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Indo-German Programme
for Vocational Education and Training

Establishing the Marathwada Skills Hub

A Pilot Measure for Replication | Aurangabad Cluster, Maharashtra





Who We Are

The Indo-German Programme for Vocational Education and Training (IGVET) is a joint initiative of the Indian Ministry of Skill Development and Entrepreneurship (MSDE) and the German Ministry for Economic Cooperation and Development (BMZ). Implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, it aims at improving the skills of India's labour force, a priority for the Government of India.

The work of IGVET is inspired by the German Dual System of Training, which effectively combines school-based learning with high quality, on-the-job training. Based on the German experience, we provide advisory services and guidance to public and private sector actors in different sectors and regions and focus on finding tailor-made solutions for local challenges. Transferable solutions – like the one presented here – are documented for replication and upscaling across other regions and trades.



The Starting Point

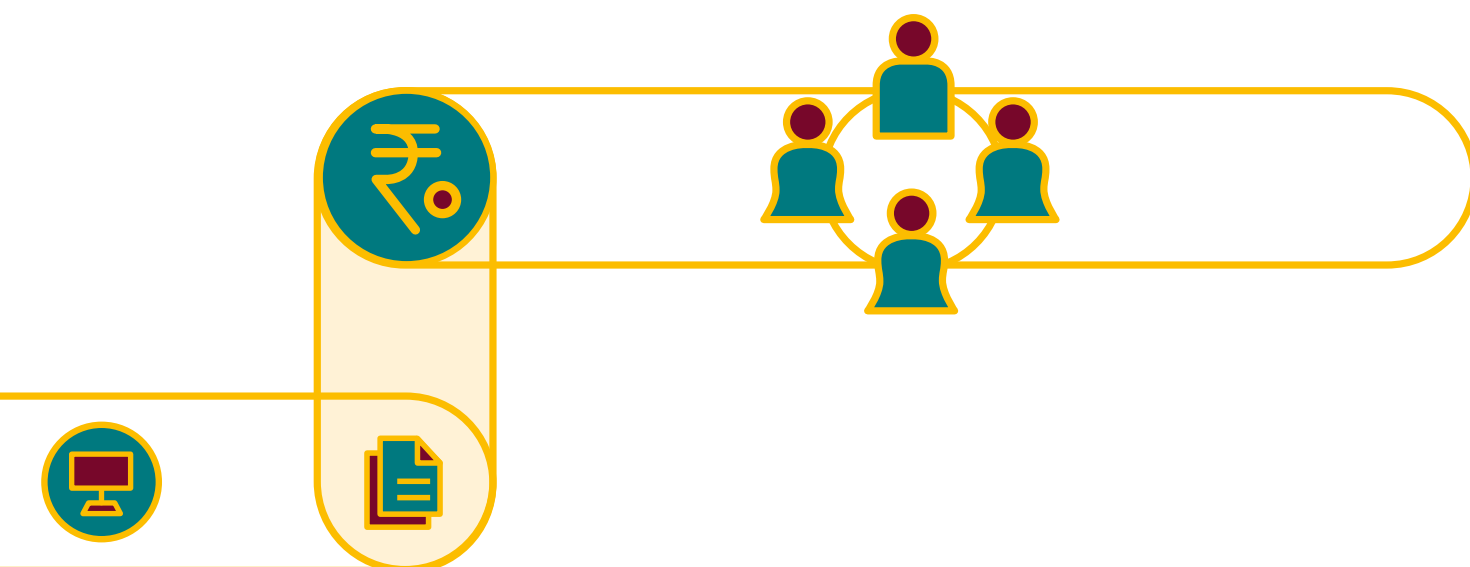
Marathwada is a region in the state of Maharashtra, which is home to 195 large, and more than 3,400 small and medium-sized enterprises (SMEs). Apart from agriculture and allied industries, the automotive, pharmaceutical, textile and food processing sectors have played a key role in the region's strong economic development over the past few years and are expected to continue their growth trend.

