

Promotion of Apprenticeship and Internship in Tamil Nadu by engaging Industries

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1. **Introduction & Background**

Recognizing the need for skilled manpower, the Government of Tamil Nadu has been taking proactive measures towards skilling youth in both short-term and long-term courses. However, enrollment in and completion of courses doesn’t always translate into employability of the youth, **hence apprenticeship and internship play a key role in making the youth employable.**

The purpose of apprenticeship and internship training is to enhance employability of youth and make them industry ready by equipping them with abilities, knowledge, and skills necessary for the trade/occupation. Apprenticeship helps the apprentices to gain a labour-market relevant qualification and establishments get skilled labour force, resulting in win-win situation.

“Apprentices Act, 1961” and Apprenticeship Rules, 1992 were enacted with an objective of regulating the program of training of apprentices in the establishments by utilizing the facilities available therein for imparting on-the-job training. **Ministry of Skill Development and Entrepreneurship (MSDE) is the administrative ministry responsible for implementation of this Act. Ministry of Education is also implementing this Act for two categories of engineering, i.e., graduate, degree, and technician apprentices.**

Currently, in Tamil Nadu Apprenticeship Training Scheme is being implemented in **3,199 industries[[1]](#footnote-1)** including Government Establishments like, Tamil Nadu Electricity Board, Transport Corporations, TWAD Board, PWD, etc. While, at national level, about 2.60 lakh apprentices in 2020-21 were engaged in **18,300 establishments.** However, Indian economy is majorly driven by its enterprises operating in the informal markets. Nearly 94% enterprises in the country, employing 11.09 crore operate in the informal sector and generate employment and livelihood opportunities.

1. **Eligibility criteria for establishments and apprentices under Apprenticeship Act**

The Apprentices Act, 1961 makes Apprenticeship mandatory for the establishments fall under following criteria:

1. All establishments having work force (regular and contract employees) of **30 or more** are mandated to undertake Apprenticeship Programs in a range from **2.5% -15%** of its workforce (including direct contractual employees) every year
2. For establishments having a workforce between **4 - 29 this is optional**
3. Establishments having a workforce of **3 or less are not permitted** to engage apprentices

Any individual who has

1. completed **14 years of age** (18 years in case of Hazardous Industries defined under the Apprenticeship Rules),
2. is a **minimum of 5th class pass** (for Optional Trade),
3. is meeting the standard of physical fitness for the course and having minimum educational qualification prescribed for a trade(ITI) can undergo apprenticeship training.

Under each of the two broad trade specific categories of designated trades and optional trade, there can be following categories of apprentices:

1. Trade apprentices who have passed out of ITIs,
2. Fresher trade apprentices class 8th, 10th and 12th pass outs
3. Graduate apprentices who are graduates in engineering or non-engineering courses,
4. Technician apprentices who have passed out of Polytechnics,
5. Technician(vocational) apprentices who have passed out of a 10+2 vocational training course
6. Apprentices who are perusing their graduation/diploma courses
7. Apprentices who have passed out of any NSQF aligned short term training
8. Students who have completed courses under the PMKVY/DDUGKY
9. Fresher apprentices from amongst those who are class V pass & above who are not covered under any of the afore-mentioned categories but meet the Educational/technical qualifications as specified in the course curriculum

**3. Schemes & Guideline for Apprenticeship and Internship**

**National Apprenticeship Promotion Scheme (NAPS)** is a scheme of Government of India to provide financial support to establishments undertaking the apprenticeship training. NAPS was launched on 19th August 2016 with an objective to promote apprenticeship training in the country and provide financial support to establishments to undertake apprenticeship programs. The scheme has the following two components:

* **Reimbursement of 25% of prescribed stipend subject to a maximum of Rs. 1500/- per month per apprentice by the Government of India** to all employers who engage apprentices
* Reimbursement of cost of basic training (up to a limit of Rs. 7500/- for a maximum of 500 hours= Rs. 15/hour) by the Government of India to Basic Training Providers (BTPs) in respect of apprentices who come directly for apprenticeship training without any formal training
* The expenditure on stipend for apprentices is borne by the employers as per the provisions of the Act.

