



# KARNATAKA SKILL DEVELOPMENT POLICY: 2017-2030

*KAUSHALYA KARNATAKA – KUSHALA KARNATAKA*



Department of Skill Development, Entrepreneurship and Livelihood

SEP 2017



CivilSocietyOrganizations  
Entrepreneurship Livelihood  
Development Apprenticeship  
GovernmentGovernment  
Self-Employment POLICY Quality  
Strategy Inclusive OverseasEmployment  
Women Skill Vocational  
Self Gainful Re-Skill CommunitySchools  
LabourMarket  
Self-HelpGroups Academia Institution  
Up-Skill Corporate Livelihood  
e-Learning Information PlacementSupport  
UrbanLocalBody Rural Urban CareerGuidance  
Youth PublicPrivatePartnerships  
StakeholdersInvolvement  
Government PanchayathRajSystem  
Employment  
PersonswithDisability

MESSAGE FROM THE CHIEF MINISTER

MESSAGE FROM THE ADDITIONAL CHIEF SECRETARY

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## Abbreviations

B.A.,	Bachelor of Arts		
B.Arch	Bachelor of Architecture	MSMEs	Ministry of Micro Small and Medium Enterprises
B.Ed.	Bachelor of Education	NCVT	National Council for Vocational Training
B.Tech	Bachelor of Technology	NGO	Non Governmental Organization
BE	Bachelor of Engineering	NRLM	National Rural Livelihoods Mission
CEDOK	Centre for Entrepreneurship Development of Karnataka	NSDA	Non Self Destruct Alternative
CSR	Corporate Social Responsibility	NSDC	National Skill Development Corporation
DC	District Commissioner	NSQF	National Skills Qualifications Framework
DET	Department of Employment and Training	NSSO	National Sample Survey Organisation
DGET	Directorate General of Employment and Training	NULM	National Urban Livelihoods Mission
DRDA	District Rural Development Agency	OBC	Other Backward Castes
DSERT	Department of State Educational Research and Training	PMKVY	Pradhan Mantri Kaushal Vikas Yojana
E-Hubs	Entrepreneurship Hubs	PPPs	Public Private Partnerships
GDP	Gross Domestic Product	PRI	Panchayat Raj Institutions
GOI	Government of India	PVTG	Primitive Vulnerable Tribal Group
GoK	Government of Karnataka	RPL	Recognition of Prior Learning
GP	Grama Panchayat (Village Panchayat)	RUDSETI	Rural Development and Self Employment Training Institute
GSDP	Gross State Domestic Product	SC	Scheduled Castes
GTTC	Government Tool Room and Training Centre	SCVT	State Council Of Vocational Training
ICT	Information and Communication Technology	SDC	Skill Development Centres
IT	Information Technology	SECC	Socio-Economic Caste Census
IT&ITES	Information Technology & Information Technology Enabled Services	SGFC	Special Group Focus Cell
ITI	Industrial Training Institute	SHG	Self Help Group
KASE	Kerala Academy for Skills Excellence	SPA	Skill Procurement Agency
KSDA	Karnataka Skill Development Agency	SPVs	Special Purpose Vehicles
KSM	Karnataka Skill Mission	ST	Scheduled Tribes
KVTSDC	Karnataka Vocational Training and Skill Development Corporation	TP	Taluk Panchayat
LMIS	Labour Market Information System	UGC	University Grants Commission
MES	Modular Employable Scheme	UID	Unique Identification
MoU	Memorandum of Understanding	VTP	Vocational Training Providers
MSDE	Ministry of Skill Development and Entrepreneurship	ZP	Zilla Panchayat

## I. Department of Skill Development, Entrepreneurship, and Livelihood

The Government of Karnataka has set up the Department of Skill Development, Entrepreneurship, and Livelihood in 2016 to enable the youth to acquire necessary skills for employment and livelihood promotion.

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*“Since the youth are the light of hope of our future, they should be equipped with necessary skill and capabilities to enable them in availing the employment opportunities”*

Hon’ble Chief  
Minister Sri  
Siddaramaiah  
Budget 2016-17

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### Aim of Department of the Skill Development, Entrepreneurship and Livelihood

- i) Provide skills to all the people in need with special focus on youth, women, person’s with disability and other marginalized communities in mission mode for a better livelihood opportunities
- ii) Planning, regulation, standardisation, promotion, implementation and monitoring of all skill development initiatives in the state
- iii) Converge all skill related programmes/schemes under one department for better coordination; and
- iv) Act as a nodal agency to provide industry interface, quality benchmarks, national/international best practices, monitoring and impact

## Skill Development in Karnataka – Context and Potential

*With 55% of the population in the working age group of 20 to 59 years, Karnataka has an opportunity of achieving faster economic growth through favourable demographic dividend by promoting skill development of the working population in general and youth in particular.*

### IN UNISON

#### CONSTITUTIONAL PROVISION

This policy is in unison with the Constitution of India, which places education, including technical education, vocational training and technical training of labour in the Concurrent List (Article 246). The policy is also in line with Apprenticeship Act of 1961

#### SUSTAINABLE DEVELOPMENT GOAL

To substantially increase the number of youth and adults having relevant skills, including technical and vocational skills for employment, in decent jobs and entrepreneurship by 2030.

#### NATIONAL POLICY

This policy is formulated to complement the vision of National Policy for Skill Development and Entrepreneurship 2015. The National Rural Livelihood Mission's Framework is also taken in to cognizance. The provisions of the national policy and programs are adopted and included here in letter and spirit.

## 1. Learning from Karnataka Policy on Skill Development -2008

The government of Karnataka formulated *State Policy on Skill Development* in the year 2008. Launching of the policy ahead of the National Policy demonstrates the priority given by the state towards skill development. Karnataka Vocational Training and Skill Development Corporation (KVTSDC) was formed to provide short-term training and facilitate job opportunities. All though, the policy was very progressive, implementation efficiency was limited by its excessive dependency on the Institution of KVTSDC. Skill Development is a vast program which is required to be taken through convergent and collaborative approach involving several players. To reach the stakeholders at the village level, a robust, multi-tier and efficient implementation mechanism is vital. The key stakeholders were not fully involved and not much emphasis was placed on the quality of training. The implementation lacked appropriate and periodical monitoring and evaluation. The funding for implementing the policy was also not sufficient.

KVTSDC endeavoured to provide skill to the youth and facilitate employment opportunity. During the period 2008-09 to 2014-15, in the 46 mega job fairs conducted, 4570 employers participated and more than 112919 candidates employed.

There was no comprehensive evaluation of the policy implementation conducted. The discussions with the key implementing personnel of the policy shows that the implementation of the skill policy of 2008 depended heavily on KVTSDC. The policy was restricted to DET and other departments were not effectively involved. Efforts aimed at institutional strengthening for decentralized delivery of the skill development and quality assurance were almost absent. Process and procedures for various aspects of skill development were not put in place. The policy also suffered from alack of resources and there was no exclusive skill procurement agency, mechanisms to identify vocational training providers were not effective, supervision, certification, and standardization was lacking. An institutional mechanism to implement and supervise the skill development activities at the district level and below was not incorporated. Hence, the desired outcome was not reached.

### Some key lessons learnt:

- i) The provision of short-term training will not result in desired outcomes. The emphasis should be on bringing educational reforms, long-term measures aimed at institutional strengthening towards the provision of employable skills and the provision of quality training through two to three years diploma courses with market orientation and convergence with hands on training through apprenticeship;
- ii) Substantial and sustained investment on skill development is needed
- iii) The involvement of different stakeholders (relevant government departments, industry, civil society, training institutions, academic& research institutions, donor agencies) is key for the successful skill building
- iv) Mechanisms for the identification of training providers, standardization and certification of curricula, monitoring, capacity development and so on should be in place and working

- v) Skill missions at the district level and below are required for coordination, effective delivery and monitoring; and
- vi) There is a need for an institutional framework that not only identifies the roles of different stakeholders but also makes provision for the identification of beneficiaries, dynamic & real time information on labour market including skills required, monitoring and evaluation, and impact assessment of the policy.
- vii) Strong universal career guidance and placement capability was lacking

## 1.1 Issues confronting skill development in Karnataka

The new policy seeks to address the following issues confronting skill development in Karnataka:

- i) **Inadequate knowledge base & Information Asymmetry:** There is inadequate knowledge about the entire skill eco-system both on the supply and demand side in Karnataka. There is no detailed mapping of the skills required region/district wise nor is there a central disaggregated registry of the kind of skilled people required for the industry. Information asymmetry implies a lack of information among potential skill aspirants on employable skills and employers. It is possible that employers may be aware of specific skills required for improved productivity; but, they may not have information on where such skills are available. The present policy envisages setting up of a Knowledge portal that will provide usable and actionable information of both the supply and demand side.
- ii) **Market failure** leading to under investment in skills by individuals and employers, adversely affecting long-term economic prospects. Wages paid are not proportional to skills that a person possesses. This requires policy responses such as corrections in the ratio of wages paid to investment in skill acquisition as well as expansion in the post-compulsory education, demonstrating that investment in skills leads to higher wages and labour productivity, and government ensuring a minimum level of certified skill training to all the deserving persons. The conducive environment needs to be created for stimulating private investments for skilling. Participation of the industry to be ensured to make the skill development market oriented and to provide practical exposure.
- iii) **Capacity for Institutional Skilling:** Existing skill training institutions are limited in their capacities and many of them continue to offer programs that have lost their relevance and are no longer essential. Many of these Skilling Institutions are devoid of well-trained/qualified faculty to deliver on skills that meet the present day economic demands from the industry. These Institutions and the faculty and administrators manning them need capacity building and have to be prepared for the 'mission mode' approach of providing training in skills that are current and economically rewarding.
- iv) **Facilitative eco-system at the State level:** Skill training cannot be undertaken with a uni-dimensional approach and needs policy convergence at multiple levels of

implementation. Currently, there is a disconnect between policies addressing Education, Health care, MSME sector, Labour, SC & STs and specially challenged. There is a need for convergence of policy and subsequent action to ensure that a facilitative environment is created and policy contradictions minimized.

- v) **Coordination problem** arises due to multiple reasons. Interested people invest on skills depending upon the investment by industries on technology or nature of employment requiring these skills. Returns to industries on investment in new technology and capital depend upon the existence of an adequate supply of skilled workers. This implies that there should be good coordination between those interested in new skills, industries, and training institutions. The government has started several schemes relating to the provision of skills these days; there is a need for coordination and convergence of these schemes. A sound institutional mechanism is needed to coordinate between key players in the skill arena to avoid duplication of resources and ensure economy of scale. An efficient coordination between industry, academia, civil society and Government is the key to the success.
- vi) **Regional imbalances:** The state of Karnataka has the challenge of population diversity, geographical distances, poorly developed support eco-systems and infrastructures, especially in the northern parts of the state. This problem cannot be addressed merely by a Skill policy and needs bodies and special purpose vehicles like the Hyderabad-Karnataka Development Board etc to address this issue in a comprehensive and convergent manner.
- vii) **Changing complexity of the job market:** Advances in technology, digital age and spurt in Machine Learning, Artificial Intelligence etc is changing the nature of the job market. Jobs are becoming increasingly redundant and skills are rapidly becoming obsolete. This policy will have to be futuristic and plan for preparing people to function in the primary (land based), Secondary (manufacturing) and the tertiary sectors (Services, Hospitality, Health, Banking, Tourism etc) keeping this changing complexion in mind.
- viii) **The inclusion of marginalised groups.** Given that the possession of skills in Karnataka is relatively low among women, workers in the unorganised sector and those belonging to Scheduled Castes (SC) and Scheduled Tribes (ST), there is need to follow inclusive skill policy.
- ix) **The skill premium** is a matter of importance in the skill world. The skill premium is usually defined as the ratio of the wages of skilled to unskilled workers. It can be understood through the lens of demand and supply. As an economy develops and new technologies emerge, the demand for skills changes. Meanwhile on the supply-side, we would expect that both the costs of, and returns to education influence an individual's human capital investment. It is important that the demand side provide the skill premium for the people who acquire new skills, upskill and reskill to equip themselves with the changing market conditions. Lack of appreciation of skill premium concept is an issue in skill market in India. An ecosystem development

activity to influence the employers to provide a skill premium for skilled human resources should be undertaken. Till the time the society is willing to pay appropriate skill premium, there would be little inclination for individuals for out of pocket expenditures or bank linked expenditure for skilling.

- x) **Chronic under investment in skill sector:** It is observed that the investment in the skill sector is severely low. The private sector is required to be encouraged to invest more in skill development. Also, the present investment by corporate / not for profit foundations in skilling requires to be accounted so that the state would have the clear information on money being invested in the skill sector. The necessary activities should be developed to ensure cohesiveness in skill development activities in the state. The investment should be increased to meet the demand for skilled human capital in the state.
- xi) **Gap between skill in demand at the industries and skill provided by the vocational training institutions:** This issues is largely voiced out in the consultations organized by skill development department. The industries experiencing that the skill training given by the training institutions are not updated to the current requirement. The syllabus, the machineries / equipment being used and the methods followed in training required to be advanced. A platform to have continuous dialogue between the industries and academic institutions is required to be facilitated.
- xii) **Apprenticeship** The progress made so far in utilizing apprenticeship training scheme is not so effective. Although, there is an exclusive scheme under DET, and a scheme of the Government of Karnataka the available seats are never filled completely (8,899 seats have been utilised out of around 39,605 seats). The major reason for this is absence of effective facilitation and coordination. It is important to engage industries in providing apprenticeship opportunities to the beneficiaries fully and meaningfully. One of the major criticism voiced by the student community is learning opportunity they get during apprenticeship is dismal and less scope to augment their skills.
- xiii) **Trainer's Training Program:** There is no formal pre-employment trainer's training programme for vocational schools like B. Ed / D. Ed courses for the trackers in school education. Due to which quality of trainers for from satisfactory in the vocational system.

## 2. Skill Development Context in Karnataka

India is poised to experience a demographic dividend for the next 25 years, due to an increase in the proportion of young and working age group to the total population. Such a rise in the youth population is a window of opportunity as it reduces the ratio of dependents to total workers leading to higher rates of savings, investment, and growth. This change in the age structure, if properly utilized, will result in the demographic dividend, which provides immense growth opportunities to the nation. The provision of employable skills to youth remains to be an important challenge to reap opportunities of the demographic dividend.

Despite the policy focus on skill development from 11<sup>th</sup> Five-Year plan onwards, India still faces the dual challenges of the paucity of skilled workforce as well as non-employability of large sections of youth who are educated but lacking employable skills. The data provided by the National Sample Survey Organisation (NSSO) show that only 2.4% of the Indian workforce has undergone formal skill training and another 8.6% have received non-formal vocational training. This indicates that only a few youth with vocational training will be entering into the labour force.

### 2.1 Employment and Economic Potential

Karnataka is a leading state in the establishment of knowledge based industries such as Information Technology, biotechnology and engineering, and also in the exports of electronics and computer software. The Gross State Domestic Product (GSDP) in Karnataka grew at the rate of 6.2% in 2015-16 and reached Rs. 780 thousand crores at constant prices. The per capita state income in 2015-16 was estimated to be Rs. 145,799. Nearly, two-thirds (64%) of GSDP came from the services sector, followed by 24% from the manufacturing and 12% from agriculture. However, as per 2011 census, 56% of the workers who are in agriculture contributed only 12% to the GSDP, thus indicating the need to provide appropriate skills to enhance their income both in the primary and secondary sectors. Movement of labour across sectors resulting in economic mobility happens only with enhanced and appropriate skill development.

### 2.2 Demographic Dividend

With 55% of the population in the working age group of 20 to 59 years, Karnataka has an opportunity of achieving faster economic growth through favourable demographic dividend, provided that appropriate skills are imparted to the working population in general and youth in particular. Skilled persons will then be able to find employment in the state as well as outside (including other countries) where there is a demand for them.

## 2.3 Size of labour force in Karnataka

Out of 6.11 crore population, 2.44 crore have registered as workers in the state<sup>1</sup>. Agriculture and allied sectors account for nearly 56% of the total workers in the state, while the rest are in the non-agricultural sector. Key sub-sectors of the non-agricultural sector are manufacturing and mining (11%), shops, establishments and trade (9%) and construction (7%). Services account for the remaining 17%.

Three-fourths of 2.44 crore workers in Karnataka are estimated to be in the unorganised sector. Workers in the unorganised sector consist of agricultural labourers and those in the sub-sectors of non-manufacturing such as shops, establishments & trade, construction, real estate & business activities and hotels & restaurants. Most of the workers in the organised sector are found in manufacturing & mining and information technology & biotechnology.

