



DUAL APPRENTICESHIP



Adoption of Dual System of Training in India: A Research Summary

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This research summary is part of an international comparative study focusing on the policy adoption of the German model of dual apprenticeships (DA) in India and Mexico. The study attempts to contribute to an informed understanding of the context wherein the DA was introduced in India. Based on in-depth interviews of key policymakers and a critical review of literature, the current report presents a summary of this emerging policy and identifies the key imperatives behind the adoption of the DA policy in India.

KEY FINDINGS:

- Lack of alignment between training and industry requirements
- Addressing declining employment opportunities and demographic dividend
- Need for greater consultation with other stakeholders such as chambers, unions and industry heads
- Greater awareness among other policy makers involved in skill training
- Better synergy between national and state government agencies in the adoption and implementation of the programme

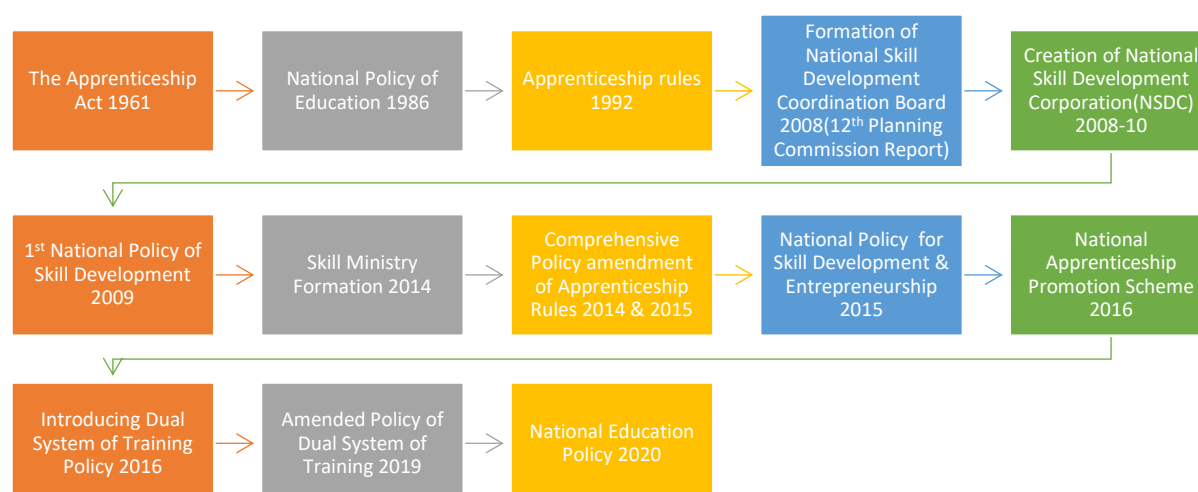


About the study

The liberalisation of the Indian economy in the 1990s brought to the forefront the need for an urgent reform of the Technical Vocational Education Training (TVET) that failed to keep pace with the rapidly transforming industrial topography in the country. While the Indian economy was expanding, policymakers identified that the lack of a well-trained, skilled workforce was limiting productive capacities. The 11th (2007-2012)ⁱ and the 12th (2012-2017) Five Year Plansⁱⁱ, guiding the planned development of India, therefore, strongly recommended large scale investments in skills training programmes for youth, through existing set-ups like the Industrial Training Institutes (ITIs)ⁱⁱⁱ to address issues of the expanding skills gap and lack of demand driven training. Recommendations made by the plan documents were to include feedback from employers to make vocational training programmes more efficient and market-oriented (12th Five Year Plan, 2013). Additionally, historically low employment rates for TVET graduates as well as lack of social esteem for TVET, required an urgent overhaul of the Indian skill ecosystem. Accordingly, a comprehensive National Skill Development Policy was formulated in 2009 which was later superseded by the National Skill Policy and Entrepreneurship in 2015.

