

DRAFT

**NATIONAL POLICY
ON
SKILLS DEVELOPMENT**

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NATIONAL POLICY ON SKILLS DEVELOPMENT

Preamble

In recent years the Indian economy has shown a remarkable acceleration in economic growth. However, as the Indian industry grows and competes internationally, it is faced with the realization that the availability of requisite skills – in terms of nature, quality and numbers - is beginning to emerge as a major constraint. Our base of skilled and knowledge workers is particularly narrow. It has been noted at the highest levels that, in order to sustain a high level of economic growth, it is essential to have a reservoir of skilled and trained workforce.

Skills and knowledge are the driving forces of economic growth and social development of any country. Countries with higher and better levels of skills adjust more effectively to the challenges and opportunities of globalization. Shortages have already emerged in a number of sectors. Large scale skill development is an imminent imperative. Recognising this a National Mission on Skill Development has already been announced.

There is a growing sense that past strategies of skills development are inadequate to deal with the new challenges which the economy faces. Task Force recommends that, “There has to be a paradigm shift in the national policy on skill development”.

The challenge is not merely of producing more skilled persons needed by the economy. It is also of ensuring, simultaneously, that skill development initiatives also address the needs of the huge population, by providing them with skills that make them employable and help them secure ‘decent work.’ The challenge of translating benefits of high rate of economic growth into a faster pace of poverty reduction, in other word, inclusive growth, through the generation of productive employment and decent work remains formidable, and skill development of persons working in the unorganized sector is a key strategy in that direction.

Planned development of skills must be underpinned by a ‘policy’, which is both comprehensive as well as national in character. Piece meal policies, or policies that do not accommodate or reconcile the perceptions of different stakeholders across the country, cannot serve the goals of national development effectively. A national policy response is needed to guide formulation of skill development strategies and coordinated, action by all concerned. Furthermore, in view of linkages between employment, economic growth and skills, it is important that the policies in the area of skills development be linked to policies in economic, employment and social development arenas.

The country is poised at that moment in history when a much brighter future for all its people is in its reach. Skills development will help actualize this potential. Development and articulation of a national policy on skills development is thus a matter of priority.

The challenges in skill development are many. These are of:

- the size of the task in building a system of adequate capacity,
- ensuring equitable access to all, in particular, the youth, the disadvantaged communities, the minorities, the poor, the women, the disabled, the dropouts, and those working in informal economy,
- reducing skill mismatch between supply and demand of skills,
- diversifying skills development programmes to meet the changing requirements, particularly of emerging knowledge economy,
- ensuring quality and relevance of training,
- building true market place competencies rather than mere qualifications,
- providing mobility between education and training, different learning pathways to higher levels, and establishing a national qualifications framework,
- providing opportunities for life-long learning for skill development,
- promoting greater and active involvement of social partners and forging a strong, symbiotic, public-private partnership in skills development,
- establishing institutional arrangements for planning, quality assurance, and involvement of stakeholders, coordination of skills development across the country,
- governance of skills development system that promotes initiative, excellence, innovation, autonomy, and participation, while ensuring that the legitimate interests of all beneficiaries are protected,
- strengthening the physical and intellectual resources available to the skills development system, and
- mobilizing adequate investments for financing skills development sustainably.

The National Policy on Skills Development is aimed at responding to these challenges and providing a direction for the future.

Vision of the National Skills Development System in India

1. **Skills development system which supports employment generation, economic growth and social development processes** – Better coordination among various skills training programmes offered by different ministries, States, agencies and private providers is required so that these various efforts support the overall national skills, social and economic agendas. The establishment of a National Skills Development Agency (NSDA) will undertake this coordinating role.
2. **Skills development system which supports diversity while maintaining national coherence** – Initiatives by different ministries, states and other stakeholders are important in addressing specific sectoral and local needs. NSDA will manage the National Vocational Qualifications Framework (NVQF) so that the certifications offered by different bodies will be comparable. Accreditation, assessment and certifications mechanisms will also be coordinated by NSDA.
3. **Skills development system based on strong public-private partnerships** – The magnitude of skills challenges is such that the government alone cannot meet the challenge. A greater and more active role for industry, workers' organization as well as civil society groups and professional societies in building the skills development system is envisaged. The active involvement of industry through public-private partnership facilitates greater linkage between training and employment.
4. **Skills development system which responds to technological change, employment requirements and improvements in the productivity and competitiveness of industry** – Sector Skills Councils (SSCs) will provide an institutional mechanism to facilitate greater and active participation of the social partners as well as enable industry to better link skills development efforts with the overall development of the concerned sector. SSCs will incrementally incorporate the unorganized sector. Improved relevance of qualifications is envisaged through greater involvement of industry in reviewing and developing qualifications through the National Vocational Qualifications Framework (NVQF). The establishment of a labor market information system will make training provision more relevant to labour market needs.
5. **Skills development system which supports achieving inclusive growth by providing equal access to training to all, and responds the needs of the unorganized sector** – Women, youth, the poor and other disadvantaged communities, as well as those working in the unorganized sector, will gain greater access. Expansion of the capacity of the overall system, as well as special programmes for meeting the specific needs of the target groups, is envisioned. Literacy and soft skills training are crucial element. Interventions for the unorganized sector promote a convergence approach where skills development is combined with entrepreneurship development and other livelihoods support programmes.

