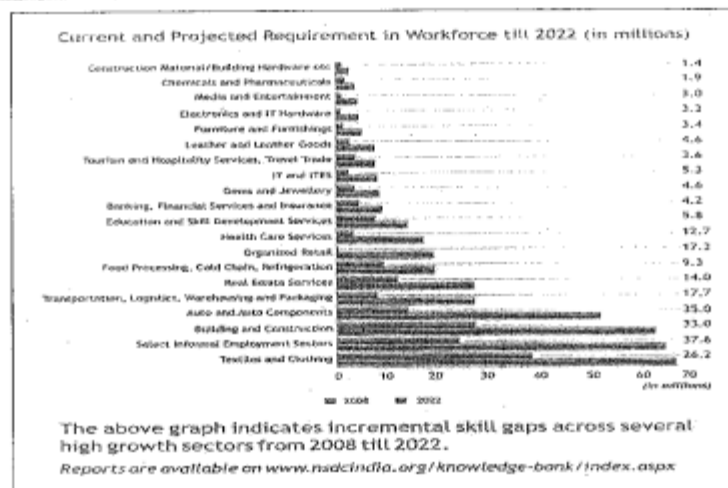
2. To identify and assess emerging requirements of training, both formal (ATI, ITI, MES NSDC funded projects, etc) and non-formal ( Ministry of Rural Development and NSDC funded projects, etc.), and assess the capacity and potential of the existing institutional set up in relation to emerging skills requirement:
  - a. The 11<sup>th</sup> plan had envisaged the setting up of a training capacity of 15 million per year, the current estimates of the training capacity is around 5 million a year.
  - b. The Prime Minister Council had identified the objective of skilling 500 million persons by 2022. This would cover the 12<sup>th</sup> (2012 – 2017 ) and 13<sup>th</sup> Plans ( 2017-2022). Therefore ideally at the end of the 12<sup>th</sup> plan period there should be a training capacity of 40 million.
  - c. Currently while there is data relating to the ITI's and the VTP programmes under the Ministry of Labour as well as some of the PPP projects either state or central, there is no accurate data on the number and type of training providers in the country. There is also no mapping of the location of such centres.
  - d. Given the lack of such data, for the PPP projects that are being sanction or supported it is difficult to determine if sanctioning a project would lead to either duplication of effort or setting up of excess capacity. It is also difficult to determine if there is a saturation of potential trainees or a saturation of skills.
  - e. Many industry Associations such as ASSOCHAM, CII & FICCI as well as sectoral associations such as NASSCOM, SIAM and other have conducted skill gap studies for the sectors. Some of them have conducted skill gap studies for states. NSDC has also commissioned skill gap surveys in the 20 high growth sectors and also the unorganised sector. State skill gap studies are being conducted for the North East, Orissa, Bihar and other states.

- f. The Ministry of Labour has also commissioned a study on the need for trainers. NSDC has also commissioned a study for train the trainer programmes and the need for trainers.
- g. The NSDC study on skill gaps bring out the nature of skill gaps in the 20 high growth sectors. In terms of numbers, ( the NSDC study has numbers for 2012 – 2018 given that the 12<sup>th</sup> plan ends at 2017, an approximation of numbers could be carried out to derive the numbers for the plan period. the following are the skill gaps in the Sectors:

Projected Human Resource Requirement Across Different Sectors between 2008-2022 in millions				
Sectors	2008	2012	2017	2022
Textiles	28.3	34.1	42.5	49.3
Food Processing	4.7	5.72	7.9	9.8
Auto & Auto Components	2.9	4.5	6.1	7.6
Leather & Leather Goods	2.5	3.6	5.3	7.1
Gems & Jewellery	2.2	3.1	4.8	6.1
Cons. Material & Building Hardware	0.7	0.9	1.6	1.6
Electronics & IT Hardware	0.3	0.5	1	1.5
Pharmaceuticals	0.4	0.6	0.9	1.2
Furniture	0.3	0.5	0.8	1.1
Chemicals & Petrochemicals	0.6	0.6	0.7	0.8
Banking and Financial Services	4.5			9.0
Real Estate	10.7	14.5	20.6	24.9
Infrastructure	25.1	33.8	48.2	58.2
IT & ITES	2.2			7.5
Media & Entertainment	1.04	1.4	2.6	4.04
Organized Retail	2.8	13.3	75.7	176.2
Unorganized Sector	97.04			267.5
Healthcare	3.03	4.5	8.45	15.15
Travel & Tourism	3.5	4.5	5.7	7.1
Transportation & Logistics	7.3			25.1
Education & Skill Development				5.8

Source: NSDC IMaCS Study

### Incremental Skill Gap Across 21 Sectors from 2008 till 2022



Proprietary and confidential. This information does not represent and should not be used as, legal or professional advice. © 2011 NSDC. All Rights Reserved.



- h. A comparison of the current ITI capacity and the types of programmes supported by the various Ministries and States, there are evident gaps in the capacity and range available and that which is required.
- i. A study had been carried out by CII by way of physical verification of 130 ITIs/ ITCs and 30 employers (stakeholders). The survey has indicated that there is a deficit of the vocationally trained manpower in number of important areas like services, IT and various emerging sectors
- j. Many stakeholders suggested that there is strong need to focus on topics like - Use of CAD/ CAM Software, Computer Aided Jewellery Design, Measurement System Analysis – Digital & Analogue Measurement Techniques, Statistics, Analysis of Data, English Speaking Course, Metal Finishing, Conductor for Buses, Community outreach courses such as Sanitation & Hygiene.
- k. Stakeholders felt that there should be more industry interactions for the course design and various new training technologies should be used for delivery of the courses such as - Industry Representative's lectures on various topics like TPM, 5S, Safety, Work Ethics, Basic Principles of Productivity etc., On Job Training on latest Tools, techniques, sandwich courses with practical training in industry, use of Audio – Visual Aids, visit to Industries, Group Discussion, Presentation, Workshops, Quiz etc.
- l. Survey from Employers has indicated that Industry is expecting skill traits such as Good Communication Skill, Leadership Qualities and Team Working, Equipment Handling and

Maintenance, Problem Solving Approach. Many stakeholders have expressed the need to inculcate values, ethics and discipline in ITI graduates.

- m. Many stakeholders complain about the low stamina and endurance in the graduates. These companies have included stamina and Endurance test in their placement system. To develop stamina and Endurance amongst the graduates sports and games at Institutes need strong emphasis.
- n. To enhance knowledge and skill levels, commensurate with emerging technologies, there is a strong need to have regular access to modern center of design, technology & manufacturing.
- o. The stakeholders (CEO, Line managers, Graduates from ITIs/ITCS and unions) perceive that ITI graduate's knowledge and training is adequate in areas like Elementary Trade skills, Safer Working Practices, Quality in Working, Team Work practices (Small Group Practices), Knowledge of latest Technology and the Use of written instructions
- p. There is need to increase interface between ITI and Industry.

As per the skill gap reports illustrated above, emphasis must be laid on skill development in various sub sectors within all the 21 priority sectors. To take a few examples, the Leather Goods industry has five main segments- Finished Leather, Footware & Footware Components, Leather Garments, Leather Goods (bags, belts and other accessories) and Saddlery and Harness Articles. The Textiles Industry has three main sub-segments- Yarn, Fobre/Filaments and Fabrics. Therefore, it is essential that skill development is fostered with in all the sub sectors with in the 21 priority sectors for inclusive growth.

2. To suggest ways and means for augmenting the role of industry from merely advisory level to that of supplementing inputs for managerial level to further strengthen the industry-institute interaction in the ITI's

- a. The corner stone of the PPP Scheme launched by the Government of India to upgrade ITIs is the Institutional Management Committee (IMC) with significant representation of industries/private sector. The IMCs under the PPP Scheme are required to be registered as "Society" under the Society Registration Act 1860 and the relevant State Society Registration Act. Each IMC, as observed in Maharashtra has a total of 12 members of which six are from private sector industries and the rest are from the state government. The IMC is chaired by an industry representative and the principal of the ITI functions as the Secretary. Under the PPP scheme, the IMC has opened a separate Bank account to which the Government of India funds under the PPP Scheme are directly transferred. The power to use these funds is vested with the IMC. The relevant guidelines (Blue Book) include salient features of the PPP Scheme, Memorandum of Understanding (MoU) formats, Rules of the Society, FAQs, etc. A sum of Rs. 2.5 crores is provided as one-time loan to each IMC to implement the Institutional Develop Proposal.

