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“There is a dual challenge of developing skills and utilising them in a proper way”

Budget infuses hope

While challenges such as the inadequate trainers still persist, NSDC is paving its way to meeting its share of skilling 150 million Indians by 2022 and the recent budget allocations open more opportunities, says Dilip Chenoy.

Shweta Keshri

How realistic is the government target of skilling 500 million people by 2022? What are the challenges?

The newly formed Ministry of Skill Development & Entrepreneurship (MSDE) is currently reviewing the National Policy on Skill Development 2009, in consultation with all the stakeholders and taking due consideration of socio-economic development in the last few years. The new Skill Policy will be announced soon and regardless of the numbers the challenges before us are huge.

Keeping the new policy in mind, the ministry and all stakeholders in the skill ecosystem are moving in the right direction where they are restructuring and realigning all national and state ministries, industry and academia to a common mission mode.

There is a dual challenge of developing skills and utilising them in a proper way. Both skill development and employment are key concerns for those who are a part of the silent revolution. India has only 3-4 percent skilled workforce in comparison to many other developing nations across the world. According to the Labour Bureau Report 2014, the number of people in India aged 15 years who have received or will be receiving skills is merely 6.8 per cent.

Student aspirations are not aligned with industry expectations on salaries and job roles. Many prefer to remain unemployed than take up a job offering with monthly remuneration of INR 8,000. Secondly, employers do not necessarily hire those with certified skill sets; often, they want the cheapest resource. Until there is a premium on skills and a minimum standard for recruitment, skills development will not take off.

The skill gap reports conducted by us at National Skill Development Corporation, as also mentioned in the Economic Survey 2014-15, states that there is a need of 144 million skilled people in the non-farm sector for the period 2013-22. In addition to this, the existing workforce will also require up-skilling and re-skilling. Dearth of formal vocational education, variations in quality, high school dropout rates, inadequate skill training capacity, negative perception towards skilling, and lack of industry ready skills even in professional courses are the major cause of poor skill levels of India's workforce. Some recent initiatives that aim to enhance access, equality, quality, innovation in the area of higher and vocational education are the Rashtriya Uchchar Shiksha Abhiyan, Technical Education

Quality Improvement Programme, and National Skill Qualification Framework.

Since the formation of NSDC in 2009, how would you define your work towards achieving the target of skilling 150 million people by 2022?

For the last four years in a row NSDC has achieved all its annual targets which it had set for itself. In fact in 2013-14, NSDC had crossed its skilling target and brought 1.05 million youth into the skilling eco-system. Including the number of people skilled under the National Skill Certification and Reward Scheme also known as STAR scheme to total for 2013-14 was 1.3 million skilled Indians.

In August 2014, we had pledged to skill 3.3 million youth in 2014-15. We have already achieved 75 pc of our targets by February 2015 and within March we expect to achieve 95-100 pc of our current year's fiscal target.

NSDC has so far trained 4 million people out of which 1.5 million have been placed. A large portion of the trained workforce has become self-employed in their respective sectors. We continue to work towards our ambitious target of skilling 150 million by 2022, which means 45,000 trainees being certified and graduated every day for the next 10 years.

One of the primary challenges remains that of inadequate teachers, what are the steps taken towards this to meet the target?

NSDC does not only provides funding to build scalable, for-profit vocational training initiatives but its mandate is also to enable support systems such as quality assurance, information systems and train the trainer academies either directly or through partnerships.

The train the trainer program ensures training of teachers with courses and standards approved by the respective industry Sector Skill

Councils (SSCs). The newly formed Ministry of Skill Development and Entrepreneurship has initiated several measures, including the international partnerships many of which will come into effect in FY 2015-16.

Can you share some data regarding the certified skill development institutes across the country and how many people have received certificates in the last one-year? How do you monitor the accuracy?

Of the 187 partners, approved by NSDC till date, close to 125 partners are active with 2904 training centers in 471 districts across India. In FY 2014-15, more than 2.5 million candidates have received certificates.

NSDC follows a very stringent process for implementing the scheme and has well defined monitoring protocols that tracks the progress of scheme/programs under NSDC on a daily basis. We have also appointed KPMG as the independent monitoring agency and follow the best of standards and accreditation systems in partnership with respective Sector Skill Councils and industry associations.

What have been your learnings of the past six years? What have been your achievements in this span? How much has NSDC adapted to the situation in India?

There are many learning that we as a team have realised are crucial to the success of the making India a skilled nation. Firstly, it is imperative that we map the aspirational need of today's youth and create job opportunities with wage packages for them, which are of industry standards worldwide.

The skill ecosystem needs to be focused clearly on as much as possible outcome based learning and needs to be merged with the current education system. Candidates need to be taught the value of a skill certificate, early in their school age so that their employability increases

with their experience. The challenge is not about just training people; it is about training them in skills of a certain standard and those which are recognised by industries worldwide. Hence there is an absolute need to identify the right kind of job roles, the qualification criteria and national occupational standards which reduce the mismatch between the supply and demand of labour across industries.

