

Barriers to Engagement in Apprenticeship Programme Identifying Role of State, Employer and Apprentices through Study of Delhi

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Abstract

This study critically examines apprenticeship system in India with case study of Delhi. Sound apprenticeship system is desirable for transferring people smoothly from world of learning to world of work. For a country with 485 million workforce, a miniscule number of apprentices i.e. around 3 lakhs, get trained every year. Total establishments registered on apprenticeship portal are 67650 all over India. Stipend given to the apprentices is so less that they don't want to enter into industries as apprentices. Even the fixed stipend rules are not followed due to lack of accountability of the firms. Private firms, as found in numerous studies, don't comply with legislative requirements while apprentices view their training period as avenue for future employment rather than as a mode of training and all this affects quality of training. There is a need of a more comprehensive labour market information system which can be of benefit to all 3 key stakeholders- employers, job-seekers and government. Strong apprenticeship paradigm requires cooperation of industrial associations, government and participating companies, it cannot be bought off the market but is in need of nurturing at the shop floor. This study recommends reforms that Delhi can do to improve the apprenticeship conditions.

Index terms—

Introduction apprenticeship is a system of training practitioners of a skill at their workplace. In India it was conceived as guru-shishya (teacher-disciple) relation since the start of civilization in all traditional vocational trades. Sound apprenticeship system is desirable for transferring people smoothly from world of learning to world of work. Apprenticeship Act, 1961 was implemented with aim of-a. Regulating industries to conform with prescribed syllabi, period of training etc. b. Using industrial facilities to fully impart practical training and producing skilled manpower (MOLE, 1961). The Act has been amended six times in the years 1973, 1986, 1997, 2007, 2014 and 2017. Salient features of the Act, along with the Amendments are given in Appendix 1. Issues such as rigid and impractical guidelines of the Act, non-introduction of marketable trade/ skills at industry, absence of control over syllabi make industries resistant of recruiting apprentices. Study by DGET in six states questioned the market relevance of training of apprentices provided in India and found that close to two thirds of total apprentices were employed in a trade in which they were not trained (DGET, 2003). Total establishments registered on apprenticeship portal are 67650 all over India 1 a) Framework of Apprenticeship in India (GOI, 2020). First section of the study will explain operational framework of apprenticeship in India and how the current system of apprenticeship training works. Second section would be a case study of apprenticeship system in Delhi and suggesting some short-term strategies for local government for reforming the apprenticeship system. Third section will try to compare the Indian apprenticeship system with International standards and what can be learned from successful apprenticeship and TVET developed countries. Last section of this paper will list out few important reforms required in the apprenticeship system in India in both short term and long term.

For a country with 485 million workforce, a miniscule number of apprentices i.e. around 3 lakhs, get trained every year. Minimum age of entry into apprenticeship system is 14 years and the minimum entry qualification is 8 th pass. 2020. The scheme provides for: (i) Sharing of 25% of prescribed stipend subjects to a maximum of Rs.1500/per month per apprentice to all apprentices under the employers. Scheme is running way behind its target of training 50 lakh apprentices by 2020. The above requires a person to work in organizational settings. Apprenticeship system should be looked at as a system through which industries reproduce themselves. Skill, knowledge and attitude are three attributes which cannot be learned by a student in classrooms alone . 4 Data was accessed on 10 th February 2020 and data available on www.apprenticeship.gov.in which keeps on updating every month . This statistic is very worrying and one of the major reason behind outdated and lackluster performance of apprenticeship system. Students in India don't see working in private sector as an intern to be an attractive prospective as several studies have shown even after completing the internship there is no vertical mobility (Mehrotra,2014).

