

# NATIONAL APPRENTICESHIP PROMOTION SCHEME

## SKILLING YOUNG INDIA

### BS Purkayastha

Time and again, we hear the phrase 'India's demographic dividend.' Accounting for the world's largest young population (with over 600 million people under the age of 25 years), India is one of the fastest-growing economies in the world. Millennials account for nearly half of the country's working population and will continue to remain the largest chunk of the Indian workforce for the next ten years. By 2030, India is set to have the largest working age population in the world. This young population is the country's demographic dividend - on whom the nation is relying while striving to become an advanced economy.

However, in reality, a significant chunk of the youth is under-skilled, under-employed and earns low wages. Many reside in the hinterlands where access to skills training as well as livelihood opportunities is limited. To optimally leverage this demographic dividend, India needs to find ways to equip its manpower with appropriate skills so as to help them find employment as well as meet the demand from the industries while also seizing global opportunities by supplying talent to the global job market.

To skill, reskill and upskill the country's youth, apprenticeship training has to become a participatory movement with employers, trainers, and facilitators, all on the same page.

### Importance of Apprenticeship

Employability of India's young population can be raised only through quality skill training. Apprenticeship training



is one of the most efficient ways to develop skilled manpower for industry by using training facilities available in the establishments without putting any extra burden on the exchequer to set up training infrastructure. After undergoing apprenticeship training, candidates become equipped to easily adapt to the industrial environment.

However, the performance of Apprenticeship Training is not commensurate to the size and rate of growth of the Indian economy. There are a large number of establishments where training facilities are available but these facilities are not utilised because such establishments express their inability to come under the purview of the Apprentices Act, 1961 citing lack of support from the government. On-the-job-training/practical training provisions are available to the employers, but they are not able to engage apprentices as they do not have basic facilities. Then, many employers are not interested to outsource basic training to other training providers as they have to bear the basic training cost to be paid to the basic training providers and also the stipend payable to apprentices during the basic training period.

### Role of National Apprenticeship Promotion Scheme (NAPS)

It is in this backdrop that the government launched the National Apprenticeship Promotion Scheme (NAPS) in August, 2016 providing for financial support to the industry undertaking apprenticeship programmes under the Apprentices Act. The main objective of the scheme is to promote apprenticeship training and to increase the engagement of apprentices, that stood at 2.3 lakh in August, 2016 with a cumulative target of training 50 lakh youth during FY 2016-17 to FY 2019-20. While the target was set to provide apprenticeship training to 5 lakh youth

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during 2019-20, 3,61,063 apprentices were trained which is 72.21% of the target set. With NAPS providing impetus, in FY 21-22, altogether 5,80,137 youths were engaged in apprenticeship training, according to the government of India's apprenticeshipindia portal (<https://www.apprenticeshipindia.gov.in/>). The cumulative number of apprentices engaged stood at 11,11,038 with 75,194 engaged in FY22-23 (till April 30, 2022), as per the portal. The target under the scheme for FY22-23 has been fixed at 10 lakh apprentices. With the thrust given by the Ministry towards apprenticeship training through reforms (facilitation and process simplifications), awareness workshops, continuous engagement with establishments / employers, Apprenticeship Mela, and public reach out to create awareness about apprenticeship training among the students and the establishments, the number of apprentices increased from around 2.90 lakh in FY 2020-21 to over 5.8 lakh in FY 2021-22 and expenditure from Rs120 crore in FY 2020-21 to Rs 217 crore in FY 2021-22. There are currently a little over 1,41,473 establishments / companies registered on the apprenticeship portal, out of which only 28,352 are currently engaging apprentices.

**NAPS: Financial Components**

- (A) Sharing of 25% of prescribed stipend subject to a maximum of Rs 1500 per month per apprentice with the employers. The stipend support is not given during the basic training period for fresher apprentices in sequential training. However, stipend support for fresher apprentices during basic training is allowed in case Basic Training (BT) & On the Job Training (OJT) is delivered in simultaneous mode.
- (B) Sharing of basic training cost of Rs 7,500 for 3 months / 500 hrs for the registered Basic Training Providers who impart training to the fresher candidates. Where the Basic Training & OJT is being done simultaneously, the payment will be made at the rate of Rs 15 per hour at the end of each month.

