



NSDC CONNECT

FEB 2024

GLOBAL SKILLING LANDSCAPE

VOL: 1
ISSUE: 6

**THE ROLE OF
SECTOR SKILLS
BODIES**



PM VISHWAKARMA SCHEME

**EMPOWERING
ARTISANS**



#INVESTINWOMEN

**ENABLING
FINANCIAL
INCLUSION**

CELEBRATING ENABLERS

**THE ROLE OF INSTITUTIONS
AND LEADERS IN THE SKILLING ECOSYSTEM**



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Dear Readers,

Welcome to the sixth edition of NSDC Connect! We embark on a journey this month to explore the dynamic landscape of skill development in India. While deep diving into the intricacies of our skilling ecosystem, I am thrilled to share with you some insights and perspectives that underscore the transformative power of skills.

At the heart of our discussion lies a fundamental realization that skilling, as a concept, has travelled beyond the confines of traditional teaching and learning. It encompasses a myriad of enablers, each playing a pivotal role in shaping the contours of our skilling landscape. From visionary government schemes to robust financial infrastructure and from progressive policy instruments to committed leadership that inspires innovation, each element contributes to the holistic development of our workforce through skilling.

Building upon the previous edition of Connect that explored the mandate and achievements of Sector Skill Councils (SSCs) in India, we now broaden our horizons to gain a global perspective on Sector Skill Bodies (SSBs), as they are known in different parts of the world. Drawing inspiration from international best practices, and our own journey of establishing 36 SSCs in the country, we research into the organizational principles of SSBs and the various roles they can perform in ensuring effective delivery of skilling, aligned with industry demands and socioeconomic development strategies of a country.

A significant highlight of this edition is also our deep dive into the PM Vishwakarma Scheme, a testament to our commitment to empower every segment of our workforce, especially those engaged in traditional crafts and artisanal livelihoods. By providing access to modern tools and techniques, this scheme not only preserves our rich cultural heritage but also propels our artisans towards economic prosperity and self-reliance.

In commemoration of the International Women's Day on March 8, themed 'Inspire Inclusion' and UN Women's rally call to 'Invest in Women: Accelerate Progress', we shed light on the unique challenges faced by women entrepreneurs, particularly those operating in the informal sector. Through targeted interventions aimed at enhancing financial and

digital access and proficiency, an enabling environment can be created for women entrepreneurs to provide them with easy access to modern financial products and services and help them realize their entrepreneurial dreams and contribute meaningfully to accelerating our nation's progress.

We are also introducing a new feature in Connect from this edition, wherein we hold insightful conversations with varied stakeholders from the skilling ecosystem. In this edition, we engage with the CEOs of the Furniture and Fittings Skill Council (FFSC) and the Textile Sector Skill Council (TSSC). These conversations provide valuable insights into the evolving skill requirements of industries involved in these sectors and emphasize the importance of continuous learning and adaptation in today's dynamic job and self-employment market. In the subsequent editions of NSDC Connect, we will be speaking to many more leaders, experts, and enablers who are driving the skilling efforts in their domains and bringing much-needed innovations in the skilling ecosystem.

Further, we reflect on the recently presented union budget with renewed optimism in the government's steadfast commitment to skilling and education. With increased allocations and strategic initiatives aimed at bridging the skills gap, we are poised to witness a paradigm shift in India's skilling landscape, propelling us towards a future of inclusive growth and prosperity.

Dear readers, as we celebrate the numerous enablers of our skilling efforts, I urge each of you to actively engage with the stories shared in this newsletter. Your feedback and contributions are instrumental in shaping the discourse on skill development in India and ensuring that our collective efforts yield sustainable outcomes for generations to come.

Thank you for your unwavering support and dedication to the cause of skill development. Together, let us continue to strive towards a Viksit Bharat for India@100, where individuals will realize their full potential and contribute to our nation's journey of progress and prosperity.



VED MANI TIWARI
CEO, NSDC

NSDC Connect embodies NSDC's values: Integrity, Innovation, Inclusion, and Impact. We aim to provide trustworthy, innovative, and inclusive content that aims to make a positive impact on education and skill development. Join us in reimagining a better future.

GLOBAL SKILLING LANDSCAPE: THE ROLE OF SECTOR SKILLS BODIES



NSDC Connect spotlight story for this issue delves into global perspectives around Sector Skills Bodies (SSBs), highlighting their roles, structures, and challenges in the skilling ecosystem. It emphasizes the pivotal role of SSBs in bridging industry needs with workforce development, drawing examples from various countries. The story also lays out challenges of setting up and running SSBs effectively, including funding and stakeholder engagement. Finally, the story outlines global best practices, and solution approaches to the challenges faced by SSBs.

The fifth edition of NSDC Connect with the theme titled “Sector Skill Councils: Transforming the Skilling Ecosystem, One Sector at a Time” generated a lot of interest among the readers in familiarizing themselves with the Sector Skill Councils (SSCs) operational in India. Common feedback received was to learn more about these arrangements, their contribution to the skill development space and the structure, roles, and responsibilities of similar councils or bodies incubated in countries around the world.



This article on is an endeavour to introduce the readers to the Sector Skills Bodies (SSBs), as they are commonly known in most countries, their varied roles, structure, sectoral coverage, autonomy, governance, and funding mechanisms. The article also covers the common challenges faced by the SSBs and their constant efforts to redefine, evolve, and stay relevant in the dynamic world of skill development and ever-changing skilling needs.

Introduction to the Sector Skill Bodies

Investment in the human capital of a country’s demography is perhaps the most important agenda for all the governments. With the intent to boost their country’s GDP, significant investments are witnessed in the areas of empowering the workforce (15-59 years of the population), particularly the youth (15-29 years). This is more so in the developing countries with significant demographic dividend enjoyed on account of a younger population. For a country to follow an upward growth trajectory, there is a growing realization to encourage greater engagement with industries, assess their human resources needs and provide a steady stream of market ready and employable workforce.

‘Sector Skills Bodies’ is a generic term referred to an autonomous organization, usually a registered charity or not-for-profit, comprising permanent memberships and chairpersons or a loosely bound committee comprising ad hoc groups where membership varies¹.

Sector Skill Bodies (SSBs) are established to play a crucial role in influencing the skilling landscape by becoming a critical medium for the interface with industry stakeholders. The term SSBs gained relevance in the 1990s when many countries were on the

path to reform vocational training. New SSBs were either established or older industry associations were revamped to give a renewed push to industry engagement². Canada, Australia, South Africa,

New Zealand, The Netherlands, Denmark, and the United Kingdom gave significant roles to the SSBs in their skilling ecosystems.

In most cases, a sectoral approach was adopted to bring all the stakeholders together, identify the challenges, and develop solutions to tackle them. Taking into consideration the fact that each sector is unique in itself and has specific skill requirements, a sectoral approach, bifurcated further into different sub-sectors, helped in greater ownership of various actors in the sector. SSBs, thus, became the face of their respective sectors.

The description of the SSBs in this article draws on the seminal work of the International Labour Organization (ILO) in developing a “Resource Guide on Sector Skill Bodies” (first published in 2021 with second publication underway) to assist governments and social partners (employers and workers, either individually or through their representative organizations like industry and membership bodies, including trade unions) to understand how SSBs can be an effective mechanism to improve industry engagement.

Role of Sector Skill Bodies

SSBs play a diverse role depending on the country’s needs and requirements as highlighted in Table 1 below.

Table 1

Advise	Support	Design	Manage
Provide Policy Advice and Feedback	Develop and Maintain Skill Standards	Support Quality Assurance of Training Providers, Courses, and Assessors	Manage and Promote Apprenticeships
Generate and/or Interpret labour Market Intelligence	Develop Qualifications	Promote the Benefits of Training	Co-ordinating Training in The sector
	Develop Curriculum and Learning Resources	Promote Careers Information, Advice, and Guidance	Administer Levy Funds
	Development Apprenticeship Pathways	Contribute to Training Delivery and Assessment	Manage Government Training Initiatives and Programmes
		Support the Professional Development of Teachers, Trainers, and Assessors	Manage Assessment and Certification

Source: ILO (April 2021)

Providing Policy Advisory and Feedback

Being industry representatives, SSBs play a vital role in bringing the challenges faced by industries at the forefront during the policy formulation stage with the government through these roles and responsibilities.

Generating and/or Interpreting Skills and Labour Market Information

SSBs are generally tasked to formulate a sector skills action plan and set up skills and labour market priorities for the sector. In a few countries, SSBs have assumed a formal role in publishing primary data about skill development in their sector through skill gap reports. Case in point, the Construction Skill Development Council (CSDC) in India published a Domestic as well as Global Skill Gap Report in the construction sector in September 2022. These reports are publicly available on respective SSC websites.

Developing and Maintain Skills Standards

Skills standards are developed in consultation with industry experts and provide a means to engage employers and industry partners to ensure that the content of training programmes reflect the skill needs of the sector.

SSBs taking on this role ensure a full sector coverage of standards, with timely updates resulting in a greater ownership by industries. There is a high replicability of these standards across all business functions such as in recruitment or development of job profiles in enterprises.

Developing Qualifications

In addition to standards development, SSBs in many countries also develop qualifications that can be delivered by vocational training providers and employers. This helps in ensuring that the content and assessment reflects skill standards and provides greater ownership over training delivery.

Developing Curriculum and Learning Resources

In conjunction with skill standards and qualification development, SSBs in many countries have also been delegated to produce these resources (varying from teacher guidance to textbooks for learners) given their varied engagement and knowledge of the sector. Curriculum development also provides a revenue source for many SSBs.

In India, SSCs are given the status of Awarding Bodies by the regulator, National Council for Vocational Education and Training (NCVET) an agency under the Ministry of Skill Development & Entrepreneurship (MSDE), Government of India (GoI). Similarly, in New Zealand, the new Workforce Development Councils (WDC) combines standards development with the development of qualifications which was not the case earlier (when Industry Training Councils were in place). In South Africa, the SETAs (SSBs) approve qualifications and training that are submitted by awarding organisations, employers, and vocational training institutions.

Developing and Managing Apprenticeship Pathways

Apprenticeship programmes have proven to be a tested model in many countries to facilitate school to work transition to develop

the skills and competencies of youth entering into the workforce. SSBs are often involved in the development of apprenticeship pathways as it often complements its role to develop skill standards and qualifications.

SSBs are also involved in contributing to the development of policy and legislation that defines the apprenticeship system. In some countries, SSBs are involved in designing and/or managing the assessment of apprentices, certifying the apprentices on the successful completion of their apprenticeship, promoting apprenticeship, and making a case within their industry. However, the extent to which SSBs take on this role is typically determined by the nature and scope of apprenticeships in a particular country.

In India, MSDE, GoI through an Office Order (September 2018), appointed all the SSC CEOs as Joint Apprenticeship Advisors under The Apprentices Act 1961, which is a public office to oversee the implementation of apprenticeship training in the country.

Supporting Quality Assurance of Training Providers, Courses, and Assessors

SSBs have taken the responsibility for a range of quality assurance roles in skill development as it gives confidence to employers, prospective learners and government that learning provision reflects labour market needs. Such roles are given to industry, so they have more control and ownership over the training delivery, rather than just its design.

In India and Bangladesh, the SSBs are involved in quality assurance of the qualifications they have developed through their involvement in the assessment process, either as a partner in assessment decisions (Bangladesh) or by directly managing the assessment process and empanelling assessment organisations (India). In Jordan and South Africa, training programme is submitted to the SSBs by employers and/or education and training institutions

Promoting the Benefits of Training

SSBs are responsible to promote, propagate and in many countries also implement skill training programmes. They advise and support employers to find the best skills development solutions to meet their needs. Promote apprenticeships and partnerships between enterprises and education and training institutions.

