

**PRESENTATION ON THE REPORT  
OF THE SHARDA PRASAD COMMITTEE ON SKILL INDIA REFORMS**

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# SIGNIFICANCE OF THE REPORT

The first Committee to look at the National Vocational Education and Training System in a holistic manner since 1952;

The Committee looked at the existing system critically and kept following objectives before it:-

i) Meet the exact skill needs of the industry;

ii) Provide relevant skills and decent means of livelihood to each youth entering the labour market; and

iii) Design a holistic and credible skill development system which could meet skills needs of the domestic industry and realize the vision of our Prime Minister to make India as the Skills capital of the World.

# APPROACH

- i) Transformational, not incremental;
- ii) Focus on designing systems, not adhoc patchwork;
- iii) Forging strong partnership between Government & Industry;
- iv) Designing national standards compatible with international standards;
- v) Focus on quality, not on chasing numbers;
- vi) Designing systems which are replicable, scalable and financially sustainable;
- vii) Use of technology; and
- viii) Focus on responsibility and accountability.

# METHODOLOGY

- i) Review of international literature on VET and SSCs;
- ii) Review of various policies and national reports;
- iii) Consultation with all relevant stakeholders- Central Ministries/Departments, State Governments, Chambers of Commerce and Industry, Employers, Trade Unions, VTPs, NSDC, NSDA, DGT, DGE, CSO, NSSO, Labour Bureau, all SSCs, CIVE, AICTE, eminent experts, etc.

# MAJOR ISSUES FACING VOCATIONAL EDUCATION & TRAINING SYSTEM AND SUGGESTED REFORMS

i) Absence of a sound National Vocational Education and Training System;

ii) Absence of National Vocational Education and Training Standards;

iii) Absence of ownership of the National Standards;

iv) Vocationalization of Education in Schools;

v) Absence of an integrated in-plant Apprenticeship Training;

vi) Inadequate industry interface and lack of relevance of VET;

vii) Inadequate financing of VET system;

viii) Inadequate Training Capacity in the country;

ix) Poor Quality Outcomes;

x) Short term VET Courses;

xi) Large School Drop-outs;

xii) Recognition of Prior Learning (RPL);

xiii) Promotion of Soft and Life Skills;

xiv) VET for the Unorganized Sector;

xv) Shortage of qualified trainers;

xvi) Provision for Counselling, Guidance and Employment Services;

xvii) Skills for the Future; and

xviii) Need for a comprehensive legislation

# 1.ABSENCE OF A SOUND NATIONAL VOCATIONAL EDUCATION AND TRAINING SYSTEM

- Every developed country has a well defined VET system with upward mobility
- Our System is characterized by:-
  - Educated person with no skills and skilled person with no education
  - Academically disadvantaged- School dropouts
  - Socially disadvantaged- SC/ST/Minorities
  - Economically disadvantaged- BPL
  - Low salary to skilled workers- Rs. 5000 to Rs. 10000/- hence not aspirational. This puts a stigma on Vocational Education & Training

## **Recommendations**

- i) 10 years of schooling for each child, irrespective of his caste, creed, religion, region or economic status- 3Rs must for each child
- ii) At Secondary School level, students should be sensitized about dignity of labour, world of work and career options
- iii) After 10 years of schooling, create a new stream of VET with options for upward mobility- certificate, diploma, advanced diploma, degree, post degree etc.
- iv) Setup VETCs on the pattern of Engineering and Medical Colleges. VETCs should run vocational courses in Engineering and Services Sector along with two academic subjects as is mandated for ITI passouts to get equivalence with XII

## Recommendations contd..

v) 10+2 years of VET- Certificate

10+2+1 of VET– Diploma

10+2+1+1- Advanced Diploma

10+2+1+1+1- Graduate

vi) No. of Secondary Schools-1,31,287

- If we open one VETC for 5 Senior Secondary Schools- only 26,257 VETCs are required
- Upgrade 12412 ITIs + 3541 Diploma Colleges +2674 Diploma Nursing Colleges into 18627 VETCs
- Setup remaining 7630 VETCs in mostly Services Sector

vii) 10+2 years of ITI -goes into second year of Diploma @20% . Do away with 20% quota and admit in the third year

viii) Similarly, 10+3 years of Diploma goes into second year of Engineering degree @20%. Do away with 20% quota and admit them in third year of Engineering

ix) MSDE & MHRD should work together to operationalize it. If not, let MSDE set up National Skills University which should conduct research, train trainers and professors and become affiliating University for all VETCs.

