

Industry-ready skilling: There's no time to lose

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Recent news of slack hiring in IT companies, job losses at startups, and cautious industry segments left young Indians worried about their future prospects. Finance Minister Nirmala Sitharaman's budget proposal for initiatives focused on employment, skilling, and internships has revived hopes.

The initiatives, with a financial backing of ₹2 lakh crore, aim to benefit 41 million youth over the next 5-7 years.

JOB-LINKED INCENTIVES

In the first of the planned three employment-linked incentive (ELI) schemes, the government will cover one month's wage for fresh hires across sectors and expects 210 lakh to be absorbed by private and public sector companies.

The second scheme, also directed at fresh hiring, stipulates that if an employer adds either 50 employees or 25 per cent of the previous year's new hires, then the company will receive subsidy equivalent to 72 per cent of monthly salary for four years. It targets 50 lakh additional hires. The third scheme offers an additional incentive to any employer who generates jobs above the baseline and sustains it. The target is 30 lakh additional hires.

For the ELI schemes to succeed and inspire trust among employers, swift and efficient government action is critical, including minimising paperwork and 'direct benefit transfers' to employers and employees.

SKILLING INITIATIVE

The government plans to upgrade 1,000 industrial training institutes (ITIs) in collaboration with the States and industry to skill four lakh youth annually. Backed by ₹30,000 crore funding, the initiative aims to increase the number of trainees at each ITI to 400 from 80 at present. This requires rapid upgrades in curriculum, workshops, and trainer engagement.

Issues faced by manufacturing industry when running ITIs on a public-private partnership (PPP) basis include poorly skilled trainers, lack of ac-



QUALITY TRAINING. There is a need to raise the profile of technical institutes

countability, and frequent staff transfers by state governments. These must be addressed alongside upgrading the curriculum with aspects such as social skills, and workplace safety and discipline. Best practices from successful models led by the Ministries of Heavy Industry and Skill Development can improve outcomes too.

It's essential to balance new-age trades like drone operators with foundational ones such as mechanics, plumbers, electricians, masons, and sanitation and public health workers, whose roles gain added importance as India builds its housing, industrial, and public infrastructure. Skilled diploma holders can become self-employed professionals and entrepreneurs, particularly in the interiors of the country.

The success of this collaboration can prove a game changer for independent India's oldest skilling movement, initiated in 1950 with the first ITI.

INTERNSHIPS FOR ALL

The targeted internship opportunities for 20 lakh educated youth from underprivileged backgrounds in the top 500 companies aims to build confidence in them to learn, perform, and secure jobs that remained beyond the reach of their previous generation.

The ₹53,000 crore internship funding for one crore youth from non-elite higher education institutions promises to uplift livelihoods in hitherto underserved areas.