Employers and trainers are both apprehensive of the whole apprenticeship system. Trainees believe stipend paid to them is very low and even after completion of training they don't get a lucrative employment opportunity. Employers look at apprenticeship system mostly as a legal obligation and additional burden on establishment. Many establishments exploit the apprenticeship system by making apprentices work full time with almost no training or enhancement of knowledge and using them as low waged unskilled worker. Trainees, thereby, prefer to work in a low paid job which will fetch them a salary higher than their current stipend. Private firms, as found in numerous studies, don't comply with legislative requirements while apprentices view their training period as avenue for future employment rather than as a mode of training and all this affects quality of training (Planning Commission, 2009; Mehrotra, 2014). case study of apprenticeship system of delhi As can be seen in table 1 figure in Delhi are worse than the national average when dealing with apprenticeship. Trade Apprentices hired in a year are very low in numbers and one of the major reasons that employers give for that is very high stipend. Number of designated trades and establishments registered with Delhi government are also very low. Having informal discussions in industries in Delhi it was also revealed that the amount that companies have to pay as stipend by complying with law is higher than actual salaries that the companies give to the workers. Sectors that hire maximum number of apprentices are Food Processing and Electricals (Including Renewable Energy). Service Sector has been recently added to Apprenticeship scheme and is slowly rising in number of apprentices being hired. One of the major problems that employers face while hiring apprentices is higher stipend they have to pay in comparison to other states as Minimum wage is higher in Delhi. Looking at figure 3 it can be seen that involvement of Government establishments (Both Centre and State) is low in Delhi and majority of apprentices are hired in private sector unlike the national trend. Apprenticeship Act requires every establishment with more than 6 employees to have at least 2.5% of their workforce as apprentices. High minimum wages in Delhi are complemented with influx of migratory labour and lax of labour laws. Informal Labour with some experience is available for work at a meager wage of 6-7 thousand month which puts downward pressure on overall wages prevailing in the market. If any establishment hires apprentices and shows it under its ambit, then, he/she has to be paid around 9 thousand per month which creates resistance among employers to hire apprentices. There are some short term reforms and suggestions that can help Delhi government revive the apprenticeship system and improve number of apprentices and establishments engaged in the apprenticeship system.

1 Apprentices

under State Government establishments: Every establishments needs to hire a minimum of 2.5% of their workforce as Apprentices. This law is not being followed at almost all the state government establishments. Big hotels such as: Hotel Janpath, Hotel Ashoka, Hotel Samrat, etc. are places where apprentices can learn a lot and need to follow the apprenticeship law for the same. Delhi government can come out with a Gazette Notification for effective implementation of Apprentices Act in all State Government run establishments.

2 As the amount fine for not following the provisions of

3 Learning from International Apprenticeship Experience

In many countries apprenticeship system was developed centuries ago in guild system. A sound skill development sytem has involvement of a sound apprenticeship system. Taking examples of few famous apprenticeship systems in the world would be beneficial for suggesting reforms for the Indian Scenario. On the basis of theories of skill development, nations can be classified into 4 Varieties of Skill Formation System:

4 IV. Need for Reforms in Apprenticeship System

At National Level to make apprenticeship a lucrative option, both for apprentice and employer, there is a dire need of apprenticeship reforms. When industry owners are happy to pay the fine of not complying with the apprenticeship act rather than hiring and training the apprentice then there are needs of serious reforms in the system. The system does not need a new scheme to be introduced but needs to abolish the old system and replace it with a new set of Act with key defined roles for all stakeholders. Apprenticeship Act, 1961 was formed in a different era suited for its time and despite all the amendments the act has outlived its utility. There is a need

to repeal the Apprentice Act and bring in a new Technical and Vocational Education Act which should involve National Training standards, System for certification and assessment. This should bring in its domain National Skill Qualification Framework, financial involvement and other roles and responsibilities of stakeholders. Keeping Apprenticeship polarized from TVET system of the country would not reap any benefits.

The Apprenticeship Act needs to amend and allow hiring of even one apprentice by India's 76 million small scale firms where the average employment is less than 6 people. Even if half the firms oblige with the requirement, around 40 million apprentices will be trained. There is a dire need to government to increase their stipend subsidy to make the apprenticeship more attractive for employers. There is an urgent need of new Ministry of employment generation or some department which should take onus of employment generation backed by reliable statistics. Can increase upper bracket of hiring from 2.5-10 to 2.5 to 25%.

For some short term reforms in the ongoing apprenticeship system, numerous changes are suggested. There is a need of a more comprehensive labour market information system which can be of benefit to all 3 key stakeholders- employers, job-seekers and government. This can be beneficial in laying down a skill road map for all states. Chambers of commerce and industry working in cooperation with trade unions is essential a growing apprentice system. Attitude of workers and employers need to change to make apprenticeship system self-motivating. It would not be possible to eliminate culture of 'chalega' without eliminating the culture of 'ji ji' (Gaudenz, 2012).

