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## **Broad Guidelines for integrating Short-Term Courses with National Apprenticeship Promotion Scheme (NAPS) through National Skill Development Corporation (NSDC)**

### **1.0 Background**

Apprenticeship has been adopted as a major skill development intervention to provide larger employment opportunities to the youth. This has been a successful model, practiced widely in countries leading to higher employability. In Brazil, 80% apprentices find a formal contract within two years of successful completion; in France, 61% find work upon finishing the programme; in Japan, 97% of those who complete, find work; and in United States, 88% of those who complete, find work and 88% retain employment.<sup>1</sup>

The National Policy of Skill Development and Entrepreneurship 2015, launched by the Hon'ble Prime Minister on 15th July, 2015, focuses on apprenticeship as one of the key programmes for creating skilled manpower in India. Recognizing the value of on-the-job training, efforts are underway to make apprenticeship an integral part of all skill development efforts. Thereby, the government has set a target to train 50 lakh apprentices cumulatively from 2016-20.

Since the conception of the Apprentices Act 1961, several initiatives have been undertaken over the years to simplify the Act and make it industry friendly, yet the apprenticeship opportunities in the country are insignificant when compared to the size of the economy. Presently, apprenticeship training is mainly associated with students from ITIs, and these in turn are associated primarily with manufacturing industry. India is one of the fastest growing economies in the world and the recent growth has been driven primarily by services sector which now contributes over 50% of the GDP. Apprenticeship system has not been utilized in these sectors. With a view to foster apprenticeship in the country, there is a need to expand the scope in services sector and to integrate short term courses<sup>2</sup> with apprenticeship. We also need to introduce new actors in the system to spread the net wider.

### **2.0 National Apprenticeship Promotion Scheme (NAPS):**

To promote apprenticeship and to incentivize employers who wish to engage apprentices, MSDE launched the National Apprenticeship Promotion Scheme (NAPS) on 19th August 2016. NAPS has a provision to share expenditure incurred on both apprenticeship training and stipend paid to the apprentices. It provides:

- a) Reimbursement of 25% of prescribed stipend to employers with respect to all apprentices, subject to a maximum of Rs. 1500/- per month per apprentice.
- b) Sharing the cost of basic training with respect to fresher apprentices (who come directly for apprenticeship training without formal training) limited to Rs. 7500/- per apprentice for a maximum duration of 500 hours/3 months.

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<sup>1</sup> Improving access and making apprenticeships valuable for youth and attractive to employers, [https://www.oecd.org/els/emp/M\\_KEESE\\_Apprenticeships.pdf](https://www.oecd.org/els/emp/M_KEESE_Apprenticeships.pdf)

<sup>2</sup> Short Term Courses as prescribed in guidelines of respective schemes run by the government

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There has been 197% increase in the number of establishments who registered online on the apprenticeship portal since the launch of NAPS. As on 31st December 2017, total number of candidates enrolled in the apprenticeship portal stand at 8.47 lakh which represents a 500% increase in the candidate enrollment since the launch of NAPS. However, compared to other countries and vis-à-vis the potential in India, these numbers are not satisfactory. With a view to increase the apprentices under NAPS by an order of magnitude, an analysis was done to understand the present situation, diagnose the problems and propose solutions on the identified problems.

### **3.0 Issues**

To make apprenticeship training more appealing and to tap the huge potential for reaching a tenfold increase in the training numbers in the next four years, there is an urgent need to open up the system for which following issues have been identified:

**a. System is heavily dominated by ITI pass outs:**

- i. More than 80% of the apprentices are from ITI ecosystem. Presently, the apprenticeship system is driven by State governments through their Directorates which are also involved in administering ITIs. Most of the curriculums have been designed keeping in mind the requirements of ITI candidates. The ITI ecosystem has been the main source of supplying apprentices to the industry. There is a need to expand the scope of apprenticeship to include candidates from other backgrounds.
- ii. The system is also heavily in favor of engineering trades. More than 89% of the overall apprentices engaged are from the engineering sectors. Potential of services sector, which is the main driver of economy, has remained untapped.

