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**Statement of India**  
**4th Session of the Committee on Social Development**  
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Item No.3

<b>Countr y</b>	<b>INDIA</b>
<b>Title: Bridging the gap between school-to-work - Government of India (GoI) initiative</b>	
<p><b>Context:</b></p> <ul style="list-style-type: none"><li>- Socioeconomic and demographic context, such as low/high labour force participation rate, level of skills developed, unemployment rate, etc.</li><li>- Extent of coverage, national, urban/rural, specific targeted groups.</li></ul> <p>India lies on the cusp of a demographic transition, similar to the one that fuelled the spectacular rise in GDP of the East Asian Tigers in the second half of the 20th century. However, in order to capture this demographic dividend, it is essential that the economy has the ability to support the increase in the labour force and the youth have the appropriate education, skills, health awareness and other enablers to productively contribute to the economy. Youth in the age group of 15-29 years comprise 27.5% of the population. At present, about 34% of India's Gross National Income (GNI) is contributed by the youth, aged 15-29 years. However, there exists a huge potential to increase the contribution of this class of the nation's citizenry by increasing their labour force participation and their productivity. The Government of India (GoI) currently invests more than Rs 90,000 Crores per annum on youth development programmes or approximately Rs 2,710 per young individual per year, through youth-targeted (higher education, skill development, healthcare etc.) and non-targeted (food subsidies, employment etc.) programmes. The State Governments, civil society organizations, Corporates and industry associations also incur substantial expenditure, over and above, the expenditure being incurred by the Government of India on education, health and youth services. Youth</p>	

unemployment seems to be quite moderate in India: Conventionally measured as a percentage of the corresponding 'active' labour force, youth unemployment was only about 11 percent in 2011/12 compared to about 23 percent on average in the European Member States (EU-28) in October 2014. As India moves progressively towards becoming a global knowledge economy, it must meet the rising aspirations of its youth. This can be partially achieved through focus on advancement of skills that are relevant to the emerging economic environment.

**Objective of programme/ initiative:**

Explicit aim, such as reducing time in the transition from school- to work.

- More specific objectives such as promoting Public Employment Services, or access to credit for young entrepreneurs.

National Youth Policy 2014(NYP-2014) and National Skill Development and Entrepreneurship Policy 2015 (NSDEP-2015) attempt to address these concerns. While NYP-2014 aims at providing an overview of the state of the youth aged 15-29 years in India, highlights key issues and challenges faced by the youth and elaborates on how all stakeholders can support the youth to ensure that they contribute positively to the development of the society now and in the future, the NSDEP-2015 tries to bring the world of education and training closer to the world of work so as to enable them together build a Strong India. The **vision** of NYP-2014 is to empower youth of the country to achieve their full potential and through them enable India to find its rightful place in the community of nations. The policy lays down 5 well thought out objectives and 11 priority areas including education, employment, skill development, entrepreneurship, health & healthy lifestyle, sports, promotion of social values, community engagement, participation in politics & governance, youth engagement, inclusion and social justice. The Vision of NSDEP-2015 is -

**Vision:** To create an ecosystem of empowerment by Skilling on a large Scale at Speed with high Standards and to promote a culture of innovation based entrepreneurship which can generate wealth and employment so as to ensure Sustainable livelihoods for all citizens in the country.

**Mission:** The mission is to-

- Create a demand for skilling across the country;
- Correct and align skilling with required competencies;
- Connect the supply of skilled human resources with sectoral demands;
- Certify and assess in alignment with global and national standards; and
- Catalyze an ecosystem wherein productive and innovative entrepreneurship germinates, sustains and grows leading to creation of a more dynamic entrepreneurial economy and more formal wage

employment.

**Objectives:** The core objective of the Policy is to empower the individuals by enabling them to realize their full potential through a process of lifelong learning where competencies are accumulated via instruments such as credible certifications, credit accumulation and transfer, etc. As individuals grow, the society and nation also benefit from their productivity and growth.

**Main challenges:**

- Brief description of some of the key obstacles that arose and how these were overcome, such as, those related to human resources, infrastructure and finances.
- The challenge pertains not only to a huge quantitative expansion of the facilities for skill training, but also to the equally important task of raising their quality.

Countries with higher levels and better standards of skills adjust more effectively to the challenges and opportunities in domestic and international job markets.