The Society model of IMC/ITI has both strengths and weaknesses. The strengths are:

- The model places industry as the chair of the IMC in the driver's seat.
- The funds are transferred from the GOI directly to the institutions considerably reducing the time lag.
- The power of funds utilization in accordance with the PPP guidelines lies with the IMC. The IMCs in both the ITIs have started new trade units and out of the total in-take of these new units, 20% seats are offered on full fee paying basis. Out of the full fee programs, both the ITIs are generating internal revenue, which is retained by the institutions and can be spent by the IMC.

- The IMCs enjoy the power to recruit contract teachers for the newly opened trade units and their salaries of these contract teachers are paid by the IMC out of the PPP Scheme funds.
- Overall, the involvement of IMC in running the newly opened trade units, organizing industry exposure for the students and teachers, and arranging some additional training such as soft skills training appears to be reasonably good.

The weaknesses of the model are:

- Introduction of IMC as a Society has created two parallel systems within the same institution. One is the regular government administration and the other is "autonomous" Society. While large amount of funds, particularly the annual plan and non-plan budget is channeled through the government treasury system, the GOI funds are sent to the IMC Bank Account. The IMC seemed to have either no or little information about the annual funds provided by the state government to the ITI. There seemed to be a potential tension between these two parallel systems working simultaneously and there is limited coordination among them, which is likely to lead to problems of sustainability in the future.
- The area of IMC's operation within the institution seems to be limited to the use of GOI funds and the new trade units that the IMC has started under the scheme. This is resulting in limited ownership by the IMC of the institution. It appears that the IMCs are constrained to plan and take necessary actions for overall improvement of the institution and quality of training.
- Although the principals in both the institutions are found to be cooperating with IMCs, their cooperation seemed to be confined to the new trade units that have started with the GOI funds under the PPP Scheme.
- Overall, IMCs have no say either in curricula, curricula transaction and training of instructors, particularly training of regular instructors.
- As IMC does not have any administrative power, it does not have any control over instructors and therefore does not have any means to make them accountable to performance.
- The state governments in most states don't own the "Society" as it is. As a result there is discord between IMC and the concerned state government department.
- While in the PPP Scheme, the industries are expected to adopt the ITI through the IMC as "Society", the private sector/industry representatives do not seem to be well aware about their role, power and functions. In this scenario, the potential of harnessing the benefits of forming IMC as a Society under the leadership of industry becomes low.
- There is no capacity building exercise for IMCs offered either from national or state levels.

The CII survey have indicated areas to be addressed by various stakeholders in terms of policies and improving the conditions / working of ITIs/ ITCs. Broadly these are:

- a. Efforts of Ministry of Labour and Employment to create benchmarks through Centers of Excellence and Upgraded Institutes have paid dividends. These centers have performed well in most of the parameters of the study.
- b. The Institutes operating in rural areas are performing below the overall performance of all surveyed ITIs/ITCs .
- c. Only 20% of teachers / instructors are CITS trained. This area needs further focus to meet the current as well as expected demand of instructors required.
- d. Opportunities for growth of instructors are limited. The salary structure and knowledge growth facilities need to be aligned with the market.
- e. Organizational Governance is below the accepted level. Government support mechanism to promote and continually improve Organization Governance in ITIs/ITCs is very much required. Government financial support could be linked with the performance of the institutes thereby ensuring that there are enough incentives for the staff of the institutes to excel.
- f. Educational and Support processes are below the required level of rating except few exceptions



- g. Institutes to be encouraged to develop systems and institutionalize improvements as a part of system. Institutes may be encouraged to take 'Accreditation' from International/National recognized bodies such as QCI as good governance and improvement are integral part of Accreditation by QCI.
- h. Analysis has indicated that there is a strong need of monitoring of parameters such as Employment, Financial Performance, and Governance & Improvement on regular basis.
- i. DGE&T and RDATs are required to be strengthened its process of monitoring in the areas of Employment, Capacity Utilization, Governance and Improvement etc. This may require formulation of new policies and framework of vocational training in the country.
- j. To enhance employability of ITI Graduate, there is a strong need of placement with dedicated placement officer at each ITI/ ITC.
- k. It is evident that student pass ratio is around 70% .It is required to take special efforts such as extra-classes/coaching for weak students for increasing the student pass ratio. **The drop out ratio (Ratio of Students admitted to Appeared in the exam) is around 20% which seems to be quite significant as it results in serious loss of capacity.**

#### l. Challenges in implementing the Upgradation

In CII's close interactions with the ITIs and IMCs, some common concerns surfaced which have direct and indirect bearing on the progress of the upgradation. Most of these are systemic issues.

#### Faculty

- 1) Inadequately trained faculty
- 2) Inadequate faculty –
  - Sanctioned number of posts are insufficient
  - Not all posts are filled. Vacancies exist especially in the remote areas
  - Remuneration concerns for both permanent and temporary faculty. (e.g. salaries are unattractive so, good trainers cannot be hired. In addition, salaries are not made in time)
  - It is difficult to get faculty to teach in remote areas.

#### Training

- 1) Poor quality of training is a result of the above and ill equipped / maintained workshops. There are no funds allocated for the periodic maintenance of the existing equipment and machines. The Rs. 2.5 crores can be used only for procurement, not for maintenance.
- 2) Sector-area relevance is missing. Trades offered were not always aligned to trades that offer employment opportunities in the geographical area.
- 3) Students don't receive On the Job Training (OJT) and are not oriented to industry practices. OJTs are not structured.
- 4) Introduction of new courses take about 6 months for approvals / affiliation. There are no proper guidelines for introducing new courses other than those mentioned in NCVT list. If the required equipment/infrastructure is not in place then, the approval doesn't come through. It's a catch 22 situation.
- 5) IMCs state that the machinery / tools available in the ITIs are not up to industry standards. List of equipment and vendors approved by Government is different from what is recommended by the IMCs. This is often the cause for disputes. There is requirement of appropriately equipped (equipment meeting industry standards) and more workshops.
- 6) ITI principals complain of affordability of courses with communities from low socio-economic background. But, we are not in agreement, because there are several schemes available to address concerns of such communities who cannot afford the course or commute to the ITI.

#### Infrastructure

- 1) Most ITIs are operating from rented premises. Some are waiting for further processing of their requests for a permanent setup. This is taking time. Till this does not come through, all development plans are on hold.
- 2) ITIs face problems with PWD on issues related to construction of their buildings, especially problem of taking possession of building from PWD. Similarly, power supply is a concern for smooth running of most courses.

m. Upgradation of ITIs

The upgradation of the ITIs should be undertaken through a PPP model with greater involvement of the private sector. We propose a three way approach to address the above problems confronted by the ITIs to improve the quality of students graduating from these institutions and making them employment ready for the manufacturing industry.

- 1) **Clustering ITIs and Private Sector Involvement:** It is proposed that large projects can be given out to private sector involving large clusters of ITIs which will have a training capacity in total of at least 100,000. This will allow private sector to leverage the scale benefit which is critical in vocational education for sustainability. For existing ITIs that are under PPP projects clustering should also be encouraged. Industry associations could play a lead role.
- 2) **Monitoring & Evaluation:** For those ITIs that do not have any PPP, the Department of Industrial Training should directly or through a monitoring agency oversee the performance of the ITIs and conduct regular visits to monitor the progress and performance of students. Bio metric attendance system should be implemented for the staff and instructors. This could be done later by the Sector Skill Councils. For those ITIs under PPP, greater autonomy should also be given to the IMCs for the day to day running of the ITIs and the maintenance of funds. The role of Government should only be enabling and supportive. Placement linked model (with 75% employability criteria) should be institutionalised to make the output more oriented towards industry.
- 3) **Faculty & Staff:** Each ITI should have for example two retired army officers or persons with similar competencies, working full time in supervisory roles. All faculties should be interviewed and appointed by the industry. Finally the faculty should be made directly accountable for the performance of students and action should be taken in case of poor performance by students. A monthly incentive system should be instituted for students and staff for top performance.
- 4) **Curriculum & Content:** The Curriculum and course content should be based on the ability to deliver the competencies identified by the Sector Skill Council so that to make the course content more specific to the needs of the industry and to give the students the necessary skills for employment. These should include, for the development of the student's communication skills and confidence, emphasis on public speaking and English skills during the course. The certification for the courses should be done through the industry led Sector Skill Councils.

