The Skill Eco System in India: Development and Lessons

Background

Indian skill ecosystem is as interesting as it is surprising. For one of the youngest nations in the world, in terms of its age of population, it took five decades of its independent existence, to formulate its first National Skill Policy, in 2009. This in spite the fact it had already developed five versions of its Education Policy by then.

Once it created its National Skill Policy in 2009, India transformed the skill landscape so fast that now, a few years later, it is difficult to comprehend that pre 2009, India's entire skill ecosystem comprised of only a few thousand Industrial Training Institutes (ITIs), with vintage training equipment, archaic training materials and totally disconnected from Industry. There were no players in the skills space, in private sector, and the period was marked by a complete absence of qualifications, standards, policies, funding or any general awareness about skill development in India.

Period 2009 -2014

These five years were symbolized by exponential growth in all quarters of skill development. It is a testament to what great political will, focus, appropriate leadership and collaboration can achieve.

The National Skill Policy of 2009 laid down skill targets for all Ministries of Government of India. This made the Ministries shake out of their stupor. The Central Budget was funding many as 23 Ministries under various skill schemes, and there are no results on ground to indicate anything worthwhile was done in five decades. Every Ministry set up a skill development section, and over these five years evolved reasonably focused, industry linked skill schemes.

Special mention needs to be made of two Ministries and their transformative efforts. The Ministry of Rural Development ran one of India's (and possibly the world's) largest skill development schemes (http://ddugky.gov.in/). Annually, the Scheme trains 2,00,000 youth. From 2010 onwards, the Ministry placed a senior and efficient bureaucrat in charge of the Scheme. A leadership team was put in place and professionals from the field of skills revamped the entire scheme, year after year. Notable changes brought about to the Scheme were, making States central to its execution, and data driven focus on placements, input measurements and feedback. The Scheme today is robust and claims high placement rates of over 50%. This figure can be considered exemplary, when the scheme focuses on rural youth, who mostly are entrepreneurial by nature.

The second transformation worth mentioning was of National Council of Vocational Training (NCVT), Ministry of Labour and Employment (www.dget.nic.in). This Council runs ITIs and various Polytechnics and skills over 1 million youth annually (2009 figures – currently 1.9 million). With the introduction of National Skill Policy, the huge and monolithic ITI system

gradually changed, and by 2014, was unrecognizable from its previous avatar. The Courses were more focused, Industry Advisory Committees in ITIs were encouraged to meet, and slowly, gradually, there was a movement to make the ITIs more efficient, in terms of their equipment upgrade, faculty development, course upgrade and industry connect. Today most ITIs are efficient and purposeful. This effort was supported by multilateral organisations, whose role is discussed in some detail below.

In its efforts to provide a vehicle to spearhead the skill movement, the Government set up National Skill Development Corporation (NSDC) in 2009, with a pioneering composition and remit (www.nsdcindia.org). It was a Private Public Partnership (PPP), which was 51% owned by top ten Industry Associations, and 49% owned by Government by India, operating under the Ministry of Finance. It had a vibrant Board of Directors, and a visionary Industry Leader as its Chair. The Board realized the remit was extremely challenging, and brought in the best of talent from private sector, and market salaries, to drive the Corporation.

The mandate of NSDC was articulated in National Skill Policy 2009, so it quickly assumed the task of transforming India's landscape through multiple arms. Through engaging and intense communication, it coaxed, cajoled and motivated the best in Industry to become its partners in setting up Skill Centres, and thus developed capacity. By 2014, in five years since its inception, the NSDC partners were skilling as many youth as the entire NCVT system, which had taken all of 70 years!

 NSDC engaged with Industry Associations, and set up Sector Skill Councils (SSCs) (https://www.nsdcindia.org/sector-skill-councils-1) in 40 Industry Sectors, like Automotive, Health, Capital Goods, Beauty and Wellness etc, which were considered by Government as high manpower and high growth sectors. These SSCs had an eight-point charter, again well defined in National Skill Policy, hence they had regulatory sanctity. SSCs are gradually evolving as the nodes around which Industry Sector players can plan and execute their initiatives to generate skilled resources.

NSDC also served as a go-to body for many of Government's initiatives. When an initiative to skill and mainstream youth from Jammu and Kashmir, a disturbed State, was planned, it was NSDC, which was asked to anchor the Scheme. Similarly, India's efforts to participate and excel in Worldskills, was driven by NSDC from 2011.

Quality was given its right place by publishing the National Skill Qualification Framework (NSQF) (www.skilldevelopment.gov.in/nsqf.html). It provided a well defined framework for laying down standards, competencies and assessment norms for skilling in the Country.

The biggest push from the Government of India to skills during this period was the introduction of STAR Scheme, again anchored by NSDC, in 2013. It had an ambitious one year target of training one million people. This catalyzed the skill

eco system in multiple ways. Firstly, investment in skilling became an attractive proposition, since returns were somewhat assured, being paid for by the Government. Secondly, the scheme was driven by Standards for Job Roles called Qualification Packs (QPs). Thus quality made its debut in the skill market. QPs became common parlance and spawned the universe of instructional designers, pedagogy practitioners, curriculum writers and trainers of standard. Thirdly, it allowed technology to make inroads into MIS for skilling, though the effect of trial and error in design of skilling software are still painful to many skill providers. Fourthly, it created an awareness of skills among the youth of India, and admission to skill courses doubled during this period.