- India has a big challenge ahead as it is estimated that only 4.69% of the total workforce in India has undergone formal skill training as compared to 68% in UK, 75% in Germany, 52% in USA, 80% in Japan and 96% in South Korea.
- A skill gap study has been conducted by National Skill Development Corporation (NSDC) over 2010-2014, which indicates that there is an additional net incremental requirement of 109.73 million skilled manpower by 2022 in twenty four key sectors. Meeting this target would be a huge challenge.
- Today the total workforce in the country is estimated at 487 million, of which approximately 57% is in the non-farm sector. If the workforce with higher education without formal skill training is excluded, the balance workforce is estimated to be 450.4 million. Of these 256.72 million non-farm workers, a maximum of 5.4% would be formally trained and skilled. Approximately 241.86 million would either be unskilled or skilled through non formal channels. Out of these, it is estimated that approximately 170 million would be in the age group 15-45 years.
- One of the major challenges in the country today is public perception on skilling, which is viewed as the last option meant for those who have not been able to progress/opted out of the formal academic system. Social and traditional view sees status as being inversely proportional to the degree to which one works with one's hands.
- The proclivity of large sections of industry especially in the micro, small

and medium sectors to treat skilled and unskilled persons at par, thereby depriving skilling of any meaningful economic incentive.

- Most of the vocational training programmes are not aligned to the requirements of the industry. As a result, a piquant situation exists in the country wherein unemployment continues to co-exist with lack of requisite number of skilled people at functional level.
- Assuming an average labour participation rate of 90% (male) and 30 % (female), at least 16.16 million persons per year will enter workforce and they all, except those opting for higher education, need to acquire skills.
- One of the biggest challenges of skill development in our country is that 93% of the workforce is in informal/unorganized sector.

### **Results achieved:**

Brief description of the results, including supportive data e.g. Technical Vocational Education and Training was provided to 6,000 youth and 75% got jobs within one month, compared with the national average of six months.

Skill development programmes of the Central Government over the years have been spread across more than 20 Ministries/Departments without any robust coordination and monitoring mechanism to ensure convergence. This legacy has resulted in multiplicity of norms, procedures, curricula, certifications etc. Further, many of these skill development initiatives often remain unaligned to demand, thus defeating its entire objective. To ensure effective coordination and to avoid overlapping the Ministry of Skill Development and Entrepreneurship (MSDE) has been created to fulfill the vision of a 'Skilled India' where human resource development is the primary focus. MSDE is responsible for coordination with all concerned for evolving an appropriate skill development framework, removal of disconnect between demand for, and supply of, skilled manpower, skill up-gradation, building of new skills, innovative thinking and talents for existing and future jobs. MSDE will also play the lead role in ensuring the implementation of the National Policy for Skill Development and Entrepreneurship 2015.

The government has launched 'Make in India' and 'Skill India' which are complementary to each other. The key objective of Make in India is to promote manufacturing in 25 sectors of the economy, which will lead to job creation and consequently need for skilled manpower. Correspondingly, Skill India aims at preparing a highly skilled workforce which is completely aligned to the requirements of industry so as to promote growth through improved productivity. Apart from above, the other notable results achieved by the Ministry of Skill

## Development & Entrepreneurship in 2015-16 are -

- National Skill Development Mission launched in July 2015 to coordinate and scale up skilling efforts.
- Common norms for skill development schemes across India notified to ensure standardization.
- Operationalization of National Skill Qualification Framework (NSQF) is in progress. By December 2016 all government skill training programmes will be NSQF aligned.
- The Prime Minister Kaushal Vikas Yojna launched to encourage skill development for youth by providing monetary rewards for successful completion of training programs. Over 1.8 million youth enrolled till date.
- Industrial Training Institutes (ITIs) eco-system revitalized. 1141 new ITIs with 1, 73,000 seats have been added in past one year.
- 15,000 instructors have been trained by Central Institutes of Directorate General of Training.
- Distance learning infrastructure created and over 18,000 trainers trained.
- Capacity building training of Government ITI Principals conducted at various places.
- Monitoring mechanisms strengthened through web-based MIS Portal hosted at [www.ncvtmis.gov.in](http://www.ncvtmis.gov.in) – a one stop information source for all government as well as private ITIs.
- NSDC partners have skilled 2.78 million people and placed around 1.2 million people through its ecosystem in the last one year. NSDC funded partners have trained over 6.55 million students till date.
- Entrepreneurship Initiatives scaled up. National Institute for Entrepreneurship and Small Business Development (NIESBUD) has already covered 2, 00,885 trainees.
- Apprenticeship Training scaled up through the modification of the Apprenticeship Act.
- Conducted 410 kaushal melas across 29 states reaching out to many of those who needed a direction with regard to employability and employment.