## 2. ABSENCE OF NATIONAL VOCATIONAL EDUCATION AND TRAINING STANDARDS

- Focus has been on short term courses of 150-300 hrs duration which do not meet industry needs
- SSCs created NOSs and QPs which are narrow and kept in view only PMKVY implementation

### **Recommendations**

- i) Create a credible and dynamic LMIS
  - ii) National Occupational Standards (NOS);
  - iii) National Competency Standards (NCS);
  - iv) National Training Standards (NTS);
  - v) National Accreditation Standards (NAcS);
  - vi) National Assessment Standards (NAsS); and
  - vii) National Certification Standards (NCeS).
- Align them with International Standards- ISCO, 2008 that allows all jobs to be classified in 436 unit groups ([Link to ISCO, 2008](#))
  - National Competency Standard Certificate may be issued only when he has acquired all competencies for the job
  - NSDA/DGE and SSCs should work together with the industry concerned and design such National Competency Standards

### 3. ABSENCE OF OWNERSHIP OF THE NATIONAL STANDARDS

17 Central Ministries in addition to MSDE, State Governments, NSDC, etc. are conducting training but do not follow uniform National training standards

#### **Recommendations**

- i) MSDE should become the owner of National Standards and develop with the help of NSDA, DGE and SSCs and consult other Ministries concerned, wherever required
- ii) Be responsible and accountable for meeting needs of the industry and employment of youth
- iii) 9 Ministries – RD, HUPA Communication and IT, Tribal Affairs, WCD, DONER, MHA, Minority Affairs, Social Justice & Empowerment who do not have their own training infrastructure should discontinue training and transfer budget and manpower to MSDE
- iv) Remaining 8 Ministries - Agriculture, MSME, MHRD, Textile, Commerce & Industry, Tourism, Chemical & Fertilizers and Food Processing Industries who have their own training infrastructure may continue but align their courses to national standards and certification be done by NBAC

### 4. VOCATIONALIZATION OF EDUCATION IN SCHOOLS;

- Not succeeded in the last 162 years
- In 1985, 2.5% enrolment against a target of 50% after Kothari Commission Report in 1964
- In 2011-12, 4.8% enrolment against target of 25 % after implementation on NPE in 1987
- In 2014-15 , Placement was only 0.19 % after revision of scheme of vocationalisation of Secondary Education

#### **Recommendations**

- i) Get Allocation of Business Rules modified to include “Vocational Education and Training” if MHRD wants to continue
- ii) Set up VETCs with clear objective of training to meet the needs of the industry
- iii) Follow National Standards
- iv) Ensure upward mobility of students to diploma, advanced diploma, degree, etc.



## 5. INTEGRATION OF IN-PLANT APPRENTICESHIP TRAINING with TVET

- Current capacity is only 2.3 lakh per annum in 260 designated trades covering 30,165 establishments
- MHRD does another 0.83 lakh students per annum

### **Recommendations**

- i) Hands-on in-plant training should be part of VET and National Competency Standard Certificate granted only when both skills are acquired
- ii) Map establishments with training institutions
- iii) SSCs should closely work with employers to implement it
- iv) Intake should be related to the vacancies of establishments at the end of training
- v) Stipend should be close to minimum wages and employers be permitted to take work
- vi) Govt. should financially support MSMEs in conducting Apprentice training.

## 6. INADEQUATE INDUSTRY INTERFACE

Lack of industry's involvement in VET

### **Recommendations**

Forge a strong partnership between industry, government, SSCs and youth

## 7. INADEQUATE FINANCING OF VET SYSTEM

- Training capacity as per availability of budget and therefore, quality is compromised
- Germany spends 35 billion Euros out of which 86% is borne by industry

### **Recommendations**

- i) Create a National Skill Development Fund called “Reimbursable Industry Contribution (RIC)”. All enterprises employing 10 or more persons should contribute 2% of their wage bill to RIC
- ii) Each individual industry should prepare annual training plan and claim reimbursement from RIC
- iii) Industry can create its own infrastructure or get trained through the regular VET system
- iv) Assessment & Certification by NBAC
- v) Individual should also pay 10-20% of cost of training
- vi) Govt. may support SC/ST/Minority/BPL trainees
- vii) Design policies, incentives and training structure so that VET becomes a preferred option.

## 8. INADEQUATE TRAINING CAPACITY IN THE COUNTRY

- About 10 million person likely to join labour force every year
- Average capacity per ITI- 206
- Average capacity per Diploma college- 317
- If we expand them to about 500 per institute, we may get capacity of 81.68 lakh. We will need to setup additional 3600 VETCs only.

### **Recommendations**

- i) All ITIs & Diploma colleges may be renamed as VETCs and enhance capacity to about 500 per VETC with about 10 trades- 3-4 Engineering and 6-7 Services sector.
- ii) Setup 3600 new VETCs. All PMKKs may be converted to VETCs. Maybe financially supported by NSDC.

## 9. POOR QUALITY OUTCOMES

- Absence of National Standards
- Non involvement of Industry
- No credible National Assessment and Certification System

### **Recommendations**

- i) Create National Standards aligned with international standards
- ii) Sound accreditation by third party professional bodies
- iii) Involve industry in training
- iv) Set up NBAC

## 10. SHORT TERM VET COURSES

Training of 150-300 hours not useful

Some courses of 8 hours duration only

- 12% courses of 100-150 hours duration
- 51.3 % of 150-300 hours duration
- 17% of 300-400 hour duration

Level 4 certificate –296 hours (ITI takes 2 years)

Level 5 certificate -392 hours (Polytechnics take 3 years)

Level 7 certificate- 472 hours (Equivalent to graduate)

Level 8 certificate-400 hours (Equivalent to Postgraduate)

Level 9 certificate-240 hours (Equivalent to PhD)

### **Recommendations**

- i) Develop NCS aligned with international standards
- ii) Assessment by NBAC

## 11.LARGE SCHOOL DROP-OUTS

Class I to VIII- 36.7 % dropout (11.7 cr)

