



Make skill development part of social security schemes

The dynamics of our population growth ensure that India will be a young country, and will remain so for many years. The resulting bulge in working-age population (relative to the non-working young and the very old) makes for a low dependency ratio, in contrast to countries in Europe, or Japan. This is the “demographic dividend”, the now-common cliché; so called, because it is known to be a driver of economic growth.

Yet, the benefits of such demographics are not automatic: without productive employment, the very large number of non-working young will, in fact, be a huge drag on the economy, with an even more damaging social fall-out. The only way to avoid this, and to derive the full benefit of demography, is to make people productive by providing them the skills that will make them employable.

The imparting of such skills is particularly important in rural India, for we already have a labor surplus in agriculture, and far lower wage rates than cities. In years to come, with a growing population, this problem could worsen. The focus in rural areas must, therefore, be on creating non-farm employment opportunities (including self-employment). This will require new skills. Even in traditional occupations, upgrading of skills will be essential to create higher value jobs.

Government's social security programmes offer a great opportunity to do this: MGNREGA, for example. Today, this programme offers 100 days of “unskilled employment” to at least one person from each household. Despite short-comings in execution, it has greatly helped to alleviate acute poverty and has also led to a general increase in wages.

While it is, thus, meeting an important objective, there is some concern that the large outlay (of the order of Rs 40,000 crore last year) is generally not resulting in the creation of durable assets and is, in effect, a money transfer or “unemployment dole”. It does try to go beyond “digging ditches and filling them”. However, even where roads or check dams are made, these are often of such poor quality that they are washed away in the first rains.

It is worth re-iterating that, finally, the really important “durable asset” is the capabilities and skills embedded in the human resource. Therefore, if we want truly durable assets, one needs to focus on capacity building, through skill development. This is also the route to empower people and make them autonomous, rather than perennially dependent on government hand-outs. Ultimately, this must be the goal of government schemes.

Some argue that providing skills to villagers will lead to large-scale migration from rural to urban areas. This argument is flawed on many counts. First, some of the skills (e.g., on new agricultural practices, maintenance and repair of farm equipment, modern animal husbandry practices, new horticultural or floricultural crops, etc) are specific to rural areas, and will enable people to earn livelihoods – and higher incomes – in villages, rather than migrate to cities.

Second, large scale government and private investment in rural infrastructure (roads, schools, cold storages, telecommunications, power) and a growing rural-consumer economy, require many skills at local points: carpenters, electricians, masons, TV repairmen, salespersons, drivers, etc. Each of these is at different levels of skill, requiring various levels of education (beginning with none) and differing durations of training. Today, in many rural areas, these skills are “imported”, with people from outside the village – often from towns and cities – performing these functions, while the local villager is generally used only for low-level, unskilled and menial work.

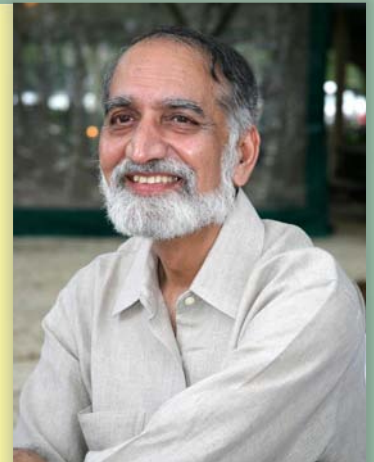
Finally, even if some proportion of people migrate after being trained, it is only fair that they have the choice to do so. After all, the “migration” argument can be made with regard to education too. Does that mean that we should not have schools in villages!

The use of MGNREGA funds, starting possibly in a pilot or test mode, for skills training will give a huge boost to capacity building at grass-roots level, leading to real empowerment and possibly to a transformation of rural India. Converging this idea with National Rural Livelihoods Mission, and including entrepreneurship training, could result in not job-seekers, but job creators. A mechanism for providing “angel/venture” funding – possibly at concessional terms for rural enterprises - could result in many start-ups in rural India. The prospects are truly exciting.

There are some who worry that such a move – to include skills training as part of MGNREGA – would lead to a loss of focus in a scheme which already faces many execution and transparency challenges. Problems related to timely payment, leakages, grievance redressal, etc are serious and need to be tackled. These, however, are separate issues and have little to do with the content of the programme or what the funds are used for. Certainly, with regard to training, there will be serious challenges about its quality, certification, attendance, etc. However, none of these are unique or insurmountable.