SSBs are also tasked to make a case for greater investment in workforce development to address skill gaps, increase staff retention, increase productivity, and reduce accidents in enterprises.

Promoting Careers Information, Advice, and Guidance

SSBs play a pivotal role in this given their positioning in the skilling landscape. Some of the activities undertaken by SSBs in this direction are developing career progression pathways for

candidates; hosting job portals, job exchanges etc. for demand – supply matching; promotion of internships, industrial placements, and apprenticeship; and organizing job/ career fairs.

Contributing to Training Delivery and Assessments

In some countries, SSB have taken on the role of directly delivering training and assessment services.

In Brazil and Mexico, most training is delivered through vocational institutions linked to the SSBS. In Canada, SSB delivers only niche training, limited to specific geographic locations or sub-sectors. In the United Kingdom, a network of Skills Academies were established to increase the quality of training delivery. These were typically established and overseen by the Sector Skills Councils by creating a Centre of Excellence in existing vocational institutions or setting up new training centres.

Supporting Professional Development of Teachers, Trainers, and Assessors

SSBs have taken the role of supporting the professional development of teachers, trainers, and assessors by calendarizing skill trainings, and refresher trainings. Conducting Recognition of Prior Learning (RPL) assessments to address specific gaps and undertaking training for teachers and trainers around specific skill areas or new trends. Additionally, SSBs also work towards facilitating international mobility and forging global partnerships with like minded institutions/governments and businesses.

Managing Training Initiatives and Programmes for Both Government and Private Sector

In many countries SSBs have given the authority to commission skill training basis the prevalent skill gap in their sector. The onus of tapping private and government investment opportunities around training rests with them. SSBs also play an important role in implementing government initiatives and programmes in their sector.

Involvement of SSBs results in greater commitment and collaboration from their sectors towards finding ways to implement the programmes and initiatives that meet their sectoral objectives. This is also an opportunity for SSBs to gain self-sufficiency.

Administering Levy Funds

In few countries, SSBs play a role to allocate the training funds for their sector.

In South Africa, the 21 SETAs are funded through a one percent levy on employers with a payroll of more than R500,000 (USD 28,198). These funds are collected through the taxation system are centrally held after which 80% of a sector's contribution is given to their respective SETA.

Similarly, in Kenya some sectors have SSBs that manage and distribute levy funds.

Managing Assessment

Often a delegated authority given by the national quality assurance agency or similar body such as a qualifications board, the SSBs in many countries are responsible for managing the assessment and certification process in their sector.

In India, the SSCs manage the assessment and certification of short-term training of less than 6 months duration. They identify and approve assessors, but also ensure that opportunities for assessment are available through regular interaction with vocational training providers. The SSCs then work with the assessment centres and training organisations to issue credentials to individuals on successful completion. These credentials are issued by the SSC under government delegation and can be verified electronically to ensure their authenticity.

Specific roles and responsibilities undertaken by SSBs are determined largely by the level of autonomy, governance, resources, funding, and its sphere of influence both within industry and government space.

Sectoral coverage

Countries adopt different approaches while defining sectors and the roles to SSBs. Many countries refer to the Industrial Classification of All Economic Activities (ISIC, United National, Department of Economic and Social Affairs) definitions for a comprehensive coverage. Such nomenclature helps define sectoral boundaries and facilitates the use of sector specific labour market information and statistics in conducting sector research and analysis.

Some of the key considerations determining the scope of SSBs are⁴:

- **Size of the sector in employment terms:** to address unemployment, sectors may be based on its employment potential.
- **Sectors with export or growth potential:** sunrise sectors having significant growth potential but require additional skills to meet employment opportunities.
- **Government priorities:** sectors which are a part of a government's strategy such as Renewable Energy, Electric mobility etc.
- **Sectors with identified skill shortages or gaps:** sectors having identified needs or require upskilling of the current workforce.

One of the limitations of this approach is that the sector should be large enough and above a critical mass for the SSB to be heard in the public policy space and for its self-sustenance. As a result, few countries have also taken a geographical cluster-based approach wherein one SSB is responsible for multiple sectors in a defined geography. Table 2 lists some of the countries and the approach they have adopted while setting up SSBs.

Table 2

Country	Name of SSB	No. of SSBs	Approach
Australia	Industry Reference Committees (IRC)	67	Sectoral
Bangladesh	Industry Skills Councils (ISC)	05	Sectoral
Brazil	National Commercial Learning Service (NCLS) National Industrial Training Service (NITS) National Rural Learning Service (NRLS) National Transport Learning Service (NTLS)	05	Cluster
Canada	Human Resource Development Councils (HRDC)	06	Sectoral
Hungary	Sector Skills Councils (SSC)	20	Sectoral
India	Sector Skills Councils (SSC)	35	Sectoral
Jordan	National Sector Skill Councils (NSSC)	07	Sectoral
Kingdom of Saudi Arabia	Sectoral Skills Councils (SSC)	12	Sectoral
New Zealand	Workforce Development Councils (WDC)	06	Sectoral
South Africa	Sector Education Training Authorities (SETA)	21	Cluster
Tanzania	Sector Skills Councils (SSC)	06	Sectoral
Vietnam	National Sector Skills Councils (NSSC)	02	Sectoral

Sector Skills Councils in the Kingdom of Saudi Arabia

The Ministry of Human Resources and Social Development recently launched the ‘Sectoral Skills Councils in the Kingdom’ with 12 sectoral skills councils. Attuned to the goals of the ‘Saudi Vision 2030’ the 12 Sectoral Skills Councils will act as a catalyst in the crucial role of the private sector in providing training opportunities and develop future skills for the citizens of the nation, thus increasing their participation in the job market.

The multiple benefits of these councils will contribute to influencing policies related to skills, allowing employers the opportunity to provide input on education and training curricula. Moreover, they will assist in improving employee retention rates and boosting productivity. The role of these sectoral councils will be collaborative, involving stakeholders from the public and private sectors, as well as education and training institutions, in identifying visions, goals, and programmes for skills development. These councils will determine the skills needed by the sectors in the Kingdom both currently and in the future, establishing frameworks for sector-specific skills and professional standards. They will also provide recommendations for necessary changes in skill development through policies, education, training, accreditation, licensing, and funding.

skill development being a strategic priority for the Kingdom and a key enabler in achieving the vision of ‘Saudi Arabia 2030’, the ministry aims to cover 2,000 skills and establish and develop standards for 300 sectoral professions and career paths by the year 2025.

Sectors include, wholesale and retail trade, culture and entertainment, construction and real estate activities, health, professional services, logistics, and transportation services, security services, digital sector, financial services and insurance, tourism and hospitality, energy and public utilities, and the manufacturing sector.

Source: Website of the Ministry of Human Resources and Social Development, Kingdom of Saudi Arabia (Article date 18 December 2023)

Autonomy, governance, and funding options for Sector Skills Bodies

For an SSB to fulfil its objectives, it is important for the policy makers to decide on its governance arrangement. The degree of autonomy to be provided to the SSBs needs to be deliberated right at the inception stage with industry stakeholders. Figure 2 captures the relative autonomy of SSBs in relation to government.

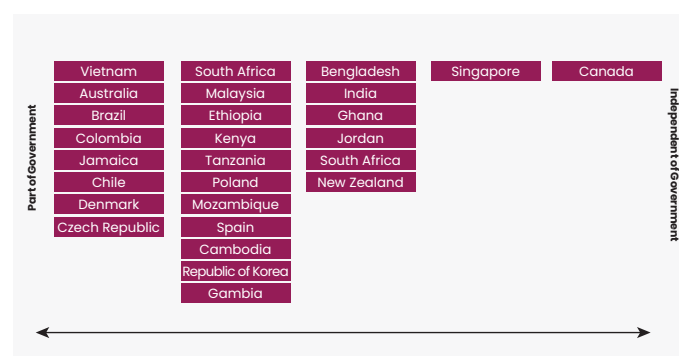


Figure 2: Relative Autonomy of SSBs from the Government. Image source: ILO, April 2021

It has been observed across countries, that an autonomous SSB has various advantages:

- Results in faster execution especially in key priority sectors
- Greater autonomy results in more visibility and ownership
- Involvement of subject matter expertise resulting in greater industry validation.

It needs to be mentioned that even in case of an autonomous SSBs, it generally operates under the supervision of the government and its performance is monitored by a ministry or an agency of the government body.

In Bangladesh, Ghana, India, Jordan, and Vietnam, the SSBs are autonomous bodies but are overseen by a government body and are in effect ‘licenced’ to fulfil certain roles as detailed in their ToR.

In Canada, the Human Resource Development Councils have complete autonomy and have no formal role in the TVET system. However, they bid for funds from the government to undertake specific activities that are agreed with the government.

SSB memberships are linked to the representation of key stakeholders which may comprise of the following:

- Employers (large companies/ corporations, MSMEs from various sub-sectors);
- Industry Associations;
- Worker representatives;
- Government Ministries and Agencies including Line Ministries;
- Vocational Training Institutions; and
- Academia, specialist bodies, research agencies etc.

Some autonomous SSBs operate with a council of stakeholders from which the Executive Board are elected. In some cases, organizational members pay a fee to contribute to the SSB operating costs. In other cases, the members of the SSB are the members of the of the board or the committee.

Composition of the Board or the Executive Council are as follows:

- Employers only
- Tripartite arrangement with employers, worker representatives and government
- Cross-sectoral including employers, worker representatives, relevant ministries, vocational institutions, and specialist/ academic institutions.

Table 3 illustrates few countries and the different membership composition adopted by them.

Table 3

Employers Only	Tripartite Arrangement	Tripartite Plus
Brazil	Australia	The Gambia
Canada	Bangladesh	Ghana
Chile	Ethiopia	India
Singapore	Jordan	Denmark
UK	Tanzania	Latvia
	Cambodia	Slovakia
	The Netherlands	Czech Republic
	Spain	Vietnam
	Sri Lanka	New Zealand

Source: ILO (April 2021)

Funding is critical for SSBs to achieve self-sustenance. Several approaches ranging from government funding, funding through employers for specific deliverables, third party funding whereby donor organizations/international organizations/philanthropies agree to bear the cost etc. have been tested.

An income stream is built into the activities performed by SSCs in India. Activities comprising of certification, assessment, membership fee, affiliation fee from training centres, monetization of course content, subscription-based access to digital infrastructure like job aggregation – demand supply matching etc. are being charged. In addition, SSCs also advisory services to Industries – Skill Gap studies, Productivity improvement, international bench marking etc., consultancy services to foreign companies for setting up operations in India, setting up of flexi ITIs with Industry Partners for training, On the Job Training (OJT) and placements are also being explored.

The National Skill Development Corporation (NSDC) oversees the SSCs in India and provides an incubation support with a seed funding of USD 600,000.

In addition, the SSCs can also receive funding through the Corporate Social Responsibility (CSR) Act, a mandate for eligible entities (in the Companies Act 2013) to comply.

Challenges faced by Sector Skill Bodies

Though the challenges faced by SSBs vary across countries but below are some of the common barriers which has been observed. Most of these challenges occur during the initial gestation phase of Sector Skills Bodies and can be resolved if identified at the right time.

- **Understanding the different working styles between public and private sector**
Private sector businesses tend to make fast decisions and ensure adequate resources are there for disposal unlike in the public sector which has lot of checks and balances thus slowing the entire decision process.
- **SSBs to become an empowered entity**
It is true that the SSBs need to work within the mandate provided to them by the government in the skilling ecosystem, but caution should be followed of not becoming over-powered by the government. This will hinder in creating an impact among its stakeholders thus losing its reputation and confidence among industry representatives.
- **Building SSB's internal capacity** and to make the team understand the critical role they are supposed to play.
- **Engaging stakeholders and generating commitment**
High level engagement with key stakeholders – industries, academia, youth, and government/ policy makers are essential for rolling out any programme. This will also include SSB's engagement and alignment with the wider vocational training ecosystem.
- **Funding and self-sustenance**
Funding is perhaps the biggest challenge faced by SSBs across geographies. The extent of funding and financial self-sustenance will clarify the operating environment of the SSBs and is a yardstick to measure whether the SSBs are in the desired path in achieving the ambitious goals set by them.