### **Recommendations**

- i) Setup 50,000 VETs in a cluster of 10-12 villages to impart skills according to local needs of economy
- ii) Training may be modular in competency units. He may acquire NCSC and join VETC for upward mobility

## 12. RECOGNITION OF PRIOR LEARNING (RPL)

- Most misused concept- 2 to 8 hour training and certificate given which is useless
- No increase in competency or wages

### **Recommendations**

- i) Create a well defined RPL framework
- ii) Identify his skill gaps first- in terms of process, professional knowledge, professional skills, core skills and responsibility
- iii) Train to make up those gaps
- iv) Assessment by NBAC and then grant NCSC which will increase his productivity and wages

### 13. PROMOTION OF SOFT AND LIFE SKILLS

- Almost every worker lacks it

#### **Recommendations**

- i) Make soft skills an integral part of training
- ii) These are – Communication skills including interpersonal behaviour, team work, oration, presentation, problem solving, positive attitude, etc. ; Computer and Digital literacy, Quality Management Tools; Occupational Safety and Health; English Proficiency; Entrepreneurial Skills; Basic Financial Literacy

### 14. VET FOR THE UNORGANIZED SECTOR

- 93 % workers in the unorganised sector but no focussed attention

#### **Recommendations**

- i) Setup sound RPL framework
- ii) Setup VETs close to MSME clusters
- iii) SSCs should work with MSME clusters closely and ensure atleast one person is trained in each unit
- iv) Assessment by NBAC

## 15. SHORTAGE OF QUALIFIED TRAINERS

- 2-5 day training is too inadequate
- Current capacity of 8268 per annum and estimated requirement is 20,000 pa

### **Recommendations**

- i) Create a framework for training of trainers with entry qualification, subjects to be taught, duration, pedagogy skills, certification, etc.
- ii) Should include industry experience also
- iii) Award to best trainers as given to outstanding teachers
- iv) Run existing institutes to fullest capacity
- v) Remuneration should be equated or bettered in comparison to industry

## 16. PROVISION FOR COUNSELLING, GUIDANCE AND EMPLOYMENT SERVICES

- Very important component for any job seeker
- 976 Employment Exchanges could be used for this

### **Recommendations**

- i) Bring DGE under MSDE
- ii) Modernize all employment exchanges and convert them into counselling, guidance and employment facilitation centres
- iii) DGE & SSCs should work together to facilitate placement of trainees

## 17. SKILLS FOR THE FUTURE

- Technology, manufacturing practices and service delivery systems changing everyday
- A nodal apex institute should be created

### **Recommendations**

i) AHI maybe designated for this purpose. It may work closely with NSRD in NSDA to work as an incubation centre for new and emerging skills

## 18. NEED FOR A COMPREHENSIVE LEGISLATION

- Times have changed. Existing laws have outlived their utility. Implementation of new initiatives, new law may be needed

### **Recommendations**

i) Abolish Apprentices Act, 1961 and Employment Exchanges (Compulsory Notification of Vacancies ) Act, 1959 and a new Act called VET Act maybe brought in which may cover National VET System, National VET Standards, Roles and Responsibilities of all stakeholders, RIC, Compulsory Apprentice Training, SSCs, employment of only skilled manpower etc.

# SECTOR SKILL COUNCILS: CONCEPTUAL FRAMEWORK AND INTERNATIONAL EXPERIENCES

- SSCs are the main interface between employers, trade unions, governments and various components of the VET system and instrumental in transforming supply driven to a demand- responsive VET system.
- Continuous change in technology, manufacturing practices, mode of delivery of services & VET system not able to keep pace
- NASSCOM McKinsey World Institute Report 2005 brought out that 75% engineering and 85% arts, science and commerce graduates in India are not employable

<p><b>1. Employer- involved ( 2 variants)</b></p> <p>i) Voluntary engagement of employers in sectoral skills debates, primarily via consultation- <i>UK, Australia, New Zealand and Canada</i></p> <p>ii) Statutory engagement of employers in financing sectoral skills delivery and voluntary consultation-South Africa, France and Quebec in Canada</p>	<p><b>3. Employer-modelled</b></p> <p>Best practice model of skills development used to shape training practices within the sector- Singapore</p>
<p><b>2. Employer-owned</b></p> <p>Employer- funded and owned sectoral approach which ties into sectoral skill strategies and needs, as indentified by employers' association and representative groups- Hongkong Industry Training Associations-Construction, Clothing, etc.</p>	<p><b>4. Employer-driven ( 2 variants)</b></p> <p>i) Public VET system determined by employer-demand- Netherlands</p> <p>ii) Private Partnerships bringing employers together in order to identify and invest in training-High Job Growth Training Initiative in U.S.A</p>



# SECTOR SKILL COUNCILS: CONCEPTUAL FRAMEWORK AND INTERNATIONAL EXPERIENCES contd..

## CONCLUSIONS

- Each national approach is developed within a social, political, historical and cultural context and therefore, very few national systems or policy approaches could be directly transferred to another country
- Broadly, SSCs categorized on three central issues: ownership, financing and responsibility
- Most effective model is Hong Kong but it cannot be directed by the Government to focus on issues, such as social inclusion, equity, reduction in poverty or any other social or economic objective
- Committee recommends a model of SSCs which is owned, funded and driven by the sectoral employers but government supports them through a strategic framework to meet the basic issues of access, equity, inclusion, quality and upward mobility

# SECTOR SKILL COUNCILS- REVIEW

## 1. Constitution of SSCs

*NSDC claims to have formed SSCs on the basis of*

- i) 20 high growth priority sectors identified by the Planning Commission;
- ii) Sectors with large organized workforce; and;
- iii) Sectors with large informal workforce.