**b. Perception of overregulation:**

- i. World over, the best apprenticeship systems are the ones which have an active involvement of employers and industry. But in India, employers have only played a peripheral role.
- ii. The present system in India involves Regional Directorates of Apprenticeship Training (RDATs) and State Apprenticeship Advisors as key agents responsible for promotion and implementation of apprenticeship. But the industry still carries an inherent fear of consequential actions in case of non-compliance in engaging apprentices.
- iii. Focus has been mainly on regulation rather than promotion. In order to get an active buy-in from the industry, it is important that employers are involved in managing the apprenticeship system.

**c. Credibility of short-term courses:**

A lot needs to be done to improve the acceptance of Short-Term Training courses in the industry. It is understood that classroom instructional training does not fully simulate the reality of work place. Apprenticeship training not only provides an optimum balance between theory and hands-on experience but also updates the apprentices' skill and knowledge of various codes, safety rules and regulations, procedures,

proper use of tools and equipment, reading and interpreting documentation, troubleshooting, teamwork and communication skills. Integrating short-term courses with apprenticeship training will fill this gap.

Key policy initiatives are being planned to complement and enhance the impact of the National Apprenticeship Promotion Scheme.

## 4.0 Solution:

### **Introduce SSCs, employer organizations/Indian Chambers of Commerce and Industry (ICCI)\* and remove the perception of overregulation:**

The involvement of the industry in apprenticeship training has been very low. The industry has to be encouraged to take a more proactive role in leading the apprenticeship ecosystem in India. The industry associations need to be a part of the curriculum development process for the courses and implementing the programme. An equal participation from the industry in apprenticeship training curriculum ensures the relevance and skill development of candidates in the current economy. The following steps are suggested for the same:

- i. Involve SSCs in offering apprenticeship courses and programs under NAPS.
- ii. In addition to SSCs, selected ICCIs should also be allowed for implementation of NAPS. A separate set of guidelines can be issued for selecting these ICCIs. Multiple agencies like SSCs and ICCIs will help in augmenting the present apprenticeship system.
- ii. These organizations can be assigned the role of Joint Apprenticeship Advisors under the Apprentices Act, 1961. The Act provides for this kind of arrangement.
- iii. Involvement of such agencies will also remove the perception of heavy government regulation.
- iv. These bodies will provide the necessary supervision and control over apprenticeship programs in their areas.
- v. They will also be encouraged to frame courses according to their requirements. Such courses would fit into a framework defined at the national level.
- vi. They will be encouraged to set up their own portal which shall then be linked to main apprenticeship portal. The activities of all these agencies will be coordinated through a specialized portal set up by National Skill Development Corporation (NSDC).

## 5.0 Advantages:

There will be following advantages by involving the SSCs/ICCI etc.:

- **Improved Participation by Services Sector:** Currently, the ongoing apprenticeship scheme focuses more on Industrial Training Institutes (ITIs) and is more manufacturing sector oriented. On the other hand, there are a lot of short-term trainings being conducted in the services sector. Therefore, opening up the system will address the needs of the service sector industries.

