

# **DRAFT NATIONAL POLICY FOR SKILL DEVELOPMENT AND ENTREPRENEURSHIP 2015**

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**MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP  
GOVERNMENT OF INDIA**

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## 1. PREFACE

*Today, the world and India need a skilled workforce. If we have to promote the development of our country then our mission has to be 'skill development' and 'Skilled India'. Millions and Millions of Indian youth should acquire the skills which could contribute towards making India a modern country. I also want to create a pool of young people who are able to create jobs and the ones who are not capable of creating jobs and do not have the opportunities, they must be in a position to face their counterparts in any corner of the world while keeping their heads high by virtue of their hard work and their dexterity of hands and win the hearts of people around the world through their skills. We want to go for the capacity building of such young people. My brothers and sisters, having taken a resolve to enhance the skill development at a highly rapid pace, I want to accomplish this.*

-Hon'ble Prime Minister of India, Shri Narendra Modi  
Independence Day 2014 Speech

1.1 India is on the cusp of a demographic opportunity. It is today one of the youngest nations in the world with more than 62% of the population in the working age group (15-59 years), and more than 54% of the total population below 25 years of age. The country's population pyramid is expected to "bulge" across the 15–59 age group over the next decade. It is further estimated that the average age of the population in India by 2020 will be 29 years as against 40 years in USA, 46 years in Europe and 47 years in Japan. In fact, in next 20 years the labor force in the industrialized world will decline by 4%, while in India it will increase by 32%. This poses both a challenge and an opportunity. To reap this demographic dividend which is expected to last for next 25 years, India needs to equip its workforce with employable skills and knowledge so that the youth can participate productively to make India a developed economy.

1.2 The country presently faces a dual challenge of severe paucity of highly-trained, quality labor, as well as non-employability of large sections of the educated workforce that possess little or no job skills. Ministry for Skill Development and Entrepreneurship (earlier Department of Skill Development and Entrepreneurship created in July 2014) has been set up in November 2014 to give fresh impetus to the Skill India agenda and impart employable skills to its growing workforce over the next few decades. Apart from meeting its own demand, India has the potential to provide skilled workforce to fill the expected shortfall in the ageing developed world.

1.3 As India moves progressively towards becoming a global knowledge economy, it must meet the rising aspirations of its youth. This can be partially achieved through focus on advancement of skills that are relevant to the emerging economic environment. The challenge pertains not only to a huge quantitative expansion of the facilities for skill training, but also to the much more important task of raising their quality.

1.4 Skill development, however, cannot be viewed in isolation. Skills are fundamental to, but not sufficient for, gaining decent jobs. Improved productivity through skill development must be complemented by economic growth and employment opportunities. Skills need to be an integral part of employment and economic growth strategies. Coordination with other national macroeconomic policies and strategies is therefore critical.

1.5 It is estimated that during the seven-year period of 2005-2012, only 2.7 million net additional jobs were created in the country. Thus, another key aspect that needs to complement a successful skill strategy is entrepreneurship, which can be a key source of employment generation and economic development in India. Given the changed landscape in the country, entrepreneurship opportunities have emerged as an important source of meeting the aspirations of the youth. An all-inclusive approach to strengthen the entrepreneurship development scenario in the country which boosts competent and globally competitive entrepreneurs, needs to be encouraged.

1.6 Recognizing the imperative need for skill development, National Skill Development Policy was formulated in 2009. Given the paradigm shift in the skilling ecosystem in the country and the experience gained through implementation of various skill development programmes in the country, there is an imminent need to revisit the existing policy. Moreover, the National Skill Development Policy provides for review every five years to appropriately take account of progress in implementation and emerging trends in the national and international environment.

1.7 National Skill Development and Entrepreneurship policy of 2015 supersedes the policy of 2009. The objective of this policy is to meet the challenge of skilling at scale with speed, standard (quality) and sustainability. It aims to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link skilling with demand centres. In addition to laying down the objectives and expected outcomes, the policy also identifies the various institutional frameworks which will be the vehicles to reach the expected outcomes. Skills development is the shared responsibility of government, employers and individual workers, with NGOs, community based organizations, private training organizations and other stakeholders playing a critical role. The policy links skills development to improved employability and productivity to pave the way forward for inclusive growth in the country. The skill strategy is complemented by specific efforts to promote Entrepreneurship to create enough opportunities for skilled workforce.

## 2. SKILL DEVELOPMENT AND ENTREPRENEURSHIP LANDSCAPE

2.1 Skills and knowledge are the driving forces of economic growth and social development for any country. Countries with higher levels and better standards of skills adjust more effectively to the challenges and opportunities in the domestic and international job market. In India, we have awoken rather late to the skills need and challenge. The first attempt to pro-actively promote skill development in the country was made with the National Policy on Skill Development 2009. Consequently, over the last five years, India has made some progress towards developing the assets to drive skills training at scale. Notably, the establishment of the National Skills Development Corporation (NSDC) in 2009 to promote private sector participation via short duration courses has tied up with more than 187 training providers, many of whom have started scaling up their operations. They also supported and incubated 31 Sector Skills Councils (SSCs) that is intended to facilitate the much needed participation and ownership of the industry to ensure needs-based training programmes. The National Skills Development Agency (NSDA) is working with the State governments to rejuvenate and synergise skilling efforts in the State. The National Skills Qualification Framework (NSQF) has been anchored at NSDA and efforts have been initiated to align all skilling and education outcomes with the competency based NSQF levels. These efforts build on the legacy vocational training infrastructure: close to 12,000 Industrial Training Institutes and 3,200 polytechnics.

2.2 The country, however, has a big challenge ahead as it is estimated that only 2.3%<sup>1</sup> of the total workforce in India has undergone formal skill training as compared to 68% in UK, 75% in Germany, 52% in USA, 80% in Japan and 96% in South Korea. While the debate on the exact quantum of the challenge continues, there is no disputing the fact that the range is of massive proportions.

2.3 On demand side, a skill gap study has been conducted by National Skill development Cooperation in 2014, which indicates that there is an additional net requirement of 11.92 crore skilled manpower in twenty four key sectors by 2022.

2.4 On supply side, analysis based on results of 66<sup>th</sup> and 68<sup>th</sup> round of NSSO can be seen at Appendix-I. It is observed that today the total workforce in the country is estimated at 48.74 crore, of which approximately 51% is in the non-farm sector. Of these 24.9 crore non-farm workers, a maximum of 10% would be formally trained and skilled (4.69% is based on 2011-12 NSSO survey and is including both farm & non farm). Approximately 22.4 crore would be either skilled through non formal channels or unskilled. Out of these, it is estimated that approximately, 15.7 crore would be in the age group 15-45 years. This workforce will need to be mapped with recognition of existing skills and then provided with necessary up-skilling or re-skilling for increasing productivity and providing a livelihood pathway. Similarly, in farm sector, this figure works out to be 15 crore.

2.5 In addition, the number of people who enter the work force age group every year is estimated to be 2.6 crore. Assuming an average labour participation rate of 65% (both male and female), atleast 1.70 crore will enter the workforce and all of these need to acquire skills.

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<sup>1</sup> Computed from NSS(66<sup>th</sup> Round)2009-10

This will add another 11.9 crore persons to be skilled in the next 7 years. In addition, with improvement in agriculture technology, better opportunities in non-farm sector, increased productivity of Agricultural workforce etc there will be a migration from Agriculture to non-agriculture sector. It is estimated that there will be net surplus of 2.4 crore people in agriculture by 2022 as per the skill gap studies conducted by the NSDC. This implies that an estimated additional 2.4 crore workforce will also enter non-farm sector that will also need to be skilled over next seven years. Thus, it is evident broadly that 11.9 crore fresh entrants to workforce over next seven years by 2022 will need to be skilled. In addition, 30.7 crore of existing farm and non-farm sector workforce will need to be skilled, up-skilled or re-skilled.

2.6 No country in the world faces a challenge of this proportion. Current annual skilling capacity, including training for the farm sector, in India is estimated at 7 million. This capacity needs to Scale-up with Speed and Standards combined with more job opportunities both nationally and globally. Thus, appropriate infrastructure needs to be created keeping in view the sectoral and geographical demands.

2.7 One of the major challenges faced in the country today is the public perception that views skilling to be the last resort meant for those who have not been able to progress in the formal academic system. A number of factors have contributed to entrenching this viewpoint:

- The social and traditional view that sees status as being inversely proportional to the degree to which one works with one's hands
- The tendency of industry to treat skilled and unskilled persons at par – thereby depriving skilling of any meaningful economic incentive.
- Vocational training programs are up-to-date with neither current industry requirements nor employment linked

This supposed 'stigma' associated with skill development has resulted in low enrolments in vocational education courses. Consequently, industry often says that we do not have enough skilled people at functional level to build bridges, lay pipelines or work in factories.

2.8 Current skill development efforts by the Central Government are spread across more than 20 Ministries/Departments without a robust coordination and monitoring mechanism to oversee them. The same is replicated in most of the States also without any major effort towards convergence. This creates multiplicity of norms, procedures, curricula, certifications etc. Further, many of these skill development initiatives often remain un-aligned to demand, thus defeating their entire objective.