## 2.4 Size and labour force participation among Youth (16-35 years) in Karnataka

It is estimated that 2.12 crore persons are in this age group. Over 45% of 2.12 crores youth population is not in the labour force. About 52% of the youth population is male, while the rest are female. Over 76% males are in the labour force; but, the corresponding proportion of females is only 31%, thus indicating a huge gap in the participation of male and female in the labour force.

About 54% of the youth in the age group of 16-35 years belong to Other Backward Castes (OBC), 23% to general category, 17% to Scheduled Caste (SC) and 6% to Scheduled Tribe (ST). The work force participation was low among youth from general castes and higher among those belonging to SC and ST categories.

## 2.5 Occupational distribution of youth (16 to 35 years) in Karnataka

There are significant differences in the occupational distribution of youth by gender and social groups. Over 53% of females are engaged in domestic (unpaid) work in their households as against 0.1% of males (Table 1). Again, the proportion of females taking up self and salaried employment is low as compared to males due to, among others, low enrolment in vocational educational institutions.

About 3% of the total youth are not in the work force because of reasons such as disability.

A significant proportion of youth from SC and ST categories, especially from rural areas, are employed as wage labourers. On the other hand, a relatively larger proportion of youth from general and OBC categories are engaged in salaried employment and attending educational institutions.

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<sup>1</sup> Economic Survey of Karnataka, details are in (Annex 2)

## 2.6 Formal and informal employment among youth in Karnataka

Nearly three-fourths of the youth in Karnataka are employed in the informal sector which is characterized by insecure employment, low wages, lack of decent work conditions and inadequate access to social security benefits. The employment of females in the informal sector employment is marginally higher than that among males.

Formal sector employment is relatively high among workers belonging to general category, while informal sector employment is prominent among those belonging to ST and SC categories.

Formal sector employment increases along with general education of youth. Up to the level of higher secondary education, the proportion of youth taking up informal employment is substantially higher than those taking up formal employment.

## 2.7 Skill levels among youth

The distribution of youth (16 to 35 years) by educational level shows that illiterate and those completing primary and middle education account for 54%, and those completing secondary and higher secondary education for 29%. The proportion of youth completing diploma and graduation & above is 17%.

The possession of skills is even better among youth (16-35 years) in the labour force, with 13.2% of them having formal and non-formal vocational training. Percentage of women receiving vocational training is significantly lower than men. Similarly, the proportion of youth receiving vocational training is low among those belonging to ST and SC castes as compared to other cases. The proportion of youth receiving vocational training is close to 17% in the case of those belong to the general category.

## 2.8 Demand and supply of skilled workforce by 2022

The National Skill Development Corporation (NSDC) estimated that the incremental demand for the workforce in Karnataka during the period 2012 to 2022 is 84.76 lakhs<sup>2</sup>; of them, 27% are minimally skilled, 43% are semi-skilled, 25% are skilled and 5% are highly skilled.

NSDC estimates show that there is a mismatch between the demand and supply of skilled and highly skilled workers in Karnataka. If efforts to provide skills are not taken up in the coming years, there will be shortage of 7.12 lakh skilled and 3.88 lakh highly skilled people in the state by 2022.

## 2.9 Institutional infrastructure for skill provision in Karnataka

Karnataka has a considerably good educational infrastructure in the country. The number of students enrolling per year in secondary and higher secondary education is 8.87 lakhs and 5.17 lakh, respectively. The gap between enrolment capacity and actual enrolment is not significant in the courses at the graduation level. However, the gap is considerable in the

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<sup>2</sup>Details can be found in Annexure 4

case of BE/B.Tech/ B. Architecture courses. The same is the case with para-medical and health related courses. On the other hand, there are no gap between the actual capacity and enrolment in the Arts, Sciences, and Commerce degree courses.

The enrolment capacity for formal vocational education in Karnataka is 215,667 persons. The actual enrolment is, however, only 160,901. The percentage of actual enrolment to capacity is about 75%. Polytechnics and ITIs account for the major component of formal vocational education. In Karnataka, 1,777 public and private ITIs (258 Government, 196 aided and 1323 private) provide skill training to 106,000 youth. However, the percentage of actual enrolment to total capacity is low at 68.9%. Around 290 Polytechnics, having a capacity of accommodating 75,000 students, have achieved enrolment of 80%. *It is, therefore, imperative to fully utilise the existing capacity in ITIs and Polytechnics and other formal vocational training institutions to reduce the skill gap in the state. The capacity of these institutions will be built to assess the demand for skills in the local area and design courses as per the industry demand aligning with the NSQF. Also, coverage of this institution needs to be expanded to reach out to at least 60% of the trainee cohort annually who are unable to enrol in higher education in the due course of time.*

The Department of Employment and Training (DET) implements the Apprenticeship Training Scheme. Currently, over 4,232 establishments in the state have been covered under this scheme and over 39,610 seats [currently revised upwards to 43,000] have been identified for trade apprentices, out of which 24,992 seats have been utilised. Under Modular Employability Scheme, about 800 Vocational Training Providers are active in Karnataka implementing 500 courses under 68 various sectors. DET figures show that about two lakh persons have been trained since 2012 in the State.

There is a shortage of the institutional infrastructure providing skill training for the agriculture and allied sectors, building, construction and real estate, Tourism, travel, hospitality and trade, Transportation, logistics, warehousing and packaging, and health care services that are projected to employ the bulk of the workers in the coming years.

The number of persons to be covered by the short term training programmes directly implemented by this Department and other departments in 2017 is anticipated as 4.60 lakh persons.

## 2.10 Policy Expectations and Needs:

- i) Skill provision is urgently needed to promote employment among youth and bring them into the labour force;
- ii) Policy needs to be gender sensitive and priority given to women in skill provision and promotion of employment;
- iii) Focus on provision of employable skills among younger women, especially to young homemakers, and enabling them to take up gainful employment; focus should be shifted gradually from short term to long term courses in order to integrate skill development with the education activities
- iv) Vocational training institutions should be sensitive to the needs of women candidates;

- v) Provide appropriate skills to the persons with disability so that they are empowered to take up employment;
- vi) Target on workers in the unorganised sector, especially those belonging to SC and ST categories, religious minorities and women, to address social and gender disparities in the access to employable skills and, thereby, to decent work;
- vii) As threshold for formal employment is vocational and higher education; generic broad based skills are to be introduced from the eighth standard as this will ensure that dropouts will have some relevant skill for getting employed;
- viii) Bring changes in the curricula of higher secondary education in favour of vocational skills to improve employment prospects in the formal sector.
- ix) Use of existing capacity of formal vocational system should be optimal. There should be a system to orient and channelize candidates to join the vocational courses.
- x) It is imperative to cover all the youth by short term skill training who are not able to go to formal vocational system or higher education.
- xi) Aggressive expansion of capacity of vocational system in eight years to cover all youth not able to reach higher education should be ensured.
- xii) Institutional capacity should be enhanced for providing career guidance and placement services for all from secondary education level.
- xiii) Apprenticeship should be integrated as an integral part of all vocational training and higher education
- xiv) The thrust should be to decentralize the planning, implementation and monitoring activities. The courses should be developed to cater the local market demand.
- xv) The capacity of vocational training providers / trainers should be enhanced to develop curriculum, contextualize the training methodology to the market requirement and, to make the learning more effective, Teaching (Training) Learning Materials requires to be developed.
- xvi) Capacities of trainers both pre-service and in-service, should be enhanced through formal trainer's training programme
- xvii) There should be a vigilant monitoring system developed at the district level to ensure effective service delivery and to assure quality of the courses
- xviii) 'Skill for All' is possible only if a convergent approach is followed. The key line departments of the Government, the Industry, Academia and Civil Society Organization need to work in convergence, and the Government should create an appropriate platform at the district level to ensure this.

## II. SKILL POLICY SPECIFICS

### VISION

KAUSHALYA (SKILLED)  
KARNATAKA – KUSHALA  
(PROSPEROUS) KARNATAKA

“Skilled Karnataka with decent employment and sustained livelihood opportunity for all the citizens enabling the state to reap the demographic dividend to the fullest”

### GOAL

The goal is to provide skills to 13.4 lakh existing workforce and new entrants every year who yearn to achieve sustainable livelihood either through wage employment or self-employment options.

### PRIMARY FOCUS

The policy on skill development in Karnataka will primarily focus on youth in the age group of 16 to 35 years.

### FOCUS SECTORS

- IT&ITES
- Health Care Services
- Education and Skill Development
- Building, Construction Industry and Real Estate and
- Tourism, Travel, Hospitality and Trade.
- Agriculture and allied activities
- Transportation, logistics, warehousing and packaging
- Textiles and garment and
- Food processing and value addition to the agricultural produce

### ESTIMATED REACH

- The total number of youth to be trained during the period 2017 to 2030 will be 188 lakhs

### 3. Vision – Mission – Objectives & Focus

#### 3.1 Guiding Principles:

- This policy is guided by the principles of **EQUITY** where the most marginalized and disadvantaged groups based on caste, religion, disability, gender, culture or ethnic affiliation and/or any such phenomena shall get a priority and strategies would be made to reach them proactively respecting their rights.
- The principles of **EQUALITY** shall be ensured where everyone will have fair and equal chance to get the benefits and advantage of this policy.
- **ENLIGHTEN, EQUIP AND EMPOWER:** The policy would be guided by this **3Es**. The stakeholders shall be enlightened about the need for skilling, entrepreneurship development, and sustainable livelihood. The choice of opportunity will be provided in the spirit of human development and primary stakeholders would be empowered to get gainful and sustainable livelihood opportunity
- The policy would always maintain **FUTURISTIC** attitude and constantly update its strategy, approach and activities to suit the future need and changing dynamics in the country.
- **COMPLEMENTING RESOURCES AND STRENGTHS through** convergence would be the key principle of the policy. A mutually rewarding and respectful partnership shall be harnessed with the Corporate, Civil Society Organizations, Academia, and other related agencies.

#### 3.2 Mission

- Shall have an institutional mechanism and implementation framework that ensures an effective **CONVERGENCE**. The programs and schemes of different line departments of the Government of Karnataka, Government of India, corporate sector, skill councils, civil society and bilateral/multilateral agencies and other organizations will be converged at the implementation level for achieving the policy goal and ensure the best services to the primary stakeholders.
- Shall ensure **QUALITY** in the training curriculum and course materials to meet the standards of the employer agencies and market needs. Shall improve certification norms for augmenting employability and free movement of the workforce;
- Shall encourage **INNOVATION** both in ideas as well as in implementation process so that the ideas are translated into productive action
- The institutional structure would operate in a mission mode having an eclectic mix of people from Government, Industry, Civil Society, Academia, Banking, and Commerce Institutions

### 3.3 Target segments (Primary Stakeholders):

*The policy on skill development in Karnataka will primarily focus on youth in the age group of 16 to 35 years and will consist of:*

- Students completing secondary or higher secondary education and interested in the acquisition of skills in the technical or non-technical trades through ITIs, Polytechnics and other formal institutions.
- Drop outs from the school without completing secondary education, who are interested in acquiring skills in the technical or non-technical trades through informal and formal institutions.
- Unorganised workers and young home makers interested in acquiring new skills, re-skilling or up-skilling through formal or informal institutions depending on educational qualification.
- Organised workers interested in re-skilling and up-skilling for new or better employment, and students from the humanities background interested in skills for obtaining suitable jobs.

### 3.4 Special Focus Target Segments

- Youth from a marginalized and disadvantaged section of the society based on disability<sup>33</sup>, belonging to Scheduled caste and scheduled tribes, PVTG, religious minorities, gender, culture or ethnic affiliation and/or any such groups. Young women shall also get priority over others. An effort would be made by having a dedicated functional unit in the State Skill Procurement Cell to ensure this group gets the priority and efforts would be made strategically to include them in the skilled movement.

### 3.5 Objectives

In order to achieve the goal - vision – mission, the skill development policy of Karnataka shall be implemented to meet the following objectives.

- **To build an environment that augments awareness and information on need for skill development, marketable and employable skills and institutions providing such skills to the primary stakeholders, entrepreneurs, and workers in the un-organised sector**

Specific activities:

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<sup>33</sup> As defined in Rights of Persons with Disabilities Act 2016 and mandated under Clause 19 of the same

- a. Effective environment building strategy that leverages the strength of ICT (Information Communication Technology) along with conventional methods and reduces the awareness and information gap
  - b. Mobilise the primary stakeholders for acquiring skills, and to undertake innovative measures to make skill acquisition aspirational for youth.
  - c. Make vocational training aspirational to both youth and employers so that youth perceive vocational training as career growth and employers realising the productivity potential of skillsto offer remunerative employment to skilled workers.
  - d. A specific action plan will be developed to orient children in higher primary / high schools about skill development in coordination with theeducation department. Civil Society Organizations and local vocational training agencies will be engaged in this activity.
  - e. Reaching the Special Focus Target Segment ensuring accessibility of information to people with disabilities based on prescribedstandards.
- **To strengthen Labour Market Information System (LMIS) to have a periodically updated information on skills that are in demand both at the supply and demand side of the market.**

Specific Activities:

- a. Conduct periodic (at least once in 3 years) Labour Market Survey
  - b. Establish an online LMIS portal
  - c. Developing annual skill development plan for the district in line with the overall strategy
- **To strengthen and enhance the capacity of training infrastructure, trainers and curriculum at all levels to provide good quality and relevant training.**

Specific Activities:

- a. Ensuring infrastructure development for implementing training programthat is barrier free for people with disabilities based on prescribed standards
  - b. Organizing continued education program for the trainers and skills to train special focus target segment with special emphasis to people with different disabilities.
  - c. Developing or contextualizing curriculum for imparting skill training programs
  - d. Standardising the curriculum following the universal design principles in line with quality parameters and market demand, and to improve certification norms to promote quality, employability as well as facilitate free movement of workers.
  - e. Facilitate mobility between vocational and general education by alignment of degrees with National Skill Qualification Framework.
- **To impart quality skill development programs and ensure that trained human resources are gainfully employed**

Specific activities:

- a. To achieve improved supply and quality of the workforce for industry, contributing to increased productivity.
- b. To provide services on career guidance and placement, and facilitate overseas employment of skilled persons.
- c. To facilitate budding entrepreneurs to establish their own enterprise by ensuring support of all the required agencies

### 3.6 Sector Focus

The report provided by the Karnataka Knowledge Commission shows that the three sectors that is going to generate most of the employment to the skilled workforce are:

i) Tourism; ii) Information technology, biotechnology and environmental sciences; and, iii) construction.

The six sectors that are projected to absorb over 83% of the incremental employment in Karnataka during 2012-22 are:

i) agriculture and allied; ii) IT & ITES; iii) Building, construction industry, and real estate; iv) Tourism, travel, hospitality, and trade; v) Transportation, logistics, warehousing and packaging; and vi) Health care services. Based on the report and other learning from the past, following are considered as priority sectors under this policy. However, based on Labour Market Information obtained through systematic and scientific studies, the priority sectors for the regional / districts would be listed within the first year of policy implementation.

*The skill policy will give priority to these sectors.*

- IT&ITES
- Health Care Services
- Education and Skill Development
- Building, Construction Industry and Real Estate and
- Tourism, Travel, Hospitality and Trade.
- Agriculture and allied activities
- Transportation, logistics, warehousing and packaging
- Textiles and garment and
- Food processing and value addition to the agricultural produce

There is a need to follow an aggressive strategy of larger coverage in the next six years as NSDC estimates show that there will be shortage of 7.12 lakh skilled and 3.88 lakh highly skilled people in the state by 2022. The policy will, therefore, focus on improving institutional infrastructure for vocational education in construction, tourism, travel, hospitality, transportation and health care in the coming years.

### 3.7 Estimated number of target group

With the help of Census and NSSO data, the number of young persons (16 to 35 years) who require skilling in Karnataka is projected for the period 2016 to 2030<sup>4</sup>. These estimates are of two types: i) *Those persons who are in need of skills in 2016 (called as stock).* ii) *Fresh entrants for skill training during the period 2017 to 2030 (called as flow).*

#### Stock

The estimates on the stock include the following three groups. First, all the persons in the labour force, who have not completed higher education (including technical education) are included because potentially they are likely to be interested in the acquisition of skills for new or better employment. Second, *since the above exclude those attending to the domestic work in their households (most of whom are women), very young homemakers (in the age group of 16-25 years) are included.* Third, *physically challenged youth to promote appropriate skills among them.* In all, the total number of persons to be covered is 75 lakhs – stock (Annex 8).

