

# NATIONAL POLICY ON SKILL DEVELOPMENT & ENTREPRENEURSHIP-2015 : AN OVERVIEW

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The need for a National Skill Policy arises from the fact that India is home to almost one-fifth of world's youth population<sup>1</sup>. The share of youth in the age group 15-34 years in India's total population was 34.8 per cent in 2011 which is projected to be 31.8 per cent in 2030, i.e. about 490 million<sup>2</sup>. The onus therefore lies on the country to empower its youth to achieve its livelihood so that India is able to convert its demographic surplus into economic prosperity of the nation.

The National Policy on Skill Development and Entrepreneurship, 2015 is a renewed version of the earlier National Policy on Skill Development that was announced by the Ministry of Labour & Employment in 2009. The first National Skill Policy envisioned the launch of a National Skill Development Initiative with the clause that the policy would be subject to review after five years to align the policy framework with the changing trends in the labour market. The current policy in that sense has a broader framework in that it covers skill development of the youth for wage employment, entrepreneurship and also acknowledges Recognition of Prior Learning. The need for a National Skill Policy arises from the fact that India is home to almost one-fifth of world's youth population<sup>1</sup>. The share of youth in the age group 15-34 years in India's total population was 34.8 per cent in 2011 which is projected to be 31.8 per cent in 2030, i.e. about 490 million<sup>2</sup>. The onus therefore lies on the country to empower its youth to achieve its livelihood so that India is able to convert its demographic surplus into economic prosperity of the nation. The emphasis for skill development gets further enhanced with about 62 per cent of India's population in the working age group of 15-59 years. The National Policy on Skill Development and Entrepreneurship, 2015 has been framed to provide an umbrella framework to all skilling activities being carried out within the country and also align these to common standards so as to retain their relevance even in the international job market<sup>3</sup>.

## Objective of the Policy:

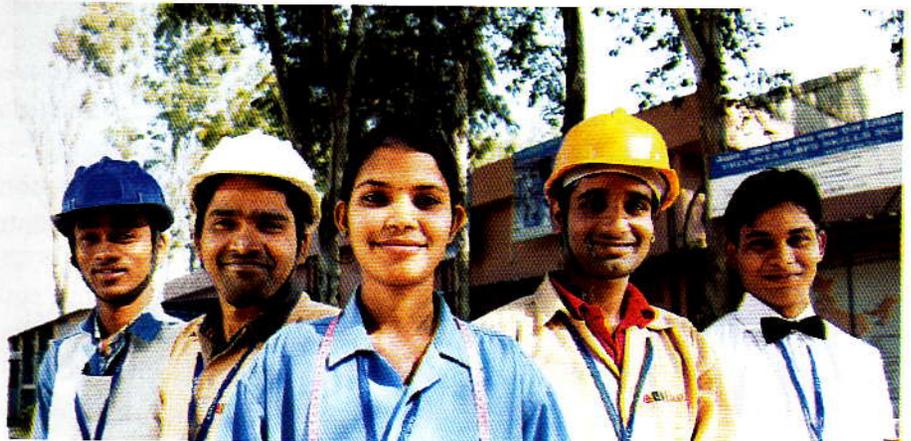
In keeping with the challenge of skilling a mammoth labour force, the Policy aims at skilling with scale & speed while retaining the quality of skilling so that it is sustainable. The policy objectives include: (i) to make

vocational training aspirational among the youth (ii) to ensure the vertical and horizontal pathways to skilled workforce for further growth and provide for seamless integration of skill training with formal education. (iii) to improve employability of youth through skilling (iv) to increase the capacity and quality of training infrastructure and trainers (v) to address the manpower industry linkage by aligning supply of skilled workers with sectoral requirements of industry (vi) to establish an IT based information system for aggregating demand and supply of skilled workforce which can help in matching and connecting supply with demand (vii) to raise the standards in the skilling space to international levels.

## Policy Strategy:

The policy framework on skill development outlines eleven major paradigms and enables to achieve the objectives of skilling as mentioned in the policy viz; aspiration and advocacy, capacity, quality, synergy, mobilization and engagement, promotion of skilling among women, global partnerships, outreach, ICT enablement, trainers and assessors and inclusivity.