6. **Skills development system in which qualifications and certification are quality assured and recognized nationally, across organizations, as well as internationally** – Currently training providers offer training of varying quality and standards. A key institutional reform aims to improve quality assurance of training through the establishment of a National Vocational Qualifications Framework, a National Accreditation Agency, Sector Skills Councils and Assessment and Certification Bodies. The NSDA will coordinate and monitor the work of these institutional mechanisms.
7. **Skills development system which promotes lifelong learning and the continuous upgrading of the skills and knowledge** – The system needs to facilitate the movement of individuals between education and training, and between learning pathways and help them to achieve higher levels of skills and knowledge. The establishment of the National Qualifications Framework (NQF), which includes qualifications for both education and training, will promote both vertical and horizontal learning across education and training pathways as mentioned. The NVQF forms a part of the NQF.
8. **Skills development system supported by sustainable funding** – A progressive increase in the allocation of funds for skill development from 2 per cent to 5 per cent of the GDP is envisioned. A National Skills Development Fund will be established financed by a combination of public and private funds with tax incentives for private contributions. The introduction or raising of training fees will be one of the cost-recovery measures, while performance-based funding will be applied to training institutions. A range of financial support schemes will promote access to training.
9. **A dynamic system which promotes excellence and meets the changing needs a knowledge economy** – A policy review will be conducted every five years. Research and the promotion of good practices are vital activities that enable this policy and the skills system to meet emerging needs.

Part I

THE OVERALL ROLE, MISSION AND OBJECTIVES

1 The Role of Training and Skills Development effort in the country would be, interalia,:

- Enhancing an individual's employability and ability to adopt to changing technologies and labour market demands;
- Strengthening productivity, competitiveness, and supporting the process of economic growth;
- Creating employment opportunities by attracting FDI and business expansion on the substrate of availability of relevant skills.

2 Mission: The policy envisions establishment of a National Skills Development System with the following mission:

National Skills Development System is aimed at empowering all individuals through improved skills, knowledge and internationally recognized qualifications to enable access to decent employment and promote inclusive growth and ensure India's competitiveness in the global market.

3 Objectives of the Skills Development Policy:

Among others, the national policy on skills development, particularly aims to:

- Create opportunities for all to acquire skills throughout life, and especially for younger people and new entrants to workforce.
- Promote commitment by all stakeholders to invest in skills development
- Develop high-quality skilled workforce relevant to current and emerging market needs.
- Enable establishment of flexible training mechanisms that respond meaningfully to the characteristics of a wide range of training providers and the trainees' needs.
- Enable effective coordination between different ministries, and synergize efforts of the Centre and the States.

4 Coverage of the Policy:

The coverage of the National Policy on Skills Development includes the following:

- School/institution based training

- Formal apprenticeship
- Workplace learning, and training by industry
- Adult learning and retraining
- Non-formal training and learning
- Informal apprenticeship
- Lifelong learning
- Vocational Education as well as Vocational Training.

Part II

GOVERNANCE OF THE SYSTEM

A. INSTITUTIONAL ARRANGEMENTS

1. National Skills Development Authority

A National Skills Development Authority will be set up as an autonomous apex authority with the following functions:

- Implementation of the policy and a programme of action
- Planning and coordination of implementation of NVQF
- Promotion of NVQF and National Skills Development Agenda
- Approval and monitoring of Sector Skills Council
- Approval and monitoring of Accreditation Authority
- Approval and monitoring of Assessment and Certification Bodies

This body will subsume and replace NCVT. It will have representation from all stakeholders including concerned ministries of the Central and State Governments, industry and employees.

2. Sector Skills Councils

Sector Skills Councils (SSCs) will be established as an institutional mechanism to facilitate greater and active participation of the social partners. SSCs will be established progressively to cover all employment sectors. SSCs will be national bodies and primarily led by industry but work closely with State and District offices which will have significant devolved responsibilities in respect of market research, provision of information, and ensuring that competence standards and vocational qualifications reflect local needs. By taking a sectoral approach, SSCs enable better linkage of skills demand and supply in the concerned sectors. The functions of SSCs will include:

- Identification of skills development needs
- Development of sector skills development plan
- Determining competence standards and qualifications and submitting them to NSDA for approval
- Establishing a well structured LMI to assist vocational guidance and planning

3. Partnership Development Council

The unorganized sector will be incorporated incrementally into the SSC system over a period of time. However, as it may be a long-term process, a

Partnership Development Council will be established with the following functions:

- Conducting area studies to assess skills requirements for various activities in the unorganized sector
- Setting of competences and developing curricula and learning materials for the unorganized sector
- Establishing ways of using public-private partnerships for diffusion of skills such that economically challenged and women benefit
- Find ways of harnessing ICT to further mass outreach initiatives of skills development
- Promote development of entrepreneurial skills in the unorganized sector.

4. National Accreditation Authority

A National Accreditation Authority will be established specifically for the skills development system with the responsibilities for:

- evaluating training providers against nationally-approved accreditation criteria
- awarding 'accredited' status to those who qualify, and advising others on the conditions that the training provider must meet to gain accredited status
- producing and publishing reports setting out findings and recommendations for improvement, and
- disseminating information on accreditation criteria, procedures, and accreditation status.

