RAKSHAK FOUNDATION

CAPACITY BUILDING OF SKILL DEVELOPMENT PROGRAMME UP SKILL DEVELOPMENT MISSION

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Preface

I, Yasaswini Jakkala pursuing Post Graduate Program 2013-15 in IIM Lucknow has been doing an internship program under Rakshak Foundation. Currently, I am working for Uttar Pradesh Skill Development Programme in Lucknow. I am very much interested in an organization like Rakshak which works with the policies of government. I chose to participate in this internship programme as I would get an opportunity to look into the actual implementation of government policies and know the ground realities.

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Acknowledgements

Firstly I would like to thank Shri Mr Vishal Singh, Joint Mission Director of UP Skill Development Mission (UPSDM) for giving me an opportunity to work for this programme. For me it was a unique experience to be part of this skill development initiative and to study its process. It helped me develop interest in this kind of government policies and to have new plans for my upcoming career.

I would also like to thank the E & Y team, technical consultant to UPSDM programme for their co-operation and transparency in our work. They had created an enjoyable working ambience supporting me in all respects. Furthermore I would like to thank all the UPSDM staff and my peers for their cooperation and we discovered new realities together.

At last I would like to thank Rakshak foundation for allowing me to do this interesting internship.

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Executive Summary

Uttar Pradesh Skill Development Mission (UPSDM) is an initiative of skill development training program for youth aged between 14 to 35 years across 75 districts of the state. UPSDM aims to provide skill development training to over 2.3 million youth over the next three years (2014-15 to 2016-17) and to provide these youth gainful employment in their preferred sector of training.

With regard to this, Ernst & Young ("EY"), the Technical Consultant to the State Programme Management Unit (SPMU) of UP Skill Development Mission (UPSDM) has recommended key process/procedures required for successful implementation of the programme in consultation with the client and other stakeholders.

The main concern in this programme is the capacity building of the process flow i.e., to understand the obstacles that inhibits the government from meeting their goals while enhancing the abilities to achieve them. I have been assigned the tasks of validating and suggesting the process flow in the IT system. I also visited the centres in order to ensure the basic amenities and quality assurance. There has been respective reports being submitted accordingly at appropriate time.

The goal of this programme as per my assigned task is achieved by visiting the centres, checking the amenities, reporting the issues to the mentor accordingly. Also meeting the training partners who are running the centres, students in the centres and interviewing them for suggestions. A survey is also made to capture their issues and rate the centre accordingly.

From this, I came to know the ground realities in the programme and there is a vast difference from the programme designed and the one running on the scene. The report below includes all the recommendations given to the joint mission director for running the efficient programme in the long run.

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INTRODUCTION

India is one of the few countries in the world where the working age population will be far in excess of those dependent on them and, as per the World Bank, this will continue for at least three decades till 2040. This has increasingly been recognized as a potential source of strength for the national economy, provided we are able to equip and continuously upgrade the skills of the population in the working age group. But the rosy picture stops right there.

India is among the countries with the lowest proportion of trained youth in the world. Moreover,

Vocational Education carried out in secondary schools (since the mid-1980s) has received very limited funding in recent times; it has remained non-aspirational, of poor quality and involves little industry collaboration

Human Resource Paradox

India's demographic window offers both opportunities and challenges. From the perspective of the opportunities coming up, India is set to become one of the youngest nations in the world by 2020. It is further strengthened by the fact that the average working Indian will be only 29 years by 2020 as against 37 in China and the US, 45 in Europe and 48 in Japan (Economic Survey 2011-12, Government of India), thus clearly indicating how India will have an edge over the rest of the world with respect to its key human resources. However, the challenges, if not addressed, may render such demographic dividends null and void.

The larger structural transformation of the Indian economy has triggered an outflow of rural workers from traditional agricultural occupations: thirty-seven million workers left the agriculture sector between 2004-05 and 2011-12 to join the construction, manufacturing and service sectors. These workers have largely ended up in the informal sector working in low-paid jobs, largely due to lack of any form of vocational training. Another challenge that the country currently faces is what we call the human resource paradox: high youth unemployment against a low skill availability of the workforce. Currently, it is as low as 5 per cent if vocational education and other forms of technical education are taken together, compared

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with more than 60 per cent in many other countries (see Planning Commission 2008; FICCI 2012). The challenge is further strengthened in light of the fact that it is specifically in employment creating sectors such as manufacturing, software and automobiles that the firm-skill incompatibility is most severe.