Road Ahead

Overcoming all the above challenges especially at the design and incubation phase of an SSB have proven to be useful in the running of SSBs. Functional SSBs, across countries, provide a platform for industries to make their challenges known to the government and it also becomes a breeding ground for co-creating innovative solutions.

In the context of a developing country like India, below are some of the pathways which an SSB can tread:

Education to Work transition

- **Schools**
 - Facilitate School to Work transition: Industry visits, internships, apprenticeship
 - Developing region specific future skill courses
 - Establishing state-of-the-art labs
 - Facilitating career counselling and provide career pathways to students
- **Vocational Training Institutions**
 - Designing programmes enabling Multiple Entry Multiple Exit (MEME) opportunities for youth
 - Flexi MoUs, Dual System of Training with active industry participation
 - Facilitating international mobility
 - Industry engagement – exposures, internships & apprenticeship
 - Upskil
 - Industry led Centres of Excellence (CoE)
- **Higher Education Institutions (HEIs)**
 - Facilitate College to Work transition: Industry visits, internships, apprenticeship
 - Collaborate in Apprenticeship Embedded Degree Programmes (AEDP)/ Work Embedded Degree
 - Programmes with national and international HEIs
 - Design courses on Emerging Technologies
 - Industry led Centres of Excellence (CoE)
 - Upskilling Trainers/ Assessors

Upskilling – Reskilling of the workforce

- **Industry Engagement**
 - Increase representation through membership
 - Demand aggregation from Industry
 - Upskilling of workforce
 - Setting up CoEs

Skill Impact Services

- Conducting sector specific research studies on productivity, quality, skill ecosystem and scalability
- Advisory services to industry
- Industry led skilling programmes (CSR)
- Incubation support to micro & nano entrepreneurs
- Outcome based funding - Skill Impact Bonds (SIB)

International collaborations with support from nodal Ministry/Agency like National Skill Development Corporation (NSDC) in case of India

- Partnering with multi-lateral organizations like ILO, FCDO, UNDP, GIZ, etc. for specific interventions
- Strategic partnerships with International Agencies/ Universities
- Facilitating international mobility
- Setting up and/or strengthening the Sector Skill Bodies in various countries

SSBs hold a key responsibility in bridging the skilling needs of the country by playing the role of a facilitator between industry and government. Flourishing SSBs often shape the skilling landscape of the country developing a workforce adept to the everchanging world of technology. SSBs in that sense truly become an enabler for economic prosperity of the country.

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EMPOWERING ARTISANS: THE IMPACT OF PM VISHWAKARMA SCHEME



Artisans and craftspeople represent the cultural backbone of societies in India, preserving traditional crafts and techniques passed down through generations. However, in today's rapidly evolving world, these skilled individuals often find themselves marginalized or left behind due to technological advancements and changing consumer preferences. To address this challenge and ensure the sustainability of traditional crafts, Government of India has made concerted efforts like the PM Vishwakarma Scheme (PMVS), tailored to the skilling and livelihoods needs of artisans and craftspeople.

PMVS, launched by the Hon'ble Prime Minister of India, is a comprehensive program designed to promote entrepreneurship among artisans and traditional workers covering 18 trades and 10 subtrades. The scheme aims to empower those who have been the backbone of our village economy and custodians of a rich heritage of craft and artisanal skills that add to the pride of this country both domestically and abroad. Named after Lord Vishwakarma, the divine architect and craftsman, the scheme aims to unleash the creative potential of a large section of our society by polishing their skill sets and holding their hand for the path of prosperity in the next two decades of *Amrit Kaal*.

PMVS is being implemented as a Central Sector Scheme, fully funded by the Government of India. The Scheme is being conjointly implemented by the Ministry of Micro, Small and Medium Enterprises (M/o MSME), the Ministry of Skill

Development and Entrepreneurship (MSDE) and the Department of Financial Services (DFS), Ministry of Finance (MoF), Government of India. In its current operational cycle, PM Vishwakarma scheme, the union government was allocated a budget outlay of ₹130 billion for five years up to 2027-28, to skill, reskill, and upskill 3 million *Vishwakarmas* or candidates, with a target of 600,000 completions in the fiscal year 2023-24.

The uniqueness of the scheme lies in how it integrates traditional skill sets with modern tools and turns them into economic opportunities for the individual artisans and the community. It has been an unfortunate historical development that cheap mass production and colonial destruction of indigenous industries forced traditional crafts and livelihoods to the verge of extinction, despite of their immense cultural significance, reflecting their history, identity, and community values. The process continued and over the centuries led to economic and social marginalization of communities that were wealth creators, entrepreneurs, and beacons of prosperity for the whole country. By supporting traditional crafts, PMVS is correcting a historical socio-economic injustice that started with the rise of machines and is responsible for the sorrowful conditions of traditional crafts, and craftspeople.

To enhance the skills and knowledge of the artisans PMVS offers a range of educational and training programs tailored to the specific needs in the areas such as design innovation, marketing strategies, financial management, and technological

PM Vishwakarma Scheme



Carpenter



Boat Maker



Armourer



Blacksmith



Potter



Locksmith



Goldsmith



Shoemaker



Sculptor



Stone Breaker



Barber



Mason



Basket Weaver



Washerman



Doll & Toy Maker



Tailor



Fishing Net Maker



Garland Maker

integration. By participating in these programs, artisans gain the expertise and confidence needed to compete in the global marketplace. Moreover, continuous learning fosters innovation, enabling artisans to adapt their traditional skills to contemporary demands and create unique, high-quality products. The bottom-up approach that this scheme takes not only contributes to the preservation of cultural practices, generational skills and *Guru-Shishya Parampara* but also provides an identity and recognition to the Vishwakarmas who will be maintaining the authenticity of their work.

Furthermore, by fostering pride and appreciation for their cultural heritage, PMVS helps communities have pride in their identity. Through collaborations with cultural institutions and educational programs, PMVS ensures that traditional knowledge and practices are passed down to future generations, enriching the cultural landscape and fostering a sense of belonging. Along with the preservation of intangible cultural heritage embedded in these craftsmanship skills, the training and support will surely help the artisans in improving the quality and marketability of their products, command higher prices and increasing their income and standard of living. Moreover, as traditional crafts gain recognition in domestic and international markets, they become valuable assets for tourism and cultural exchange, generation of employment opportunities, boosting local economies and adding to India's

soft power. Additionally, by promoting sustainable practices and ethical production methods, upskilling schemes support the long-term viability of artisanal industries, preserving natural resources and traditional livelihoods for future generations.

By participating in the scheme, candidates can avail the following resources and support:

- Short term training focused on a specific trade for five to seven days followed by an advanced training of 15 days or more with a stipend of ₹500 per day.
- PM Vishwakarma ID card and certificate upon completion.
- Trade specific Toolkit worth up to ₹15,000 given at the beginning of the basic skill training.
- Credit support in the form of a collateral-free loan for 'Enterprise Development' of up to ₹ 300,000 in two tranches of ₹ 100,000 and ₹ 200,000 for 18 months and 30 months respectively. These loans are provided at a concessional rate of interest fixed at 5%, with Government of India subvention to the extent of 8%.
- Entrepreneurship onboarding on the Udyam Assist Platform to facilitate a formal entry into the MSME ecosystem via Aadhaar-based biometric authentication on PM Vishwakarma portal.
- Direct transfer monetary incentive for digital transaction such that, for each digital transaction in their trade, the eligible candidates receive ₹1 per digital transaction, up to a maximum of 100 transactions monthly.
- Marketing support in the form of branding, quality certification, onboarding on e-commerce platforms, advertising, and marketing activities to improve linkage to the value chain.

The scheme allows for a holistic coverage of steps needed to transition into modern infrastructure by combining technical, digital, financial, and business skill development into a single scheme.

Data pertaining to the scheme and its progress is available to the public on the Skill India Digital platform and PM Vishwakarma website. Some of the key highlights of the scheme as of February 2024 are as below:

- More than 11 million candidates have applied to be registered under PMVS.
- More than 400,000 candidates successfully registered upon a three step verification process.
- Tailoring, Masonry (Rajmistri), Carpentry, Barbary, and Masonry (Mistri) are the top five trades in terms of candidate registrations.
- Karnataka, Gujarat, Andhra Pradesh, Assam and Jammu & Kashmir are the top five states in terms of candidate registrations.
- More than 52% of the registered candidates are women

Implementing PM Vishwakarma Scheme:

While PMVS offers numerous benefits to artisans and craftspeople, it also faces implementational challenges. There are multiple procedural boxes that must be checked before training can commence in a training institute. Getting a center ready requires numerous efforts and multiple rounds of stakeholder orientation. While education and skilling are a state subject, PMVS is a federally run skilling initiative. Therefore, the implementation calls for close collaboration between the Union and the State Governments to achieve the goals enshrined in PMVS. At this stage, Ministry of Skill Development & Entrepreneurship (MSDE) and National Skill Development Corporation (NSDC) play a critical role of strengthening the federal partnership by bringing all the relevant stakeholders together for the scheme implementation.

MSDE and NSDC play the role of anchors and promoters in the implementation stage by contributing to the digital infrastructure of the scheme through the Skill India Digital platform and supporting trainings at designated institutes. These training centres also become a platform for the candidates to share their concerns, grievances and queries which are addressed with diligence and promptness. This brings immense responsibility for each individual engaged in the scheme implementation for ensuring quality training to the Vishwakarma. For example, a clear and stringent process gets followed by these institutes to ensure ease of onboarding for the candidates. The scheme with its vast implementation and quick completion time requires everyone to be agile and adaptive. This dynamism has shown the potential of NSDC in implementing such a vast scheme with great fervor.



Through its comprehensive approach, including financial assistance, training programs, technology adoption, and market linkages, the scheme is successfully empowering artisans to enhance their skills, improve productivity, and access new economic opportunities. The focus on leveraging technology and promoting digital literacy has enabled artisans to adapt to the demands of the modern marketplace while preserving traditional craftsmanship. Furthermore, there is a clear emphasis on inclusivity and sustainability which ensures that artisans from marginalized communities and rural areas are not left behind in India's journey towards economic development but be an active participant in the country's growth story.



Looking ahead, the continued success of the PMVS will depend on sustained government support across the country, effective implementation mechanisms, and ongoing collaboration with stakeholders at all levels. By building on its achievements and addressing any existing challenges, the scheme has the potential to further transform the lives of artisans and craftspeople, driving inclusive growth and prosperity across India's diverse cultural landscape.



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#INVESTINWOMEN: FINANCIAL INCLUSION FOR WOMEN ENTREPRENEURS IN INDIA



As the world prepares to commemorate the International Women's Day on March 8th, with the theme of "Inspire Inclusion" for 2024, it presents a critical moment of reflection on avenues that foster inclusivity, particularly in economic spheres. UN Women recently announced its solidarity and support to rally behind the call to "Invest in women: Accelerate progress". Their announcement notes that "one of the key challenges in achieving gender equality by 2030 is an alarming lack of financing with a staggering USD 360 billion annual deficit in spending on gender-equality measures." Given the stark evidence pointing to lack of inclusivity for women in accessing modern financial products and services, financial inclusion emerges as a pivotal component, especially for vulnerable communities of women embarking on the journey of entrepreneurship from the confines of their homes.

