

VOCATIONAL EDUCATION NEEDS INSTITUTIONAL REFORMS



T V Mohandas Pai
Chairman, Manipal Universal Learning

The last decade has seen a high growth of our economy with the GDP currently at \$1.75 trillion. In PPP terms, the GDP is around \$4.25 trillion, growing at between 8-9% per annum currently.

India is indeed on a high growth path. Over the next 20 years, the possibility that India will grow at between 7-8% per year is indeed high. We could end up with an economy by 2030 between \$7 trillion and \$8.2 trillion, a massive increase indeed.

This high growth potential is predicated on India's capacity to invest, with her own savings and the availability of skilled people. We currently have an investment rate of 37% of GDP with savings of 34.5% of GDP.

Today, in the formal sector, there are about 8 crore people employed, 2 crore in the government sector and 6 crore in the private sector. In the informal sector, excluding in agriculture, possibly, there is an equal number working.

Economic growth in India from an incremental GDP of say \$5.25 trillion over the next 20 years should create at least 25 crore additional jobs after accounting for increase in productivity and retirement of existing workforce.

The challenge India will face in achieving this growth is not the availability of capital, or the availability of infrastructure, but the availability of skilled talent. Today, as we speak, there is a shortage of skilled talent across the spectrum, right from engineering and medicine to the automobile sector, the construction sector and all other sectors, including the security sector.

We are told that even in agriculture, there is a shortage of labour across India due to the impact of MNREGA. This has become the biggest handicap to growth. Also, we see a rise in wages across the board, with the compensation in the organised sector growing ahead of productivity, making India less competitive globally and also increasing automation when there is a dire necessity of good well-paying jobs.

The existing system is unable to respond to India's need as it was set up to cater to a growth of 3-4% per annum and not the sizzling growth of 8-9% we are seeing today.

There is also a social challenge that India faces. Agriculture makes up about 15% of India's GDP, growing at best at 3% per year with about 52% of the population depending on this sector for their living. For India to grow and ensure a fair deal to every citizen, there is a need for a massive shift in population from the agriculture sector to the industrial and service sector of a kind not seen before.

Over the next 20 years, we would need at least 300 million people to shift from depending on agriculture to industry and services. China has done this over the last 20 years in a very calculated manner and there is no reason why India cannot do this too.

Without this shift, we will continue to see two Indias, the emerging India which provides a good quality of life and the other India which is steeped in poverty. This divergence of growth and opportunity is increasing creating social tension, armed rebellion threatening to break apart our social polity and ultimately hurting growth, the panacea for all economic ills!

Industry and the Government have responded to this crisis in different ways. Industry is now setting up training institutions to train available talent, diverting scarce management talent to this instead of focusing on the market place. As the gap between need and supply is increasing, there is a much higher attrition in industry and compensation is galloping at a rate which threatens viability of the enterprise.

The Government, too, has understood this challenge and is setting up Skill Commissions at the Union and State level. All this appears to be just scratching the surface and we need some radical changes to make the future happen.

What we need today is institutional reforms in the Higher education and Vocational Education area. The Higher Education sector has to be liberated from the clutches of bad policy and enabled to respond to the needs of our young by rapidly increasing capacity and quality.

The vocational educational sector needs massive support to create the institutional framework needed. Current efforts seem to be meeting the need for "repair" of existing stock of talent, but the "prepare" problem persists. All this calls for a massive public private partnership to create a sustainable ecosystem, large scale funding from the State with focus on output and execution by the private sector.

Our future is today at peril, not for want of opportunity but for want of vision, institutional capacity and bad policy.

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- Bridging the Connect • Our Partners • Worldskills Competition • Sector Skill Councils

HIGHLIGHTS

As on 30th June 2011



Training
Projects
Approved **30**

Sector
Skill
Councils
Approved **6**

Districts
Covered **164**

of
Centers **805**
*Includes mobile centres

Number
of Sectors
Touched **20**

People to be
Trained in
10 Years **55**
Million

DREAMS TAKE WINGS

Raosaheb Bhagwan Patil is a 26-year-old man from a small village called Pimprekhedha in Jalgaon district of Maharashtra. He comes from a family of 6 members, with three younger brothers and his parents. His father is a farmer and mother is a housewife, while the brothers are studying in schools.