Persisting skills gaps in the Indian labour market have been a serious concern for both policy makers and industrialists in India. Various studies have highlighted skills gaps in different sectors in India (Institute of Applied Manpower Research-Mehrotra 2012; Chenoy 2012; Jamal and Mandal 2013). At an aggregate level, just over 2 per cent of the Indian workforce has skills training in formal vocational education and only another 2.4 per cent have received informal vocational training (Mehrotra 2012). The graduates who have received vocational education also lack the skills required in the labour market. Thus, the employability of graduates continues to be a major concern and there is no formal link between general education and vocational training in the country. In addition, the labour market in India is undergoing a dynamic change. According to National Policy on Skills Development 2009, it is expected that over the next 15 years, 365 million people will be eligible to join the workforce and about 11–13 million people are expected to look for employment opportunities each year.

Sensing this urgency, the 12th five year plan positions the skill development in different sectors as an important task (Mehrotra et al, forthcoming). Persisting skills gaps also have qualitative dimensions, an aspect often not highlighted in the public discussions. Studies on the quality of skills and mismatch in demand and supply (FICCI 2006, World Bank, 2007, ILO, 2003, IAMR, 2010) have brought to fore issues such as lack of marketable skills and low standards of quality.

The reasons cited include obsolete and conservative courses, failure to upgrade modules, failure to respond to market signals and the consequent lack of functional skills (IAMR, 2011)

1.2 Goals and Objectives

Objectives of the Skill Development Policy

The objectives of the national policy on skill development include:

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a) Creating opportunities for all to acquire skills throughout life, and especially for youth, women and disadvantaged groups.

b) Promoting commitment by all stakeholders to own skill development initiatives.

c) Developing a high-quality skilled workforce/entrepreneur relevant to current and emerging employment market needs.

d) Enabling the establishment of flexible delivery mechanisms that respond to the characteristics of a wide range of needs of stakeholders

e) Enabling effective coordination between different ministries, the Centre and the States and public and private providers.

1.3 Main Problems, their scope and impact on the society

Role of Central and State Governments in Skill Development

As discussed earlier, the skill development initiative incorporates all skill development arrangements, activities and schemes that include the formal vocational trainings being provided by ITIs, Polytechnics and colleges maintained and run by State governments and schemes of the central government ministries which are mostly implemented by the State governments. It also includes skill development activities being directly undertaken by Ministries and organizations of the central government and also by the newly constituted National Skill Development Corporation.

State government strategy and programmes for skill development are woven around these central schemes and support institutions. Many State Governments have set up State Skill Development Missions (SSDMs) as nodal bodies to anchor the skill development agenda in the State. SSDMs are expected to play a significant role in escalating the pace of skilling, through identification of key sectors for skill development in the State, as well as coordinating with Central Ministries and State Line Departments, as well as industry and private training organizations. Each State has adopted a structure of SSDM that best suits the local environment and the State vision for skill development.

Major Existent Schemes for Skill Development Initiative

- Skill development Initiative (SDI)
- Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

