

By Invitation

STAR Scheme to Catalyse the Skills Ecosystem

Dilip H. M. Chenoy

While there are ample employment opportunities that we have in our country, there is a lack of compatible skill sets which needs to be catered to. This makes the unemployment figures rise and at the same time leads to a declining economy, argues the paper. The paper outlines the principal components of the STAR Scheme which marks & paradigm shift from content-based to outcome-based learning that is aligned to industry formalized national occupational standards.

Dilip H.M. Chenoy is Managing Director &CEO, National Skill Development Corporation, New Delhi. E-mail: dilip.chenoy@nsdcindia.org

National Policy on Skill Development

The National Policy on Skill Development 2009 provides the vision and framework to radically transform the skills landscape in our country. Since 2009, there have been a series of initiatives to increase the number of people who are being skilled in the country annually, to improve the quality and outcomes of the skill delivery system and to reduce cost and make the entire framework sustainable. There is a twin approach to address this. First, strengthen and streamline various programs being run by the Central and State governments and the second, increase the role and participation of the private sector in skill development.

With a large and growing labour force, recent studies state that nearly 300 million in the age group of 18 to 50 are unemployed because of the lack of job related skills. On the other hand many sectors of industry face an acute shortage of skilled workers. There are people without jobs and jobs without people. The most effective solution for this situation is to facilitate employment and enhance employability of the workforce by ensuring job-oriented professional skills training. It can skill raw

labor, provide training at school level to make students employable and at the same time reduce dependency on higher education by acting as low cost option for young people to become active contributors to the economy.

To fill the need gaps that were identified, the Government of India has taken up skill development as a national priority over the decade. The Eleventh Five Year Plan detailed a road-map for skill development in India, and helped frame Skill Development Missions, both at the State and National levels. To create such an institutional base for skill development in India at the national level, the National Skill Development Coordination Agency (NSDA) and the National Skill Development Corporation (NSDC) were created in 2012 and 2008 respectively. The objective has been to garner support and partnership from both the private and the public sectors to deal with India's problem of unskilled labor and employment.

When the program began, we saw considerable response from the youth but some of the issues that we noticed were that: first, joining a skill development program was not aspirational, second, there were no common standards that existed from an employer's standpoint for specific job roles, third, employers did not have a role in the assessment and certification process and fourth, paying for the skill training was a challenge for many. Identifying the challenge the Government of India introduced the National Skill Certification and Monetary Reward Scheme, popularly branded as STAR (Standard, Training, Assessment and Reward) Scheme.

This scheme is one of its kinds in the country and was first proposed by the Finance Minister in the Union Budget of 2013. A sum of Rs 1,000 crore was allocated for this initiative with an objective to train a million youth of our country during the first year of launch. The scheme also provides a certificate and an average monetary reward of Rs. 10,000 to every trainee who completes his training and clears the assessment. While there were other government schemes and vocational courses, which were free and available to all, the STAR scheme was structured to address the four key issues which ensure quality and enhances employability of the trained youth through industry involvement via Sector Skill Councils (SSCs).

The STAR Scheme is actively promoting a paradigm shift from content-based to outcome-based learning

The STAR Scheme is actively promoting a paradigm shift from content-based to outcome-based learning that is aligned to industry formulated national occupational standards. The scheme is targeting 80% of the entry-level workforce required in various sectors to fill the prevailing skills gap, and will initially cover limited number of job roles from Levels 1 to 4 in the National Skill Qualification Framework (NSQF).

The STAR Scheme at a later date envisages Recognition of Prior Learning (RPL) by providing an opportunity for furthering and enhancing skills and

knowledge of currently employed youth. It is expected that the industry will proactively nominate their employees to undertake courses aligned to the national occupational standards in order to increase the productivity of their existing workforce.