The Accreditation Authority will operate under regulations and guidelines approved by the NSDA. The accreditation criteria will cover, among others, locational accessibility, staffing, resources, management, and quality of teaching/learning. The Accreditation criteria will take due account of recognized international accreditation standards and procedures, but will also be appropriate to the local contexts and needs of different types of training institutions in the organized and unorganized sectors. Programmes leading to the award of National Vocational Qualifications may be offered only by accredited training providers, but this requirement will be phased over time.

5. Assessment and Certification Bodies

Assessment and certification of learners in respect of National Vocational Qualifications will be carried out by Assessment and Accreditation Bodies. These may be public or private organizations but they will be accredited by the NSDA and the accreditation contract will specify the range of qualifications that an ACB will be permitted to assess and certify.

The functions of the NSDA in respect of assessment and certification will be:

- Drawing up guidelines on assessment procedures to be used by ACBs
- Overseeing and coordinating the work of ACBs, including state level agencies
- Designing training programmes for assessors
- Conducting inspections of implementation of assessment by ACBs
- Commissioning research on assessment procedures, training and performance of assessors, validation of assessment system, comparison at national/international levels, etc.
- Maintaining and updating a databank of assessors.

The functions of ACBs will be:

- Assessing candidates for National Vocational Qualifications on the basis of competency standards and general assessment guidelines developed by SSCs and approved by NSDA;
- Awarding certificates, bearing the logo of NSDA, to successful candidates;
- Developing qualifications to meet specific or local needs and submitting them for approval by the relevant SSC and by NSDA; and
- Providing information on National Vocational Qualifications awarded by the ACB and training and support for training providers on assessment standards and procedures.

6. Labour Market Information Systems and HR Planning Mechanisms

Labour Market Information Systems and HR planning mechanisms will be established (see Part IV. F).

B. COORDINATION

1. Overall Coordination of the National Skills Development System

Overall coordination of the NSDS across the whole country and all sectors will be achieved through the apex body, National Skills Development Authority (NSDA), which will have representation from all stakeholders including different ministries at the Centre, State Governments, and other social partners, and will be an autonomous national body.

2. Inter-Ministerial Coordination will be provided by the NSDA forum, where all ministries involved with skills development will be represented.

3. Coordination between the Central and State Governments

The Central Government will have the national level role of policy making, planning, legislation, regulation, financing, monitoring and evaluation, implementation, and international cooperation. The State Governments will have corresponding roles at the State level. The coordination will be a two way process, where the Central government provides the overall framework of national policies, national strategies and national priorities, and the State Governments will respond to them in their States' contexts, devising detailed operational policies, plans, and implementation strategies, which are consistent with the national framework, using inputs from Sectoral Councils and its own state level institutional mechanisms.

4. Coordination and linkages with macro policy framework

Human Resources training and development are fundamental, but they are by themselves insufficient to ensure sustainable economic and social development, or resolve the aggregate employment challenge. They should be coherent and form an integrated part of comprehensive economic, labour market and social policies and programmes that promote economic and employment growth. Policies that expand aggregate demand in the economy such as macro-economic and other measures must be combined with supply side policies, for example, science and technology, education and training, employment and industrial and enterprise policies.

The National Policy on Skills Development will take due account of macro-economic and supply side policies referred to above, and will be coordinated and harmonized with them. On an operational level this will be achieved through the inter-ministerial forum of National Skills Development Authority and the work of Sector Skills Councils.

C. INVOLVEMENT OF SOCIAL PARTNERS

1. Social Partners for Skills Development System

A range of social partners has an important role to play in skills development sector. Social partners refers primarily to Employers in the public and private sectors, and Workers' Organizations, however, it can include in a broad sense Training Providers, Professional

Societies, and NGOs/Civil Society Institutions. They can provide support by way of physical, financial and human resources, sharing of expertise and experience, and, above all, building a conducive environment for, and continued commitment to, skill development.

They can contribute through participation in: identification of competencies, setting competency standards, skill-gap studies, curriculum development, assessment, delivery of training, monitoring and evaluation, and providing work place experience, equipment and trainers, and various incentives to promote skills development. Most of all, they provide a touchstone to base skills development initiatives in contextual reality and relevance. Involvement of social partners is thus an important strategy.

Accordingly the policy envisages that:

- Effective, regular, consultation with social partners on all issues pertaining to skills development, will be adopted as a key strategy.
- Standing platforms will be created for such consultation.
- Social dialogue will be the cornerstone for designing policy options, planning, and guiding implementation for effectiveness.
- Where necessary, capacities of social partners will be built up to facilitate their effective participation and contribution to skills development.

2. Public Private Partnership

The task of building a skills development system adequate to the size of potential requirement is just too large for the public sector to achieve on its own. Stimulation of private sector participation is thus an imperative. The era of distrust of the private sector is over. There are many opportunities for public private collaboration which are mutually beneficial.