Skilling the workforce remains a relevant challenge today as India has 66 percent of the labour force below the age of 35 years - demographic bulge or dividend (NASSCOM et al., 2017)^{iv} and another approximately 12 million joins the labour force every year (MSDE, 2015)^v. Therefore, the challenge before the policy makers is daunting, especially considering the weak labour market performance in terms of employment creation in recent years (MSDE, 2015). To address these concerns a separate ministry called the Ministry of Skill Development and Entrepreneurship (MSDE) was created in 2015 to facilitate convergence of all skill training programmes in the country and to initiate coordinated action among the key stakeholders. The figure below (fig. 1) depicts the timeline of development of skill ecosystem in India and demonstrates that apprenticeship was introduced by the 1960s to facilitate skills training for the youth population. However, a comprehensive skill policy geared towards demand driven training was introduced only in 2009 and subsequently further developed in 2015. The involvement of the private industrial partners was to ensure that vocational education students learn industry appropriate skills and overcome the problem of "insufficient connection" with the industry requirements as pointed out in the 12th plan (vol 2, pg 12)^{vi}. This proposed alignment of vocational education with market demands and actual industry requirements complemented the broader neoliberal imaginary of the Indian state linking vocational education with free market forces to develop the former.

Figure 1: Policy Timeline of skill & Education Policy



Source: Developed by authors based on policy documents

It is in this context that DST was introduced in India in 2016 by the MSDE that combined theoretical training from ITIs and practical training from industry partners to train young people enrolled in vocational education. Our study attempts to understand the reasons behind the adoption of DST in the larger skill ecosystem in the country from the perspective of the policy makers. Project findings will help to formulate more evidence-based policy recommendations.

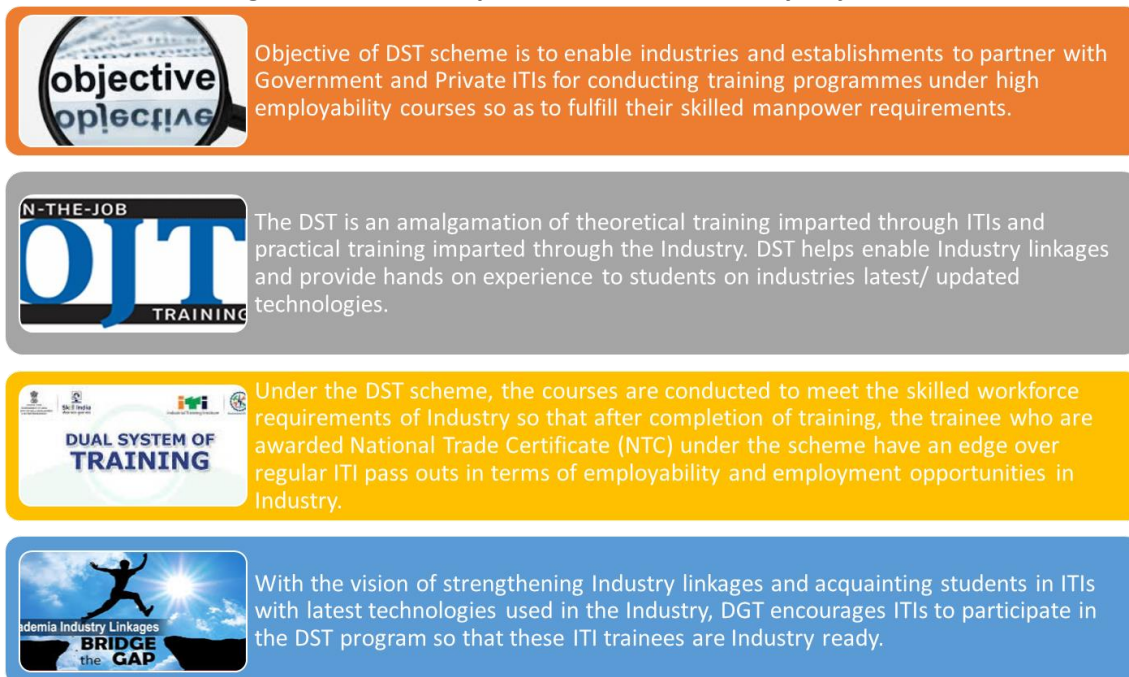
What is the Dual System of Training and why is it important?

The Dual System of Training (DST), as it is called in India, enables industries to partner with (government & private) Industrial Training Institutes (ITIs) for conducting training programmes under high employability courses to fulfill the needs of industries. Introduced in 2016, the DST programme combines theoretical training from ITIs and practical training from industry partners, thereby strengthening industry linkages and providing hands on experience to students on industries' latest technologies and techniques (fig. 2). Initially introduced as a voluntary pilot scheme in select ITIs across the country, the government has now expanded the programme to all 15000 ITIs across the country, in 137 designated trades for both manufacturing and service sector related courses^{vii}. Promoted as one of the main components under the ambitious 'Skill India Mission', DST is expected to fulfill the demand of skilled workforce in the industry thus generating employment for the youth (Gol, 2019)^{viii}.