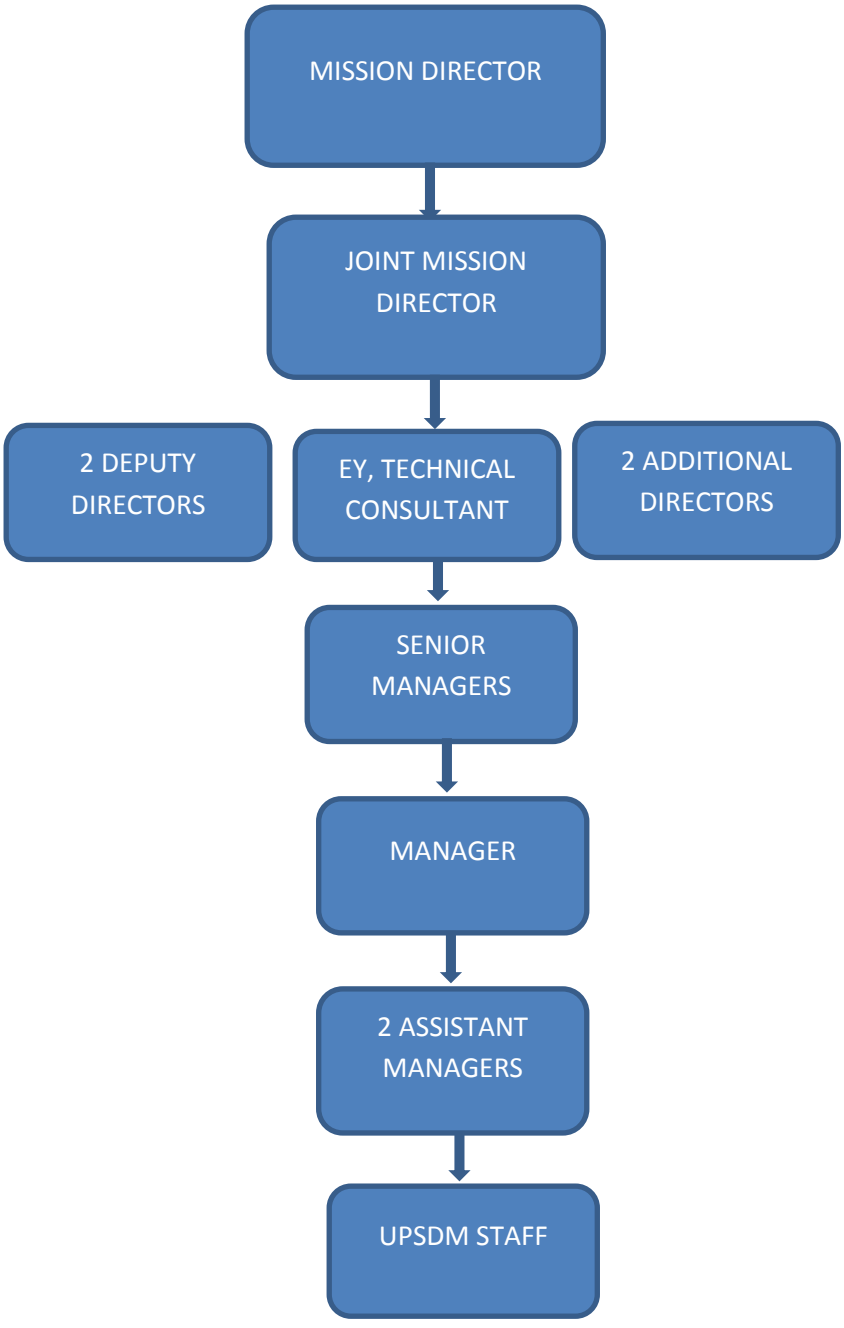
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- National Rural Livelihoods Mission (NRLM)
- Backward Regions Grant Fund (BRGF)
- Multi-Sectoral Development Programme (MSDP)
- Border-Area Development Programme (BADP)
- Special Central Assistance (SCA) to Scheduled Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP)
- Schemes for Districts Affected by Left Wing Extremism, MoLE
- Skill Up-gradation Training Programme (SUTP), Ministry of Youth Affairs and Sports
- Building and Other Construction Workers' (BOCW) Welfare Cess
- Integrated Skill Development Scheme, Ministry of Textiles
- Hunar Se Rozgar (HSR), Ministry of Tourism
- Trainings sponsored by the National Skill Development Corporation (NSDC)

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2. Methodology

Organizational Structure



UPSDM technical consultant Ernst & Young ("EY") has designed a detailed document about the process flow of the programme. It is actually based on the

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UPSDM mission and target in the policy. They drafted documents like process guidelines, request for proposals and job description manuals for all the concerned stakeholders.

Stakeholders

The primary stakeholders in the UPSDM programme are given as below

- UPSDM
    - SPMU
    - DPMU
- Candidates
- Training Partners
    - Large PTP
    - Small PTP
    - Govt. Providers
    - Flexi Partners
- Assessment Bodies
    - DGET
    - SSC
    - Empanelled Assessment Bodies
    - Individual assessors
- Employers
- Placement Agencies

UPSDM has the following seven major processes involved in implementation of this programme, namely:

- Candidate Management
- Training Partner Management
- Batch Management
- Assessment & Certification
- Placement Management
- Financial Management System
- Miscellaneous: Integration of various IT portals

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An integrated IT platform incorporating above listed seven processes is still in the development stage and it need to be robust for efficient programme management. The IT Platform for UPSDM is based on the Skill Development Initiative (SDI) portal which is already designed and extends the functionalities provided therein for wider applicability to the individual scheme context.

Candidate Management

UPSDM runs a state wide awareness campaign in order to target the youth aged of 14-35. There are training partners (TP's) who are actually contracted to take up the training and these TP's run the mobilization drives in their respective areas. The candidates who want to undergo this training program need to register online giving all of his details in the IT portal. Following the online registration, the candidate would be enrolled with a username and password. Once the training is done, the candidates need to take an exam based on which they are given placement. There is also post placement support to these candidates viewing the details of training, certification and placement.

Training Partner Management

The training partners in order to take part in UPSDM programme need to register themselves online once the details are captured by SPMU officials and contract is signed. In this the TP's register their centres where they want to run the training. Once this is done, the TP centres are inspected and the reports are sent to them indicating the approval or rejection. If TP centres are approved they are paid accordingly. There would also be evaluation reports based on training conduct. It is also the responsibility of TP's to capture the daily attendance of candidates and trainers. The TP's payment would be complete only when he/she reaches the placement target given to them other they would be penalized too.