Towards this end, the Government, on its part, will:

- Provide greater space for private sector participation, and encourage and enable the private sector by dismantling undue procedural and policy barriers;
- Focus much more on establishing 'institutional mechanisms' and 'framework' aimed at the development of the system, than on direct delivery, but it would not abdicate its responsibility to set up lead institutions of excellence which serve as beacons and role models.
- Play a more 'strategic' than 'comprehensive' role

- Adopt a more promotional role rather than regulatory and control. The regulatory role will be divested to high level autonomous national authority which shall have adequate participation of the private sector.
- Extend to the private sector institutions, on par with public sector institutions, access to schemes and programmes that are aimed at quality improvement - such as curriculum development, trainers' development, learning resource material development, and networking with lead institutions.
- Provide access to concessional loans and other financial and tax benefits, for development and growth of private sector training institutions.

The Private Sector on its part will participate in building a strong, diversified, quality system of skills development, consistent with national framework of policies, strategies and priorities, and in accordance with the requirements of 'institutional mechanisms' which regulate and guide it.

D. MONITORING, EVALUATION AND RESEARCH

A monitoring and evaluation system will be set up to assess outputs and the impact of training. Achievement targets and indicators will be developed and used to conduct periodic evaluations. NSDA will play a coordinating role.

Research will be undertaken, on a regular basis, to stocktake skills training provided by various bodies and the utilization of those skills with a view to identifying means to improve employability. Labour market information will also be compiled and analyzed to determine the areas and levels of skills shortage.

Part III

EXPANSION OF OUTREACH

The current capacity of the skills development system is most inadequate to meet the requirement. Potentially, the target groups for skill development comprise all those in the labour force, including those entering the labour force for the first time (28 million), the work force in the organized sector (27 million) and in the informal economy (421 million). The current capacity is only 3.3 million.

Keeping this in view, the capacity of the national skills development system will be expanded very substantially as a national mission. It will be expanded immediately to 15 million during the 11th plan and raised to 50 million by the end of the 12th Plan. Innovative approaches will be adopted with a view to raising the capacity of the system so extensively over a limited period. The capacity of the system will continue to be built thereafter, progressively, in line with the anticipated requirements thereafter.

For undertaking this massive expansion in capacity, besides current established approaches, innovative delivery models will be explored such as public private partnership, decentralized delivery, distance learning, and computerized vocational training.

The coverage of vocations in which skill building is provided at present is also very limited. Over the next two plans coverage will be expanded to some 4000 vocations.

Part IV

QUALITY AND RELEVANCE

A. Quality of VET

Doubts have been raised in some quarters about the quality and relevance of Vocational Education and Training as it is generally delivered and perceived today. In order for industry to compete effectively in an increasingly global economy the quality of training would have to meet world standards. It should be relevant to the national and international market needs. The demographic advantage that the country enjoys, coupled with prospects of world shortages in skills as the world population ages, means that the country could be supplying skills to the world. Quality and relevance would be key to India's international competitiveness, and to access global opportunities.

The National Skills Development Policy will have a strong focus on building quality and relevance of vocational education and training system. Since quality depends on achievements on a number of fronts the policy will be realized through measures aimed at:

- *Improving the physical infrastructure and resources of skills development institutions.* The measures would include, among others, modernization of existing training laboratories, establishment of new laboratories to support training in new emerging areas, and expanding buildings, hostels, and library facilities.
- *Improving the quality and size of trainer resource.* Facilities for trainer development will be expanded considerably. Trainers will be trained in new and emerging skill areas, and status of trainers will be improved in order to attract and retain highly competent persons to the profession.
- *Improving the quality of the teaching/learning process.* Institutional arrangements will be strengthened for identification of required competencies, competency based teaching, curriculum design, learning material development, and pedagogical research. Trainers and educational administrators will be trained in sound pedagogical approaches, and assisted in implementing them.
- *Improving the quality of assessment and certification system.* Assessment and certification would be based on nationally agreed competency standards. Both formative and summative evaluation strategies would be adopted. Research will be undertaken to underpin continuous improvement in assessment criteria, systems, and procedures.
- *Improving the relevance to user's current and future needs and achieving user-satisfaction.* Quality Assurance mechanisms will be established. Labour Market Information Systems will be established to guide skills development in the direction of current and emerging

market needs. National Vocational Qualification Framework will be established to provide diverse pathways of learning and other long term benefits.

Achievement targets and indicators will be developed and used to monitor and evaluate the progresses.

B. Competency Focus

Often the focus of VET programmes is driven by considerations of certification requirements that are largely academic than of meeting the true skill demands of the labour market. They do not always prepare the holder for the full range of tasks, at the requisite level of performance, that constitute the practice of the related occupation.

The Policy aims to bring about a fundamental reform by introducing ‘competency focus’ in the national skills development system.

To facilitate this shift, National Competency Standards, as ‘agreed statements of competence, which describe the work outcomes required from an individual, will be developed in consultation with industry, and adopted throughout the system. A national format will be designed for maintaining uniformity and consistency of competency standards across different occupations.

Arrangements will be established for Testing and National Certification of Competencies.

To facilitate adoption of competency focus in the System, Competency based Teaching and Learning would be supported by a series of measures including design of competency based curricula, and Trainers’ training.