*However following infirmities were noticed:-*

- Created 26 SSCs against 20 sectors
- Many of them not even sectors such as Rubber, Plumbing, etc.
- "Agriculture" is wrongly categorised as "organised" with large workforce
- There are lot of overlaps, such as Construction with Plumbing, Paints and Coatings; Rubber with Agriculture, Strategic Manufacturing with Capital Goods and Infrastructure Equipment; Power with Hydrocarbon and Green; Life Sciences with Chemical & Petrochemical; Textile with Apparel & Leather; Instrumentation with Electronics, etc
- Trade Unions are not part of SSCs
- Inadequate consideration given to skills needs of Unorganized Sector

# SECTOR SKILL COUNCILS- REVIEW contd...

## 2.Governance of SSCs

- i) Industry Associations in the Governing Councils in place of employers
- ii) Members of Trade Unions not represented on GCs
- iii) Concept of Sponsorship is flawed. Sponsoring associations with small equity/initial contribution become owners of SSCs
- iv) Skeleton Staff in SSCs and incapable of discharging designated duties

## 3.Functioning of SSCs

- i) No arrangement for collection and compilation of skills needs of sectoral employers
- ii) No preparation of sectoral Skill Development plans and Skill Inventory
- iii) Development of NOS/QP outsourced- Unusually high 9912 NOS and 1801 QPs developed which are very narrow
- iv) Only 395 QPs against 1801 have been used so far
- v) Validation of NOS by 10 large,10 medium and 10 Small industries has been a mere formality
- vi) No credible accreditation, affiliation, assessment and certification standards developed
- vii) Training of trainers ranges from 2 to 5 days which is inadequate and does not serve any purpose
- viii) No academies of excellence developed
- ix) Placement rates are very poor while meeting industry's skills needs and providing employment is their core mandate

## 4.Financing of SSCs

Very small contribution by employers. SSCs contributed only Rs.21.85 cr. against NSDCs Rs 189.31 cr.

# ISSUES FACING THE SECTOR SKILL COUNCILS AND SUGGESTED REFORMS

## **i) No Standard Classification followed**

United Nations Statistical Commission devised ISIC which divides the economy in 21 Sectors. Govt has adopted it and CSO developed NIC,2008 on the basis of ISIC. NSQF Notification also advised to follow NIC

## **ii) Overlap of Jurisdiction among SSCs**

## **iii) Peripheral Involvement of Employers in SSCs**

SSCs should be “of the industry, by the industry and for the industry” but in essence they are neither of the industry nor by the industry and nor for the industry. Most of them are formed by industry associations.

## **iv) Development of Narrow NOSs and QPs**

Very narrow QP/NOSs made. 1801 QPs and 9912 NOS @5.5 NOS per QP. Germany 350 and ISCO classifies all jobs into 436

## **v) Financial Sustainability**

Role of the SSCs compromised on account for their dependence on assessment and certification

## **vi) Training for Unorganized Sector**

## **vii) Presence of SSCs in the States**

SSCs should set up regional offices in the States for closer interaction with them

## **viii) Creation of Labour Market Information System**

A very important role of SSCs but none of them have done it

# ISSUES FACING THE SECTOR SKILL COUNCILS AND SUGGESTED REFORMS contd..

## **ix) Limited Interface of SSCs with VET system**

No interface with ITIs, Polytechnics, Engineering Colleges, Schools, Vocational Colleges, etc. to make system demand responsive. They are confined only to PMKVY, primarily for their own sustenance

## **x) Conflict of Interest**

SSCs were required to be employer-led and employer governed bodies and it was expected that the employers of high repute, standing and integrity will form part of the Governing Councils. They will attract and influence other employers to participate because of their stature. But following cases of conflict of interest have come to our notice :

- i) One training company is an assessing body in several SSCs.*
- ii) One CEO of an SSC is also a director in company funded by NSDC.*
- iii) Many SSCs have employees from their parent sponsoring organizations.*
- iv) One CEO has been found to be son in law of Chairman.*
- v) Many CEOs have been found to be from their promoting organizations.*
- vi) Many training partners have also been found to be assessing bodies in multiple SSCs.*
- vii) Many SSC promoters have also been found to be training partners themselves.*
- viii) Many Governing Council members have been found to be training partners.*
- ix) Two NSDC board members have been found to be SSC promoters and training partners.*
- x) One NSDC Board member is promoter of 11 SSCs and the only assessing body in many SSCs.*
- xi) In one case, father has been found to be the chairman and his son co-promoter and owner of a training company and an assessment company in the same SSC.*
- xii) 4 SSC promoters have also been found to be assessing bodies.*

# CONVERGENCE, SYNERGY AND RATIONALIZATION OF SSCS

Central Statistical Office divided the Indian Economy into 21 sectors as follows as per NIC, 2008 which is based on ISIC 2008