Batch Management

This section includes the batch formation process for respective training partners based on scheme allocation and categories. In this the trainers are given assignments and batch training schedule.

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Assessment and Certification

The assessing bodies need to register themselves once they bid for taking part in this programme. Next would be the allocation of assessors and scheduling of assessment. Once they assess the candidates payment is done accordingly.

Placement Management

Once the candidates are placed the TP's need to track the placement record and also post placement for 12 months. There should also be a database of all the employers including the potential ones.

Financial Management System

UPSDM integrates six different schemes of Government of India under one umbrella. Financial Management System shall be implemented separately by an independent vendor (as distinct from the Technical Consultant) and will be integrated with the UPSDM IT portals that shall help in management of the operational aspects of the Programme. The Financial Management System will have the following components:

► Budget preparation subsystem: Budget Estimation, Allocation and Monitoring are the key tasks of this subsystem

► Budget execution and expenditure management subsystem: The purpose of this subsystem would be to monitor and account for revenues (grant amount converted from liabilities based on utilizations and public expenditures under different schemes

► Reporting and auditing subsystem: It is required to ensure transparency, accountability and compliance with the budget or with existing regulations that govern public expenditure management. The utilization certificates for usage of funds under each scheme will have to be submitted for every financial year

Miscellaneous

This includes the integration of all gateways i.e., IT portals for payments of various stakeholders concerned. It also comprises of access management system, biometric attendance tracking, UPSDM interface (SPMU & DPMU), User Manuals, Training Module, UPSDM Website and FAQ's.

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2.1 Literature Search

The research method adopted in our internship programme is market research which includes surveys, interviews and analysis of data based on field visits.

2.2 Field Visits

There have been 7 field visits till now. The centres visited are as below

1. Lalganj
2. Dalmau
3. Rae Bareli
4. Lakimpur Kheri
5. Sitapur
6. Allahabad
7. Kanpur

Appealing facts of the field visit

Candidates Interest
The candidates undergoing training are very enthusiastic to learn the courses. The students are proactive while interacting with them and shared their opinions about the programme. The attentiveness to the classes is satisfactory as the students' registers are maintained well in terms of the content. The practical are done well by the students when asked to perform so. They are also aware about the assessment and the placement opportunities available after the training.

Amenities
Some Centers in Raibareli, Kheri, and Allahabad had decent facilities of drinking water, wash rooms, computer lab, training rooms etc. The students are also satisfied to a fair level with the available provisions and equipment in their respective centers. Centers in Kheri and Allahabad have a generator to avoid power interruptions.

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Flexible Timings
The students are in agreement with the general timing of 9:30 am to 1:30 pm in most of the centers. They opined that student dropout rate would increase if this timing is altered.

Trainer Qualification
The trainers in almost every center have good competencies in their respective areas with fair experience. Students undergoing training also find the quality of education imparted is up to par.

Effective Publicity
There are candidates who are coming from around 50-60 kms to undergo the training. Also some students left their jobs for undergoing this programme. Even the calls from UPSDM and PTP's attracted the candidates towards this programme.

Course Content
The course outline and the books provided are decent enough for the training to progress well. Some of the PTPs' are using the NIMI specified textbooks for the programme which acts as a check on quality training.

Diversity in the batch
The batch comprises of the minimum criteria regarding the number of females and reserved categories like SC, ST and OBC.

Non Appealing Facts

Franchisee Model

Franchisee or Sub contracting is not allowed as per process guideline, but as per our visit to these centers, we can clearly see these centers are not managed by PTP owners or persons appointed by PPT's. PTP's are not involved in even in upgrading the infrastructure development for these centers like providing classrooms boards, Bio-Metric Devices, computer facilities

Infrastructure Issues

Some of the classrooms state was in very bad condition. No proper lighting or even benches were not available. Black/White board was very small for a batch of 25 students. Location of centers were not prominent. Number of computers didn't match the batch strength and workshops doesn't have enough raw materials to work on.

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Bio Metric Attendance Tampering

General observation of class activities revealed that on an average only 10 students from an approved batch turn up daily. It is highly possible that the attendance submission can be tampered with computer soft wares and tools. There is also likely scenarios that same person can use different fingers for giving attendance up to 5-6 candidates. Bio Metric finger prints is not captured while candidate registration, it is done while batch enrollment process, which is done by training centers. Training centers can upload finger prints of their friends/neighbors/relatives in name of candidates, so that they can fake attendance whenever necessary

Candidate Miscommunication

Many candidates have been enrolled into batch by giving false information from PTP's like these scheme gives surety of government job, stipend on attending. INR 1000 given by UPSDM for uniform is considered as direct stipend for attending the classes. Female Candidates who enrolled for different course like fashion designing has been allotted to Welding, but are continuing the courses in the lure of placement incentive, with the perception that placement incentive will be given in spite of being unplaced.

