

Skilling Up India's Youth with Support from Industry

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Image Source: Surat Jewellery Manufacturers Association

Facilitating job-seeking youth to acquire relevant skills for the emerging needs of India's rapidly growing industries and tourism is critical and extremely complex. With funding from the World Bank Skills Strengthening for Industrial Value Enhancement ([STRIVE](#)) project, the Ministry of Skills Development & Entrepreneurship (MSDE) has piloted a new apprenticeship promotion modality, **the Industry Apprenticeship Initiative (IAI)**. The grant mechanism operates through Industry Clusters (ICs). The approach shows results and promise for scaling-up.

India's Apprenticeship Landscape

Research evidence shows that effective formal apprenticeship training can expand skills training and promote employability. India would benefit from fully unlocking the potential for formal skills training leading to better jobs. According to the Ministry of Skill Development and Entrepreneurship (MSDE), in academic year 2022-23 a total of 737,457 students were engaged as apprentices. That is, only about 0.14 percent of the labour force were undergoing apprenticeship training.

Youth in India who aspire for skill development often tend to come from low-income backgrounds. For them technical training is a crucial pathway to economic empowerment in both urban and rural areas. In 2018, the MSDE published a [tracer study](#) which showed that 71.3 percent of graduates from long-term training programs were from disadvantaged groups. The majority of them (51.3 percent) were high school dropouts.

The government places significant importance and emphasis on female labor force participation (FLFP). The FLFP rate is likely to rise with economic growth as more job opportunities are created with structural diversification. It is an important indicator of gender status in an economy. However, the FLFP rate has been low in [India](#) (23.5 percent) historically when compared to many other countries: [Nepal](#) (29 percent), [Bangladesh](#) (38 percent), [Sri Lanka](#) (33 percent), [Pakistan](#) (25 percent), [Vietnam](#) (48.5 percent), and [Thailand](#) (59 percent) among others. Also, most women in the labor force are engaged in the informal sector, such as agriculture and domestic unpaid work. These jobs often do not offer job security, social security benefits, and other protections. FLFP has been slow to increase in India due to social reasons. In recent years, the trend is also going in the reverse direction.

Although firms have a legal obligation to hire apprentices, only a fraction of them comply. They see the current formal apprenticeship scheme as being too rigid, expensive, and bureaucratic with students are not receiving the exposure to a wide number of trades, and therefore are unable to cater to the skills needs of firms or clusters. For micro, small and medium-sized enterprises (MSMEs), the barriers to participate in formal programs are even higher.

Incentives for the Private Sector

The IAI offers incentives to micro, small, and medium enterprises (MSME) to hire apprentices. MSME members are able to design and implement apprenticeship training programs in line with industry needs. This is helping to:

- Increase participation of MSMEs in apprenticeship training,
- Make better use of India's vast and rapidly growing industry base for learning and training opportunities,
- Improve the quality and job relevance of skills development programs by integrating industry needs in the training programs,
- Facilitate learning among stakeholders, And
- Support MSMEs to engage in improved apprenticeship programs.

The IAI was launched in 2019. Since its inception, 17 ICs launched 77 courses for 816 participating member firms and trained 3,545 trainees. Private sector female beneficiaries comprised 28 percent compared to 19.5 percent in government ITIs. The seventeen ICs have taken the initiative to design new courses that meet their specific needs. Sector Skill Councils and the National Council for Vocational Education and Training (NCVET) have approved the programs. Trainees are receiving nationally recognized certifications, thus facilitating physical mobility and skills portability. The momentum for hiring apprentices is growing. A further 50 ICs are designing 28 new courses.

The IAI promotes increased economic mobility for aspiring disadvantaged labor force. Examples from the Chamber of Marathwada Industries and Agriculture (CMIA) Aurangabad in Maharashtra show high school dropout trainees who had neither a technical background nor the resources to acquire technical skills had been provided with sponsored basic classroom training for three months. Subsequently, they were hired as apprentices for relatively higher paying technical trades such as for the Computer Numerical Control (CNC) machine operator trade. Trainees undergoing the training also highlighted that without the skills training opportunity through the IAI, they would not have been eligible for higher paying jobs.