Imagine the story of a woman in her mid-30s, living in a semi-urban town in India. She may be skilled at creating certain handicraft products or website design, nurturing aspirations of transforming her expertise into a thriving business. However, even before grappling with the typical challenges of entrepreneurship, she faces formidable barriers. She may not possess a smartphone and lack digital literacy, hindering her access to online markets. Support from family and community might be limited, exacerbating her sense of isolation and loss of confidence. Crucially, she may lack a bank account or access to vital financial services like loans and insurance to scale up her enterprise. She may also battle lack of awareness of government schemes, which could aid her endeavours. In this narrative lies the loss of a budding entrepreneur a potential job creator, whose talents, if nurtured with financial and digital inclusion, could bolster the workforce and spur economic growth.

This is a realistic depiction of the circumstances and limitations that stand in the way of many aspiring women entrepreneurs in the country, particularly those who are running solo operations with limited capital and technical know-how.

According to a recent survey conducted by the Reserve Bank of India (RBI) on the Indian start-up sector, progress towards gender parity remains sluggish. Merely 5.9% of start-ups boast of "only female" founders, starkly overshadowed by the 55.5% of start-ups run solely by men. Friends and family emerge as the primary funding source for start-ups, contributing up to 42.9%, further underscoring the gender disparity in access to formal finance channels.

Even global crises like COVID-19 have had gendered effects as captured in multiple studies with disproportionate impact of the pandemic on women entrepreneurs, particularly those from rural or low-income backgrounds. Micro and small enterprises helmed by women struggled to survive amidst lockdowns, accentuating pre-existing vulnerabilities in accessing markets and financial resources. Women-owned Micro, Small, and Medium Enterprises (MSMEs) bore the brunt of the pandemic's economic fallout, with a staggering 82% reporting income declines. Access to credit emerged as a critical issue, compounded by factors such as lack of collateral, limited avenues to prove creditworthiness, and biases against lending to female entrepreneurs.

However, women have shown their resilience time and again. Despite setbacks induced by the pandemic, women entrepreneurs have showcased resilience and resourcefulness, contributing significantly to COVID response efforts through mass production of essential supplies.

The latest NITI Aayog report on the state of women entrepreneurs in India underscores the imperative of fostering a robust ecosystem to support women entrepreneurs, to improve India's ranking in global indices on women entrepreneurship.

In her book, "There's Nothing Micro about a Billion Women: Making Finance Work for Women," Mary Ellen Iskenderian advocates for financial inclusion as a catalyst for women's empowerment and economic growth. Drawing on her banking

sector experience, Iskenderian illustrates how access to financial services can transform the lives of low-income women, catalysing intergenerational benefits and fostering community development.

Iskenderian's insights underscore the urgent need for tailored financial products that cater to women's needs, addressing barriers such as lack of collateral and digital literacy. She advocates for disaggregated data and gender-sensitive product design to bridge the gender gap in financial access. Interestingly, she also makes a business case for greater financial inclusivity for women, pointing to data on repayment behaviours and aggregate profit potential from massive the customer base of low-income women.



Iskenderian's argument can be applied to women engaged in Nano or Solo entrepreneurial activities in India who require support to avail access to financial products. There are more than 10 million nano-entrepreneurs in India, with an annual turnover of between ₹ 1 million and ₹ 10 million and employing an average of 2 people for each enterprise. These entrepreneurs face unique challenges in accessing credit due to their informal status and lack of credit history. A survey conducted among nano entrepreneurs in Pune revealed heavy reliance on self-funding and familial loans, with reluctance to approach formal financial institutions due to stringent terms and perceived biases. For women engaged in such businesses, the added layer of gendered challenges of autonomy, access to smart phones, and familial or community push-back further exacerbates the vulnerabilities.

To enhance credit access for nano entrepreneurs, initiatives, such as, the Bank Mitra and Bank Sakhi programmes could be extended to urban areas, offering personalized guidance and support. Moreover, improving financial literacy and leveraging FinTech solutions, and alternative lending models can enhance

credit assessment and foster a conducive ecosystem for nano enterprises to thrive.

Women entrepreneurs hold immense potential to drive economic growth and foster social development. However, entrenched gender disparities in access to financial services and business acceleration impede their full participation in entrepreneurship. The G20 working group's knowledge report on Financial Inclusion and Business Acceleration sheds light on the challenges faced by women entrepreneurs and offers insights into strategies to promote their financial inclusion and empowerment.

According to the report, gender disparities in entrepreneurship not only hinder economic growth but also perpetuate broader societal inequalities. Closing the gender gap in entrepreneurship has the potential to boost global GDP by 3% and generate over 400 million jobs worldwide. Women-led enterprises create ripple effects beyond economic returns, contributing to women's agency, serving as community role models, and fostering female employment. Despite these potential benefits, women entrepreneurs face significant barriers to accessing financial services and business acceleration programmes.

One key challenge identified by the report is the gender gap in access to networks and business acceleration opportunities. Women entrepreneurs often have smaller networks, primarily comprising other women entrepreneurs, which limits their access to critical resources and opportunities for growth. Moreover, gender biases in business acceleration programmes result in men-led startups raising significantly more equity after participating in accelerators, exacerbating disparities in access to funding and support.

Another critical barrier to women's entrepreneurship is their limited access to high-value markets and capital-intensive sectors. Women entrepreneurs are more likely to operate in less profitable sectors focused on local markets, such as retail and social services, while being underrepresented in high-growth sectors like technology and finance.

Insufficient resources, a lack of gender-intentional policies, and restrictive social norms perpetuate these challenges. Gender-neutral approaches to designing financial services often overlook women's unique needs, resulting in products and policies that are not tailored to their contexts. Moreover, entrenched social norms around women's economic participation, including prohibitions on owning assets and inequitable intra-household decision-making, further constrain women's entrepreneurship.

The report recommends a multi-faceted approach to address these challenges and promote financial inclusion for women including:

1. Gender-intentional policies, such as interest subsidies for low-income women borrowers and capacity-building initiatives for regulators and financial institutions, can create an enabling environment for women entrepreneurs.
2. Sensitizing communities regarding restrictive social norms and advocating for their transformation are essential steps toward fostering an environment conducive to women's entrepreneurship.

3. Fostering collaboration between FinTech firms and gender experts can drive the development of gender-intelligent financial solutions tailored to women's unique constraints. By leveraging gender-disaggregated data and field-testing FinTech products, these collaborations ensure that financial services effectively target and serve women entrepreneurs.



Financial Inclusion of Women Entrepreneurs in India

In rural and semi-rural India, self-employed individuals often receive support and financing from networks of self-help groups, government schemes and micro-financing platforms. But similar networks do not provide adequate coverage for low-income entrepreneurs in urban areas, and this often masks their vulnerabilities and need for support.

In response to the challenges faced by women solo entrepreneurs, several recommendations emerge to enhance credit access and support their growth trajectory:

- Improvement of financial literacy among women entrepreneurs, especially solopreneurs, through targeted training programmes and digital literacy initiatives.
- Harnessing technology and data analytics by FinTech companies to develop innovative lending models that assess creditworthiness based on alternative data sources.
- Incentivizing Udyam registration for nano enterprises by offering benefits such as training programme, digital skills development, and membership of industry associations.

- Establishment of business turnaround support centres tailored to the needs of nano entrepreneurs, aiding in scaling up operations, market expansion, and improving financial performance.
- Community level sensitization initiatives tailored towards specific challenges of women entrepreneurs.
- Life skills training for women to help women become more confident and empower them to navigate household and community support challenge.

These recommendations aim to create an enabling environment for women, thus facilitating their access to credit and fostering sustainable growth. By addressing the unique challenges faced by women entrepreneurs, we can unlock their entrepreneurial potential and drive inclusive economic development.

In conclusion, empowering women entrepreneurs requires concerted efforts to dismantle systemic barriers and foster an inclusive entrepreneurial ecosystem. By prioritizing financial inclusion and tailored support mechanisms, India can harness the full potential of its women entrepreneurs and nano enterprises, driving equitable economic growth and societal progress. As we commemorate International Women's Day, let us reaffirm our commitment to building a future where every woman entrepreneur could pursue here entrepreneurial dreams and contribute meaningfully to India's development journey.

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ENABLING FINANCIAL INCLUSION: CHALLENGES, SOLUTIONS, AND OPPORTUNITIES FOR RURAL ARTISANS IN INDIA



Introduction

While artisans and craftspeople engaged in traditional livelihoods represent a wealth of generational knowledge and cultural capital of the country, their path towards economic self-sufficiency and well-being is fraught with challenges. These craftspeople, especially the Vishwakarmas, as defined by the 18 trades included under the PM Vishwakarma Scheme (PMVS), are caught between tradition and modernization, struggling to make ends meet as they endeavour to turn their legacy skills into a sustainable modern enterprise.

Their inability to access technology and institutional infrastructure makes it challenging to navigate the complex web of financial services they depend on for survival. Craftspeople face several hurdles that hinders their creative heritage from becoming successful businesses, ranging from historical exclusion from financial infrastructure to the contemporary barriers of insufficient market connectivity. Nevertheless, there are signs of hope among these difficulties as creative ways to close the gap between tradition and advancement appear.

Financial Inclusion

Artisans' challenges regarding financial inclusion in rural areas are multifaceted and profound. Institutional infrastructure, both fiscal and marketing-wise, needs to be modified or simplified to help with the specific challenges of rural artisans and craftspeople. Artisans and craftspeople such as the Vishwakarmas are typically individuals or communities running small, sometimes solo enterprises where they often lack technical expertise, and/or ability to hire experts to access basic financial services, such as bank accounts, credit, and insurance. This leads to their unwillingness to avail access to cheaper and more secure formal channels of finance.

Historical lack of Banking access and Formal Credit

Banking access is the bedrock of financial inclusion. Most

Indians have lacked access to bank accounts for a long period. According to the World Global Findex Report, only 35 percent of adult Indians were bank account holders until 2011, with only 38% of bank branches being constituted in rural areas. This lack of adequate formal fiscal infrastructure has consequently led to restricted credit. According to a 2016 report from the National Institute of Labour Economics Research and Development (NILERD), 78% of MSMEs meet their financial demands from informal sources and self-financing. Historically, small-scale rural artisans have been denied credible sources of credit.

This restricted access has been exacerbated by (i) poverty and a lack of financial literacy to comprehend the existence of legitimate credit lenders such as banks and (ii) a lack of formal credit lenders in rural India, consequentially leading to slim profit margins and irregular incomes.

Furthermore, the retail credit gulf between urban and rural areas remains stark, with a substantial percentage of the rural population remaining underserved. Out of the ₹ 57,580 billion sanctioned by NBFCs in 2021, rural credit accounted for just 20.8%.

Inadequate access to technology

In modern times, the adoption of ever-evolving technology has become a necessary condition for productivity, output, and efficiency. Many rural artisans use manual tools and traditional methods, which often involve labour-intensive production methods, hindering their ability to achieve economies of scale, and struggle to compete efficiently with modern machinery. Beyond modern means of production, artisans also need to develop business, sales, and marketing skills to be profitable. A study by Catalyst AIC noted that 98% of artisans have never conducted an online transaction on digital channels or e-commerce websites, including Facebook or WhatsApp groups.

This limited production capacity and inadequate market access leave artisans vulnerable to exploitation and economic

uncertainty. Furthermore, their lack of marketing expertise and brand awareness undermines their capacity to demand reasonable pricing for their artistry.

Lack of market linkages has a crucial role in the economic sustainability of artisans, facilitating access to broader consumer markets and their ability to demand fair pricing for their products.



Limited Transportation and Logistics

Beyond modern technical and marketing skills, logistical issues, geographical remoteness, and limited infrastructure also limit artists' access to markets, particularly in distant rural locations. Fixed transportation networks and market infrastructure exacerbate this issue, limiting their ability to access a more extensive consumer base and interact with higher-value markets.