The minimum rates of stipend are as follows:

|  |  |  |
| --- | --- | --- |
| (a) | School pass-outs (class 5th - 9th ) | Rs.5000/ per month |
| (b) | School pass-outs (class 10th) | Rs.6000/ per month |
| (c) | School pass-outs (class 12th) | Rs.7000/ per month |
| (d) | National or State certificate holder | Rs.7000/- per month |

**National Apprenticeship Training Scheme (NATS)** is from the Ministry of Education. It is a one-year program which provides technical qualifications to the students. The training is provided in public sector units in the center, state as well as companies in the private sector. This scheme is only for students with technical diploma and engineering as a degree. Training is provided for about 126 subjects.

* **Monthly Stipend**

| **Sr.No.** | **Educational Qualification** | **Category of Apprentice** | **Monthly Stipend** |
| --- | --- | --- | --- |
| **1** | Graduate (engg, arts & Science) | Graduate Apprentice | Rs.9000/- |
| **2** | Graduate Sandwich Course Students (2 spells for 6 months) | Graduate Apprentice (Sandwich) | Rs.8000/ |
| **3** | Diploma | Technician Apprentice | Rs.8000/- |
| **4** | Sandwich Course Student of Polytechnic College(2 spells for 6 months) | Technician Apprentice (Sandwich) | Rs.7000/- |

**All India Council for Technical Education (AICTE)** has developed Model Internship Guidelines for organizing Internship at degree and diploma level to enhance of the employability skills of the students passing out from Technical Institutions. These guidelines comprise of steps for Establishing, Maintaining & Fostering Internships. The model curriculum prepared by AICTE includes the internship for students of six months’ duration at different stages of the programme.

**4.Benefit to Industries and Students**

|  |  |  |
| --- | --- | --- |
| **Employers** | **Academia** | **Students** |
| * GoI is providing the financial support to the industries by way of reimbursing 50% of Government share of stipend paid to the apprentices * Scheme helps the industries to develop human resources for their present and future manpower requirements * Scheme facilitates one year lead time to observe the apprentices performance before providing regular employment * Apprenticeship training scheme ensure continuous availability of trainees in the establishment * Scheme enhances the establishment productivity * No obligation towards providing permanent employment to the apprentices | * Bridging gap between classroom learning & real-world learning * Feedback on competency requirement of industries * Enhancing skill capacity of institutions to match industries requirements * Interventional support to match demand & supply * The students having lower percentage in their courses will also get facility for skill development and will get better employment opportunity * Improved brand image due to better placement of their students | * Enhances technical skills for making suitability in job absorption. * Smoother transition from the world of education to the work in actual work environment. * Direct exposure to technology (i.e. systems, works practices), concepts, values and environment. * Trainees learn by doing. Coaching and instructing is done by supervisors. * Knowledge and skills imparted, and trainees are equipped with critically important core skills in problems solving, teamwork and communication. * This training makes the apprentices not only fit for employment but also encourage them for becoming young entrepreneur of the Nation. * One year period of training is considered as work experience. * Training offers opportunity of learning by doing and earning while learning. * Certificate of proficiency is awarded along with skill assessment sheet after successful completion of training. * Leading establishment also select students for employment based on skill assessment sheet and proficiency certificate. |

**5. Challenges faced by industry/ establishments in engaging apprentices/interns**

Despite of national level schemes and guideline, there is comparatively low achievement under these national schemes. On the counterpart, Industries are also facing challenges in recruiting apprentices/interns.

* Lack of nodal academic institute for coordination for engaging interns/apprentices
* Employer-driven pedagogic approach- Absence of industry centric course syllabus
* Short duration of internship/apprenticeship
* Lack of relevant or efficient skills for the workplace such as Environment, Health, and Safety (EHS) awareness, soft skills

**6. Proposed Solution, How & Why to promote Apprenticeship & Internship**

Despite the incentives provided by the Government, benefits to students and establishments it has been observed that implementation machinery of the Apprentices Act in most of the states has been not very effective. In this section, we look at possible solutions to increase adoption of apprenticeship program by industry.