In theory, this growth provides ample opportunities for job creation and youth employment. However, the Indian vocational education and training (VET) system is struggling to deliver a workforce of adequate size and quality. As a result, many SMEs in the Marathwada region lack the human resources to fully capitalise on their production capacity.

The Case of CMIA

The *Chamber of Marathwada Industries and Agriculture (CMIA)* is based in the city of Aurangabad and represents more than 700 small, medium-sized and large enterprises. In their capacity as a regional industry chamber, CMIA strives to promote innovation and sustainable growth in Marathwada. To this end, the chamber offers extensive incubation and acceleration services to its members and runs a joint facility centre for automotive component manufacturers.

Given the lack of human resources in the Marathwada region, CMIA sought to expand its existing service portfolio and assist its member companies in providing on-the-job training to interested youth. With the support of the *Indo-German Programme for Vocational Education and Training (IGVET)*, CMIA therefore established the Marathwada Skills Hub – an in-house service provider that offers professional guidance to CMIA's member companies in all VET-related matters.



Why Establish the Marathwada Skills Hub?

Over the past 5 years, the *Ministry of Skill Development and Entrepreneurship* (MSDE) has introduced a variety of new VET schemes. These schemes seek to address the lack of human resources in the industry by incentivising employers to provide high-quality, on-the-job training to India's youth. The most important schemes are

- the National Apprenticeship Promotion Scheme (NAPS) and
- the Dual System of Training (DST) scheme.

While these schemes offer numerous perks and financial incentives for the participating industries, only few of CMIA's member companies were aware of their benefits. Furthermore, many of CMIA's members lacked the required linkages with the regional VET system and CMIA's small and medium-sized members in particular were often overwhelmed by the administrative requirements of the schemes.