Dependence on intermediaries

Artisans frequently rely on intermediaries for market access, increasing the problem of unjust pricing and income inequality within value chains. Intermediaries may use their position to negotiate lower prices for the products, reducing their already thin profit margins.

Solutions and Opportunities

Rural FinTech for Financial Inclusion

Rural FinTech startups are essential in closing the financial inclusion gap for rural artisans. These firms use technology to construct credit profiles for individuals and businesses in rural regions, allowing them to obtain finance. These credit profiles evaluate creditworthiness and facilitate loans, allowing marginalized areas to get critical financial assistance.

Furthermore, rural FinTechs provide services such as mobile banking and digital payments, working with financial institutions to guarantee that new clients comprehend digital payment methods. Initiatives such as BharatPe's collaboration with the Ministry of MSME (MoMSME) demonstrate how partnerships between FinTech businesses and government entities may help craftspeople adopt digital technology and integrate into the digital economy.



Government-Led Initiatives

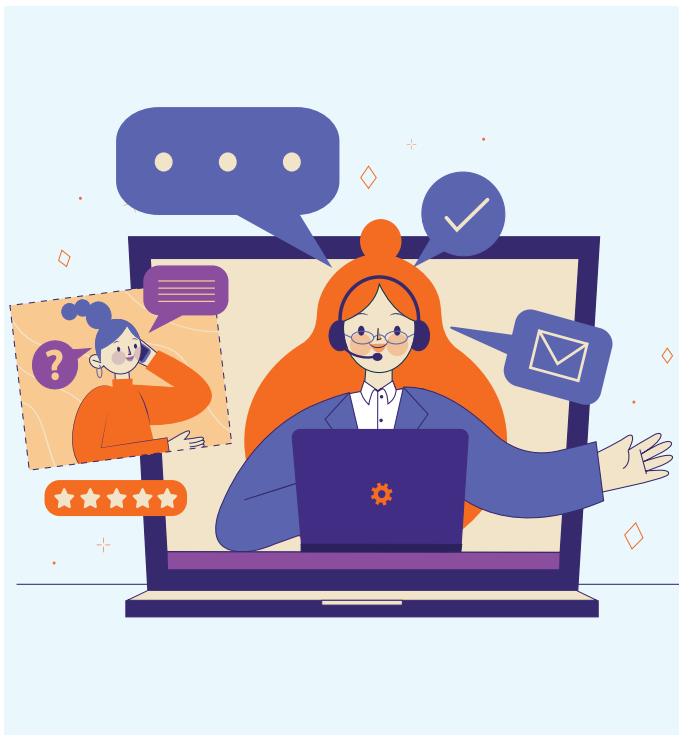
Government-led programmes play an essential role in assisting rural artisans in overcoming their challenges and provide them with adequate technology for sustenance and growth. Initiatives like the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Mudra Yojana (PMMY) provide crucial financial assistance for artisans to upgrade their equipment, thereby bridging the gap between traditional artisanry and modern technology.

After the technological improvements, the next challenge will be leveraging digital tech to reach a broader audience. To address this issue, government schemes such as the PM Vishwakarma Scheme (PMVS) offer upskilling opportunities on both technical and business skills and the candidate are also given trade-specific tool-kits worth ₹15,000 during the training period. Following the successful completion of the first round of training for 5 days, Vishwakarmas may also avail a longer training of 15 days.

After this training, Vishwakarmas can also avail credit support in the form of a collateral-free loan for 'Enterprise Development' of up to ₹ 300,000 in two tranches of ₹ 100,000 and ₹ 200,000 for 18 months and 30 months, respectively. These loans are provided at a concessional rate of interest fixed at 5%, with Government of India subvention to the extent of 8%.

Additionally, collaborations between government organizations and commercial entities, such as the Memorandum of Understanding (MoU) between the North-Eastern Handicrafts and Handlooms Development Corporation (NEHHDC) and Tide, aim to digitize the handloom and handicraft industries, expanding market reach and enhancing financial inclusion for artisans. Providing them with an understanding of digital platforms and financial consulting and mentorship programmes enables the artisans to navigate the formal market effectively.

There is a need to create more awareness amongst artisans and craftspeople regarding the government schemes currently active in their domain so that they can benefit from these schemes to bridge some of the skill and financial inclusion gaps.



Marketing Support and Capacity Building

Marketing support and capacity building for rural artisans in India is crucial for empowering these skilled individuals and promoting the rich cultural heritage of the country. Rural artisans often face challenges in accessing markets, promoting their products, and adapting to changing consumer preferences. Therefore, initiatives aimed at providing marketing support and capacity building play a vital role in enhancing the livelihoods of rural artisans and preserving traditional crafts.

One approach to support rural artisans is by providing them with training and workshops on marketing strategies, branding, and product development. These capacity-building efforts help artisans improve their skills in market research, pricing, packaging, and presentation, enabling them to create products that appeal to a wider audience and meet market demand. Additionally, providing access to digital platforms and e-commerce channels allows artisans to reach customers beyond their local communities and tap into new markets.

Moreover, marketing support initiatives can involve collaborating with retail outlets, cooperatives, and artisanal networks to showcase and sell artisanal products. By facilitating market linkages and creating platforms for direct interaction between artisans and consumers, these initiatives help rural artisans gain visibility, generate income, and build sustainable livelihoods. Ultimately, investing in marketing support and capacity building for rural artisans not only promotes economic empowerment but also contributes to the preservation of traditional crafts and cultural heritage in India.

Capacity-building programs, such as the Mega Cluster Scheme, provide artisans with crucial financial and marketing support, allowing them to participate in domestic and worldwide marketing events. These programmes connect artisans with potential buyers by organizing buyer-seller events and developing market linkages, promoting inclusive growth in the handicraft industry. Furthermore, these efforts help artists improve their marketing skills and build a more significant market presence, enhancing their competitiveness and economic viability.

Conclusion

In conclusion, a comprehensive approach is necessary to address the financial inclusion issues for rural craftspeople. Reliance on intermediaries, restricted access to finance, and technological obstacles impede their advancement. Yet, some alternatives provide financial support and digital training, such as government-led programmes like PMJDY, PMMY, and rural FinTech firms. Government and commercial groups are working to digitize the handicraft industry, increasing its market reach. Programmes for increasing capacity, such as the Mega Cluster Scheme, offer vital assistance and raise the competitiveness of craftspeople. By resolving these issues and utilizing existing prospects, we can guarantee rural craftsmen's financial stability and expansion, promoting equitable advancement in the handicraft sector.



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NEWS BYTES



THE PRESIDENT OF INDIA INAUGURATES KAUSHAL BHAWAN IN NEW DELHI

In a moment of immense pride, the Hon'ble President of India, Smt. Draupadi Murmu, inaugurated Kaushal Bhawan on January 24, 2024, symbolizing India's steadfast commitment to empowering youth through skill development, in line with Hon'ble Prime Minister Shri Narendra Modi's Skill India Mission. Kaushal Bhawan epitomizes the pivotal role of skills in enhancing capacity and nurturing a future-ready workforce.



The inauguration showcased various skill development initiatives under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), with a focus on traditional artisanry and the promotion of diverse skills crucial for India's growth trajectory. The event was graced by the presence of Hon'ble Union Minister of Education and Skill Development and Entrepreneurship, Shri Dharmendra Pradhan, Minister of State for Skill Development and Entrepreneurship, Information Technology, and Jal Shakti, Shri Rajeev Chandrasekhar, as well as Secretary of Skill Development and Entrepreneurship Shri Atul Kumar Tiwari.

THE CHANGING FACE OF EDUCATION IN INDIA

India's educational institutions play a significant role in shaping the future of students. Aligned with this belief and with the aim of fostering collective growth based on the principle of "sharing is caring", an education conclave titled **EDUVISION 2024** was convened in New Delhi. The Hon'ble Minister of Education and Minister of Skill Development and Entrepreneurship, Shri Dharmendra Pradhan, graced the conclave as the chief guest. In his address, he highlighted that over the past decade, education in India has witnessed rapid growth. Notably, 43% of girls are now enrolled in STEM education programmes, indicating a positive trajectory towards India's development. This underscores our commitment to promoting and nurturing education in the right direction.



SKILL INDIA DIGITAL INITIATIVE BECOMES A BIG HIT IN JAMMU & KASHMIR (J&K) AS 3,100 ENROL IN 4 MONTHS, 15% OF THEM WOMEN

On February 15, 2024, the Ministry of Electronics, and Information Technology (MeitY) in Guwahati hosted the Digital India Future Skills Summit aimed to inform the youth about upcoming opportunities in artificial intelligence, cybersecurity, and semiconductors. This event took place. Hon'ble Union Minister of State Shri Rajeev Chandrasekhar addressed the event, stating, "Today's Future Skills Summit in India is being held in Guwahati for youth, especially in the northeast, focusing on areas like AI, cybersecurity, among others. These are technologies that deliberate strategies for catalysing future-ready talent for India and the world."

UNION MINISTER SHRI DHARMENDRA PRADHAN LAUNCHES INITIATIVES & INDUSTRY PARTNERSHIP TO SKILL INDIA'S YUVA SHAKTI

Hon'ble Union Minister Shri Dharmendra Pradhan launched a series of initiatives and forged industry partnerships aimed at skilling and empowering India's youth. This effort included signing MoUs with 15 organizations, including industry giants like Google, Microsoft, Teamlease, Upgrade, Unstop, Reliance Foundation, and Infosys, as well as leading academic institutions.

The focus of these partnerships is to prepare the Amrit Peedhi for the future of work.

OVER 66 THOUSAND YOUTH GAINED EMPLOYMENT IN 2023-24 THROUGH VOCATIONAL EDUCATION & SKILL DEVELOPMENT IN UTTAR PRADESH

During the fiscal year 2023-24, the State Government of Uttar Pradesh made remarkable strides in enhancing the skills of youth and creating employment opportunities through the Uttar Pradesh Skill Development Mission. A total of 29,354 trainees were successfully placed in various companies, while approximately 66,000 youths across the state gained employability opportunities through vocational education programmes.



20 NATIONS INSPIRED BY SUCCESSFUL IMPLEMENTATION OF SKILL INDIA DIGITAL

Speaking at the 'India Summit on Education Knowledge Exchange' organized by the World Bank which saw participation of representatives from twenty nations, Atul Kumar Tiwari, Secretary, Ministry of Skill Development & Entrepreneurship (MSDE) said that "Skill India Digital is a unified digital platform designed to synergise India's skill development, education, employment, and entrepreneurship landscape. The platform ensures convergence by encompassing training programs implemented by various ministries and departments of the Central Government and State Governments. By integrating government training programs, the platform creates a unified and centralised hub for skill development initiatives."

CENTRE LAUNCHES 'VENTURE CAPITAL FUND' TO SUPPORT TRIBAL ENTREPRENEURS, START-UPS

Hon'ble President of India Smt. Draupadi Murmu inaugurated the tribal festival, 'Aadi Mahotsav', at the Major Dhyan Chand National Stadium in Delhi. During the event, she also launched the Venture Capital Fund (VCF) specifically designed for the tribal population. The objective of this initiative is to foster entrepreneurship among tribal communities. Under this scheme, beneficiaries will have access to investments ranging from ₹ 1 million to ₹ 50 million for a period of up to 10 years. Additionally, they can avail concessional finance at an interest rate of 4% per annum. This financial support is aimed at empowering tribal entrepreneurs engaged in various sectors such as manufacturing, allied industries, startups, and technology-driven ventures, thereby promoting asset creation within tribal communities.

