



September 2021

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Sector Context in India



28 States & 8 Union Territories

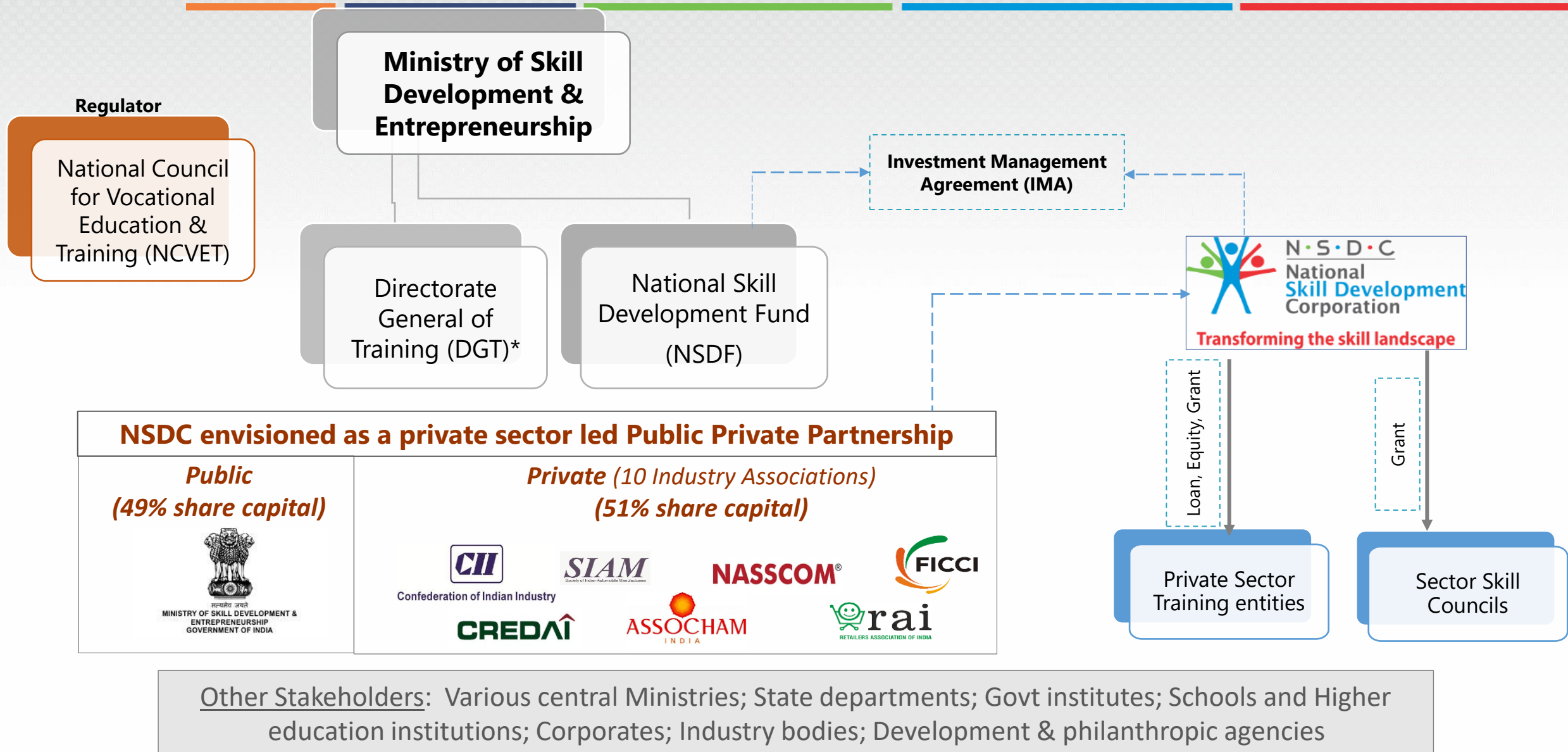
730+ Districts*

*(Grouped into Clusters by National Statistical Office, for surveys and analysis)



- Ministry of Skill Development & Entrepreneurship is nodal agency for skill development policies at national level.
- State governments play important role in program implementation through State Skill Devt Missions.
- Skilling programs are funded by various central/ state govt. departments, private sector entities and philanthropic organisations.
- India's skill market size estimated at **\$3 bln**

NSDC's Institutional Context



* Oversees trainings delivered through the network of government and private Industrial Training Institutes (ITIs).

NSDC's Role in the skills ecosystem

Development Financing



Government Schemes



Industry Partnerships & CSR led Skilling



Sector Skill Councils Coordination



International collaborations



Apprenticeship



Digital skilling & Innovations (eSkill India.org)



Learning Standards & Resources (Qualifications, Curricula)



Market Analytics



Knowledge and Advisory Services



Communications & Outreach



Technology enablers (SMART, SIP)



Monitoring, Quality Assurance, Capacity Building

Training Models & Achievements

Fee Based Model

Candidate/ industry willingness to pay (typically for aspirational/ high demand job roles)

NSDC as a catalyst

16.6 Mn

Grant Based Model

Govt. funded programs for job roles with low willingness/ ability to pay. **National Flagship program PMKVY***.

NSDC as an implementer

14.3 Mn

Apprenticeship Model

Willingness to learn and earn. Cost born jointly by Govt & Employer

NSDC as an implementer

0.34 Mn

Over 30 mn learners supported through NSDC skill ecosystem

Incubated **37** Sector Skill Councils

Presence in **620+** (86%) districts

Eco-system of **650+** training partners

Committed **over \$280+ mn** financing
(Loans & Equity)