National Occupational Standards (S)

To address the issue of common industry defined standards, the SSCs have been tasked to develop qualification packs based on National Occupation Standards. The scheme follows these standards that have been formulated by SSCs in consultation with industry, labor, academia and government. Training on these standards is expected to help bridge the gap between Industry expectations and skills and knowledge possessed by the aspirants. As on 31st January 2014, 203 job roles (National Occupational Standards) under levels 1-4 have been developed in 16 sectors and are included in the scheme.

Training aligned to QPS (T)

The second step was to encourage all existing training providers that are either training under a central or state government scheme to align their training to the QPs/NOS defined by the SSCs. Also new providers who want to be part of the scheme could get affiliated to the SSCs. Currently over 400 training providers have done so. This would then ensure that training is aligned to job roles and employer needs.

Assessment & Certification

To provide value to the certificate and to ensure that employers and industry recognise the certificate, the assessment of all trainees under STAR is being co-ordinated by the Sector Councils. All assessments are done through a third party recognised assessors and the difference from the earlier schemes was that the assessment bodies were to operate through the SSCs. The SSCs are responsible for ensuring the quality of assessments and outcomes.

Reward (R)

If a young person successfully completes the course and obtains a certificate he is eligible for a monetary reward that is dependent on the level of the course and sector. For a course of level 1-2 in the services sector the reward is Rs. 7500 and for level 3-4 in services it is Rs. 10,000. For level 1-2 in manufacturing the rewards is Rs. 10,000 and for level 3-4 it is Rs. 15,500. The process of disbursement of monetary reward to the bank accounts of successful candidates has been initiated. The Rs. 1000 crores outlay for the scheme has been approved under supplementary budget. The scheme envisages that a person can obtain the reward only once under this scheme. Therefore the bank accounts have been linked to Aadhar or NPR numbers. The young person can also use part of the reward money to pay for the training fee.

Evaluation & Measurement

A Skill Development Management System (SDMS) has been developed to track the persons enrolled in the scheme and the outcome of the SDMS is linked to an active website nscsindia.org, where the numbers are updated online.

Accenture is an independent evaluator of this scheme and outcomes reported by the training organisations and SSCs are reviewed and verified to 95% accuracy. A unique tamper proof online certification process has also been integrated into the scheme. Each certificate has a unique QR code that is linked to the database and can be verified online or using an application on the phone. Every certified candidate thus becomes a part of the skilled workforce and the skill database.

The four strands of the STAR- Standards, Training, Assessment and Reward- have the potential to address the key issues that are currently being faced by the skill development ecosystem in India. If successful two things could follow, the government funded skill development schemes could move to the voucher based system as envisaged in STAR and the loan programmes run by the banks and other financial institutions could support STAR aligned systems, where the loan could be the reward thus making skill development a sustainable business opportunity. Since the certification is linked to the NSQF successful candidates would in future be able to aggregate credits and transfer to other programs thus giving them an opportunity for lifelong learning.

The STAR Scheme that was launched in August 2013 and rolled out nationally on September 16, 2013 has enrolled 210,392 candidates as on 24th February 2014. Total 447 training organizations, comprising NSDC funded training partners, government affiliated training agencies and other private training providers, are affiliated to 16 Sector Skill Councils under the Scheme, providing a wide coverage of over 2490 training centres across the country. Seventeen (17) independent assessment agencies are affiliated with various Sector Skill Councils, and are conducting assessments through individual assessors.

Recently, the Honourable Finance Minister, Shri P. Chidambaram felicitated over 300 successful candidates from the National Capital Region, who completed their industry oriented training courses under the STAR Scheme. These candidates, who were trained in 11 different industry sectors, received their certificates on the completion of their respective courses. The Finance Minister mentioned that the NSDC certificate will certainly be 'an individual's companion for life'. The first ever skill debit card was also launched to facilitate the transfer of the reward money. As an incentive to the trained persons to continue to use this card that is linked to a bank account, an accident insurance of Rs 50,000 is available to the card holder as long as the card is active.

The STAR scheme is more than just a reward; it has the potential to radically transform the skills landscape in the country. It is perhaps the first in the world to be done at such a large scale and with the involvement of all stakeholders.