2.9 Different states in India have varied challenges in relation to demographics and skill development. There needs to be a shared sense of urgency to address the challenges of the changing demography. While State Skill Development Missions (SSDMs) have been launched in almost all States, there is an imminent need for capacity building and empowerment of the SSDMs in many states in order to upscale quality skill development.

The creation of a common database linking up at the Centre is also necessary to prevent duplication of data and aid in convergence of State skill development efforts with Central programs.

2.10 The plethora of grant based, “free” training programs available today, though necessary, have their own limitations especially on quality and employability. Students undergoing training for “free” attach little value to the training whereas training providers focus on increasing the numbers rather than quality of manpower trained. While financial support is required for certain industry sectors or segments of the unorganised sector, it is critical to exercise utmost discretion and link employability with all such efforts.

2.11 The various certification and assessment systems in the country need to be linked to a common quality assurance framework, so as to avoid inconsistencies that are causing confusion in the minds of the ultimate users. The certifications are not aligned to the National Skill Qualification Framework (NSQF). The accountability system in Assessment and Certification landscape is not well defined.

2.12 The availability of good quality trainers is a major area of concern. There is a lack of focus on development of trainers with a clear livelihood path which can make this an aspirational career choice and can ensure regular adequate supply of good quality trainers in every sector.

2.13 Efforts in the skill landscape have been largely devoid of industry/Employer linkages until the last few years. This has created gaps in terms of sectoral need and availability; competency required by employer and those possessed by a trainee etc. The placements have consequently suffered. While industry has started defining the skills its needs, and how the same can be imparted, this needs to go hand-in-hand with an indication of how much these skills are worth to the employer, expressed in remuneration payable to those having these skills. This is necessary to create economic incentive for being skilled, and for industry to realize that skill, like any commodity, is governed by the laws of demand and supply.

2.14 Skill development has still not positioned itself as a value proposition for candidates since employers are not ready to pay a higher skill premium to compensate for their skills. Moreover, paucity of jobs combined with oversupply of new entrants to the job, at the rate of around 1 million persons every month, has also kept the skilled and semi-skilled wages low.

2.15 One of the biggest challenges of skill development with sustainable livelihood is that 93% of India’s workforce is in informal/unorganised sector. It is difficult to track those workers in the unorganised sector who receive informal training. On the other hand, the rate of job growth in informal sector is estimated to be twice that in formal sector.

2.16 Job creation for skilled youth is also a major challenge before the nation. Entrepreneurship based on innovation has immense growth potential which can also create jobs for our youth. However, the number of local entrepreneurs emerging every year in India

is very low. According to a World Bank study on Entrepreneurship in 2010 which compares the new business registration density of South Asian countries with the rest of the world, it was found that contrary to popular belief, India has too few entrepreneurs for its stage of development, even when compared to other countries such as Thailand, Brazil & Malaysia. Accelerating entrepreneurship and self-employment is crucial for large-scale employment generation in India.

2.17 A negative perception of uncertainty and insecurity is associated with entrepreneurship that discourages majority of youths from nurturing the ambition of an entrepreneurial career. There is prevalence of necessity based entrepreneurship rather than self-driven entrepreneurship in India. The Indian society, by and large, has a distinct preference for service/decent job and in particular a government job that provides economic security and access to power. Our educational system is also focussed on preparing students for regular jobs and rarely exposes them to entrepreneurship.

2.18 There have been no co-ordinated efforts to promote entrepreneurship in the country. There are a number of policies such as Micro, Small and Medium Enterprise Policy, Manufacturing Policy, Competition Policy, Industrial policy, Science and Technology Policy, National Design Policy, etc., that touch upon and have implications for entrepreneurship, directly and indirectly. The focus on entrepreneurship remains fragmented and devoid of any strategy.

2.19 Information deficit and inadequate mentoring support is also one of the major challenges faced by an entrepreneur. Entrepreneurs often get discouraged because of various factors such as lack of adequate access to information on setting up and operating a business, lack of start-up funds, lack of adequate networks and mentoring support, difficult access to technology, lack of a supportive system, operational difficulties, and the nightmare about the consequences of failure. The procedural hurdles at entry and exit are also cumbersome and impede Entrepreneurship. These factors loom large and hinder the emergence of entrepreneurship.

2.20 There is a paucity of innovation driven entrepreneurs in the country because of insufficient infrastructure to take advantage of the available scientific and technology based intellectual capital which has the potential to be commercialised. There are over 10,500 engineering colleges and polytechnics in the country with an intake capacity of about 22,00,000 students. These institutions are potential hubs of innovation. Over and above, there are a number of R&D Labs under the Department of Scientific and Industrial Research (DSIR).

2.21 Social enterprise development in India is not being capitalised to its full potential. Given the level of poverty, unemployment and deprivation among the poor in India, social entrepreneurship has emerged as an important alternate venture form to empower poor. Social innovation seeks new answers to social problems, by offering new products and

services, to integrate the poor with markets as active and empowered participants rather than passive recipients.

2.20 Inadequate access to finance continues to remain the ‘Achilles Heel’ of the entire entrepreneurial efforts in the country. Little finance is being accessed from institutional sources. The RBI data also indicates the same as far as credit flow to Small Scale Industries (SSIs) is concerned.

National Skill Development and Entrepreneurship Policy 2015 attempts to address these concerns. It tries to bring the world of education and training closer to the world of work so as to enable them together build a Strong India.

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### 3 AIM AND OBJECTIVES OF THE POLICY

#### 3.1 Vision

*“To create an ecosystem of empowerment by **Skilling** on a large **Scale** at **Speed** with high **Standards** so as to ensure **Sustainable livelihoods** for all citizens and to place India in the comity of front ranking entrepreneurial and innovative nations.*

#### 3.2 Mission

*The mission is to-*

*Create a demand for skilling across the country;  
Correct and align the skilling with required competencies;  
Connect the supply of skilled human resources with sectoral demands;  
Certify and assess in alignment with global and national standards; and  
Catalyse an eco system wherein opportunity based and innovative entrepreneurship germinates, sustains and grows leading to creation of a more dynamic entrepreneurial economy.*

#### 3.3 Objectives

3.3.1 The core objective of the Policy is to empower the individual, by enabling her/him to realize their full potential through a process of lifelong learning (enabling her/him to accumulate competencies throughout their lifetime as time and circumstances permit) through instruments such as valid certifications, accumulation of credits, etc they will be allowed and facilitated to grow into more important and rewarding roles. As they grow, the organization she happens to be working for, and the society and the nation of which she is a part, will also benefit from her productivity and growth. This will involve:

- i. Make quality vocational training aspirational for youth through the simultaneous shift in the mind-set by making skill training a matter of choice, and in the mind-set of employers that skilled manpower will lead to increased productivity and will involve a payment of premium.
- ii. Focus on an outcome-based approach towards quality skilling that results in increased employability of individuals to avail job opportunities.
- iii. Increase the capacity and quality of training infrastructure and trainers to ensure equitable and easy access for every citizen.
- iv. Address the human resource needs by aligning supply and composition of skilled workers with the requirements of the industry and the country’s strategic priorities including flagship programmes.
- v. Establish an IT based information system for aggregating demand and supply of skills to help align efforts towards bridging the existing and expected skill gaps.
- vi. Promote National standards in the skilling space through active involvement of the employers in creating curriculum, providing standards and paying skill premiums to workers.
- vii. Operationalize a well-defined quality assurance framework aligned with global standards to facilitate mobility of labour.

- viii. Leverage modern technology to ensure scale, access and outreach, in addition to ease of delivering content and monitoring results.
- ix. Recognise the value of on-the-job training, by making apprenticeships in actual work environments an integral part of all skill development trainings.
- x. Ensure that the skilling needs of the socially and geographically disadvantaged and marginalized groups (like the SCs, STs, OBCs, minorities, women and differently abled persons) are appropriately taken care of.
- xi. Promote commitment and ownership of all stakeholders towards skill development and create an effective coordination mechanism.

### 3.3.2 Create an ecosystem for entrepreneurship development that would include:

- i. Encourage both self-employment and entrepreneurship as a viable career option through advocacy.
- ii. Enhance support for entrepreneurs through mentorship, networks, provision of information, ease of doing business
- iii. Integrate entrepreneurship education in the formal education system
- iv. Foster innovation-driven and social entrepreneurship to address the needs of the population at the 'bottom of the pyramid'
- v. Facilitate access to finance through credit and market linkages
- vi. Broaden the base of entrepreneurial supply by meeting specific needs of both socially and geographically disadvantaged sections of the society.

## 4. POLICY FRAMEWORK FOR SKILL DEVELOPMENT

The policy framework has been developed to accomplish the vision of Skill India by adhering to the objectives mentioned in Chapter 3. The framework outlines ten major directions and enablers to achieve these objectives of skilling India:

- Aspiration
- Capacity
- Quality
- Synergy
- Mobilization and Engagement
- Global Partnerships
- Outreach and Advocacy
- ICT Enablement
- Development of Trainers
- Inclusivity

### 4.1 Aspiration

4.1.1 The need of the hour is to make skill development aspirational for the youth in our country. For skill training to be looked at as a matter of choice, it must

- be integrated with the general education system, so that vocational education and training is also seen as a valid route to degrees and diplomas of institutions of higher learning, and the positions of authority that are open to persons with such qualifications; and
- associated with sustainable livelihood pathways; and
- have a causal relationship with increased incomes for the skilled workforce.