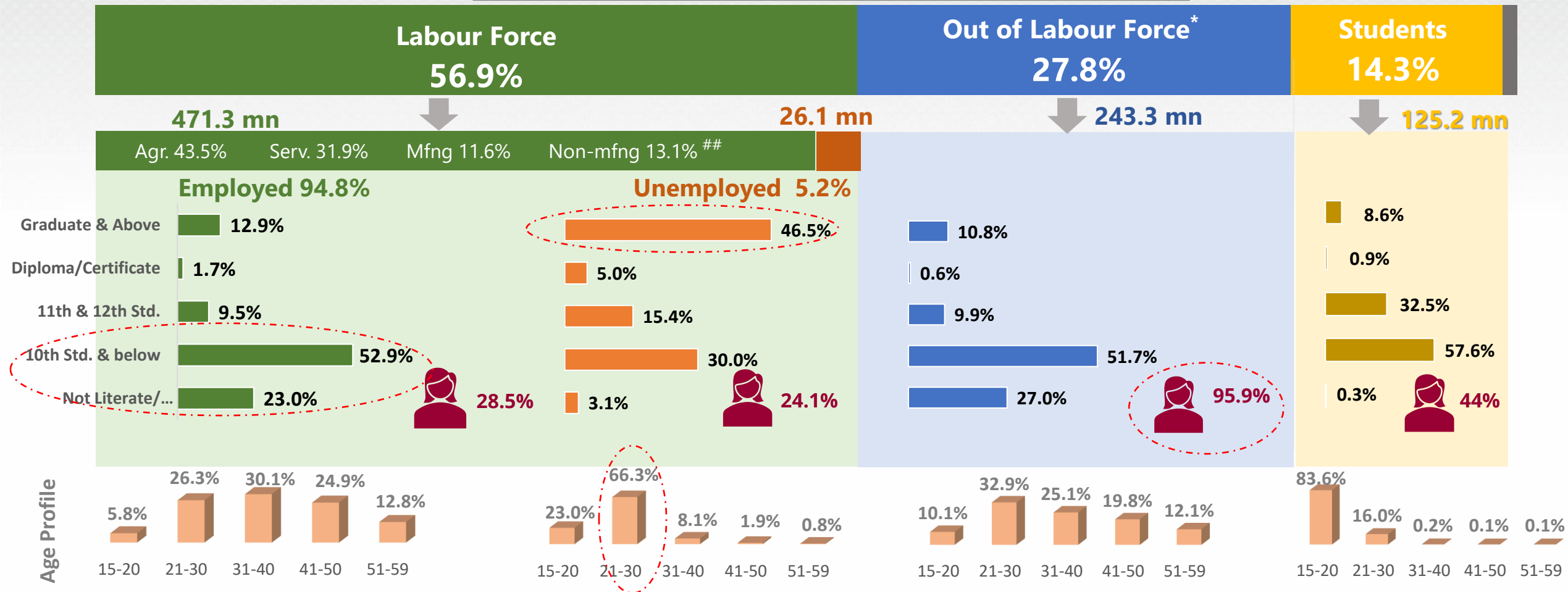
*Pradhan Mantri
Kaushal Vikas
Yojna

Introduction to Skill Development Priority Index

Overview of working age population in India

Retirees
1.0%

874.3 mn Working Age Population[#] (15-59 years)



[#] Note: Weights of PLFS 2019-20 were multiplied by 1.22 to get projected population for 2019.

^{##} Non-manufacturing includes Construction, Mining & quarrying, Electricity, etc.

*Defined as per Usual Principal Activity status under PLFS 2019-20 survey. Excludes persons – a) in the labour force (employed/unemployed), b) who reported their status as 'attended educational institution' (categorized as 'Students'), and c) rentiers, pensioners, remittance recipients (categorized as 'Retirees')

- Multiple drivers for skill development programs. Limited resources available.
- Government programs getting increasingly decentralised.
Growing role of states in successive PMKVY programs. District level approach envisaged under PMKVY 3.0. Formation of District Skill Committees being supported under World Bank's SANKALP project
- Rise in philanthropic funding for skill development.
CSR funding has doubled from \$1.3 bln to \$2.8 bln (2015-20), of which share of Education & Skilling has risen from 31% to 40%.

Objective

To identify priority states, clusters and districts with respect to the need for skill development interventions.
Enable more optimal allocation of resources for skill development.