1. **Industry engagement on “Educate & Enforce” model:**

Encourage industries by grading them based on their performance and identifying “STAR Employers”. This model can prove beneficial in attracting employers to engage more apprentices. Top employers on basis of hiring apprentices can be given recognition and tax benefits which will be a driving force for them to hire more apprentices.

* 1. Also currently in Tamil Nadu, there are no structured guidelines to establish if industry’s perspective is incorporated in developing the workplace module and basic training modules. State authorities may educate the industries and industry associations by developing such guidelines and enforce after detailed stakeholder consultation.

1. **Sensitization of MSMEs:**

For small establishments particularly those which are less than 30 workforces, an institutional cooperation shall be explored with The Micro, Small and Medium Enterprises Department, Government of Tamil Nadu. Institutional cooperation may be leveraged to reach out to establishments to promote apprenticeship and internship opportunities. Also, eligible candidates can be engaged with different member MSMEs of Industry Associations in the duration of apprenticeship/internship under their supervision. It will help candidates to get exposure in the different MSMEs and in the same time establishment also can conveniently manage the interns for a short span of time.

1. **Hub & Spoke Model:**

The hub-feeder distribution mechanism for the apprenticeship and internship can be introduced in consultation with lead/premier institutes in the vicinity who can play a major role in promotion of apprenticeship and internship. Government can identify lead institute and termed as “Apprenticeship-Internship Hubs”. These hubs are expected to cater the interns/apprentice’s requirement of the establishments in the vicinity and coordinate with the other educational institutes, termed as “Feeder”. Being a premier institute, these hubs can play a key role in providing technical supervision for NAPS and NATS also in their respective regions.

1. **Embedded Course/Dual-System of Training (DST):**

State institutes and Universities to encourage to adopt and promote apprenticeship and internship embedded programs. Also, it should be a compulsory implemented in the ITI eco-system to enhance trainees’ employment opportunities and fulfilling the industry requirement. ITIs will also get advantage in the grading system by take up the courses under DST introduced by the DGT.

1. **Provision of Virtual Internship:**

Considering the bulk requirement of industries for interns, implementation of virtual Internship can play a major role and benefit both students and the industry. AICTE has recently introduced Virtual Internship for technical course students to provide 20,000 virtual internships in cybersecurity through the Cisco Networking Academy program.

1. **Strengthening of TPAs:**

Currently the functions of Third-Party Aggregators are limited to apprentice mobilization and facilitation for establishment/candidate registration. It is proposed that TPAs may also be authorized to sign contracts on behalf of its establishment pool and apprentices; identify training opportunity and place them. TPA shall ensure that establishment provides prescribed competency as per the curriculums to the leased apprentices. TPAs shall also be made responsible for assessment of apprentices and employment post training. Government of Tamil Nadu may consider piloting this model with few TPAs with additional incentives under NAPS.

1. **Engagement of Industry Associations:**

Encourage industry associations for offering apprenticeship compliance and facilitation as a membership service to their member establishments. In addition to existing TPA incentives, it is proposed that state may also fund for setting up an apprenticeship desk at eligible industry associations.

1. **Leveraging Human Resource (HR) functions:**

Training and issues related to employees are centered at HR function of establishments. It is noticed that the HR staff of many establishments are not aware of the Apprenticeship Act and its implementation process. Its critical to educate these resources to ensure greater penetration of apprenticeship with businesses. It is also proposed to develop cooperation with leading HR associations, organize joint workshops and develop specialized training programs for working HR professionals on Apprenticeship Act. In the long term, curricular changes to include Apprenticeship Act in the HR syllabus of various HR courses can be considered.

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1. https://www.skilltraining.tn.gov.in/DET/apprenticeship.html [↑](#footnote-ref-1)