The concessional finance will be available to women and disabled at 3.75%. The VCF, a SEBI registered venture capital initiative, will be managed by IFCI Venture, a subsidiary of IFCI Ltd a Government of India undertaking. The two investors in the VCF-ST Scheme are MoTA and Tribal Cooperative Marketing Development Federation of India (TRIFED).

NSDC HONOURED WITH GREAT PLACE TO WORK® CERTIFICATION

National Skill Development Corporation (NSDC) has achieved the prestigious Great Place to Work® certification, solidifying its reputation as an exemplary workplace under the esteemed Non-Profit and Charity category. This recognition serves as a testament to NSDC's commitment to fostering a workplace culture that is conducive to employee well-being and professional growth. The overwhelmingly positive experiences of its workforce further underscore NSDC's dedication to creating an environment that values and prioritizes its employees, contributing to its distinction as a Great Place to Work®.

NITI AAYOG'S ARVIND VIRMANI HIGHLIGHTS SKILL DEVELOPMENT AND WOMEN'S PARTICIPATION IN THE LABOUR FORCE AS INDIA'S GROWTH DRIVERS

Advocating for a strategic approach to tackle challenges encountered by married women in the workforce, Arvind Virmani, a member of NITI Aayog, emphasized the importance of promoting skill development and encouraging the establishment of day care facilities. He also highlighted an interesting fact, stating that the gap between highly educated unmarried women and their male counterparts in India is as minimal as it is in the United States.

LOGIMAT INDIA TIES UP WITH GATI SHAKTI VISHWAVIDYALAYA TO BOOST SKILL DEVELOPMENT, JOB CREATION

Logistics and warehousing exhibition platform LogiMAT India partnership with Gati Shakti Vishwavidyalaya to foster knowledge transfer, skill development and innovation to help create one crore jobs in the sector by 2027. Gati Shakti Vishwavidyalaya, a central university at Vadodara in Gujarat, provides transport and logistics skill training.

AI TO CREATE NEW JOBS & ENABLE FASTER LEARNING: MICROSOFT CEO SATYA NADELLA

During an event in Bangaluru on January 8, 2024, Microsoft CEO Mr. Satya Nadella announced the extension of the company's initiative named Code; Without Barriers. This programme aims to provide skill training and certification to 75,000 women developers in India as part of their broader initiative. This Microsoft programme seeks to tackle the gender gap evident in the region's fast-growing cloud, artificial intelligence (AI), and digital technology sectors. It specifically focuses on individuals in tier-2 and tier-3 cities, as well as rural areas, with the goal of fostering inclusive socio-economic development.

TATA POWER-DDL, ASCI PARTNER FOR SKILL TRAINING IN POWER, RENEWABLE ENERGY SECTORS

Tata Power Delhi Distribution Ltd (TPDDL) signed a Memorandum of Understanding (MoU) with the Administrative Staff College of India (ASCI) to jointly develop and deliver courses aimed at training and skill enhancement for personnel working in the power and renewable energy sectors. This collaboration is focused on co-creating educational programmes to equip engineers with knowledge and expertise in emerging areas such as operation and maintenance, distributed energy generation, smart grid technologies, and various activities related to power distribution systems. The partnership is set to span the next five years with the goal of addressing evolving industry needs and fostering continuous professional development within the sector.



IN CONVERSATION



LEADING AN INFORMAL SECTOR IN AMRIT KAAL: FURNITURE & FITTINGS SKILL COUNCIL



Rahul Mehta

CEO, FFSC

Rahul has an overall experience of more than 18 years in diverse areas ranging from Risk Advisory, to Trading, Event Management, Interiors & Furniture industry, and Skill Development. He has been associated with the Furniture & Fittings Skill Council (FFSC) since its inception and has been an ardent supporter of the 'Skill India Mission' & initiatives like World Skills Competition.

Good morning, Rahul Sir! Thank you for taking the time to speak with team Connect. To start, could you tell us a little bit about your professional and leadership journey?

Good morning to you too! It is my pleasure to speak with you.

I'm an Alumni of Shri Ram College of Commerce (SRCC) and my professional journey started with KPMG in a Risk Advisory role where I had first-hand experience of a multinational company and its operating system.

Over the years, I scaled up to different leadership roles and it got me an opportunity to set up a furniture manufacturing factory called I.EVO in 2013. While I was aware about the sector as my family has been into hardware fittings, trading & contracting business, this was a first-hand experience of setting up something from scratch, and that too at such a massive scale.

During this time, I encountered with FFSC in 2016 and learnt about the Skill India Mission. As a young company passionate to 'Make in India' and contributing to the nation's growth, I joined the mission, and engaged in training of candidates for World Skills Competition.

This inspired and motivated me to work towards bridging the gap between industry needs and workforce capabilities, and I joined FFSC fulltime in 2019 as COO. It has been an enriching journey so far, working with different sets of stakeholders like government authorities, industry, learners, skilling partners, and more.

As a Skill Ambassador, I am determined to embrace the learnings and challenges, and build a robust Skilling Ecosystem for my industry and nation, and I'm confident we shall do it sooner than later with the power of collaboration between various stakeholders.

You are currently leading the Furniture Sector Skill Council as CEO. Can you tell us a little bit more about your sector and share some unique aspects of skill demand within the sector?

One can gauge the growing opportunity by the fact that Modular Furniture Industry was recognized amongst the 12 Champion Sectors by Ministry of Commerce & Industry in 2020 for setting up manufacturing hubs in the country and aim to become net exporter. Our sector is also under consideration for the Production Linked Incentive (PLI) scheme, which is given for boosting the growth of an industry.

With increasing consumer demand for interiors & furniture within India, and the world looking at a substitute of China to meet its demand, our sector is poised for accelerated growth over the next few decades. Existing players are expanding, and new ones are entering the industry, leading to increased demand for a skilled workforce.

However, despite its rising prominence, the interiors, furniture, and allied industries are often clouded by misconceptions and myths pertaining to job profiles within the sector. The most common being that traditional carpentry is the sole career path available. However, the reality is far more diverse and promising.

Our industry offers a myriad of career opportunities spanning over design, manufacturing, business development, etc. with hundreds of job roles requiring a wide range of skill sets. A few high in demand jobs include Furniture Designers, CAD-CAM Engineers, Machine Operators (classical to CNCs), Installers (Modular to Hardware fittings), Supervisors, Factory Managers, Production Planers, etc. All these are both progressive and rewarding career options and its demand exists in both local entities and more popular branded companies such as Livspace, Homelane, Wooden Street, Design Café, Narsi, ANJ, etc.

Through our experience and various initiatives, we have realized the problem is of awareness more than candidate's willingness to pursue career in our industry. Through our learner focused

initiatives, we are shedding light on the multifaceted nature of the sector and inspiring a new generation of talent to explore and excel in this dynamic field.



I agree! Our youth certainly needs to be made aware of the wide range of opportunities within your sector, as I am sure it will help them chart interesting and promising careers for themselves. Can you tell us a little bit more about some specific areas of growth and challenges in your sector in terms of skills and livelihoods?

From my experience of studying various successful skilling models across the world, I would say there is a tremendous scope of growth. I strongly believe that we need to focus on building a skilling culture in India.

Being an informal and unorganized sector, there is an urgent need to define industry's occupational map for various sub-sectors and create National Occupational Standards (NOS) for various job roles that capture the nuanced requirements of the industry, as this is the foundation for building the skilling ecosystem.

Its absence hinders the creation of right qualifications, appropriate training infrastructure, implementing the right skilling programmes for existing & fresh learners, assessment & certifications, both recruitment efforts and professional development pathways.

There is also a notable communication and understanding gap between the industries that are hiring and the aspirants that are preparing to join the sector, which further complicates the issue. We also grapple with the dynamic nature of skill demand from the industry as it is always in flux due to the latest technological advancements.

Addressing these challenges requires a collaborative effort to bridge the divide between industry needs and workforce capabilities, ensuring alignment and efficiency in talent acquisition and skilling initiatives.

Through strategic interventions and stakeholder engagement, we try to overcome these obstacles and establish a robust framework that empowers individuals to thrive in our industry's dynamic and competitive landscape.

What are some key initiatives taken up by SSC Furniture & Fittings to overcome these challenges?

To answer this question, let us first understand the key stakeholders in the sector, that is, Industry Partners, Skilling Partners, and our Learners.

The industry itself is not formally organized nor branded. This means that the communication about the purpose and importance of skilling has also not reached in its right essence to the target audience.

We took this up as our first challenge and launched a Skill Ambassador Programme, where an individual, an organization or an industry association can become a Skill Ambassador and join the mission to create more awareness about skilling, its benefits, and impact on the industry. This programme has got a lot of traction and since its inception in 2020, today we have 1,500+ companies as Skill Ambassadors and the numbers are growing. This has been a crucial channel of collaboration for us.

Our second flagship programme is called FFSC Regional Skill Chapter where the aim is to create a community of Industry partners, Skilling Partners and Learners amongst various industry clusters across country, and provide skilling solutions regionally. Each chapter shall comprise of various Skilling Academies like Beginner Academy, Apprenticeship Academy & COEs. So far, we have identified about 50+ chapters across the country and are conducting Skill Gap Study in the shortlisted chapters to have a more Demand-Driven approach to offer solutions like Recognition of Prior Learning (RPL), upskilling, short term training, apprenticeship, etc. Our Hyderabad Chapter is a working model, wherein we have conducted Skill Gap Study, opened a Center of Excellence, signed up multiple Apprenticeship Academies.

We conducted a skill orientation programme for 500 students from ITIs and NSTI, and about 80% students told us that they were unaware that Furniture sector had so many opportunities else they would have joined the same earlier. After the orientation, 100+ students showed interest and applied for skill training tests to qualify for our 100% scholarship programme. This makes it clear that the problem lies with awareness.

Finally, I want to tell you about a programme we started called Skill Conscious Employer programme. This is a strategic step-by-step initiative in which we start with a 'Leadership First' approach whereby, the top leaders of an organization are sensitized and oriented to the skill vocabulary and ecosystem in the sector. Then the training flows through HR/Technical leads as a skill catalyst down to employee orientation. Based on this training, the company can develop its own Skilling Plan and we

as an SSC provide handholding and support through the journey.

To scale up the impact of these three programmes we have initiated a pan-India campaign called 'One Nation, One Industry: Empowered by Skills'. These initiatives are helping us formalize the sector, create awareness, and offer demand driven skilling solutions.

I'm confident that through our initiatives we would achieve our goal of building skilling culture.



You mentioned that Furniture and Fittings is a largely informal space in terms of where most people are employed. Tell us a little bit more about the on-ground realities of informal/traditional livelihoods and workforce employed in these jobs on ground? And how do initiatives like the PM Vishwakarma Scheme impact the workforce employed in your sector?

In furniture industry, Carpentry encompasses a spectrum of practitioners ranging from individual artisans to organized industry players. This can be delineated into three distinct categories, on-site work by individual carpenters or contractors, small or big workshops, and organized factories.

At the grassroots level, individual carpenters, often operating as single workers, face formidable challenges. Chief among these are financial constraints and a lack of technological integration, hampering their ability to thrive in a rapidly evolving landscape. Among the various schemes initiated by the Ministry of Skill Development and Entrepreneurship (MSDE), PM Vishwakarma stands out as the most sought-after initiative, designed to directly address the problem statements of carpenters at the grassroots level, and chart a path forward in this dynamic sector.

Through targeted interventions and support mechanisms, the programme endeavors to uplift and empower carpenters at all levels, catalyzing sustainable growth and prosperity within the industry.

We are currently on the cusp of what is popularly known as the 4th Industrial Revolution. Tell us ways in which technological and industrial advancements impact your sector?

In the Indian context, despite the informal nature of our industry there is notable technology adoption, though it varies across various segments of the sector.

