

# STATES CAN PLAY A BIG ROLE IN SKILL DEVELOPMENT

Dr. K C REDDY

## About the Author



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Dr. Kalluri Chenchi Reddy, born in 1946, graduated from Andhra University, Visakhapatnam. He taught at the Andhra University for over 35 years. He was awarded the President Gold Medal at the Indian Science Congress in January 2008 by the Prime Minister for adopting scientific methods to reform higher education. He is also a recipient of an Honorary doctorate degree of Bleking Institute of Technology, Sweden, in 2010, for contribution to higher education

Dr. Reddy worked as a Consultant to RIS for NAM and other Developing Countries, New Delhi, during 1988-89, and was a Visiting Professor at Armstrong Atlantic State University, USA, in 1995.

He has guided 18 Ph.D. Degrees and 12 M.Phil. Degrees. He has undertaken and completed 12 Research Projects and 7 Consultancy Projects. He has delivered two Convocation addresses, 4 Endowment Lectures, and published 45 Research Papers and 12 Books.

Dr. Reddy has also held a number of Academic Administrative positions such as Chairman, A.P. State Council of Higher Education, Govt. of Andhra Pradesh, Foundation Vice-Chancellor of Rajiv Gandhi University of Knowledge Technology; Chairman of the Faculty of Arts and Director, School of Economics, Director, Academic Staff College, Member, Board of Management and Academic Senate all at Andhra University.

He was President, Indian Economic Association, during 2006. As Chairman of the State Council of Higher Education, he has initiated a number of innovative programmes to build quality and relevance in higher education. Currently, he is Vice-Chairman, Rajiv Education and Employment Council of Andhra Pradesh (REECAP), and Chairman, Rajiv Education and Employment Mission of Andhra Pradesh (REEMAP).

## Why skill-based employment?

Vocational education and training is receiving focused attention both in policy making and curriculum development across the world, particularly

in the Third World, as it contributes to the all round development of individuals, prepares them for active participation in economic activities, and thus promotes an inclusive approach in socio-economic development

Its importance is increasing further with the emergence of new manufacturing processes and specialized modes of production demanding skills of a higher order in the knowledge economy. In response to these developments, several countries, including transition economies like China, have invested heavily on vocational education and training which have resulted in good improvements in terms of both productivity and employment.

It has been empirically established that competitiveness and productivity improvements across countries in the recent past is explained more by human capital compared to physical capital and natural resources. From this perceptiveness, it is maintained that as a country progresses towards a knowledge economy, it becomes increasingly important that vocational education and training (VET) will create and nurture an appropriate skill development system.

Creation of productive environment is now regarded as a powerful instrument of socio-economic transformation. The World Development Report, 2013, analyzing the importance of employment in a multi-dimensional perspective maintains that jobs are the cornerstone of economic and social development. Indeed, development happens through jobs. People work their way out of poverty and hardship through better livelihoods. Economies grow as people get better at what they do, as they move from farms to firms, and as more productive jobs are created and less productive jobs disappear. Societies flourish as jobs bring together people from different ethnic and social backgrounds and nurture a sense of opportunity. Jobs are thus transformational – they can transform what we earn, what we do, and even who we are (World Bank, 2012, Page-2).

### **Indian Context:**

India is young. Over half of her population is below the age of 25 years. India is one of the few countries in the world where the proportion of the working population will be far in excess of those dependent on them. This “demographic dividend” will continue as per a recent study by the World Bank for about three decades, till 2040. This young population is both an opportunity and a challenge. If the working age population is productively employed, it will have a tremendous positive influence on incomes, savings, and consumption of persons employed, and will, in turn, impact national income and societal wellbeing. Recent studies indicate that the contribution of demographic dividend to economic growth linking innovation and productivity is 2 percentage points.

The challenge is to provide **quality and** appropriate skills to the population. Details about the educational and employment status of the population will show the complexity of the issue. About 15 crore people in the working age are illiterate, over 70% of them being women. Also, a significant proportion of women, 216 million in 2009-10, as large as the population of Brazil, is withdrawing from work (JJ Thomas, India’s Labour Market during 2000’s, EPW VOIXL II SI No: 51, Dec 12, 2012). Over 75 lakh youth drop out between class 5 and 10 every year. Besides, among the 8.5 lakh people enrolled into ITIs, only 70 per cent complete training. Of the 30 lakh graduates, about 20 per cent only are employable. These different groups require different inputs in terms of training. The illiterate need basic skills while dropouts need technical skills. Unemployed youth from ITIs need more industry-aligned skills and unemployed graduates require soft skills to become employable (S Ramadorai: Inaugural address at a seminar on Skill Development organized by Government of Andhra Pradesh, August 3, 2012).

This is a huge task as at present only 10 per cent of the workforce in the country (2 per cent formal and 8 per cent informal) has some form of training and skill development. This is abysmally low compared with countries like Korea (96 per cent), Germany (75 per cent), Japan (80 per cent) and UK (68 per cent). Besides, 80 per cent of the new entrants into the workforce do not have any opportunity for skilling.

It is against this background that the Government of India is aspiring to train 500 million skilled people by 2022. The Prime Minister has set a national target of training 8 crore people during the 12th Five Year Plan period. The approach paper to the 12th Plan has set a target of 5 crore additional productive jobs during the Plan period. A large proportion of these jobs are expected to be from the private sector.

This calls for massive capacity building in the field of training and skill development. It calls for concerted and collective efforts from the Governments - federal and states - and corporate groups to create and operationalize capacities. Considering that well-trained personnel significantly value add to an organization, it is expected that industry will partner the government in skill development and training initiatives. In fact, the current thinking among top corporate leaders is that training and skill development is an important aspect of business development itself.

