

## **Introduction**

### **Background**

India is a fast growing economy with a rising demand for skilled workforce which enhances the efficiency and flexibility of the labour market, reduces skills bottlenecks, and improves mobility and productivity. The Directorate General of Employment & Training (DGE&T) initiated Craftsman Training Scheme in 1950 by establishing 50 Industrial Training Institutes (ITIs) for imparting skills in various vocational trades to meet the manpower requirements for technology and industrial growth of the country. The demand for skilled manpower has increased substantially due to rapid economic growth, changes in technology and work process, and globalization of economy. As on 01-01-2007 there were 1896 Government ITIs in the country. Out of these 500 ITIs are being upgraded into Centres of Excellence under a Scheme started from 2005-06. The Upgradation of the remaining 1396 Government started in 2007-08 through Public Private Partnership.

### **Objective**

The objective of the Scheme is to improve the quality of vocational training in the country and make it demand driven so as to ensure better employability of the graduates.

### **Salient Features**

For each ITI to be taken up under the Scheme, an Industry Partner is associated to lead the process of Upgradation. An Institute Management Committee (IMC), headed by the Industry Partner, is constituted and registered as a Society. A memorandum of Agreement is signed among the Central Government, the State Government, the state government and the Industry Partner defining the roles and responsibilities of all the parties, An interest free loan upto Rs. 2.5 cr. Is given by the Central Government directly to the IMC on the basis of Institute Development Plan (IDP) prepared by it. The loan is repayable by the IMC in 30 years, with a moratorium of 10 years and thereafter in equal annual instalments over a period of 20 years. Under this scheme the IMC has been given financial and academic autonomy to manage the affairs of the ITI. The IMC is allowed to determine upto 20% of the admission in the ITI. The Industry Partner may provide financial assistance as well as machinery and equipments to the ITI. It shall arrange to provide training to instructors and on the job training to trainees. State Governments remain the owner of the ITIs and continue to regulate admissions.