

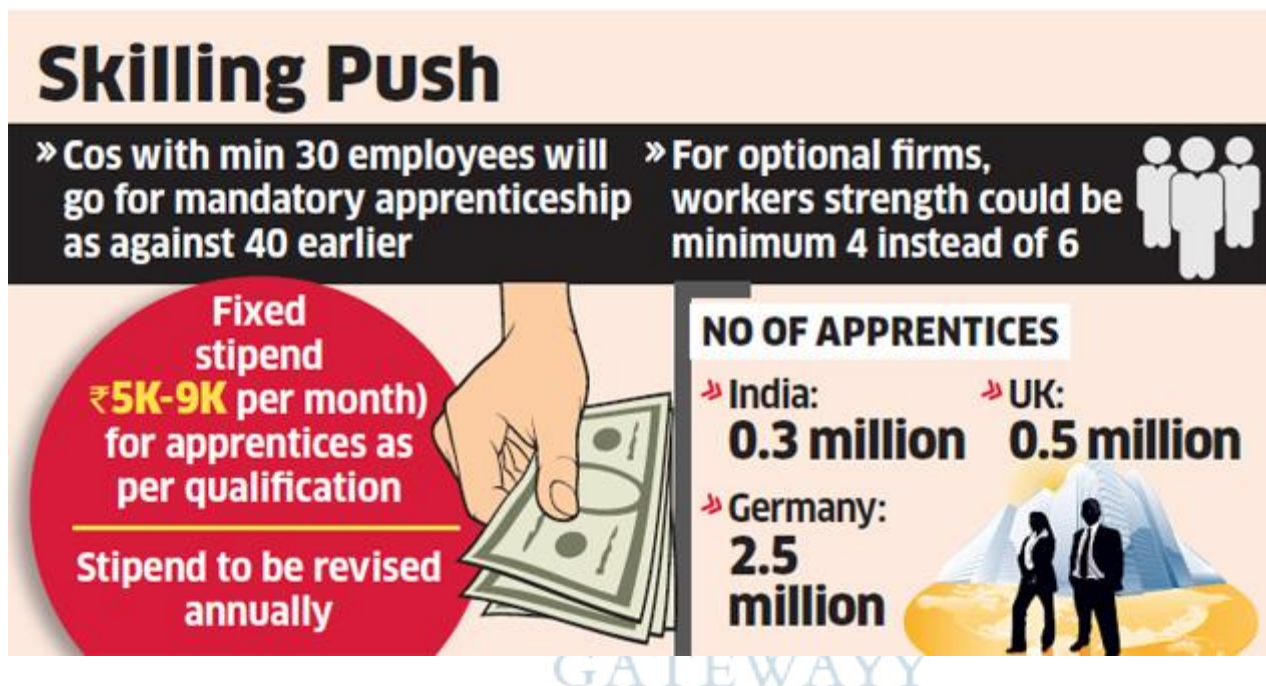
3. Apprenticeship (Amendment) Rules, 2019

Prelims: Economics- Industries

Mains: GS-III- Changes in industrial policy and their effects on industrial growth.

Why in News?

- ▶▶ Central government has notified changes in Apprenticeship Rules (1992) with an aim to increase skilled manpower in the country, and raise monetary compensation of apprentices.



Key Highlights:

- ▶▶ As per the notified Apprenticeship (Amendment) Rules, 2019, the hiring limit of apprentices has been raised to 15 per cent of total strength of an establishment.
- ▶▶ Minimum stipends have been doubled to between Rs 5,000 and Rs 9,000 per month.
- ▶▶ The stipend for graduate apprentices or degree apprentices has been increased to Rs 9,000 per month.
- ▶▶ For school pass outs, between Class 5th and 9th, the stipend has been increased to Rs 5,000 per month.
- ▶▶ The Centre has also lowered the size limit of an establishment with a mandatory obligation to engage apprentices on an optional basis from 40 to 30, and reduced the size-limit of an establishment wanting to engage apprentices from 6 to 4.

Data:

- ▶▶ In India, less than 0.1% of the employed workforce or just 0.3 million people are apprentices.
- ▶▶ In comparison, the UK has 1.5% or 0.5 million, China has 2.5% or 20 million, and Germany has 5% or 2.5 million apprentices.

Significance:

- ▶▶ The new rules will allow smaller companies to hire more trainees and give more youths an opportunity to get into the apprenticeship fold.
- ▶▶ Though it will add to the cost of firms, the government believes apprenticeship is one of the most sustainable models globally for skill training as it allows the youth to earn while they learn.