**NAPS: Eligibility & Other Details**

Apprenticeship Training consists of Basic Training and On-the-Job-Training/ Practical Training at workplace in the industry. The basic training is an essential component of apprenticeship training for those fresher candidates who have not undergone any institutional training/skill training before taking up on-the-job-training/practical training. Basic Training is imparted to the fresher apprentices for acquiring a reasonable ability to handle instruments /machineries/ equipment independently prior to being moved to shop floor/work area for On-the-Job Training. It usually accounts for 20-25% of the duration of the overall apprenticeship training but can vary depending on the specific requirement of the curriculum. On-the-Job Training is performed in the establishments and undertaken by the establishment. Basic Training will be allowed through online mode. Flexible and hybrid models of delivering Basic Training programmes are encouraged by the Directorate General of Training (DGT) and Sector Skill Councils (SSCs).

Under each of the two broad apprenticeship categories for designated trades and optional trade, there can be following categories of apprentices:

- Trade apprentices who have passed out of ITIs
- Graduate apprentices who are graduates in engineering or non-engineering courses
- Technician apprentices who have passed out of Polytechnics
- Technician(vocational) apprentices who have passed out of a 10th /12th vocational training course
- Apprentices who are pursuing their Graduation/Diploma courses
- Apprentices who have passed out of any NSQF aligned short term training course including courses under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY)/ Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY)/ Modular Employable Skills (MES)
- Apprentices from amongst those who are class V pass and above who are not covered under any of the afore-mentioned categories but meet the educational/technical qualifications as specified in the course curriculum.

**NAPS: Basic Training Providers (BTPs)**

- National Skill Training Institutes (NSTI) and National Skill Training Institutes for Women, NSTI(W)
- Government/Private Industrial Training Institutes (ITIs) having grade 1 and above affiliated to Directorate General of Training (DGT)
- Industry Clusters/Association/Chamber approved under STRIVE Project being implemented by DGT
- Hospitals & Health Care Units
- Government & Private Training Centers approved by NSDC under its SDMs/SIMART portal & Pradhan Mantri Kaushal Kendras (PMKK)
- Establishments with in-house basic training facility
- Training Centre set up/supported by Industry/Industry Clusters/ Chambers/ Association
- Stand-alone Basic Training Centers like Polytechnic, Universities, and Engineering & Management Colleges
- Training Centres empanelled with State Governments and/or other Government of India schemes
- Army/ Air-Force/ Naval establishments.
- Commercial Training Centres
- Freelance trainers who tie up with institutions having sufficient infrastructure

**NAPS: Evaluation.**

At the end of training, the evaluation is done jointly by the industry and the Directorate General of Training (DGT). After completion of Apprenticeship Training, an evaluation through All India Trade Test (AITT) for National Apprenticeship Certificate (NAC) is conducted twice in a year. AITT is a skill-oriented evaluation done by the industry and DGT.

**NAPS: Digital Intervention**

The apprenticeship portal (<https://www.apprenticeshipindia.gov.in/>) has been specially developed to execute apprenticeship program digitally. The portal facilitates registration of establishments/candidates, generation of contracts and reimbursements under NAPS.

**Reform Measures**

The Ministry of Skill Development and Entrepreneurship (MSDE) has taken many steps in consultation with various stakeholders to simplify the processes and revise the guidelines of the NAPS to bring about an increase in the number of establishments and apprentices. Skill training has been extended to all 13 sectors covered under Production-Linked Incentive Scheme.