S.No.	INDUSTRY SECTIONS
<b>Agriculture Sector</b>	
1	Section A: Agriculture, forestry and fishing
<b>Secondary Sector (Section B to Section F)</b>	
2	Section B: Mining and quarrying
3	Section C: Manufacturing
4	Section D: Electricity, gas, steam and air conditioning supply
5	Section E: Water supply; sewerage, waste management and remediation activities
6	Section F: Construction
<b>Tertiary Sector (Section G to Section U)</b>	
7	Section G: Wholesale and retail trade; repair of motor vehicles and motorcycles
8	Section H: Transportation and storage
9	Section I: Accommodation and Food service activities
10	Section J: Information and communication
11	Section K: Financial and insurance activities
12	Section L: Real estate activities
13	Section M: Professional, scientific and technical activities
14	Section N: Administrative and support service activities
15	Section O: Public administration and defence; compulsory social security
16	Section P: Education
17	Section Q: Human health and social work activities
18	Section R: Arts, entertainment and recreation
19	Section S: Other service activities
20	Section T: Activities of households as employers; undifferentiated goods and services producing activities of households for own use
21	Section U: Activities of extraterritorial organizations and bodies

## ILLUSTRATION OF DIGIT CODES OF NIC 2008

Under NIC, economic activities are first grouped into “Sections” alphabetically coded from A to U, every section then divided into “Division” with 2-digit numeric code, every division into “Group” with 3-digit numeric code, every group into “Class” with 4-digit numeric code and every 4 digit class into a 5-digit code “ Subclass”. It is illustrated through an example as follows:

<b>Level</b>	<b>Description</b>
Section C	Manufacturing
Division 13	Manufacture of textiles
Group 131	Spinning, weaving and finishing of textiles
Class 1311	Preparation and spinning of textile fibres
Sub-Class 13111	Preparation and spinning of cotton fibre including blended cotton

NSSO conducts quinquennial surveys on the basis of NIC and brings out data of employment and GVA which is as follows as per 68<sup>th</sup> round of survey in 2011-12

S. No.	Sector/Division	% Workforce	% GVA
1.	Agriculture & Allied	48.90%	18.5%
2.	Manufacturing	12.60%	17.4%
	(a) <i>Manufacturing of Wearing Apparel</i>	16.11%	
	(b) <i>Manufacturing of Textile</i>	15.48%	
	(c) <i>Manufacturing of Food Products</i>	10.08%	
	(d) <i>Manufacture of other non metallic mineral products</i>	8.33%	
	(e) <i>Manufacturing of Tobacco Products</i>	8.17%	
	(f) <i>Manufacturing of Wood Products</i>	6.43%	
	(g) <i>Other Manufacturing</i>	5.48%	
	(h) <i>Manufacturing of Fabricated Metal Products</i>	5.00%	
	(i) <i>Manufacturing of Furniture</i>	3.97%	
	(j) <i>Manufacturing of Basic Metals</i>	2.54%	
	(k) <i>Manufacturing of Leather &amp; Related Products</i>	2.22%	
	(l) <i>Manufacturing of Chemicals and Chemical Products</i>	1.98%	
	(m) <i>Manufacturing of Rubber &amp; Plastic Products</i>	1.90%	
	(n) <i>Repair and Installation of Machinery and equipment</i>	1.67%	
	(o) <i>Manufacture of Electrical Equipment</i>	1.67%	
	(p) <i>Manufacturing of Machinery &amp; Equipment</i>	1.59%	
	(q) <i>Manufacturing of Motor Vehicles &amp; Trailers and semi trailers</i>	1.59%	
3.	Construction	10.6%	9.6%
4.	Wholesale & Retail Trade & Repair of Motor Vehicles	9.32%	10.9%
5.	Transportation & Storage	4.06%	6.5%
6.	Education	2.98%	
7.	Other Services	2.13%	6.6%
8.	Public Administration & Defence	1.67%	6.1%
9.	Human Health & Social Work	0.92%	
10.	Financial & Insurance A	0.91%	5.9%
11.	Real Estate Activities	0.20%	13.00%
<b>Total covered</b>		<b>94.29%</b>	<b>94.5%</b>



Based on NIC,2008, we did matching of existing SSCs with NIC digit codes, as follows:

S.no.	SSC Name	Match at 1 digit	Match at 2 digit	Match at 3 digit	Match at 4 digit or later
1	Agriculture Skill Council of India	Yes			
2	Construction Skill Development Council of India	Yes			
3	Indian Plumbing Skills Council			Yes	
4	Retailers Association's Skill Council of India	Yes			
5	Textile Sector Skill Council		Yes		
6	Apparel, Madeups & Home Furnishing Sector Skill Council		Yes		
7	Leather Sector Skill Council		Yes		
8	Handicrafts & carpets Sector Skill Council		Yes		
9	Logistics Skill Council	Yes			
10	Food Industry Capacity & Skill Initiative		Yes		
11	Rubber Skill Development Council		Yes		
12	Paints and Coatings Skill Council		Yes		
13	Life Sciences Sector Skill Development Council		Yes		
14	Chemical & Petro Chemical Sector Skill Council		Yes		
15	Tourism & Hospitality Skill Council	Yes			
16	Domestic Workers Sector Skill Council		Yes		
17	Indian Iron & Steel Sector Skill Council		Yes		
18	Strategic Manufacturing Sector Skill Council				
19	Capital Goods Skill Council		Yes		
20	Infrastructure Equipment Skill Council				
21	Furniture & Fittings Skill Council		Yes		
22	Gems & Jewellery Skill Council of India			Yes	
23	Sports, Physical Education, Fitness and Leisure Sector Skill Council				
24	Aviation & Aerospace Sector Skill Council		Yes		
25	Automotive Skills Development Council		Yes		
26	Healthcare Sector Skill Council	Yes			
27	Beauty & Wellness Sector Skill Council				Yes
28	Banking, Financial Services & Insurance (BFSI) Sector Skill Council of India	Yes			
29	Electronic Sector Skill Council of India		Yes		
30	Instrumentation, Automation, Surveillance & Communication Sector Skill Council				
31	Media & Entertainment Skills Council		Yes		
32	IT-ITeS Sector Skill Council		Yes		
33	Telecom Sector Skill Council of India		Yes		
34	Power Sector Skill Council	yes			
35	Hydro Carbon Sector Skill Council		Yes		
36	Skill Council for Green Jobs				
37	Skill Council for Mining Sector	Yes			
38	Security Sector Skill Development Council		Yes		
39	Management & Entrepreneurship and Professional Skills Council				
40	PwD SSC				

Then we listed sectors in descending order of workforce employed and GVA, as follows:

	<b>Name of the rationalized SSC name</b>	<b>Workforce %age by NSSO 2011-12</b>	<b>%age GVA by CS0 2011-12</b>
1	<b>AGRICULTURE AND ALLIED SSC</b>	48.9	18.5
2	<b>CONSTRUCTION AND REAL ESTATE SERVICES SSC</b>	10.8	9.6
3	<b>WHOLESALE TRADE AND RETAIL SSC</b>	8.63	9.8
4	<b>EDUCATION, TRAINING AND PROFESSIONAL SERVICES SSC*</b>	4.91	6.1+
5	<b>TEXTILES APPARRELS AND LEATHER SSC</b>	4.26	1.9
6	<b>TRANSPORTATION AND LOGISTICS SSC</b>	4.06	5.1
7	<b>FOOD, BEVERAGES AND TOBACCO SSC</b>	2.39	2.1
8	<b>CHEMICAL, PHARMACEUTICALS AND RUBBER MANUFACTURING SSC</b>	1.77	
9	<b>TOURISM AND HOSPITALITY SSC</b>	1.64	1.1
10	<b>MACHINERY AND EQUIPMENT MANUFACTURING SSC</b>	1.36	
11	<b>WOOD AND FURNITURE SSC</b>	1.3	
12	<b>GEMS, JEWELLERY AND CREATIVE ARTS SSC</b>	1.04	
13	<b>AUTO AND TRANSPORT MANUFACTURING SSC</b>	0.99	
14	<b>HEALTH AND PERSONAL CARE SSC</b>	0.93	
15	<b>BANKING FINANCE &amp; INSURANCE SSC</b>	0.91	5.9
16	<b>MANUFACTURE OF ELECTRICAL AND ELECTRONICS GOODS SSC</b>	0.89	
17	<b>HOUSEHOLD PERSONNEL SSC</b>	0.83	
18	<b>INFORMATION AND COMMUNICATION SSC</b>	0.77	
19	<b>ENERGY AND UTILITIES SSC</b>	0.55	2.3
20	<b>MINING AND QUARRYING SSC</b>	0.54	3.2
21	<b>SECURITY, MANAGEMENT &amp; ADMINISTRATIVE SUPPORT SERVICES SSC</b>	0.54	

# LAYING DOWN DOMAIN AREA

## **6.12.1 AGRICULTURE AND ALLIED SSC**

Based on the NSSO 2011-12 survey, the work force contribution of the sector to the economy is 48.9 %. The percentage of Gross Value Added (GVA) at constant (2011-12) prices to the economy is 18.5 % as per the CSO 2011-12 data.

The SSC domain area would be the following:-

### **Section A: Agriculture, forestry and fishing**

**Division 01** Crop and animal production, hunting and related service activities

Group 011 Growing of non-perennial crops

Group 012 Growing of perennial crops

Group 013 Plant propagation

Group 014 Animal production

Group 015 Mixed farming

Group 016 Support activities to agriculture and post-harvest crop activities

Group 017 Hunting, trapping and related service activities

**Division 02** Forestry and logging

Group 021 Silviculture and other forestry activities

Group 022 Logging

Group 023 Gathering of non-wood forest products

Group 024 Support services to forestry

**Division 03** Fishing and aquaculture

Group 031 Fishing

Group 032 Aquaculture

## DESCRIPTION OF THE DOMAIN AREA

The present Agriculture Sector Skill Council of India has its subsectors as Agriculture Crop Production, Allied Sectors, Forestry, Environment and Agriculture related renewable energy and Agriculture Industries.

The “Manufacture of Agriculture Equipment” currently being done by the SSC is not part of the NIC activities covered above, therefore, should not be covered by this SSC and come under the Machinery and Equipment Manufacturing SSC.