These years also saw the gradual and sometimes reluctant, efforts by various State Governments to set up their own skill systems, and anchor them around a nodal body. Since there were no benchmarks, States evolved them according to their own understanding, and presence of existing bodies. So while Kerala State had two separate entities, one for skilling those in education institutions, it had another body for skilling those out of school. States like Rajasthan and Uttar Pradesh bit the bullet and set up State Skill Missions. Rajasthan went a step forward, and aggregated all skill schemes under the Skill Mission.

Another interesting development during this period was the interest shown, and engagement by, various multilateral agencies, and Foreign Governments. Encouraged by the developments in skill ecosystem, and by the presence of NSDC as an anchor for all skilling in the Country, World Bank, EU, ADB and DFID all commenced projects in skills. Countries like UK, Canada, Australia and New Zealand provided technical support to NSDC and other sill entities.

Period 2015-Present

India elected a new Government in 2014, and realizing the need to give further impetus to the good work done in skills, a Ministry of Skill Development & Entrepreneurship (MSDE) was set up in 2015. MSDE quickly got operationalized, and released a new National Skill Policy (2015). This Document built on the work done on earlier Skill Policy and is more focused, and has a separate section on entrepreneurship, which is essential in large economies like India.

The presence of a Ministry of Skills changed the paradigm of skilling, providing an exponential enhancement of its priority in the Government's agenda. Skill India became one of the pillars of policy and priority, along with Make in India, Digital India and others.

Converting the erstwhile STAR scheme to an even bigger Government funded scheme, this period saw a great impetus to the capacity creation and infusion of funds by private players into the skilling space. By this time, the State Skill Missions had also blossomed, and were capable of sharing the load of Centre in program management of these schemes, in their States.

This period also saw another shift in focus with the State Governments launching their own flagship skill programs, customized to the requirements of their States.

Thus there is now a flowering of government-funded schemes in every State, resulting in too many programs chasing too few trainees, in some cases. Multilateral funding is also focused to States, which has resulted in providing the quality and technical impetus, which was lacking at their levels. States have also come out with priorities, customized to the aspirations of their youth. Thus Kerala as a State has a focus on vocational training riding piggyback on school and college goers, while Uttar Pradesh is focusing on those out of school and colleges. Himachal Pradesh has large number of College going youth, and thus it has two skill programs focused on skills for college goers- one as an add-on, and another a full-fledged graduate vocational skills program.

NSDC has moved from a high growth stage to a consolidation stage, and is focusing in analytics, program management, coordination and niche skilling activities. Its remit is gradually changing, with capacity creation giving way to quality assurance. It is still the go-to body for skilling activities at national level, but being the only national body, is subject to continual restructuring and repositioning of various products.

Lessons from India's Skilling Experience

1. *It is possible to rapidly create a skill eco system.* If India could do so much in so little time, for a country the size of Europe, and population of 1.2 Billion, there are many good lessons here for other nations as well. Firstly, the Government has to lead the way. It needs to define a Policy of Skill Development, which addresses the twin challenges of quantity, or capacity creation, and quality. Then it should consider creating nodal bodies with a charter to drive specific areas of skill development. This of course would need customization based on nature of the Country in question. Another aspect to consider is how private players would be involved in skilling. This segment is suspicious of government schemes and government funding, so there has to be a concerted effort to encompass them right from design stage itself.

2. *While policy can be centralized, execution should be decentralized.* One of the reasons why India could so rapidly set up a vibrant skill system is because there were many branches in the execution tree. The 23 ministries play their part, as do the 29 State Skill Missions, and the 40 Sector Skill Councils. Governments and multilateral agencies can exercise a plethora of options of how to slice their funding pie. DFID for example, funded only few economically backward states, that too in specific sectors and job roles, where the workforce is more marginalized. This was possible due to the presence of robust State Skill Missions and SSCs.

3. *Industry involvement is crucial for success of skilling.* Government will need to go the extra mile to get some traction from Industry, who would ultimately employ the output from the skill eco system. Setting up of sector wise skill councils, giving primacy to industry in running them, seems to go a long way in building industry confidence. It would take some time, but slowly industry does come around to support government efforts in skilling, as they see value in the process.

4. *Allow freedom to States and lower functionaries to customize skilling to requirements of environment.* India did the right thing in framing a format for standardizing the performance criteria format for various Job Roles (https://www.nsdcindia.org/qp-nos-results), which allows all stakeholders in designing curriculum and courseware for job roles of their choice, but conforming to standards laid down by a central entity. Similarly, State and lower functionaries are free to chose from a bouquet of programs, or customize through various other programs, provided the standards, or QP is maintained.

5. *Technology is a great enabler.* One of the lessons, which India is learning the hard way, is importance of institutionalizing technology backbone for skilling at inception stage. Since this followed at the tail of the skilling revolution, it was always a step behind, and remains the elephant in the room in all discussions about skilling.

6. *While capacity creation is important, quality also plays an important role.* Most of the adverse publicity, which owners of skill ecosystem in India have faced, is on quality norms. While the NSQF was well received, it could not be executed in the scale at which the programs were expanding. There were shortages of assessors and robust assessment processes, which at one point looked like would jeopardise the rollout. But some timely steps were taken to stem the rot, and the juggernaut is still rolling. Thus capacity, technology and quality need to grow together in the design of skill eco systems.

7. *An NSDC like body can always be an useful anchor and aggregator.* What is important is to make the entity independent. In its independence lies its creativity and ability to think out of the box. India has a mixed history of how it has managed NSDC, and the jury is still out on how much control the Government needs to have on it.

This Paper is written by Basab Banerjee. Views are personal. Data is from published material and can be provided on request.

Basab can be reached at basab@skilindiglo.com.