MSDE has brought significant reforms to the apprenticeship rules to drive greater participation in the Apprenticeship training in the country. These reforms include:

- Upper limit for engaging apprentices increased
- Size limit of an establishment with mandatory obligation to engage apprentices lowered from 40 to 30
- Payment of stipend for 1st year has been fixed rather than linking it to minimum wages
- 10% to 15% hike in stipend for 2nd and 3rd year to apprentices
- Duration of apprenticeship training for Optional Trade can be from 6 months to 36 months
- The industry has an option to design and implement their own apprenticeship training

**NAPS: Direct Transfer of Benefits**

One of the most far-reaching developments is the announcement in July 2022 that NAPS will now be a part of Direct Beneficiary Transfer (DBT) scheme, providing direct government benefits to all apprentices. Earlier companies used to pay apprentices the entire amount of stipend and then seek reimbursement from the government. With the launch of the DBT scheme, the government will directly transfer its contribution to bank accounts of apprentices through National Skill Development Corporation (NSDC) 25% of the stipend payable up to Rs. 1500 per month.

Lauding the initiative, Union Minister of Skill Development and Entrepreneurship, and Education, Shri Dharmendra Pradhan, said the first set of apprentices have received stipend subsidy in their accounts through. This is not only a boost to apprenticeship but also takes us closer to realising the potential of Skill India.

The government is working pro-actively with industry including the MSME sector to facilitate a ten-fold increase in apprenticeship opportunities in the country by 2022-2023. It has been encouraging private sector enterprises to offer training to suitable candidates under the Apprentice Act. The monthly Pradhan Mantri National Apprenticeship Mela under the NAPS has been playing a big role in promoting the MSDE's various skilling and apprentice programmes. Under the initiative, the aim is to support hiring of more than one lakh apprentices and assist employers in tapping the right talent and develop it further with training and providing practical skillsets. Participating companies in the PM National Apprenticeship Melas have the chance to meet potential apprentices on a single platform and choose applicants on-the-spot. Furthermore, small-scale enterprises with at least four employees can hire apprentices during the event. Potential applicants will receive several benefits by attending the Apprenticeship Mela. They have a huge opportunity to get apprenticeship offered on the spot and receive direct industry exposure. A credit bank idea will also be added shortly, with depositaries of various credits collected by learners for future academic courses.

Every month, the apprenticeship mela is hosted wherein selected individuals receive a monthly stipend in accordance with government criteria for gaining new skills, giving them the opportunity to earn while they learn. Apprentices' stipends are paid online. The candidates get certificates, recognized by National Council for Vocational Education and Training (NCVET), increasing the chances of their employability after the training. Individuals can register for the Mela by visiting <https://dgt.gov.in/appmela2022/> or <https://www.apprenticeshipindia.gov.in/> and to find the Mela's nearest location. Two Pradhan Mantri National Apprenticeship Melas (PMNAM) have been conducted during the month of June-2022 and July-2022 since its inception. The Melas were conducted in 195 districts / locations in June 2022, and 212 districts / locations in July 2022. A total of 69,983 candidates participated in the two Melas. Post-Mela, 52,873 apprenticeship contracts were generated.

**Pradhan Mantri National Apprenticeship Mela**

Mela Date	N. of districts/ locations	No. of establishments registered	No. of candidates registered	No. of candidates attended	No. of contracts generated
13 June, 2022	195	1485	81,992	36,913	24,875
11 July, 2022	212	1466	84,232	33,070	27,998

Source: <http://164.100.24.220/loksabhaquestions/annex/179/AS213.pdf>

Given the enthusiasm generated by the two Apprenticeship Melas, the government has proposed to organise Apprenticeship Melas across the country on a monthly basis.

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States / UTs have accordingly been advised to organize PMNAM every second Monday in 1/3 of total number of districts with the flexibility for choosing the district /location and the day of Mela based on local conditions / festivals, etc., so that all districts are covered once in a quarter, and four times in a year.

**Top 10 companies engaging apprentices (as on 30-11-2021)**

Sl No.	Establishment Name	Establishment State	Establishment District	Apprentices engaged
1	Teamlease Services Limited	Karnataka	Bengaluru Urban	10055
2	Yashaswi Academy For Skills	Maharashtra	Pune	9972
3	Conneqt Business Solutions Ltd	Telangana	Hyderabad	4173
4	Future Retail Limited	Maharashtra	Mumbai	3584
5	Maruti Suzuki India Ltd	Haryana	Gurugram	2928
6	Reliance SMSL Limited	Maharashtra	Thane	2463
7	BSA Corporation Limited	Maharashtra	Pune	2373
8	HDB Financial Services Limited	Gujarat	Ahmedabad	2336
9	Kapston Facilities Management Ltd	Telangana	Hyderabad	2077
10	Aditya Birla Fashion and Retail Ltd Pantaloons	Maharashtra	Mumbai Suburban	2048