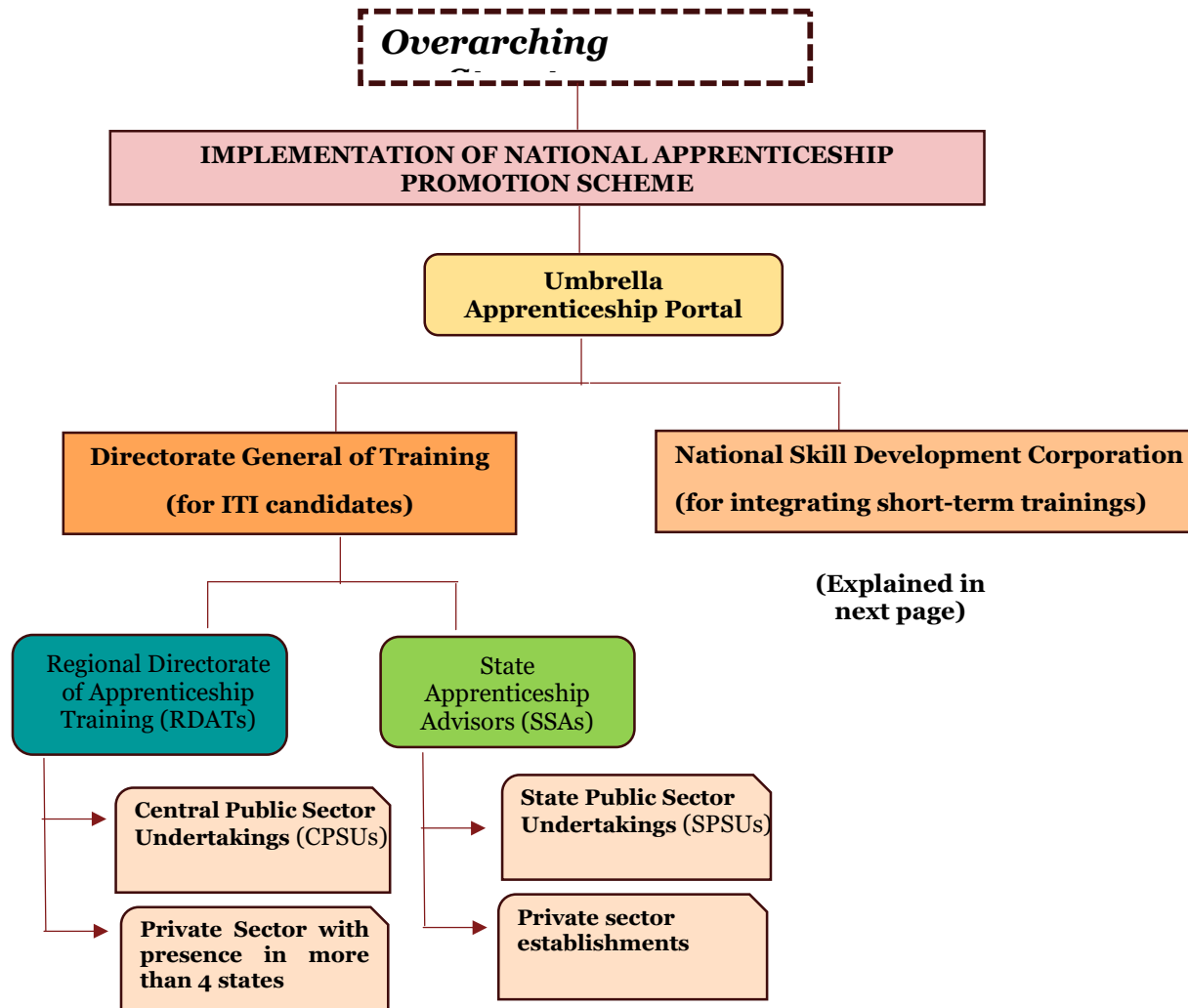
*\*ICCI here, refer to Industry Associations/cluster associations/regional chambers which will be identified on due diligence and selective basis. Separate guidelines will be issued for selection and operation of such ICCIs*

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- **Improved Curriculum:** Under the new system, more employers will be involved in developing the course curriculums. This in turn will make the trainings more relevant and adaptive to the industry needs, thereby, leading to higher employability.
  - **Career Pathways:** The introduction of Apprenticeship training through short-term courses will provide upward mobility according to the National Skill Qualification Framework (NSQF) levels.
  - **Improved Credibility for Short-Term Courses:** The apprenticeship component supports in developing a holistic learning experience for the candidates to perform better in the workplace. It will give weightage to the short-term courses which are currently not in demand. This will increase the credibility of these short-term courses amongst the industry, thus, creating a better quality workforce.
  - **Certification Options:** Candidates will have the option to choose from certifications issued by either SSC or NCVT or Employer etc.