Ensuring a conducive environment for skill training is the need of the hour and hence the need for first identifying teachers who can train students on those standards of skill. Therefore focusing on developing the entire ecosystem for skill training in India is a huge learning for us.

Also the need for innovative solutions of funding training partners and creating modules which ensure inclusive growth in the country became of paramount importance to NSDC and we worked heavily in those areas with organisations like Milaap.

How would you segregate the skill requirement according to the sectors?

NSDC periodically undertakes the task of assessing the skill gap in the country through Skill Gap Reports which are commissioned through KPMG across various sectors. This skill gap report encapsulates the requirement of human resources by 2022 and the key challenges that need to be addressed to fill the gap. These reports are available on our website.

How has the new government acted towards these requirements? How effective has the Skill India campaign been?

The new government has laid a strong emphasis on skill development in the country and has announced the need of a full-fledged "Skilled India" campaign ensuring that we capitalise on the current demographic dividend of the country. The decisions made so far in this sphere have clearly

reflected that it is more about good governance than good government.

First and foremost, it is the first time ever that a new ministry for Skill Development and Entrepreneurship has been formed in the country to align on skill development initiatives under its purview. Under the guidance of the Prime Minister and Rajiv Pratap Rudy, Union Minister of Skill Development and Entrepreneurship (I/C) and Parliamentary Affairs, the push towards a skilled India has been clearly established.

The budget of 2015-16 has clearly spelled out the government's seriousness in making India the skill capital of the world. An amount of USD1.35 billion has been allocated to the skill development initiatives in the country, which is 19 percent more than the budget allocated last year. The recent approval to the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) under the Ministry of Skill Development and Entrepreneurship with an allocation of INR 1500 crore (\$ 239 million) has again established that the government is focusing heavily on skill, scale and speed for the country. It is one of the biggest skill reward scheme in the world which is to support skill training for youth who cannot afford to pay for their trainings. NSDC is the implementing partner for this scheme and we plan to skill 2.4 million youth under the scheme in the next financial year.

A further of INR 1,500 crore allocated under the Deen Dayal Upadhyay Gramin Kaushal Yojana for skilling rural youth is a welcome move that will help skill development penetrate deeper into the country's landscape. Alignment of ministries at the centre and state-level to one skill India mission is also another big step.

What further actions are required from the government in the space to achieve such ambitious target?

The Ministry of Skill Development and Entrepreneurship (MSDE)

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is already in talks with various Government ministries and departments for coordinating all skilling initiatives under them. This is one good move by the current Government that will first help coordinate and harmonise all skill development initiatives in the country in a more structured and streamlined manner. The availability of easy funding opportunities for skilling organizations and innovative modules to support entrepreneurship will also help build a successful skill and employment environment in India.

Ensuring that we capitalise the existing infrastructure in the country for skill development will create more opportunities for training the youth. Support in imbibing best international practices and standards in training from countries across the world will make us job ready for the global market.

The government should also link all other national missions like Make in India, Smart Cities, Digital India Initiative, Swacch Bharat, Namami Gange etc., with the Skilled India Mission and realise that skills will be the backbone for the success of all these goals and how a powerful skilled workforce will be required to make these dreams a reality.

What are your expectations from the revised policy for skill development?

MSDE has been working on revising the skill development policy for the past few months, in consultation with all stakeholders. They have

been assessing the shortcomings, constraints, issues involved and with reference to the modern time to match the challenges, which are perceived to be there. They are also looking into the target which was first announced in the 2009 policy. I feel the revised policy will be more 'result oriented' and will show a clear direction to achieve our Prime Minister's vision of making India the 'Skills Capital' of the world.

MSDE is also promoting private sector contribution to the skill development ecosystem, under the CSR initiative and is also looking at doubling the contribution of the manufacturing sector to the country's economy. Today, 60 per cent of country's GDP is into services sector and out of which, 25 per cent goes to the industry. 12.5 per cent of this is into the manufacturing sector.

How much has been the contribution of foreign investors, especially the EU?

NSDC has been working closely with several countries such as Germany, Canada, UK, Australia, US, Switzerland on several projects ranging from capacity creation to creating trans-national standards, which will enhance mobility of the workforce across borders. We are also working with several countries for creating standards and qualification frameworks for training the trainers and improving the pedagogy and assessment & certification mechanisms.

The Department of Economic Affairs, Ministry of Finance, India and the European Union, signed a MoU to implement an India – EU Skill Development Project. EU committed Euro 6.17 million for the same, to enhance capacity creation for the beneficiary institutions, enhancement of Labour Market Information System and the implementation of National Skills Qualification Framework at the national and state level in India. ■