For entrepreneurship to expand, the policy framework rightly mentions that there should be an enabling ecosystem of culture, finance, expertise, infrastructure, skills and business friendly regulation.



The policy framework identifies the following strategy to create an enabling environment for entrepreneurship viz, educate and equip potential and early stage entrepreneurs across India, connect entrepreneurs to peers; mentors and incubators, support entrepreneurs through Entrepreneurship Hubs (E-Hubs), catalyse a culture shift to encourage entrepreneurship, engage entrepreneurship among un-represented groups, promote entrepreneurship amongst women, improve ease of doing business, improve access to finance, foster social entrepreneurship and grassroots innovations.

The National Policy on Skill Development & Entrepreneurship proposes to bring about inclusivity by bridging the gender, social and sectoral divide by ensuring that the skilling needs of socially and disadvantaged and marginalized groups (like SCs, STs, OBCs, minorities, differently abled persons etc.) are appropriately taken care of. On the entrepreneurial front, the policy addresses to foster innovation-driven and social entrepreneurship to address the needs of the population at the bottom of the pyramid and broaden the base of entrepreneurial supply by meeting specific needs of both socially and geographically disadvantaged sections of the society. The Policy also advises setting up new ITIs in unserved blocks to expand the outreach of skilling programmes. To improve the quality as well as to bring about uniformity in the skill training delivered across the skill space, the policy advocates that all formal and vocational education including skill training will have to align themselves with the National Skill Qualification Framework (NSQF) by December 2018. The adoption of NSQF facilitates multiple pathways to a prospective trainee/youth to move horizontally or vertically both within the vocational education & training and also among vocational education, vocational training, general education and technical education. The NSQF also facilitates Recognition of Prior Learning in the unorganized sector and facilitate the movement of unorganized sector workers into the formal sphere of vocational training or education for enhancement of their skills.

### **Policy in Implementation:**

At present, there are more than 40 skill development schemes implemented by 22 different Central Ministries catering to basic and sector specific skill sets. In 2015-16, 104.16 lakh persons underwent skill training through these schemes<sup>4</sup>. Under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the flagship scheme of the Ministry of Skill Development & Entrepreneurship, a total of 30.67 lakh candidates were trained or were undergoing training as on 6<sup>th</sup> July 2017. A total of 2.9 lakh candidates have

received placement under PMKVY<sup>5</sup>. Skill training is spread across Central, State, civil society and the corporate sector. As per estimates the total need for skilling in the country was estimated to be around 40 crore for 2015-2022, of which 30 crore were to be covered under upskilling and reskilling and the remaining 10 crores requiring skill training were the fresh entrants to the labour market. To exclusively address the skilling needs of rural youth there is the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), the placement linked skill development programme which trained 1,62,586 rural youth during 2016-17, of which 84,900 were placed.

The Make in India programme launched by the Government in 2014 is integrated with the Skill India Mission to meet its requirement of skilled manpower especially in technology intensive sectors like automobiles & auto components, aviation, biotechnology, defence manufacturing, electrical machinery, electronic system design and manufacturing, railways, renewable energy, thermal power etc. This necessitates working out the skill requirements of the sectors covered under Make in India in terms of skilled, highly skilled and those that can be met through Recognition of Prior Learning. The programmes aimed at improving the skilling landscape such as the PMKVY, SANKALP<sup>6</sup>, STRIVE<sup>7</sup>, Craftsmen Training, Apprenticeship Training etc would also facilitate in creating an environment for skilled manpower to meet the demand emerging from the Make in India sectors.

To increase the skilling scale and speed, it is essential that the supply of skill training is closest to the skill catchment area extending upto remote parts of the country. To facilitate this, the policy identifies using existing infrastructure/spare space available in schools, institutions of higher learning, post offices, railway stations, Krishi Vigyan Kendras, shop floors etc all of which maybe utilised for delivering basic skill education and practical training during the off hours/days.

The policy also mentions of setting up Kaushal Vardhan Kendras at Panchayat level by the State Governments to impart skill training in local employment/livelihood opportunities for school drop-outs, adolescent girls, housewives and rural youth. Apart from this, the National Skill Development Corporation (NSDC) is also imparting skill training across the country including rural areas through Private Training Partners.