#### Flow

The estimates of the flow include the following two groups. First, it is estimated that 71 lakh persons will be fresh entrants into the labour force during the period 2017 to 2030 without any skills. This group includes dropouts before the completion of secondary or higher secondary education and those completing secondary and higher secondary education. Second, this group excludes those completing higher education. Third, those attending to domestic work (mostly women) are included as the policy seeks to make additional effort to encourage and motivate young homemakers to participate in the workforce. *The total number of fresh entrants is estimated at 113 lakhs – flow.*

*The total number of youth to be trained during the period 2017 to 2030 is thus 188 lakhs – both stock and flow (Chart 1).*

#### Year-wise estimates (2017 to 2030)

Year-wise estimates for the period 2017 to 2030 are based on the following considerations.

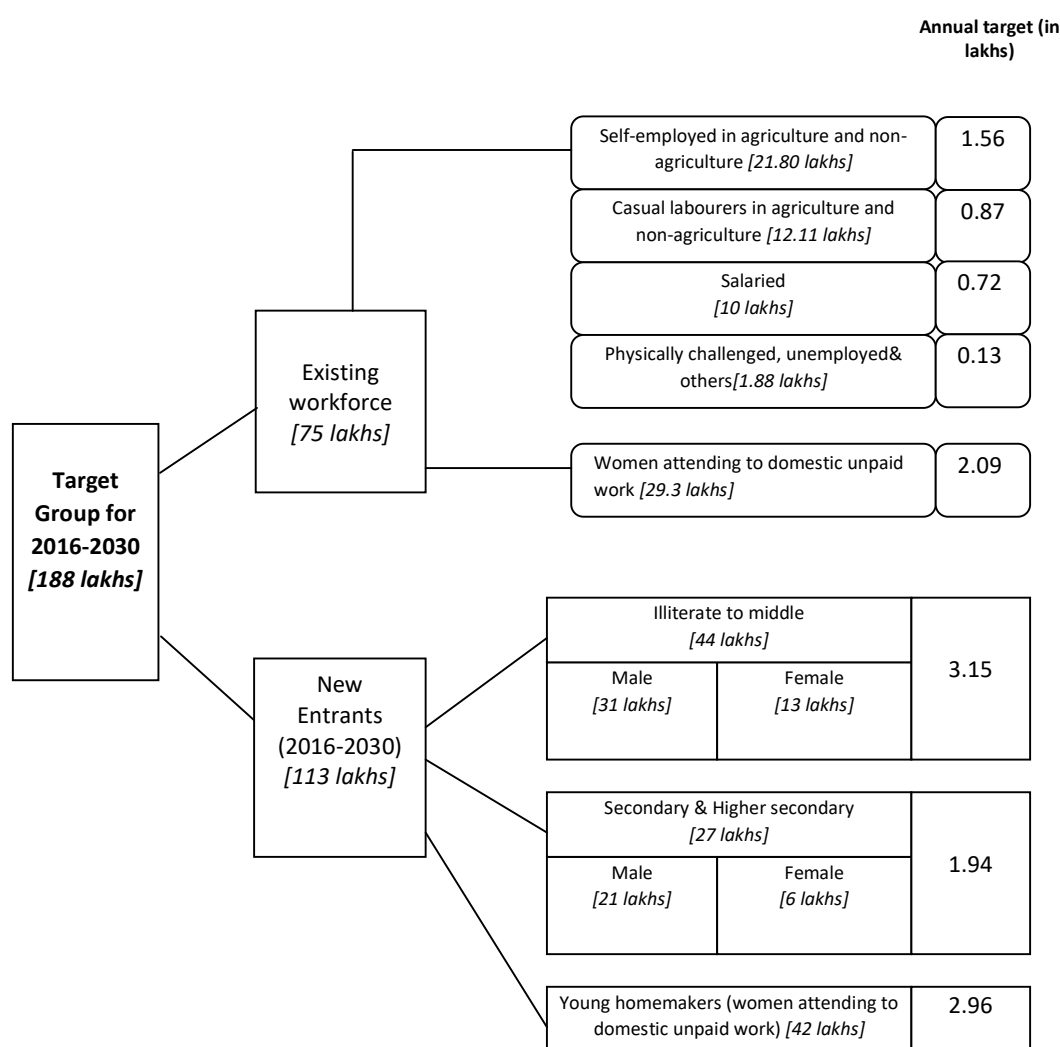
- An aggressive strategy of covering 50% of **stock** will be reached in the first five years of the policy. Annually the reach will be incremented by 10% till the year 2022 to reach 100% thereafter wards. This will have a beneficial impact on employment, income, and poverty. For this, the Skill Development department will handhold departments providing training and other services for providing new livelihoods and strengthening the existing ones.
- It is assumed that there will be an improvement in the number of persons completing secondary and higher secondary education. This is likely to reduce the number of illiterates and dropouts before secondary education.

<sup>4</sup> Methodology for this is based on the same adopted by the National Policy for Skill Development and Entrepreneurship, 2015, to estimate the number of persons in the workforce requiring skills by 2022.

- With improved awareness and employment opportunities, the number of persons limiting themselves to domestic work is expected to come down.
- The number of persons seeking higher education is also assumed to increase in the next one decade. This is likely to reduce the number of those aspiring for skill education.
- Also, state will be aggressively investing on long term skill development activities by strengthening institutional mechanism. Number of persons seeking entrance to technical education such as ITI, Diploma, Paramedical and other similar courses.

Because of the above, the annual target, which is 14.6 lakhs in 2017, gradually declines to 12.4 lakhs by 2030.

**Chart 1: Target Group for Karnataka government**



### III. Strategic Focus Areas: Skill – Entrepreneurship – Livelihood Development



#### **SKILL DEVELOPMENT:**

*Any marketable skill, acquired through formal or certified informal means, to perform a job or a certain task competently is considered as skill.*

#### **ENTREPRENEURSHIP:**

*The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit.*

#### **LIVELIHOOD:**

*Set of activities an individual / household engages in on a regular basis in order to generate adequate cash and non-cash income to maintain a minimum desired standard of living, both on a day-to-day basis and over a longer period of time*

## 4. Policy Interventions for Promoting Skills

Skills are both generic and domain specific. The former is to be imparted as part of general education, while the latter will specifically have to be addressed by the policy. As the major target group is out of the formal education system, the policy will promote curricula that blend both domain and generic skills. For skill development, the Department will undertake the functions of providing awareness on marketable skills and institutions providing such skills, monitoring the government and private vocational education courses and informal training programmes, standardising the curricula, improving certification norms, setting up of NSQF, providing placement services, improving overseas job opportunities and so on.

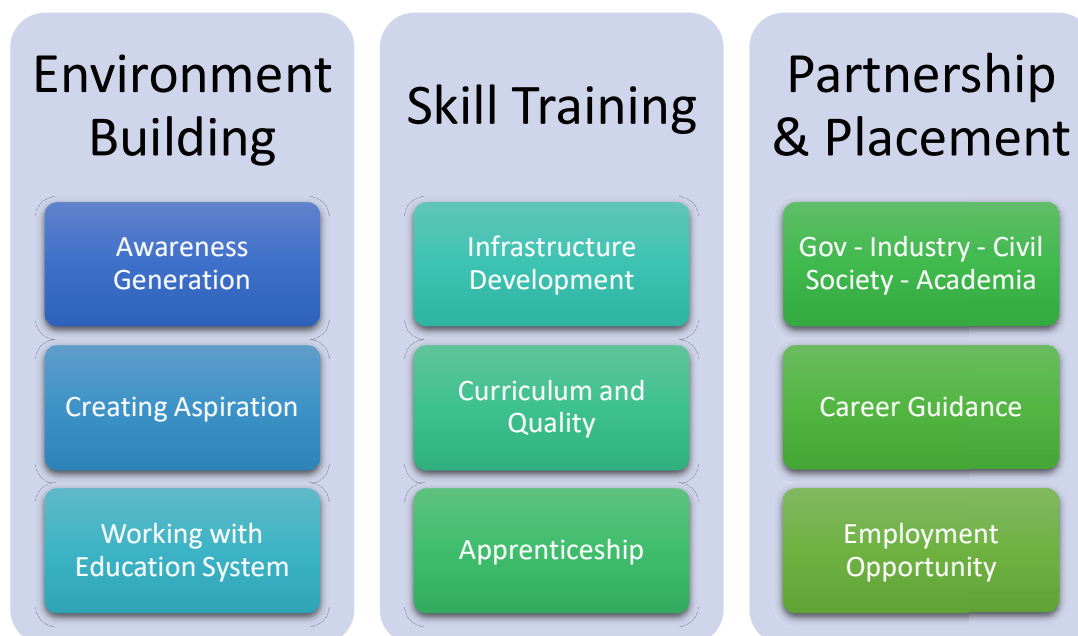
The provision of skills to 1.88 crore youth (both stock and fresh entrants) is a gigantic task that can only be successfully undertaken through concerted efforts by multiple stakeholders in a coordinated manner. Policy intervention strategies and roles of different stakeholders need to be therefore outlined.

- The focus will be on providing vocational training to fresh entrants by fully utilising the potential of the existing formal vocational training institutions by enhancing their quality and market relevance, effective demand creating and delivery. The Department will be directly involved in this.
- The private sector will be encouraged to expand the vocational training facilities through Public Private Partnerships (PPPs) for vocational training to fresh entrants.
- Strengthening of the higher education system has the potential of gradually reducing the number of fresh entrants. Introducing broad based fundamental skill courses such as life (soft) skills, enhancing language (communication) skills, numeric and business accounting skills, computer skills at the high school level will also have an impact on the number of persons seeking skill provision from the Department. The task of reforms in the school and higher education will have to be primarily undertaken by the Department of Education.
- The task of reorientation of the existing skill courses and making them employment oriented will be undertaken by the Skill Development Department.
- As far as 75 lakhs of existing workforce is concerned, it is visualised that most of the youth in this target group will be provided with skills for undertaking new livelihoods or strengthening the existing ones. This task will be primarily undertaken by the various relevant government departments. The Skill Development department will support these departments in the development and standardisation of curriculum, certification process, cost norms and so on.
- The Department will take the lead role in building the awareness and aspirations among the youth, career guidance and placement and act as a nodal agency to provide industry interface, quality benchmarks, national/ international best practices, monitoring and impact evaluation.
- The department will issue guidelines and equal opportunity policy for facilitating the inclusion of PwDs. The department will undertake focused efforts to ensure inclusion of people with disabilities in the mainstream formal and non-formal vocational and skill training programmes by ensuring accessible infrastructure, training materials, information and assessment, appropriate teacher training, reasonable accommodation

and support services, adaptive curriculum and access to loans, support in marketing, etc. and also organize focussed bridge and other courses for skilling people with developmental disabilities.

In line with the above policy intervention strategies and roles of different stakeholders, the following policy interventions are formulated to improve the eco-system of skill development for the target group in Karnataka.

Chart: Strategic Focus



## 4.1 Environment Building:

### 4.1.1 Information, awareness, and mobilisation

- By developing Strategy focussing on *Information, Education and Communication along with modules and tools in Kannadain accessible format also keeping PwDs in consideration*; awareness on the role of skills as well as choices available in terms of sectors, modules and training providers with better career opportunities will be provided to youth, parents, teachers and other stakeholders to develop pro-skilling environment.
- *Information and awareness* on advantages of skills, returns to skill education, marketable skills in the technical and non-technical trades and institutions providing courses on such skills will be provided to students completing secondary and higher secondary education, school drop outs, unorganised workers.
- The state government will create (or utilise the existing) *web portal for youth* interested in going for skill training. Mobile technology and social media will be used for better social networking, better engagement and collaboration with the prospective candidates.

- The institutional arrangement will be made for those in secondary and higher secondary schools to spend a couple of days in an innovative experience program on campuses of ITIs, Polytechnics, industries, specialised training facilities and others discovering the relevance of vocational education to themselves. This will focus on hands-on experience in manufacturing, office and service skills required in the real world.
- The support of NGOs and other community based organizations will be obtained to mobilize the youth. A **Foundation Course** will be initiated to provide the orientation of various vocational skills, career opportunities and to create aspirations. The detailed course structure would be drawn and imparted in collaboration with credible training institutes, NGOs and RUDSETI.

#### ***Gram Panchayat (GP) and Urban Local Bodies (ULB):***

GPs and ULBs shall be equipped to disseminate information on skill opportunities as well as mobilise the youth through Self-Help Groups and other community based organisations. Information Centres wherever exists in gram panchayaths would be equipped with ICT tools to enrol youth directly for the training program. The SANJEEVINI (Karnataka Rural Livelihood Mission) structure would be effectively utilized to disseminate the information and recruit the youth. These local bodies will also identify and enrol youth interested in obtaining skills and facilitate the connection between the youth interested in obtaining skills and institutions providing employable skills. The existing database such as Socio-Economic Caste Census (SECC), 2014<sup>5</sup>, will be utilised for identification and mobilisation of youth.

- *Gram panchayats, urban local bodies and civil society organisations* will be involved to provide counselling and guidance to youth not only for creating aspirations but also to reduce the attrition rates during the training.
- Skill missions at the gram panchayat, taluk and district levels will work as multipliers and facilitate counselling and guidance to the youth about various skilling programmes and opportunities.
- Short term basic and multipurpose skill programs in coordination with local skill agencies will be organized at the village/cluster level in coordination with GPs / ULBs.

#### **4.1.2 Building Aspiration**

- A premium wage for skilled workers who have gone through a formal vocational education course will be institutionalized in collaboration with the industry. Minimum wages will be upwardly revised to make vocational education aspirational for the youth as well as the industry.
- High quality vocational education options will be made available to students.

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<sup>5</sup>SECC has collected data pertaining to gender, age, educational qualification and occupation for each person in a household. This information can be utilized for the purposes of identification, mobilization and selection of youth for various skill programmes of the Department.

- Efforts will be made to ensure 80%-90% placements after the training program depending on the courses. This would create the confidence among the youth to pursue the skill training
- Efforts will be made to make NSQF aligned skills mandatory for government procurement.
- For any vocational course (one semester or above), an *equivalence to general education* will be notified. Pathways between vocational education and general higher education will be created through mechanisms such as *equivalence through a credit framework and bridge courses* etc
- Those youths who have gone to private schools performed well academically and whose parents are relatively well educated are likely to assign low status to vocational education. Customised awareness campaigns directed at this group and skill competitions will be undertaken to address the negative perception associated with vocational education.

#### 4.1.3 Working with Education Department:

- Necessary *reforms in the education system* will be initiated at the higher primary and high school level in phased manner to achieve seamless integration of vocational education into the formal education system. The assessment and certification bodies will support the Boards of School Education to carry out reforms.
- *There is need to introduce broad based fundamental skill courses at the school level. The skills such as life (soft) skills, enhancing language (communication) skills, lifelong learning, numeric and business accounting skills, computer skills are very important part of skill program, which are actually useful in every one's life. These should be effectively imparted by the schools. The education system should be re-oriented from higher primary to high school level. This will ensure that dropouts will have some skill or will have an exposure to an alternative avenue of getting employed in the organized sector. Summer vocational school at the school or cluster level would be planned.*
- *Changes in the curricula of higher secondary education in favour of vocational skills to improve employment prospects in the formal sector.*
- Seamless mobility from work to formal education and vice versa for making vocational education as continuous and lifelong learning, so that young people will aspire for vocational education and skill training programmes. Exposure to different skill streams to map the skills through aptitude tests and making choices will be introduced.
- The government will make efforts to bring *skill training at par with the general education* system. Courses offered under skill development will have both theoretical and practical frameworks so that workers have complete knowledge. This will help them to seek the same promotional and pay packages as normal jobs offered in private and public sector.

- Courses such as Bachelor of Vocational Studies will be started to introduce skilling as a subject at college and university levels to enable the students to have trans-disciplinary vertical mobility into those courses where the entry qualification is bachelor degree. Such a course, as decided by the UGC, will have multiple points of entry/ exist and appropriate content of general education along with skills relating to a profession.

## 4.2 Skill Training

### 4.2.1 Training infrastructure

- The quality of infrastructure within the existing ITIs, Polytechnics and other such institutions will be improved and the existing infrastructure will be put to optimal use for delivering training to alarger number of youths. All training infrastructure, existing and new, government and private owned will be made accessible to people with disabilities based on the standards as per the Rights of Persons with Disabilities Act, 2016.
- The government will standardise and institutionalise private sector capacity by increasing the number and mix of skill training courses through means like apublic-private partnership, equity, grant and soft loan support from the Government. Private sector and CSR initiatives in skill training will also be encouraged.
- Industries will be encouraged to earmark funds for periodic skilling and up-skilling of personnel employed in the industry by utilising the space and infrastructure available in the government ITIs and polytechnics.
- Efforts will also be made to encourage *industries to start training centres*.
- Space available in community centres, schools, youth hostels, polytechnics or shop floors of industries will be utilised for practical training.
- *Community Schools and e-learning platform* will be created to address the issue of scaling up and capacity. Civil society organisations will be encouraged to set up community schools. In so far as e-learning platform is concerned, some proportion of curriculum of vocational education, mostly theory part, will be delivered through the internet.
- In order to reduce gender disparity, basic workshop subjects such as metal work, woodwork, technical drawing, and basic electrical will be made compulsory for both girls and boys.
- The criteria for inclusion and exclusion of target group in SECC will be adopted to select the beneficiaries for schemes on skill development, entrepreneurship, and livelihood.
- Quality of workshops at vocational training institutions will be improved and some of them may be augmented to become profit centres by providing quality products and services so that they are able to provide market linked practical training.