4.1.2 Government will make pro-active efforts for mobilizing candidates for skill development and entrepreneurship. A Labour Market Information System (LMIS) including Skill Development Management Systems (SDMS), Skillpedia etc, detailed later in section 4.7.1, as part of the National Portal for skilling will be created in next one year to inform the candidates of the choices available to them in terms of sectors, modules and training providers with better career opportunities. Data for all the persons mobilized and seeking skill development training will be entered into the National Portal. This will ensure that there is a ready list of willing candidates for skill development is available to the Training Providers (TPs).

4.1.3 A National Campaign will be launched within three months to create awareness and a positive pro-skilling environment. Initial phases of the communication campaign will focus on improving the aspirational value of possessing a skill. Communication packages and kits will be standardized for quality assurance, made available in all local languages and promoted through role models. State wise camps for skills awareness and mobilization would be held. Government will use social media to amplify the effectiveness of this campaign and build publicity of their vision, purpose, and activities; and attract volunteers and benefactors. A TV channel and a national community radio frequency dedicated to skilling will be

promoted to enable communication and dissemination of information and opportunity relating to skills.

4.1.4 The Government will gradually promote use of certified skilled manpower for its work and projects through enabling provisions in the contracts. Industry will also be encouraged to follow suit and pay skill premium to skilled and semi skilled workers. The Skill India logo will be used to promote the value of a skilled workforce and create momentum for certified skilling amongst the youth.

4.1.5 To further the aspiration and respect associated with skilling, National Skill and Entrepreneurship Awards will be institutionalized in close association with the major stakeholders. Participation of India at international platforms will be encouraged to showcase the skilling talent in the country. Moreover, an annual day to commemorate and celebrate skilling as 'National Skill Day' will be declared. Skill fairs and camps will be set up this day across the country.

4.1.6 Counseling and guidance have emerged as the biggest challenges in the skill space today. Good counseling will be useful to create aspiration, reduce the attrition rates during training and employment by helping candidates make informed choices. The vast network of existing Post Offices and Citizen Service Centers (CSCs) would be leveraged with industry support to create such a support system for the youth.

4.1.7 The Prime Minister's Skill Development Fellow scheme will be introduced through which talented, young individuals will be selected through a highly competitive process. These Fellows will work with the State and District administration to spread awareness about skill development, identify the local needs of the region and steer the skill development efforts.

## **4.2 Capacity**

4.2.1 The annual skilling capacity in the country was estimated at about 7 million in 2014. In the current landscape, capacity is being created by private sector training organisations, industry in-house training, government and private ITIs, tool rooms and in schools, colleges and polytechnics. For all existing and new capacity that will be generated, the focus will move from inputs to outcomes of skill training that include employability and placements of trainees. For Government supported schemes, funding will be linked to outcomes of the training programmes.

4.2.2 The Government will support the creation and use of infrastructure in both public and private domain through appropriate equity, grant and loan support. It will continue with renewed focus to encourage new training entrepreneurs to enter into the skill development space by providing milestone linked funding support through existing and new institutional mechanisms. For ensuring greater accessibility and equity, a targeted approach of preferential empanelment, approval and funding of training providers will be put into place for the sectors and geographies where training capacity is clearly inadequate.

4.2.3 India has a tremendous amount of hard and soft infrastructure which is underutilised. For instance, there are over 10 lakh institutional buildings that are used for less than 40 hours a week. Skilling is a challenge which requires the supply to be close to the skill catchment,

thus it is essential to take skilling to the remotest parts of the country and scale up quickly which is only possible by using this existing infrastructure. By designing suitable incentive schemes, existing infrastructure both in terms of buildings and potential teachers would be optimally leveraged for skill training. There are over 1.55 million schools, 25000 colleges and 3500 polytechnics; around 1.5 lakh post offices and over 1 lakh Kiosks across the country. Schools/colleges will be used during holidays/off hours for training purposes; shop floors of industries will be utilized for practical training etc. Existing institutions in the agriculture sector such as Krishi Vigyan Kendras, Agro-business clinics, Indian Council of Agriculture Research (ICAR) will be utilized for providing skill training as well. There is availability of 65,000 kms of railway network in the country with over 8,000 stations, out of which a large proportion have adequate infrastructure facilities, electricity supply and an extensive optical fibre cable (OFC) network. These will be leveraged in order to deliver short-term skilling courses and promote awareness through a 'Skill Express' rail initiative.

4.2.4 A framework for accreditation of Training Providers in both the public and private domain will be notified based on training capabilities, infrastructure, availability of trainers, tie up with industry etc. This will facilitate accreditation at multiple levels and for multiplicity of courses. The accreditation which will be revised periodically will help students to make informed choices about the TPs.

4.2.5 The existing Industrial Training Institutes (ITI) and Polytechnics will be modernized with courses and curriculum that are aligned to the emerging competency based demand in the market. Technology would be leveraged for designing curricula and developing pedagogical techniques. ITIs interface with industry will be promoted to improve employability of the trainees.

4.2.6 New ITIs, renamed and promoted as Multi Skilling Institutes (MSIs) will be set up in PPP mode with strong industry linkages. These MSIs will focus on long term skilling (1-3 years) and will be located near the demand centers as Skill Hubs fostering apprenticeships and placements. The MSIs will be affiliated to Skill Universities to provide the bridge into general higher education through diplomas/certificates based on a credit framework aligned to the appropriate NSQF level. These institutes will function in a hub and spoke model to ensure greater outreach. A network of spokes in the form of livelihood colleges will also be promoted across the country which would focus on imparting employable skills up to NSQF 4 level. This model will drive accessibility and flexibility of skills training programmes and ensure that it is able to draw on the research required to deliver world class training.

4.2.7 National Universities for Skill Development and Entrepreneurship will be promoted as an institute of excellence for skill development and training of trainers, as de-novo institution or a part of existing university landscape. State level institutions as a part of this university will be promoted to coordinate the University work in the States. It is desired that these institutions become aspirational to the candidates as other premier institutes around the country. These institutions, apart from skilling candidates through affiliates and training the trainers will also conduct extensive research to enhance the quality and techniques of skill development by staying up to date with the recent developments in the skilling arena.

4.2.8 Skilling will be integrated into formal education by introducing vocational training linked to the local economy from class nine onwards over a period of next four years in at least 25% of the schools. Skill courses would be developed as independent subjects and provision would be made to include the outcomes as part of the qualifying marks for

admission into higher level courses. Seamless transition between vocational and formal education is expected to ignite student interest. All NSQF complaint assessment and certification bodies will be competent to provide support to the School Boards for assessment and certification of the skilling component of vocational education and training, wherever required.

4.2.9 Skilling will be increasingly integrated with higher education by converting all Polytechnics to community colleges, which will provide NSQF aligned vocational courses and also Bachelor of Vocational Studies. These courses will be aligned to the credit framework which can provide horizontal and vertical mobility. Further, atleast 25% of all existing institutions of higher education would offer add on career oriented courses with specialized skills at an appropriate level of NSQF.

4.2.10 A special focus will be laid on the youth who do not wish to continue with school or higher education so that they are provided skills for other sustainable livelihood options. Special programmes will be initiated for providing skill training to those who have eight years or more of schooling. Separate skill courses, aligned to the appropriate NSQF levels, will be held in existing schools/centres during evening hours to provide alternate career pathway to these students. The National Skills Qualification Framework (NSQF) as a means to integrate and provide multiple pathways between general and vocational education will help the school drop-outs make choices about vocational courses.

4.2.11 State Governments would be encouraged to setup Kaushal Vardhan Kendras (KVKs) at panchayat level for mobilising and imparting skills pertaining to local employment/livelihood opportunities to school drop-outs, adolescent girls, housewives and rural youth. Each KVK will be linked to the nearest ITI/MSI for capacity building, curriculum development, assessment and certification. The KVKs will also function as counselling and guidance centre for youth to help them make informed choices. NGOs will also be empanelled for running of these centres in their areas of operation. Some State governments are already working in this direction. Their efforts would be further encouraged to ensure setting up of atleast one KVK in each block within the country over next five years.

4.2.12 The human resource requirements of the country will be addressed by aligning the supply and composition of skilled workers with the demand. Training providers will be incentivized and Government schemes designed to enable the workforce to benefit from the requirements of the industry and the country's strategic priorities including flagship programmes. This will ensure that the supply of skilled workforce are relevant to the needs and can be easily absorbed into the job market.

4.2.13 Private Sector initiatives in skilling will be encouraged and would be entrusted to National Skill Development Corporation (NSDC) to create skilling capacity in the country. For this purpose, NSDC would continue to catalyze the creation of market-based, scalable business by providing patient funding through a combination of debt, equity and grants to Private sector to build capacity. This capacity would be created on self-sustainable model through Private Training Partners to cater to skilling needs of educational dropouts in rural and urban landscape to bring them back to sustainable livelihood options.