His father inherited a 3 acre land for farming but the land is now completely barren and does not support any farming/vegetation activity. As a result, the total household income for sustaining 6 members was just Rs 25,000 per annum.

With a desire to help his family, Raosaheb took up a job of filling petrol in cars at a petrol pump on a highway far from his village. He was making Rs 2000 per month in this job but had to stay far from home and was not being able to provide the required support to his family.

During a vacation in his village, he heard of Edubridge and decided to join the Edubridge Certified Finance Professional course. Today, he boasts of an annual salary of Rs 1 lakh per annum, and his brothers are all assured of a quality education.

"This is something which I had always dreamt of. I can now support my family and take care of my brothers' education. Working in a professional company has given me the confidence and desire to build a strong career for myself," says Raosaheb Patil.



From the desk of Dilip Chenoy

Dear Reader,

You will be glad to learn that since our last interaction we have made substantial progress in our endeavor to create a skills ecosystem.

We are currently at an advanced stage of finalizing the modalities of a Communications Campaign on Skilling about which I had mentioned in previous editions of the Newsletter.

Our Chairman Mr M.V. Subbiah met Mr Nitish Kumar, Chief Minister of Bihar. There was an agreement that NSDC and BBOSE (Bihar Board of Open Schooling and Examinations) would work together in creating an ecosystem that would facilitate skill development in the state. It was also agreed to explore the possibility of introducing a voucher for skill development. This is a very positive development and would lead to increased opportunity to skill persons in Bihar.

Preparations for the WorldSkills Competition are also underway. The 16 participants are being offered training in various organisations and special support is being extended to them by the companies and the training organisations. We are working with industry organisations to raise support for the team members. A number of newspaper articles on the participants in local language dailies has boosted their morale.

As many of you may probably be aware, there is already a move afoot to integrate vocational education with formal education through the creation of a National Vocational Education Qualification Framework (NVEQF) on the lines of those existing in advanced countries, which shows just how serious the government is in promoting skills development.

Along with other ministries, the NSDC is playing a key role in devising the NVEQF that would allow seamless transfer from vocational education to formal education. Talks are on about having a pilot project to determine a delivery model that is replicable all over India.

The Chairman of Manipal Universal Learning, Mr M D Pai, has penned an article in this edition of the Newsletter on the need for reforms in vocational education, which you may find interesting.

In consonance with our philosophy of contributing to the process of inclusive growth, NSDC will now work with the corporate sector to promote skill development in Jammu & Kashmir.

Based on the recommendations of the Dr C Rangarajan-led Expert Group constituted by the Prime Minister's Office in August 2010 to promote employment opportunities in Jammu & Kashmir, NSDC's 'Project Udaan' will annually skill 8,000 youth from this region over a 5-year span in selected high growth sectors.

The details on Udaan are available on the NSDC website (www.nsdcindia.org).

The response to Udaan has been quite encouraging till date and we hope to tell you more about this in coming issues. Last, but not the least, I would like to inform you that you can now follow us on Twitter at 'NSDC India'. All developments concerning NSDC would henceforth also be available as tweets at our Twitter address.

As always, we will look forward to your feedback and suggestions on this edition of the Newsletter and what we can do to improve in future.



Dilip Chenoy
CEO & Managing Director

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BRIDGING THE CONNECT

Edubridge

5 states - 200 villages - 3000 rural youth - 1 Need - Sustainable Livelihood.

This laid the foundation for the birth of Edubridge in October, 2009. Founded by a team of IIM students and professors with a deep rooted passion to make a significant social impact, Edubridge embarked on the skill development journey to ensure that the neglected section of our country's workforce is made an integral part of India's growth story over the next 10-15 years.

Coming from a background of working in elite companies and having studied at some of the premier institutions of the country, the founding team at Edubridge had no idea what was in store for them when they set out to realise their vision of being the "Connect between Rural India & Corporate India". It was expected to be another challenge waiting to be overcome by the so-called crème de la crème of India.

