

# **ASSISTANCE FOR SKILL DEVELOPMENT OF OTHER BACKWARD CLASSES (OBCs)/ DE-NOTIFIED AND SEMI-NOMADIC TRIBES (DNTs)/ ECONOMICALLY BACKWARD CLASSES (EBCs)**

(File No. 15-28/2019-Stat. Division)



सत्यमेव जयते  
Government Of India



## **EXECUTIVE SUMMARY**

Submitted to:  
Statistics Division  
Department of Social Justice & Empowerment  
Ministry of Social Justice & Empowerment, Government of India



Submitted by:  
Indian Institute of Public Administration, New Delhi.  
March 2020

# EXECUTIVE SUMMARY

India is currently in transition to a knowledge-based economy and its competitive edge will be determined by the ability of its people and especially the deprived sections of the society to create, share and use the knowledge acquired more effectively. This will inevitably require an analytical, adaptable and multi skilled population, which can be developed through appropriate skill development efforts so as to achieve social inclusion, productivity and also meet the skill shortages in the country. The scheme of “Assistance for skill development of Other Backward Classes/ De-notified Nomadic and Semi-Nomadic Tribes and the Economically Backward Classes” is a conscious step in the pursuit of improving the socio economic conditions of the marginalised sections of the society by laying greater focus on skill training and development programmes.

The central sector scheme of ‘Assistance for skill development of other backward classes (OBCs)/ De-notified, Nomadic and Semi-Nomadic Tribes (DNTs)/Economically Backward Classes (EBCs)’ was laid down in 2014-15 with a primary objective to involve the voluntary sector and the **National Backward Classes Finance and Development Corporation (NBCFDC)** to improve the educational and socio-economic conditions of the intended beneficiaries namely the OBCs/DNTs/EBCs. The scheme is to be extended to the target group provided the income of their parents/guardians from all sources including their own income doesn’t exceed Rs. 1.00 Lakh per annum. As far as provision of assistance to the voluntary organisations/NGOs are concerned, those NGOs stands eligible to subscribe to the scheme which have been getting the grants continuously under this scheme before the commencement of online process of the scheme i.e. 2014-15 and have been complying with the National skill qualification framework (NSQF) norms.

The basic objective of the scheme is to inculcate the importance of skill development among the target group which is believed to bring about a transformation in the lives of the people by opening up income generating opportunities and providing them gainful employment opportunities in various sectors of the economy. Moreover, the National Backward Classes and Finance and development corporation (NBCFDC) implements various soft loan schemes and programmes pertaining to Skill development for the OBCs/DNTs/EBCs in the country. Under the Scheme, grants shall be extended in favour of the voluntary organisations (VOs), NGOs, NBCFDC subject to the norms along with terms and conditions as specified by the ministry and revised from time to time. Upon following the due process, the Ministry sanctions the eligible amount online. The transfer of funds takes place in favour of the bank account of the organisation which should be jointly in operation of its President and Secretary in case of a NGO and the MD in case of the NBCFDC. The guidelines also states that the extent of financial assistance to the VOs/NGOs/NBCFDC for a particular category of the project is to be provided according to the financial norms as specified for that category of the project.

The skill development training is carried out in set categories of institutions, councils and training partners adhering to the NSQF and the common norms. The institutions can impart training under the scheme provided: **a)** the institute is under the aegis of central government and state government, **b)** the sector skill councils (SSCs) who sign the MOAs with NBCFDC and **c)** credible training partners registered with **National Skill Development Corporation (NSDC) or Sector Skill councils (SSCs)** especially in the area of skilling. The findings of the evaluation study are as follows:

1. NBCDFC continues to be a strong facilitator of skill development training through govt. training institutes/organisations and sector skill councils constituted by Ministry of skill development and entrepreneurship. Some notable institutes which have been imparting training under the scheme include: a) HIMCON, b) Apparel training and design centre,

c) HARDICON, d) Central Institute of plastics engineering residential programme, e) Furniture Fitting Sector skill council etc.