To improve the training capacity, new ITIs as well as Trainers' training institutes are being established. To improve the quality of training, ISO 29990 certification standards have been implemented.

New trades in concurrence with industry needs have been introduced. The courses under Craftsmen Training System have been aligned with NSQF. Dual Training system has been introduced. About 2,33,00 youth were awarded certificates from ITIs and 18000 plus graduated receiving job offers on Work Youth Skills Day in July 2016.

As regards NSQF compliance over 1661 qualifications from both the NSDC and ITI ecosystems have been aligned to NSQF during the last two years. The National Apprenticeship Promotion Scheme launched in 2016 incentivises small entrepreneurs to engage apprentices, with the government reimbursing 25 per cent of the total cost of stipend paid by the employers subject to a maximum of Rs.1500 per month per apprentice as well as sharing of cost of basic training upto Rs.7500 per apprentice.

To promote entrepreneurship, there is Pradhan Mantri Yuva Yojana that offers entrepreneurship education and training in schools and colleges, innovations in schools and colleges are encouraged through the Atal Tinkering Labs and Atal Incubation Centres under the Atal Innovation Mission, the Start-up India facilitates ease of doing business and single window clearance for new start-up ventures, the Stand-up India, the Pradhan Mantri Micro Units Development and Refinance Agency or MUDRA and ASPIRE (Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship) promotes entrepreneurial talent among rural folks and socially disadvantaged groups. The credit needs of start-ups are addressed by the India Aspiration Fund that boosts the start-up fund-of-funds ecosystem.

### Challenges in the Skill Sphere:

However despite these efforts, the skill ecosystem is faced with the following challenges: (i) the perception about skill development still remains as skills to be imbibed by school/college drop-outs or those pursuing blue-collar jobs (ii) while convergence of skill development schemes to Common Norms is achieved, issues still persist on convergence of generic skill programmes across Central Ministries (iii) the timeline for the implementation of the National Skill Qualification Framework is December 2018 but multiple certifying bodies still continue (iv) shortage, of trained/experienced trainers (v) mismatch exists between the aspirations of the skilled trainees and the requirement of the industry (vi) apprenticeship training yet to catch up in a big way with the industry especially the MSME units (vi) in rural areas where there is a shift towards non-farm employment, skill

training is more in the form of on-the-job-training (vii) in the fading handicrafts and handloom sectors the skills of rural weavers and artisans needs to be upgraded and their skills need to be certified under RPL for up-skilling (viii) skill training/education in entrepreneurship in rural areas is abysmal, lastly (ix) information dissemination on placement of skilled trainees across the skill ecosystem is lacking.

### Way Forward:

The top down approach to skill development must be relooked at. The State Governments must be given the leverage to have their own State specific action plans that can be implemented through Central funds. With the advent of automation, robotics and cloud computing, job profiles keep changing frequently, hence re-skilling and up-skilling need to be given greater weightage in the overall skill programme as majority of the workforce is in the prime age group. NSQF compliance must be speeded up to facilitate the large proportion of the workforce in the unorganised sector to get Recognition of Prior Learning and upgrade their skills. Industry compliance in updating ITI curriculum, in upscaling technical knowhow for apprenticeship training, in making available the shop floor for apprentice training must be strengthened and extended to cover even the service sector apart from manufacturing. Entrepreneurship needs to be made aspirational over wage/salary employment through advocacy, market and credit linkage and ease of doing business.

### Footnotes:

1. A Profile of Adolescent's and Youth in India, UNFPA India, 2014
2. Youth in India, 2017, MOSPI
3. National Policy on Skill Development and Entrepreneurship, 2015
4. Rajya Sabha Starred Question No.260 answered on 10.8.2017
5. *ibid*
6. Skill Acquisition & Knowledge Awareness for Livelihood Promotion –a World Bank assisted programme
7. Skills Strengthening for Industrial Value Enhancement- a World Bank assisted programme that aims to improve the relevance and efficiency of vocational training provided through ITIs and apprenticeship programmes

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