### 4.2.2 Improving quality of training and capacity of teachers

- In line with the central government policy on the quality assurance framework, the state government will develop the quality criteria and align the same with the

National policy at a later point in time when it is finalised. The quality framework will set minimum standards and provide guidance for effective, valid, reliable, fair and transparent assessment in the context of NSQF. This would also facilitate certification and thereby improve the status of skills training. Guidelines for accreditation of training providers based on training capabilities, infrastructure, and availability of trainers, ties with industry, etc., will be notified.

- To promote accountability among ITIs and assess their performance, ratings based on their outcome linked parameters will be applied.
- Preparing curriculum which is in sync with emerging market demands and aligned to latest NSQF. Qualification packs will be recommended by the sector mentor committees. The latest teaching aids will be promoted to disseminate quality training on a large scale. The curriculum will be revised once in every three years to accommodate the changes in the market, and in consultation with the industry.
- The policy visualises skilled and certified teachers so as to provide quality skills to students in Karnataka.
- A separate course for the teachers of vocational education, along the lines of B.Ed. will be started.
- Training and retraining program will be periodically organised for the teachers of ITIs and Polytechnics so that they can update their expertise on the curriculum driven by the demand in the labour market. A focused and restructured teacher training programme will cover certification, continuous skills upgradation, performance monitoring, rewards, and recognition. Training and retraining programmes will include a compulsory course on inclusive education to impart skills to trainers for training people with different disabilities. All teaching materials will be made accessible to people with disabilities.
- Teachers will be deputed to the industry to upgrade their skills and keep abreast of the technological advances made in the industry. ITIs and Polytechnics will be encouraged to avail the services of those working in the industry as guest speakers from time to time.
- The identified vocational training courses can be provided through private VTPs, NGOs, religious and charitable organisations and by the industry through CSR initiatives. Mobile training services will also be used wherever it is necessary.
- **Training capacity** will be improved by identifying adequate training providers to all the villages and localities in Karnataka for imparting training or re-skilling or up-skilling in the identified trades. The government also visualises the use of mobile training services and Learning Network approaches for improving the training capacity.
- The government will prepare the standard curricula and courseware and monitor the training providers. It will also assess the process of certification of the trainees.
- The government will adopt mobile training service approach because such an approach: i) makes vocational education and training available where the trainees work and live; ii) is suitable particularly for target groups in remote rural areas; iii) makes it possible to organise in terms of time and place so as to best suit the needs and constraints of the target group in the informal sector; iv) can offer both formal and non-formal and further training courses; and, v) benefits women, girls, and other disadvantaged groups as they do not have to travel and incur transaction costs.

- LearnNet approach will be adopted, where it is required, as it empowers the disadvantaged people. In order to minimise barriers as a result of distance or social restrictions, it will be applied where people live and work, such as worksite of construction workers.
- The government will introduce measures to impart *green skills* for sustaining the livelihoods of workers in the unorganised sector so that they can work their way out of poverty and contribute to a greener planet.
- While the state is gearing to reap the demographic dividend, the needs of senior citizens, disabled and children are also required to be taken care. To provide the required care and support to such vulnerable groups skills will be identified and trained resource would be created. Courses on Home nursing, geriatric care, child care has to be introduced.
- Skill Upgradation and Trainer's program will be organized for Master Craft Persons involved in traditional and artisan skills

#### 4.2.3 Standard curricula and courses

- Karnataka Skill Development Agency will be set up to focus on skills regulation and quality assurance and will have close links with the NSDA.
- Karnataka government will adopt the NSQF framework and focus on quality implementation and integration of skill courses in accordance with national standards.
- The skill courses will be adapted or adjusted according to the market demand, and needs and preferences of trainees in the state.
- Policy would commission a study to map the redundant and irrelevant courses and suggest new courses be initiated according to the need in today's and future context

#### 4.2.4 Skill up-gradation, reskilling and RPL

- The skill policy emphasises fresh skill training, skill upgradation and reskilling for the existing workforce of 75 lakh persons (including those in the age group of more than 35 years) for improving their livelihoods.
- The government will operationalize the *Recognition of Prior Learning (RPL)* for unorganised workers for strengthening and certifying their skill base. The government will facilitate formal recognition of skills/ competencies acquired through non-formal and informal channels among workers in the unorganised sector by institutionalising this and giving wide publicity. Policies to include women and those belonging to disadvantaged groups for RPL will be introduced.

#### 4.2.5 Apprenticeship programme

- Apprenticeships will not only accelerate skill development but also help to tackle the problem of un-employability of youth. The apprenticeship programme in the state is still at the nascent stage and fresh efforts are needed to promote it.
- Efforts aimed at integrating apprenticeship training into the regular curricula and certificate courses will be initiated.

- Efforts will be made to adapt the German dual system into the ITI system wherein a trainee is given the opportunity to spend more time in the industry.
- Karnataka government will link with MSDE's National Apprenticeship Promotion Scheme where the central Government will cover the part of the cost (Rs 1500/- per month) and the state Government will cover the remaining (Rs. 1000 per month) of apprenticeship training to the industry.
- The government will facilitate 50,000 apprenticeships in 2017, one lakh in 2018, three lakhs in 2019 and 3.50 lakhs in 2020 in a phased manner.
- Efforts will be made to include more industries such as telecom, insurance, banking and finance, information technology, and civil aviation and retail trade.
- An action plan for strengthening and effectively implementing apprenticeship program will be drawn in the initial phase of the policy
- Separate Directorate of apprenticeship will be established to coordinate, implement and monitor the apprenticeship program
- A Scheme will be introduced to incentivize the industry association to play the role of an aggregator and facilitate Apprenticeship Programme
- A scheme will be introduced to provide resources for the compulsory three-month foundation course for the fresh apprentices

#### 4.2.6 Skill training for students pursuing general education

- Students pursuing general education (such as B.A.) are perceived to be not suitable for the industries as they do not possess essential skills despite industries facing shortage of human resources.
- In order to address this, a basket of related courses will be identified in consultation with the industry and experts in the field so that students can opt a course of their choice.
- Students pursuing general education will be imparted a certified skill training course during the course of their regular studies in line with the finishing school concept.
- Soft skills, English language skills to suit ITES sector and back end operations of other priority sectors identified in this policy will be imparted to these students
- Three lakh students pursuing general education will be covered in a phased manner starting with 50,000 in 2017, one lakh in 2018 and so on.

#### 4.2.7 Vocational training for school dropouts

- The vocational training will be provided through various *private Skill Development Centers (SDC) or Vocational Training Providers (VTPs)*. The policy visualises that SDCs or VTPs will be promoted by i) NGOs; ii) Private Engineering/ Polytechnic/ ITI colleges; iii) Corporate houses directly or through CSR; iv) Public Sector Undertakings; v) Religious trusts or organisations; and, vi) Private skill experts.
- For girls, *decentralised training arrangement* will be made if required and taking feasibility in to account.

- The policy will promote *training capacity* by identifying at least one SDC or VTP in each of 176 taluks in Karnataka for imparting training in the identified trades.
- The policy visualises *strong interface between DET and SDCs/VTPs* wherein the former arranges to provide the necessary support to the latter in (i) making the standard curricula and courseware available (ii) developing and using monitoring tools (iii) arrange for capacity development of SDC/VTP trainers so as to improve the quality of delivery and (iv) assessment of certification of the trainees.
- DET, GoK, will assess skills imparted and award certificates to those trained by SDCs or VTPs for their career advancements in line with NSQF equivalent certification.

### 4.3 Partnership and Placement:

#### 4.3.1 Industry engagement

- Strong linkages with the industry are to be established for skill development especially in the mobilisation of candidates, development of course content and curriculum, training of trainers, establishing placement support system, overseas employment and so on.
- Industries will be involved in the assessment and provision of information on marketable skills on regular basis.
- Industry and industry associations will be encouraged and incentivised to actively participate in designing curricula and standards for skill training courses, depute their industry members as faculty, make shop floor available for practical training and institutionalise paid apprenticeship. Workplace training will be promoted as part of overall skill curriculum aligned to NSQF and embedded in appropriate credit framework.
- For effective skill development, the link between demand for skills by employers and supply of quality skills is crucial. The government will provide incentives to those industries which are successful in establishing such a link.
- Partnerships with industries successful in setting up of training centres will be established to learn from such experience as well as to replicate on a larger scale.

#### 4.3.2 Link to the Industrial Policy (2014-2018)

- Skill policy will be aligned with the State Industrial Policy (2014-2018) for ensuring the successful implementation of both the policies.
- The industrial policy states that MSMEs and industrial clusters will be developed in the sectors such as information technology, electronics, and advanced manufacturing. The Skill policy will address the skill gaps in these industrial sectors.

#### 4.3.3 Career guidance and Placement Support Services

- Career Guidance, Counselling and Placement Centers in Industrial Training and Employment department at the state level and District Employment Exchanges at the district level will be upgraded in to Centre of Excellence. For this District Employment Exchanges would be strengthened. The action shall be taken to provide information with regard to subjects such as eligibility of beneficiaries, selection of

trades/job roles, vocational training institutions, employers and jobs available with them, etc. in these centers.

- A strategy on career guidance and placement support services will be in place. A booklet on career opportunities will be periodically brought out to help skilled youth to obtain jobs. All relevant information will be provided on a web portal.
- Movement of the trained candidates placed in establishments shall be followed up through a departmental web portal. Hence, the information about the trained candidate with regard to whether he/she is continued in which employment or out of employment, etc. would be available.
- Industries will be encouraged and incentivised to provide in-house training and placement of trainees. Training will be planned with an inclusive approach to encourage disadvantaged communities such as PwDs and prioritising special focus groups.
- The focus will be on providing employable skills. Most of the jobs require life and soft skills such as knowledge of English language, basic IT and financial literacy, communication, negotiation etc. Efforts will be made to provide these skills to youth as part of the vocational training or valued added courses. The orientation/training will also be provided on work place behaviour, Professionalism, and Financial Literacy / Management.
- The focus of the policy will be on placements since the most critical outcome of skill training is employment, wage or self-employment. Handholding, placement and post-placement support are critical. Employment tracking of individuals for at least one year post skill training will be made mandatory under all vocational training programmes.
- Coverage under career guidance and placement services will be 1.5 lakh youth in 2017, three lakh youth in 2018 and six lakh youth by 2020 in a phased manner.
- In due course, a separate Directorate of Employment Services and Career Guidance will be established.

#### 4.3.4 Overseas employment

- Karnataka government will set up *Overseas Employment Cell* to tap the potential for overseas employment opportunities for skilled persons.
- In order to promote overseas employment, the government will make efforts to ensure that the curriculum of vocational education and content of skill training meet international standards. Transnational standards will be promoted in partnership with destination countries.
- Skilled workers interested in taking up overseas employment will be provided support in bridging the existing skills with those required, information on socio-economic conditions in the destination country, and help on legal compliances and protection from exploitation and fraud, support to send their remittances to their families and so on.

## 5. Policy Interventions on Entrepreneurship Development and Livelihood Promotion

Policies to provide skills for entrepreneurship and livelihood require different focus and strategy, and hence, these are separately discussed below.

### 5.1 Skills for entrepreneurship development

The strategic focus points for successful entrepreneurship development among youth are given below.

- Efforts will be made to *identify potential and early stage entrepreneurs* from among those attending formal skilling courses as well as others. In order to educate and equip them, entrepreneurship education curricula will be developed.
- The Department will *provide entrepreneurship curriculum to aspiring entrepreneurs with the help of ICT*. Tracking of those learning through the web-based teaching of entrepreneurship training will be done to monitor and include those belonging to socially and economically marginalised groups. These groups will be prioritised in the provision of training inputs.
- *Colleges and universities, both public and private, will be encouraged to start entrepreneurship courses.*
- *Web and mobile based platforms* will be used to connect the students and budding entrepreneurs with the ecosystem of entrepreneurship, and opportunities for skill training and other services such as credit.
- Karnataka government will encourage the *creation of new incubators* and scale up of the existing incubators through appropriate support.
- *A state-wide network of Entrepreneurship Hubs (E-Hubs)* will be set up (or the existing ones will be used) to provide guidance and extend support to entrepreneurs such as delivery of services as part of the state programme on entrepreneurship and other resources.
- The government will undertake steps to *rationalise business procedures and regulations to improve ease of doing business*. The Government will constitute a committee to arrive at the procedures and regulations.
- *Access to institutional finance* is key for the success of business. The government will initiate steps to ensure the flow of adequate and timely credit to budding entrepreneurs by strengthening coordination between entrepreneurs and banks/ other financial institutions.
- The curriculum, tools and training materials, web and mobile platforms, e hubs, assessments, access to finance, etc. would be made accessible to people with disabilities and reasonable accommodations and appropriate support would be ensured for people to access them easily.

## 5.2 Livelihood promotion

*Livelihood is defined as “a set of activities a household engages in on a regular basis in order to generate adequate cash and non-cash income to maintain a minimum desired standard of living, both on a day-to-day basis and over a longer period of time”<sup>6</sup>*

### Further, Livelihood is:

- A set of economic activities, involving self-employment and/or wage-employment;
- by using one’s endowments (human and material);
- to generate adequate resources (cash and non-cash);
- for meeting the requirements of self and the household;
- usually carried out repeatedly and as such become a way of life.

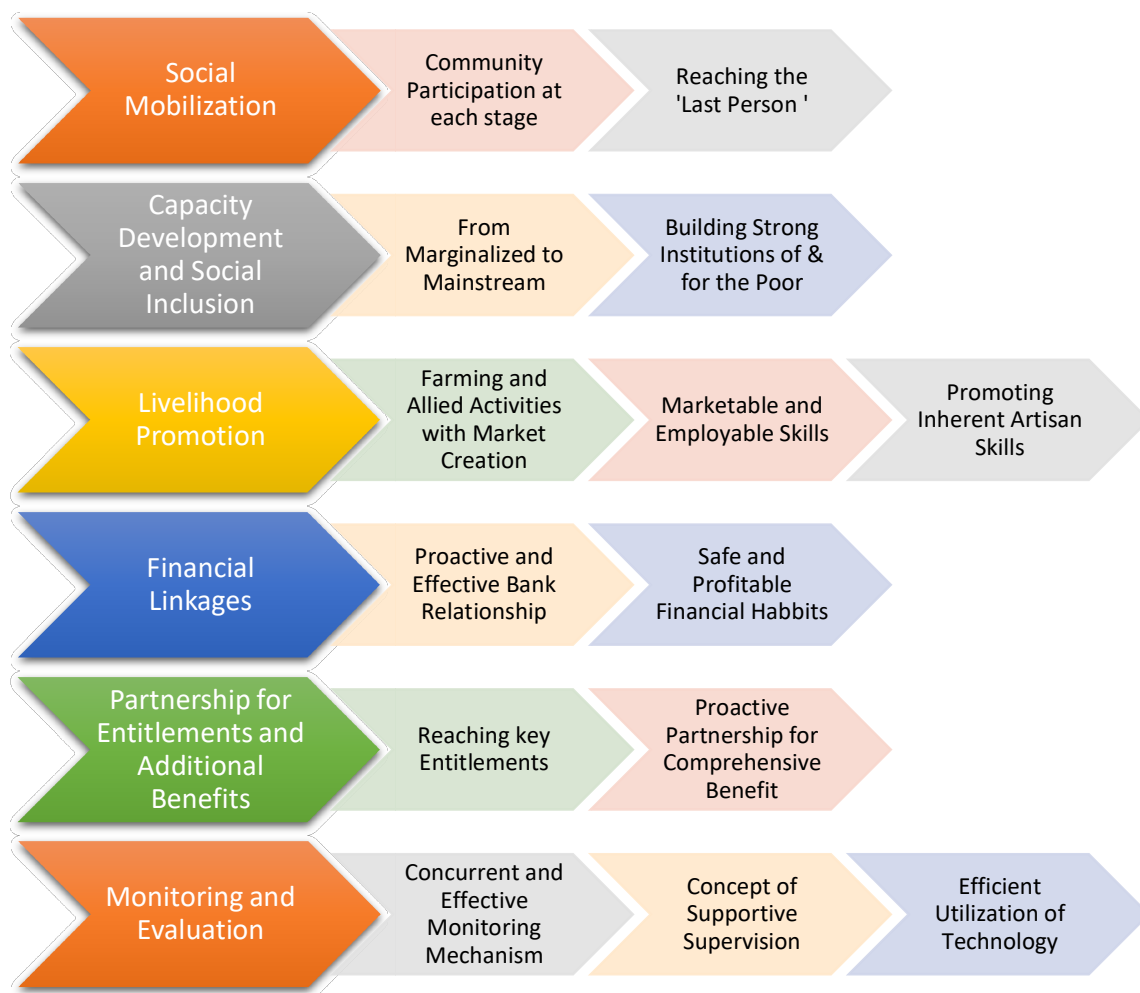
Ideally,

- a livelihood should keep a person meaningfully occupied;
- in a sustainable manner;
- with dignity.

