

NATIONAL SCHEME FOR UPGRADATION OF INDUSTRIAL TRAINING INSTITUTES (ITIS) – ECONOMY

NEWS: Recently, the Union Cabinet approved the National Scheme for Upgradation of Industrial Training Institutes (ITIs).

WHAT'S IN THE NEWS?

Overview of the Scheme

- The *National Scheme for Upgradation of ITIs* is a flagship vocational education initiative aimed at modernising India's skill training ecosystem.
- The scheme plans to revamp 1,000 Government ITIs and establish five Centres of Excellence for Skill Development to meet future industry demands.

Nodal Ministry

- The scheme is implemented under the Ministry of Skill Development and Entrepreneurship (MSDE), which is responsible for policy formulation, coordination, and oversight of skill-related initiatives across India.

Funding Structure

- It is a Centrally Sponsored Scheme (CSS) that follows a multi-stakeholder funding model, involving contributions from the central government, state governments, and the private sector.
- The total financial outlay of the scheme is ₹60,000 crore, distributed as:
 - ₹30,000 crore from the Central Government,

- ₹20,000 crore from State Governments, and
- ₹10,000 crore from Industry Partners.
- International financial support will supplement the central contribution:
 - 50% of the central share will be jointly co-financed by the Asian Development Bank (ADB) and the World Bank.

Hub-and-Spoke Implementation Model

- The scheme follows a hub-and-spoke model to ensure integrated and scalable vocational training delivery.
- Hub ITIs: Selected top-performing institutes upgraded with modern infrastructure, smart classrooms, simulation labs, and industry-relevant courses. These will serve as regional resource centres.
- Spoke ITIs: Neighbouring smaller ITIs linked to the hubs to receive support in faculty development, technology access, and standardised training.
- This structure promotes regional equity, shared resources, and industry collaboration, helping create a networked ITI ecosystem.

Establishment of National Centres of Excellence (NCOEs)

- Five National Skill Training Institutes (NSTIs) in Bhubaneswar, Chennai, Hyderabad, Kanpur, and Ludhiana will be upgraded to act as NCOEs.
- These upgraded NSTIs will serve as model institutes with cutting-edge facilities, curriculum design support, and best practices in vocational pedagogy.

Focus on Trainer Development

- A significant component of the scheme is the training of 50,000 vocational trainers to ensure quality delivery of skill education.
- Both pre-service and in-service training will be conducted to keep instructors updated with modern tools, industry trends, and digital technologies.

SPV-Based Implementation Mechanism

- The scheme will be operationalised through an industry-led Special Purpose Vehicle (SPV).
- This approach ensures outcome-based implementation, with industry stakeholders deeply involved in planning, execution, and monitoring.
- SPVs will facilitate accountability, responsiveness to local needs, and private sector participation.

Understanding Vocational Education

- Vocational education focuses on practical training and skill development for specific trades or careers.
- Courses span various sectors like carpentry, plumbing, hospitality, electricals, electronics, and healthcare, targeting employability.
- Delivered through ITIs, polytechnics, and vocational schools, it bridges the gap between academic learning and workforce demands.

Anticipated Benefits

- Skill Development of Youth: The scheme aims to skill 20 lakh youth over five years with industry-relevant, employable skills.

- Improved Employment Outcomes: The curriculum is aligned with real-world industry requirements, especially catering to MSMEs and emerging sectors.
- Boost to Sunrise Industries: Emphasis on preparing manpower for future-oriented sectors like electronics, electric vehicles, automation, and renewable energy.
- Infrastructure and Course Modernisation: Outdated labs, curricula, and equipment will be replaced with modern infrastructure and digital tools.
- Overcoming Perception Issues: ITIs will be rebranded as aspirational institutions, improving public perception of vocational education.

Flexibility and Need-Based Investment

- ITIs will receive need-based funding, allowing for customised infrastructure upgrades and course offerings based on local labour market demands.
- This ensures context-sensitive planning while maintaining national standards.

Strategic Alignment with National Development Goals

- The scheme plays a crucial role in realising the 'Viksit Bharat 2047' vision, which aims at transforming India into a developed nation through inclusive growth.
- Repositioning ITIs as high-quality training centres managed in partnership with industry enhances the relevance and attractiveness of vocational education.
- By creating a globally competitive workforce, the scheme will strengthen India's position in global value chains and support economic expansion.

Source: https://www.business-standard.com/industry/news/union-cabinet-approves-iti-upgradation-scheme-nstis-centres-of-excellence-125050700826_1.html