The Rubber SSC has the following subsectors-Tyre, Non Tyre and Natural Rubber. The natural component of the present Rubber SSC i.e. The “Growing of Rubber Trees” is Subclass 01291 of class 0129 of Group 012 “Growing of Perennial Crops” under the Agriculture Section of the NIC 2008 hence it should be a part of this new SSC. However, tyre and non tyre will be dealt with separately.

***Domain areas of all the 21 Sectors as per NIC, 2008 have accordingly been defined in the report***

Accordingly, a concordance of proposed SSCs with the existing SSCs has been created as follow:-

No.	Name of the new proposed SSC	Existing SSC Name
1	AGRICULTURE AND ALLIED SSC	Agriculture Skill Council of India
2	CONSTRUCTION AND REAL ESTATE SERVICES SSC	Construction Skill Development Council of India, Indian Plumbing Skills Council
3	WHOLESALE TRADE AND RETAIL SSC	Retailers Association's Skill Council of India
4	EDUCATION TRAINING AND PROFESSIONAL SERVICES SSC*	Not set up so far
5	TEXTILES APPARRELS AND LEATHER SSC	Textile Sector Skill Council, Apparel, Madeups & Home Furnishing Sector Skill , CouncilLeather Sector Skill Council, Handicrafts & carpets Sector Skill Council
6	TRANSPORTATION AND LOGISTICS SSC	Logistics Skill Council
7	FOOD, BEVERAGES AND TOBACCO SSC	Food Industry Capacity & Skill Initiative
8	CHEMICAL, PHARMACEUTICALS AND RUBBER MANUFACTURING SSC	Rubber Skill Development Council, Paints and Coatings Skill Council, Life Sciences Sector Skill Development Council, Chemical & Petro Chemical Sector Skill Council
9	TOURISM AND HOSPITALITY SSC	Tourism & Hospitality Skill Council
10	MACHINERY AND EQUIPMENT MANUFACTURING SSC	Indian Iron & Steel Sector Skill Council, Strategic Manufacturing Sector Skill Council, Capital Goods Skill Council, Infrastructure Equipment Skill Council
11	WOOD AND FURNITURE SSC	Furniture & Fittings Skill Council
12	GEMS, JEWELLERY AND CREATIVE ARTS SSC	Gems & Jewellery Skill Council of India, Sports, Physical Education, Fitness and Leisure Sector Skill Council
13	AUTO AND TRANSPORT MANUFACTURING SSC	Aviation & Aerospace Sector Skill Council, Automotive Skills Development Council
14	HEALTH AND PERSONAL CARE SSC	Healthcare Sector Skill Council, Beauty & Wellness Sector Skill Council
15	BANKING, FINANCE & INSURANCE SSC	Banking, Financial Services & Insurance (BFSI) Sector Skill Council of India
16	MANUFACTURE OF ELECTRICAL AND ELECTRONICS GOODS SSC	Electronic Sector Skill Council of India ,Instrumentation, Automation, Surveillance & Communication Sector Skill Council
17	DOMESTIC PERSONNEL SSC	Domestic Workers Sector Skill Council
18	INFORMATION AND COMMUNICATION SSC	Media & Entertainment Skills Council , IT-ITeS Sector Skill Council, Telecom Sector Skill Council of India
19	ENERGY AND UTILITIES SSC	Power Sector Skill CouncilHydro Carbon Sector Skill Council, Skill Council for Green Jobs
20	MINING AND QUARRYING SSC	Skill Council for Mining Sector
21	SECURITY, MANAGEMENT & ADMINISTRATIVE SUPPORT SERVICES SSC	Security Sector Skill Development Council, Management & Entrepreneurship and Professional Skills Council

## ADVANTAGES

- NIC, 2008 is compatible with ISIC, 2008 and therefore, database on employment, GVA, etc. could be directly accessed and used from all credible national and international databases.
- NSSO is now undertaking annual employment & unemployment survey which could be directly used by SSCs.
- NCO, 2015 is based on ISCO,2008 up to 4 digit and if we can align our QP/NOSs with ISCO at the digit 5 level, our skilled persons can get employment anywhere in the world.
- We do not need to enter into MoUs with different countries separately. By following ISCO and ISIC, we will be compatible with all the countries in the world.
- India will get an opportunity to take a leadership role in aligning skill development systems of different countries of the world to an already agreed UNO framework.

# IMPLEMENTATION OF PROPOSED RATIONALISATION OF SSCs

*While implementing the proposed rationalization of SSCs, the following steps should be taken:-*

- i) The SSCs are concerned basically with collection and compilation of Labour Market Information, Identifying the skill needs of sectoral employers and developing norms and standards. The work of SSCs, therefore, should be allocated to NSDA which has been allocated the responsibility of developing labor market information system and approving norms and standards.
- ii) NSDC is a private sector body and not competent to handle regulatory function.
- iii) National Skill Development Agency will have to be strengthened, expanded and transformed into National Skill Development Authority and allocated regulatory role and responsibilities.
- iv) All the existing SSC should be dissolved.
- v) All new SSCs should be created under Section 25(now Sec 8) of the Companies Act, 2013
- vi) All funds of the old SSCs should be transferred to the new SSCs.
- vii) Governing Council of the new SSC should have representation from all divisions/old constituent entities.
- viii) The new SSC should function like an organic whole, giving importance to all constituent entities.
- ix) All sectoral industries must become members of the SSC
- x) The members of the Governing Council should be democratically elected by all the members of the SSC.
- xi) The members of the Governing Council should elect the Chairman in a democratic manner.