It may well be worthwhile for the National Skills Mission to take up this challenge, devise appropriate courses, validate and demonstrate their execution through MGNREGA, in some pilot projects. It would require close coordination between various organizations, Ministries and specifically between NSDC, MGNREGA and NRLM. Given the potential pay-off, this is an effort well worth taking. Its success can see the realization of the demographic dividend, and the transformation of rural India.

The author is an independent policy and strategy analyst, and a member of the Central Employment Guarantee Council.



Kiran Karnik

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HIGHLIGHTS

As on 31st July 2011

Training Projects Approved **33**

Sector Skill Councils Approved **6**

Districts Covered **167**

of Centers **904**

*Includes mobile centres

Number of Sectors Touched **20**

People to be Trained in 10 Years **57 Million**

From the desk of Dilip Chenoy

Dear Reader,

You will be pleased to know that since I last wrote the National Skill Development Corporation has undertaken several initiatives to ensure that our Partners are in a position to produce a cutting-edge workforce.

Monitoring of NSDC-funded projects has been stepped up with special emphasis being laid on whether the training imparted across different centers is meeting consistent standards of quality.

External monitors and NSDC staff have been visiting Partner centers at random all over India --- mostly without any prior notice to the Partner organization --- to interact directly with trainees and likely employers for an on-the-ground feel of the effectiveness of the training being provided.

Detailed reviews are being held of the performance of our Partners on key quality parameters. In instances where we have felt that the quality levels have not been up to our expectations, we are insisting that Partners take the requisite steps in that direction before launching fresh courses.

At the NSDC, we have now taken a conscious decision to henceforth link disbursements with the availability of training manuals, process documents and trainee workbooks before commencement of training in a particular course. While this may cause a temporary slowdown in numbers, the gain would be a better quality workforce.

NSDC is also working closely with the Prime Minister's Council on Skill Development to put in place an IT-based monitoring system to speed up the pace of evaluation of Partner performance. A Request for Proposal (RFP) document has already been uploaded on the NSDC website, www.nsdciindia.org, and advertisements have been issued in several newspapers urging potential vendors to bid for the contract.

We have received a very encouraging response to the RFP and hope to be in a position to choose a vendor for this purpose shortly.

In line with our objective of introducing global best practices in India, the NSDC has signed MoUs with the UKCeS in UK, and iMoVE in Germany. Discussions have been held with delegations from Australia, Canada, New Zealand, Ireland, Switzerland and the United States.

On the Sector Skill Councils front, we have signed the agreement with the Automotive Skill Development Council (ASDC). The ASDC would function as the SSC for the auto sector and define quality and standards for this vital industry segment. More SSC agreement signings have been lined up over the next few days about which I would mention in future issues of the Newsletter.

On the Indian participation in the upcoming WorldSkills Competition, you will be happy to know that preparations of the contestants are going on in full swing. We are more than hopeful of India improving on its WorldSkills performance of a solitary silver medal in the 2009 edition at the event to be held in London this October.

The proposed Communications Campaign on Glorifying Skills should break soon. I don't want to raise expectations at this stage, except stating that it would be of a kind and form never before attempted anywhere.

As always, I would look forward to your feedback and suggestions on the content of this Newsletter and how we can make future issues more interesting.

Dilip Chenoy
CEO & Managing Director



EXPANDING NEW HORIZONS

Mushtaq Ahmed was born and brought up in Kallakurichi, a small town 250 km from Chennai. His family comprises of five members. His father is a farmer, mother a housewife, a brother who works as a Fitter in Vijayawada, and a married sister. His brother funded his Graduation.

Mushtaq completed his B.Sc. Information Technology from Tiruchirappally National College in 2011 following which he was on the lookout for a job. While he did get an offer to work with a BPO, he did not take it since this would have required him to move to Chennai. He searched for jobs for two months until a friend of his informed him about TMI e2E Academy, an NSDC partner company.

He walked into the TMI e2E Academy office in Alwarpet, Chennai, and underwent pre-training counseling. TMI e2E shared with him details of the short-term 100% job guaranteed training course for Indian Immunologicals (IIL), the country's premier vaccine manufacturer.

Mushtaq applied for this course and post assessment, was selected for the training course. Mushtaq always knew that he required additional training to get a better job and start at a higher bracket with a good employer. He managed to fund the student fee component of Rs 8825 and underwent the 24-days training for IIL. His family supported his decision.