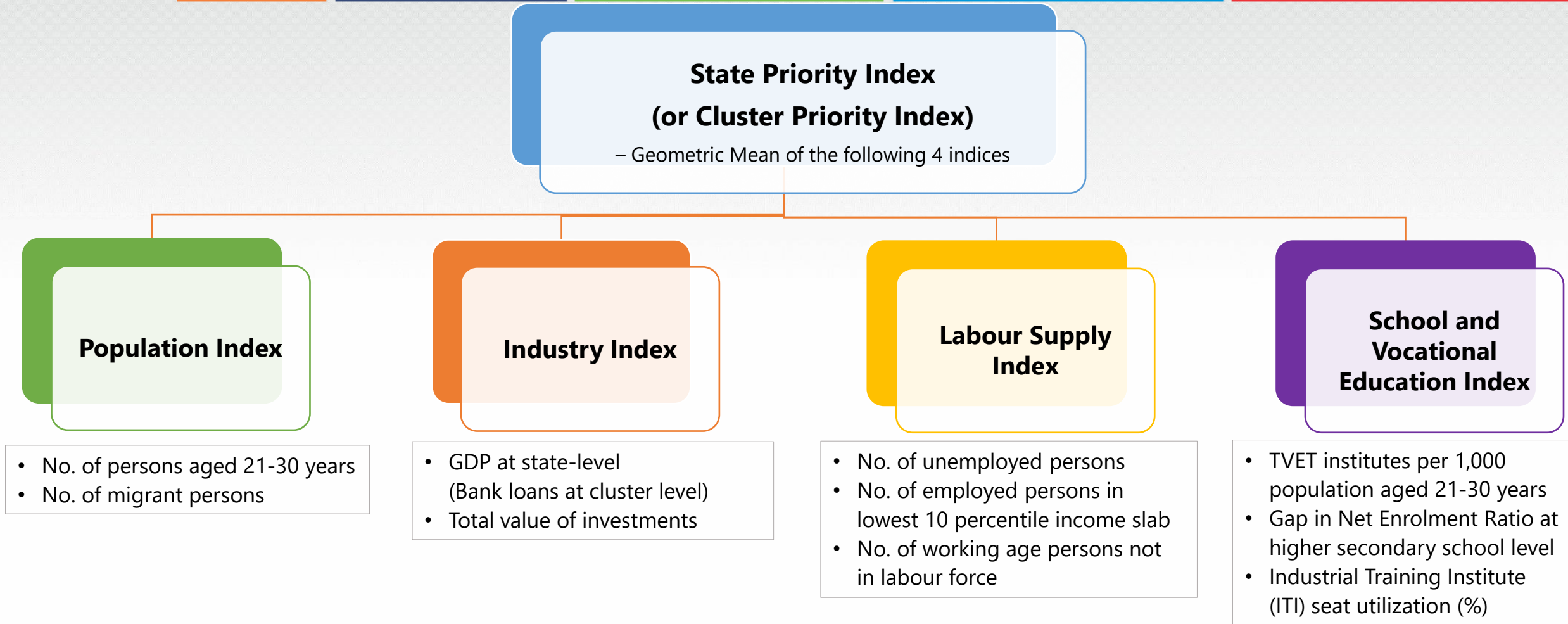
Approach

- Based on four indices - (i) **Population Index** (ii) **Industry Index** (iii) **Labour Supply Index** (iv) **School & Vocational Education Index**.
- The four indices are aggregated using geometric mean, to calculate **Overall Priority Index** for a state/ cluster.
- Each of the four indices is calculated using 2-3 sub-indicators which are scaled to a value of 0 to 100.
- All index calculations are at **state and cluster levels**. Clusters correspond to the 88 National Sample Survey (NSS) regions as defined by National Statistical Office, Ministry of Statistics and Program Implementation (MoSPI). Index can also be calculated at district level.

Data Sources

1. Periodic Labour Force Survey (PLFS) 2018-19, MoSPI, Government of India (GoI)
2. Reserve Bank of India data (2019-20 Q4) on Bank Credit of Scheduled Commercial Banks
3. State Gross Domestic Product (GDP) 2018-19 (at constant 2011 prices, updated on Feb 1st, 2021), MoSPI, GoI
4. Census 2011, Ministry of Home Affairs, GoI
5. CapEx Database (2017-19), Centre for Monitoring Indian Economy (CMIE)
6. Unified District Information System for Education (UDISE) 2018-19, Department of School Education & Literacy, Ministry of Education, GoI
7. National Council for Vocational Training (NCVT) (MIS downloaded in June 2020), Ministry of Skill Development and Entrepreneurship, GoI
8. NSDC data on Accredited Training Centres from the Skill India Portal (SIP) (May 2020)

Composition of SDPI



Each of the 4 Indices is the Geometric Mean of the sub-indices (0-100 value) under it

Conversion of data to a scale of 0 - 100:

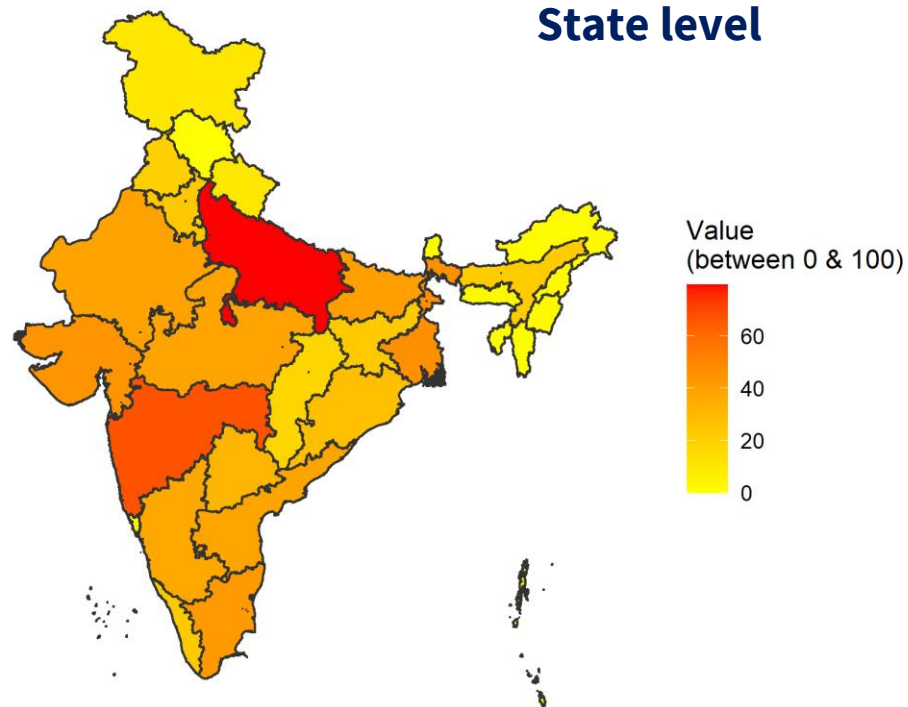
$$Sub - Index = \left(\frac{Value - Minimum}{Maximum - Minimum} \right) * 100$$

Maximum and minimum values correspond to observed maximum and minimum values across states (or clusters)