Mr. Ashish Garde

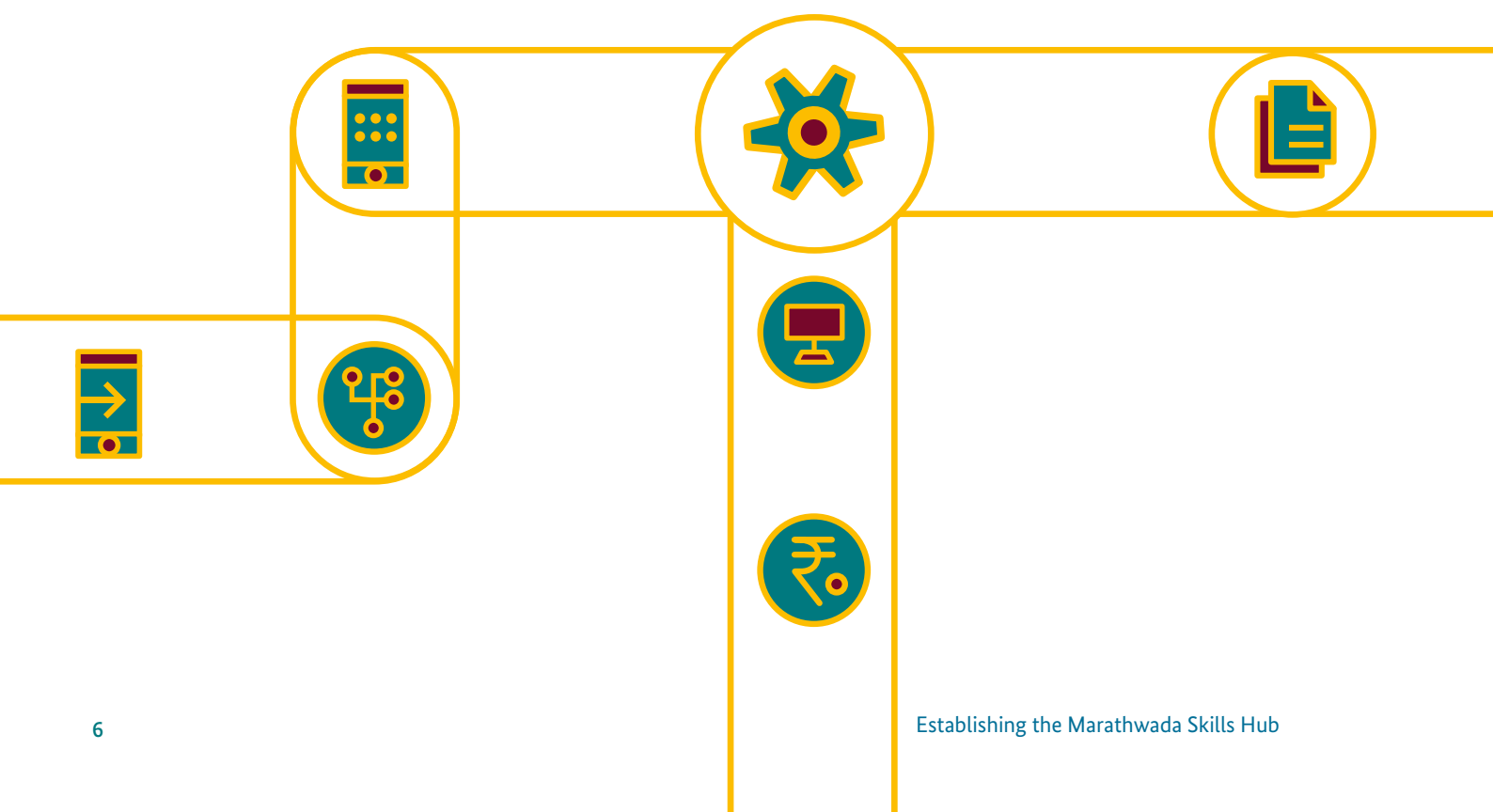
Former President of CMIA

“Over the years, the Marathwada Skills Hub has developed and built a strong skilling ecosystem in the region. We, the team from CMIA, are in constant touch with government officials at DGT, NSDC, Sector Skill Councils, and MSDE. We are also in touch with the Government of Maharashtra and RDSDE officials in Mumbai and Aurangabad. To address the skill gap in the region, we are encouraging all the industries, including those who are not CMIA members, to actively participate in the National Apprenticeship Promotion Scheme. Industries who need well-trained and skilled manpower, who are employment-ready, actively associate with the Marathwada Skills Hub. Together, we will take this region ahead.”

What We Did

To address these challenges, we supported CMIA in:

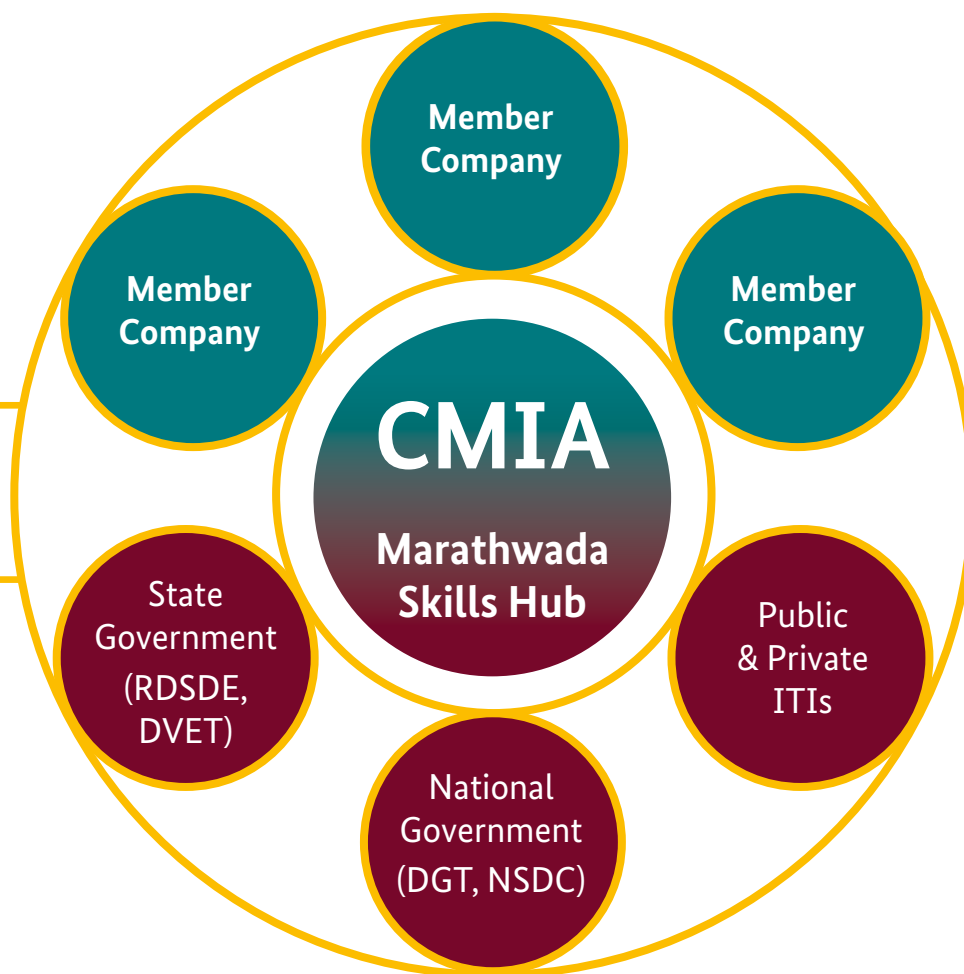
- organising a series of round table meetings with all relevant stakeholders,
- mapping out the role of CMIA in the regional VET system,
- defining a service portfolio for the Marathwada Skills Hub,
- establishing the Marathwada Skills Hub as an in-house service provider,
- registering as Third-Party Aggregator (TPA) and Basic Training Provider (BTP),
- applying for the status of Basic Training Provider (BTP),
- developing guidelines and standard operating procedures for each of the services to be offered by the Marathwada Skills Hub, and
- training the staff of the Marathwada Skills Hub to effectively provide the agreed-upon services.



The Regional VET System

To support CMIA's member companies in making the most of the existing VET schemes, we organised a series of round table meetings including CMIA staff as well as representatives from CMIA's member companies, relevant Industrial Training Institutes (ITIs) and the responsible government authorities. During these workshops, we identified the most important actors in the regional VET system and mapped out the kind of role that CMIA could play in this context.

Given the lack of linkages between CMIA's member companies and the regional VET system, the round table participants suggested to establish the Marathwada Skills Hub – a separate administrative unit within CMIA which they imagined as a single point of contact for CMIA's member companies as well as all external stakeholders. As such, the Marathwada Skills Hub was to play a key role as an in-house service provider for CMIA's members and as platform for exchange in the regional VET system at large.



The Service Portfolio

Based on this map, we developed a longlist of potential services that the Marathwada Skills Hub could offer to CMIA's member companies. We then consulted with 20 of CMIA's members to better understand which of the suggested services would be most useful in meeting their human resource requirements.

In line with the needs and preferences of CMIA's members, the following services were shortlisted and included into the service portfolio of the Marathwada Skills Hub:

- identifying skill gaps and training requirements among CMIA's member companies,
- forging partnerships with Industrial Training Institutes (ITIs), Government authorities and other relevant actors at the national and state level,
- informing CMIA's member companies about the benefits and prerequisites of the available government schemes,
- organising job fairs and industry visits for students, graduates and young jobseekers in the Marathwada region,
- organising career guidance, counselling and orientation sessions for the students and graduates of partnering ITIs and other training providers,
- facilitating the design of new training courses under NAPS and the DST scheme, and
- supporting CMIA's member companies in the provision of high quality, on-the-job training.