**IMC and ITI Management & Systemic issues**

- 1) Frequent transfers of principals are a concern. Principals requested that transfers should not be made for at least 3 years to ensure continuity.
- 2) Need to ensure periodic interaction between the IMC and the ITI through regular meetings
- 3) IMCs who have ITIs in remote areas report problems of accessibility for industry and students.
- 4) Principals, in charge of additional ITIs have problems managing them.
- 5) IMC should play a catalyst's role and liaison with other industries in the area to increase scope of OJT and placement of students.
- 6) As per MoA guidelines by DGE&T, maximum 50% of the loan amount can be reserved as seed money. Most ITIs are using this clause to park money in the fixed deposits.
  - a. ..
  - b. ..
  - c. ...
3. Remodeling of Apprenticeship Training in order to bring unorganised sector also.

- a. While amendments have been suggested to the Apprenticeship Act, the Sub Group recommended that a new scheme for in company training should be formulated in the 12<sup>th</sup> plan. This model provides for in company practical training (much like summer interns) and also for theory classes to be held outside of the company.
  - b. **A new model for in company training:** Firms should be allowed to take on trainees as part of their support to the skill development programme. These trainees could be either those who are undergoing a skill development programme in an ITI or an NSDC funded skill development organisation or any other PPP model. These trainees shall be on training for a maximum of six months at any given time and shall not do more than two six month terms as part of any one training programme. These trainees shall not be covered under the apprenticeship act, and not be deemed to workmen. These trainees could be paid a stipend by the industry and could even be allowed to work on production lines. Guidelines could be laid down for each sector, by the Sector Skill Council, determining the time period for such trainees, so that the cost of training could be recovered through the differential in the stipend and normal wage rates. Industry would need to undertake and guarantee that this provision would not be misused. All such trainees should be encouraged to have a Aadhaar number. The Apprentice Act needs to be modified or clarifications issued that such trainees would not be qualified as workers and firms need not take approvals under the apprenticeship act. There should be no restrictions on trades or courses that can use this format. Not only would this lead to an increase in trainees but also result in developing low cost training models by leveraging existing infrastructure. There would no additional cost to Government for such programmes.
  - c. As demonstrated by the IIA Lucknow this has the potential to be undertaken also by the SME Sector. Almost 87% of the MSME units in the country are unregistered which makes it extremely difficult to map the employment of people in the sector and determine skill shortages. A national scheme should be rolled out to enable the registration of all MSME units in the country to allow the implementation of more effective strategies and to reach out to individual units in the sector more efficiently to address their specific requirements.
  - d. The spare capacities of the facilities available in professional institutions such as the ITIs, Polytechnics and Government Engineering Colleges should be utilized to cater to the training needs including for the MSME Sector. It is a well established fact that the facilities in these institutions remain idle for 70% of the time. The Model followed by Himachal Pradesh in enabling the utilization of the ITIs by training organisations could be followed as a model across the country. Also local Associations in partnership with the industry and training organisations should set up district level skill coordination committees that would act as a bridge between the training organisations and employability opportunities.
4. **To suggest ways and means for augmenting the role of industry from merely advisory level to that of supplementing inputs for managerial level to further strengthen the industry-institute interaction in other schemes.**
- a. The sub group was of the view that there were multiple demands from industry to support skill development plans of different Ministries, States and other stake holders. Also multiple forums for industry institute interaction were being formed.
  - b. In the area of skill development, and in line with the National Skill policy that identifies ten key areas of industry leadership, it may be possible to develop a framework to support skill development efforts.
  - c. Other than the functions that are carried out by Sector Skill Councils, a key facilitation could be to set up local district level skill coordination groups comprising of different stakeholders, industry, training organisations, Panchayat representatives, NGO's, local government officials, etc. This group would function as both assisting in identifying persons who could be skilled and also helping identifying jobs and entrepreneurial opportunities. Local groups such as the NYKS youth groups could be co-opted for assisting this effort. Most Government programme provide funds for



enrollment and also hand holding during placement so there may not be the need for large funds. For 6000 blocks about 50 crores could suffice. This could be coordinated by a PPP body like the NSDC.

5. A) To suggest ways and means of creating, strengthening and galvanizing network of existing Skill Councils and their alliances at national and regional level with wide participation of stakeholders for a) mapping available skills and identification of skill gaps for enhancing productivity, employment and creation of new enterprises at different levels and preparation of plan for delivery of skill training, b) mapping technical and vocational education and skill training facilities at different levels, c) establishing well-structured specific skill training and labour market information system, d) developing national occupational standards (NOS) and qualifications from lowest to highest levels of jobs in the sectors and sub sectors for getting these registered on the national qualification framework, which will be used to establish outcome and objective of skill training programme, curricula, delivery mechanism, assessment, certification and managing performance in sectors (e) developing a robust accreditation mechanism which can test the efficacy of all Vocational Training Providers in carrying out training as per NOS and (f) setting up and implementing suitable and outcome driven assessment and certification systems to measure competencies against defined performance criteria.

B) To study the need, and scale, and facilitate setting up of industry driven large scale train the trainer's enterprises.

**A. Role of Industry- Formation of Sector Skills Councils**

As defined in the National Skills Policy, the Sector Skills Councils will play do the following to meet the above objectives:

- Setting up LMIS to assist planning and delivery of training
- Identification of skill development needs and preparing a catalogue of skill types
- Develop a sector skill development plan and maintain skill inventory
- Developing skill competency standards and qualifications
- Standardisation of affiliation and accreditation process
- Participation in affiliation, accreditation, standardisation
- Plan and execute training of trainers
- Promotion of academies of excellence

*Exhibit-2: The Role of Sector Skills Councils*

Conducting Research	Delivery Mechanism	Quality Assurance
1. Create skill database	1. Develop & update existing course modules	1. Streamline certification Framework
2. Develop sector specific competency standards	2. Train trainers in Industry & Institutes	2. Certification tests for employees
3. Act as Career Guidance Centre for Industry	3. Train existing employees	3. Certification test for trainers at Institute
4. Benchmark international standards	4. Deliver skill specific modules, Trainer modules & e learning modules.	4. Accreditation of sector specific and related courses
5. Productivity analysis of human resources	5. Develop training delivery Mechanisms.	
6. Identifying 'technology' to be taken up for teaching		

The NSDC is funding the formation of Sector Skill Councils. However, NSDC is required to play the role of facilitation and funding. After formation the sector skills councils should be run as independent organisations.

These Councils have to be industry/employer led. Industry organisations should form Councils in the leading areas of the agriculture, manufacturing and service sectors. As per the recommendations in the report of the Prime Minister's Council on Trade and Industry these have to be independent of the NSDC and the Ministry of Labour and Employment as well as other Ministries. However, the specific Sectoral Ministries like Heavy Industry, Chemicals, Textiles, Food Processing, Agriculture, Tourism, Ministry of Home affairs, Department of Industrial Policy and Promotion etc should actively support the formation of such independent SSC's. Ideally the Ministry of Human Resource Development, the Ministry of Labour and other stake holders should promote an independent Education and Training SSC.

To allow for the mobility of persons from the vocational stream and the education stream, there needs to be a interlinking between the two streams. Further a person should know what the possible career opportunities in the chosen field are. A National Vocational Educational Qualification Framework should be created with the active involvement of the Ministry of Labour and Employment, the Ministry of Human Resource Development, NSDC, the skill councils and other stake holders. For each level in the framework, the skill part should be certified by the Sector Skill Council and the educational part by the relevant Board. There would be cases that are pure educational and pure vocational, these would be certified by the Board and the respective SSC accordingly. The initial funding by NSDC to the SSC's should cover the cost of doing this work which includes creation of National Occupation Standards, assessment and certification models. For specific pilots additional funds could be given by the respective state or Ministry. In the event that current legislation does not explicitly permit this, necessary enabling legislation should be brought forward.

An alliance of Sector Skill Councils should be created to address cross cutting issues and also provide for a forum for redressal of grievances.

Quality Council of India could work with the SSC's to address issues relating to quality guidelines and assessors.

Budgetary Implications: It is estimated that the cost of setting up a Sector Skill Council is ~INR 5Cr for a period of 5 years, 25 SSCs are proposed to be created over the time horizon which will lead to a total budgetary implication of ~INR 525 Cr over the plan period.