C. Quality Assurance

Customers, whether students, parents, or employers, need to be assured that the VET system indeed delivers on the implied promise. A credible quality assurance mechanism would fulfill this expectation. Quality Assurance in the context of the National Skills Development Policy means:

A coherent set of procedures designed to ensure – and continue to ensure - that vocational education and training is based on market needs and workplace requirements, expressed in the form of relevant competences, delivered using learner-centred methods by competent trainers in well-resourced and managed institutions, measured against national standards by valid and reliable assessment methods, and resulting in an increased supply of skilled workforce.

Quality Assurance is based on four key functions: (i) *Validation of Qualifications* for ensuring that qualifications reflect market needs and workplace requirements and are expressed in the form of competences with clear assessment criteria. *Quality Assured Assessment of Learners* for ensuring that assessment is based on national standards (competences) and uses valid and reliable assessment methods. (iii) *Accreditation of Training Providers and Training Institutions* for ensuring that training is delivered by competent and qualified trainers in well-resourced and managed institutions, and (iv) *Research and Information* for linking the supply of skilled workers to trends in well-researched Labour Market Information (LMI) covering both the organised and unorganised sectors of the economy.

Quality assurance should not be merely a regulatory mechanism. It should strive to facilitate each accredited institution to identify its strengths and weaknesses, and enable it to continuously strive towards the attainment of excellence.

Quality assurance of vocational training needs to cover both the organised and unorganised sectors of the economy.

For performing the quality assurance function a National Accreditation Authority will be established (See also Part II, A-4).

Accreditation will cover both training provider institutions as well as their individual programmes. Accreditation will be available for specified periods and will be subject to periodic validation.

D. National Vocational Qualifications Framework

For stimulating and supporting a number of much needed reforms in the system of vocational education and training, and for facilitating international comparability of qualifications, among others, a National Vocational Qualifications Framework will be established.

This system will have the following features:

- Competency based qualifications on the basis of nationally agreed standards and criteria;
- A range of national qualification levels – based on criteria with respect to responsibility, complexity of activities, and transferability of competencies;
- Helping to avoid duplication and overlapping of qualifications, assuring, at the same time, inclusion of all training needs;
- Modular character, where achievement can be made in small steps and accumulated for gaining recognizable qualification;
- Quality Assurance regime, that would promote portability of skills and labour market mobility;

- Life long learning through improved skills recognition system, and Recognition of Prior Learning whether in formal, non-formal or informal arrangements;
- Providing different learning pathways – academic and vocational – that integrate formal and non-formal learning, notably learning in the workplace and offer vertical mobility from vocational to academic learning;
- Guiding individuals in their choice of training and career planning;
- Providing basis for comparability of general educational and vocational qualifications at appropriate levels; and
- Providing a basis for international recognition of national qualifications and their equivalence with international ones.

The NVQF will be developed as part of an overall National Qualifications Framework and will conform to its broader guidelines and structure, but would operate largely autonomously with reference to the particular context of vocational education and training system.

E. Skill Upgradation of Trainers, their Quality Assurance, and Improvement of Status

Sector Skills Councils (SSCs) will define the competencies required of trainers in their respective sectors. All vocational trainers of programmes leading to National Vocational Qualifications will hold a recognized training qualification and will be granted Accredited Trainer Status, but this requirement will be phased over time for feasibility considerations. The Accredited trainer status will be valid for a definite period, after which the trainer must seek re-accreditation.

Quality and relevance of trainers will be improved through access to short duration modular training. Open and distance learning programmes will be used to enhance access to trainer training, and financial incentives will be provided by subsidizing training.

Trainers for unorganized sector will be drawn from among practitioners of craft, provided financial incentives for undergoing training, and will be trained as master crafts person and trained in training delivery.

F. Reducing Skills Mismatch: Labour Market Information and Human Resource Planning

Mismatch between the supply and demand of skills is costly both for the economy and for the individual in terms of compromising potential development, on the one hand, in the absence of relevant skills at the time when they are required, and potential unemployment or underemployment of those trained in skills with low

demand in the labour market, on the other. Reducing such mismatch requires establishment of labour market information systems and human resource planning for reliable and realistic assessment of economic trends and labour market needs – at the national, state and local (district and block) levels.

Accordingly, as a matter of policy, sector specific Labour Market Information Systems will be established at national and state levels, and area specific LMISs at local levels. Human Resource Planning exercises will be undertaken to bring out the anticipated supply and demand of skilled manpower for different skill groups, economic sectors and geographical areas, over different periods.

The information so generated by the LMISs and HRP exercises will be disseminated widely to government, training providers, vocational education counselors, trainees, and prospective trainees at national, state and local levels, to enable them to take appropriate decisions.

By using the information, training institutes will assist the placement of the trainees.

G. Promoting Excellence

The average quality of institutions in the VET system is much below world standards. The system requires a determined thrust towards excellence, which encompasses quality, equity, efficiency and effectiveness.

Towards this end, each year, a significant number of well performing institutions will be assisted to develop into institutions of excellence. These institutions will be generously resourced, equipped with internationally comparable facilities and high quality faculty, and offer high quality programmes in current and emerging technology areas. These institutions will be networked with a number of VET institutions in their vicinity and serve as Lead Institutions in supporting their development.

Part V

EQUITY AND ACCESS

- **Vocational Training for Women**

Training for employability will be used as an agent of basic change in the status of women. The national skills development system will play a positive, interventionist role in the empowerment of women.