The Marathwada Skills Hub

With the service portfolio in place, CMIA deployed one full-time and one part-time staff member to manage the Marathwada Skills Hub. Furthermore, CMIA arranged for separate office space for the two staff members at its headquarters in Aurangabad. To enable the Marathwada Skills Hub to take up its role as an in-house service provider, we supported the two staff members in compiling the following documentation:

- 1 Evidence of registered CMIA offices
- 2 Evidence of a separate administrative unit for all VET-related matters
- 3 Evidence of 5+ years of experience as an industry chamber
- 4 Evidence of available infrastructure for on-the-job training
- 5 Evidence of any previous training activities
- 6 Letters of support from 20 of CMIA's member companies

Once this documentation was complete, the Marathwada Skills Hub reached out to the *National Skill Development Corporation (NSDC)* and the *Regional Directorate for Skill Development and Entrepreneurship (RDSDE)*. In close coordination with the two authorities, the Marathwada Skills Hub then registered CMIA as a Third-Party Aggregator (TPA) and Basic Training Provider (BTP). As such, CMIA was able to support its member companies in the design and implementation of new training courses.

Scan the QR code to learn more about the TPA and BTP application processes:



What We Achieved

The Marathwada Skill Hub was officially inaugurated in March 2018. Since then, CMIA has been granted both the TPA and BTP status and the Marathwada Skills Hub took up its role as an in-house service provider for CMIA's member companies. Over a period of 2 years,

200+

of CMIA's member companies participated in information sessions about NAPS and the DST scheme.

20

of CMIA's member companies participated in a skill gap analysis.

149

of CMIA's member companies decided to provide on-the-job training under NAPS.

5

of CMIA's member companies decided to provide on-the-job training under the DST scheme.

500

youth from the Marathwada region participated in career guidance and counselling sessions.

300

youth from the Marathwada region received high quality, on-the-job training.

What We Learned

The Marathwada Skills Hub has proven to be an effective tool for promoting industry participation in the NAPS and the DST scheme and for catalysing the provision of high-quality, on-the-job training for the region's youth. While implementing this pilot measure, we learned that ...

... participation is key.

Through our round table meetings and consultations, CMIA's member companies were able to actively define the role and position of the Marathwada Skills Hub in the regional VET system. This approach was crucial for determining the kind of services that the Marathwada Skills Hub was expected to provide and to gain the required industry backing for CMIA's application for the status of TPA and BTP.

... formalities are worth the effort.

The application for the status of TPA and BTP process is often perceived as a rather cumbersome formality. In the case of CMIA, the application process itself however opened up many opportunities for networking and exchange between CMIA, its member companies and the responsible government authorities. This led to the creation of lasting partnerships which significantly accelerated the design and implementation of new, industry-relevant training courses.

... trouble shared is trouble halved.

As an in-house service provider, the Marathwada Skills Hub significantly reduced the administrative costs related to the planning and implementation of on-the-job training for CMIA's member companies. This encouraged many of CMIA's small and medium-sized members to participate in the available government schemes and to actively shape the skill sets of their future employees.

... industry chambers make good facilitators.

By establishing the Marathwada Skills Hub, CMIA not only created a new service provider for its members, but also positioned itself as a single point of contact for all stakeholders in the regional VET system. As such, CMIA was able to forge valuable partnerships with local ITIs and the responsible government authorities and enabled its member companies to not only gain direct access to a pool of qualified youth, but also to equip their future employees with the exact set of skills that is needed in their industries.

Scan the QR code to find out more about the Marathwada Skills Hub:



Contact

If you, too, want to improve the skills of your labour force by making use of India's untapped human potential and if you, at the same time, want to contribute to a brighter future for India's youth and economy, get in touch with us.

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