## 4.3 Quality

4.3.1 ‘One Nation One Standard’ should become the mantra to ensure that national standards and quality for skilling are globally aligned and the Indian youth can aspire to secure local, national and international job opportunities. Quality of training can be measured by the competency outcomes and employability of the trainees. The following parameters have been identified for improving quality:

- Quality assurance framework embedded in the National Skills Qualifications Framework(NSQF)
- Market relevant training programmes
- Fostering Mobility for the skilled manpower both laterally and vertically
- Recognition of prior learning
- Curriculum alignment
- Soft skills and IT skills

### Quality Assurance

4.3.2 A Quality Assurance (QA) framework embedded in the National Skills Qualification Framework (NSQF)<sup>2</sup> will be finalised within next one year. This will enable build trust and confidence in the system by putting in place mechanisms that ensure the qualifications (and related training) produce consistent quality outcomes, and are relevant to the labour market. It will ensure that training providers have the capacity to deliver training that meets the quality requirements. The QA framework will improve the consistency of outcomes linked to certification and consequently improve the status of skills training. It would also lay down the framework for independent assessment and certification system in the country. It will also promote use of ‘Skill India’ logo by SSCs (those conforming to the QA framework) on their Certificates which can ensure national and international recognition of the outcomes certified. The endeavour would be to promote multiple assessment and certification bodies in the landscape which adhere to the national QA framework, to meet the nationwide task of assessing and certifying hundreds of millions of skilled youth.

4.3.3 E-Assessment would be encouraged wherever feasible to scale up the capacity and increase convenience. Complete transparency and accountability will be ensured in the assessment process by leveraging technology. CCTV monitored examinations, biometric attendance machines will be encouraged with the help of appropriate incentives to compliant entities where Government support or funding is involved. A central repository of all assessments done and certificates issued will be maintained on the National Portal. The central repository will be available to employers, candidates and the general public to enable them to track their performance and future up-skilling options.

### Market led Standards

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<sup>2</sup>NSQF is an important institutional mechanism that ensures consistency of nationally recognised qualifications both for formal and non-formal skills based education and training. It accommodates experiential life-long learning through mechanisms such as recognition of prior learning, improves the alignment of formal and non-formal training programs with industry requirements; and increases options for students by broadening program and progression for learners through horizontal and vertical pathways.

4.3.4 Sector Skills Councils (SSCs), as industry-led bodies, will be strengthened in terms of making them more representative, expanding their outreach and increasing their efficiency. The development of National Occupational Standards (NOS) and Qualification Packs (QPs) for various job roles in a sector is the responsibility of the SSCs. The outcome standards for each job role will need to be clearly defined and notified as per National Skills Qualification Framework (NSQF). The SSCs will be responsible to ensure that the persons trained to the NOS/QPs are actually employed by the employers in their sector.

4.3.5 Development of standards by the Sector Skill Councils will be under the aegis of an umbrella committee which is already constituted as the National Skills Qualification Committee (NSQC) under the NSQF. All the NOSs and QPs developed by the SSCs will be examined and reviewed by the NSQC and thereafter, conferred the 'National Standards' status. All vocational training in the country will necessarily align itself to these national standards.

### **Mobility**

4.3.6 All formal and vocational education including skill training will have to align themselves with the NSQF by December 2018<sup>3</sup>. It is a nationally integrated education and competency based skill framework that will provide for multiple pathways, horizontal as well as vertical, within vocational education, vocational training, general education and technical education, thus linking one level of learning to another higher level. This would facilitate both horizontal and vertical mobility with formal education on outcome based equivalence linked to a uniform credit framework. A legal framework to support NSQF will also be put in place.

4.3.7 The QA framework for certification and assessment will set minimum standards and provide guidance for effective, valid, reliable, fair and transparent assessment within the context of the National Skills Qualification Framework (NSQF).

### **Recognition of Prior Learning (RPL)**

4.3.8 The RPL framework shall be an outcome-based qualification framework linked to NSQF against which prior learning can be assessed and certified. Resources and opportunities will be earmarked under various government schemes for equitable access to RPL programmes. The government will provide detailed guidelines for RPL initiatives in both public and private domain. This will be a step towards integrating the informal sector in the skilling landscape.

### **Creating a dynamic and demand-driven Curriculum framework**

4.3.9 The Curricula needs to be in sync with emerging demands. The curricula will be developed in consultation with industry representatives, experts and academia by the competent bodies, to meet the outcomes as provided for in QP and NOS. It would be done with the objectives of providing quality training and gainful employment in-line with the latest market trends. It would also focus on providing clear career pathways which can provide access to lifelong learning and sustainable livelihoods.

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<sup>3</sup> Gazetted Notification No. 8/6/2013-Invt. dated 27<sup>th</sup> December, 2013

## **Soft Skills and IT Skills**

4.3.10 Language, basic IT and financial literacy is an integral part of most job roles in the economy today. Accordingly, all skill training programmes shall include basic modules of computer literacy, finance, language and soft skills like etiquettes, social and life skills to enable the youth to be employable and market ready.

### **4.4 Synergy**

4.4.1 Skill development programmes being implemented by various Ministries/ Departments/agencies of the Central Government have different norms as regards the eligibility criteria, duration of training, maximum amount for training, outcomes, monitoring and tracking mechanism etc. This multiplicity of norms and parameters results in avoidable difficulties in implementation and makes it difficult to evaluate the performance of the skill development programmes across the Central Government in an objective manner.

4.4.2 The Ministry of Skill Development and Entrepreneurship, which has been set up to coordinate skill development efforts in the country will within three months, notify common norms for rationalization of Central Government Schemes on Skill Development. The norms shall include standards for inputs/output, funding/cost norms, third party certification and assessment cost etc across the various skill development programmes while allowing flexibility to meet the requirements of different parts of the country/ different socio economic groups.

4.4.3 The Central Government will also provide support for strengthening the institutional structures at the State level for effective coordination of skill training and development of a common database of trainees linked to Aadhar, training providers, industry etc through an IT enabled Labour Market Information System as part of the National Portal.

4.4.4. The Ministry of Skill Development and Entrepreneurship will setup a National portal, as discussed earlier in Section 4.1.2, on Skill India which will provide details of all opportunities in the skill development field, career options and pathways, skill gap projections, all Central and State schemes, platform for trainers in the domain etc.

### **4.5 Mobilization and Engagement**

4.5.1 Industry needs to be closely involved in providing job opportunities to the skilled workforce. Industry will be encouraged to increasingly move towards employing only certified skilled people. In addition, employers need to rationalize the compensation paid across different levels of skills to award a skill premium for increased productivity as a result of higher skills.

4.5.2 Skill Development is a shared responsibility of both the Government as well as the Industry. Since the industry is one of the major stakeholders, it needs to actively contribute to the cause of skill development. The SSCs are industry led bodies. The industry should earmark atleast 2% of its payroll bill (including for contract labour) for skill development initiatives in their respective sector. These funds can be channelized for Skill development

activities either through the respective SSCs or through the National Skill Development Fund (NSDF).

4.5.3 Industry representatives will be active in setting and designing curricula and standards for skill training courses. Where possible, industry members will be encouraged to become guest faculty at Multi-Skilling Institutes. The industry houses including the MSME sector will be incentivized to make shop floor available for practical training of trainees and institutionalize paid apprenticeship. Apprenticeship will be promoted through appropriate reforms in the existing Acts and rules. Incentives would be provided to MSME sector participating in Apprenticeship programmes. The workplace training will be promoted as part of overall skill curriculum aligned to NSQF and embedded in appropriate credit framework. Industry will also be encouraged to participate more actively in the training of youth, so that the latter are able to get actual on-the-job and hands-on experience during the training programme.

4.5.4 Every training provider (TP) should tie up with the industry in the relevant trades for improving placement opportunities for the candidates. There should be a placement cell with each training provider that will counsel the trainees on successful completion of their training and help them get employed. Industry mentors will be assigned wherever possible to trainees of government supported schemes. The aforesaid placement cell will maintain the complete database of all trainees and their employment record thereafter. The government support to TPs would be linked to placement performance and tie up with industry.

4.5.5 Special efforts will be made to organize and streamline the efforts of the Non-Governmental Sector in the skill development initiative. Mentorship support will be provided to the eligible NGOs through NSDC to scale and create sustainable models for skill development for Green jobs (agriculture, horticulture, renewable energy, recycling, eco-tourism etc), Grey collar jobs (informal manufacturing and services) and skills for local trades especially in rural India through the KVKs.

## **4.6 Global Partnerships**

4.6.1 The main objective of global partnerships and international collaborations are to leverage best practices from across the world. Such collaborations will immensely enrich training programmes by enhancing quality through learning from successful international models of vocationalization of education, engaging with industry, etc. Institutional arrangements and mechanisms through joint working groups, secretariats, etc will be established for regular exchange of knowledge, experiences, research findings, teaching and learning materials, and innovations in skill development.

4.6.2 Foreign Governments, corporate and agencies will also be encouraged to set up skill centres and universities as well as participate in content creation, design of curricula and delivery of training. Exchange and capacity building programmes for teachers, administrators and students will be facilitated.

4.6.3 The Government would promote a skills training ecosystem that would also enable training and placement of the Indian youth in overseas jobs. The ageing developed world is expected to face a huge skill shortage while our country has the potential to reap its demographic advantage and export skilled labour to the world. A focused team within the National Skills Research Institute (NSRI), as discussed in Section 4.7.7, would be formulated

for identification of countries and trades where skill shortages exist or are likely to develop in near future.