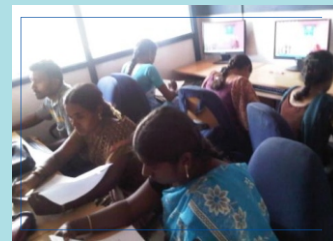
However, the first few days of their mammoth survey provided them with a rude reality check of the ground level truth. All hypotheses & theories were thrown out of the window and the seemingly achievable vision suddenly felt insurmountable.

From that day to today, it has been a huge learning experience for the entire team at Edubridge. Old hypotheses have given way to new ones and then newer ones. But the perseverance and the passion of their team has now set them up to take rapid strides in the years to come towards realising their commonly shared vision of being the link that facilitates inclusive growth and brings Corporate India closer to Rural India and vice versa.

From being a one member organisation working out of a small house in Mumbai, Edubridge now is a 40 member organisation with offices across 5 locations in 3 states. They currently have 10 training centres across Tamil Nadu, Maharashtra & Karnataka with plans of ramping up to 20 within this calendar year itself. All their training centres are well equipped with state-of-the-art infrastructure to provide high quality experiential learning to each of the *Edubrights* (Edubridge students).

Edubridge training programmes follow the philosophy of "involve me and I will understand" in the manner in which the courses are taught. Films, videos, role plays and other demonstrative methods of training are used. The courses have been designed in conjunction with a leading player in all of the sectors that they cater to (Banking/Insurance/MFI/Retail/BPO/FMCG/Telecom) in order to ensure industry acceptability of the *Edubrights*. Month long training programmes that combine all the necessary skills required by their corporate clients along with job simulation exercises prepare the *Edubright* to perform from Day one and transform himself/herself into a productive human resource.

Edubridge is a small company with big dreams. They dream along with every *Edubright* and firmly believe in turning each dream into reality. The young and passionate team at Edubridge has set its sight on a dream of making one lakh dreams come true every year through 240 Skill Development centres and is now firmly on the path to turning them all into reality.



OUR PARTNERS



Leading the way: Non-executive Chairman of Everonn Education, Dr J J Irani (4th from Left), and NSDC CEO & MD Dilip Chenoy (3rd from Left), with the Everonn top management at the launch of the International Skills School initiative of Everonn Skill Development. NSDC has decided to pick up a 27% equity interest in Everonn Skill Development, a subsidiary of Everonn Education. Everonn Skill Development proposes to train 15 million people in different skills over a 12-year period. Everonn Skill Development is currently NSDC's biggest training Partner.



WORLD SKILLS COMPETITION

NSDC has started taking steps to ensure that the individuals chosen to represent the country at the next edition of the WorldSkills Competition obtain proper training in both hard and soft skills so that they can do the country proud at the 'Skills Olympics' slated to be held in London this October. Experts have already been identified for this purpose to make sure that the contestants are in peak readiness when the event is held. NSDC is in regular touch with Partner institutions such as CII, FICCI, NASSCOM, SIAM, Gems & Jewellery Export Promotion Council and YLG Salon & Spa on how India's participation at WorldSkills could be leveraged to glorify the pursuit of skilling in this country. A separate link on WorldSkills has been created on the NSDC website www.nsdcindia.org to provide details on NSDC's involvement with WorldSkills. A presence on the social web - Facebook page and Twitter identity for WorldSkills India - has also been established to create a buzz around the event.

SECTOR SKILL COUNCILS

Industry interest in setting up Sector Skill Councils has gained pace, with several segments within the manufacturing domain now keen to align with the NSDC in this regard. The banking, financial services and insurance arena, too, has started showing greater receptivity to the concept of SSCs to ensure that the dearth of quality manpower across levels does not prove an impediment to growth. Due diligence is currently underway on several SSC proposals. NSDC is working closely with organizations whose SSC projects have already been approved for funding so that these Sector Skill Councils can start operations as soon as possible. Advocacy efforts have been stepped up to ensure greater buy-in for SSCs among various corporate groups. NSDC is, moreover, collaborating with different ministries of the Government of India on devising a National Vocational Education Qualification Framework that seeks to integrate vocational education with formal education. NSDC will play a key role in the pilot project aimed at checking out an effective delivery model for the NVEQF.

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