We are witnessing an increasing technology upgradation and integration, whether it is an old setup or new entrant. In contrast, larger factories are witnessing a gradual shift towards automation, robotics, and 3-D printing, albeit at a slower pace compared to global counterparts.

As we navigate this landscape of technological diversity and evolution, there is a pressing need to foster innovation and embrace advancements that align with the unique dynamics of our sector.

Through strategic investments and collaborative initiatives, we aim to harness the transformative potential of technology to propel the Indian interiors, furniture, and allied industries into a new era of growth and competitiveness.

“ Among the various schemes initiated by the Ministry of Skill Development and Entrepreneurship (MSDE), PM Vishwakarma stands out as the most sought-after initiative, designed to directly address the problem statements of carpenters at the grassroots level, and chart a path forward in this dynamic sector. ”

What are some important ways in which your sector contributes to the overall mission of Viksit Bharat?

We are a growing sector and *Kushal Saksham Atmanirbhar* serves as the poignant tagline of the Furniture and Fittings Skill Council (SSC), encapsulating its vision of building Skill Culture, to foster skilled, empowered, and self-reliant individuals.

Under this mantra's auspices, we have embarked on a journey of transformative change, driven by a steadfast commitment to progress in terms of skill capacity and livelihoods improvement for the workforce.

Demonstrating a resolute determination towards realizing this vision, the government has displayed a profound seriousness in both conceptualizing and implementing initiatives aimed at skill development and empowerment.

This unwavering dedication to the cause instills confidence that the nation is on a trajectory towards realizing the overarching goal of a *Viksit Bharat* – a developed and prosperous India

BUILDING THE FABRIC OF VIKSIT BHARAT: TEXTILES SECTOR SKILL COUNCIL



Dr. Swapna Mishra

COO and Officiating
CEO, TSC

Dr. Swapna Mishra is an experienced Textile professional with B.Tech from N.I.T Jalandhar and

M.Tech. and Ph.D. from I.I.T. Delhi in Textile Technology. She has around 29 years of experience scanning over industry, academics, and skilling. She joined the Textile Sector Skill Council (TSC) in November 2014 as the Director (Curriculum & Training) and has been working as the Chief Operation Officer and Officiating CEO at TSC since April 2022.

Hello Dr. Swapna! Thank you for taking the time to speak with team Connect. We are excited to learn more about the Textile Sector Skill Council (TSC) from you. But before we dive into that, could you tell us a little bit about your professional and leadership journey?

It is a pleasure to connect! My journey has been quite interesting, transitioning seamlessly from academia to the dynamic world of skill development. I am an engineer by education and with a Ph.D. in Textile Technology. My career started with shop floor production in the industry, and transitioned to teaching, research and administration in due course of time. Since 2014, I have been actively involved in skilling, starting as the Senior Principal of Apparel Training & Design Centre (ATDC) Gurgaon for five months, before I shifted to the TSC which was in its formative stage. My experience in production, quality control processes, textile designing, teaching and research including curriculum development prepared me with necessary skills for developing the skill ecosystem for textile sector as Director (Curriculum & Training) at TSC.

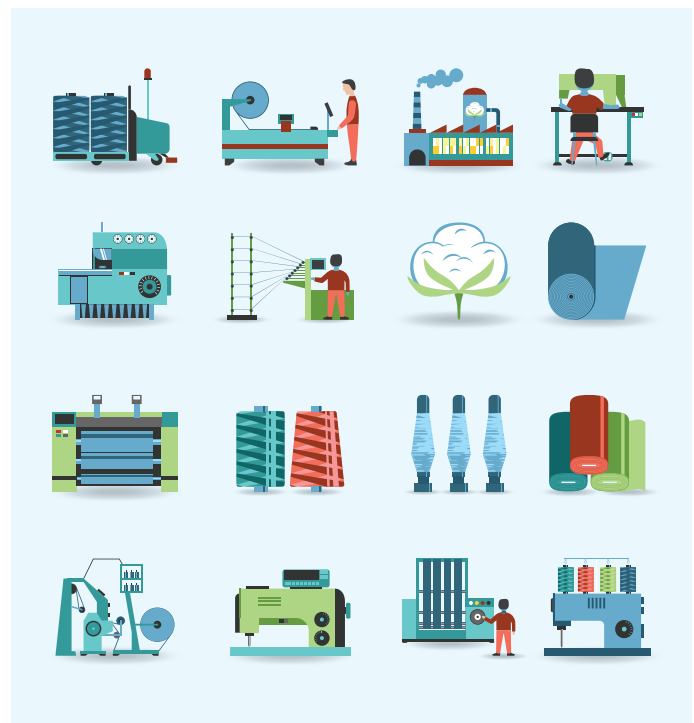
During this period, I have had the opportunity to work closely with and learn from leaders and subject matter experts including those in reputed industries, academic institutions and TRAs in the sector for developing standards, protocols and guidelines for training, affiliation and assessments, conduct ToT (Training of Trainers) and ToA (Training of Assessor) programmes, accredit training centers, start unique programmes. Since the last two years, I have been given the responsibility as COO and Officiating CEO at TSC for contributing to the overall management of TSC.

Thank you for sharing your journey with us. It is great to see inspirational women like you coming from tech backgrounds and taking up leadership roles. Could you tell

us a little bit more about TSC and its overall skills and livelihoods ecosystem?

The textile sector, after Agriculture is the second largest employer in the country, employing 45 million directly and many more indirectly. The product range is vast, and the process and industry also ranges from highly organized composite mills to the unorganized sector, from Textile mills running on power to handlooms which involves individual weavers and artisans working at cluster level.

The sector contributes significantly to the country's economy, accounting for 2.3% of the GDP, about 13% of industrial production, and 12% of export revenues with a CAGR of 15%. Recent projections indicate that the export revenues will reach their target of USD 100 billion by the end of this decade. Characterized by labor-intensive operations, these sectors cater to a diverse workforce, providing employment opportunities across various skill levels. However, textile manufacturing remains a capital-intensive industry, posing challenges in terms of investment and infrastructure. Therefore, it is economically not viable for a third party training provider to set up a training center for skilling in the sector due to high infrastructure and operational costs, and therefore, the employers need to actively engage in training.



The training for Qualifications developed by TSC are conducted by the employers in the industry premises or by handloom organizations in the clusters. The potential for growth and innovation within the textile industry is immense, especially in the emerging field of technical textiles and sustainability. Through strategic initiatives aimed at enhancing productivity,

fostering gender inclusivity, and optimizing value chains, these sectors are poised to unlock new opportunities and drive sustainable development in the textile industry.

What are some specific areas of growth and challenges in your sector in terms of skills and livelihoods?

The challenges are the disintegrated supply chain management, lack of adequate testing facilities, and large workforce in the unorganized sector.

The specific areas of growth are Technical Textiles, Quality and Process control, Product and Process testing, Supply Chain management, Sustainability, Slow Fashion, Circularity, application of AI and Machine Learning etc. Marketing of handloom products to newer application areas and geographies, while maintaining the uniqueness of each of the clusters producing exquisite craft is another area which has a huge potential.

There is a strong need to encourage more design roles and entrepreneurship in the textile sector for it to fully realize its potential. For example, there are many people skilled in the craft of producing textiles, but they lack business and entrepreneurial skills like costing, finding markets, accounting, planning, supply chain management, and operations. The Textile Ministry has taken cognizance of the plight of handloom artisans, and extended support through several schemes designed to improve the skills and working conditions for handloom workforce. As efforts continue to bolster the sector's organization and enhance its reach, the textile industry remains poised for transformative growth and development. Through strategic initiatives and collaborative endeavors, stakeholders aim to harness the sector's potential to drive economic prosperity and social advancement. TSC has a vision to strengthen the entire ecosystem and value chain of textile production and overcome these challenges to ensure a more productive and competitive future for the sector. TSC is creating relevant and NOSs and Qualifications to address skilling gaps.

“There is a strong need to encourage more design roles and entrepreneurship in the textile sector for it to fully realize its potential”

What are some key achievements and initiatives taken up by the TSC?

TSC brings out an annual skill gap report which includes state-wise, sub-sector-wise, and job roles information which forms the basis of skilling. TSC currently has over 74 courses for Short-Term Training in the textile mill and handloom sector which are approved by the National Skills Qualifications Framework (NSQF) and in line with NEP 2020 and NCeF. The short term courses are being implemented by the textile mills, handloom organizations, TRAs and textile institutes. TSC has facilitated training and certification of over 325,000 youth till date. Some of the courses developed by TSC are also part of the academic programmes, offering seamless integration.



Some of the unique initiatives taken up by Textile SSC for skilling are given below:

- Textile CAD designing:** TSC's NSQC approved qualifications "Assistant Design Maker-Textiles" is about skills for designing woven fabrics. The qualification is being offered to handloom weavers as a part of RPL+Bridge course with DigiBunai - an open source CAD Tool for textile designing developed by the Ministry of Electronics and Information Technology (MeitY). It provides means to optimize the pre-loom process of design creation, graph generation, creation of punch cards, and display the fabric digitally with different colour & design combinations before weaving. This offers better productivity as it will reduce the design time due to the reuse of the libraries and provide better control over designing and production process resulting in improvement in the quality of product and gives final visual of how the designed product will look. This will empower the handloom artisans by giving access to better designs, wider markets, increased productivity, and better earning capability. This course is also set to be offered in Class XI of the CBSE Schools.
- Class X certification of handloom Artisans through NIOS:** TSC has supported NIOS in creating the course curriculum and study material for the education of the handloom weavers and their children leading to Secondary Level Certification. The initiative was funded by Ministry of Textiles through MoU signed with NIOS. The total Duration of the course is 600 hours (covering 5 subjects) (Fibre to Fabric, Weaving, Design Development, Dyeing & Printing and Entrepreneurship). If the candidate is already certified by TSC for the job roles two shaft handloom weaver and hank dyer, then the duration for those two subjects will be reduced to 30 hours. The course is being offered through Accredited Vocational Institutes (AVI's) that are Government institutes viz Weavers Service Centres (WSC's) and Indian Institute of Handloom Technologies (IIHT's).

- Handloom Entrepreneur Programm:** The course has been designed with pragmatic approach to develop handloom entrepreneurs with required skills on technical as well as managerial matters and enable young weavers to enhance entrepreneurship, management and computer skills and sensitize them on issues of Quality Control, Packaging, Zero Defect and Zero Effect, besides some component of technical knowledge so that they successfully emerge as handloom entrepreneurs. The course has been a part of the UGC B.Voc. Program and has been instrumental in creating successful handloom entrepreneurs by the end of the course completion. As an example, the students from Mizoram University have not only been able to display and market their products at the prestigious exhibitions like Agha Khan Hall, Dilli Haat, GEM, and Eshilpmart but have also competed and bagged the work orders for supplying convocation gowns for their own University convocation.



We are currently on the cusp of what is popularly known as the 4th Industrial Revolution. Tell us ways in which technological and industrial advancements impact your sector?

The country is aiming to move towards being a significant player in the technical textile market as well as in recycled and circular textiles. The technological and industrial advancements required for this would also create new jobs which will require the industry to gear up and be prepared accordingly to be able to gain from the change.

Tell us about the on-ground realities of informal workforce in the sector, and the challenges experienced by them? How can we support the workforce engaged in informal jobs in terms of skills, livelihoods, and well-being?

The handloom sector is India's largest cottage industry offering employment to more than 3 million in direct and allied activities, majority of them being women. Indian textiles were well known across the world since times immortal. However, the sector has suffered due to the British rule, World War I and the onset of power-driven machines. The products are loved in India and abroad and manufacturing process is ecofriendly and sustainable. However, limited number of entrepreneurs or organizations are exporting abroad and giving sustainable livelihoods to the handloom weavers and artisans.