Strong apprenticeship paradigm requires cooperation of industrial associations, government and participating companies, it cannot be bought off the market but is in need of nurturing at the shop floor. Dearth of reliable data on apprenticeship make it difficult to the exact absorption of apprentices in the country which is why India has a dismal 1 apprentice to every 1000 workforce which makes skill development system inefficient. Any Skill Development programme is futile without a sound apprenticeship system. Skill development is a necessary condition but not a sufficient condition for growth of employment. Reforms in skill development system are needed to be backed by a sound industrial policy. This is a change required not only at Delhi level but All India level.

are imposed now in the form of fine. (d) Establishments operating in four or more states would now be interfacing with the Central Government authorities Numbers of Apprentices for a Designated Trade: As per Section 8 of the Act, the Central Government will, after consulting the Central Apprenticeship Council, by an order notified in the Official Gazette, determine for each designated trade, the ratio of trade apprentices to workers other than unskilled workers in that trade. The APTAT/DAA has no role in fixing/altering the ratio of apprentices to workers. Qualification for Being Engaged as an Apprentice is as per Section 3 of the Act, minimum qualifications for being engaged as an apprentice in any designated trade are (a) fourteen years of age and (b) satisfying such standards of education and physical fitness as may be prescribed; provided that different standards may be prescribed in relation to apprenticeship training in different designated trades and for different categories of apprentices.

5 Reservation of Training Places:

As per the Act, in every designated trade, training places will be reserved by the employer for the Scheduled Castes, Scheduled Tribes, and Other Backward Classes. If there is more than one designated trade in an establishment, such training places will also be reserved on the basis of the total number of apprentices in all the designated trades in such establishment. The number of training places to be reserved will be as prescribed, having regard to the population of these target groups in the concerned state.

6 Contract of Apprenticeship:

According to one of the salient features of the Act, a person will be engaged as an apprentice only after entering into a contract of apprenticeship with the employer.

7 Period of Apprenticeship Training:

Depending on the nature of trade, the period of apprenticeship training can vary from 6 months to 4 years. As per Section 6 of the Act, the duration of previous exposure to the formal vocational training in are recognized training institute will be rebated.

8 Termination of Apprenticeship Contract:

The contract of apprenticeship will terminate on the expiry of the period of apprenticeship training or earlier.

Payment of Stipend to Apprentices: Every trainee, while undergoing training, receives a stipend stipulated by DGET. These rates are revised in every 2 years based on the consumer price index, For trainees who have already undergone training in a recognized ITI/private ITI, the duration spent in such ITI/private ITI's be taken into account for the purpose of determining the rate stipend payable for different years of training. The cost of stipend is to be solely borne by the establishment.

9 Records and Returns:

As per Section 19 of the Act, every employer will maintain records of progress of training of each apprentice undergoing apprenticeship training in his/her establishment in prescribed form. Further every such employer will also furnish such information and returns in the prescribed form, to the relevant authorities, and at required intervals.

Apprentices are Trainees and Not Workers: Every apprentice undergoing apprenticeship training in a designed trade in an establishment will be only a trainee and not a worker; and the provisions of any labour law will not apply to or in relation to the apprentice.

10 Grant of Leave to Apprentices:

In establishments where proper leave rules do not exist or the total leave of different types admissible to their workers is less than 37 days in a year, the apprentice will be entitled to the following kinds of leave and subject to the conditions specified under each kind of leave. Casual leave will be admissible for a maximum period of 12 days in a year.

Reforming Apprenticeship Training: Casual leave not utilized during any year will lapse at the end of the year. Casual leave will not be combined with medical leave. If casual leave is preceded or followed by medical leave, the entire leave taken will be treated either as medical or as casual leave, provided that it cannot exceed the maximum period prescribed in respect of medical or casual leave, as the case may be. Medical leave up to 15 days for each year of training may be granted to the apprentice who is unable to attend duty owing to illness. The unused leave will be allowed to accumulate up to a maximum of 40 days. (What is the reform here?) Offer and Acceptance of Employment: As per the Act, it is not obligatory on the part of the employer to offer any employment to any apprentice who has completed the period of his apprenticeship training in his establishment, nor it is obligatory on the part of the apprentice to accept an employment under the employer.