2. Skill development and employability are considered to be two major factors which enables decent work and propels entrepreneurship skills among the youth. In this regard, the central sector scheme under study assumes significant importance. It serves **SDG 4.3** which ensures equal access for all women and men to affordable quality education, **SDG 4.4** which aims at enhancing skills and also promoting quality jobs and entrepreneurship and **SDG 8.6** which strives to substantially reduce proportion of youth not in employment, education and training.
3. The approach adopted for the evaluation of the scheme under study is an approach which is goal based, process based and outcome based. The goal based approach measures if the objectives of the scheme are duly met. The process based approach studies the strengths and weaknesses of the scheme and finally the outcome based approach evaluates if the outcomes aligns with the pre specified objectives of the scheme.
4. In this light, the evaluation strategy relies on primary and secondary sources for the purpose of data collection. Primary data was collected in the form of a questionnaire which is designed to be administered to two groups in the context of the scheme namely the trainee (the beneficiary) and the training institute. The Questionnaire was made applicable to the trainees (the beneficiaries) in two stages namely before and after the beneficiaries have been impacted owing to the scheme. Changes in the responses are observed in the backdrop of the prevailing socio economic conditions before and after the skill training programme. The additional questionnaires encompassing process related issues and multiple issues is an attempt to delve deep into the intricacies of the effectiveness of the scheme.

5. A before and after approach is adopted in terms of changes in the socio economic conditions of the target population courtesy the scheme. The Questionnaire which contains process related and multiple issues provides the basis of a robust framework to critically examine the sustainability of the scheme under study. The beneficiary's profile and the responses obtained from the training institutes provide relevant information in the context of the scheme and specifically helped us in measuring changes in the socio economic outcomes such as income changes, improvement in employment opportunities, changes in skill standards etc.
6. The questionnaire was designed for respondents across 2 categories in the context of the scheme namely: a) **the trainees** and b) **the SCA/Institutes**. The contents in the Questionnaire pertaining to the beneficiaries include their basic profile and prevailing socio economic conditions before and after the skill training programme. Process related and multiple issues attempts to identify the opportunities the training programme generated along with the coverage and effectiveness of the scheme and the challenges it has faced. In depth interview was conducted with the heads of the SCA/institutes imparting the training programme, which helped in providing comprehensive details regarding the objective, structure, implementation and the existing challenges of the scheme. The objectives of the evaluation study are as follows:
  - Appraisal of the skill development training programme (SDTP) of the National Classes Finance and Development Corporation (NBCFDC) and suggest measures for improvement to ensure better employability of the target group.
  - Alignment of the Training programmes with the National Skills Qualification Framework (NSQF) of M/o Skill development and Entrepreneurship from time to time.

- To examine the impact of Skill Development Training Programmes in improving the economic status of the OBC/EBC/DNTs trainees through self-employment/ wage employment.
  - To examine the efficacy and performance of training institutions implementing skill development training programmes sponsored by the corporations.
  - To take into account the opinion of various stakeholders namely the Sector Skill Councils/ Training Institutes/ Training partners, Trainees and industry/ Employers.
  - The key findings are based on the data collected from the field on the objectives of the study.
  - The shortcomings identified in the design of the existing scheme if any;
  - Recommendations/suggestions for necessary restructuring to be carried in the scheme to achieve desired results and need for its continuation.
7. The sample considered under the evaluation study represents that the beneficiaries belonging to the OBC category forms a large part of the sample across the states of Madhya Pradesh, Bihar, Jharkhand and Uttarakhand, followed by EBCs and DNTs. However, in the state of Rajasthan, the sample represents a larger share of EBCs followed by OBCs and DNTs. That is to say that the states of **Madhya Pradesh, Bihar, Jharkhand and Uttarakhand reported the highest number of beneficiaries belonging to the OBC category in the sample with 92%, 96%, 93% and 88% respectively of the total beneficiaries in each of the states.** Moreover the primary data also suggests that around 37% of the respondents in the sample participated in the training programmes conducted in the state of Madhya Pradesh. Moreover, 20% of the beneficiaries attended the training programmes organised in the state of Bihar and Jharkhand, whereas 13% and 10% of the respondents participated in the skill development and training programmes held in Uttarakhand and Rajasthan respectively.