Current participation levels of women in different schemes of vocational training (Craftsmen Training Scheme and Trade Apprenticeship Scheme) are very low. The policy will aim to raise their participation to 25% by the end of the 11th Plan. The current level of reservation for women candidates seeking admission under Craftsmen Training Scheme will be raised progressively to facilitate their larger participation. Proactive measures that overcome barriers to their participation and facilitate larger participation such as hostels for women, freeships, scholarships, books, and loans will be designed and made available on larger scale.

Women's Vocational Training Programme will be expanded and the institutional network providing training facilities exclusively for women in skills having high wage and self-employment potential will be greatly expanded, doubling the number of national and regional vocational training institutes for women by the end of the current plan and further doubling the number during the 12th Plan. The number of Women ITI s and Women's wings in general ITI s, would be expanded in a similar manner.

The policy of non-discrimination will be pursued vigorously to eliminate sex stereo-typing in vocational courses and to promote women's participation in non-traditional occupations, as well as in existing and emerging technologies.

- **Disadvantaged communities: Scheduled Castes, Scheduled Tribes, Other Backward Classes**

Skills development leading to employability is a key to social empowerment of all communities. Accordingly, the focus of the policy will be on equalization of skills development opportunity for the socially disadvantaged communities with those of the rest of the population. To this end, the reservations applicable to these groups will be strictly enforced, and efforts will be made to ensure that the intent of reservations

is actually realized in practice. Existing schemes for benefitting these groups will be reviewed, strengthened and made more effective. Also, new innovative schemes and measures will be devised to ensure full and effective participation by these groups, as well as accrual of real benefits from skills development initiatives.

- **Economically backward: the Poor**

Skills development for employability is an important strategy in the fight against poverty. Accordingly, the poor should have a priority claim, and easy access to opportunities for skills development. Yet, the relatively high cost of vocational education and training is a barrier to their access. Poverty not only limits immediate access to vocational education and training it also inhibits access to education at prior stages which makes them ineligible for formal skills development programmes.

The Policy, accordingly, will aim at mitigating the impact of these economic barriers at different stages, as well as actively promoting access of the poor to educational and skills development opportunities, through specially designed schemes and measures. Measures such as special coaching for competing in admissions, non-formal skills development opportunities, and expanded provision of scholarships, freeships, books, and soft-loans, among others, will be evolved and implemented.

- **Minorities:**

In the interest of equality and social justice skills development opportunities for the minority communities will be expanded with a view to ensuring that their actual participation level is commensurate with their respective population size. Schemes such as 'special focus districts', and other innovative arrangements will be devised to ensure that the access level of minority communities does not lag behind that of the general population.

- **The Handicapped**

The handicapped with varying degrees of physical and mental handicaps should be provided appropriate adjustment training and skills training with a view to integrating them in the economic mainstream and making them productive citizens. The current level of participation of the handicapped in skills development programme is very low, despite guidelines of reserving 3% of the seats for them.

The Policy aims to expand the facilities for the handicapped and to provide all such other support that would enable the handicapped to access the facilities. Vocational Rehabilitation Centres would be doubled in the 11th Plan and expanded further in subsequent Plans. Training would be

integrated with efforts to secure employment opportunities consistent with the degree of disability. Programmes of public awareness and community participation would be strengthened to promote demand for vocational training for the handicapped as well as to facilitate their rehabilitation.

- **The School Drop-Outs and Child labour**

The school drop-outs and out-of-school youth, including child labour, need to be given skills development opportunities to bring them into economic and social main stream. Short term, market oriented, demand-driven programmes would be provided in a flexible delivery framework suited to the characteristics and circumstances of the target group. Multi-skilling, multi-entry and exit, and linkage to upgradation opportunities in future, would characterize such programmes. The scheme of Modular Employment Skills would be expanded greatly to cater to the large size of the group.

- **Regional Imbalance in Opportunities**

The facilities for skills development are unevenly distributed where some parts of the country are quite deficient in the availability of skills development institutions. In order to provide more equitable opportunity across the whole country, special efforts will be mounted to promote establishment of training facilities in deficient regions. The Government itself would set up institutions in the public sector, but would also promote establishment of private sector training institutions through a package of suitably designed incentives.

Part VI

SKILLS DEVELOPMENT FOR THE UNORGANISED SECTOR

- The unorganized sector is characterized largely by low skills, low productivity and poor incomes. More than nine tenths of the country's work- force is in the unorganized sector. The sector is not confined to agriculture or rural areas alone, but cuts across all economic sectors and includes urban areas. Despite its low productivity it contributes majority of the country's GDP. Skills development for the unorganized sector has the potential to give considerable support to economic growth as well to improve incomes, help eradicate poverty of the vast majority of the country's population, and improve overall human development.
- National Skills Development efforts cannot be limited only to the organized sector of the economy but must cover the promotion of competencies and skills for the entire population, both for economic growth as well as for social justice and ensuring quality of life for all the citizens.

A. Target Groups

- The target groups for skills development initiatives in the unorganized sector cover: owners, workers and apprentices in micro enterprises; household workers; casual labour; peripatetic workers and migrant labour; out of school youth and adults in need of skills; and farmers and artisans in rural areas; among many others.