6. B) To study the need, and scale, and facilitate setting up of industry driven large scale train the trainer's enterprises.
  - a. "Train the trainers" is a critical component to ensure quality skilling of the workforce. It is the responsibility of the sector skill councils to ensure that adequate train the trainer facilities is available. (Note: An independent study on the training requirements for the sector is being conducted and will be made available.)
  - b. The SSC should be encouraged to develop progression paths for trainers and as a prerequisite for continuing to remain a trainer and also for progressing from one level to another it should be recommended that every trainer undergoes a periodic refresher course.
  - c. The SSC should develop a model to create a database of potential trainers, while people from factories typically retire at attaining the age of 58; trainers retirement age could go up to 60 or 65 in some cases.
7. To identify areas giving boost to skill development
  - a. The sub Committee recommended that there is a need to create an eco system that supports skill development.
  - b. The first was to enable a vocational loan product. To facilitate the access to funds an unsecured loan scheme should be created for those who aspire to undertake skill development. A pilot scheme has been launched with the Central Bank of India and NSDC. This should be extended to all banks. A First loss default guarantee fund needs to be created to give an assurance to the

Banks. Rather than subsidize interest, the money should be used to fund the first loss. This fund should be separate from the educational loan product and should be administered separately. If required NSDC could be the nodal organisation for this. Some of the Committee members have advocated a 2% cess on wages like in Brazil and other countries to offset this cost. A note is enclosed as Annexure III.

An initial corpus of Rs 500 Cr could be set aside for this.

- c. An online portal needs to be developed. This should link trainers, trainees, job seekers, job providers, training establishments etc. A portal was developed by CII and that was handed over to NSDC. This portal could form the basis for online collaboration between all stakeholders.

This could be funded out of NSDC existing budget. A page for every Ministry and State could be created.

8. **Creating a National Data base and an Inventory of VTPs:** The 11<sup>th</sup> Five Year Plan notes that a very small preparation of the total work force (2% according to the 11<sup>th</sup> Plan Document) has any formal training in India. At the same time there is no clear database about the number of formal or informational vocational training providers in the country. The number of recognized and registered VTPs has been growing in the country, for which numbers are available. However, we also know the number of unrecognized and unregistered VTPs has also been growing, and by definition, there is no authentic information available anywhere in regard to these VTPs.

While articulating the demand for skills might be the function of an LMIS the problem will still remain as to how that demand is going to be met. As we noted earlier, the number of VTPs is growing quantitatively, but there is no inventory of skill providers in the country. Such an inventory will have to be created very early during the 12<sup>th</sup> Five Year Plan, a policy decision in this regard will need to be taken about how the VTPs will be accounted for. NSDC could be the coordinating organisation for this. While the bid document, the process and time line would be coordinated by NSDC existing organisations could bid for carrying out this work on a periodic basis. Going forward synergy needs to be developed with the various surveys such as NSS and the Census.

Budgetary Implications : This census study and updation expected to cost around INR 100 Cr

9. To suggest road map for social marketing of Vocational Training

10. The unorganised sector employs 93% of India's total manufacturing workforce, but is confronted by a serious shortage in trained manpower. A major reason for the same is that a lot of qualified people do not see the MSME as an attractive career option.

A multi-pronged strategy needs to be put into place to enable this. Otherwise there is a clear danger that the skill development centers would not be able to attract candidates to fill the class room.

One of the root causes is that the current nature of employment or the wage for employment is not attractive to persons to undergo a skill development programme and take up a job. Industry Associations and groups would need to address this issue going forward. The attempt should be to organize the unorganised and ensuring that all workers get a fair remuneration and social benefits.

The Second factor relates to industry employing untrained persons. Unless industry and employers agree to take trained persons, the effort to skill persons would be a non starter. The SSC's being the representative bodies of the employers should develop a consensus and work towards implementation of such guidelines.

Third like is being done for school education, there is a need for a national campaign to encourage people to enroll for skill development programmes and to encourage entrepreneurship in the sector. This has to be an integrated approach to promote. An all India campaign should be undertaken on newspapers and through a website to promote the vast opportunities in industry particularly in the MSME and also the

unorganised sector in India. Various government schemes to promote the sector should also be highlighted and propagated through this campaign. The campaign should also aim to reach out to schools, colleges, universities and vocational training institutions in the length and breadth of the country. A Committee headed by the Advisor to the Prime Minister on Skills, the Chairman of NSDC, and other experts could monitor and implement this programme. An approach to the campaign has been developed and details could be provided.

While the overall campaign would be developed, the campaign would be designed in a manner that individual stakeholders could use elements of the campaign to promote schemes and departmental programmes.

While the document circulated at the working group meeting had a provision for a specific amount, the sub group submits that a national plan may be more effective.

The estimates are enclosed Rs 249 crores

The subgroup observed that the time for the preparation of the report could have been more. The Sub Group observed that the time has come for a new approach to skill development and this called for many new initiatives and approaches. The task was doable, cooperation; collaboration and execution was the key. The Chairman thanked the members for their cooperation and support. The sub group recorded their appreciation to the Convener Mr Nijhawan and his team for their support and work.

11. ..

Annexure III

**The International Experience with National Training Funds: Lessons for India**

National training funds are an increasingly common vehicle for financing training. They are a central instrument for financing training in many countries worldwide. TFs provide an institutional framework for collecting and allocating funding to training providers.

Three main types of training funds can be differentiated by purpose as given in table 1

**Table 1. A Typology of Training Funds**

Type	Main Purpose	Financing Sources
Pre-employment Training Fund	Finance the expansion and delivery of initial training before employment	Payroll levy- revenue generating
Enterprise Training Fund	Provide incentives to increase in-service training of workers within enterprises	Payroll levy- incentive schemes
Equity Training Fund	Increase opportunities for skills acquisition by disadvantaged groups not covered by enterprise schemes	Public subsidy, levy or donors

Source: Johansen 2009

**Characteristics of Training Funds**

Training funds originated with earmarked training levies – developed in several Latin American countries in the 1940s and 1950s. A protected depository was developed for the proceeds of the levy, which accounts for the growth of special training funds. Early training funds (e.g. Brazil) tended to be single



purpose – aimed at financing pre-employment training. Others focused on expanding the volume of in-service training within enterprises. A number of countries have resorted to imposing payroll taxes on enterprises, which have become a significant source of financing for skills training, both in specialized training institutions and in enterprises (Middleton, Ziderman and Adams, 1993). Levies can provide a steady and protected source of funding for training, particularly in the context of unstable public budgets. (Johanson, 2009)

In some parts of the world payroll training levies are the principal sources of financing for training funds and has been there in their system for many years for egs Brazil for last 50 years. A protected depository was developed for the proceeds of the levy, which accounts for the growth of special training funds. Most of these schemes are found in Latin America and Africa, and also very popular in Europe. Further these schemes are not just restricted to large population base countries but also to smaller populations as well.

There are two major types of payroll taxes for financing training. In general a mix of both is implemented developing countries. The major type payroll taxes are: Revenue-Raising Schemes and Levy-Disbursement Schemes.

In the usual (revenue generating) scheme, firms are taxed to generate revenues to finance training provided by the public sector. In the alternative (levy-grant or levy-rebate scheme), in-plant training provision is encouraged by providing firms with training incentives.

- 1) **Revenue-Raising Schemes**- provides a wide range of pre-employment and in-service training courses such as in Brazil and Morocco. The emphasis is on public sector training provision rather than encouragement of firms to undertake training. The coverage of this levy also varies, both in terms of sectors and firm size. In many countries, this levy is restricted to the industrial sector of the economy, reflecting the limitations of the programs offered by public training establishments, but it may also cover the commercial sector and in some cases may be all-encompassing (Dougherty and Tan, 1991; Gasskov, 1994).
- 2) **Under the Levy-Disbursement Schemes.** The payroll tax is linked to a disbursement scheme, with firms receiving grants in proportion to the level of training that their employees undergo. The advantage of this scheme is that the payroll tax proceeds are used to encourage firms to either set up programs of in-service training or upgrade skills of their workers by purchasing training for them at a recognized training center, and then qualifying for a rebate of upto a specified percent of the tax paid.<sup>3</sup> Interventions where the tax is linked to a disbursement scheme takes various forms involving payroll tax exemption, levy-grants or training cost reimbursements.