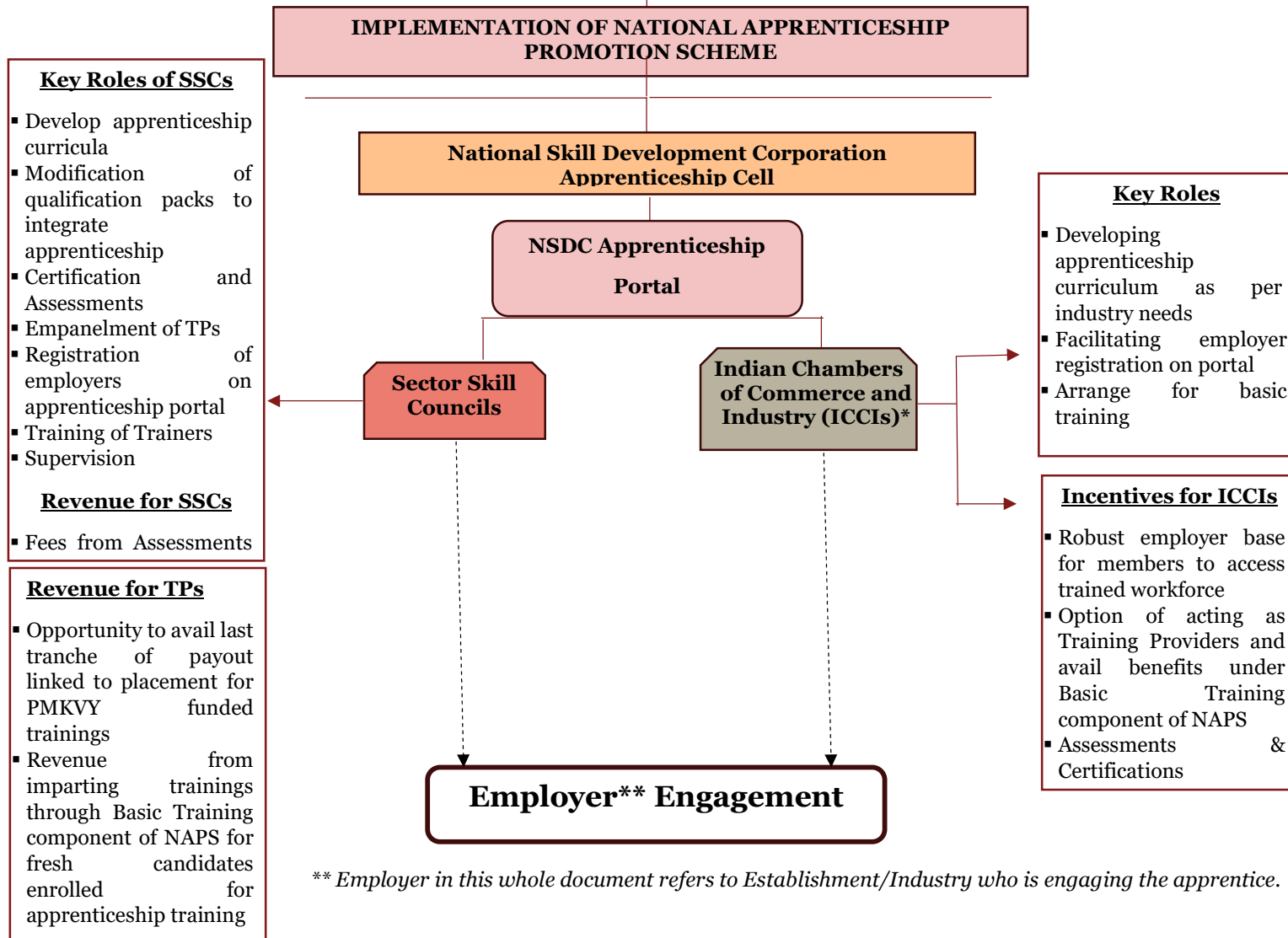
## 6.0 Implementation:

Therefore, a more practical overarching structure is being proposed in order to embed apprenticeship in all the short-term skilling initiatives. NSDC would play a critical role in coordinating and implementing the apprenticeship courses in all short-term skilling initiatives. To roll out the scheme and to achieve a more powerful impact to successfully address employability issues of trainees, the proposed structures are as follows-

The overarching structure defines the roles and responsibilities of key stakeholders which will play a pivotal role in the successful implementation of Apprenticeship.