Post Placement Payment issues

10% of training cost will be paid to PTP's upon reaching 60% placement. On interaction with PTP's, they don't show much interest on getting these 10% as they feel it's extremely difficult to get candidates placed. PTP's are of opinion that these 10% can be forfeited as they don't form significant gains to PTP's than efforts taken to place them

Other Operational Issues

- Location of centers are not prominent and UPSDM board is not clearly visible as stated in process guidelines
- Most of the centers basic amenities like fans, lighting and drinking water are not complying with standards
- Many candidates travel daily around 40-50 km to attend classes, which directly leads to high dropout rates
- Mergers of batches are common as some centers have more batches of same course, but needed to be run at same time due to lack of infrastructure
- Lack of first aid box in training centers to handle emergency situation
- No standard course content – leading to high dependency of courses on capability of trainer

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- Raw materials for practical were not available and sometimes candidates are charged for the same
- Class timings were not flexible and attending 4 hours a day sometimes becomes tedious process

2.3 Surveys

Surveys are made with a motive to rate the training center based on some parameters like no. of students and trainers, basic amenities, infrastructure etc. This has helped the technical consultant (EY) to finalize the matrix to rate the training center with major parameters. The survey floated is added in the annexure.

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3. Government Efforts

MIS System

Integrated IT system for managing the UPSDM forms the backbone architecture to support all the activities right from candidate enrolment to payment to training partners, certification partners and post placement candidate support. Management Information System will incorporate all approved process guidelines and support for scheme implementation.

3.1 Objectives

- Developing monitoring system for the mission activities at various levels like candidate management, TP management, Assessment management, financial management
- Designing systems for post placement tracking of trainees
- Maintain accountability of all stakeholders in a single platform to follow standards set by UPSDM State unit
- Creation of dashboard for various stakeholder for efficient management of information
- To design an paperless initiative which will be useful for real time information and timely action on all process
- Bring transparency into system so that general information is available to public
- Communication easing with training partners and candidates
- Support Attendance management of candidates, trainers with use of Bio Metric system

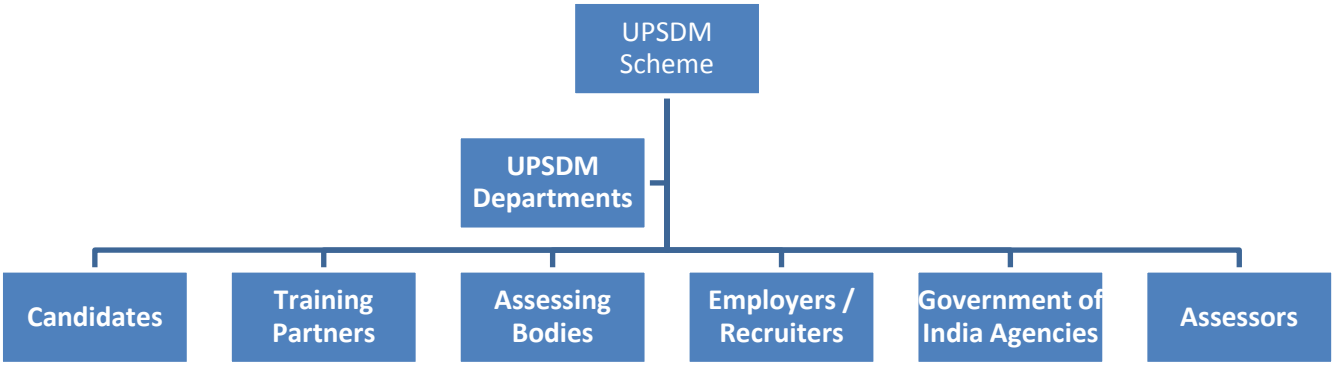
3.2 MIS System

- Streamline reporting
- Avoid duplicate data entry
- Efficiently manage to converge existing 7 schemes under single umbrella
- Dashboards and MIS reports

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- Transparency and timely availability of information
- Monitoring and Evaluation

Stakeholders



Modules

MIS system consists of sub modules which has their own funcitonality and stakeholders have various level of access which is required for their actions on regular basis