Livelihoods, therefore, go far beyond generating income. A livelihood is much more than employment. The policy will provide the necessary impetus to strengthen human/individual, social, financial, economical, natural and intellectual capital following sustainable livelihood approach. The efforts would be made to implement the Karnataka State Rural Livelihood Missions program in line with National Rural Livelihood Framework and Strategy Focus Document prepared for the mission in 2012-13. Following diagram provides the strategic framework for the rural livelihood activities in the Karnataka.

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<sup>6</sup>State of India's Livelihoods: The 4 P Report



Presently, duplication of the membership in SHGs is a key limitation. Multiple agencies including NGOs, Micro Finance Institutions and also different departments of Government are promoting individual SHGs. A strategy will be developed to work with NGOs who are actively and extensively working in SHG development and micro finance.

## IV. INSTITUTIONAL FRAMEWORK

*This policy recognizes the need for having a robust institutional structure*

*for implementing the skill development initiatives in Karnataka efficiently. The structure is designed with a forethought to have an effective information system in a rapidly changing labour market, dynamic and innovation planning system based on ground realities and rigorous monitoring mechanism to ensure outputs as per the plan*

- |  |
|--|
| ▪ <b>Karnataka Skill Mission</b>   |
| ▪ <b>Skill Policy Implementation Cell</b>  |
| ▪ <b>Karnataka Skill Development Agency</b> <ul style="list-style-type: none"><li>▪ Skill Information Bureau</li><li>▪ KSQF and SCVT Board</li></ul> |
| ▪ <b>Skill, Education, Training and Knowledge Research Institute</b>   |
| ▪ <b>Commissionerate for Industrial Training and Employment</b> <ul style="list-style-type: none"><li>▪ Skill Procurement Agency</li></ul>           |
| ▪ <b>Commissionerate for Entrepreneurship and Livelihood</b>   |

## 6. Institutions for Policy Implementation

### 6.1 Karnataka Skill Mission

Karnataka Skill Mission will be constituted with a Governing Council and an Empowered Committee to support the Chief Minister in ensuring convergence of the skill development activities and capacities of the various departments at the apex level. The Governing Council will be headed by the Hon'ble Chief Minister and Empowered Committee will be headed by the Additional Chief Secretary to the Government and the Development Commissioner.

#### 6.1.1 Government Council:

The main functions of the *Governing Council* are to i) Provide overall guidance and a policy direction; ii) Decide on Sub-Missions in high priority areas; iii) Review overall progress and development of Mission activities; iv) Oversee convergence of all skill development initiatives/ schemes across Ministries/ Departments with Mission objectives; and, v) Set criteria for Selection of beneficiaries and supervision under any of the Skill Development Programmes in the State run by any department.

#### 6.1.2 Empowered Committee

The main functions of the Empowered Committee are to i) Ensure implementation as per Governing Council decisions/directions; ii) Set targets and approve Annual Mission Plan, and iii) Review overall progress of the Mission activities on a quarterly basis. The Empowered Committee will be supported by *Technical Advisory Group(s)* consisting of individuals with expertise in the field to advice and handhold the setting up the new Skill Development, Entrepreneurship and Livelihood Department.

#### 6.1.3 Mission Secretariat

The Additional Chief Secretary/ Principal Secretary/ Secretary, Skill Development, Entrepreneurship, and Livelihood Department, will act as State Mission Chief and will be supported by a Secretariat and three Commissionerates/ Organizations. NRLM, NULM, and Karnataka Vocational Training and Skill Development Corporation (KVTSDC) staffing pattern will be merged to provide a unified backbone to this secretariat linking the functions and activities at the State to the Gram Panchayat level. NRLM and NULM will function as two sub-missions.

The functions of Mission Secretariat are to i) Implement and Monitor Mission activities; ii) Coordinate implementation of Governing Council and Empowered Committee decisions; iii) Coordinate State efforts and Sub-missions, and iv) Coordinate implementation of Skill programs.

### 6.2 Skill Policy Implementation Cell

*Skill Policy Implementation Cell* (SPIC) consisting of experts in the field will assist the Mission Secretariat and act as a think tank in taking policy decisions. Skill Policy experts have to undertake action plans and midterm corrections required to the Skill Policy. With the help of

various Technical Advisory Groups, the SPIC will draft concept notes, terms of reference, agreements, memoranda, cabinet notes, policy briefs and other relevant documents to establish new institutions and continued functioning of the Mission.

### 6.3 Karnataka Skill Development Agency

*Karnataka Skill Development Agency (KSDA)*, consisting of persons with wide-ranging experience in the government, industry and vocational education. , KSDA will deal with subjects like Standardization, Certification, Assessment, Curriculum Development, Training of Trainers, National Skill Qualification Framework, National Council for Vocational Training etc. Sectoral Skill Council, State Apprenticeship Council, etc. will be brought under this regulatory authority.

#### 6.3.1 State Skill Information Bureau

The *State Skill Information Bureau (SSIB)* as part of the KSDA will collect information on skill infrastructure available under public and private sectors to utilize them fully and avoid investment under infrastructure by the public sector. This bureau will forecast skills needed by collecting data through skill surveys and determining skill gaps. It will also develop a methodology for collecting data and its processes in respect of all subjects related to demand and supply of skilled human resources. SSIB will also release year report on district level marketable and employable skills report every year.

#### 6.3.2 Karnataka Skill Qualification Framework and State Council for Vocational Training Board

Currently, the Department of Employment and Training conducts examination for ITI students. For ITIs, Trades/ Courses which are affiliated to NCVT, the exams are conducted under a semester scheme with the Schedule of examination, question papers being printed and issued by DGET, GoI. The Department provides all logistics support in terms of Examination centres, deployment of examination personnel and conduct of examination as per the schedule. Valuation of papers (objective type) is done by agencies appointed by DGET, GOI and practical examination marks papers are valued by Departmental Officers and the marks uploaded on the Examination Portal of Government of India. The department takes care of the above for ITIs affiliated and functioning under the State Board.

In case of short term / Modular Skill Training courses taken up under the Modular Employable Scheme (MES), assessment is done by agencies empanelled by Government of India and NCVT certificates issued.

Separate *NSQF* and *SCVT* Examination Board will be set up for independent conduct of examinations in respect of all skill training undertaken in the state and for the issue of necessary certification and it will be developed as an International Level Institute. This board will also undertake capacity building on National Skill Qualification Framework and facilitate its compliance and implementation in the state. This board will also undertake affiliation of SCVT recognized institutions. In due course, it will become self-reliant in its finances by charging a fee for SCVT affiliation, NSQF training, and conduct of various examinations and certification courses.

## 6.4 Skill, Education, Training and Knowledge Research Institute

There is a need to establish a separate Skill Education, Training and Research Institute on the lines of DSERT in Education Department to undertake the development of curriculum, pedagogy, books, training tools, teaching learning material and to do research in Vocational Education. This becomes particularly important given that hardly any department or institution in Government of Karnataka is undertaking any research or curriculum development for skill development. In the long term, these capacities are required for developing new curriculum and training modules based on the changing needs of the industries.

*Devaraj Urs Institute of Skill Research, Curriculum and Training* is established, for this purpose, under Public Private Partnership (PPP) mode to set up advanced centres in certain industries willing to partner for developing Centre of Excellence in their premises on any specialized sectoral skill. Resources of this institution will be augmented by Public Private Partnership and corporate social responsibility endowments.

## 6.5 Commissionerate for Industrial Training and Employment

The *Commissioner for Industrial Training and Employment* will administer and manage Industrial Training Institutes, other Skill Development Institutes, Skill Procurement Cell, a State skill information unit, Employment Exchange and Career Guidance Bureau and Overseas Employment Cell.

### 6.5.1 Skill Procurement Agency

*Skill Procurement Agency (SPA)* will be set up for procurement of goods and services required by the state in the skilling sphere. The agency will assess the skill infrastructure, training quality and expertise of private Vocational Training Providers (VTP) and select those meeting certain bench marks and have domain expertise and adequate infrastructure in Karnataka. The services of VTPs will be utilised for providing modular/short term skill training programmes. In due course the skill procurement agency will be evolved in to a Directorate of Skill Development.

### 6.5.2 Special Group Focus Cell (SGFC)

One of the major focus of this policy provides the thrust for marginalized and disadvantaged communities such as the persons with a disability, women, religious minorities, and SC/ST. A dedicated Special Group Focus Cell (SGFC) will be constituted as the subset of SPA. SGFC shall replicate the larger set of activities of the SPA to reach the special groups with a tailor made approach. Thrust will be given towards making skill development inclusive and accessible for those stakeholders having a disability and from disadvantaged communities.

### 6.5.3 State Apprenticeship Facilitation Centre

State Apprenticeship Facilitation Centre which would be established under the commissionerate to provide a thrust for promoting and facilitating Apprenticeship in the state. This centre will work to bring synergy between academia and industry to increase the apprenticeship intake. This centre also coordinates with Government of India for optimally

utilizing the resources to promote apprenticeship. Centre will also work with Industrial Body's such as CII, FKCC and other Industrial Associations to increase apprenticeship intake. In due course the state Apprenticeship Facilitation Centre will develop in to an independent Directorate of Apprenticeship.

## 6.6 Commissioner for Entrepreneurship and Livelihood

Commissioner for Entrepreneurship and livelihood will be created by re-organising and shifting National Rural livelihood Mission and National Urban Livelihood Mission. CEDOK and RUDSETI will also provide support in the Entrepreneurship Department. The functions of the Commissioner will be Entrepreneurship Development, creating and management of incubation centre, banking, and finance interface, backward-forward linkages, outreach, and publication, livelihood development, collectivization and empowerment, informal sector skilling.

## 6.7 Sub-state level skill missions

At sub-state level, there are three missions: *District Skill Mission*, *Taluk Panchayat Skill Mission*, and *Gram Panchayat Skill Mission*. The structure and functions of these missions are discussed below.

The ***District Skill Mission*** will be constituted under the Chairpersonship of the Deputy Commissioners of Districts. The District level officers of concerned Departments and District lead Bank Managers will be members of the Mission. The Project Director DRDA / Deputy Secretary (Development), Zilla Panchayat of the concerned District will be the Member Secretary. The Functions of the District Skill Mission are: i) Planning, Monitoring, implementation of the Skill Development, Entrepreneurship and Livelihood activities; ii) Establishment of Backward-Forward linkages; iii) Inter Departmental Coordination; iv) Prepare district annual action plans for vocational training institution wise and trade wise as per the financial and physical targets fixed by the Skill Development, Entrepreneurship and Livelihood department and on the basis of Gram Panchayat wise, ULB wise, trade wise, category wise number of beneficiaries and send the same to the State Skill Mission and v) Any other subject pertaining to Skill Development, Entrepreneurship and Livelihood Department assigned by the Karnataka Skill Mission. The existing NRLM, NULM and Skill Development Structure will be re-designed and re-deployed to work in convergence.

The ***Taluk Panchayat Skill Mission*** will be constituted under the Chairpersonship of the Executive Officer, Taluk Panchayat of the concerned taluk. The taluk level officers of concerned departments will be members of the Mission. The Assistant Director, Taluk Panchayat of the concerned Taluk will be the Member Secretary. The Functions of the Taluk Panchayat Skill Mission are: a) Planning, Monitoring, implementation of the Skill Development, Entrepreneurship and Livelihood activities at Taluk level; b) Establishment of Backward-Forward linkages; iii) Inter Departmental Coordination; and iv) Hold taluk level meeting with Adhyakshas and secretaries of Gram Panchayaths and officials of urban local bodies to finalize Gram Panchayat wise, ULB wise, trade wise, category wise number of beneficiaries considering their proposals and send the list to the District Skill Mission. V)

Any other subject pertaining to Skill Development, Entrepreneurship and Livelihood Department assigned by the Karnataka Skill Mission and District Skill Mission of the concerned District.

The Missions established under other schemes by the agencies concerned will come under the Karnataka Skill Mission. The other Missions already created/functioning at various levels State, District, Taluk and Gram Panchayat level Mission with regard to Skill Development, Entrepreneurship and Livelihood will merge under respective Skill Missions at that level.

## 6.8 Skill Fund

A non-lapsable State Skill Fund will be established where in resources from federal and state Governments, private, CSR and other sources may accrue and will be utilized for the Skilling for All.

## 7. Monitoring and Evaluation

A unified system will be put in place for monitoring the Skill Development, Entrepreneurship and Livelihood activities. To avoid duplication and exclusion and inclusion errors, UID compliant system will be built. Selection of beneficiaries for all the skill development programmes of all the departments will be done also using the Gram / Ward Sabha platform. *Web based Monitoring System* will be in place under Integrated Statistical Information System. The flow of information will be from grass roots level (Village level) to the State level and vice versa. The system will be evolved to ensure every eligible aspirant in the state is provided with at least one opportunity for skill development. The second round of training for any aspirant will be possible only after the first round of training for everyone else is completed. A concurrent evaluation system will be put in place to ensure every aspect of the skill development programmes is evaluated exhaustively. The Monitoring Unit will directly report to the Secretariat. This unit will be mandated to analyse the reports received from the field and provide feedback to all the stakeholders with suggestions for improvements.

The department will undertake regular and rigorous monitoring, evaluation and impact assessment of initiatives of the government or other stakeholders such as industry, international agencies and so on for the purpose of scaling up of the best practices and introducing periodic corrective measures. Such a mechanism will aim to assure all the stakeholders of speed, transparency, and growth, and will use ICT extensively. The impact of the policy will be assessed through a concurrent evaluation study. In addition, the government can also hire reputed research organisations to undertake the impact evaluation with the help of rigorous research methodology.

This policy will be subjected to three external evaluations

- a. **Formative:** At the end of the third year of implementation to understand the appropriateness of policy/program design, assess systems and processes in place, to check whether any dilution in translating spirit/objective of the policy in to action and suggest initial corrective action required to be taken.
- b. **Mid Term:** At the end of eight years of implementation to evaluate the output and outcome of the policy and to undertake an impact assessment.
- c. **Summative:** At the beginning of the 13th year or the last year of the policy period to evaluate the output, outcome, and impact of the program. This evaluation should be done to take the decision to continue, revamp or redesign the policy and skill development programs.

## 8. FINANCING

### 8.1 Karnataka Skill Mission Fund

Karnataka Skill Mission Fund will be created and will have accruals from Government of Karnataka, Government of India, Corporate Social Responsibility Funds and any other donations. The fund will be operated jointly by the Commissioner, Employment and Training and Director, Employment and Training. Karnataka Skill Mission Fund will be used as per rules and regulations approved by the Governing Council. Initially, the resources available with KVTSDC will be transferred to Karnataka State Skill Mission Fund retaining some portion of the fund required for administrative expenses of KVTSDC.

The policy visualises skill development for 188 lakh youth to enable them to obtain decent employment, start entrepreneurship and secure their livelihood. The financing strategies are envisaged as follows:

- It is assumed that during the period 2017 to 2030 about 40.32lakh youth will be provided formal vocational training by the existing government institutions and the new ones to be created by the public or private sector in the years to come. As shown in Annex 7, the formal vocational training is provided by Polytechnics, ITIs, and other institutions. The current capacity of these institutions is about 2.88 lakhs per annum. Efforts will be made to fully utilise the existing capacity of the formal vocational training institutions. Also, the number of institutions or intake capacity of the institutions will be increased to move towards institutionalising the skill development courses. In addition, the private sector will be encouraged and incentivised to start new vocational training institutions through PPP arrangements. It is visualised that through these efforts the capacity to provide vocational training will go up to 07 to 08 lakhs per annum by 2030 and will train an average of 6.77 lakh candidates every year. The additional capacity of formal vocational training institutions to cover about 47.72lakh is to be created by 2030. There shall be an effort to encourage private sectors to establish at least 50% of these institutions.
- The policy document envisages the provision of vocational training to 43 lakh youth during the period 2017 to 2030 through apprenticeship training. In view of the importance of the apprenticeship to provide employment oriented skills, the government will encourage and incentivise the industries to provide apprenticeship to 50,000 youth in 2017 and this will gradually go up to 350,000 by 2030. Again, this apprenticeship to these 43 lakh youth will be provided through the private sector contribution.
- Currently, the Department of Skill Development, Entrepreneurship and Livelihood is directly implementing short term vocational education programmes, which are expected to cover 320,000 persons in 2017. The policy document visualises that these programmes cover about 37lakh youth during the period 2017 to 2030. These programmes will cover youth interested in taking up new livelihoods or strengthening the existing ones. It is, however, anticipated that the need for these

training programmes will gradually come down from 320,000 in 2017 to 215,000 in 2030.