B. Type of Training Providers

- All possible and available avenues for skills training will be deployed for the purpose, including: schools and public training institutions, non-formal training arrangements, training by private sector, training under traditional apprenticeship arrangements in the unorganized sector, and enterprise-based training.
- All schools will include vocationally-oriented courses or modules as well as internships in addition to general education. Public training institutions will be given greater managerial and academic autonomy to design and offer programmes that meet the requirements of the local economy and specific target groups. Existing institutional mechanisms for non-formal education and training will be utilized and expanded. Flexible delivery mechanisms and patterns that suit the needs of the target groups, such as part/full time, on/off site, will be adopted. Arrangements will be made for testing and certification of skills acquired in non-formal and informal arrangements.

C. Informal Apprenticeship

- Informal apprenticeship arrangements in the unorganized sector have been an important source of skills development in the sector and for preservation and promotion of traditional skills. These have the advantage of : being widely available throughout the country, linkages with local community, use of local language and the trainer coming from similar social background, and relevance to local economic opportunity. Instead of replacing them, all efforts will be made to improve and strengthen these mechanisms and to upgrade and diversify their activities into modern skill areas. The local trainers will be provided upgradation training in modern techniques, and in pedagogy, and where possible, trained and developed into master craftsmen. Opportunities for linking these arrangements to formal sector training institutions will be provided with a view to extending pedagogical, tools and equipment, and expertise support. Dual-type apprenticeship will be made possible which will allow the trained apprentices to undergo further training in the organized sector institutions. Social protection will be provided to apprentices: post training support, eliminating child labour, improving access of girls, disabled and other vulnerable groups. The mode of informal apprenticeship will be recognized and accommodated in the National Vocational Qualification Framework.

D. Replication of Successful Models

- Training and skills development for the unorganized sector cannot be based on mere extrapolation of training models and approaches of the organised sector. Training methods will have to be appropriate to the socio-economic contexts, characteristics of the trainees, and characteristics of the training itself. Various models have been tried out around the world. In designing skills development strategies and programmes for unorganised sector, various successful models will be studied and adopted/adapted with suitable modifications and innovation.

E. Literacy and Soft Skills

- Literacy and basic education are important preconditions for providing effective skill development, and to empower the labour force to engage in life-long learning and upgradation of their skills. Accordingly, skills development initiatives for the unorganized sector will be underpinned by efforts to provide literacy and basic education, as well as soft skills - including language competence, both within the training initiative itself and at work-place, by counseling and guidance of workers and encouraging and enabling employers.

F. Skills Development for Self-Employment

- A large part of unorganized sector workers are engaged in informal entrepreneurship. Wage employment opportunities being limited and occasional, skill development for entrepreneurship is a priority. However, training should be a part of a larger package of inputs – finance, technology, market information and access, and other support services. Accordingly, priority will be given to

entrepreneurship skills development for the unorganized sector and provision of complementary inputs for success. Institutes for entrepreneurship development, technology incubation centres, and such other institutional arrangements will be invoked and utilized to support successful adoption of entrepreneurship by unorganized sector workers.

G. Lifelong Learning and Recognition of Prior Learning

- Skills development for the unorganized sector requires complementary action on several fronts, in terms of developing and instituting systemic institutional arrangements. With this in view, competency standards and certification systems will be developed for informal sector work and incorporated in the national testing and certification system. Mechanisms will be developed and avenues provided for: vertical and lateral mobility in skills development, vocational counseling and career guidance, retraining of redundant workers in the organized sector prior to separation –many of whom will enter the unorganized sector, Lifelong Learning, and Recognition of Prior Learning - particularly in case of non-formally acquired skills. These mechanisms will be linked to, and suitably incorporated in, the NVQF. A special funding support scheme will be set up, which, among others, will help meet direct and opportunity cost of skills training and lifelong learning for the unorganized sector.

H. Role of Civil Society Group

- Private sector providers, particularly Civil Society groups, and informal-sector associations can help in this enormous task of skill building for the unorganized sector by raising awareness about skill shortages, the nature and level of skills in demand, and in designing and delivering skill building programmes. The Government will encourage, assist and enable these groups in performing their roles above. Proactive partnerships will be developed between, and among, the Government, Private Sector and NGOs in the large and multi-faceted task of building skills in the unorganized sector. The government will also take any other steps for building a ‘market for training’ for public and private sector providers to respond to the training requirements in the unorganized sector.

Part VII

RESPONDING TO THE FUTURE

A. Globalisation paradigm driven by Technology, and Emerging Knowledge Economy

Liberalisation of Trade, Investments and Capital flows are making the world economy increasingly integrated. Global production patterns, move towards flexible production systems that involve a change in organization of work, continuous technological innovations in production system – all have direct implications for the skills that workers will require in a globalizing economy. Occupational patterns are changing; new jobs and job titles, job enlargement, job enrichment, and new flexible arrangements of working are emerging. Employment demands are shifting towards higher skill categories.