This system is further categorized as

- a. **Payroll tax exemption:** firms can reduce or eliminate their levy obligations by the amount of training they provide or purchase.
- b. **Training cost reimbursement:** firms are paid grants based on the cost incurred for certain designated forms of training.
- c. **Levy-grant schemes:** grants are paid to firms conditional on criteria met once a systematic training approach is adopted. Levy-grant schemes encourage firms to act systematically in relation to their training programs.

Considering trends in India, it is noticed that funding is largely focused on publicly provided training and therefore little attention is paid to financing by other means to provide better quality training (World Bank, 2007).

The current scenario of countries which have implemented training levies is listed as below (Johansen, 2009), in Table 2.

**Table 2. Approximate Distribution of Training Levies by Region and Type**

Region	Countries with Training Levies	Revenue-Raising Levies	Enterprise-Incentive Levies			Not Available
			Cost- Available Reimbursement	Levy-Grant	Levy Exemption	
Central, Latin America and Caribbean	17	16	-	-	1	4
Sub-Saharan Africa	17	6	2	9	6	-
Europe	14	2	1	9	2	2
Middle East and North Africa	7	2			4	1
Asia & Pacific	7	1	2	4	2	-
Total	62	27	5	22	15	7

Note: Column 1 refers to countries. Columns 2-6 refer to the specific types of schemes. Several funds include more than one type of scheme.

Source: Johansen 2009

However success of such a system is based on wide economic base in the formal sector and reasonable administrative capacity.

Table 3 summarizes the advantages and disadvantages of levy systems.

Table 3. Advantages and Limitations of Levy Systems

Advantages	Limitations
Earmarked payroll levies can be viewed as "benefit taxation," i.e. those that benefit (employers and workers) pay for the training.	Earmarked taxation does not conform well with the principles of sound public finance and weaken attempts to unify the national tax system.
Levy systems can augment substantially the resource base for training.	Payroll levies raise the cost of labor to the employer, possibly discouraging employment.
Increased training resources, in turn, can substantially increase the incidence of training.	Employers may shift the incidence of the levy on to workers in the form of lowered wages; in this case, workers and not the employers bear the burden of the tax.
Levies can provide a steady and protected source of funding for training, particularly in the context of unstable public budgets.	Insecurity of income: Under fiscal pressure, government may divert levy proceeds into general public tax revenues for non-training uses.
Levy-grant systems can encourage firms to intensify their training efforts, increase training capacity and raise training quality.	Unequal access: many firms, particularly small ones, do not benefit from the scheme; this breeds resentment, opposition and compromises the status of training levies as "benefit taxation"
Training levies collected from formal sector employers can serve as a vehicle for cross subsidization, e.g. for smaller employers and especially for firms in the informal sector.	Inefficiency: Payroll levies may constitute an over-sheltered source of funding, leading to unspent surpluses, inefficiencies and top-heavy bureaucracies.

Funds with tri-partite management can forge cooperation among the social partners and facilitate formulation of appropriate training policies.	Red tape may erect high barriers for firms to access funds
Funds can influence the quality of training through accreditation procedures and helping to stimulate a competitive training market.	
Levy-financed funds can also help correct imbalances in training access by pooling funds – e.g. for training disadvantaged segments of society, unemployed, those in the informal sector. This redistribution can be termed “crosssubsidization.”	
Establishment of a separate training fund account can facilitate transparency and minimize distrust between employers and the public sector	

Sources: Ziderman 2003, as summarized in Johanson and Adams 2004; CEDEFOP 2008.

#### Coverage

Many countries exclude the public sector from collections (Mauritius, Tanzania, South Africa.). This may result in a cross subsidization of training for public sector employees by the private sector to the extent that public employees are trained with levy money.

A similar case may also happen if the small sector enterprises are exempted from paying the tax and only medium and large sector pays. Funds which are rebated back to the firms may also be misused as they can be claimed on a false pretext and corruption

In several cases payroll levies are appropriated by the central government and never reach the training fund. This has happened in Costa Rica, Gabon, Togo and, briefly, in Cote d'Ivoire (Johansen 2009)

#### Some Preliminary Lessons for India

A number of preliminary conclusions could be drawn from the preceding analysis for India.

1. Indian policy makers should consider a national training fund. The preceding analysis has shown that as many as 62 countries of the world have training levies. As Table 2 shows, there are 17 countries each with training levies in Latin America and sub Saharan Africa and an additional 14 have them in Europe. Given that in India is planning to increase the numbers of skilled personnel within a matter of 12 years by 500 million, the financing requirements for meeting such an extremely ambitious goal would require a very significant increase in public and private investment of human and financial resources. India should seriously ponder over the experience of 62 countries around the world that already have training levies in place, specially some large economies: Brazil has had a training fund for over half a century, and South Africa for at least 10 years.

12. Collect levies from organized sectors and medium + large enterprises. Given the overwhelming share of unorganized sector enterprises in both services and industry, most of the burden of the training tax or levy will end up being borne by organized sector enterprises. In fact, it is relevant that in manufacturing 78% of output is accounted for by the organized sector, but these firms contribute only 15% to total manufacturing employment in the economy (correspondingly unorganized sector share in manufacturing output is 22%, and share in employment is 85%). The levy in India should be, to start with, only on organized sector enterprises. However, there is a very large number of small enterprises even in the organised manufacturing and organized services of India. It may be difficult to collect taxes from the smallest enterprises among them. Therefore, a decision will need to be made in regard to the cut off for applying the tax, depending upon the turnover and size of employment in the enterprises. Attempting to include a large number of the smallest enterprises will not only be administrative infeasible but may elicit a great deal of resistance from the smallest enterprises.

13. Beneficiaries of the fund should include both organized and unorganized enterprises. The training needs of the country are vast, and both organized and unorganized sector enterprises suffer from shortages of required personnel of the requisite quality. Since the vast majority of employees are working in the unorganized sector, at least some proportion of the usage of funds must be reserved for training ensuring the appropriate level of skills in unorganized enterprises. However, since large and medium organized enterprises will be the dominant contributors to the training fund, they should benefit to a significant extent from the fund. The exact share of the organized and unorganized segments will need to be worked out through a process of consultation of stakeholders, so that organized sector enterprises feel that they have a stake in the system, while at the same time equity considerations are taken in to account in deciding on disbursement of funds.

14. Need for India to adopt both revenue-raising and levy disbursement schemes. Given the wide variety of enterprises in terms of size, and in the form of organised/unorganized segments, it would be wise to adopt a variety of modalities to raise revenues. Exactly which modalities should be adopted for which segments of enterprises should be a matter of discussion between relevant stake-holders.

5. There should be considerable scope for demand side financing of training through payment of stipend. Training provision in India has historically supply-driven while the demand for skills has been neglected. There is a very strong case for using training levy funds for financing students from poor backgrounds who are unable to bear the opportunity cost of first undertaking training before entering the labour market. Students must earn in order to survive, and cannot 'afford' to be trained. If trainees are provided a stipend, it would partially offset the opportunity cost of not working.

Such schemes of demand side financing could be encouraged to pay for in service training. This would encourage not only the trainees to come forward and obtain training in various industry Demand side financing would also encourage companies to come forward and participate in such scheme so as to get labour paid by the fund directly. The key defining feature of a demand side subsidy is a direct link between the intended beneficiary, the subsidy and the desired output ( Bhatia et al 2006) i.e. training in this case. Different techniques which could be used to fulfill these are - Stipend, Targeted bursaries and vouchers.