- Other government departments and corporations such as Agriculture, Horticulture, Karnataka Milk Federation, etc., also provide training mainly for livelihood activities. It is anticipated that these training programmes will cover about 19.78 lakh youth during the period 2017 to 2030.

Thus, about 150lakh youth will be provided with vocational training with the help of the above. It needs to be noted that the strategy is to gradually reduce the role of the government alone in the provision of training to the youth and enhance the involvement of private sector and industries in the provision of practice oriented hands on training through apprenticeship.

There will be however a balance of about 24.5lakh youth who need to be provided with short and long term training. In other words, Karnataka Skill Mission will have to make efforts to provide vocational training to these youth. Keeping the estimates of NSDC on sector-wise incremental demand, it is estimated that 10.3 lakhs of youth will need long-term (i.e., six-month) skill training, while 14.2 lakhs will need short-run (i.e., three-month) skill training (Annexe 11). At the rate of Rs. 50,000 for long-run skill training per person and inflation amount anticipated at 5% per annum from the second year, the total fund required is Rs. 5145 crores for the period 2017 to 2030. At the rate of Rs. 35,000 for short-run skill training per one person and inflation amount anticipated at 5% per annum from the second year, the total fund required is Rs. 4974 crores. ***Thus, the total fund required to provide the skill training (both short and long-run) is Rs. 10,119crores. On an average, Rs. 779 crores of funds per year are required to provide both short and long-run training.*** The Funds can be devoted towards the institutionalized skill training or refresher training from the year 2025.

***The skill development policy recognises that the government is a major contributor to the funding of vocational education and skills, and will use funding available in the state and central government sponsored schemes.*** The international norm is to allocate 6% of GDP on general education, and 1% out of the same on vocational education and training given the immense importance that this education has on the employability of the workforce. The government will progressively strive to allocate 1% of its GSDP (current prices) on vocational education and training which amounts to Rs. 7200 crores per year. This will be utilised for providing skill training to all including the youth and also meeting the expenditure on curricula development and quality, monitoring, administration and so on.

It will, however, initiate efforts to move away from subsidy driven to market driven policy. Towards this, it will explore the following.

- The private sector will be encouraged and incentivised to invest in the creation of formal vocational training institutions and provide apprenticeship training universally to every young citizen.

- The government will encourage the industry to spend their CSR funds on skill development.
- The government will explore the possibility of introducing levies for creating a special fund, from which resources are spent only for skill development activities.
- The policy will also explore the possibility of vocational training funds, which are an instrument for reforming initial and further education and training systems with the objective of making these more demand oriented and creating incentives for industries.
- Efforts will be made to make employment in the manufacturing and services attractive by facilitating an increase in the minimum wages in the state as this will positively influence the out of pocket or loan based payment of fees and attract private investment for the creation of training infrastructure.
- The government will encourage the students to avail bank loans in line with the philosophy of '*learn, earn and pay*' and facilitate the necessary enabling environment.
- The possibility of financing the vocational education by providing study loans, vouchers and training credits. It will also explore end user funding model or a basic fee paying model for funding training activities.
- In order to enable the poor and disadvantaged to obtain formal skills, the government will promote grant of scholarships and vouchers.
- The government will encourage ITIs and others to undertake activities such as conducting training programmes for private companies, renting out the space for skill development programmes and similar resource generation activities.
- Financial support from international (multi-lateral and bilateral) agencies for skill development initiatives will be explored.
- Multi-lateral and bilateral aid agencies will be approached to start pilot projects on innovative policies suggested.
- By converging the existing programs and multiple institutional structures for skill development activities the operational cost for managing the skill development program can be considerably reduced.
- Grant in aid policy will be shifted from block grant regime to student centric grant which can be performance based
- Capital may be made available to private sector at a differential rate of interest to enhance investment in skill development.

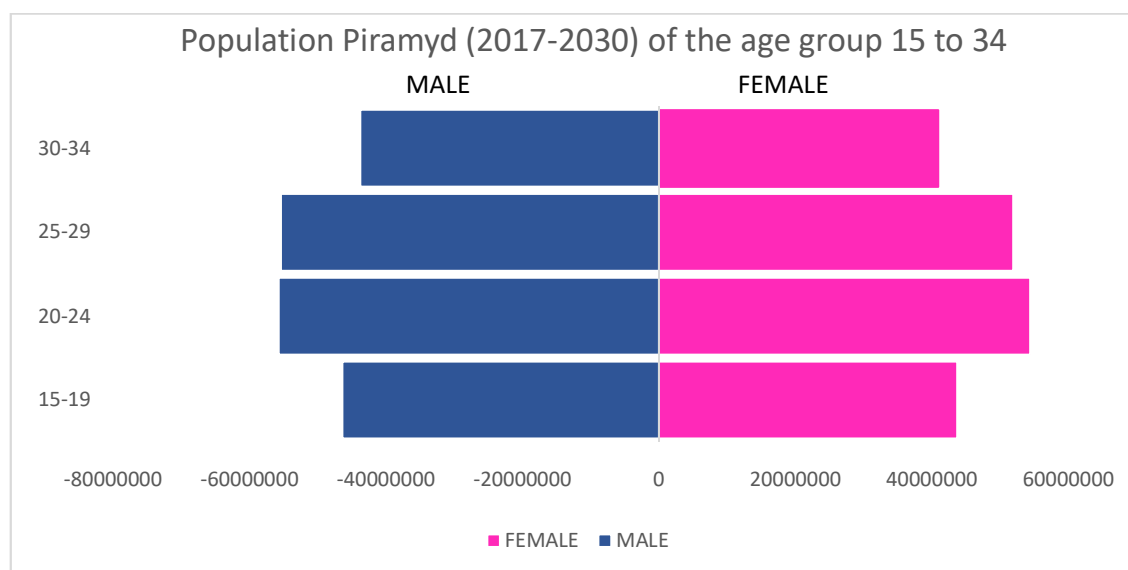
## 9. ANNEXURE

**Annex 1: Distribution of the total workforce in Karnataka by sectors**

Sectors	Workforce in crores	%
Agriculture & Allied	1.36	55.7
Manufacturing & Mining	0.27	11.1
Shops & Establishments / Trade	0.22	9.0
Construction	0.17	7.0
Information Technology / Biotechnology	0.10	4.1
Real Estate, Renting & Business Activities	0.06	2.5
Hotels & Restaurants	0.05	2.0
Others	0.21	8.6
Total	2.44	100.0

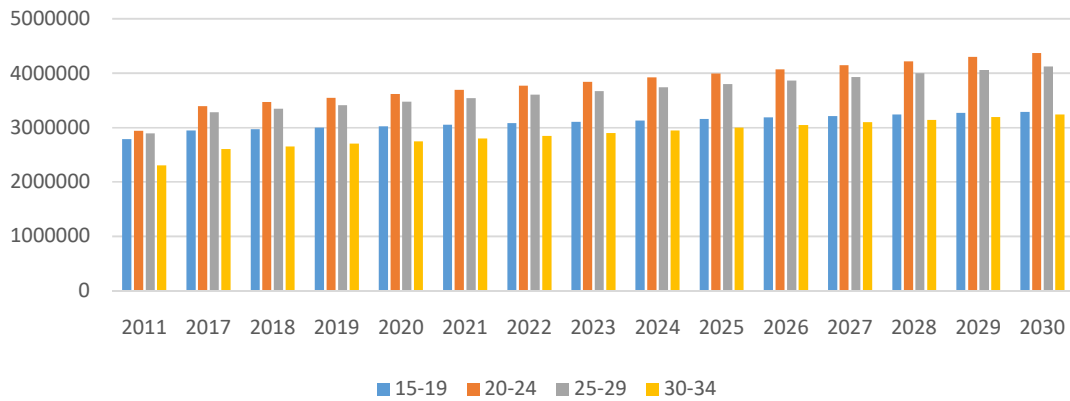
Source: Karnataka Economic Survey, Department of Labour & Employment.

**Annex 3: Population (Predicted) in 15 to 34 years Age Groups from 2017-2030 in Karnataka**

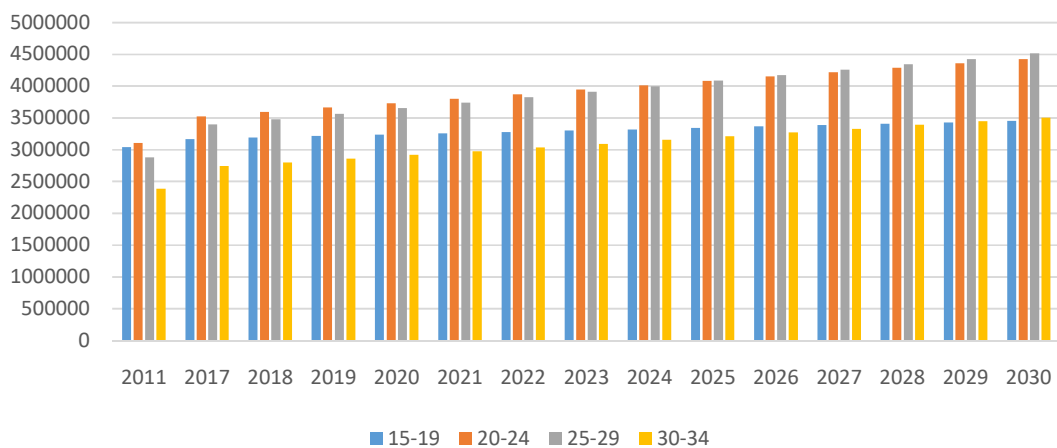


Note: Male population projected is not negative.

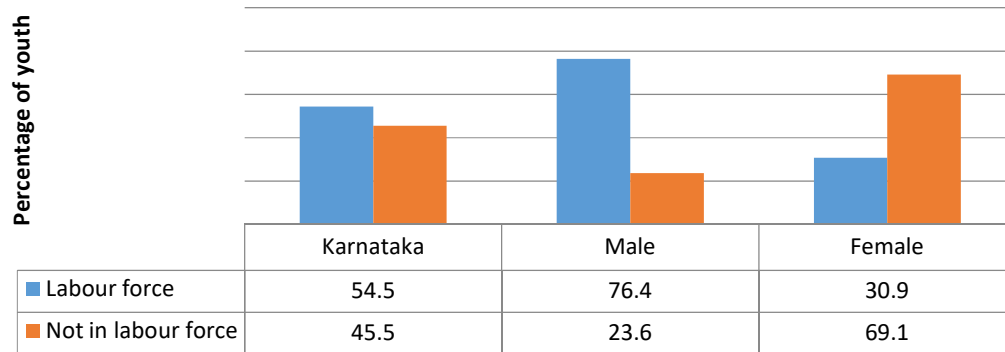
### Female Population (Predicted) in 15-34 Age Groups from 2017-2030



### Male Population (Predicted) in 15-34 Age Groups from 2017-2030

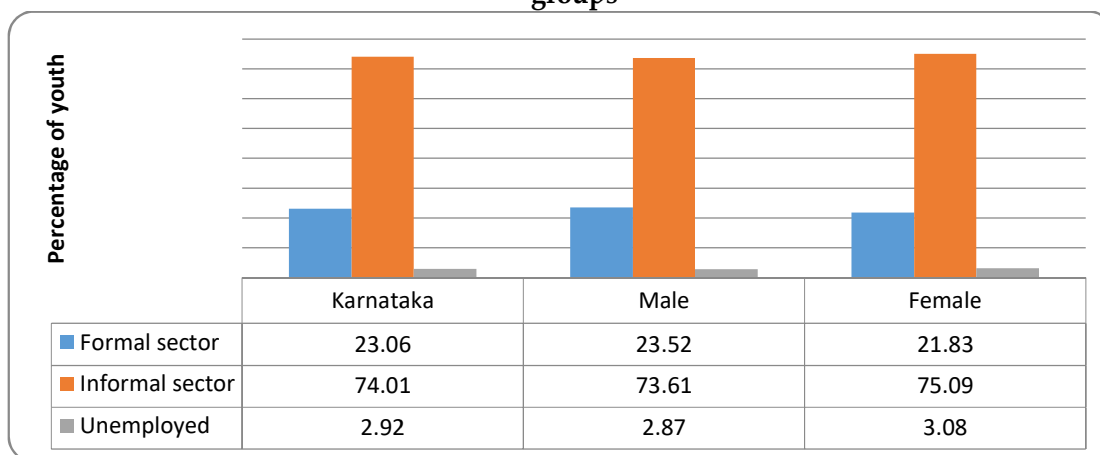


**Figure 2: Work force participation among youth (16 to 35 years) in Karnataka**



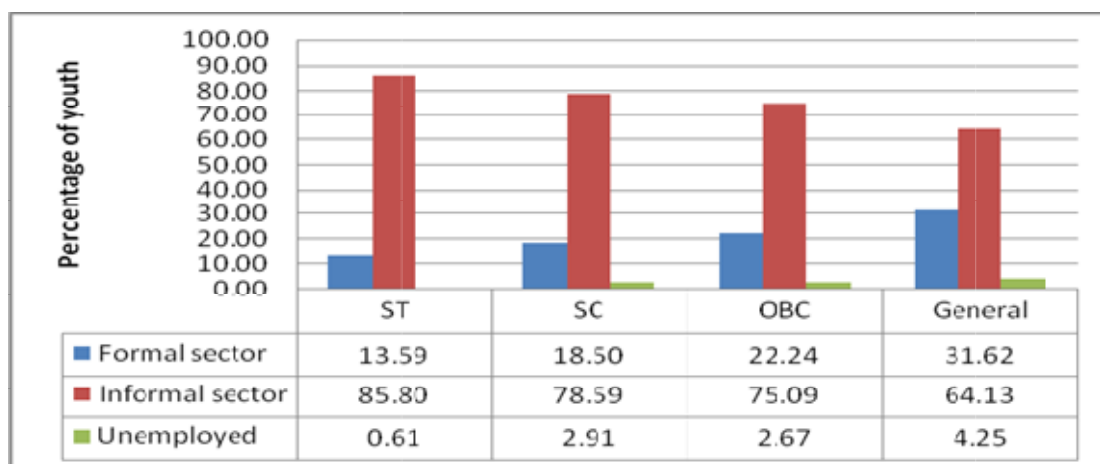
Source: Estimated from the 68<sup>th</sup> Round of NSSO survey on 'Employment and Unemployment Situation in India, 2011-12

**Figure 3: Formal and informal sector employment among youth (16 to 35 years) by gender groups**



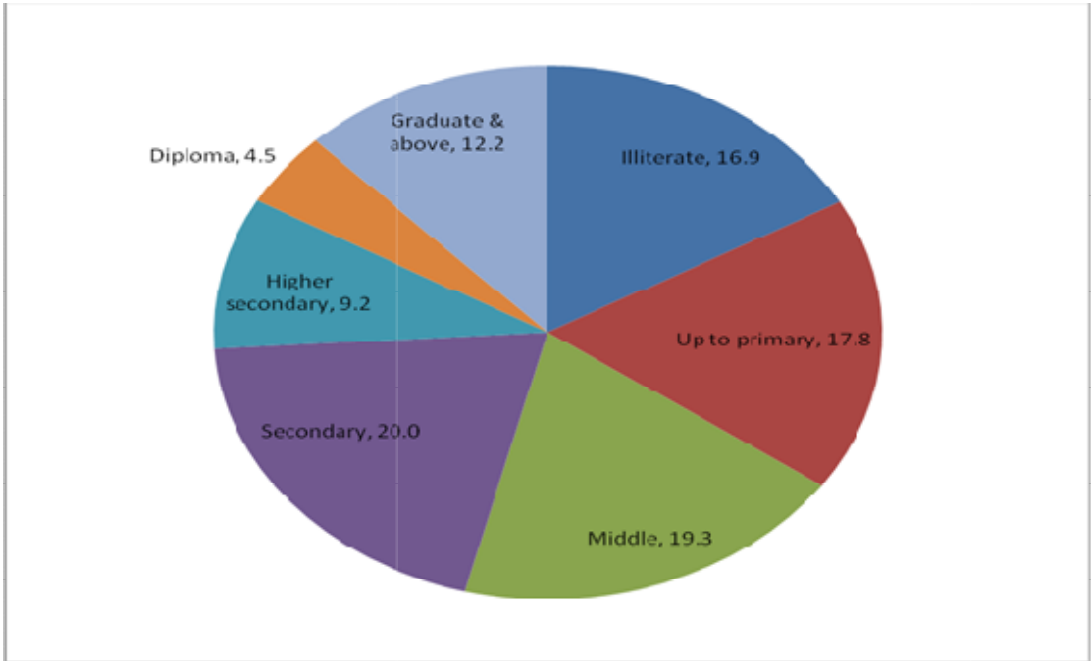
Source: Estimated from the 68<sup>th</sup> Round of NSSO survey on 'Employment and Unemployment Situation in India, 2011-12