There is a need to empower the artisans and take them towards exploring better designs and wider application areas and geographies. There are also a few organizations working on the skilling those working in informal/traditional jobs on health and safety, specially post Covid 19. TSC has also been part of such initiatives.

There is a considerable section of women who do not have access to menstrual hygiene products. They use rags and other unhygienic products leading to serious health issues. The Supreme court has also directed recently that sanitary napkins are to be mandatorily provided in schools free of cost from class VI to XII. There is a need to increase the manufacturing capacity and ease of access of sanitary napkins across the country, especially in remote locations and marginalized sections of the society.

TSC is working on promoting skilling on the Qualifications for Sanitary Napkin Machine Operator in schools, handloom clusters and socially and economically marginalized sections. This would not only recognize the already existing workforce which is engaged in the manufacturing of sanitary napkins and map their competencies with respect to the NOSs but also create a pool of competent workforce to produce sanitary napkins locally for easy accessibility of females. This in turn would reduce absenteeism at schools and at work but also encourage more females to engage in active employment.

What are some important ways in which your sector contributes to the overall mission of Viksit Bharat?

Textiles are a part of most of the aspects of life, though many may be only aware of conventional textiles used in apparel and home furnishings. Technical Textiles –used primarily for their technical performance and functional properties find use in construction, agriculture, transport, sports, defense, space, aerospace and aviation, medical and healthcare, to name a few.

So, in all areas the country is progressing, textiles are an integral part and contributing to the overall mission of Viksit Bharat.

Please let us know if you would like us to add any other discussion points to this list and feel free to reach out if you have any questions?

I would encourage the stakeholders, including students, industries, Subject Matter Experts, NGOs, institutes and organizations working in the sector or interested in collaborating with TSC to check TSC's website <https://texskill.in/> and write to info@texskill.in for any queries or further discussions.

IMPACT OF UNION BUDGETS ON THE SKILLING ECOSYSTEM



In the recent interim budget announcement by Hon'ble Union Finance Minister Smt. Nirmala Sitharaman on February 1st, 2024, there has been a notable increase in budget allocations for flagship schemes, highlighting the government's commitment for holistic socio-economic development. Notably, key initiatives such as Samagra Shiksha witnessed a significant boost of ₹ 45 billion, while PM-POSHAN received an increase of ₹ 24.67 billion, and PM-SHRI saw a rise of ₹ 32.5 billion compared to the Revised Estimates (RE) of the previous fiscal year 2023-24. Particularly noteworthy is the emphasis on the PM-SHRI initiative, aimed at ensuring the delivery of high-quality education. It is noteworthy that Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has resulted in achieving significant milestones, including the successful training of 14 million youths, upskilling and reskilling of 5.4 million individuals, and the establishment of 3,000 new Industrial Training Institutes (ITIs). These budgetary allocations and achievements underscore the government's dedication to fostering education, skill development, and socio-economic progress in the country as an integral step toward the larger vision of *Viksit Bharat*.

Another encouraging announcement, came from the Ministry of Education which received its highest ever allocation of over ₹ 1,128 billion as a combined outlay for its two departments, Department of School Education & Literacy and Department of Higher Education. This is part of a trend witnessed in the past few years where there has been a consistent upward trend in budget outlays for Education and Skill Development in the country, in alignment with Hon'ble Prime Minister Shri Narendra Modi's Skill India Mission. The budget also outlines an ambitious target of skilling 14 million youths under the Skill India Mission. Additionally, it seeks to boost the entrepreneurial spirit of young people by approving ₹4.3 million loans under the PM Mudra Yojana.

Some evidence for this upward trend can also be found in the union budget for 2022-23 where digital e-learning initiatives and apprentice training programs were allocated ₹ 40 million and ₹ 50 million respectively, marking their first allocations. In the same year, the National Apprenticeship Promotion Scheme

(NAPS) received ₹ 17 million, compared to no allocation in the previous budget, while the budget for Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) increased from ₹ 19.3 million to ₹ 30 million for the fiscal year 2022-23.

These budgetary allocations signify a concerted effort to enhance education and skill development initiatives, addressing diverse needs and promoting inclusive growth across the education and skilling landscape. Budgetary trends for skilling in India reflect a dynamic landscape characterized by several key developments.

Firstly, there is a notable increase in budgetary allocations towards skilling initiatives, indicative of the government's recognition of the pivotal role of human capital development in driving economic growth and social progress. This surge in funding underscores a strategic commitment to scaling up skilling programs and expanding their reach across diverse sectors and demographic groups. There is a growing emphasis on quality-focused interventions, with a shift towards outcome-based funding mechanisms. This ensures that investments in skilling yield tangible results in terms of improved employability, higher wages, and enhanced industry relevance.

Additionally, public-private partnerships are increasingly being leveraged to enhance the effectiveness and reach of skilling initiatives, with collaboration between government agencies, industry stakeholders, educational institutions, and training providers. This collaborative approach facilitates the design and implementation of skilling programmes aligned with industry needs, market demand, and technological advancements. The technology-enabled skilling initiatives are gaining prominence, with investments directed towards digital learning platforms, online courses, and virtual training programmes. These initiatives are democratizing access to skilling opportunities and empowering individuals to acquire new skills regardless of their geographical location or socioeconomic background. Targeted interventions are also being deployed to address specific skill gaps and demographic cohorts, ensuring equitable access to

skilling opportunities, and addressing the diverse needs of different sectors and regions.

Finally, investments in research and innovation are driving the continuous evolution of skilling programs, making them more adaptable and effective in meeting the evolving demands of the labour market. Overall, these budgetary trends underscore the government's commitment to equipping the workforce with the skills and knowledge needed to navigate the complexities of the modern economy and contribute meaningfully to India's growth story. Investing in skill development is paramount for India's economic growth and societal advancement. With a large young population, India possesses a significant demographic dividend, but this demographic advantage can only be realized through effective skill development initiatives. Skilling programmes not only equip individuals with the necessary competencies to thrive in the workforce but also serve as a catalyst for economic transformation.

Quality education and skilling empower individuals to contribute meaningfully to the economy, driving productivity, innovation, and entrepreneurship. Moreover, skill development plays a pivotal role in addressing the persistent issue of unemployment, particularly among the youth. India faces the challenge of creating sufficient job opportunities to absorb its growing workforce. Skilling programmes offer a viable solution by aligning workforce capabilities with industry demands, thereby reducing unemployment rates and alleviating poverty. Additionally, a skilled workforce enhances India's global competitiveness by ensuring higher productivity, better quality of products and services, and greater adaptability to technological advancements.

The skilling initiatives promote inclusive growth by providing marginalized communities with access to education, training, and employment opportunities. By empowering women, rural populations, and disadvantaged youth, skilling contributes to reducing income disparities and fostering social cohesion. Skilled workers also play a crucial role in driving innovation and entrepreneurship, essential drivers of economic growth. By nurturing a culture of creativity, problem-solving, and risk-taking, skilling programmes cultivate a new generation of innovators and entrepreneurs who can propel India's transformation into a knowledge-based economy. In terms of the impact of skilling expenditures, these investments generate significant economic returns over a period. Skilling initiatives have a ripple effect, stimulating economic growth by boosting consumption and investment. Furthermore, by mitigating the social costs associated with unemployment and poverty, skilling programmes enhance fiscal stability and optimize resource allocation. Skilled workers command higher wages, resulting in

increased tax revenues for governments, which can then be redirected towards further skilling efforts. Moreover, skilled labour fosters greater productivity and efficiency, translating into higher profits for businesses and bolstering competitiveness across industries. Investments in skilling contribute to the economy's long-term viability by ensuring its resilience and adaptability to global shifts and technological progress.

Several countries have successfully implemented skill development initiatives, serving as exemplars of effective strategies for economic growth and societal advancement. Germany's Vocational Education and Training (VET) system stands out for its emphasis on practical skills and apprenticeships, contributing to a highly skilled workforce and a strong manufacturing sector. Similarly, Singapore's SkillsFuture initiative prioritizes lifelong learning and skills upgrading, empowering individuals to stay competitive in a rapidly evolving economy. South Korea's focus on STEM education and vocational training has fuelled its technological advancements and global competitiveness, while Switzerland's renowned apprenticeship system combines theoretical knowledge with hands-on experience, producing a highly skilled workforce. In the United Kingdom, reforms to the apprenticeship system have led to increased employer engagement and a resurgence of apprenticeships across various sectors. These examples showcase the diverse approaches countries have taken to skill development, demonstrating the importance of tailored strategies that align with national priorities and socio-economic contexts. By drawing inspiration from successful models and adapting best practices, countries can effectively leverage skill development to drive economic growth, social inclusion, and prosperity.

In conclusion, it can be said that the pursuit of a *Viksit Bharat* hinges on strategic investments in skill development, which serve as a cornerstone strategy for sustainable growth and inclusive prosperity. Drawing inspiration from successful skill development initiatives worldwide, such as those in Germany, Singapore, South Korea, Switzerland, and the United Kingdom, it is evident that skilling expenditures have transformative potential. By equipping individuals with relevant skills, nations can unleash their latent potential, propel economic progress, and foster social cohesion. In the Indian context, prioritizing skill development is not merely prudent but imperative as the nation harnesses its demographic dividend. By committing resources to skill development initiatives, India can cultivate a skilled and adaptable workforce, driving the nation towards its vision of a *Viksit Bharat*. Skilling expenditures are not just important; they are indispensable for shaping a prosperous and inclusive future for all.



Tanya Kala

Apprentice, Research and Impact, NSDC

With a passion for research and education, Tanya Kala is a dedicated professional holding a Master's degree in International Relations. Tanya brings a deep understanding of global dynamics and socio-economic issues in her work. Currently, she is a part of the Research and Impact team at National Skill Development Corporation (NSDC), contributing to initiatives aimed at bridging skill gaps and fostering economic growth.



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CAREER JOURNEY

I enrolled myself to avail the benefit of PM Vishwakarma scheme. I was called for training at Tool Room & Training Centre in Guwahati where I completed the basic skilling at the training centre.

During the training, I not only honed my blacksmithing skills but also gained crucial knowledge in digital literacy, financial literacy, marketing, branding techniques, and effective business management. This comprehensive training equipped me with the necessary tools to enhance my business practices and improve productivity.

I was able to qualify and complete the assessment of the training to get my certification as Vishwakarma under Blacksmith trade. This training will help me in exploring new opportunities, growth, and expansion of my professional journey. The PM-Vishwakarma scheme has played a pivotal role in empowering individuals like me and others by providing us with the means to acquire modern skills, knowledge, and resources to thrive in our respective trades.

I would like to thank the Government for initiatives like PM Vishwakarma Scheme for fostering entrepreneurship and economic development at the grassroots level.



Name: Amanur Rahman
Location: Assam
Job Role: Blacksmith

I make bamboo baskets and related products like chairs, bottle, and decoration items. So far, my work has not been recognized, but recently I registered my name under the PM Vishwakarma Scheme at the 'Common Service Centre'.

After that, I completed 5-days training at the 'North-Eastern Handloom and Handicraft Development Corporation' at the 'Pradhan Mantri Vishwakarma Yojana Centre in Nogaon, where I was taught about the PM Vishwakarma Scheme and how to make modern products. I also learned to make some new products through the training. We also receive ₹500 daily as stipend during the training. I am also, scheduled to receive a ₹15,000 tool kit soon. I am hopeful of getting a loan of ₹100,000 from the bank, after which

I can fulfil my dream of expanding my business. I am grateful to North-Eastern Handicrafts & Handloom Development Corporation (NEHHDC), NSDC, MSDE, and the Government of India. I hope to get the opportunity for advanced training in the future, thank you.



Name: Tapan Saha
Location: Assam
Job Role: Handicraft Artisan



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