Annexure IV:

**Skill Development Schemes run by various Central Government Ministries and their Impact Till Date**

Ministry	Name of Scheme	Description & Objectives	Year of Inception	Impact till Date
Rural Development	Swarnajayanti Gram Swarozkar Yojna SGSY)	An initiative to foster self employment for people in Rural India. Aims to achieve employment through the organization of villagers in to self help groups (SHGs), capacity building, and training, selection of key activities, planning of activity clusters, infrastructure build up and marketing.	1999	17,35 Lakh SHGs formed and 46 Lakh self employed people created through the scheme. Disbursement of funds till date- INR 6372 Cr
Labour & Employment	Advanced Vocational Training Scheme (AVTS)-	Aims to upgrade and update the skills of the serving industrial workers to specialise in their field of work. Training in selected skills through short term and tailor made courses lasting one to six weeks.	1977	Over 1,00,000 industrial worker and technicians have made use of the training facilities at 6 ATIs



	Modular Employable Skills Scheme (MES)	<p>Five year project during which people will be trained on their existing skill sets, tested and certified under the Modular Employable Skills Framework</p> <p>The courses would be short term demand driven and would delivered in consultation with the industry through a PPP Model utilizing existing infrastructure.</p> <p>Target Groups- School drop outs, unskilled or semiskilled workers and ITI graduates</p>	No Info	1 Million people trained under this programme
	Apprenticeship Training Scheme (ATS)	<p>Aims to provide training to graduates, diploma engineers, school pass outs and drop outs. 254 Industries covered under the act and 17,800 establishments engage apprentices.</p> <p>The project is implemented in two phases:                  Training of Trade Apprentices: Targets students from Class VIIIth to Class XIIth and the period of training varies from 6 months to 4 years and covers 40 trades. Certification is given by the NCVT.                  Vocational Apprentices: Covers 101 fields for Graduate &amp; Technician Apprentices and 94 fields for Technician (Vocational Apprentices) The duration of training is 1 year and certificates provided by Ministry of HRD.</p> <p>Six Regional Directorates of Apprenticeship Training have been established: Calcutta, Mumbai, Chennai, Hyderabad, Kanpur and Faridabad</p>	No Info	No Info
HRD	Jan Shikshan Sansthan (JSS)	<p>Institutes of People's Education focusing on the poor, the illiterates, the neo-literates, the underprivileged and the un-reached. They link literacy with vocational skills and provide life enrichment skills. Provide technical educational and vocational training at very low cost and set up centres in the heart of slums and remote rural areas</p>	1967	221 JSS set up in 27-states 17.53Lakh beneficiaries covered during 2006-07
	Commissioner for Handicrafts	<p>Formulated to provide qualified and trained workforce capable of establishing a strong production base coupled with improvement, quality and use of appropriate techniques, processes and innovative designs to meet present day market requirements The programme aims to bring about sustainable development of the Artisan community through gainful employment and enabling them to meet the recurring demands of the market.</p>	No Info	~INR 2.15 Cr have been disbursed to 14 institutions across India to implement this programme between 2007 and 2009

	Scheme of Apprenticeship	Provides opportunities for practical training to graduate engineers, diploma holders and 10+2 Vocational pass outs in about 10,000 industrial establishments/organizations. The period for training is 1 year.	1961	No Info
Urban Housing & Poverty	Alleviation Swranjayantishakti Rozgar Yojana (SJSRY)	The key objective of the Scheme is to provide gainful employment to the urban unemployed or underemployed through the setting up of self-employment ventures or provision of wage employment.	No Info	~3.54 Lakhs beneficiaries have benefited under this scheme in 2010. The outlay of central govt. funds in 2010-11 has been ~INR 58,149 Lakhs.
MSME	Prime Minister's Employment Generation programme (PMEGP)	To provide continuous and sustainable employment and increase the wage earning potential prospective artisans and rural and urban unemployed youth in the country.	No Info	Till 2010-11 INR 1700 Cr worth of have been handed out and ~23 lakh people have had access to employment opportunities through this scheme.
	Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	100 traditional industry clusters (of khadi, village industry and coir) would be taken up for comprehensive development over 5 year. The KVIC and the Coir Board are the nodal agencies for the Scheme, which will be the first comprehensive initiative for regeneration of the khadi and village industries sector, based on the cluster development methodology.	2005	All State Governments/Union Territories have been asked to send their proposals for cluster development to this Ministry for consideration/approval as of 13-01-2006.
	Rajiv Gandhi Udyami Mitra Yojana (RGUMY)	To provide handholding support and assistance to the potential first generation entrepreneurs, who have already successfully completed EDP/SDP/ESDP or vocational training from the FFIs in establishing and management of their own enterprises. A grant of INR 3000 for service enterprises and INR 5000 for manufacturing micro enterprises is applicable under the scheme.	No Info	No Info
	Tool Room Scheme for the MSME Sector	The main objective of MSME- Tool Rooms is to provide consistent, reliable, quality service for industrial growth based on its trained, skilled and innovative manpower capabilities and provide trained manpower through long & short term training.	No Info	The number of MSME units assisted in 2010-11 was 13636 and trainees trained by Tool Rooms were 40214. On an average, around 40,000 trainees are trained in a year by Tool Rooms.

Women & Child Affairs	Support to training and employment programmes for women (STEP)	Advocates the objective of extending training for upgradation of skills and sustainable employment for women through a variety of action oriented projects, which employ women in large numbers. The Scheme covers 10 traditional sectors of employment, viz., Agriculture, Small Animal Husbandry, Dairying, Fisheries, Handlooms, Handicrafts, Khadi and Village Industries and Sericulture, Forestry and Waste Land Management	No Info	No Info
Textiles	Integrated skill development scheme for the textiles and apparel sector including jute and handicrafts	The scheme targets to train 26.75 lakh people in a period of 5 years in Textiles & Apparels, Handicrafts, Handlooms, Jute, Sericulture and Technical Textiles. The scheme strongly solicits private sector participation and programmes delivered would be industry specific and market driven. The scheme on the PPP Model.	No Info	2.56 Lakh people trained for a total outlay of INR 224 Cr during 2010 and 2011
	Modified Decentralized Training Programmes for Handloom Workers	Aims to bring about skill up-gradation in the skilled and semi skilled category of handloom weavers to enhance their earning capacity and encourage product diversification, simultaneously ensuring development of marketable products. Training period shall be 60 days with a stipend of INR 55/day for the student	No Info	No Info
Food Processing	Human Resource Development Schemes- Ministry of Food Processing	4 Components- Infrastructure Development for degree courses in the sector, Entrepreneurship Development Programme, Food Processing Centres and Training at recognized National/State level institutes. Financial Assistance of INR 2L for an EDP Programme and INR 1L per training programme for 20 trainees for 10 working days at recognized institutes.	1997	No Info
Ministry of Tribal Development	Vocational training centres in Tribal Areas	Aimed at upgrading the skills of tribal youth in various traditional sectors to gain suitable employment or become self employed. Grants are made available for providing vocational training in recognized industries	No Info	No Info

#### References

- Dar, Amit and Sudharshan Canagarajah and Paul Murphy. (2003) "Training Levies: Rationale and Evidence from Evaluations," World Bank.
- Dougherty, C. and J.P. Tan (1991). Financing Training: Issues and Options. World Bank Working Paper Series No. 716.
- Gasskov, V (ed.). (1994) Alternative Schemes of Financing Training. International Labor Office

**Institute of Applied Manpower Research (2011)**, Creating employment in the 12<sup>th</sup> Five Year Plan, Working Group Report for the Steering Committee on Labour and Employment, Planning Commission.

**Johanson Richard (2009)** A Review of National Training Funds

**M R Bhatia, C A K Yesudian, A Gorter, K R Thankappan (2006)** Demand Side Financing for Reproductive and Child Health Services in India

**Middleton, J., A. Ziderman, and A. V. Adams. (1993)** Skills for Productivity: Vocational Education and Training in Developing Countries. Oxford University Press.

**World Bank (2007)** Skill development in India, The vocational education and Training system

### **Highlights of the recommendations stated by Sub-Group 1**

- 1) A National Vocational Educational Qualification Framework should be created with the active involvement of the Ministry of Labour and Employment, the Ministry of Human Resource Development, NSDC, the skill councils and other stake holders. For each level in the framework, the skill part should be certified by the Sector Skill Council and the educational part by the relevant Board. There would be cases that are pure educational and pure vocational, these would be certified by the Board and the respective SSC accordingly. The initial funding by NSDC to the SSC's should cover the cost of doing this work which includes creation of National Occupation Standards, assessment and certification models. For specific pilots additional funds could be given by the respective state or Ministry. In the event that current legislation does not explicitly permit this, necessary enabling legislation should be brought forward.
  
- 2) An alliance of Sector Skill Councils should be created to address cross cutting issues and also provide for a forum for redressal of grievances.

Quality Council of India could work with the SSC's to address issues relating to quality guidelines and assessors.

Budgetary Implications: It is estimated that the cost of setting up a Sector Skill Council is ~INR 5Cr for a period of 5 years, 25 SSCs are proposed to be created over the time horizon which will lead to a total budgetary implication of ~INR 525 Cr over the plan period.

- 3) Enabling a vocational loan product. To facilitate the access to fund an unsecured loan scheme should be created for those who aspire

to undertake skill development. A pilot scheme has been launched with the Central Bank of India and NSDC. This should be extended to all banks. A First loss default guarantee fund needs to be created to give an assurance to the banks lending. Rather than subsidizing interest, the money should be used to fund the first loss. This fund should be separate from the educational loan product and should be administered separately. If required NSDC could be the nodal organization for this. Some of the Committee members have advocated a 2% cess on wages like in Brazil and other countries to offset this cost.