4.6.4 According to US Census Bureau estimate, by 2022, countries like USA, UK and China will fall short of skilled labour by 17 million, 2 million and 10 million respectively while India will have a surplus of almost 47 million in the age group of 19-59 years. This strength can be leveraged by countries of destination to meet their labor and skill shortages. Labor mobility is the only long term solution for sustaining global growth rates. To address this aspect of skill mobility the government will pro-actively build Human Resource Mobility Partnerships (HRMP) with key countries in collaboration with the concerned parties.

4.6.5 Currently there are about 14 million overseas Indians, 70% of whom are unskilled or semiskilled laborers. Due to several reasons such as lack of skills, inadequate information, lack of knowledge of basic language, etc, they often have to work in adverse circumstances with biased terms of employment. To address the existing issues faced by Indian laborers abroad the government will further enhance the scheme of skill up gradation and pre-departure orientation training to emigrant workers. The scheme will have the objective of institutionalizing the process of skill development of emigrant workers and to equip them with the basic knowledge about laws, language, and culture of the destination countries for the purpose of overseas employment.

4.6.6 The National Skills Qualifications Framework will be aligned to those recognized globally for ensuring quality and uniformity. Consequently, transnational standards will be created specifically for each sector of interest specifically where there is an opportunity for international workforce mobility. Close partnerships with the concerned countries would enable certified Indian youth to get job placement in these countries. The National Skills Qualification Committee (NSQC), with assistance from the concerned Sector Skills Councils, would be capacitated to develop working standards, assessments and certifications with respective agencies in the destination countries.

4.6.7 In addition, there are countries and regions where India will support development of their skill development ecosystem through sharing our institutional models and occupational standards and qualification packs.

## **4.7 Outreach and Advocacy**

4.7.1 One of the biggest challenges faced in the skilling sector is the difficulty of connecting supply with demand. A Labour Market Information System (LMIS) will be set up to, inter-alia, serve as aggregator of both demand and supply of skills, and consequently remove the information asymmetry in the market and help connect supply with demand. In addition, while keeping the trainees as the focal point of initiatives, the LMIS would cover a range of stakeholders such as training providers, industry/employers, Government agency/policy makers, Assessment agencies, Certifying agencies, Funding agencies, International Agencies, Sector Skill Councils, Labour Market tracking agencies, Govt. & Private agencies. The system would be used for forecasting future demand and accordingly preparing the supply of labour force.

4.7.2 The proposed “Kaushal Vardhan Kendras” will play a pivotal role in identifying local employment opportunities and providing, or organizing, adequate training and post-training support according to the specific needs of local areas such as migration support for skilled workers. The centers will also function as information centers for training and employment opportunities as well as various support schemes.

4.7.3 More than 93% of India’s workforce is in the unorganized sector, hence strengthening and certifying the skill base of the unorganized sector will contribute to the overall economic development. The RPL will be encouraged in the unorganized sector for certification of existing skills and integration of labor market. This will also open options for up-skilling and further vertical mobility. Multi-skilling in complementary areas will be promoted to enable sustainable livelihood in this sector.

4.7.4 To develop the unorganized sector, the LMIS will be used to aggregate the availability of labor along with their certified skill levels that can help some of them to move to organized sector. Technology will be also leveraged for aggregation of informal sector workers through mobile-based IT applications for various sectors to link them directly to the market and also make them accessible to the prospective employers. Efforts will be made to include the details of skill training and skilled manpower working in the unorganized and MSMR sectors through the periodic Sample surveys of the National Sample Survey Office (NSSO).

4.7.5 An unrecognized apprentice system or on the job training exists in the informal sector. The RPL programme will enable such informal arrangements to result in such trainees or apprentices obtain a certification and access to add on classes. If required, financial support could be provided to such efforts.

4.7.6 The Government believes that inability to pay training costs should not stop any citizen in the country from acquiring any certified skill training. The government will promote grant of scholarships, rewards and Skill Vouchers (SV) for funding of training costs. All desiring candidates would be able to access credit for all certified NSQF aligned skill development programmes through targeted Skill Vouchers (SVs), which will be linked to their Aadhar and their Jan Dhan Account or bank account. Levy from future incomes would be linked for recovery of loans through SVs. This is proposed to promote an environment of “Learn, Earn, and Pay”. Skill Vouchers can be redeemed by TPs based on performance linked payment schedule subject to successful completion of training. Scholarships and 100% grants linked to SVs will also be provided for certain identified disadvantaged sections of the society. However, 50% of any grant will be linked to continuous employment for at least one year.

4.7.7 A National Skills Research Institute (NSRI) will be set at the national level in the skilling landscape. The role of the institute will be to conduct Annual Skill Surveys including aggregation of the environmental scans done by the SSCs, demand and supply, study emerging demand trends, operate the LMIS and other skilling platforms and databases. This body will have close involvement of private sector subject matter experts and will be the strategy think tank for the Ministry of Skill Development and Entrepreneurship. It will also keep a close watch on the developments taking place internationally in these areas and align our policy response to enable engagement with various stakeholders in the skilling ecosystem and ensure that skill sets of our people are also aligned with international requirements/benchmark, ensuring their global mobility.

4.7.8 As discussed in Section 4.1.3, a National Campaign including through a dedicated TV and radio channel, and skilling camps will be initiated to promote interest and mobilize the youth for skilling.

## **4.8 ICT Enablement**

4.8.1 Promotion of only brick and mortar facilities will not enable the speed and scale desired to transform the skill development efforts. Therefore the use of technology will be leveraged to scale up training facilities enabling access to remote areas and in increasing the cost-effectiveness of delivery of vocational training activities. The government will also look to support innovative products, solutions and models that address critical gaps in the skills ecosystem in an effective manner. Use of existing available networks such as the widespread Optical Fibre Network will be optimized.

4.8.2 An open platform for e-content on skill development will be created where further curated content will be crowd sourced. Mechanisms will be put in place to incentivize high quality content aggregation. This platform would provide standardized training content to be used by Trainers/Training Institutes for delivery of Vocational Training. Stakeholders will be encouraged to develop Massive Open Online Courses (MOOC) and virtual classrooms for easy access and convenience. Creation of blended learning environments to deliver high quality vocational training in under-served regions of India will be promoted.

4.8.3 As discussed in Section 4.7.1, a responsive and agile central Labor Market Information System (LMIS) will be created for aggregating demand and supply of skills to help align efforts towards bridging the existing and expected skill gaps. The LMIS will be responsible for a reliable and realistic assessment of economic trends and labor market needs (both existing and projected) that will be publicly available to reduce information asymmetry.

4.8.4 There are approximately 900 million cell phone users in the country, of which 120 million use Smartphones. Location Services capability has added another layer in communication and value. It is thus possible to have high end data collection and assimilation for intelligent matching. The Government aims to promote in private domain a matching online/mobile platform for connecting supply and demand of skilled workers. Initiation of mobile applications for aggregating informal sector workers such as plumbers and carpenters for household services will be done.

4.8.5 The Government envisions the creation of Skill Passports linked to Aadhar for the labour force trained and certified under the NSQF. The Skill Passport will be a portable, online record of an individual's education, qualifications, competencies, Aadhaar, employment history, training record and objectives, details of which can be independently verified and includes. Skill Passports shall reduce duplication of training, simplify Statutory & Mandatory Training, and provide an overview of the skills and abilities of the entire workforce. The work performance of the worker can also be rated by trainers or employers which can act as a signaling mechanism.

4.8.6 Technology would be leveraged in monitoring of Government schemes related to skill development including the entire ecosystem- from the Government agency to the training provider to the trainee to the financial transactions. The LMIS will be used as a monitoring

system to keep a track on the employment status of trainees, who in turn will be linked to Aadhar. The LMIS would bring in operational efficiencies, would be transparent and available to all.

4.8.7 To meet the objectives of spreading awareness and outreach to make skilling aspirational, networks and special interest groups will be created through advanced and easily accessible technological tools.

## **4.9 Development of Trainers**

4.9.1 To achieve the massive target of skilling, it is of utmost importance to have trainers of excellent quality that are capable of training people in several fields. The Government will decisively intervene in this sector directly or through other stakeholders to enable training organizations tap the experience of already existing trainers, bring more experienced people in the fold especially the ex-servicemen in defence, railways and retired people from industry, who already have relevant experience.

4.9.2 Career pathways will be defined for the trainers to make the profession more attractive and lucrative for the youth. Standard certification for trainers will be institutionalized. As a part of the promotion of industry-institute linkage, the industry professionals would also be empanelled as adjunct faculty in relevant areas for teaching purposes during off hours post attainment of the relevant certificate.

4.9.3 Centres of Excellence under the proposed National Skills University will be set up to ensure continuous supply of good trainers in each sector by utilising the existing skills and upgrading them to the requirements of the sector. Special training programs would be developed for trainers teaching courses meant for overseas employment including language training in collaboration with the concerned country. This could include exchange programs, industry visits and simulated training. ICT enabled training and certification program for the trainers to train them within comforts of their homes, wherever feasible would also be promoted.