### **Andhra Pradesh Model of Skill Development:**

Inspired by the Government of India initiatives on skill development and realizing the potential socio-economic gains of training and skill development, Government of Andhra Pradesh launched a special purpose vehicle, Rajiv Yuva Kiranalalu (RYK), to work on placement-linked skill development. RYK is a target-based approach with an objective to empower youth for 15 lakh jobs

by 2014-2015 in the private sector. The State Government has created an institutional structure with Rajiv Education and Employment Mission in Andhra Pradesh (REEMAP) - an apex body at the state level to coordinate the efforts of eight departments for implementing the programme in Mission Mode.

The Mission is guided by a policy making body - Rajiv Education and Employment Council of Andhra Pradesh (REECAP) - with the state Chief Minister as the Chairman, and experts from government, industry and academia as members, to advise the Mission on various aspects of implementation. The state-level structure is linked with the districts and mandals and the implementation under Public Private Partnership is monitored through an MIS system specially designed and developed by the Centre for Good Governance, Government of Andhra Pradesh.

RYK has put in place district committees and facilitation centres to help unemployed youth register on the RYK portal, providing details of their educational and social status and to indicate their preference for different job opportunities available both in terms of geographical locations and sectors. Industry is required to register and upload their employment requirements together with skill requirements. RYK expects the training partners to start training activity only after firming up employment opportunities and funding is linked with employment.

RYK is also developing systems to assess the training quality and tracking and supporting post-placement of those provided with jobs. A strategy to build a career path through up skilling and improving educational status is being worked out.

### **Role of State Governments:**

Andhra Pradesh has been implementing the skill development programme along

with several other states, Government of India, and a number of corporate groups and NGOs. There are also a number of professional training agencies supplementing the efforts of government and industry. When several agencies are involved, there will be an overlap of functions, sometimes affecting the implementation itself. It is therefore necessary to define even in a general form the role of the state government vis-à-vis other bodies to make the implementation focused and effective.

While Government of India will continue the skill development activity through various departments, it may be desirable to make an agency under the state a 'Nodal Agency' for implementation. The state must necessarily bring industry, the-end user on board.

**Some of the issues of concern in implementation are:**

Job mapping across the sectors is not available. What is available is dated. National Skill Development Corporation (NSDC) has been helping the states with sample surveys. It may be desirable to come up with a comprehensive survey of employment opportunities in different sectors. Also, there is need to identify new employment opportunities in non-farm activities in rural areas considering the fact that agriculture is not able to absorb the new additions to workforce and not many are willing to move out of the villages. It is here that the states can play a crucial role. Skill development and employment could be linked with infrastructural facilities, both social and economic in the rural areas. The vision of 'taking jobs to the people' needs to be worked on earnestly. Also, it is well known that the spin-off of certain jobs is more than other jobs. They need to be identified through a scientific survey.

While the gap between what is available in the market and what industry is asking for is well documented, an equally

important concern that is visible today is the gap between aspirations of the youth and available employment opportunities. Mobilizing a reluctant person for training in an activity which is not his choice or liking will not help either the individual or the programme implementation. It is here that the states can play a major role. Counseling youth, building a positive attitude towards private sector activities, etc., are things that states, in association with local industries, can do better than others.

Providing quality infrastructure is critical to build a positive image and acceptability of the programme among youth and society at large. It may be a good idea for the states to identify unused space both under various government departments and private educational institutions and make them available to training partners. It is evidently proved that quality of training and placements are better where good infrastructural facilities are provided through governmental intervention.

When different training partners are taken on board to provide training in the same domain, it is likely that they will come with different training modules. Standardization of curriculum will help to move towards certification – an issue that needs to be taken up urgently both by central and state agencies. While employment outcome is critical in skill development, accreditation and certification will improve mobilization efforts as Indian youth still look at proper certification as a prerequisite for access to national and global employment opportunities.

Another area of concern is quality of trainers. In a PPP mode, it is expected that the training partner will provide quality training with the help of qualified and competent trainers. This does not appear to be happening. States must step

in to start train-the-trainer programmes in association with leading corporate groups. States must showcase the activity - building model centres on a pilot basis in association with local industry. These will become a benchmark for further assessment of skill development activity.

When youth are moving to new workplace, they are confronted with a variety of issues, most of them relating to adjustment and facilities of accommodation and boarding. It is not a bad idea for the state Skill Development Missions to put in place a support system by coordinating with private players who are already active in the field. A dedicated cell to address grievances from youth placed is felt necessary.

The issue of attrition is a big challenge for both the government and training providers. Attrition is quite high, though the degree varies from sector to sector and the level of employment. The reasons are many and sometimes not documented properly. A critical analysis of the reasons will help to design an appropriate and desirable post-placement tracking and support system. This has to be taken up on a priority basis.

Finally, as a long term strategy, skill development must become a part of curriculum and this would require transformation of universities and colleges into vocational centers. While one may not expect every university to become a vocational university, the required focus and attention towards employable skills is necessary as outcomes of educational opportunities are defined in relation to employment. Also, to build a career path for people who get employed through the 'Skill Missions', states need to come up with initiatives like community colleges. This necessarily requires accelerated investments in vocational education and training from the states.

Young Indians can become positive contributors to development. To help youths do this, governments and private industry must work collectively to build proper capacity for placement-linked training and skill development initiatives. The benefits of doing so - both from individual and societal standpoints - are huge and certain. Otherwise, the 'demographic dividend' may turn into a 'demographic disaster' **impacting** socio-economic stability and the growth process itself.