- 4) An online portal needs to be developed. This should link trainers, trainees, job seekers, job providers, training establishments etc. A portal was developed by CII and that was handed over to NSDC. This portal could form the basis for online collaboration between all stakeholders.

This could be funded out of NSDC existing budget. A page for every Ministry and State could be created.

- 5) Creation of a National Data base and an Inventory of VTPs. A policy decision in this regard will need to be taken about how the VTPs will be accounted for. NSDC could be the coordinating organization for this. While the bid document, the process and time line would be coordinated by NSDC existing organisations could bid for carrying out this work on a periodic basis. Going forward synergy needs to be developed with the various surveys such as NSS and the Census. This census study and updation is expected to cost around INR 100 Cr,

- 6) Social Marketing of Vocational Training:

The unorganised sector employs 93% of India's total manufacturing workforce, but is confronted by a serious shortage in trained manpower. A major reason for the same is that a lot of qualified people do not see the MSME as an attractive career option.

A multi pronged strategy needs to be put into place to enable this. Otherwise there is a clear danger that the skill development centres would not be able to attract candidates to fill the class room.

One of the root causes is that the current nature of employment or the wage for employment is not attractive to persons to undergo a skill development programme and take up a job. Industry Associations and groups would need to address this issue going forward. The attempt should be to organize the unorganized and ensuring that all workers get a fair remuneration and social benefits.

The Second factor relates to industry employing untrained persons. Unless industry and employers agree to take trained persons, the effort to skill persons would be a non starter. The SSC's being the representative bodies of the employers should develop a consensus and work towards implementation of such guidelines.

Third like is being done for school education, there is a need for a national campaign to encourage people to enroll for skill development programmes and to encourage entrepreneurship in the sector. This has to be an integrated approach to promote. An all India campaign should be undertaken on newspapers and through a website to promote the vast opportunities in industry particularly in the MSME and also the unorganised sector in India. Various government schemes to promote the sector should also be highlighted and propagated through this campaign. The campaign should also aim to reach out to schools, colleges, universities and vocational training institutions in the length and breadth of the country. A Committee headed by the Advisor to the Prime Minister on Skills, the Chairman of NSDC, and other experts could monitor and implement this programme. An approach to the campaign has been developed and details could be provided.

While the overall campaign would be developed, the campaign would be designed in a manner that individual stakeholders could

use elements of the campaign to promote schemes and departmental programmes.

While the document circulated at the working group meeting had a provision for a specific amount, the sub group submits that a national plan may be more effective.



## **Inputs by Sub-Group 2**

1. Expand State Delivery Structures/ Capabilities
  - a. Create State Government Asset Banks; transparent and accessible listing of locations for geographic expansion of skill building
  - b. All state to active State Skill Missions or Vocational Corporations with a specific mandate/list of projects
  - c. Mandate IAMR or VV Giri Institute to become a skill research university with periodic research on demand, owning and updating the NCO framework
2. Expand Financing
  - a. Introduce a Skill Voucher; government voucher issued to eligible students that allows them to get free or subsidized training from a list of empanelled private and public skill providers
  - b. Introduce a bank driven vocational skill loan secured by a first loss guarantee of 10% by the state and central government
  - c. Explore money from central schemes like MNREGS, NRLM, etc being made available for skill development
  - d. Expand MES allocation and rollout
  - e. Remove Service tax on education/ financing
  - f. PPP framework for new SDCs/ ITIs
3. Expand Inclusiveness
  - a. low cost housing or hostel options in metros to offer migrants six months transit accommodation
  - b. Explore the Vocationalization of School Education
  - c. Expand the number of Assessing bodies
  - d. Recognition of Prior Learning; Expand MES certification
  - e. Create bridge courses/ alternate pathways for school dropout to NVEQF

4. Expand Vocational Education

- a. Instead of one National workers University, create a framework for Community Colleges (offering two year associate degrees) across the country.
- b. Fast track NVEQF; create a corridor between certificate/diploma/associate degree/ degree
- c. Legitimize multi-modal delivery and distance education (centre, campus, satellite, cloud, on-the-job)
- d. Mandatorily embed base employability courses into college degrees (english, soft skills, computers)

5. Expand Apprenticeships

- a. Amend Apprenticeship Act to shift view from a job to a classroom, adopt MES for trades, create flexibility in durations
- b. Create PPPs with employer, industry associations to expand number of apprentices
- c. Create PPP National Portal and Matching Call Centre for Apprentices

6. Expand Trainer Training/ Education

- a. Create specific vocational trainer colleges; align with Bed system
- b. Certify industry professional by recognizing prior learning

7. Publicity/ Awareness

- a. Advertising
- b. National Portal for various Skill Options/ trainers

8. Involve Employers

- a. Sector Skill Councils
- b. Employment Exchanges; Convert to Career Centres offering assessment, counseling, training, apprenticeships and jobs
- c. Expand apprenticeships

### **Highlights of the recommendations stated by Sub-Group 2**

The subgroup recommended the following schemes to be brought under the XII Five Year Plan:-

- 1) Create State Government asset bank for expansion of State Delivery Structures
- 2) For expansion of financing, introduce a Skill Voucher; Government voucher issued to eligible students that allows them to get free or subsidized training from a list of empanelled private and public skill providers
- 3) For expansion of inclusiveness, introduce low cost housing or hostel options in metros to offer migrants six months transit accommodation and expand number of assessing bodies.
- 4) Expand Vocational Education
  - a. Instead of one National workers University, create a framework for Community Colleges (offering two year associate degrees) across the country.
  - b. Fast track NVEQF; create a corridor between certificate/diploma/associate degree/ degree
  - c. Legitimize multi-modal delivery and distance education (centre, campus, satellite, cloud, on-the-job)
- 5) Expand Apprenticeships by Creating PPPs with employer, industry associations to expand number of apprentices , a National Portal for PPP and Matching Call Centre for Apprentices
- 6) Create specific vocational trainer colleges aligning with B.Ed system
- 7) For publicity & awareness, advertising needs to be done along with creation of a national portal for various skill options/trainers.

## 8) Involve Employers

- a. Sector Skill Councils
- b. Employment Exchanges; Convert to Career Centres offering assessment, counseling, training, apprenticeships and jobs
- c. Expand apprenticeships

### **Inputs by Sub-Group 3**

- There is a need of setting up a National Board for Trade Testing and Certification which would expedite the certification process. This would greatly help students getting early employment; make the whole process more transparent and reliable.
- A National Skill University needs to be set up which would create a conducive environment for the trainees to plan their career paths effectively, acquiring higher skills in critical/precision areas, infuse spirit of innovation, development of new relevant courses etc.
- Reengineering of RDATs to handle the increased scope and magnitude of work.
- NCVT needs to be remodeled as its representation would be broadened and scope of work enlarged. Further to this, it could decide on future broader policies to meet national objectives of manpower requirement, handle new schemes like NVQF and other responsibilities which could be added.
- There is a need to upgrade existing institutes due to changes like introduction of new trades, revision of syllabus, upgradation of existing machinery to meet syllabus requirements and BEE guidelines and other such requirements.

