



Recommendations for the 12th Five Year Plan

FICCI Skills Development Forum

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FICCI SKILLS DEVELOPMENT FORUM:

FICCI recognizes Skills Development as an imperative for achieving India's ambitious growth targets. It is committed to working with the stakeholders, especially the industry, government and academia to create sustainable and scalable skills propositions which will benefit the youth of the country from all sections of society. With this in mind, FICCI through its Skills Development activities is pursuing the following vision:

FICCI Vision on Skills Development:

FICCI acts as a **'skills development aggregator'** to complement Government of India's ambition of training 500 million people by 2022.

FICCI offers support and facilitation services through **Policy Advocacy, Industry Intervention and International Collaboration** so that the youth can acquire skills to meaningfully participate in and contribute to the economy

BACKGROUND:

The Government of India has embarked on the National Skill Mission to provide employability and livelihood to the youth of this country. The various schemes under the National Skill Mission are being implemented across states through various ministries and associated state ministries / departments. The current mode of implementation across the country is sporadic and doesn't have the involvement of big players to ensure the successful implementation of the skill mission resulting in employability and sustainable livelihood. Thus, a robust and integrated model is the need of the day for ensuring the success of the National Skill Mission.

Need for an Integrated and Innovative Model

- The current implementation of the National Skill Mission is extremely sporadic owing to numerous players in each state. This has the potential to jeopardize the entire implementation
- Owing to the large scale of the skill mission, it's imperative that large business houses and credible organisations with long term vision of the sector partner the government to ensure successful implementation owing to their professional expertise of execution
- Need to bring in the professionalism, accountability, quality and efficiency of the corporate sector to ensure the end objective of the National Skill Mission is met

To streamline the skills development activities and ensure that various stakeholders are working in coordination, FICCI through its Skills Development Forum and sub-groups has conducted various consultations over the last few weeks to develop recommendations that are endorsed by the SDF members. The group after indepth deliberations has identified a few areas that require immediate policy focus and have hence made the following key recommendations to flag the issues and suggest alternatives.

The areas recommended for policy focus are:

- 1. Policy Convergence**
- 2. Implementation**
- 3. Vocationalisation of Education**

4. International Collaboration
5. Manpower for Skills Skills Sector

AREA1: POLICY CONVERGENCE IS NEEDED

Large numbers of schemes are operated by the Ministries of Central Government and State Governments to support the initiatives for skill development. Most of these initiatives are without any visible synergy and the processes, quantum of funding and expected outcomes vary widely. To aggregate the initiatives and ensure optimal utilisation of the government funding, the following may be considered:

1.1 The Policy Framework: Identify and analyse existing skills development schemes, work closely with the respective government departments to roll out the suggestions. This mapping needs to be in principle based on,

- Reforming and strengthening the existing vocational education and training
- Linking education and skills via joint programs of the Ministry of HRD and Labour
- Providing clear policy for facilitating capacity expansion through private sector participation.
- Making investment in vocational training institutes bankable
- Promoting industry, academia and skills providers' interaction to narrow the existing gap between the demand and supply of the skilled manpower

The National Skills Mission should undertake a pilot project for mapping the policy framework and ensuring that the activities undertaken by various ministries are convergent. FICCI is happy to partner a National Level Consultation lead by the National Skills Advisory Board (NSAB) to engage all key stakeholders including Planning Commission, Ministry of Labour, HRD, Rural Development, NSDC, Industry Partners and Civil Society Organisations

1.2 Building skills training as a mainstream and inclusive program to be promoted by creating a formal arrangement among the three key stakeholders in the delivery pyramid: Government, Industry and Skills providers. These three need to work in

coordination with a special focus on the farm and rural non farm sector which leads to jobs and livelihood opportunities.

To achieve this government should,

- Consider re-packaging the skills programs to consist of support systems and delivery infrastructures that integrate the key aspects of training: technology, finance, market linkages and outreach.
- The private training market needs to link the skills programs with the aspirations of the learners including large number of early school leavers in rural areas and the demands of the 'local' job or self employment market.
- Broad base skills delivery to focus on MSME and unorganised sector

1.3 Focus on Informal sector by finding a model that reaches out to the people and livelihood promotion institution and NGOs are engaged effectively. Case studies from Africa and in particular Ghana may be reviewed for this.

1.4 Use skills development to improve the lives of the most vulnerable sections of society, especially women and persons with disabilities.