SDPI – Results & Insights

Skill Development Priority Index

State level



Top 5 States

Index

Uttar Pradesh

79.60

Maharashtra

67.13

West Bengal

46.60

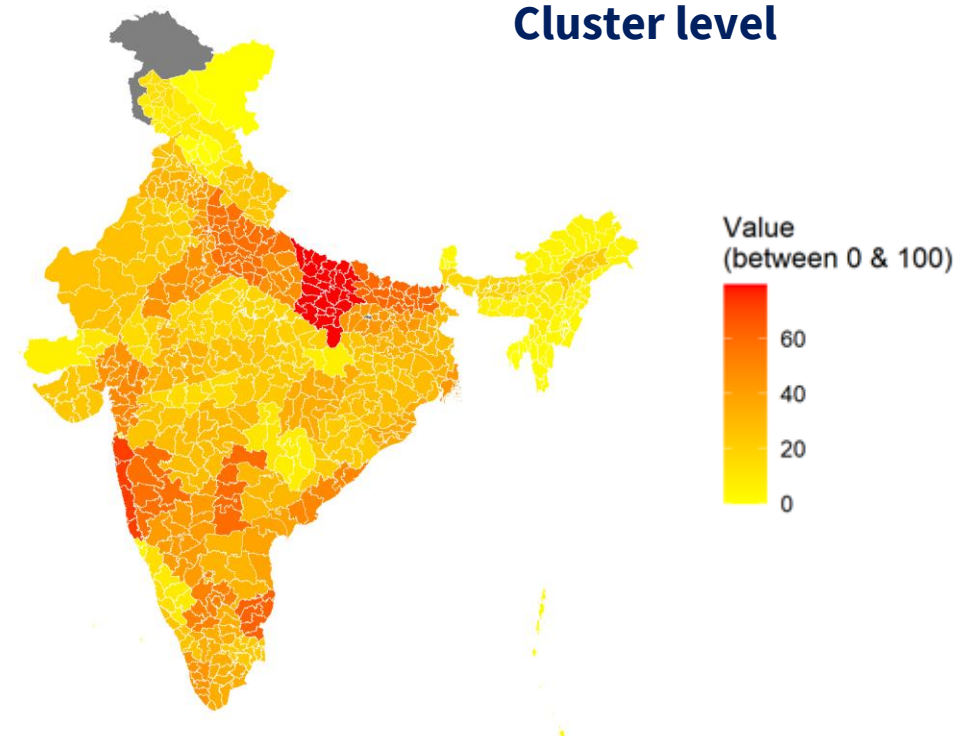
Gujarat

44.55

Tamil Nadu

42.21

Cluster level



Top 5 Clusters (NSS)

Index

Eastern - Uttar Pradesh

58.57

Coastal - Maharashtra

52.98

Coastal Northern - Tamil Nadu

46.23

Northern – Bihar

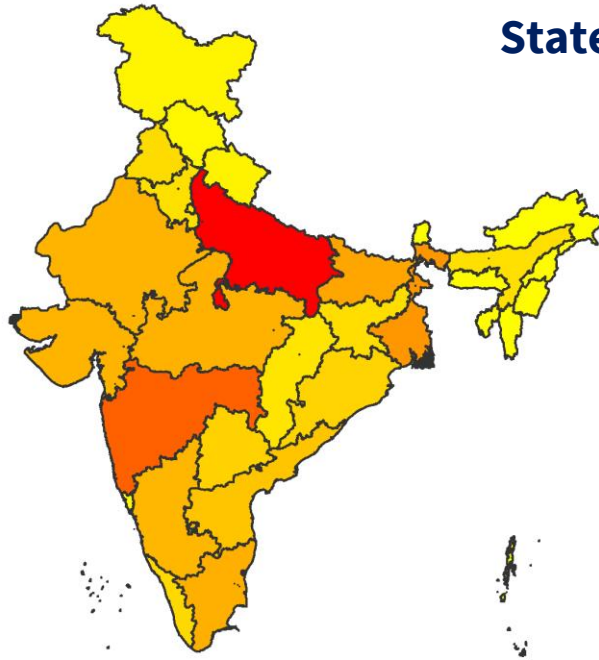
44.77

Inland North Western - Telangana

43.50

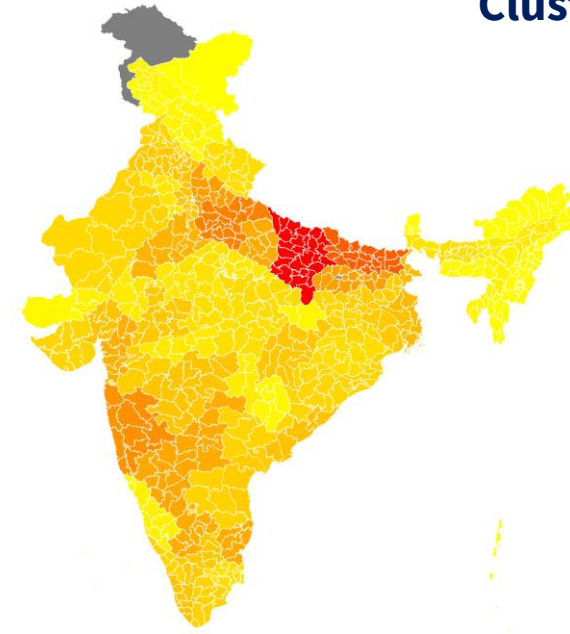
Population Index

State level



Top 5 States	Population Index
Uttar Pradesh	99.19
Maharashtra	78.53
West Bengal	54.86
Bihar	47.41
Tamil Nadu	42.38

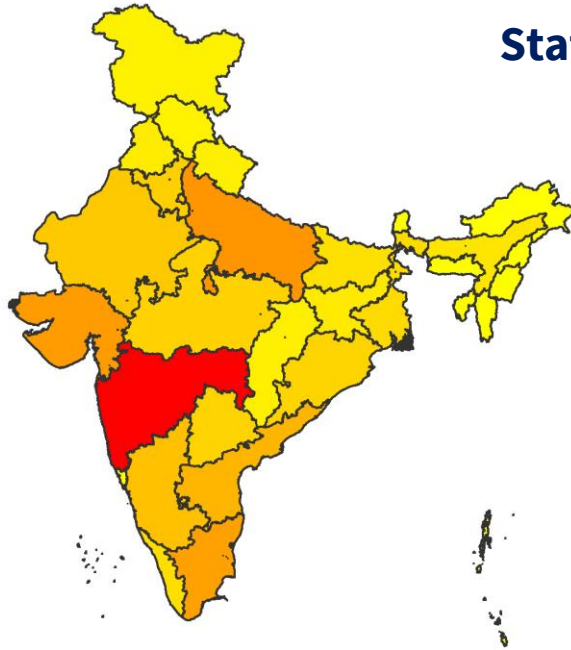
Cluster level



Top 5 Clusters (NSS)	Population Index
Eastern - Uttar Pradesh	100.00
Northern – Bihar	80.18
Southern Upper Ganga Plains – U.P.	65.71
Inland Western – Maharashtra	58.60
Coastal – Maharashtra	56.55