Structure of economies is shifting towards knowledge economy that creates, disseminates, and uses knowledge to enhance its growth, development, and competitiveness. New technologies are driving the emergence of knowledge economies. Increasingly larger percentage of GDP is coming from high skilled services, but modern production is also getting increasingly dominated by knowledge work. Higher order generic skills of analysis, synthesis, conceptualization, managing, strategic thinking, communication, problem-solving, creativity, team-working, learning to learn, and meta-cognitive learning and reflection, will be required more and more in the skill spectrum of knowledge workers.

It would be imperative to move up the skill-ladder and produce much larger numbers with higher education and generic training for new types of knowledge work, both in high skill services and high technology industrial production. Knowledge professional will need supporting by middle-skilled workers in new knowledge and technology areas. The skill development system will have to meet this challenge. The time for response is limited as the rate of change is high and accelerating.

Keeping this in view, the National Skills Development Policy envisages that the VET system will respond by:

- Producing larger number of highly skilled persons;
- Offering a range of programmes in new and emerging technologies and build significant capacity therein;
- Produce skilled human resource for expanding knowledge based service sector;

- Move up the education and training ladder and seamlessly join with professional and higher education;
- Produce new types of middle-level manpower to support specialized high technology professionals in new knowledge areas; and
- Build institutional capacities and planning arrangements that allow quick response to emerging demands for new skills.

B. Experimentation, Innovation, and Research into the System

Given the pace of change that the new paradigm is ushering in, the National Skills Development System will have to be highly dynamic and nimble-footed. It will have to be constantly alive to changes in the immediate as well as global environment, learn from them, and experiment with new approaches and structures. The culture of innovation must drive the future system.

Research will be a key strategy for managing change and to benefit from it. Since experimentation and innovation flourishes in a vibrant and self-confident environment, flexibility and operational autonomy will have to be extended to deserving institutions.

- Research into international developments, particularly in skills development systems in leading countries, and in organizational practices and pedagogical approaches will be an on-going activity. Standing institutional arrangements will be established for the purpose and research will be funded both in these arrangements and in outside research institutions.
- Experimentation and Innovation in designing new programmes, new teaching/learning approaches, and new modalities of delivery, among others, will be encouraged and supported financially and otherwise.
- Deserving institutions will be accorded higher degree of autonomy for experimenting with new approaches.

Part VIII

FINANCING SKILL DEVELOPMENT

Skills development contributes directly to the objective of human development by preparing the individual to access 'economic opportunity' through employment and income. Investing adequately in skill development is thus an imperative for any 'developmental' society. Skills development brings return not only to the individual but also to employing enterprise and the economy as a whole. Therefore, all stakeholders, the government - Centre and State, the enterprise – public and private, and the direct beneficiary – the individual, should share the burden of mobilizing financial resources for skills development.

- The National Policy for Skills Development envisages that training will be treated as a crucial area of investment in national development. Henceforth the Government will allocate a definite percentage of the GDP in its budget exclusively for training. For the 11th Plan the target will be 2% of the GDP, rising progressively, over the next two Plans to 5% of the GDP. Government funding for skills development would be under 'non-lapsable pool'.
- Given that more than ninety percent of the labour force is in the unorganised sector and that a large proportion among them is poor, and recognizing that skill development is a key strategy for improving their low productivity and incomes, and pulling them out of the poverty trap, greater priority will be accorded to the un-organised sector in government expenditure on skills development.
- A special financial support scheme will be set up promote access to training by the poor, SC, ST, OBC and other disadvantaged groups as well as those are in the unorganized sector.
- A National Skills Development Fund will be established whose corpus will be created out of funds from a variety of sources, which could include budgetary allocations by the Central and State Governments, levies on capital expenditure and working capital raised, and Cess on corporate turnover. All contributions to the Fund will be eligible for tax benefits. The details, and modalities of administration and control of the Funds, will be worked out expeditiously after due process of consultation with stakeholders.
- In order to encourage lifelong learning and skill development among working persons, mechanisms for providing financial support and other incentives, such as training loans, scholarships, paid leave for training, tax incentives on training costs incurred, and training insurance scheme, will be designed and implemented for the benefit of the employees.
- In order to support development and growth of training institutions, performance-linked financing will be extended to them. Key performance indicators, such as

indicators of internal and external efficiency – enrolment, pass- outs, employment, and ‘accreditation’, will be established with a view to identifying good performers among training institutions.

- Better cost recovery, through measures such as raising fees to cover significant proportion of costs, within the recognised constraints of paying capacities of individuals and considerations of access and equity, will be encouraged in publicly funded training institutions. Beneficiaries will be encouraged to contribute to their training either financially or in kind. The training institutions will be encouraged to undertake income generating activities.
- Measures will be designed and adopted with a view to reducing wastage in the system which occurs due to such factors as high drop-out rates, poor student to staff ratios, sub-critical enrollments, poor use of built capacity, and low teaching intensity. The capacity of the existing infrastructure for skills development needs to be used fully and effectively.
- Capacity of institutional heads and management will be built, through specially targeted training programmes, in effective management of training institutions, with particular focus on financial management.

Part IX

POLICY REVIEW

By its nature, any policy can only be rooted in a given context. As the context changes, so must the policy. Skills Development is placed in a highly dynamic environment. Accordingly the policy on skills development must undergo periodic review and revision. The National Policy on Skills Development will be reviewed every five years, and revised appropriately to take account of progress in implementation, and emerging trends in the national and international environment.