**Figure 4: Formal and informal sector employment among youth (16 to 35 years) by social groups**



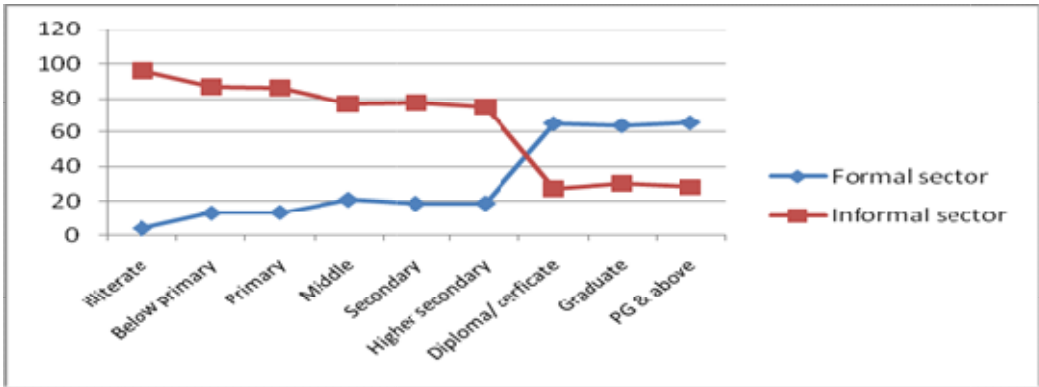
Source: Estimated from the 68<sup>th</sup> Round of NSSO survey on 'Employment and Unemployment Situation in India, 2011-12

Figure 5: General education among youth (16 to 35 years) in Karnataka



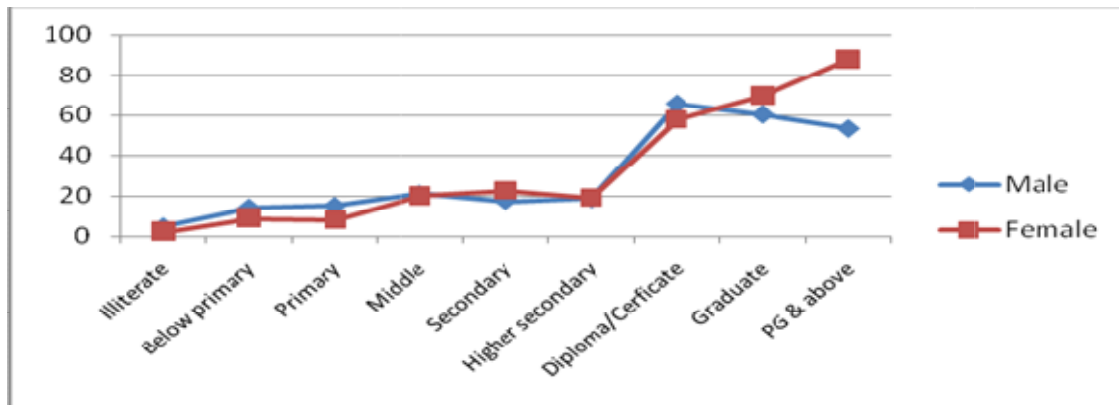
Source: Estimated from the 68<sup>th</sup> Round of NSSO survey on 'Employment and Unemployment Situation in India, 2011-12

Figure 6: Formal and informal employment by general education among youth (16 to 35 years) in Karnataka



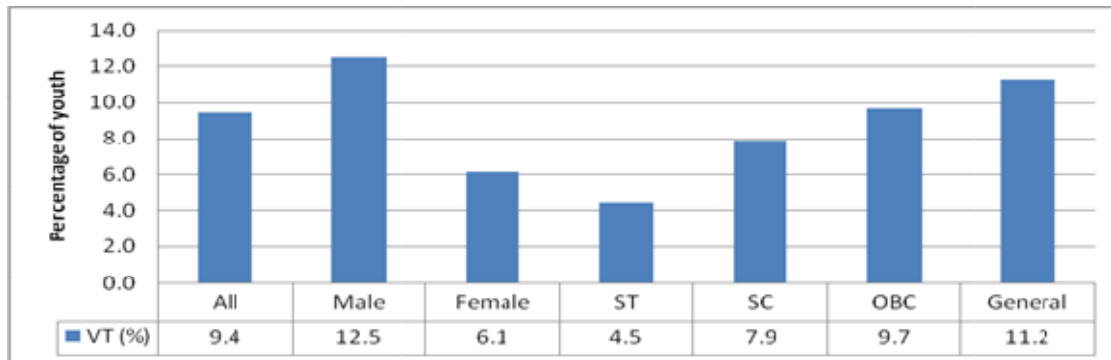
Source: Estimated from the 68<sup>th</sup> Round of NSSO survey on 'Employment and Unemployment Situation in India, 2011-12

**Figure 7: Formal sector employment among youth (16-35 years) in Karnataka by gender and educational categories**



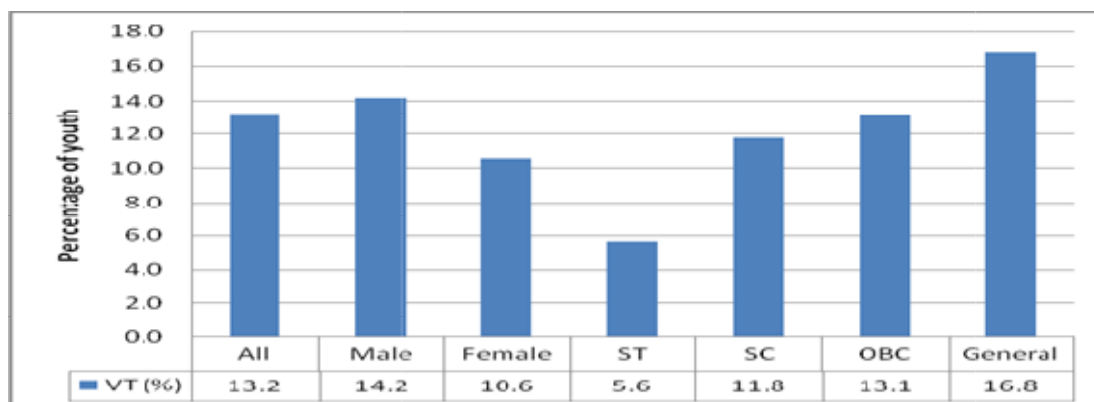
Source: Estimated from the 68<sup>th</sup> Round of NSSO survey on `Employment and Unemployment Situation in India, 2011-12

**Figure 8: Proportion of youth (16-35 years) receiving formal and non-formal vocational training by gender and social groups**



Source: Estimated from the 68<sup>th</sup> Round of NSSO survey on `Employment and Unemployment Situation in India, 2011-12

**Figure 9: Proportion of youth (16-35 years) (in labour force) receiving formal and non-formal vocational training by gender and social groups.**



Source: Estimated from the 68<sup>th</sup> Round of NSSO survey on `Employment and Unemployment Situation in India, 2011-12

**Figure 10: Incremental demand and supply of skilled human resources in Karnataka (2012-22)**



Source: District-wise Skill gap study for the state of Karnataka

**Table 1: Occupational Distribution (%) of youth (16 to 35 years) in Karnataka**

	In labour force			Not in labour force			Total
	Self-employed	Salaried	Wage worker	Attending edn. Instn.	Attending domestic duties	Others	
Karnataka	22.03	14.84	16.03	18.84	25.59	2.67	100
<i>Gender</i>							
Male	30.98	20.69	22.52	22.11	0.10	3.60	100
Female	12.39	8.53	9.02	15.30	53.11	1.65	100
<i>Social groups</i>							
ST	29.09	7.32	22.51	13.62	26.14	1.32	100
SC	11.74	11.52	31.82	17.04	24.50	3.38	100
OBC	24.34	15.00	13.18	19.05	26.03	2.40	100
General	22.42	18.96	9.22	21.05	25.21	3.14	100
<i>Location</i>							
Rural	25.36	9.46	20.94	17.46	24.46	2.32	100
Urban	16.91	23.14	8.46	20.96	27.33	3.20	100

Source: Estimated from the 68<sup>th</sup> Round of NSSO survey on 'Employment and Unemployment Situation in India, 2011-12

**Annex 4: Incremental demand in Karnataka, 2012 to 2022**

	Incremental employment, 2012-22	Minimally skilled	Semi-skilled	Skilled	Highly skilled
Agriculture and allied	1,618,503	1,347,995	201,480	36,658	32,370
Auto and Auto component	58,298	5,830	37,893	11,660	2,915
BFSI	269,636	-	161,782	80,891	26,964
Building, Construction industry and Real Estate	1,364,835	409,450	682,417	204,725	68,242
Chemicals & Pharmaceuticals	9,634	1,927	2,890	2,890	1,927
Construction Materials and Building Hardware	95,760	9,576	62,244	19,152	4,788
Education and Skill Development	379,100	-	-	341,190	37,910
Electronics and IT hardware	15,535	1,554	7,768	5,437	777
Food Processing	41,417	12,425	12,425	12,425	4,142
Furniture and Furnishings	22,125	8,850	8,850	3,319	1,106
Healthcare Services	619,975	-	61,998	433,983	123,995

IT & ITES	1,430,938	-	715,469	643,922	71,547
Media and Entertainment	68,052	13,610	40,831	10,208	3,403
Organised Retail	234,536	23,454	164,175	35,180	11,727
Textile and Clothing	149,250	29,850	89,550	22,387	7,462
Transportation, Logistics, Warehousing and Packaging	639,702	127,940	371,027	127,940	12,794
Tourism, Travel, Hospitality & Trade	1,356,186	271,237	922,206	135,619	27,124
Unorganised	90,129	18,026	52,275	18,026	1,803
Mining	12,523	2,505	7,514	1,252	1,252
<b>Total</b>	<b>8,476,134</b>	<b>2,284,229</b>	<b>3,602,794</b>	<b>2,146,864</b>	<b>442,248</b>

*Source: District wise skill gap study for the State of Karnataka.*

#### **Annex 5: Major employment sectors as per skill development by 2030**

<b>Sectors</b>	<b>Number</b>	<b>Per cent</b>
Tourism, (Until 10 to 15 working population)	50,00,000	30.12
Information Technology/ Biotechnology, Environmental Science	40,00,000	24.10
Construction	20,00,000	12.05
Human Resource exports	15,00,000	9.04
Education	10,00,000	6.02
High-Tech Industries (Small and Medium)	10,00,000	6.02
High-Tech Agriculture/ Gardening, Animal Husbandry, and Food Processing	10,00,000	6.02
Health care	5,00,000	3.01
Banking , Finance, Insurance, etc.	3,00,000	1.81
Textiles	3,00,000	1.81
<b>Total</b>	<b>166,00,000</b>	<b>100</b>

*Source: Karnataka Knowledge Commission, Vision 2030.*

**Annex 6: Sectors and districts with concentration of incremental demand**

<b>Sector</b>	<b>Incremental employment 2012-22</b>	<b>(%)</b>	<b>Name of the district</b>			
<b>Agriculture and allied</b>	1,618,503	19.09	1.Bagalkot 2.Bangalore (R) 3.Belgaum 4.Bellary 5.Bidar 6.Bijapur 7.Chamarajanagara	8.Chikkaballapura 9.Chikkamangalore 10.Chitradurga 11.Davanagere 12.Dharwad 13.Gadag 14.Gulbarga & Yadgir	15.Hassan 16.Haveri 17.Kodagu 18.Kolar 19.Koppal 20.Mandya 21.Mysore	22.Raichur 23.Ramanagara 24.Shimoga 25.Tumkur 26.Udupi 27.UttaraKannada
<b>IT &amp; ITES</b>	1,430,938	16.88	1. Bangalore (R)	2.Bangalore (U)	3.Mysore	
<b>Building, Construction industry and Real Estate</b>	1,364,835	16.10	1. Bangalore (R) 2.Bangalore (U)	3.DakshinaKannada	4.Haveri	5.Mysore
<b>Tourism, Travel, Hospitality &amp; Trade</b>	1,356,186	16.00	1.Bagalkot 2.Bangalore (R) 3. Bangalore (U) 4.Belgaum 5.Bellary	6.Bidar 7.Bijapur 8.Chamarajanagara 9.Chikkamangalore 10.DakshinaKannada	11.Dharwad 12.Kodagu 13.Koppal 14.Mandya	15.Mysore 16.Shimoga 17.Udupi 18.UttaraKannada
<b>Transportation, Logistics, Warehousing and Packaging</b>	639,702	7.55	1. Bangalore (R)	2.Bangalore (U)	3.DakshinaKannada	
<b>Healthcare Services</b>	619,975	7.31	1. Bangalore (R)	2.Bangalore (U)	3.DakshinaKannada	4.Mysore
<b>Education and Skill Development</b>	379,100	4.47	1. Bangalore (R) 2.Bangalore (U)	3.DakshinaKannada 4.Dharwad	5.Mysore	6.Udupi
<b>BFSI</b>	269,636	3.18	1. Bangalore (R)	2.Bangalore (U)	3.DakshinaKannada	4.Mysore
<b>Organised Retail</b>	234,536	2.77	1. Bangalore (R)	2.Bangalore (U)	3.DakshinaKannada	4.Mysore
<b>Textile and Clothing</b>	149,250	1.76	1.Bagalkot 2. Bangalore	5.Bellary 6.Chikkaballapur	9.Gulbarga & Yadgir	13.Mandya 14.Mysore

			(R) 3.Bangalore (U) 4.Belgaum	a 7.Chitradurga 8. Gadag	10.Hassan 11.Haveri 12.Kolar	15.Ramanagar 16.Tumkur
<b>Construction Materials and Building Hardware</b>	95,760	1.13	1.Bellary	2.Chitradurga	3.Gulbarga & Yadgir	4.Koppal
<b>Unorganised</b>	90,129	1.06	1.Bagalkot 2. Bangalore (R)	3.Bangalore (U) 4.Bidar	5.DakshinaKannada	6.Gulbarga & Yadgir 7.Mysore
<b>Media and Entertainment</b>	68,052	0.80				
<b>Auto and Auto component</b>	58,298	0.69	1. Bangalore (R) 2.Bangalore (U)	3.Belgaum 4.Dharwad	5.Kolar 6.Mysore	7.Ramanagar 8.Shimoga
<b>Food Processing</b>	41,417	0.49	1. Bangalore (R) 2.Bangalore (U) 3.Belgaum 4.Bidar 5.Bijapur	6.Chikkamangalore 7.Chitradurga 8.DakshinaKannada 9.Davanagere 10.Gulbarga & Yadgir	11.Hassan 12.Haveri 13.Kodagu 14.Kolar 15.Koppal 16.Mandya	17.Mysore 18.Raichur 19.Ramanagar 20.Udupi 21.UttarKannada
<b>Furniture and Furnishings</b>	22,125	0.26	1. Bangalore (R)	2.Bangalore (U)		
<b>Electronics and IT hardware</b>	15,535	0.18	1. Bangalore (R)	2.Bangalore (U)		
<b>Mining</b>	12,523	0.15	1.Bellary	2.Chamarajanagara	3.Gulbarga & Yadgir	4.Tumkur
<b>Chemicals &amp; Pharmaceuticals</b>	9,634	0.11	1. Bangalore (R)	2.Bangalore (U)	3.Mysore	
<b>Total</b>	<b>8,476,134</b>	<b>100.0</b>				

