

SECTOR: SKILLS & EDUCATION

SECTOR OVERVIEW: MARCH 2012

Welcome to the UKIBC quarterly report on Education and Skills. This report provides a roundup of the developments in this sector including updates on healthcare training, fashion retail and attempts to introduce vocational training into the national curriculum. The report also provides insights on how the macroeconomic picture is affecting skills development in India. Finally, we have a report from a major education conference which took place in Delhi in February which brought together opinion formers from both public and private sectors. I am also including an update on upgradation of Industrial Training Institutes.

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SECTOR NEWS

National Vocational Qualification Framework

Human Resource Development Minister Kapil Sibal recently launched the National Vocational Education Qualification Framework (NVEQF) which will be implemented in polytechnics, engineering colleges and other colleges across India. Announcing the launch of the framework, Sibal said that a seven-level certification programme, starting in class 9, would be started in different fields of vocational training, culminating in a degree at the end of the seventh year.

The programme, which will be launched from the academic year 2012-13, is sector-specific. The sectors include IT, media, entertainment, telecommunications, mobile communications, automobile, construction, retail, food processing, tourism, hotel, jewelry design and fashion design. A total of 1,000 hours of training will be necessary in every level annually, with hours fixed for different topics in the course. The programme is expected to cater to at least five million students for vocational degree and diploma every year.

Skills for Fashion Retail

The changing mindset of the Indian consumer has brought about an expansion in the retail sector locally, nationally and

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internationally. This is likely to generate large-scale job opportunities in the near future.

With this in mind, a certificate course in fashion retail management has been designed by IIM-Ahmedabad. The areas covered in the course include overview of retail, store operations, visual merchandising, retail selling skills, inventory control, business analysis, loyalty programmes, fashion product knowledge and IT, amongst others.

The Pearl Academy of Fashion (PAF), has partnered with IIM (Ahmedabad) and Shoppers Stop to run the course. Tarun Panwar, Head of Department, Retail, PAF, says: "We would like to keep pace with the change and train people with the right skills who can direct and accelerate this growth and take retailing to the next level of evolution."

After nine months of classroom training, students undergo a paid nine-month on-the-job training programme at any of the Shoppers Stop outlets across the country. The duration of the course is 18 months. The skills sets developed during the taught course alongside on-the-job training will enable student to apply for sales and marketing roles, even outside the retail sector. This will help students explore sectors such as hospitality management, infrastructure management and marketing and sales.

Educational curriculum to include vocational courses

In response to the need to improve the employability of graduates from both, technical colleges and schools, we are seeing progressive decision makers leading the way by taking action. The state education minister of Assam, Himanta Biswa Sarma, has announced that the state's education curriculum will be restructured to accommodate new subjects that will relate directly to employability.

Sarma said, "We are still following the old curriculum and most of the subjects in the old curriculum do not have any vocational importance. The courses which are being taught do not help students to get a job. So, we are thinking of starting new subjects, which will help them secure jobs after the completion of their course. After we restructure the curriculum, two new vocational subjects will be introduced in around 119 government and provincial colleges of the state."

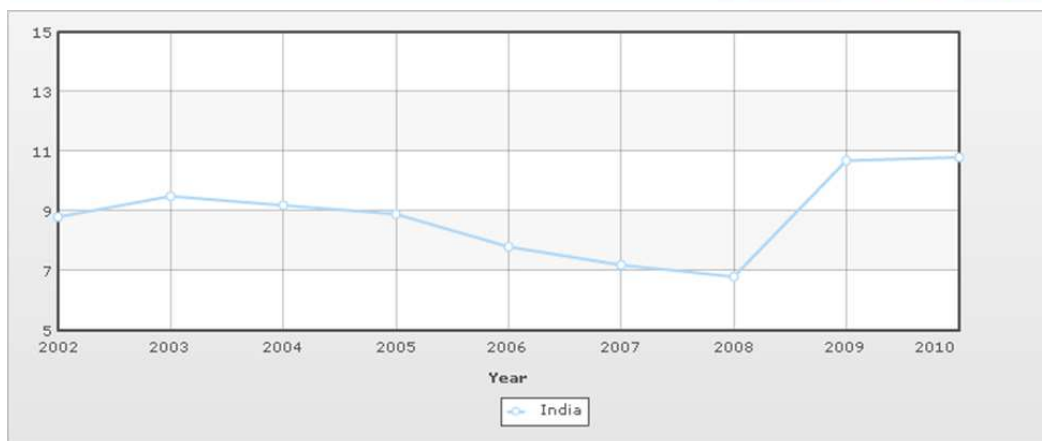
The minister also outlined a requirement for 1,200 teachers to work in the colleges when the courses are introduced and that a committee will be appointed with representatives from industry alongside academic participants to develop the framework of the curriculum.