AREA 2: IMPLEMENTATION

2.1 Focus on the Implementation of the policy by engaging the private sector in a more holistic fashion

- **Private sector to take charge of implementation of all Skills and Vocational education scheme:** Following the success of sectors like IT, Telecom, Retail and Aviation it is proposed that the implementation of all skills and vocational education should be done purely in PPP mode, with private sector and industry having the key responsibility for implementing the programs as per the agreed quality frameworks and timelines. It is important to maintain inclusivity; hence various networks of both government and private institutions should be formed to ensure that all providers –

ITIs, ITCs, VTPs and the private bodies are allowed to participate as the implementation media.

Without compromising on the demands of the learners, programmes led by the industry shall include training and capacity building at various levels to all partners involved, creation of technical, managerial and financial frameworks, quality assurance, mobilisation mechanisms and above all a linkage to jobs market. The government needs to actively play the role of monitoring and facilitate the market making so that the end user – the learners from across the stratum – receive the best of the training input and output.

2.2 Reviving Apprenticeships Scheme: The Industry needs to play a more proactive role by offering ‘on the job’ training. For this the apprenticeship program of the Ministry of Labour can be revived to include:

- Skills for Informal Sector including nonfarm sectors
- Employers engagement
- Incentivisation for both employers and learners
- Linking apprenticeship with the existing training programs like the MES scheme

2.3 Embedding Skills as an integral part of procurement processes: There is also an immediate need to review the procurement policies of the government to ensure that skills are a part of all government contracts. The procurement policy should mandate ‘hiring a fixed percentage of skilled & certified workforce’ by all the vendors and their supply chain to ensure certified skills gain value in the labour market. e.g. all public funded construction projects should have a minimum requirement of 5% certified construction workers, which can be incrementally increased year-on-year based on the annual assessment of available certified people for the sector.

2.4 Vocational Education and Training to get Infrastructure Status:

- Large Demand- Supply Gap where the current supply is unable to meet the ever growing labour demands both in quality and numbers. This gap has emerged as a favourable opportunity giving a boost to the training industry with a number of new Vocational Providers entering the market. Needless to mention here, the trained and

quality certified manpower can fulfil the skills needed critically for the development of the country as well as to create a global opportunity which can be much larger than the IT or Telecom opportunity.

- Ambitious targets of training 500 mn people in a decade: India has set a huge target for itself which requires programs that are scalable, replicable and accessible. This has presented a unique **opportunity around economy of scale** for the new providers entering the market. While this has resulted in a number of new organisations to venture into the bottom of pyramid skills space, there is still a huge need for more companies to enter the market and offer good quality service if they are adequately incentivised.
- **Service to society:** Since the service is provided largely to society via training programs for youth from rural, urban villages, towns and cities, as an Industry skills training offer immediate return to the society by improving lives of people.

The above in-itself qualifies vocational education to be awarded infrastructure status. As per the RBI, a credit facility is treated as “infrastructure lending” to a borrower company which is engaged in developing, operating and maintaining, or developing, operating and maintaining any infrastructure facility which has natural monopoly, economy of scale, non tradability of output and bestows externalities to the society. The RBI qualifies a number of sectors for this facility including projects in construction of educational institutions and hospitals. The view is also endorsed by the IRDA.

Due to lack of policy around the business opportunities many large corporate houses are wary of entering the national skill mission space. A commercial focus will ensure that only serious players enter the skills training business and offer the best quality solution for the learners. Also vocational training should be in negative list of services which the Finance Ministry is preparing for announcement in the 2012 Annual Budget. The Industry needs to see a clear business proposition which also addresses the social issues to be able to participate in the large scale delivery. It is only when the above is achieved that the government for India will be able to realise its ambitious targets of 500 million.

- 2.5 Enhance inclusivity of the skills provision by engaging credible Small and Medium size providers including NGO's and CBO's. While it is critical to engage the large providers, it is important that vocational training is not limited to the organised sector. To ensure that smaller grassroots organisations and providers are given the incentive by means of offering funding not only as a subsidy but as an opportunity for capacity development. Currently the government funding is very subsidy based, which needs to be topped up with models that promote the ownership among the providers.
- 2.6 **National Qualification Framework:** The Prime Ministers Council (PMC) should lead the discussion through various research reports on leading a 'Indian National Qualification Framework consultation' which is a culmination of the essence of the National Vocational Qualification Framework, National Vocational Education Qualification Framework and Standards developed by the Sector Skills Councils (SSC's). The objective of the exercise will be to not only ensure that the stakeholders who will be using the standards and qualification i.e. industry and institutes but also the end user the learners have clarity on the career choices, options and acceptability of the qualifications. FICCI through its various initiatives is already initiating such discussions especially drawing from the international experience.
- 2.7 **National Implementation Plan:** To ensure that the above is delivered and realised, India needs urgently needs a National Implementation Plan. This overarching framework should not only cover the journey of the learner from unskilled, unemployed, unemployable to skilled, employed and in work but also provide a state level convergence model for the optimum utilisation of funds under various scheme.