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3.3 Problems faced

- Clear demarcation of MIS modules which will be in use by various departments
- Handling exponential data increase due to daily activities
- Standard format set for uploading documents and easily view ability without download (E.g. Photos to be uploaded by training partners contains irrelevant pictures)
- Requirement analysis from end users like UPSDM SPMU staff and DPMU staff
- Data extraction of existing batches needs more than 3-4 hours of effort for consolidation

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4. Results and Discussions

Operational Problems

Below are some of the operational problems encontured by various stakeholders which we came across via field visit. All problems stated below are sourced from various parties by interrogation

4.1 Candidate Management

- Candidate misconception about the scheme, prospective candidates look this scheme as entry point for government jobs offered by various departments
- Candidates are forced by PTP to take up the course which is not of interest to them, but enrolled into batches as their names appeared in PTP area list
- Female candidates are enrolled into courses e.g. Welding, Plumbing, Automobile repair which required more muscle power and usually taken up male
- Candidates is of perception that cost allocated for uniform i.e. Rs 1000 will be given as cash which candidates think that cash given to them as part of incentive to attend class
- Not much importance is given for soft skills and candidates are not aware of workshops/ practical sessions
- Candidates report that they travel on average of 40-80Km on daily basis to attend classes

4.2 Training Partners

- Many PTP's operate on franchise basis and use this scheme only for profit motive
- Training centers without proper facilities like seating capacity/computers/ Drinking water/restrooms are approved
- Some training centers also pose threat to safety of the candidates
- PTP's are not clear of the process and standards to be followed
- Course content varies a lot across PTP's and some centers quality of training is questionable

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- No proper trainers is place. There were instances where soft skill trainer was not able to converse in basic English
- Many centers visited have address mismatch and PTP's doesn't have personnel placed in centers
- PTP's pay to franchise centers ranging from Rs7.00 to Rs8.00 / Candidate/ hour or flat pay of Rs 900 – Rs 1500 / candidate based on the location of the center(Rural/Urban)
- Approval of such centers arise question of monetary benefits gained by DPMU staff for approval of training centers
- Some instances were found on tampering of bio metric attendance and high possibility of center personnel calling their friends/relatives for imprinting at time of registration so that full attendance can be given daily
- Location of training centers at some places are so interior to accessible roads leading to less visibility of scheme implementation

4.3 Organizational strucutre

- SPMU staff roles and responsibility are not defined clearly
- Many instances arose on question of final decision making
- Motivation of state unit was observed very low as there was always dependency of other departments
- Proper hierarchy of reporting is lacking and day to day operations are carried on urgency basis. There should be order of priority for each tasks and task deadlines has to be defined
- No mapping of SPMU staff seen with process consultants and flow of information is not frequent between their counterparts of consultants

4.4 Call center Unit

- Call center executives doesn't have information of current training centers and courses which they offer
- Candidates calling them on frequent basis are asked to wait for receiving SMS from SPMU, which is not part of operational procedure
- No real time information check on calling candidates can be made leading to high prank calls

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- No proper accountability of call received and response given is noted which can be used for further improvements in process and posting FAQ's
- Call center executives are not aware of UPSDM process and their replies are generally limited asking the candidates to wait for sometime

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5. Recommendations and Scope

Enabling an IT system for smooth operations in this programme takes time but following suggestions areeasily implementable notes which can be ollowed for smooth functioning of IT systems

a) End User Accetability test

Conduct a test run for end users like SPMU staff, Training Partners, Candidates to know their suggestions for improvement of user interface. This will helping in creating robust design for users and results in reduction of redundant funcitons carried on

b) Data Extraction Method

Currently there is no method via user interface to view and download the data present in the existing system. There is high possiblity the existing data may be outdated or vague. Create a data extraction methodolgy for real time analysis of existing batches

c) Module for Call Center executives

At present there is no module designed for call center executives who act as single communication channel between UPSDM and candidates. Take priority in creating the candidate information viewable module, which will contain details of candidates and list of trainng centers in their neighbouring areas. This will directly help in reducing drop out ratio, which is essesntial for achieving scheme targets

d) Uplaod Formats

Strict validations are needed to placed in data upload by PTP's. On visual check conducted in the system, most of the files uploaded are not in required formats

e) Dashboard for various stakehokders

Dashboard forms a major user interface which acts as first check point. Create dash board on priority for better accountability

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Strengthening Duality Principle in Education:

In India, the practical component of vocational education and training is missing to a large extent.

MHRD estimates that approximately 75 to 80 million jobs will be created in India over the next 5 years. 75% of these new jobs will require vocational training to enhance the employability prospects (MHRD 2011). Even if this 75 million estimate is overoptimistic, given that new non-agricultural jobs created between 2000 and 2012 has been on average only 7.5 million per annum, the fact remains that new jobs require skilled persons, while those already in the labour force also need access to VET.