4.9.4 A trainer portal as a part of the National Portal will be set up to act as the repository and registration database for all certified and interested trainers. All retiring employees in industry or government domain, who are interested to use their experience gainfully by extending their career as trainers, will also have freedom to register themselves on the portal. This portal can be easily accessed by training providers and utilized for their needs as per the relevant sector, experience, and location of the registered certified trainers or the interested resource person.

## **4.10 Inclusivity**

4.10.1 High inclusivity is one of the central visions of the Government. It is necessary to promote skill development initiatives that will harness inclusivity for all irrespective of gender, location, caste, sector etc. One of the key objectives is to ensure that the skilling needs of the disadvantaged and the marginalized groups like SCs, STs, OBCs, minorities, women and differently abled persons, as well as those living in difficult geographical pockets, are appropriately taken care of.

4.10.2 The government will attach high priority to socio-economic growth of the rural areas since India lives in her villages. Adequate focus will be given to youth from deprived households in the rural area by establishing Skill development centers.

4.10.3 The border, hilly and difficult areas, including the North-Eastern states, J&K, and the hilly forested areas of central and eastern India, face additional challenges arising out of inadequate infrastructure, poor investment and industrial opportunities. Special attention needs to be given to the youth residing in these regions as well as to address their needs for employment and employability. In order to provide more equitable access across the country, special efforts including earmarking of funds will be mounted to establish training facilities in deficient regions and need based subsidizing the skill development through subsidies for disadvantaged groups.

4.10.4 Areas such as North-Eastern States, J&K and Himachal Pradesh face peculiar problems that are different from the rest of the country. There are hardly 240 training centers in the entire north-east. The youth in such regions seek jobs but are not complemented with adequate job opportunities for them. The Government will promote a Special Regional Councils for the difficult areas, which will be cross cutting in nature and work closely with the SSCs to address the existing problems of such sensitive regions with aptitude based training and employment.

4.10.5 For the differently abled group, a horizontal SSC comprising of stakeholders and representatives of SSCs would be created to identify specific trades for each category of differently abled candidates where they can improve their competencies through skill training and get rehabilitated/employed for a sustainable livelihood.

4.10.6 In Defense sector, it is estimated that 50000 armed forces retire every year with majority between 35 to 45 years of age. The Ministry of Skill Development and Entrepreneurship through its institutions, will work with Director General of Resettlement (DGR) to provide them future livelihood opportunities through skill training in sectors where their experience can be put to good use.

#### **4.11 Promotion of Skilling amongst Women**

4.11.1 According to Census Data 2001, women account for 48% of the entire population in India. The women have the capability to further drive the economy of the country if their participation in the workforce is increased. With the help of skilling, women can have viable incomes, decent work and be major actors who can contribute equally to the economic growth of the country.

4.11.2 Women participation in vocational education and training is especially low as compared to men. Special mechanisms in the delivery of training such as mobile training units, flexible afternoon batches, training based on the local needs of the area will be introduced to ensure participation and mobilization of women. The government will promote setting up of more Training and Apprenticeship seats exclusively for Women.

4.11.3 Promoting training in non-traditional fields for women through the establishment of specific training programmes that focus on life skills training modules and literacy training. Apart from that, efforts will be made to increase the pool of women trainers and providing them certification by earmarking a certain percentage of intake in training of trainers institutes, for women.

4.11.4 To develop guidelines on women related issues in skill training procedures. These could include issues of safe and gender sensitive training environment, employment of women trainers and equity in remuneration, and complaint redressal mechanism.

4.11.5 To create an internet or mobile based platform of employment exclusively for women by connecting skilled women and employers. This platform could focus on to women willing to re-enter the workforce after a break and those affected by migration.

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## **5. POLICY FRAMEWORK FOR ENTREPRENEURSHIP**

The entrepreneurship policy framework has been developed to address the objectives underlined in Chapter three of the document. The strategies to catalyze Entrepreneurship are as under:

### **5.1 Infuse Entrepreneurial Culture**

- 5.1.1 Create mass awareness among school children and youth by highlighting positive aspects of entrepreneurship as a career option, by using ICT, folk, traditional and electronic media.
- 5.1.2 Facilitate setting up of Consortium (of entrepreneurs below 30 years of age) at all levels (district, state and national levels) to promote entrepreneurship in their areas by organising various events around the theme of entrepreneurship and development work by involving youth.
- 5.1.3 Institute Awards for young achievers (for both men and women entrepreneurs separately) at all levels viz., district, state and national levels to recognize the achievements of entrepreneurs below the age of 30 years.

### **5.2 Streamline Entrepreneurship in Education System**

- 5.2.1 Introduce entrepreneurship education as part of existing modules at all levels, including primary, secondary, vocational education, and higher education. Facilitate development of uniform curricula, text books, videos, etc. for promoting entrepreneurship education throughout the country.
- 5.2.2 Strengthen the outreach of entrepreneurship programmes through ICT enabled mechanism/ distance learning, especially among drop-outs.
- 5.2.3 Involve successful Entrepreneurs at all levels (district, state and national) to promote entrepreneurship in school, higher education institutions and other groups of youth. They will also be encouraged to provide hand-holding support to start-ups at local level.
- 5.2.4 Convert Entrepreneurship Education Institutions into Universities on Entrepreneurship education and Centre of Excellence.
- 5.2.5 Involve industry, business associations and entrepreneurship networks, at national, state and district level, to accomplish the above mentioned tasks.

### **5.3 Inventing business through Mentorship**

- 5.3.1 Extend support to educational institutions to upgrade high performing Entrepreneurship Development Cells (EDCs) to business incubators.
- 5.3.2 Facilitate setting up incubators, to start with in all metro centres, and then expand to tier-2 and tier-3 towns. Industry associations will be encouraged to join such ventures as co-promoters.
- 5.3.3 Strengthen mutually beneficial interface between industry and academia (including university system and research labs) to provide a single platform for R&D, financial and intellectual capital.

- 5.3.4 Provide access to Government supported testing facilities and infrastructure, to potential and new entrepreneurs, including those available in institutes of higher learning like IITs/IISc, at a subsidised rate.
- 5.3.5 Encourage development of ‘incubator variants’ for promoting incubation ecosystem.
- 5.3.6 Recognise high performing incubators by declaring them as ‘Centres of Innovation Excellence’ and intensify financial/resource support for their expansion and growth.
- 5.3.7 Encourage successful entrepreneurs and corporates to provide handholding support in early phase of entrepreneurship development including prestart up, nascent and as well as early start up phase and growth enterprises.

#### **5.4 Foster social entrepreneurship and grassroots innovations**

- 5.4.1 Encourage universities and academic institutions to launch a course on ‘Social Entrepreneurship’ to actively promote social entrepreneurship in the country.
- 5.4.2 Foster a social capital market place by offering fiscal incentives to attract investors and make provision for funding support under a separate scheme(s) like social venture fund, to facilitate social entrepreneurs’ access to credit.
- 5.4.3 Facilitate creation of Social Enterprises even with a modest capital base.
- 5.4.4 Encourage innovators, universities and institutions to patent innovative entrepreneurship ideas and technologies by promoting and strengthening Intellectual Property Rights.
- 5.4.5 Create grass-root technology innovation hubs to harness the innovation potential of grass-roots innovators.
- 5.4.6 Promote and encourage grass-root innovations and assist innovators to commercialise and up-scale their products and services.

#### **5.5 Promote Inclusivity**

- 5.5.1 Promote entrepreneurship among disadvantaged groups like scheduled castes & scheduled tribes, minorities, artisans, etc., and regionally under-represented areas including large part of Eastern and North Eastern India, through special focus and investments

#### **5.6 Women in Entrepreneurship**

- 5.6.1 The Economic Survey conducted for India by OECD in November 2014 clearly enlists low female economic participation as one of the major findings. Creating more and better employment for women has high growth potential.<sup>4</sup> Currently the contribution of women in workforce is limited to only 24%<sup>5</sup>. Head of UN Women has also indicated that India’s GDP will leapfrog by another 4.2% if women in India can contribute their full potential to the economy.

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<sup>4</sup> OECD Economic Surveys India, November 2014. Accessed at : <http://www.oecd.org/eco/surveys/India-2014-Overview.pdf>

<sup>5</sup> US-India Insight, Vol. 2, Issue 2. Accessed at: [http://csis.org/files/publication/120222\\_WadhvaniChair\\_USIndiaInsight.pdf](http://csis.org/files/publication/120222_WadhvaniChair_USIndiaInsight.pdf)

- 5.6.2 Women-owned enterprises are an important component of the Indian Economy and play a strategic role in the growth and development of the nation. However, as far as support for women entrepreneurs is considered there exists no reliable data on the public contracts which go to Women Owned Business (WOB). Efforts will be made to encourage women entrepreneurs through appropriate incentives for women owned businesses under the public procurement process. It will also be ensured that gender neutral incubation/ accelerator Network of mentors, industry, resource centres and credit institutes are developed to facilitate Women Entrepreneurs.
- 5.6.3 Ensure priority for mentorship and support system for women entrepreneurs in existing business centres and incubators. Build entrepreneurial capacity for women by facilitating access to capital at relaxed credit terms. Efforts will also be taken to assemble gender disaggregated data.