8. Changes in the income pattern (per month) across the beneficiaries in the sample suggests that although the larger share of the population in the sample continues to remain within the group of income earners of less than 10,000/-, there is a noticeable change in the composition of the population across the income levels. That is to say that **the percentage of population in the lower income level (income of less than or equal to 10,000) has shrunk from 83.2% before the scheme to 56.5% after the skill development programme.** This fall is complemented by a rise in the percentage of the population in the income bracket of 10,000 and 20,000, from 13 % before the scheme to 38% after the scheme. This indicates that there has been a **steady migration of people from a lower to a higher income level validating the fact that skill development and training programmes have accrued considerable returns to the beneficiaries.**
9. As far as the expenditure pattern is concerned, there is a 14.5% rise in the expenditure incurred by the population after the scheme within the bracket of Rs. 5,300 and Rs. 10,299 per month. Hence, the expenditure pattern Vis-a-vis the income changes shows positive signs in the sense that there hasn't been a proportionate increase in expenditure in response to a rise in income, thereby indicating the tendency to save among the beneficiaries after participating in the training programme.
10. While administering a binary question to the beneficiaries i.e. whether any savings exists in the bank before the implementation of the scheme, a majority of the respondents (a total of 591) denied in engaging in saving activity. There seems to be a major change post the scheme wherein 97% of the respondents report having savings in the bank. This also validates the fact that the increase in income trickles down in the form of positive savings behaviour among the beneficiaries after availing the training programme.

11. The employment opportunities have been dissected based on the sector of employment such as the public and private sector, NGOs and self-employed. As evident from the Primary data obtained, there has been a significant increase in private sector employment opportunities followed by NGOs and self-employed employment opportunities for the beneficiaries after having participated in the training programme. It's interesting to note that the public sector employment opportunities have shrunk from 122 respondents being engaged in the sector prior to the scheme to 93 of the beneficiaries reporting to be engaged in the sector post the scheme. There has also been a significant shift of the respondents in the sample from remaining unemployed to getting employed post the implementation of the scheme.
12. Skill as per market standards refers to the skill sets of an individual in accordance with the **National Skill Qualification Framework (NSQF)** covers aspect of competence, credit, knowledge, learning and learning outcomes, qualification and the ability to apply knowledge and use know-how to complete tasks and solve problems. **Skill set of 18% of the respondents didn't meet the market standards, whereas after the scheme, around 99% of the respondents report that their skills meet the market standards.**
13. Some of the process related issues include the impact of the skill training on work experience and the uniqueness of the skill training imparted by the voluntary organisations. Post participating in the skill training and development programme, **around 59% of the respondents were able to successfully get a job whereas 25% were able to engage as self-employment and the remaining 16% commenced entrepreneurial work.** Moreover, the training programme was conducted with an objective to encourage self-employment among the participants. The teaching quality was rated to be excellent and the beneficiaries were given extra time over and above



the stipulated training hours which allowed for one-to-one interaction among the participants and the professional trainers.

14. **Before availing** the skill development and training programme, **around 53% of the respondents had no involvement in the decision making** of the society whereas **after the scheme, around 93% of the respondents engage in the major decision making in the society**. Skill development and training programmes indeed have brought in a sense of social inclusion among the target group.

15. The **scheme deserves continuation** taking into account the following suggestions & considerations.

- The skill development and training programmes should aim at supporting both demand side and supply interventions by means of **enhancing the access of such programmes for socially excluded groups** and at the same time spread awareness among the masses regarding the importance of skill development and training in generating employment opportunities.
- The skill development programme should **aim at including modules, guidelines and protocols to provide counselling support along with life skills training as a complement to the job-specific training**. This is to address the need of developing behavioural skills which employers often focus on. These skills also need to be covered as an integral part of the skill development program.
- **Designing and evaluating pilots by the training institutes** to test the cost effectiveness and impact of the financial incentive during the course of the skill development and training programme would help in gauging the viability of the scheme and at a later stage help in analysing if the skill development programme has indeed enhanced participation and placement of excluded sections of the society at the state level.

- **Low income states and states with a larger concentration of the OBCs/EBCs/DNTs** needs to be **specifically focused** in the form of supporting special strategies and incentivising them.
- The scheme should specifically improve **exposure of the excluded sections to the non-traditional and non-stereotypical occupations** which shall facilitate the support for self-employment.
- The scheme under study should also ensure that **better accountability arrangements coupled with right incentives and community participation** is used as a tool to enhance service delivery of the skill development programmes.
- Post the skill training programme, there is also a **need to ensure that an efficient and a credible skill assessment is done by competent individuals** following which skill competencies is to be certified in accordance with the NSQF norms.
- **Skill mismatch is a major challenge** in the skill development and training programmes. The mismatch is between the skills needed by the industry/employer and the skills imparted by the training institutes. This results in a situation where in the individuals may be skilled but they won't be employable. In this regard, it becomes extremely important that the **industry professionals are also inducted during the design of the training curriculum.**