## Annexure VIII

**Inputs by Sub-Group 4**

Working Group for XIIth Five Year Plan (2012 – 2017) on Skill Development and Training				
Recommendation Sub Groups- IV				
Meeting & Venue 23/8/2011 DGE&T HQs				
S. No	Recommendations	Reasons & Justifications	Outcomes & Outputs in measurable terms	CS or CSS
1.	<p>Create a study group to detail out requirements of Nation wide LMIS. Suggested ToRs are as follows:</p> <ul style="list-style-type: none"> <li>- LMI Indicators</li> <li>- Data standards &amp; Types</li> <li>- International arrangement reading to               <ul style="list-style-type: none"> <li>➤ Collection (demand and supply)</li> <li>➤ Collation</li> <li>➤ Analysis</li> <li>➤ Dissemination &amp; use</li> </ul> </li> <li>- IT infrastructure               <ul style="list-style-type: none"> <li>➤ Design</li> <li>➤ Information</li> <li>➤ Maintenance</li> </ul> </li> <li>- Members of study group :               <ul style="list-style-type: none"> <li>➤ Professional experts (International)</li> <li>➤ MoLE</li> <li>➤ IAMR</li> <li>➤ Planning Commission</li> <li>➤ State Government</li> <li>➤ NSDC</li> <li>➤ NSSO</li> </ul> </li> <li>- The study group will indicate costs over 5 years of XII Plan.</li> </ul> <p><b>Time frame:</b> 90 days.</p> <p>The above study group (National LMIS Committee) to oversee implementation of the National LMIS strategy.</p>			Central sector
2.	<ul style="list-style-type: none"> <li>• Proceed with recommended implementation of NVQF as per Annex 7 of background note with particular emphasis on inter-ministerial coordination</li> <li>• National Qualifications Authority be established under the auspices of the NSDC with members from major line Ministries to other relevant agencies to register standard &amp; Qualification under the NVQF endorse requests for creation of standards &amp;</li> </ul>			Central sector Central sector

Working Group for XIIth Five Year Plan (2012 – 2017) on Skill Development and Training				
Recommendation Sub Groups- IV				Meeting & Venue 23/8/2011 DGE&T HQs
S. No	Recommendations	Reasons & Justifications	Outcomes & Outputs in measurable terms	CS or CSS
	qualifications for priority occupations.			
3.	Proceed with Ministry (MoLE) Plans which revitalize & strengthen Labour employment exchanges.			Covered under Employment Dte.
4.	<ul style="list-style-type: none"> <li>SSC should be established and made functional as a priority to cover 75% of total workforce by the end of the 12<sup>th</sup> Plan. It's also recommended that the funding &amp; staffing of NSDC be enhanced to allow this to happen.</li> <li>SSC should prioritize development of occupation standards &amp; qualifications giving priorities to those occupations that represent the bulk of the workforce.</li> </ul> <p>It is recommended that SSC become active partners of existing institutions to ensure industry endorsements of curriculum, assessment &amp; certification arrangement regulating training delivered in their sector.</p>			Central sector
5.	Regarding setting of National Board for Trade Testing & Certification (NBTTTC). One member of the working group was of the view that NBTTTC will taken up under restructured NCVT. However other members opined that NBTTTC is required urgently and while restructuring of NCVT may take some time, proposal for estt. of NBTTTC be taken up separately and it may be covered under restructured NCVT later.			Central sector

Sub – Group – Resources Required (Crores of Rs.)						
Recommendation S No.	2012-13	2013-14	2014-15	2015-16	2016-17	Sub total
1(LMIS)	10	200	300	300	240	1000
2(NQA)	50	250	250	250	200	1000
3(SSC)	100	300	400	300	300	1400
4(NBTTTC)	50	150	150	150	100	600

#### **Highlights of the recommendations stated by Sub-Group 4**

- 1) Create a study group to detail out requirements of Nation wide LMIS
- 2) Proceed with recommended implementation of NVQF with particular emphasis on inter-ministerial coordination
- 3) Initiate Plans which revitalize & strengthen Labour employment exchanges.

- 4) SSC should be established and made functional as a priority to cover 75% of total workforce by the end of the 12th Plan. Its also recommended that the funding & staffing of NSDC be enhanced to allow this to happen.

SSC should prioritize development of occupation standards & qualifications giving priorities to those occupations that represent the bulk of the workforce.

It is recommended that SSC become active partners of existing institutions to ensure industry endorsements of curriculum, assessment & certification arrangement regulating training delivered in their sector.

- 5) National Board for Trade Testing & Certification Unit is required urgently



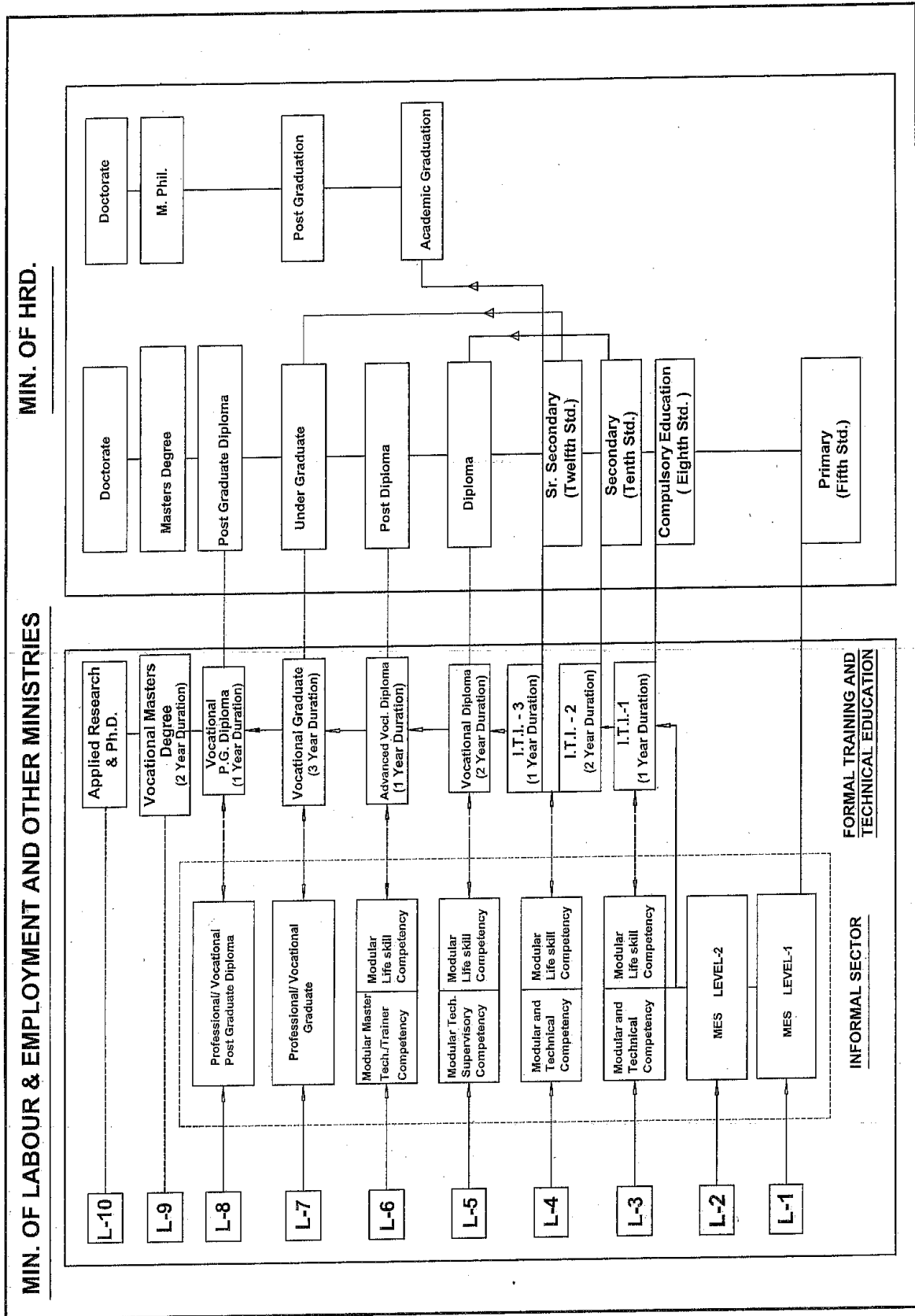






## Annexure XII

Consolidated Statement of Existing/New/Approved Schemes								
								Figures in Crores of Rupees
Schemes	Category	11th Plan Outlay	12th Plan Outlay					Total
			I	II	III	IV	V	
EXISTING SCHEMES	CS	33.59	727.29	782.79	702.60	640.09	644.25	3497.02
EXISTING SCHEMES	CSS	194.73	561.17	405.00	305.00	255.00	205.00	1731.17
							<b>Total</b>	<b>5228.19</b>
APPROVED SCHEMES	CS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
APPROVED SCHEMES	CSS	27.49	2655.12	2662.98	955.50	482.32	399.37	7155.29
							<b>Total</b>	<b>7155.29</b>
NEW SCHEMES	CS	4.50	517.50	599.45	580.20	245.93	245.93	2189.00
NEW SCHEMES	CSS	58.37	141.10	69.43	25.88	0.00	0.00	236.41
							<b>Total</b>	<b>2425.41</b>
	<b>Total==&gt;</b>	318.68						
							<b>Grand Total ==&gt;</b>	<b>14808.89</b>



Annexure XIII (a)