## **5.7 Ease of doing business**

The Government will remove entry and exit constraints faced by entrepreneurs by rationalising business procedures and regulations. The time required to set up a venture would be reduced to a maximum of two weeks. To achieve this goal, the Government will:

- 5.7.1 Introduce *Single Unique Enterprise Identity Number* (SUEIN) that a new enterprise could use for various registrations including taxes and social security. Once SUEIN is available, all the regulatory and support agencies may use it to hasten the process of setting up an enterprise.
- 5.7.2 Introduce an on-line *Single Composite Application Form* (SCAF) that will help entrepreneurs file a single application for obtaining all the approvals and clearances from various government authorities.
- 5.7.3 Encourage States to strengthen existing '*Single Window System*' with a High Power Committee empowered to give all necessary clearances for setting up a business.
- 5.7.4 Convert the present District Industries Centres (DICs) into Business Development Centres (BDCs) with an objective to provide technical and procedural hand-holding support and counselling to pre-start-up, nascent, early start up and growth ventures.
- 5.7.5 Permit flexibility to start-ups in '*hiring and retaining*' workforce for operational adjustments and rationalisation during the first three years of operation of an enterprise, assuming that by the end of three years it will either stabilise and grow or become sick and close down.
- 5.7.6 Allow easy exit to enterprises if they have been in operation for less than three years. Such enterprises will be facilitated to close their operations, if not found viable, within a period of three months. Special fast track court would be set-up to expedite the process of closure of such firms.
- 5.7.7 The Government would provide tax incentives to new and existing entrepreneurs; thereby, making entrepreneurship a lucrative career option.

## **5.8 Eliminate information deficit**

- 5.8.1 Set up a National portal on Entrepreneurship as a One-Stop-Shop providing optimal information services and interaction platform to start ups and existing entrepreneurs. The portal will also provide commercial information including market related

information on prospects and trends, international business environment and information on technologies that have potential of commercialisation, etc.

- 5.8.2 Publish periodically updated 'Entrepreneur Information Handbooks' – in Hindi and English and regional languages – providing relevant information associated with establishing and operating a business.

## **5.9 Access to finance**

- 5.9.1 Ensure that credit delivery norms are met by financial institutions without compromising with the quality of the projects submitted for credit.
- 5.9.2 Strengthen venture capital companies in quasi-public sector such as Gujarat Venture Finance Ltd. or Andhra Pradesh Industrial Development Corporation, by infusing capital through equity participation.
- 5.9.3 Promote a 'rescue' culture by revisiting bankruptcy rules and facilitate counselling and advisory service to troubled firms by appropriately addressing legal status.
- 5.9.4 Encourage national and state bodies setup viz National Scheduled Cast Finance and Development Corporation (NSCFDC), National Minorities Development and Finance Corporation (NMDFC), National Backward Classes Finance and Development Corporation (NBCFDC), National SC & ST Finance and Development Corporation, etc., in providing credit to micro enterprise start-ups launched by their target population.
- 5.9.5 Explore the possibility of setting up a National Fund for the Unorganised Sector, as recommended by the National Commission for Enterprise in the Unorganised Sector in 2007, to hasten the process of achieving inclusive growth of entrepreneurship.
- 5.9.6 Encourage and support financial institutions to develop innovative micro-level financial tools to enhance investibility in micro ventures.

## **5.10 National Commission on Entrepreneurship**

- 5.10.1 Set up a National Commission on Entrepreneurship comprising of representatives/ members from government, industry, academia, specialized institutions, funding agencies and young entrepreneurs engaged in promoting entrepreneurship, etc., to Institutionalise Entrepreneurship Development in the Country. The proposed Commission will guide entrepreneurship movement in the country, unleashing entrepreneurship and youth power in pursuit of wealth creation, employment generation and productivity improvement, by judiciously harnessing technology and resources.
- 5.10.2 State Governments will also be encouraged to set up similar organisations at the state level.

## 6. GOVERNANCE STRUCTURE AND FINANCING

### Governance Structure

6.1 **The Ministry of Skill Development and Entrepreneurship** has been created to fulfill the vision of a ‘Skilled India’ where human resource development is in primary focus. The Ministry will be responsible for coordination with all concerned for evolving an appropriate skill development framework, removal of disconnect between the demand for and supply of skilled manpower through vocational and technical training, skill up-gradation, building of new skills, innovative thinking and talents not only for the existing jobs but also the jobs that are to be created. The Ministry will also play a lead role in ensuring the implementation of the National Policy for Skill development and Entrepreneurship 2015.

6.2 Skill Development and entrepreneurship promotion is an area of utmost importance for every stakeholder involved in the area of skill development and entrepreneurship promotion. The stakeholder involves Central ministries, State Governments, and various sectors of the industry. Efforts are already being made by many of the stakeholders within their domain. However, there is a need to ensure alignment of all the efforts in skill and entrepreneurship landscape towards a common goal. The Ministry will co-ordinate efforts of all the stakeholders. Simultaneously, the concerned Central Ministries, State Governments and other sectors of the industry are expected to take responsibility of the roles described in the National Policy that specifically pertain to their domain.

6.3 The objectives and targets under the National policy will be met in mission mode approach. The **National Mission for Skill Development and Entrepreneurship** will be launched in the next six months to implement and coordinate all the skilling and entrepreneurship development activities in the country towards the objectives laid down under the policy. The Mission will be housed in the Ministry of Skill Development and the key institutional mechanisms for achieving the objectives of the Skilling Mission will be divided into a two-tier structure at the Central and State level. These structures will be connected through horizontal and vertical linkages.

- The National Mission will have a **Governing Council at the Apex**, which will be responsible for providing overall guidance and policy direction to the Mission. It will also review the overall progress and development of the Mission objectives as per its established timelines. It will have the power to include/exclude any agency/organization from under the purview of the Mission.
- The main executive arm of the Mission will be the **Mission Directorate** with an executive committee, which will overlook into day-to-day administrative affairs of the Mission, in addition to planning, implementation and monitoring mission activities at the national level. Another overarching function of the Mission Directorate would be to co-ordinate and converge State efforts in order to align them with the broad national objectives. Mission will have a sector driven approach with focused Sub Missions especially in high priority areas with significant challenge/impact in the skill landscape viz construction, retail, trainers etc. Mission will set annual targets and budget for all sub-missions. It will also co-ordinate the efforts of the individual sub-missions, headed by their respective CEOs, to provide end to end solutions towards achieving the objectives of the mission.

6.4 They will be enabled through other national institutions viz: the National Skill Development Agency (NSDA), National Skill Development Corporation (NSDC), Directorate of Training(DT) and the National Skills Research Institute (NSRI) – all of which will have horizontal linkages with the Mission Directorate to facilitate smooth functioning of the Mission.

6.5 **National Skill Development Agency (NSDA):** The NSDA was set up as a Society in June 2013. The NSDA will be majorly responsible for the following activities:

- Operationalise and implement the National Skills Qualification Framework
- Quality assurance framework embedded in NSQF
- Design and implement the National Labour Market Information System (till NSRI is constituted)
- To establish and operationalise a QA framework embedded in NSQF to improve consistency of outcomes in the skills landscape, which will include laying down a framework for training, assessment and certification processes and agencies in the country.
- Promote the use of ‘Skill India’ logo on skill certificates by the SSCs/Agencies adhering to the QA framework.
- Anchor the Prime Minister’s Skill Development Fellow Programme
- Discharge any other function as may be assigned to it by the Ministry.

6.6 **National Skill Development Corporation (NSDC):** The National Skill Development Corporation (NSDC), a Public Private Partnership was set up in 2008 as a Company under Companies Act 1956 with shareholding of GOI 49% and private sector 51%. It will be the nodal organization for all private sector initiatives in the short term skilling space. Its mandate will primarily include -

- Catalyse the creation of market-based, scalable business by providing funding through a combination of debt, equity and grants
- Initiating and incubating Sector Skill Councils
- Implementing skills voucher programme
- Promote and support innovation in Skill Development
- Driving engagement with industry and businesses
- Promote centres of excellence for training of trainers in coordination with States and SSCs
- Discharge any other function as may be assigned to it by the Ministry.

6.7 **Sector Skill Councils (SSCs):** In order to ensure that the skill development efforts being made by all the stakeholders in the system are in accordance with the actual needs of industry, Sector Skill Councils (SSCs) are being set up. NSDC has been facilitating the setting up of SSCs in various sectors. Sector Skills Councils are industry-led and industry-governed bodies, who will complement the existing vocational education system for the Industry Sector in meeting the requirements of appropriately trained manpower.

SSCs will discharge the following functions:

- a) Identification of skill development needs including preparing a catalogue of types of skills, range and depth of skills to facilitate individuals to choose from them.
- b) Development of a sector skill development plan and maintain skill inventory.