Industry Index

State level

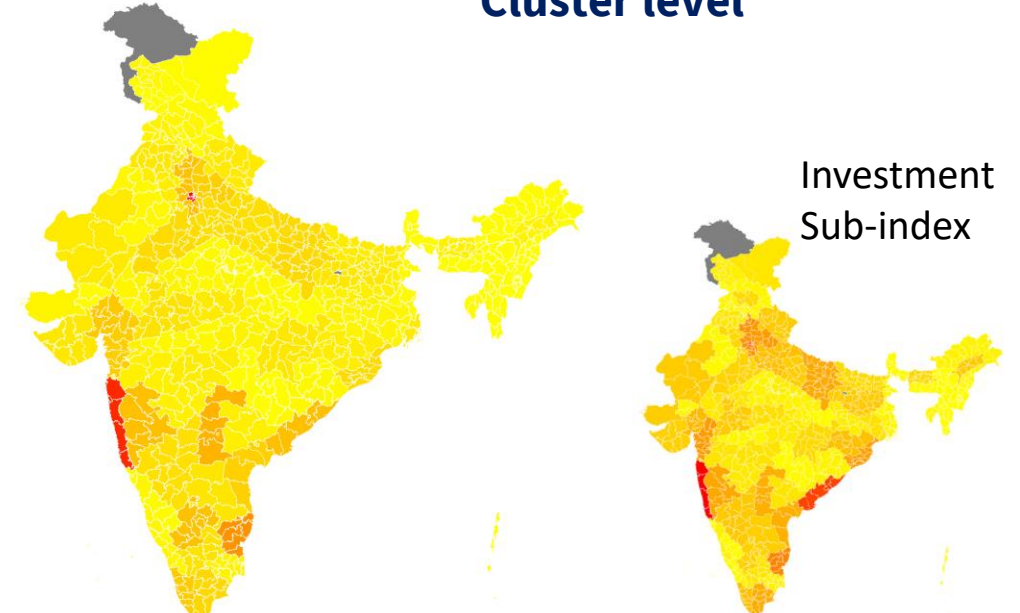


Top 5 States

Industry Index

Maharashtra	100.00
Uttar Pradesh	55.69
Gujarat	52.97
Tamil Nadu	50.23
Andhra Pradesh	39.66

Cluster level



Investment Sub-index

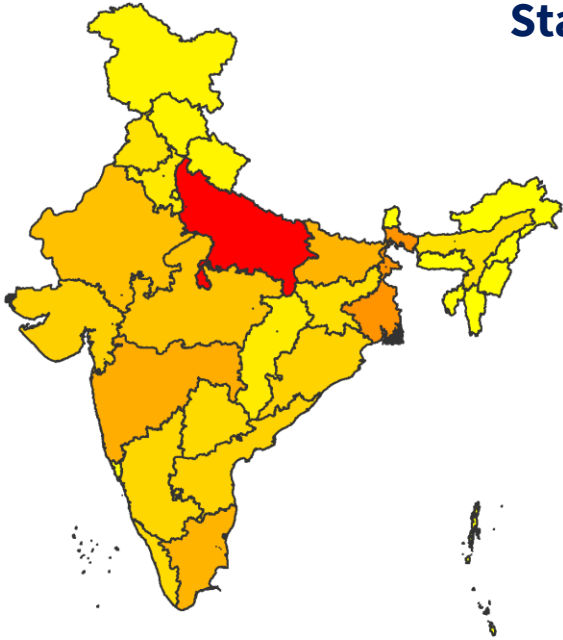
Top 5 Clusters (NSS)

Industry Index

Delhi – NCT Of Delhi	91.99
Coastal – Maharashtra	87.92
Coastal Northern – Tamil Nadu	52.11
Inland North Western – Telangana	37.45
Inland Western – Maharashtra	31.63

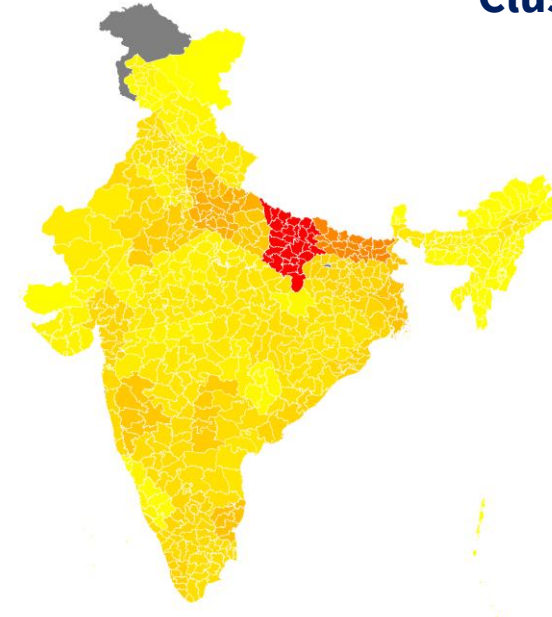
Labour Supply Index

State level



Top 5 States	Labour Supply Index
Uttar Pradesh	98.95
West Bengal	56.78
Maharashtra	43.54
Tamil Nadu	40.00
Bihar	39.78

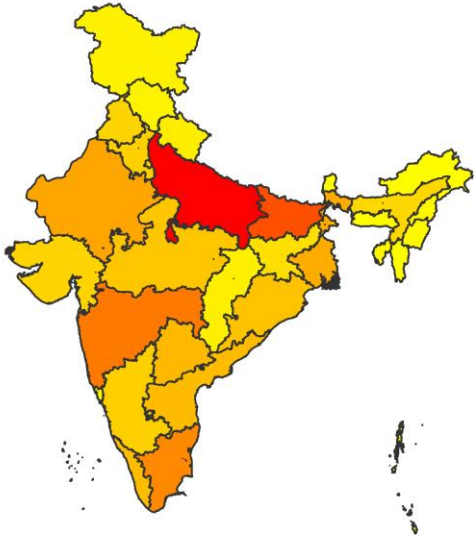
Cluster level



Top 5 Clusters (NSS)	Labour Supply Index
Eastern – Uttar Pradesh	89.26
Northern – Bihar	55.92
Southern Upper Ganga Plains – U.P.	38.63
Northern Upper Ganga Plains – U.P.	30.64
Southern Plains – West Bengal	30.34