# IMPLEMENTATION OF PROPOSED RATIONALISATION OF SSCs contd..

- xii) The term of the Chairman and the members of the Governing Council should be at least for a period of 3 years so that they can get sufficient time to contribute and maintain continuity
- xiii) The CEO must be identified by an independent selection procedure and the person should be an outstanding professional having at least 20 years of experience of working in that particular sector.
- xiv) In order to provide professionalism, Chief Operating Officers may represent the constituent entities.
- xv) In order to discharge their responsibilities effectively and efficiently, the following officials at the senior level maybe appointed:
  - a) Head, Standards and Quality Assurance
  - b) Head, Industry Interface and LMIS
  - c) Head, Government/VET Interface( Central & State)
  - d) Head, Finance
  - e) Head Unorganized Sector

All these positions must be manned by experts/professionals having at least 15 years of experience in the respective fields.

- xvi) A representative of NSDA and the concerned administrative Ministry should be represented in the GC.
- xvii) In order to ensure participation of the States, 2 State Governments may be represented on the Governing Council on rotation basis.
- xviii) At least two members of the Central Trade Unions should be represented on the GC.
- xix) The members of the SSC should be employers and not the representatives of the industry associations.



# INSTITUTIONAL FRAMEWORK

## MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP

- Must own the National VET standards
- Form a Central Advisory Board on Skill Development consisting of Ministers of all Central Ministries & state government and all heads of regulatory bodies dealing with skill development
- DGE should be brought under MSDE and rename it as Ministry Of Skill Development & Employment
- The DGT in so far it concerns policy formulation on vocational training laying down norms and standards, development of course curricula should be mainstreamed with NSDA and form nucleus for this purpose
- NCVT should form nucleus of the proposed National Board for Assessment and Certification

## NATIONAL SKILL DEVELOPMENT AGENCY

- NSDA performs regulatory functions and therefore, it should be renamed as National Skill Development Authority and an organizational structure should be created and professionals with experience of industry and academia be recruited on regular basis and provided vertical mobility in the organization.
- NSDA's mandate to raise extra budgetary resources for skill development should be done away with as it compromises with its regulatory role.
- CSTARI, NIMI and AHI should be brought under it

## NATIONAL SKILL DEVELOPMENT CORPORATION

- NSDC is a Public Private Partnership with 51 % equity of private sector, it is essentially a private sector body and therefore, not competent to perform regulatory functions. The work of setting up of SSCs should be transferred to NSDA and their MoA amended accordingly
- According to its original mandate, NSDC should mobilise resources for skill development and should be used to support private sector, setup large number of VETCs/VETs to run long term competency based courses of certificate, diploma and degree level according to requirement of industry
- NSDC should help modernize, expand and diversify the private ITIs so that they can meet the exact skill needs of the industry after getting converted into VETCs.
- As NSDC is a funding company in the private sector in the nature of NBFC, it should function under the relevant regulations applicable to NBFCs.
- NSDC is a private sector led body and does not come under any of the regulatory systems of the government, they are using 100% government funds without accountability and therefore, a strong oversight mechanism should be created for monitoring the outcomes as a result of the funds provided by the government

## NATIONAL SKILL DEVELOPMENT FUND

- The Governance structure of NSDF should be modified and chairman NSDC should be excluded and instead Chairman NSDA should be included as member
- NSDF should serve as receptacle for all funds flowing from RIC.

## NATIONAL SKILL QUALIFICATION COMMITTEE

- NSQC is required to approve setting up of SSCs, norms and standards etc. but does not have adequate resources to discharge its functions effectively. It should be strengthened and industry domain experts should be included in it.

# SKILLS STANDARDS

- QPs/NOSs developed earlier were not user friendly, the new proposed NCS should be simple and easy to use not just by experts but by other users and trainees as well.
- Standards making and Testing & Certification should be kept at arms length and assigned to separate bodies. SSCs are making NOSs/QPs and also doing testing and certification. NCS should be developed by NSDA/SSCs, training to be done by Vocational Training institutions and assessment by the proposed NBAC.
- Level descriptors given in the NSQF lack clarity and objectivity. In the NCS, we should use certificate, diploma, degree etc, convert the courses as per level descriptors, assign credits and establish comparability with existing titles. NSQA should play a big role in it.
- Credit transfer system has not been developed so far. It requires expertise of multidisciplinary professionals from education, VET, Technical education, higher education, etc. NSQA therefore, should be manned by relevant experts who should develop credit system, credit transfer system, bridge courses etc. to fulfill the purpose of creating NSQF.
- A sensitization and communication campaign should be launched for making NSQF understandable to professionals and others involved

## FINANCING OF SKILLS

- Huge resources are required for a comprehensive, credible, industry alligned VET system which responds to the exact needs of the employers as well as ensures employment to youth. Reimbursable Industry Contribution (RIC), therefore, has been proposed where all small, medium and large enterprises employing more than 10 workers should be required to contribute about 2 % of their wage bill
- The enterprises should prepare their annual training plan and claim reimbursement for its implementation.
- All employers should be mandated to employ only skilled manpower after certain period. They can setup their own training infrastructure or use regular VET system for training of their unskilled employees.

Thank you !