While this programme has been inspired by the German DA, it must be noted that unlike in Germany where the programme is for training apprentices, in India the training programme is not equivalent to 'apprenticeship', hence the name of the Indian programme is 'dual system of training'. In the skill training ecosystem in India DST does not aim to create apprentices with clearly demarcated legal rights and pay scales. This difference of status between 'apprentice' in the German model and 'student' or 'trainee' in the Indian DST is critical because students undergoing DST are excluded from benefits like minimum stipend and work-place insurance that apprentices are entitled to in India under Apprentices Act 1961^{ix} (amended 2014, fifth amendment rules 2017, 2019)^x. However, under DST, trainees on

successful completion of the course are awarded with certificates that indicate both their experience of classroom and industrial training. This is a significant addition over other existing skill training programmes that do not specifically certify the industrial exposure of the vocational trainees.

Figure 2: Pictorial Representation of DST Policy Objective



Source: Developed by authors based on policy documents

DST is a significant departure from the earlier skill pedagogy that emphasized primarily classroom training with limited exposure to real industrial situations. In short, this programme is aimed to design the persistent skill gaps that exist between training schools and the industry due to outdated training curriculum in the ITIs, lack of participation of industries in training programmes and fast changing technologies (MSDE, 2015). The main purpose of DST, therefore, as indicated in the policy documents is to ensure that students in formal vocational institutions – most notably the ITIs - devote equivalent time to classroom theoretical learning and on-site industrial training during their period of education. Having gained shop floor experience alongside their classroom teaching, the programme expects to aid the trainees' transition from 'school-to-work', eventually increasing employability (MSDE, 2015).

How does the DST work?

The Ministry of Skill Development and Entrepreneurship (MSDE) is the central agency overseeing the implementation of the skill policy. The governing council (apex body of the mission), national steering committee and mission directorate are the main organs of the skill mission or policy.

The mission directorate, which is the executive arm of the Skill India Mission, is supported with an institutional framework that include agencies like the National Skill Development Agency (NSDA), National Skill Development Council^{xi} and the Directorate General of Training (DGT) under the mission (fig. 3). DGT, guided by MSDE, plays a major role in the coordination of the ITIs as well as the DST programme.

Under the DST programme, so far 748 Memorandum of Understanding (table 1) have been entered between the Industrial Training Institutes, National Skill Training Institute (women)^{xii} and the private sector.

Table 1: Industrial Training Institutes and Industry Partnerships

S.No	Category of MoUs under DST	No. of MoUs signed
1	Between National Skill Training Institutes (Women) under DGT and Industry Organizations	132
2	Between Govt& Private ITIs of State & UT and Industry Organizations	448
3	Between Industry Clusters and ITI (Under STRIVE ^{xiii} Scheme)	32
4	Earlier Existing MoUs of DST now revised under revamped scheme	136
Total		748

Source: <https://www.msde.gov.in/index.php/schemes-initiatives/schemes-initiatives-through-DGT/Dual-System-of-Training-DST>

Research Findings

The research findings based on the interviews are summarized below.

Reasons for introduction of DST

Two main reasons came out of the research as to the adoption of the DST policy in India.

- Lack of alignment between training and industry requirements

“We do have good labs but lot of teachings happen in classroom... field experience of the kids is lacking. So even a ...pass out, is also not 100% job ready. It is also a big problem that we are finding so that also needs to be corrected.”

Mr. AR, Senior Bureaucrat, MSDE

Interviewees such as senior bureaucrats at the national level pointed out that one of the key issues around vocational training programmes in India continue to be the lack of a demand-driven training and the disconnect between what is learnt in the institutes and what is required by the industry. DST was initiated to bridge this gap by making industrial experience or shopfloor learning a part of the curriculum as suggested by policy makers in their interviews. As part of the DST, training courses now cater to the service sectors as well (food industry, IT-ITeS, Tourism and Hospitality)^{xiv} to address the training needs of the emerging service economy in India. Besides, as indicated by interviewees, DST was also introduced to, at least partially, address the low prestige associated with vocational education in India.