Additional insights on Unemployed Segment

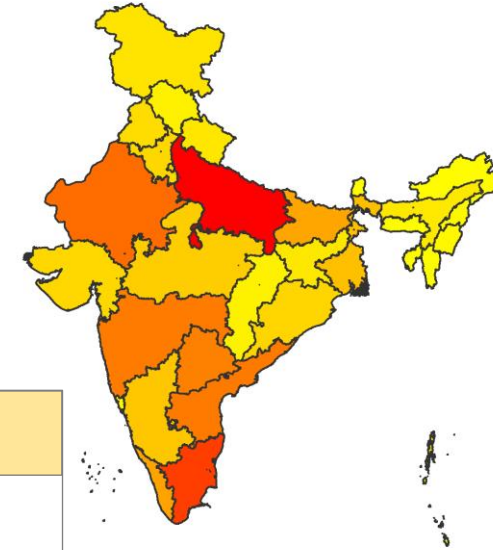
Unemployed persons



Top 3 States

1. Uttar Pradesh
2. Bihar
3. Maharashtra

Unemployed *graduates**

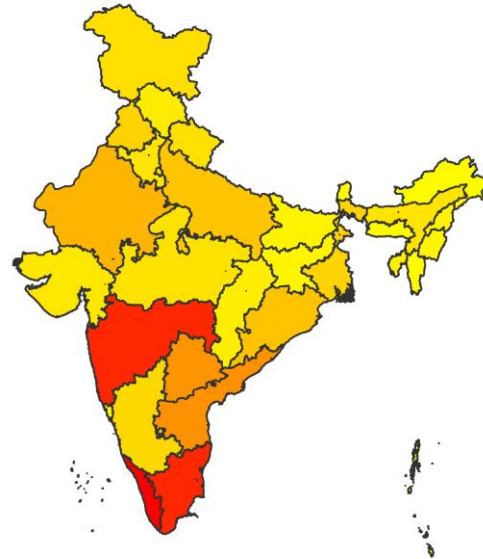


* Includes those with graduate & higher degree

Top 3 States

1. Uttar Pradesh
2. Tamil Nadu
3. Rajasthan

Unemployed *females*

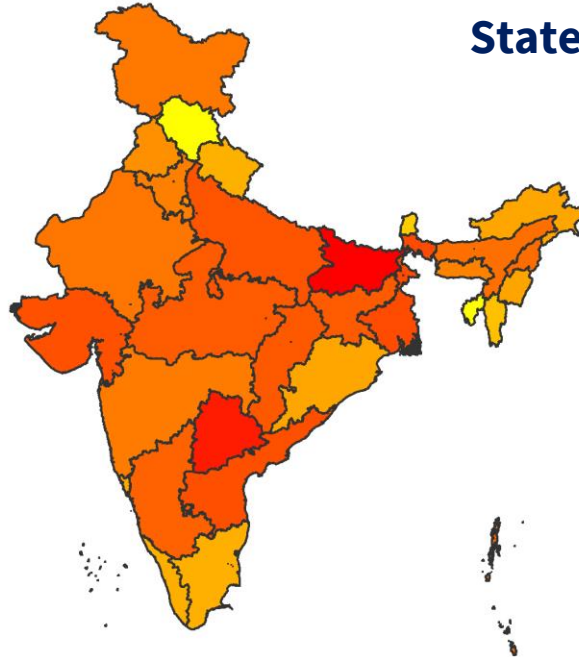


Top 3 States

1. Kerala
2. Tamil Nadu
3. Maharashtra

School & Vocational Education Index

State level



Top 5 States

TVET Index

Bihar

87.52

Telangana

85.41

West Bengal

75.92

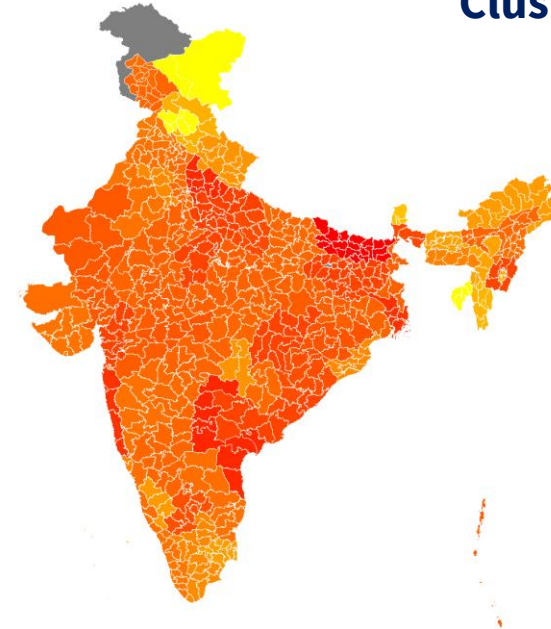
Andhra Pradesh

74.77

Gujarat

74.42

Cluster level



Top 5 Clusters (NSS)

TVET Index

Northern – Bihar

93.08

Inland North Western – Telangana

89.27

Coastal Southern – Andhra Pradesh

88.90

Northern Upper Ganga Plains – U.P.