"The committee will assess the curriculum and make the required modifications. They will visit colleges and universities outside the country and see how the educational institutes function to determine examples of best practice,"

"Everything will be finalized by March and a meeting will be held after which we will start the process," he said. Besides that, the minister also informed that a special monitoring committee has been formed that will visit different colleges of the city to check whether the teachers are conducting classes regularly.

India likely to weather global slowdown better than most countries: ILO

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Unemployment rate:

This entry contains the percent of the labor force that is without jobs

The unemployment rate in India has

shown a slight increase over the last ten years. This could be explained by education and training which is not tailored to the needs of industry and the labour market. A major reason for the slow growth in employment in recent years is the fall in female participation in the labour market. This has been most pronounced in India, where participation of women in labour activities fell from 49.4 per cent in 2004-05 to 37.8 per cent in 2009-10 for rural females and from 24.4 per cent to 19.4 per cent for urban females. This drop in participation can partly be explained by the strong increase in enrollment in education.

The International Labour Organisation (ILO) believes India is likely to weather the latest global slowdown better than most countries, provided it ensures rising income levels and enough jobs for a growing working-age population. According to the annual report on global employment by the ILO, "The main challenge is not unemployment, but rather the high degree of informality that persists despite strong growth."

"The robust growth witnessed in the South Asian region was driven largely by India and was largely due to the rapid rise in labour productivity, rather than an expansion in employment," according to the 'Global Employment Trends 2012: Preventing a Deeper Jobs Crisis' report.

This situation is prominent in India, which accounts for 74 per cent of the South Asia region's labour force. In India, total employment grew by only 0.1 per cent over the five years to 2009-10, from 457.9 million in 2004-05 to 458.4 million in 2009/10, while labour productivity grew by more than 34 per cent over this period. Labour productivity is the amount of goods and services that a worker produces in a given period of time.

BUSINESS OPPORTUNITIES

Healthcare and education to form the basis for future UK India collaborations

The healthcare and education sectors represent huge opportunities for the UK and India to forge mutually beneficial partnerships according to Mr Mike Nithavrianakis, British Deputy High Commissioner. The UK has a unique combination of experience and institutions to enable India to meet its objectives for trained and accredited healthcare manpower.

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Addressing a meeting of the Rotary Club of Madras, Mr. Nithavrianakis said that while there was excellent potential for collaboration in a range of sectors such as infrastructure, automotive, manufacturing, IT and financial services, if he were to predict a couple of sectors where the UK and India, especially the south, could forge partnerships of excellence in the 21st century, healthcare and education would be at the forefront.

India's Twelfth 5- year Plan, commencing April 2012, has been dubbed 'the Plan for Health' (just as the previous plan was the Plan for Education.) The government of India has set an ambitious goal for universal, high quality and affordable healthcare. In achieving that goal, India has formidable strengths upon which to build: many world- leading secondary and tertiary institutions; a substantial cadre of well- trained and committed clinicians; a wide range of primary care services in the government, not for profit and private sectors, deploying different and innovative approaches; a large number of civil society organisations mobilising lower income communities; deep penetration of mobile communications; and world-leading expertise in ICT.

Stating his belief in the potential for collaboration in healthcare, Mr. Nithavrianakis highlighted the areas where the UK could offer its expertise such as in training doctors and establishing a strong primary care system. Another area could be in training nurses and allied health sectors such as physiotherapy and paramedics as well as other auxiliary healthworkers.

The NHS is widely recognised as the world's fairest health service, with a particularly strong foundation of primary healthcare. The recent high level Round Table on Strengthening Primary Health Care in India, initiated by the India UK CEOs Forum and sponsored by the Ministry of Health and Family Welfare, Government of India, made it very clear that there would be strong support for collaboration between India and the UK, particularly in the field of skills and human resources for healthcare.

Alongside the medical and nursing professions in its 1.3 million workforce, the NHS benefits from skilled staff in more than sixty allied health professions. In the last fifteen years, the NHS has been a world leader in ensuring that each professional can work at the top of their recognised skill level, enabling the most effective and efficient deployment of staff resource within a strong framework of clinical governance and accreditation. It is clear that the UK's strengths, experience and appetite to partner with India will see a strong British engagement in India's Plan for Health.