### **Moving Forward:**

How can progress be sustained in the longer run, including by expanding coverage and addressing financial constraints?

- Special focus will be laid on youth who do not wish to continue with school or higher education so that they are provided skills for other sustainable livelihood options.
- New ITIs will be set up in Public Private Partnership (PPP) mode especially in unserved blocks of the country to expand outreach of

skilling programmes. Further, higher order skilling will be promoted through Advanced Training Institutes (ATIs) and Multi Skill Institutes (MSIs) set up in PPP mode with strong industry linkages.

- National Skills Universities and institutes will be promoted in partnership with States as centers of excellence for skill development and training of trainers, either as de-novo institutions or as a part of existing university landscape. It is desired that these institutions become as aspirational for candidates as other premier institutes around the country. These institutions, apart from skilling candidates through affiliates and training the trainers, will also conduct extensive research to enhance the quality and delivery of skill training by keeping abreast with latest developments in the skills space.
- Skilling will be integrated with formal education by introducing vocational training classes linked to the local economy from class nine onwards in at least 25% of the schools, over the next five years. Seamless integration of vocational training in formal education is expected to ignite student interest.
- Skilling will be increasingly integrated with higher education with polytechnics offering NSQF aligned vocational courses and Bachelor of Vocational Studies degrees. These courses will be aligned to a credit framework which can provide horizontal and vertical mobility. Further, at least 25% of all existing institutions of higher education would offer add on career oriented courses with specialized skills at an appropriate NSQF level within the next five years.
- The ITI qualifications will be linked to formal educational qualification at appropriate level through suitable language/bridge courses as necessary in consultation with State/ Central Boards of Education. The existing ITIs and Polytechnics will be modernized with courses and curriculum that are aligned to the emerging competency based demand in the market.
- Technology would be leveraged for designing curricula and developing pedagogical techniques. ITIs interface with industry will be promoted to enhance apprenticeship opportunities, improve relevance of training and increase employability of trainees.
- Industry is expected to take a lead role in running ITIs through Institute Management Committees (IMCs) which will be given autonomy to implement decisions in the interest of better training outcomes.
- Government will promote use of certified, skilled manpower for its work and projects through enabling provisions in their contracts. Industry will also be encouraged to follow suit and pay skill premium to skilled and semi-skilled workers.
- The Prime Minister's Skill Development Fellow scheme will be introduced to tap talented, young individuals who will work with the State and District administration to spread awareness about skill development, identify the local needs and steer skill development efforts in the region.
- A national Labour Market Information System (LMIS) will be created. This will be an integrated database, which contains socio-economic data in

modules on (i) supply side skilled labour force statistics (ii) demand of skilled / unskilled labour (iii) market trends like wage structures and distribution, economic growth trends across sectors, focus areas for skilled manpower, occupational shortages etc.

- A National Board for Skills Assessment and Certification will be established to ensure quality and consistency of skill training qualifications.
- Government has partnered with World Bank to upgrade industrial training in the country not only by extending monetary support but also ensuring best practices being implemented. Skill Training for Employability Leveraging Public Private Partnership (STELPPP) with the proposed assistance of USD one billion from World Bank and Skill Training for Industries Value Enhancement (STRIVE) with an estimated cost of USD 537.5 million will be taken up.

### **Replicability:**

What are the core issues that led to success and how could other countries apply the principles/practices outlined above to achieve similar results?

The Govt's initiative to address the gap between school-to-work transitions is innovative, comprehensive and responsive through appropriate policy, relevant programmes, effective implementation mechanism, engaging multi-stakeholders, linking the demand and supply of labour market, aligned with the Sustainable Development Goals. It has got the potential to scale and replicate in other country settings with appropriate modification. Many Asian countries don't have a dedicated Ministry for Skill Development and Entrepreneurship including the policy. India's experience could be very useful for other countries in developing their human resources and in addressing the gap between school-to-work transitions.