88.81

Central Plains – West Bengal

87.56

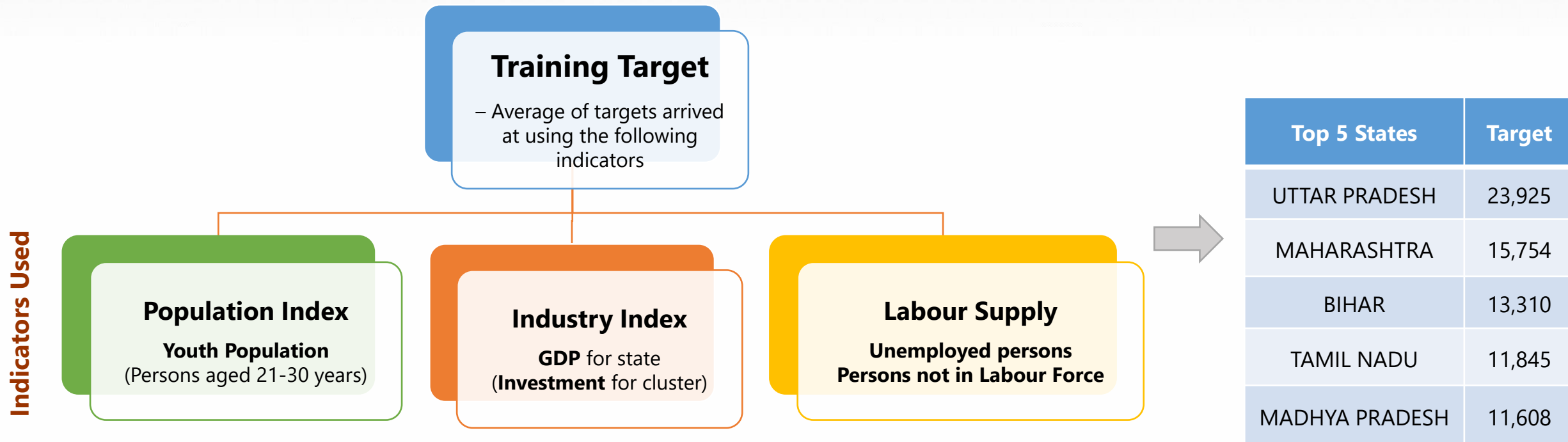
SDPI - Use and Way Forward

Use of SDPI indicators to allocate training targets under PMKVY 3.0

PMKVY 1.0 (2015-16) & PMKVY 2.0 (2016-20)
Targets allocated to TPs

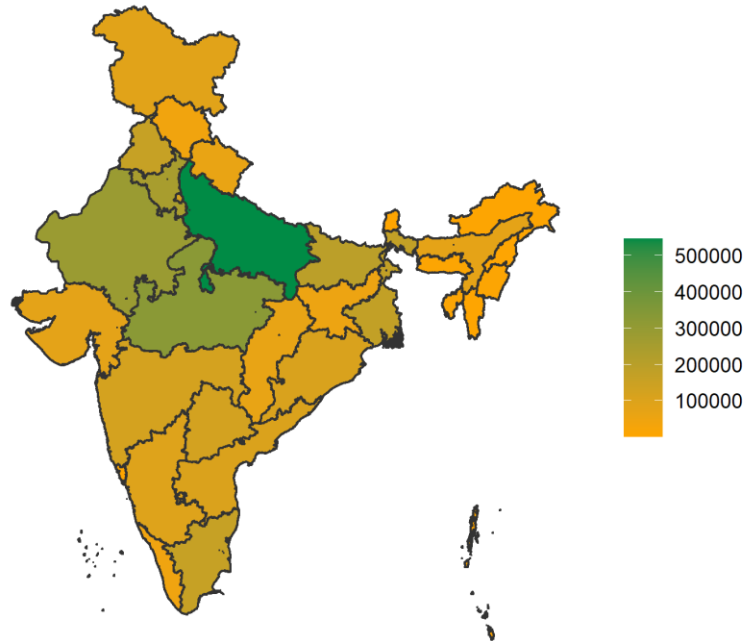
PMKVY 3.0 (2020-21)
Targets distributed to District level & then allocated to TPs

Total targets at all-India level were disaggregated to state, cluster and district-level using select SDPI indicators.



Shift in training distribution

Numbers trained under PMKVY 2.0 (2016-20)

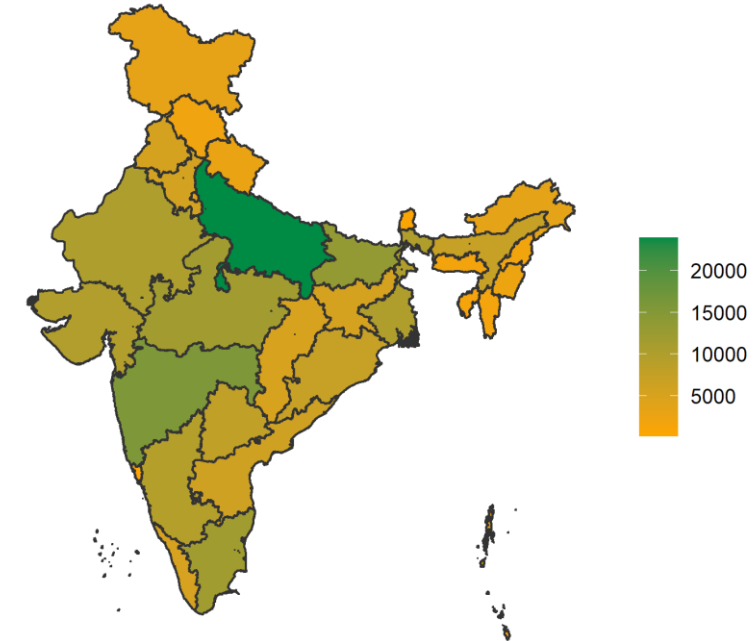


Top 5 states –

1. Uttar Pradesh (16%)
2. Madhya Pradesh (9%)
3. Rajasthan (8%)
4. Haryana (7%)
5. Bihar (6%)

- | | |
|----------------------------|---------------------------|
| 6. <u>West Bengal</u> (5%) | 8. <u>Tamil Nadu</u> (5%) |
| 9. <u>Maharashtra</u> (4%) | 17. <u>Gujarat</u> (2%) |