Upgradation of Industrial Training Institutes

Upgradation of Indian Industrial Training Institutes (ITI's) have been on the agenda of the JETCO bilateral between India and the UK for some time. The potential for UK input is considerable with scope for equipment consultancy, employer engagement, curriculum and content development, training of trainers and ongoing assessment and verification.

The difficulty so far has been in identifying a suitable business model to make this work attractive to UK providers and ensure that any work undertaken is done on a sustainable basis. UKIBC is exploring a number of different approaches

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which have come to our attention and are confident that in time this is an area where UK providers can make a considerable impact.

EVENTS UPDATE

TECH-DRIVEN, MULTI-CAREER-CENTRIC CURRICULUM NEEDED TO DEVELOP 21ST CENTURY KNOWLEDGE ECONOMY, SAY EXPERTS AT ONE GLOBE 2012

Leaders from business, government, think tanks, private equity, industry associations, policy makers, entrepreneurs, and academia from around the world came together at the two-day conference, [One Globe 2012: Uniting Knowledge Communities](#), that took place in Delhi in early February. The scope of contributors to the event demonstrated the degree of international competition to engage with India on education and the need for the UK to continually promote their offer to maintain visibility.

Kapil Sibal, Union Minister for Human Resource Development delivered the keynote address at the conference. Sam Pitroda, Advisor to the Prime Minister on Public Information Infrastructure & Innovations.

The One Globe 2012 knowledge conference covered primary and higher education, vocational training, skills development, economic development, gender and education, infrastructure, urbanization, design, technology and innovation. The conference also deliberated on the need for private equity/venture capital investments in higher education, and entrepreneurship, employment and economic growth.

The second day of the conference exclusively focused on students interested in studying abroad, featuring sessions on how Indian schools can prepare students for global universities, international educational partnerships, designing successful MoUs, cracking standardized tests, resume building and managing visa formalities. It also outlined popular and emerging destinations for studying abroad.

Harjiv Singh, Founder and CEO, Salwan Media, who conceptualized this event said, “India has a rich demographic dividend in the form of over half its population under the age of 25, but what we do with it depends on how, and how soon, we align our educational systems to realities of a networked world. Today, technology drives everything around us, from e-governance programs such as the UIDAI, to quality distance education delivered through Cloud-based universities, to even working remotely from home! Our curriculum needs to innovate and adapt real fast to this technology-driven environment to churn out students that don’t just have degrees but skills to get jobs in global companies. We also see an increasing trend of switching multiple careers in today’s generation, so our educators need a radical mind-shift to empower students with all-round development that helps them learn, unlearn and relearn quickly.”

A joint report by the USIBC and YES BANK, “*A Global Perspective to Higher Education in India*”, was also unveiled at the conference. It outlined a roadmap to ensure improvement in higher education in India. The report noted that while the share of central government expenditure on education as a percent of GDP has increased, the State’s share has actually declined over the years. Noting that a large number of schemes require commitment from State governments, it highlighted the urgent need for the States to increase their education expenditure.

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The report also called for

- improvement in access, inclusion and quality of education,
- correction of sub-optimal level of fees in government institutions to mobilize internal resources,
- better collaboration between research and academic bodies,
- greater collaboration with industry,
- the need for mandatory accreditation,
- 360° teacher assessment by students and peers coupled with performance-based reward system,
- examination reforms located within job market dynamics, strengthening and universalizing ICT measures.

CASE STUDY - BOURNVILLE COLLEGE

Tell us about your business – its origin, offering and coverage.

Bournville College has a long history of providing education and training in the community, dating back to 1899 when the Cadbury family recognised the need to develop its workforce. Classes in English, mathematics and science as well as physical education were made compulsory, initially at the Bournville factory and school premises in the local area. It was first established as an institution in 1913.

In September 2011, Bournville College relocated to a brand new state-of-the-art campus in Longbridge, as part of a regeneration project of the former MG Rover works in Longbridge. The new campus has capacity for 15,000 students and spans 4.2 acres of land. The new campus provides numerous course and facilities that are among the best in the UK.

In which overseas markets do you operate?