There must be a practical training built into the Vocational Education and Training system for which the state and industry associations should play a key role

Enhance public-private partnerships

Both the government and private companies should come to a consensus regarding the norms to be followed with respect to the structure and content of courses and how they should be made integral to practical training. A closely related issue is the relevance of joint certification. Industry must be on board during certification as well, as they are the major employers. Unless there is practical training at the work sites combined with class room teaching in schools, the private sector would not be able to participate in joint certification.

To ensure the organic involvement of private companies, the government must understand how the duality principle could prove to be an agent for change. It will also promote transparency of qualifications and facilitate learner mobility between different qualifications, thus encouraging lifelong learning. In India, the National Vocational Education Qualification Framework (NVEQF) developed by the Ministry of Human Resource Development (MHRD) provides a descriptive framework for linking various

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qualifications for setting common principles and guidelines for a nationally recognized qualification system.

This would cover Schools, Vocational Education and Training Institutions, Technical Education
Institutions, Colleges and Universities. The MHRD in alliance with the state governments have already initiated the NVQF with more than 1000 VET schools. However, although the Auto Sector Skills Council (SSC) has been preparing National Occupation Standards, industry participation in the curriculum building is almost absent and this could only be assured if the SSC are activated across sectors with the support of the National Skill Development Corporation (NSDC). It is encouraging to see that in the auto sector, SSC has already been done and the Central Institute of Vocational Education Bhopal has developed the modules and standards; yet, industry participation in this sector also is also relatively inactive.

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6. Suggestions for future work

1. Develop a comprehensive VET Act

The regulatory system in South Korea and Germany with the involvement of the federal, regional and local governments and the various stakeholders offers lessons for the development of an institutionally and legally embedded VET in India. An Indian VET Act can be passed along the lines of the German VET Act which would integrate governance strategies. India is in urgent need of a legally embedded VET system such as the Vocational Education Act (BBiG) in Germany. It would be particularly helpful in mandating private sector participation in training. It could also provide legal sanction to the introduction of joint certification by government and private institutions of skills, which is another feature of Germanys VET system. Such certification would facilitate the placement of students/trainees in enterprises, as the latter would have greater confidence in the competencies of trainees whom they have certified.

2. Joint Funds: Creation of a single pool of funds

Establishing a National Training Fund for skills training is seen as a way to generate funds from private players for vocational training. This has also been suggested in the 12th Five Year Plan of the Planning Commission (2013). In the German construction sector, there is such a sectorial fund to which all companies must contribute, the resources of which are ploughed back into construction enterprises to enable them to provide training. At a national level, for instance, the National Skills Fund (NSF) of South Africa serves as an example where payroll levies are directed towards including all sections of society. Twenty percent of the training payroll levy on formal sector enterprises is sent directly to the NSF and 80 percent goes to sectorial authorities (see Mehrotra and Ghosh 2012). Similarly about 62 countries around the world have already put some form of training levy in place.

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Some large economies such as Brazil have had a training fund for over half a century and South Africa has had it for at least 10 years. Mehrotra and Ghosh (2012) have pointed out that the levy for NTF in India may start from the organized manufacturing sector since it accounts for about 78 % of output in total manufacturing. Large as well as small and medium sized companies should contribute to the fund. Given the fact that the organized sector accounts for only 15 per cent of the total manufacturing employment in the economy (Mehrotra et al, 2012), and the remaining is contributed by the informal sector, the authors have suggested the development of a policy framework to decide which of the firms are to be included in the levy framework depending on the turnover and the size of employment. Beneficiaries of the NTF should include both organized and unorganized enterprises. The training levy funds should also be used for financing students from poorer backgrounds as they are unable to bear the opportunity cost of undertaking training first before entering the labour market. This should also motivate parents to send their children to VET schools.

The National Skill Development Corporation, the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Confederation of Indian Industry (CII) should cooperate with think-tanks working on employment/employability issues to develop the design of a NTF for India to address the long-term problem of skills shortages.

3. Train the trainers

Teacher training is a strong component of the German dual system to be adopted in India. India's VET faces a serious shortage of teachers. Even more serious is the problem that teachers themselves have had little or no practical industry experience, which is the opposite of the situation in Germany or China. Local industry must contribute for examples by offering trainers from industry to vocational schools and to introduce new courses relevant to the needs of local industry.