## Overarching Structure



*\*\* Employer in this whole document refers to Establishment/Industry who is engaging the apprentice.*

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## ***i. Role of National Skill Development Corporation (NSDC)***

The National Skill Development Corporation and ICCIs will act as catalysts for the implementation of apprenticeship training. Two modes of training delivery will be offered-

- a) **Embedded mode-** Apprenticeship (on-the-job training with the employer) shall be made compulsory as part of the short-term course curriculum. In this case, the candidates can undertake basic training and on-the-job training either simultaneously or one after the other, in accordance with the arrangement between employer and SSC/ training partner.
- b) **Top up mode-** Apprenticeship (on-the-job training) shall be offered in sequential mode with various courses. Candidates can opt for the apprenticeship training after completion of the course.

**Note 1:** Eventually, all courses will have compulsory component of apprenticeship training.

**Note 2:** Guidelines for framing curricula will be issued which will have to be followed by SSCs/ ICCIs.

An apprenticeship cell shall be established in NSDC which will look after the following-

- Identification of sectors (Manufacturing/ Service / MSME/ Informal/ Other sectors) where apprenticeship training can be introduced by linking related Job roles and occupation where apprenticeship training can be made either on mandatory basis or on optional basis;
- Identification of job roles (in close coordination with SSCs, ICCIs & Employers) in which apprenticeship can be made compulsory and optional respectively;
- Development of swift, dynamic and high speed versatile 'Apprenticeship Portal';
- Syncing of existing NSDC MIS with Apprenticeship Portal in order to have inventory of available apprentices;
- To act as a monitoring unit and oversee the activities performed by Sector Skill Councils and ICCIs;
- Deployment and disbursement of funds;
- Undertake apprenticeship promotions;
- Coordinating online examination for apprentices;
- Monitoring the trend of progress of apprenticeship training with required intervention to identify and resolve any bottlenecks in processes with periodic review and generation of progress reports and coordination and liaison with all stakeholders;
- Extending support to all stakeholders with dedicated call centers/ helplines to resolve queries and carryout advocacy of program through print and electronic media;
- Developing and publishing various guidelines related to different processes of apprenticeship training;
- Maximize engagement of employer and candidates towards apprenticeship training without any delay with periodic review of key parameters like maximizing industry coverage, Market trend (existing and

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emerging) of occupation and labour engagement matrix, sector wise demand of apprenticeship training as per market trend, vacancy projection by employers in different sectors etc.

Apprenticeship Cell (PMU) at NSDC shall issue separate guidelines to bring clarity on following salient issues-

- Embedded training and Top up training processes, Content and design of Basic Training and matching with apprenticeship training, advantage of basic training to facilitate school certification/degree;
- Course curriculum of different trades/subjects under optional and designated trades;
- Students' handbook on apprenticeship training for college/school having a background of various skill courses/certificate program including assessment and certification processes. Mapping job roles with occupation sector wise with selection of apprenticeship training in appropriate domain;
- Employer's handbook on apprenticeship training for different sectors industry/Service /MSME/Industry clusters/Online job aggregator platforms. Mapping candidates as per emerging industry requirement.
- Web Portal Management with focus on employers' on boarding process and candidates' on boarding process
- Dedicated call center and counseling and guidance cell.



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## ***ii. Role of Sector Skill Councils (SSCs)***

The Sector Skill Councils will play an integral role in expanding the apprenticeship ecosystem.

The Chief Executive Officer (CEO) of SSCs and Secretariat head of ICCIs will be assigned the role of 'Joint Apprenticeship Advisor' (JAA) under the Apprentices Act, 1961. A notification in this regard shall be issued by the central government. Requisite orders shall be issued by the Central Apprenticeship Council as per the Apprentices Act, 1961. It is expected that while discharging duties of JAA, these JAAs will be working under the supervision of State Apprenticeship Advisors for the respective states.