Training targets allocated under PMKVY 3.0 (2021)*



Top 5 states -

1. Uttar Pradesh (12%)
2. Maharashtra (8%)
3. Bihar (7%)
4. Tamil Nadu (6%)
5. Madhya Pradesh (6%)

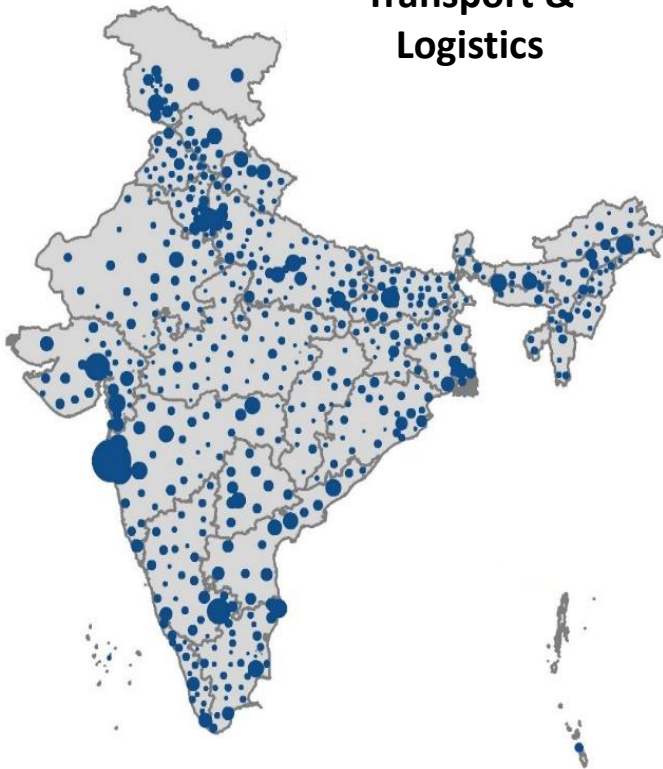
- | | |
|------------------------|----------------------------|
| 6. Rajasthan (5%) | 7. <u>West Bengal</u> (5%) |
| 8. <u>Gujarat</u> (5%) | 14. Haryana (3%) |

Sectoral focus can also be integrated

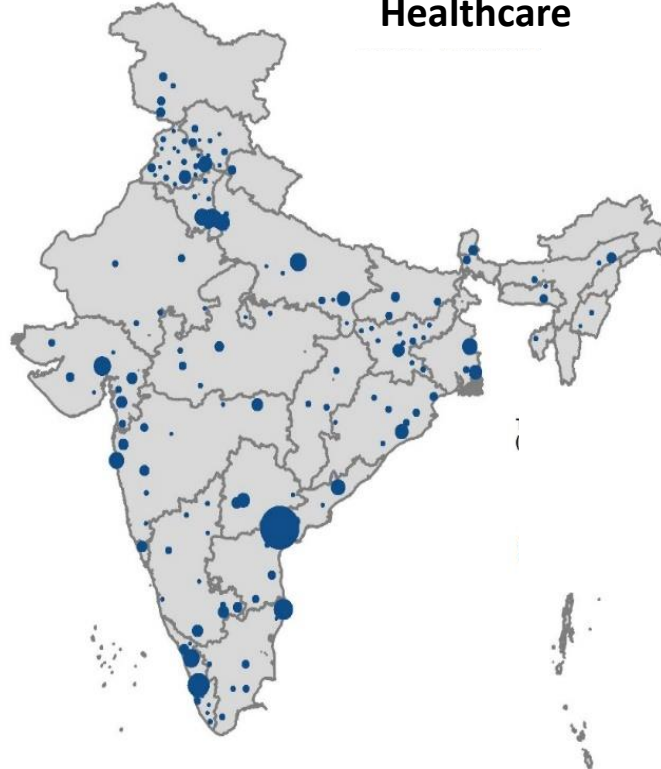
Higher score may be given to proposals for training in sectors/ job roles having greater potential for employment in the district
(Piloted in PMKVY 2.0, based on estimated labour demand using CMIE's investment data and RBI's credit data).

Total Investments (2014-17)

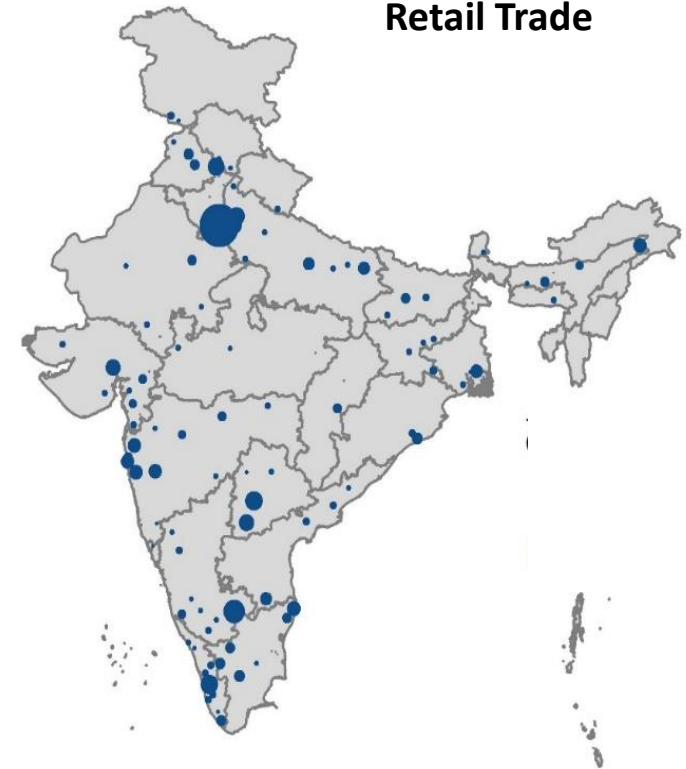
Transport & Logistics



Healthcare



Retail Trade



- Scope for use of SDPI in future central and state **government programs** to guide resource allocation and identify focus regions for new initiatives.
- Can help inform allocation of **CSR / philanthropic funds** for skilling interventions in different regions
- **Modular index structure** enables use of select indices/ sub-indices **for targeted interventions** e.g.
 - Skilling for graduate unemployed youth
 - RPL / upskilling interventions targeted at migrant workers
 - Upskilling / reskilling of employed persons earning low levels of income/ facing job losses
 - Skilling priority from a gender lens
 - Sector-specific interventions (using priority index along with information on sectoral investments)
- Index will be **periodically revised** for data updates

Thank You

Detailed report accessible at -

<https://skillsip.nsdcindia.org/knowledge-products/skill-development-priority-index>

SDPI Dashboards accessible at -

<https://public.tableau.com/app/profile/nsdc.india/viz/NSDCDashboardSkillDevelopmentPriorityIndex/Introduction>

State & District Indicators Dashboard accessible at -

<https://skillsip.nsdcindia.org/plfs-dashboard>

Contact – **SkillsIP@nsdcindia.org**