Source: <http://164.100.24.220/loksabhaquestions/annex/177/AU3577.pdf>

The NAPS replaces the earlier Apprentice Protsahan Yojana (APY) which prescribed sharing 50% of stipend to the apprentices by the central government for the first two years of training. The scheme envisaged training to be imparted to one lakh apprentices by March 2017.

**Difference Between NAPS and NATS**

The NAPS is not to be confused with the Department of Higher Education (DHE), Ministry of Education's (MoE) National Apprenticeship Training Scheme (NATS). There is a clear demarcation in target group of beneficiaries. DHE, MoE administers the apprenticeship scheme of freshly passed-out engineering graduates, diploma holders, those students who are studying degree and diploma level courses in sandwich programme of engineering, and general stream graduates while MSDE administers apprenticeship program for the rest of the categories of apprentices.

**Conclusion**

The National Policy of Skill Development and Entrepreneurship, 2015, launched by the Prime Minister on July 15, 2015, recognises apprenticeship as a means to provide gainful employment to skilled workforce with adequate compensation. The Ministry of Skill Development and Entrepreneurship has also

taken several efforts to increase the number of apprentices hired by enterprises in the country. The aim is to fill the gap in supply and demand for skilled workforce and meet the aspirations of the Indian youth through gaining on-the-job training and securing better opportunities for employment.

The reforms undertaken by the government have now started reaping results. However, COVID-19 has hampered the growth of apprenticeship. Lack of awareness among companies is another reason for lower targets achieved in apprenticeship training. With normalcy returning and economic activities in full swing, the apprenticeship programmes are gaining momentum again. The government through various awareness programmes is now trying to create a buzz about apprenticeship ecosystem. The government is advocating Apprenticeship Training to create awareness amongst industrial units through extensive outreach programme by conducting workshops in various industrial regions. The Pradhan Mantri National Apprenticeship Melas can play a stellar role in this. At the same time, monitoring is required to ascertain the status of implementation of the scheme. About 5% to 10% of the total beneficiary establishments under the scheme are subject to actual physical verification every year by the concerned authority. Perhaps this can be increased so as to ensure better participation from both the private and public sectors.

To skill, reskill and upskill young India, increase per capita economic production, and support national missions, it is imperative to turn apprenticeship into a participatory movement. It not only exposes candidates to real-time industrial environments but allows them the opportunity to contribute to the economy even during training. It also gives a boost to the Skill India Mission by creating sustainable skill development strategies in association with the government, businesses, and educational systems. The youth also need to be made aware of the facilities for apprenticeship so that they are able to make the best use of their skills. In order to turn this dream into reality, all the stakeholders - Central and State governments, industry associations, MSMEs - need to work together so that the youth are encouraged to take up formal skill training via approved apprenticeships.

There are about 50 lakh employees in Central Public Sector Enterprises including PSUs, PSBs, etc. If these establishments engage apprentices even up to the mandatory minimum limit of 2.5% of the total manpower strength, the number could reach 1.25 lakh. Large private enterprises can further add to this intake. Besides, there are a large number of establishments in MSME sector which come under the ambit of the Apprenticeship Act, but their participation in implementation of apprenticeship training has not been optimal. There are about 21 lakh MSMEs having six or more workers. Even if each establishment engages one apprentice, the number of apprentices could be 21 lakh. Therefore, there is a huge potential for apprenticeship training in the country.

(References: Lok Sabha and Rajya Sabha questions, Web-sites of Ministry of Skill Development and Entrepreneurship, National Skills Development Corporation, Press Information Bureau, [www.apprenticeshipindia.gov.in](http://www.apprenticeshipindia.gov.in).)

(The author is a freelance journalist and can be reached @ [ideainks2020@gmail.com](mailto:ideainks2020@gmail.com).)

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