- Addressing declining employment opportunities and demographic dividend

The DST programme was initiated to conduct training programmes under high employability courses so as to fulfil their skilled manpower requirements and provide employment to the youth at the same time^{xv}. Some of the respondents in their interviews were hopeful that DST would at least be able to initiate the process of transforming the skilling environment in the country. It will support the dual objective of catering to the needs of industry by solving the skilled workforce shortage as well as directing young people towards vocational education for gainful employment.

Factors affecting adoption of DST

While the policy has already been adopted, there are few concerns that were raised during the course of the interviews. These include:

- Need for greater consultation with other stakeholders such as chambers, unions and industry heads

“So we are talking with the government, MSDE, and the labour ministry about the apprentices because the government has to formulate some kind of policy”

Mr NS, Trade Union Head

Extensive interviews with national level chambers of commerce and industry, and trade unions, suggested that greater consultation was required during or after the process of policy adoption. Chambers and employers’ associations reiterated that that there was not enough consultation with the primary enablers during the adaptation of the policy which could have possibly led to greater degrees of willingness and acceptance within the industry for the policy. Additionally, such consultations could have provided an excellent platform for exchange of ideas and convergence of thoughts on the skill training requirements of the country. Similar concerns were echoed by the leading trade unions in the country. While the trade union leaders stated that they were not consulted during or after the process of policy making, the policy according to them leaves scope for exploitation. Comparing the DST programme to apprenticeship, it was mentioned that often in these trainee positions, young people are made to work for long hours without proper remuneration and workplace insurance. In addition, there is no guarantee of employment at the end of the training period. Union leaders, thus, suggested that introduction of minimum stipend may alleviate the situation of the DST trainees, who are often from poor socio-economic backgrounds.

Challenges towards retention of the programme

Discussion and in-depth interviews with policy makers highlighted that there is need to develop:

- **Greater awareness among others policy makers involved in skill training**

“Even just to look at the apprenticeship programme we just started, there are so many programmes already existing and they all seem to be quite similar but then they are all different at the same time. So we are like okay so need to get some clarity”

*Ms. GMS, Senior Officer, FICCI
Federation of Indian Chambers of Commerce & Industry*

A number of respondents, active in the skill ecosystem, were not sufficiently aware of the different components of the DST programme. Hence there is a critical need for raising the awareness among the policy makers to successfully implement the DST programme. Given that there are multiple vocational training programmes offered under the aegis of different ministries, such awareness and coordination would limit duplication of programmes and ensure comprehensive delivery of DST.

- **Better synergy between national and state government agencies in the adoption and implementation of the programme**

States in India are quite diverse in terms of industrial development and expansion. Also, at times because of separate political parties at power in the centre and the states, different agencies of the government may not be in harmony with each other. German model, upon which the Indian DST programme derives heavily, suggests that one of the fundamental characteristics of DA is extensive coordination between social partners and the state in the governance of the system. Therefore, not only a better synergy between different agencies of the central and the state government is a pre-condition to the success of DST programme in India but coordinated actions between the industrial partners as well as training institutes are absolutely necessary. These factors might be decisive in shaping the future of DST.

Way Forward

Undoubtedly, DST is an important addition to the existing repertoire of skill training programmes in India. Across all interviews, there seemed to be a hope that DST would potentially make some positive departure given its novelty and the ideal blend of theoretical training and on-the-job industrial experience. Given its novelty, it would be a bit premature to pass a definitive judgement on its value and significance. It is surely in expansion mode and with every passing year it is reaching increasing number of ITIs. Also, being a centrally-sponsored programme, it is better endowed in terms of resources, which is bound to make its acceptance easier across diverse regions.

ⁱ https://niti.gov.in/planningcommission.gov.in/docs/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf

ⁱⁱ From 1947 to 2017, the Indian economy was premised on the concept of planning. This was carried through the Five-Year Plans, developed, executed, and monitored by the Planning Commission (1951-2014).

https://niti.gov.in/planningcommission.gov.in/docs/plans/planrel/fiveyr/12th/pdf/12fyp_vol1.pdf

ⁱⁱⁱ Since the establishment of the first ITI in 1950, ITIs has been providing a range of vocational/skill training courses in order to cater to the labour needs in the industries. Such training ensure systematic training in order to raise the quality and quantity of industrial production, reduce unemployment among youth by providing them employable training. In addition, such training is also expected to improve the quality of self-employment opportunities, hence it is imperative that they are in-sync with the market needs.