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4. Create cluster-based training for small and medium-sized companies

Cluster-based training is another possibility for the small firms to get a sufficient number of trained personnel. For instance, they could develop a cluster-based training approach where a few firms belonging to a particular locality can jointly generate training programs through cost sharing.

Companies should be convinced of the fact that either a common platform or a sectorial approach with training based on clusters would form the first best alternative than the current practice of in- house training or competing for skills in the open labour market (22 companies in our primary survey expressed interest in inter-industry collaboration). In this context, the two variables of incentives and regulations become important. One of the advantages of cluster based and locally specific industry level decision making is that it is easy for firms to effectively assess the local demand and supply of manpower to be trained. Second, it is easy to bring the entire training system under a locally governed legal framework. The Micro, Small and Medium Enterprises Ministry of the central government could facilitate, even though the local companies should take the lead in such institutional arrangements.

5. Involve employers association and large companies in upgrading training institutes

In certain sectors like engineering, the employers' association has taken particular interest in advancing training programs. The Federation of Indian Chambers of Commerce and Industry
(FICCI), an industry wide federation of chambers, has adopted several Industrial Training Institutes and has expressed interests in taking over more of them. It is true that they benefit by way of free capital cost in the form of buildings, machinery etc., and given the fact that they run efficiently and have wider acceptance, it is a policy which could be encouraged. What we would recommend in this context is that there should not be any discrimination between Indian and foreign firms, as the public good is accessible for all the firms. Large individual firms can also adopt ITIs. Tata Motors, for instance, has adopted

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nearly 137 ITIs in the country and this model has turned out to be successful in terms of financial assistance, training orientation and diversification. Infosys and Bosch offer good practices for large firms. The PPP model implicit in the above cases could be modified in a similar way that it should be embedded in the larger process of modernization of the economy.

6. Integrate skills training in the Companies Act

The Indian Companies Act (2013), as ratified by parliament, prescribes an expenditure of 2 percent of profits on Corporate Social Responsibility activities in their respective areas of operation.

Though the new regime would replace 57-year old Indian Companies Act, 1956 and usher in more transparency in the corporate bodies besides creating a new business environment for growth, the issues of either skill training or VET reforms are not adequately addressed. What would be desirable is to develop a "negotiated corporate social responsibility" (Raman 2010) and thereby neutralize whatever adverse impacts the PPP model is likely to have. The experiments of
Tata Motors, Infosys, SAP and Bosch also signal the potential of modified forms of public-private partnerships and corporate social responsibility.

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7. Conclusion

Skilling of youth and creating productive job employment of youth of the State is one of the biggest challenges that we face today. The efforts in this direction so far have been inadequate and have also not been very effective due to lack of a cohesive strategy that links skills to employment.. The UP Skill Development Mission aspires to change this by creating a platform which brings all stakeholders – trainers, employers, sponsoring departments and trainees together. The Mission has been designed as an integrator of all skill development programmes and schemes being implemented in the state and to plan and implement these schemes in a holistic and integrated manner. The key task that the Mission will have to perform is to establish effective coordination with various departments for integrating the skill development efforts of all departments. Hopefully, the broad based implementing structures that have been proposed will help in achieving the desired collaboration. The second major task will be to develop effective partnerships with the private sector training providers. Systems that are transparent and facilitate speedier decision making should help in better relationship management with the private sector.

However, the biggest challenge will be ensuring gainful employment to the trainees. In a scenario where trainees and students from regular vocational streams are not being fully absorbed in the labour force, it would be a challenge to ensure that youth who are being skilled in short duration courses through UPSSDM are able to obtain remunerative employment. This will happen only if the mission is able to design courses that are relevant and the training providers are sincere in providing training, and above all if the economy grows and enough employment opportunities are created. We sincerely hope that this will happen and also that availability of large pool of skilled manpower may in itself create a virtuous cycle for more investments and thereby higher growth and employment opportunities.

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Most Important Learnings

- Policy Implementation by Government
- Need for Skill Development across India
- Standard of living in rural India
- Functioning of Government office – Legality & Financial Implications
- Process of rolling out a scheme with many stakeholders and huge target population
- Role of consultants in process designing
- Operational barriers in implementing a scheme
- Need for efficient management of MIS

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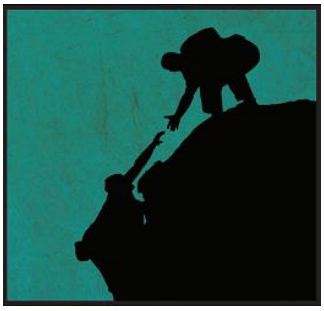
"The highest measure of democracy is neither the 'extent of freedom' nor the 'extent of equality' but rather the highest measure of participation."

- A.D. Benoist

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