

Problem Statement:

India needs to train 500 million workers by 2022, in other words about 50 million per annum. The current capacity of 4 million workers per annum is grossly inadequate. It is foreseen that the ageing demographic profile in several developed countries will generate a demand for skilled manpower in the coming decades. How can India impart high quality skills and thus provide employment to its huge workforce?

Issues to be considered

India has about 8000 training institutions of different types (ITI and others). The existing institutions face three main problems:

1. **Relevance:** Institutes provide training in up to 120 trades or skills. However, out of these, about 10 trades account for 85% of the trainees. This highlights the need for the curriculum to be reviewed and updated (with inputs from industry and other prospective employers) on a yearly basis.
2. **Quantity:** The current institutes are not fully utilised and many of them have spare capacity. There is also a need to increase the number of institutes in all parts of the country.
3. **Quality:** Many institutes impart obsolete skills and the quality of training is very poor. They are unable to ensure quality. This is also because a large number of Union Ministries independently implement their own skill development programmes, which is not their core activity. This includes the Ministries of Human Resource Development, Labour and Employment, MSME, Rural Development, Social Justice and Empowerment etc.

Other issues to be considered are that of insufficient funding, lack of instructor training, curriculum and placements.

Proposed Solutions

Initially, we need to strengthen the existing institutions so as to ensure full utilisation of existing faculty and infrastructure. The creation of new institutions should be undertaken only after the existing ones are fully utilised. In addition, the infrastructure of existing engineering colleges and polytechnic institutions may be utilised to impart specialised training (3-6 months) to meet immediate the needs of the industry.

At present a large number of ministries and departments are independently implementing skill development programmes and schemes. There is a need to create a single coordinating agency (at both the National as well as State level) to pool resources across all schemes. This will ensure quality of trainees that is acceptable to potential employers.

The quality of the institutions can be significantly improved through the training of instructors by collaborating with leading skill development institutes based in Germany, Australia, Switzerland, England, Canada and Singapore. These countries have an outstanding record of success in vocational education

and training. The training will impart knowledge of cutting edge tools and technologies through state-of-art practices (such as simulations).

The Government should prepare an empanelled list of institutions from the above-mentioned countries. The Central and State Governments should then be able to engage with any of the above-empanelled institutions at predetermined rates. This process will expedite the process of engagement as most state government departments lack the capacity and competence to identify and negotiate the terms of such engagement.

Many Small and Medium Enterprises (SMEs) are reluctant to engage with apprentices due to stringent provisions in the Apprentices Act (1961). As a result less than 3 Lakh apprentices get trained every year as against a desired number of 30 Lakh. Some of the harsh penal measures must be removed to encourage a much higher level of apprentice participation in the SME sector.

The institutions must be responsible for ensuring employment of graduating trainees and monitored by the agency responsible for skilling. The agencies and institutions must maintain a skill registry of trainees and their employment history - available online to all stakeholders. The true test of a successful program is to ensure that the trainees are able to be gainfully employed. This ensures the relevance and quality of the course as required by the prospective employer. Therefore, the schemes must be periodically assessed to ensure its relevance and quality.

Current funds for upgrading skilling institutes are underutilized (only 25%). The interest accrued on these underutilized funds, can be used to upgrade equipment and train

instructors. Additional funds may be obtained through accomplishing contract tasks from Industry.

Approximately Rs. 10,000 Crore is available with State level Welfare Boards as per the Building and Other Construction Workers' Welfare Cess Act (1996). This can be utilized for setting up institutes for children of construction workers. These facilities can also be used to train others in skills related to construction industry.

Programs for school drop-outs (currently not considered) should be initiated in order to make skill development more inclusive. These programs can include skills for housekeeping, basic carpentry, plumbing and electrical services.

Programs for college graduates to impart Communications skills, Computer skills, Financial literacy skills and English language skills should be initiated to ensure greater employability of our graduates.

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Problem Highlight:

- India needs to 500 million trained workers by 2022
- Current capacity and skill levels are inadequate.

Proposed Solutions:

- Strengthen existing institutions and hold them responsible
- Have a single agency to coordinate training programmes
- Create more inclusive programmes