- c) Determining skills/competency standards and qualifications and getting them notified as per the NSQF.
- d) Standardization of affiliation, accreditation, examination and certification process in accordance with the NSQF as determined by the NSDA.
- e) Participation in the setting up of Affiliation, accreditation, examination and certification norms for their respective sectors.
- f) Plan and facilitate the execution of Training of Trainers along with NSDC and States.
- g) Promotion of academies of excellence.
- h) Will lay special emphasis on the needs of the ST/SC, differently abled and minority populations in the fields of employment and employability.
- i) As industry-led bodies, who have been empowered to determine the qualitative and quantitative aspects of the skills required for each level, as well as the training and certification norms, the SSCs shall ensure that the persons trained and skilled in accordance with the norms laid down by them are assured of the necessary outcomes in terms of persons finding employment at decent wages.
- j) Conduct skill based assessment and certification which is based on QP and NOS developed for respective sectors.

6.8 **National Skill and Entrepreneurship Research Institute (NSRI):** The National Skill and Entrepreneurship Research Institute setup in PPP mode would serve as the apex body for providing technical and research support to the Mission. This institute will act as think-tank for the Ministry of Skill Development and Entrepreneurship and will act as the key skill development hub, connecting the implementation of the Mission with academic research and data. This research institute will have two separate wings to look after the Skill Development and Entrepreneurship individually. The five key functions of the institute will include:

- Research
- Policy think tank and advisory
- Data Analysis and Knowledge Management
- Career Support and Mentorship Network
- International Collaborations and Knowledge Exchange Networks
- Monitoring and evaluation of skill and entrepreneurship initiatives in the nation
- The Labour Market Information System (LMIS), as discussed in section 4.7.2 earlier, will also be placed under the purview of the NSRI. The NSRI will capture changing sectoral demand in the labour market; take note of any other significant signals emanating from the labour market as well as take necessary actions to align demand with the supply.
- Develop a consistent benchmark index that will measure track and trends across the national entrepreneurship system. Set up a monitoring system that would regularly connect analysis and assist in identifying strengths, weaknesses and opportunities across the ecosystem and will form basis for the Ministry to track progress and make decisions.

## Financing

- 6.9 Public funds (comprised of funding by the Central government, state government and grant based schemes) are finite and will not be able to cover the magnitude of the challenge of Skilling India, hence alternative sources of funds are required. Therefore, all stakeholders, the Government both at Centre and States, the enterprise – public and private, and the direct beneficiary – the individual, would contribute in mobilizing financial or in-kind resources for skill development.
- 6.10 The **National Skill Development Fund (NSDF)** has been set up by the Government of India with the desired objective of encouraging skill development in the country. A public Trust set up by the Government of India is the custodian of the Fund. The Fund acts as a receptacle for all donations, contribution in cash or kind from all Contributors (including Government, multilateral organizations, corporations etc) for furtherance of the objectives of the Fund. Contributions to NSDF are eligible for income tax benefit under section 80G.
- 6.11 To channelize the interest of a plethora of organisations to participate in the mission of Skill India, a strategic vehicle to create a multiplier effect on skilling has been devised. A ‘Skills to Jobs Aggregator Platform’ has been proposed by the Government to act as a demand-responsive and flexible vehicle to tackle the issues of skills shortages through skill development, job creation and placement at scale. It will serve as the aggregator vehicle for pooling the funds of multilateral agencies, companies, foundations, NGOs and individuals for skilling interventions.
- 6.12 The funds under the ‘Skill to Jobs Aggregator Platform’ would be directed to the National Skill Development Fund which will be well-positioned to magnify the impact of the contributions through its expertise in selecting, investing in, and evaluating skills projects and interventions. Stakeholders will be invited to join as partners for the Platform for three purposes: (i) Supporting the initiative through matching funding contribution to the National Skill Development Fund (ii) joining as knowledge partners for sharing relevant experience for better implementation (iii) Employment generation and absorption in own companies/providing jobs post skilling.
- 6.13 To attract funds from the industry sector, the companies will be encouraged to spend at least 25% of the Corporate Social Responsibility (CSR) funds on skill development initiatives directly or through the National Skill Development Fund (NSDF). Besides corporations, States/Union Territories and National, State level government skilling agencies, Districts and District government agencies, and Non-government organizations, foundations, individuals active in skilling will also be invited to contribute funds to this platform.
- 6.14 All Government Schemes across sectors will be encouraged to apportion a certain percentage of the scheme budget towards skilling of human resources in the local regions in the required sector. These funds could be used for implementation directly or be routed through the NSDF.
- 6.15 End user funding through a basic fee paying model will also be a key medium for funding training activities. However, the Government believes that the inability to pay

training costs should not stop any desirous citizen in the country from acquiring any certified skill training. The government will promote grant of scholarships, rewards and Skill Vouchers (SV) for funding of training costs as already discussed in section 4.7.6.

- 6.16 A Credit Guarantee Fund for skill development and a ‘National Credit Guarantee Trustee Company’ (NCGTC) has been set up to support the initiative of loans for the purpose of skilling and will be used to leverage credit financing in the skill landscape. It will be further expanded to ensure greater outreach and access to all citizens.

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## **7. Monitoring and Evaluation**

7.1 The National Skill Development and Entrepreneurship Policy has been structured as an outcome oriented policy. It is therefore desirable that there should be regular monitoring and evaluation of the initiatives to ensure that best practices can be scaled and corrective measures can be introduced. The main idea of having a robust monitoring and evaluation mechanism is to ensure successful implementation of the policy initiatives.

7.2 The Government desires to set up a 'Project Implementation Unit' (PIU) so as to review the implementation and progress of the various initiatives under this policy. The PIU will be housed in the Ministry of Skill Development and Entrepreneurship with the Secretary as the Chairperson.

7.3 The Project Implementation Unit will perform the following functions:

- List all the action points as mentioned in the policy on which further action is required
- Identify all the agencies involved and map the actionable points to the responsible agency
- To coordinate with all the agencies involved and help them devise a draft outline as well as timelines for the implementation of the initiatives assigned to them
- Timelines that are explicitly mentioned in the Policy for certain initiatives will supersede over other timelines
- To act as a coordinating body for all the implementing agencies and support them to enhance their efficiency
- The PIU will also conduct monthly review of the action points and nudge them if the progress is not as expected.

7.4 The Project Implementation Unit will be made responsible to the National Mission for Skill Development. The PIU will present its reports, findings and the way forward to both the Executive Committee and the Apex Committee of the National Skill Mission every quarter. Moreover, the Project Implementation Unit will be the main body overlooking the five year

7.5 **Impact Assessment:** For the purpose of undertaking impact assessment, Annual as well as five year targets will be set for each stakeholder by the Project Implementation Unit. Impact assessment will be undertaken to ensure that the targets are met well within the time frame. The stakeholders will also be subjected to a quarterly review. For the purpose for impact assessment the following monitoring indicators are realised

- Number/registrations of youth interested in skilling
- Number of youth registered in training programmes
- Number of youth assessed and certified by regulatory authorities
- Placement rate of skilled trainees
- Number of accredited/affiliated training providers/centres
- Number of trainers
- Percentage of job roles for which QPs and NOS have been developed
- Percentage of existing public infrastructure leveraged for training
- Percentage of labour force exported
- Reduction in sectoral demand and supply gap

- Amount of fund mobilised for encouraging entrepreneurship
- Percentage of socially and geographically disadvantaged groups enrolled in training programs
- Percentage of youth that are self employed
- Percentage of infrastructure dedicated for entrepreneurship support
- Number of schools running entrepreneurship courses
- Amount of fund mobilised for encouraging entrepreneurship
- Percentage of socially and geographically disadvantaged groups engaged in self employment

7.6 With the help of the Project Implementation Unit it will be easier to monitor the implementation of the policy initiatives and take corrective measures in case of non compliance. Also the five year review of the Policy will be the purview of the Policy Implementation Unit.

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### **Estimation of Skilling Needs**

### A. Computation of Total Workforce (Estimated)

Workforce		
Date	Total Workforce (in Million)	Source
01-01-2010	463.2	NSSO 66th round
01-01-2012	472.9	NSSO 68th round
01-01-2015	487.45	Estimated based on straight line projection

Census 2011	
Age Group	
0-6 years	16.38
7-14 years	19.98
	<b>36.36</b>
Fresh entrants to working age population every year	2.597143

### B. Estimates of existing workforce requiring RPL/re-skilling/upskilling etc

Total Workforce(WF)								487.45	
			Formal Skilled				Balance	Age group (15-45)	
			2011-12		2014-15			%of WF**	Nos
			%of WF*	Nos	%of WF**	Nos			
farm	238.2656	48.88%	4.69%	11.17465	10%	23.82656	214.439	70%	150.11
non-farm	249.1844	51.12%	4.69%	11.68675	10%	24.91844	224.266	70%	156.99
Total need for Skilling, re-skilling and up-skilling of existing workforce								<b>307.09</b>	
Net Migration of WF from Farm to non-farm#								24	

\* As per 68th Round of NSSO, 3.03% of total population in workforce age-group has received formal training.

\*\*assumption

# Skill Gap reports of NSDC (2015)

### C. Estimated New Entrants to the Workforce

Fresh entrants to Workforce (in millions)					
	Annual	2015-22	Male	Female	Sex Ratio 2011
Total entrants	25.97	181.79	93.5615	88.2285	943
Est. LPR			90%	40%	
Fresh Entrants for skilling			84.20535	35.2914	
Total new entrants which needs to be skilled		<b>119.50</b>			