Following will be the major actions undertaken by SSCs-

- Identification of job roles (in close coordination with NSDC) in which apprenticeship can be made compulsory and optional respectively;
- Preparation of new qualification packs based on the industry requirement;
- Develop embedded and top up apprenticeship curricula;
- Advocacy of apprenticeship in the industry;
- Empanelment of Training Providers;
- Identifying the employers and facilitate registrations on apprenticeship portal;
- Registration of contracts between employer and candidates with mapping of preferred trades/subjects with basic education and experience background of candidate;
- Undertake capacity building exercises for employers' HR personnel who will drive apprenticeship engagement in their respective organizations;
- Undertake assessment and Certifications in participation with employers. Guidelines shall be issued for the same.
- Provide supervision for the implementation of the apprenticeship programs in their respective areas to protect the interest of the candidates.

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### ***iii. Role of Indian Chambers of Commerce and Industry (ICCI):***

In addition to SSCs, ICCIs will also be allowed for implementation of NAPS. A separate set of guidelines will be issued for selecting these ICCIs. Multiple agencies like SSCs and ICCIs will help in augmenting the present apprenticeship system. Employers could approach ICCIs and register to hire apprentices. This will provide an opportunity to design the curriculum according to their needs. ICCIs can establish Basic Training Centres within their association or tie-up with an existing Training Partner to conduct basic trainings.

Secretaries of ICCIs will be assigned the role of 'Joint Apprenticeship Advisor'(JAA) under the Apprentices Act, 1961. A notification in this regard shall be issued by the central government. Requisite orders shall be issued by the Central Apprenticeship Council as per the Apprentices Act, 1961. It is expected that while discharging duties of JAA, these JAAs will be working under the supervision of State Apprenticeship Advisors for the respective states.

Following will be the major actions undertaken by ICCIs-

- Facilitate employer registration on the Apprenticeship Portal;
- Develop curricula conforming to broader guidelines issued for curriculum development;
- Establish basic training centre or facilitate tie-ups with training partners for the same;
- Registration of contracts;
- Undertake Assessment and Certifications in participation with employers. Guidelines shall be issued for the same.
- Provide supervision for the implementation of the apprenticeship programs in their respective areas.

#### ***iv. Role of Employer***

- Registration on the apprenticeship portal.
- Development of curricula based on their establishments' requirements, in close coordination with SSC or ICCI.
- Regularly sharing the skill requirements with SSC or ICCIs.
- Employers will have a say in the assessment of the candidates according to the guidelines issued. Certification can either be issued by SSC or respective ICCIs with whom the employer has relevant tie-ups.

#### **7.0 Funding modalities:**

- Of the total scheme funds allotted for implementing apprenticeship through NSDC, 4% would be disbursed as administrative fees to NSDC against the ceiling of administrative cost of maximum 1% of total outlay of scheme with corresponding training targets as mentioned in the cabinet note of the scheme'. NSDC will be guided by the overall guidelines of National Apprenticeship Promotion Scheme (NAPS) and provisions under the Apprentices Act, 1961, including rules/ regulations/ instructions on the subject as amended from time to time.
- Incentive grants to SSCs for promoting apprenticeship.
- Training partners can avail placement linked incentives i.e. last tranche of payout linked to placement for PMKVY funded trainings by engaging candidates as apprentices with the industry.
- Training partners can avail the benefit of Basic Training under NAPS for fresh candidates enrolled for apprenticeship training.

#### **8.0 Broad Assessment Schema:**

The share of practical and theory components as well as the contribution of each of the agency in the assessment would be as follows:

<b>Area</b>	<b>Sub Area</b>	<b>Agency</b>	<b>Maximum Marks (as %)</b>	<b>Minimum Marks needed</b>
<b>Practical</b>	Practical Examination	Jointly by Certification Agency and Employer	30%	60%
	Sessional	Employer	30%	
<b>Theory</b>	Theory - On Demand Online Examination	Certification Agency	40%	40%

**Note 4:** An apprentice has to secure 40% marks exclusively in the theory examination.

**Note 5:** An apprentice has to secure 60% marks exclusively in the practical examination.