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The pursuit to reach 50 lakh apprentices

Scaling up apprenticeship schemes the only way to boost formal employment

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OVER THE LAST decade, the definition of employability has been redefined. Traditional academics no longer serves as the base for preparing students for the future. Blending learning (classroom education, on-the-job training, online education, vocational education and apprenticeship) is key to aid employability. Though we are lagging behind the target, India's pursuit to reach 50 lakh apprentices is a definite possibility. But achieving this goal cannot solely hinge on demographic dividend or the current apprenticeship ecosystem.

The regulatory framework for apprenticeship has changed. While it has become more conducive, it is important for regulations to translate into the necessary growth rate of apprentices. India has potential to scale apprentices; the system needs a catalytic change. Integration of apprenticeship models under 'collaborate, consolidate, recognise' is the way forward.

- Collaboration between ministry of skill development and entrepreneurship and the Department of Higher Education;
- Consolidation of state and central government employability schemes; and
- Recognising trainees based under 'learning by doing' and 'work-based learning' as valid apprentices.

India has 5 lakh apprentices under the Apprentices Act, 1962, and 3 lakh under central and state governments' earn and learn schemes that do not come under the purview of the Act. There are about 50,000 employers who engage with apprenticeships as against 71 lakh enterprises. Only 4% of our organised workforce is formally trained as against China (84% formal training). Like employment, apprenticeships are largely unorganised, informal.

In 2015, MSDE launched the National Apprenticeship Promotion Scheme under the Apprentices Act; it has garnered interest and the adoption is likely to catch up. Though NAPS was aimed at SMEs, they have not been much forthcoming in spite of the government offering monetary benefits, as they are apprehensive about cost-effectiveness; large enterprises continue to engage with apprenticeships.

Schemes like National Employability Enhancement Mission by MHRD have seen traction. Though there aren't any monetary benefits available like in NAPS, employers are open to explore the scheme because of the flexibility available to them and the outsourcing model. Employers also engage with state governments' approved earn and learn schemes, but these trainees aren't recognised under the Act and do not get accounted for.

Despite four amendments since the Apprentices Act, challenges remain when it comes to scaling apprenticeship to its full potential. Much of this is because of the perception around apprenticeships, which is still not a preferred choice by the



Collaboration, consolidation and recognition imperative to boost apprenticeships; today, only 4% of our organised workforce is formally trained as against China, which has about 84% formal training

youth to make career as opposed to higher education. Unlike countries like Europe, which have apprenticeships-linked degree programmes, India has no connectivity of apprenticeships with higher education.

We've to tackle retention issues. Often, apprentices leave training in between for

employment; drop-out rate is estimated to be a high 70%. There is reluctance of candidates to mobilise from their home town due to mismatch between wages and cost of living. Even though stipends have seen an improvement (paid as per minimum wages), sustainability remains a concern. People are happy to be in informal employment in their home town than to earn meagre wages under apprenticeships or formal employment in metro cities.

Today, China has about 20 million (2 crore) apprentices, followed by Japan's 10 million (1 crore), Germany's 4 million (40 lakh) and the UK's 2 million (20 lakh).

Four areas needs to be addressed to scale up apprentices in India:

► **Connect apprenticeships to higher education:** This will enhance employability quotient of the youth, improve GER, and scale up apprenticeship enrolments bridging the skills gap.

► **Integrate academia, industry and regulator:** Joint involvement of employers, skill universities and regulators when it comes to execution, assessment, certification and monitoring of apprenticeships is important. Stakeholders need to come together to lead this tripartite integration.

► **Deliver apprenticeships in multi-modal format:** Cost-effective blended learning with easy accessibility will help boost the ecosystem, making apprenticeships more effective.

► **Consolidation:** All learn and earn schemes initiated by the Centre need to come a central authority and recognised as valid apprentices as per the Act. It'll give multiple options to employers to engage with different apprenticeship schemes and scale up numbers. Apprenticeships need to be an integral part of all government skilling schemes. It'll enable students with relevant work-based exposure get paid as per guidelines under the Act.

India may have 50 lakh apprentices or more, which go unrecognised due to the unorganised nature of the current model. Our potential to lead in terms of the highest apprentices is not a far-fetched goal if we take the right steps today.

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