<http://dectmeg.nic.in/dect/pdf/Benefits%20of%20enrolling%20under%20ITIs.pdf>

^{iv} NASSCOM, FICCI, and Ernst & Young (2017). "Future of Jobs in India: A 2022 Perspective." New Delhi: NASSCOM, FICCI, Ernst&Young.

http://ficci.in/spdocument/22951/FICCI-NASSCOM-EY-Report_Future-of-Jobs.pdf

^v Government of India (2015). Ministry of Skill Development and Entrepreneurship. National Policy for Skill Development and Entrepreneurship.

<https://www.msde.gov.in/reports-documents/policies/NSDM>

^{vi} https://niti.gov.in/planningcommission.gov.in/docs/plans/planrel/fiveyr/12th/pdf/12fyp_vol2.pdf

^{vii} <https://www.msde.gov.in/index.php/schemes-initiatives/schemes-initiatives-through-DGT/Dual-System-of-Training-DST>

^{viii} Government of India (2019). Guidelines for Dual System of Training, Ministry of Skill Development and Entrepreneurship

https://dgt.gov.in/Schemes/Programmes/Schemes_for_Training/Dual_System/download_guidelines

^{ix} https://www.education.gov.in/sites/upload_files/mhrd/files/upload_document/ApprenticeAct1961.pdf

^x In 2014, few amendments were made to the 1961 Act to make it more aligned with the overall skill eco-system of the country. These changes relate to minimum age in apprenticeship, ratio of trade apprentices to workers (except unskilled workers), certification of training by other authorised agencies as well, in addition to National Council for Vocational Training (NCVT). In the 2017 amendment, period of training were modified certain for select trades. The 2019 Apprenticeship (Amendment) Rules, seeks to raise hiring limit of apprentices to 15 per cent of total strength of an establishment and their stipend as well. The minimum stipend is revised from time to time.

<https://www.prsindia.org/billtrack/the-apprentices-amendment-bill-2014-3354/>

[file:///C:/Users/Baishali%20Lahiri/Downloads/Apprenticeship%20\(Fifth%20Amendment\)%20Rules%202017%20\(1\).pdf](file:///C:/Users/Baishali%20Lahiri/Downloads/Apprenticeship%20(Fifth%20Amendment)%20Rules%202017%20(1).pdf)

<https://bloq.sqcservices.com/wp-content/uploads/2019/10/The-Apprenticeship-Amendment-Rules-2019.pdf>

^{xi} NSDC was set up by Ministry of Finance as Public Private Partnership (PPP) model. It promotes skill development by catalyzing creation of large, quality and for-profit vocational institutions. Further, the organisation provides funding to build scalable and profitable vocational training initiatives, enables support system which focuses on quality assurance, information systems and train the trainer academies either directly or through partnerships.

<https://nsdcindia.org/about-us>

^{xii} The women's vocational training programmes at Directorate General of Employment and Training (DGE&T), Ministry of Labour & Employment were designed and launched in 1977. Now it is under the Ministry of Skill Development and Entrepreneurship. The programme attempts to promote the women employment in industry (mainly organised sector) as semi-skilled/skilled & highly skilled workers by increasing their participation in skill training facilities under Craftsmen Training Scheme and Advanced Skill Training Scheme, the Apprentices training scheme, demand driven short term courses etc.

<https://www.msde.gov.in/schemes-initiatives/schemes-initiatives-through-DGT/vocational-training-programme-for-women>

^{xiii} Skills Strengthening for Industrial Value Enhancement (STRIVE) is a new World Bank funded outcome-based project. It aims at creating awareness through industry clusters/ geographical chambers that would address the challenge of involvement of micro, Small and Medium-sized Enterprises (MSMEs). The Project would also aim at integrating and enhancing delivery quality of ITIs. In order to ensure achievement of outcome these ITI would be competitively selected for upgradation under the scheme.

<https://dgt.gov.in/Strive>

^{xiv} https://dgt.gov.in/cts_details

^{xv} https://dgt.gov.in/Dual_System