Source: NSDC, District-wise Skill Gap Study

### Annex 7: Educational Infrastructure in Karnataka

	No. of institutions	Enrolment capacity	Enrolment	Pass
<b>SCHOOL EDUCATION</b>				
SSLC	15,140	17,74,264	8,87,132	6,85,152
<b>JUNIOR COLLEGES</b>				
PUC	4,789	6,43,532	5,16,506	3,69,479
<b>DEGREE LEVEL COURSES</b>				
BE/ B. Tech/ B. Architect	206	93,365	69,974	50,834
BA	732	1,38,893	1,38,893	77,284
B.Sc.		30,344	30,344	21,451
B.Com./ BBM		1,20,175	1,20,175	77,395
Agriculture/ Veterinary doctor/ Horticulture	29	2,921	2,680	2,231
MBBS/ Nursing/ Dental doctor/ AYUSH/ Pharma	512	32,551	24,063	16,670
<b>Total</b>	<b>1,479</b>	<b>4,18,249</b>	<b>3,86,129</b>	<b>2,45,865</b>
<b>FORMAL VOCATIONAL TRAINING</b>				
Polytechnic	295	75,000	60,000	49,000
ITI	1777	1,06,000	73,000	59,000
D.Ed./D.Ped/Pre Primary Trg / Hindi Shikshak	78	16,986	16,986	7,404
Commerce / Arabic / Open School / Computer	140	19,957	19,957	11,861
Drama/Film Acting / Music	53	11,152	11,152	9,356
Drawing Grade	241	38,914	38,914	38,914
Nursing/ Health/ Pharma	783	13,886	10,548	7,027
Agriculture/ Horticulture	13	50	50	36
Leather/Plastic/ Others	2	2,065	1,947	418
GTTC	21	1,210	843	682
KGTTI (Karnataka German Technical training)	4	2,456	2,456	659
<b>Total</b>	<b>3,407</b>	<b>287,676</b>	<b>235,853</b>	<b>184,357</b>
<b>SHORT TERM VOCATIONAL TRAINING (INFORMAL)</b>				
Textiles	36	19,523	19,523	19,523
Technical education	91	40,000	15,000	15,000
Karnataka Vocational Training and Skill Development Corporation	213	25,000	16,000	16,000

(MES Centres)				
National Rural Livelihood Mission (NRLM) (DDUGKY)	77	17,500	2,322	2,322
National Urban Livelihood Mission (NULM)	323	45,000	22,000	8,336
Women Development Corporation		6,590	3,833	3,833
Construction academy centre	12	30,000	3,000	3,000
Leather	1	564	564	564
Motor vehicle driving	176	401	401	401
<b>Total</b>	<b>929</b>	<b>184,578</b>	<b>82,643</b>	<b>68,979</b>

Source: Department of Skill Development, Entrepreneurship and Livelihood, Karnataka Government.

#### Annex 7a: Training programmes

Department/ programme	Number of persons to be trained
<i>Programmes implemented directly by the Department of Skill Development, Entrepreneurship, and Livelihood</i>	
Programmes of skill development	105,000
Karnataka Vocational Training and Skill Development	26,000
Deen Dayal Upadhyay Grameen Koushalya Yojane (NRLM)	39,000
Employment through Skill training and placement (NULM)	50,000
Karnataka Building Construction Workers Academy	30,000
PMKVY	70,000
<b>Total</b>	<b>320,000</b>
<i>Informal training programmes implemented by the other Departments</i>	
Information technology and bio technology	6,000
Handlooms and textile	43,200
Technical education	582
Leather industries	50
Youth services	500
Tourism	7,000
Energy	10,000
Transport	10,000
Karnataka Milk Federation	20,000
RUDSETI	29,000
CEDOK	17,000
<b>Total</b>	<b>143,332</b>

Source: Department of Skill Development, Entrepreneurship, and Livelihood

**Annex 8: Year-wise estimates of target groups (in Lakhs) for the period of 2017-2030**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Stock	6.30	6.30	6.30	6.30	6.30	6.30	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	75.00
Illiterate & below secondary	3.36	3.32	3.29	3.26	3.22	3.19	3.16	3.13	3.10	3.07	3.04	3.01	2.98	2.95	44.06
Secondary & higher secondary	1.81	1.83	1.85	1.87	1.89	1.91	1.93	1.95	1.97	1.98	2.00	2.02	2.04	2.07	27.13
Attending domestic duties	3.16	3.13	3.10	3.07	3.04	3.01	2.98	2.95	2.92	2.89	2.86	2.83	2.80	2.77	41.50
Total	14.63	14.59	14.54	14.49	14.45	14.41	12.71	12.67	12.63	12.59	12.55	12.51	12.47	12.44	187.68

Source: Estimates based on NSSO and Census data

**Annex 10: Year-wise estimates of number of youth to be provided with training programmes**

Sl No	Particulars	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
1	Target Group in Stock	630000	630000	630000	630000	630000	630000	465000	465000	465000	465000	465000	465000	465000	465000	7500000
2	Target Group Expected: Flow	833000	829000	824000	819000	815000	811000	806000	802000	798000	794000	790000	786000	782000	779000	11268000
3	Estimated Target Group (Sum of Stock and Flow i.e. 1+2)	1463000	1459000	1454000	1449000	1445000	1441000	1271000	1267000	1263000	1259000	1255000	1251000	1247000	1244000	18768000
4	Formal Vocational Training	288000	302400	347760	434700	565110	762899	762899	762899	762899	762899	762899	762899	762899	762899	8804057
5	Apprenticeship training	50000	100000	300000	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	4300000
6	Informal / short term training programmes implemented by the other Departments	143332	143332	143332	143332	143332	143332	143332	143332	143332	143332	142101	138101	134101	131101	1978724
7	Total Number of Persons Covered under Existing Mechanism (4+5+6)	481332	545732	791092	928032	1058442	1256231	1256231	1256231	1256231	1256231	1255000	1251000	1247000	1244000	15082781

8	Number of persons to be covered additionally by the Skill Development department (8.1+8.2 -5)	376668	661268	473908	394968	323558	184770	14770	10770	6770	2770					2450218
8.1	Stock to be trained	315000	378000	441000	504000	567000	630000	465000	465000	465000	465000	465000	465000	465000	465000	6555000
8.2	Flow to be trained	543000	829000	824000	819000	815000	811000	806000	802000	798000	794000	790000	786000	782000	779000	10978000

Source: Estimates based on NSSO and Census data

#### Explanation:

##### Target Group in existence: Stock

The estimates on the stock include the following groups.

- All the persons in the labour force, who have not received any formal vocational training or higher education are included
- Very young homemakers (in the age group of 16-25 years) are included. Those attending to the domestic work in their households (most of whom are women) are included
- Physically challenged youth to promote appropriate skills among are included

##### Target Group Expected: Flow

The estimates of the flow include the following groups.

- First, it is estimated that 71 lakh persons will be fresh entrants into the labour force during the period 2017 to 2030 without any skills. This group includes dropouts before the completion of secondary and higher secondary education and those completing secondary and higher secondary education.

- Second, this group excludes those completing higher education.
- Third, those attending to domestic work (mostly women) are included as the policy seeks to make additional effort to encourage and motivate young homemakers to participate in the workforce.

### **Formal Vocational Training**

As per the policy, transition from short term (informal) to long term (institutional) formal vocational training program will be initiated. From the second year, there will be an increment of 5% on existing seats. Similarly, the seats will be increased on the previous year's capacity by 15% in the year 3, 25% in the year 4, 30% in the year 5 and 35% in the year 6.

### **Apprenticeship training**

The existing capacity of 50,000/- will be increased to 01 lakh in the second year and it will be reached to 3.5 lakhs from the year 3 onwards and the same will be incorporated as an integral part of curriculum of formal vocational training and higher education to universalize apprenticeship training

### **Informal / short term training programmes implemented by the other Departments**

This is the count of programs implemented by other departments / corporations of the Government w.r.t their sector requirements other than the programs initiated by the Skill Department. Total Number of Persons Covered under informal and short term programmes of other departments are 19,78,724. With creating of capacity for formal vocational training, use of short term informal vocational trainings will be progressively reduced and retired.

### **Stock to be trained**

50% of **stock** will be reached in the first year of the policy. Annually the reach will be incremented by 10% till the year 2022 to reach 100% thereafter wards. 50% of the stock will be covered through the existing livelihood programmes of the various departments which will be strengthened and expanded with professional design, forward – backward linkages and access to world market.

### **Flow to be trained**

Women attending domestic work is around 2.9 lakhs. This number is taken out from the first year's target for training. They will be

covered through Self Help Group approach and appropriate livelihood opportunities would be provided. As inclination for mobility is a major constraint, this target group will be trained on livelihood activities which are homebased. Producer group with 'local to global' concept will be promoted and linked to the world markets.

**Annex 11: Estimated expenditure (Rs. Crores) on short and long-run skill training in Karnataka**

Sl. No.	Number of persons to be trained and budget required (amount in crores)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	<b>Number of persons for short term training</b>															
A1	Six month skill training (number of persons)	158,201	277,733	199,041	165,887	135,894	77,603	6,203	4,523	2,843	1,163	0	0	0	0	1,029,091
A2	Three month skill training (number of persons)	218,467	383,535	274,867	229,081	187,664	107,166	8,566	6,246	3,926	1,606	0	0	0	0	1,421,126
	<b>Total</b>	<b>376,668</b>	<b>661,268</b>	<b>473,908</b>	<b>394,968</b>	<b>323,558</b>	<b>184,770</b>	<b>14,770</b>	<b>10,770</b>	<b>6,770</b>	<b>2,770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,450,218</b>
A3	Budget for Six month skill training at estimated per capita fee of Rs 50,000/- + 5% annual inflation provision	791	1,389	995	829	679	388	31	23	14	6	0	0	0	0	5,145
A4	Budget for Three months skill training at estimated per capita fee of Rs 35,000/- + 5% annual inflation provision	765	1,342	962	802	657	375	30	22	14	6	0	0	0	0	4,974
<b>A</b>	<b>Total Budget for short term courses (A)</b>	<b>1,556</b>	<b>2,731</b>	<b>1,957</b>	<b>1,631</b>	<b>1,336</b>	<b>763</b>	<b>61</b>	<b>44</b>	<b>28</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,119</b>
B1	Number of Candidates for Long Term / Institutional Training	288,000	302,400	347,760	434,700	565,110	762,899	762,899	762,899	762,899	762,899	762,899	762,899	762,899	762,899	8,804,057
B2	Number of Candidates can be trained using existing infrastructure	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	4,032,000
B3	No of Candidates need additional infrastructure to get trained	0	14,400	59,760	146,700	277,110	474,899	474,899	474,899	474,899	474,899	474,899	474,899	474,899	474,899	4,772,057
B4	No of Candidates requires Additional Infrastructure		14,400	45,360	86,940	130,410	197,789	0	0	0	0	0	0	0	0	474,899
<b>B</b>	<b>Budget for Establishment of New Infrastructure (B) (Institutes Required @ each with 100 students capacity @ 5 crore per institute)</b>	<b>720</b>	<b>2,268</b>	<b>4,347</b>	<b>6,521</b>	<b>9,889</b>										<b>23,745</b>
<b>C</b>	<b>Per Capita Operational Cost for long term candidates @ Rs 70000 per candidate (C)</b>	<b>2,016</b>	<b>2,117</b>	<b>2,434</b>	<b>3,043</b>	<b>3,956</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>61,628</b>
<b>6</b>	<b>Total Budget in Crores (A+B+C)</b>	<b>4,292</b>	<b>7,116</b>	<b>8,739</b>	<b>11,195</b>	<b>15,181</b>	<b>6,103</b>	<b>5,401</b>	<b>5,385</b>	<b>5,368</b>	<b>5,352</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>95,493</b>

Budget Share																
Government Sources (50%)	2,146	3,558	4,369	5,597	7,591	3,052	2,701	2,692	2,684	2,676	2,670	2,670	2,670	2,670	2,670	47,746
PPP Sources (Industry - Corporate - User Fee - Other Aids) (50%)	2,146	3,558	4,369	5,597	7,591	3,052	2,701	2,692	2,684	2,676	2,670	2,670	2,670	2,670	2,670	47,746

## Explanation:

### A. Budget for Short-term training

- Out of the total number of candidates estimated to be trained, it is anticipated that 48% of the candidates would be covered under Six Months training program and 52% of the candidates would be covered through three months training program.
- The budget for Six-month skill training is estimated at per capita fee of Rs 50,000/- with a provision of inflation at 5% per annum. The total budget required for six months long training program is estimated at Rs 5,145 crores. The budget for Three months' skill training is estimated at per capita fee of Rs 35,000/- with a provision of 5% annual inflation provision.
- The estimated budget for three months training is Rs. 4,974 crores. The total budget for the short-term training program to cover 2,450,218 candidates over 13 years is Rs 10,119 crores.

### B. Budget for Establishment of New Infrastructure

- The thrust of the policy is to make a transition from short-term programs to long-term institutionbased programs. Hence, it is necessary to create additional infrastructure to cater the increasing needs for the institutional program. With the existing infrastructure, 2,88,000 candidates can be covered.
- The state needs to establish an additional **4749** news institutions such as ITI, Polytechnic, D.Ed./D.Ped/Pre Primary Trg / Hindi Shikshak, Commerce / Arabic / Open School / Computer, Drama/Film Acting / Music, Drawing Grade, Nursing/

Health/ Pharma, Agriculture/ Horticulture, Leather/Plastic/ Others, GTTC etc . An estimation of average of 5 crore rupees per institution is made which can accommodate 100 candidates per year.

- Sum of **Rs 23,745 crores** is estimated for this purpose. The budget required for the next year is earmarked in the present year column in the above budget as it is necessary to make an advance investment to create the infrastructure to cater the need of candidates expected to enroll in the next year.

#### **C. Per Capita Operational Cost for long-term formal vocational training:**

- Average of Rs 70000 per candidate is estimated as the Operational Cost required for the long-term (institutional) training program. This should cover all the operational expenditures including the personnel, operational, monitoring and evaluation, research and other allied expenditures to implement the policy. The policy envisages that progressively education loan, apprenticeship, learn and earn services, scholarships and other responsible financing instruments will be in use.

## **Annex 12: Innovative Funding Models for Sustainable Skill Development**

Financing the provision of Skills is a major challenge. Karnataka government alone cannot fund all the activities related to skill development. In this regard, the following models are presented.

**Corporate Social Responsibility** can mitigate the challenge. Karnataka government in consultation with large and medium industries/ companies can agree upon a percentage of funds earmarked for skill development. The state government and interested companies can agree upon in advance the purpose for which the funds can be put into use and formally this cooperation can be concluded through MoUs.

### **Kerala model**

The Government of Kerala has set up Kerala Academy for Skill Excellence. It is a non-profit public company for all skill related activities of the state. This company is managed by an advisory council headed by Chief Minister as Chairman. This company has set up single window web based approval system, forms a sustainable relationship with international organisations, industries, industrial clusters and experts to seek financial and expertise from them. It is mandated to set up Kaushal Kendra's as community skill centres, accreditation programme, and issuance of skill training certificates to those who attain skills at the state level. The state government has also proposed to set up special purpose vehicles (SPVs) using the PPP model under an apex body. KASE is already managing another SPV set up for Smart City Kochi.

### **Voucher scheme (financing demand side)**

A skill voucher is an instrument given to an individual or an enterprise enabling the recipient to sign up for VET from any education institute accredited with the provider of the voucher. Payment for tuition is made with the vouchers with top-up contributions made by the student/learner. Once training is completed, the accredited institution redeems the voucher. Countries such as Kenya and Paraguay have implemented the skill vouchers scheme successfully.

The skill vouchers programme can be adopted as an alternative to the current framework of supply-side, public sector interventions. However, there is need to specify the target group so that the possibility of inclusion error (ensuring that non-needy individuals are not included) is minimised and the possibility of fraud is reduced. To give the beneficiaries a feeling of ownership of vouchers it's also advisable to require trainees to pay a small amount of top-up money for VET.

Skill vouchers programmes around the world have demonstrated the potential of demand-side interventions in stimulating the supply of VET services. Adoption of the skill vouchers programme tailored to local conditions in Karnataka could provide a much-needed boost to urgently required vocational education and training.

## 10. Policy Contributors

The Department of Skill Development, Entrepreneurship, and Livelihood, Government of Karnataka acknowledge the contribution of various stakeholder organizations, experts and consultants, departments and agencies of the Government. This policy is drafted with the involvement of experts in the field of Governance, skill development, livelihood and policy formulation. Extensive analysis of the data taken from Census, NSSO, SRS and departments of the Government were made to understand the problem, need as well as to have a clear picture about the future. Series of consultations and discussions were held both in-house and with other relevant stakeholders while drafting this document.

The Department of Skill Development, Entrepreneurship, and Livelihood would sincerely acknowledge the contributions of following persons and organizations.

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