AREA 3: VOCATIONALISATION OF EDUCATION:

The vision and target of 12th Five Year Plan should be vocationalisation of schools. In next 5 years every govt. school should have vocational education department from Class 9 onwards and plan should give 100% capital subsidy for vocational skill department.

3.1 Vocational Education in Schools: Vocational Education should be mainstreamed as an alternate to academic qualification for the interested students.

- Vocational programs for **Level 1 and Level 2 qualifications** should be introduced in the integrated mode to ensure that the students opting for the programs get both the vocational training certificate which prepares them for the job market and the academic certificate ensuring that they are qualified and complete their education.
- Expand the opportunity for vocational education in schools by using:
 - i. Career Pathways
 - ii. Integration of Vocational Education with Technical Training
 - iii. Developing a common qualification framework which allows transition for the learner from one stream to the other
- Special programs for the School Drop-Outs which leave school before the 5th standard. Various models that offer them skills training as well as integrate them back to mainstream school need to be explored.
- Provide continuous advice and guidance to the learners to keep them in-training and interested

3.2 Vocational Education in Colleges: In colleges Vocational Education needs to be introduced as a career choice which leads the students to jobs. Building it on a continuum, at university the courses in **Level 2 and Level 3** leading to multi-skilling should be offered. This will allow a career progression path for those who undertake vocational training at school level while ensuring that the learning experience is complete before the student hits the job market. At the college level special emphasis needs to be paid to the 'Employability Skills' training and Life Long Learning. The Vocational Education at University level will also open avenues for those completing their Diploma's from the technical institutes giving them also an opportunity to pursue a degree program in vocational training thus enhancing the job prospects.

AREA 4: Manpower for the Skills Sector

4.1 Industry led 'Train the Trainer' (TTT): One of the key components of Skills Training is the trainer. It is the pedagogical expertise of the trainer which ensures that the learner gets a wholesome experience, understands the standards and is fully equipped to apply the concepts learnt during his employment. The Training of Trainer hence becomes a major challenge. Much of the TTT is right now dependent on govt infrastructure and institutions. As per the NSDC report on Education sector there is an incremental requirement of 8,664,000 teachers and trainers between 2008 – 2022. To meet this it is recommended that,

- **Funding support to Government Institutions broad base the ToT Sector:** The central government should provide funding support to state government institutions to make skills trainer a lucrative career option. This fund support shall not only allow the state governments to retain the trainers for the schools and other institutions but also invite participation of many more people into the training industry.
- NSDC should be mandated to fund private players who are willing to set-up Train-the-Trainer Institutes across the country so that the target of training 500 million skilled manpower by 2020 is achieved.
- **State level aptitude test for Trainers:** A state level aptitude test for trainers in vocational scheme can be introduced to allow professional growth and ensuring that trainers can identify their strengths and weaknesses. They can then be part of the state level TTT programs to sharpen the skill sets as required and also to undertake skill enhancement programs in the related sectors and trades.
- **Standardise Training of Trainer program:** the generic components of the ToT programs should be on **the pedagogy** based on the technology and other innovative means of teaching content/training delivery be adopted.

4.2 Development of a skills workforce: To ensure that the implementation is effective and delivers the quality envisaged it is critical that special initiatives are taken to promote

the development of the skills workforce which would not only include the trainers but also the professionals who will support in the creation of the curriculum, content, instructional design, learning material, community outreach, mobilisation, assessors, verifiers, skills administrators, researchers etc. A few special pilot projects should be commissioned by the Ministry of Labour & Employment to create training infrastructure for the skills workforce.

AREA 5: Fostering International Collaborations

It is imperative that India looks at preparing the workforce for global opportunities so that India can utilise its premium position as the human resource reservoir. Given the dynamic labour markets it also important the workforce learns and readies itself as quickly as possible. Therefore the focus of international collaborations should be capturing the learning's of the sector and also creating PPP models that are around the implementation of skills programs. The knowledge transfer should now shift focus on sharing the experiences of success as well as failures which helped in the evolution of the skills systems in different countries. The collaboration models should be long term partnership based as compared to transactional partnerships which have very limited impact.

Therefore to support bridging this job opportunity and employer demand gaps are:

- Understanding fast changing skills demands
- Attracting FDI in Skills
- Promoting B2B partnerships between Indian and International companies
- Engaging Multi National Corporations to provide skills solutions that transpose the models and practices
- Reverse transfer the best practices from India to world

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