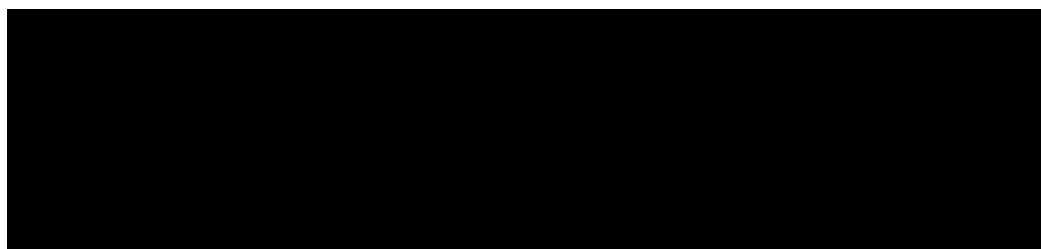


Figure 1:

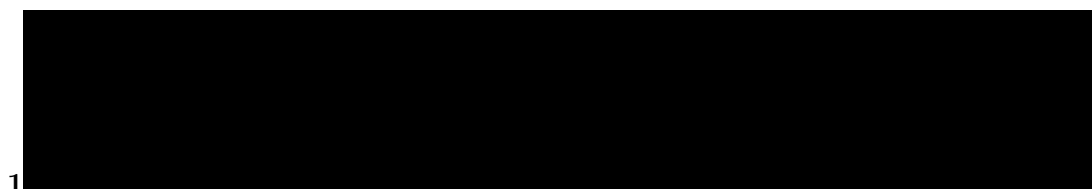


Figure 2: Figure 1 :2

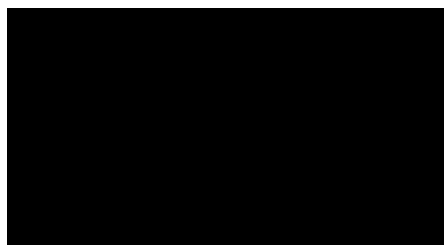


Figure 3:

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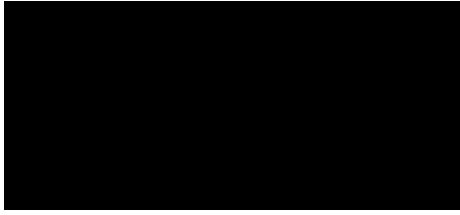


Figure 4:

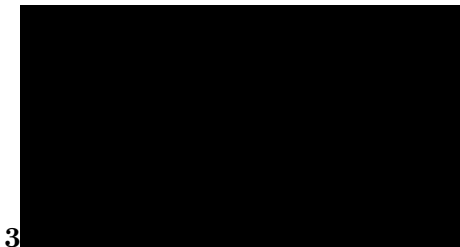


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Figure 5: Figure 2 :

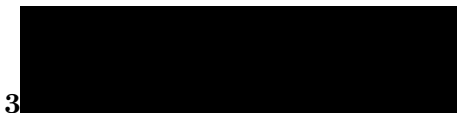


Figure 6:



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Figure 7: Figure 3 :



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Figure 8: Figure 3 :

Figure 9:

Figure 10: G

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	Trade Apprentice	Technician Vocational	Graduate Apprentice	Technician Apprentice
Number of Designated Trades	28	7	26	21
Number of Establishments Registered till Dec-2018	81	10	NA	NA
Number of Apprentices trained in 2018-19	682	45	490	410
Stipend per month (Approx)	Approx. 10000	2758	4984	3542

[Note: Source: Data obtained from Employment department, Delhi Government]

Figure 11: Table 1 :

with vocational education. Firms' involvement in Total number of apprentices Fitzgerald Act) and their lim
theoretical training is less. The same
is mostly done

Central Government by government.

There is high skill polarization of

2% manual vocational courses appren- 15%

tice at lower end Central Public Sector

Undertaking and calculus based men-

tal course apprentices at

Private Sector upper end.

State Government 15%

68%

1. Statist (Australia, Sweden, France):
Government

controls supply of apprentices while em-
ployers are

forced to hire apprentices. State plays a
pivotal part

in the training by funding it.

2. Segmentalist (Japan): Firm willingness
to invest on

apprentices is very high and control much
of the

demand and supply of labour market.
Government

plays a dormant role and does not interfere
in hiring

of apprentices in industries.

3. Liberal Skill Formation (US, India):
Apprentices are

governed by Apprentices Act (In US it is
called

Figure 12:

.1 Appendix

Amendments in the Apprentices Act, 1961 In order to help large number of apprentices, some amendments have been made in the Apprentices Act, 1961 in December 2014 and the Apprenticeship Rules, 1992 have also been amended with effect from 18 June 2016. The key amendments are: (i) The system of trade wise ratio engagement of apprentices has been substituted with a band of 2.5% to 10% of total strength of establishment. (ii) Establishments can also now engage apprentices in optional trades which are not designated with the discretion of entry level qualification and syllabus.

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