Mushtaq put in a lot of hard work during the training programme and cleared IIL's final assessments. He joined on 18th July 2011 and now works with Indian Immunologicals.

Mushtaq agrees that the job with IIL is not easy. He needs to interact daily with highly educated doctors and consult them on various vaccines and other products. The TMI training helped him by giving a jump start to his career.



Soaring High: Mushtaq Ahmed (L) receiving the "Marketing Trainee Certification" from Mr Anand Prakash Verma, National Sales Manager, Indian Immunologicals Ltd

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SPRINGBOARD TO SUCCESS

TMI e2E Academy

TMI e2E Academy is India's first Graduate Employability coaching institution, set up by the employability arm of TMI Group in partnership with the National Skill Development Corporation. TMI e2E Academy has a mandate to train and employ over 5.2 lakh graduates over 10 years.

TMI e2E Academy will ensure that every candidate gets a career that he/she deserves by assisting them get their "right first job". Those who are job-ready will be offered direct employment and those who require skill upgradation will undergo job-guaranteed courses before employment.

TMI e2E Academy has identified 44 job-guaranteed courses covering employers in sectors such as Information Technology, ITeS, Banking, Insurance, Retail, Telecom, Pharma, Agri-inputs, Hospitality and covering job roles in Sales, Customer Support and Back-Office Processing.

TMI e2E Academy is a part of the two-decade old TMI Group that is among India's Top Ten Recruitment Houses with a pan-India presence.



COMING TOGETHER: NSDC CEO & MD Dilip Chenoy (centre) along with TMI Chairman T Muralidharan (L) and TMI Director Ravi Ramakrishnan at the programme organized to announce the tie-up between TMI e2E Academy and the NSDC. TMI e2E Academy is a joint venture between TMI Input Service and C&K Management. TMI e2E has adopted an innovative business model where student fees are reimbursed by the corporate after a stipulated period as a retention bonus.

OUR PARTNERS



DOING ITS BIT: (From left) Technable Solutions Director Santanu Bhattacharjee and NSDC CEO & MD Dilip Chenoy at an event to announce the alliance between Britti Prosikshan and the NSDC. An arm of Technable, Britti Prosikshan proposes to train one lakh youth of West Bengal in diverse trades over a 10-year span to make them job-ready or become self-employed. NSDC has provided a soft loan to Britti Prosikshan for the skills initiative.

SECTOR SKILL COUNCILS

Six Sector Skill Councils (SSCs) have now been approved by NSDC Board, and are at various stages of formation. Agreements have been signed between NSDC and the Auto and Security SSCs. These Sector Skill Councils are slowly and gradually making their presence felt in their respective industry Sectors.

The first task before them is to define Standards for each occupation within the Sector. The Auto SSC, called the Automotive Skill Development Council (ASDC), is working to define standards, or competencies, in several areas, including, for example, what a service technician, or a technician in a paint shop, should possess. These will be scientifically defined so that aspiring candidates for these positions can be trained on exactly these parameters, and tested by the ASDC for industry fitment.

More and more leaders of industry segments are engaging with NSDC to form SSCs. Currently, proposals for SSCs in the Gems and Jewellery, Foundry, Electronic Hardware, Banking, Financial Services and Insurance, and Healthcare are before the NSDC. More are expected soon.



NEW HORIZONS: (From left) Honda Motor Car Co official Raman Kumar Sharma representing Automotive Skill Development Council and NSDC CEO & MD Dilip Chenoy at the signing of the agreement between ASDC and NSDC



WORLDSKILLS COMPETITION

As the date draws near for the WorldSkills Competition, slated to be held in London from October 5-8, our competitors are quietly sharpening their skills under the watchful eyes of their coaches. Mr Venugopal, India's Technical Delegate, says: "it is heartening to see the progress being made by the candidates."

In the Mechatronics discipline, for example, a heavy investment has been made in purchasing latest equipment to ensure that the contestant from India is familiar with the latest tools of his trade. The candidate and Expert in this category were also sent to Germany for advanced training.

The competitor in the Tool & Die Making category is constantly working out previous model test papers of the World Skills International, and making moulds. News is also flowing in of similar efforts being made by the contestants in confectionery, hair dressing and other trades.

Meanwhile, another team is working hard on various aspects of logistics that go into making this event a success. This team is continuously interacting with WorldSkills International and our service providers for managing visas, air tickets, uniforms, flags, etc, which are so critical for our participation.

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