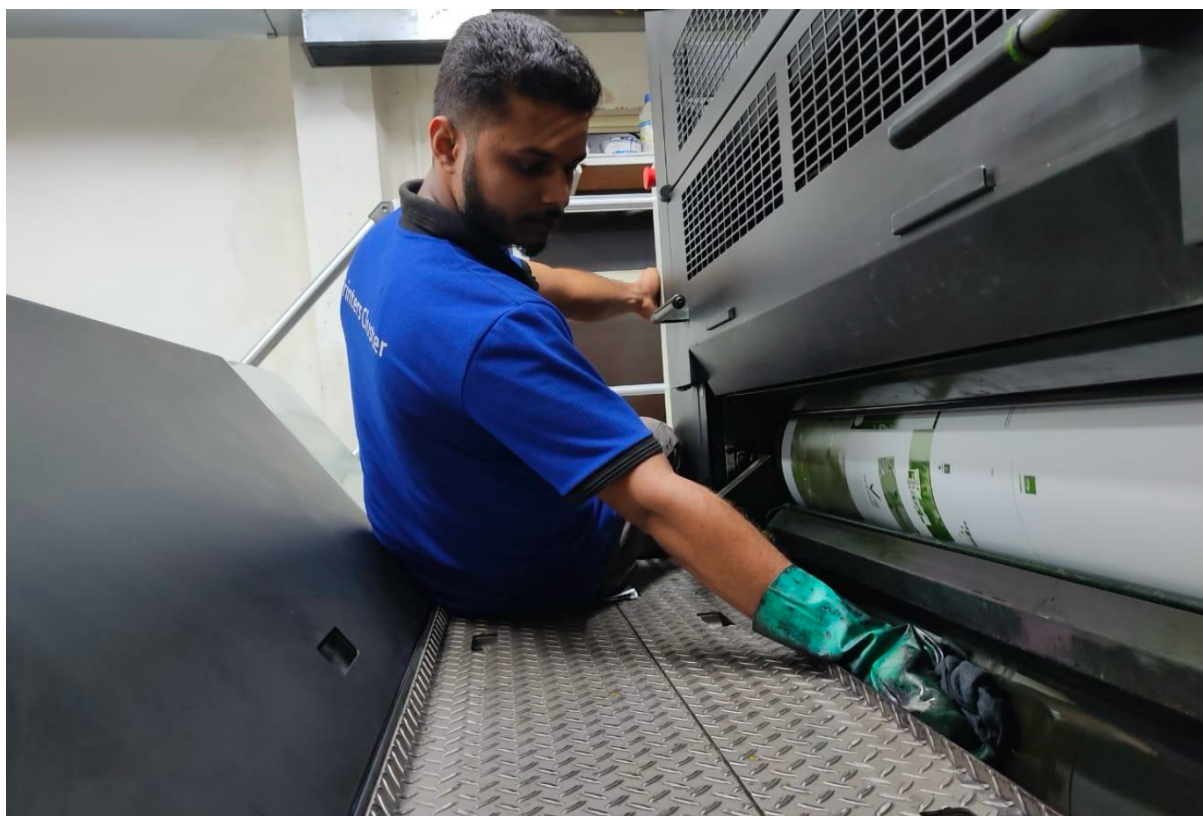


Image Source: North Malabar Offset Printers Consortium Pvt Ltd.

"After Grade 10 I had an ambition to go to higher education. But I had to set up a good career. I learned about technical skilling. So I joined thinking that I will get skilled and also get a nationally recognized certificate. This will help me get a good job." Says Jibin Saji, Apprentice at the North Malabar Offset Printers Consortium Pvt Ltd. "I have now learnt so many things about printing, production, packaging... Now I feel more confident about myself and very happy."

For participating MSME member firms, the IAI has helped to reduce time and resources to attract, train, and retain skilled talent. Shri Shivprakash Jaju, Managing Director of the Pawan Group in Aurangabad, Maharashtra, says "we used to spend a lot of time and money in trying to recruit candidates with the right set of skills and knowledge. Now we are creating our own talent!"

Mr. Arjun Gaikwad, Vice President of the Marathwada Association of Small Scale Industries & Agriculture (MASSIA), in Aurangabad, Maharashtra, says that: "Apprenticeship is a great opportunity for students, workers who want to become entrepreneurs. MASSIA has been continuously working for Dual System Training (DST), On Job Training (OJT) since last 5 years. Now we see a new opportunity through the STRIVE project. The industry faces shortage of skilled workers. But this strive project is helping to overcome this deficiency." Many MSME's are likely to continue to engage apprentices due to capacities built as part of the scheme.

The IAI modality serves the needs of industries and expanding apprenticeship opportunities for disadvantaged youth. Industries are able to quickly adapt training programs with changing skills needs, and disadvantaged youth have increased opportunities for skilling in enterprises and improving access to jobs and productivity. The initiative is being scaled up to include a total of 100 clusters across the country. In the long-run, the IAI and similar initiatives would benefit industries and economic growth in India. They deserve continued support from the government.

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