Aside from welcoming students from all over the world to our Birmingham campus, Bournville College operates in a number of overseas markets. We have operations in a number of developed economies such as South Korea, Italy, and the Netherlands. However, we are increasingly moving into the emerging economies, most recently we have begun to operate in Moldova. Alongside this, we have a presence in three of the four BRICS; India, China and Brazil.

When did you make your first entry into India?

Over the years we have had a number of Indian students study at our Birmingham campus. However, up until recently we were largely passive in our dealings with India, but in 2011 we took the decision to actively enter the Indian market and pursue new business opportunities.

What were the main drivers of your decision to export to/invest in the Indian market?

India is a colossal market that can't be ignored; we have operations in two other brics as they all represent extraordinary growth markets. India is also a market that we thought as a British SME we were well placed to succeed in, given the multi-

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cultural nature of our student base in Birmingham.

On top of this, we were driven to enter the Indian market because of the ease of which we believe we could translate and export our expertise to the Indian market. Our courses and operations in the UK are conducted in English and we felt that because of the prevalence and extensive use of English in India, we would be able to offer high quality and competitive services there.

More specifically we chose West Bengal as an emerging area of India. We felt given the recent change of government in the state, this comparatively under developed region could offer us big rewards in the future. The welcome in Kolkata was fantastic and we believed it was an undervalued market that had been overlooked by our competitors operating in places like New Delhi or Mumbai.

How did you approach the Indian market? Who did you take advice from? Did you visit the market first?

We approached the Indian market with the help of organisations like the UKTI. We initially commissioned an OMIS market research project into the Indian market, which helped us to go through the processes of what we could do, what we wanted to do and what we definitely didn't want to do!

Following this we made several exploratory trips through 2011. However, we took a focused and cautious approach and only visited India after we had conducted and analysed our market research, and had lined up some promising meetings with reliable and recommended prospective partners.

What business model did you use on engaging with India?

We realised we weren't going to crack India at a distance and like most companies investing in India we create a bit of hybrid business model to suit our needs on the ground.

Firstly, we set up an Indian office staffed by locals. We feel we pay a good wage in India, but this had the added benefit of being vastly cheaper than moving some of our UK staff out there permanently. It also gave us access to more reliable local contacts and local sector knowledge.

Secondly, we looked for a reliable local partner to provide our services through. In the end we found a well recommended partner through our contacts at the UKTI.

What has been your biggest challenge?

The biggest challenge has definitely been finding reliable local partners in India. When we conducted our first exploratory missions we were staggered by the amount of people who wanted to get to know us and discuss business possibilities.

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However, we soon realised that a lot of these initial contacts are time wasters. It seems to be a common tactic to try and tie you up in dead end negotiations to ensure that you don't end up working with their competitors.

Has your Indian engagement met your expectations? please state why?

It has and it hasn't, our expectations are constantly shifting. Our initial financial expectations have not been met yet. However, it has allowed us to diversify and we have been able to move into different markets in India. We now provide high level consultancy work which is something we don't do in more developed economies like the UK.

Do you have plans to engage further?

Completely, we are in India for the long term and we now have plans to expand out of West Bengal and into other promising Indian regions.

What impacts (if any) have you experienced as a result of economic downturn in the UK and India?

In the skills & education sector the impact is mixed and often counter intuitive. In the UK the impact has been a shift to more re-training as redundancies kick in, with the contacts increasingly coming from the state rather than private companies. Conversely in India, we are engaging in the provision of much more basic training alongside further training. The emphasis is on getting people trained in the first place rather than re-skilling them for new jobs.

What advice do you have for others interested in doing business with India?

You have to be in India for the Long term to make a success out of it; don't go expecting a quick buck. Other than that, it is about taking India seriously. Do your research and find people you can trust, organisations like the UKTI and UKIBC are great for facilitating this and making good initial connections.

FORTHCOMING EVENTS

Inward mission 2012

We are expecting an inward mission of Indian skills providers to take place on the week commencing 16th April. The delegation will visit Manchester and London. UKIBC members will be kept updated as soon as there are any additional developments on the timings and the agenda for this mission.

Research publication

In April, the UKIBC will publish a report that demonstrates the return on investment in vocational education and training to an Indian audience.

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By showcasing best practice amongst Indian and British companies who have invested in skills training for their workforce, and demonstrating the measures used for determining the impact. This will be available at www.ukibc.com following publication.

Project Pipeline

We currently have around thirteen live business opportunities which have been divided amongst the skills Principal Group for detailed scoping on behalf of the collective network. These will be available for tender in due course.

Forthcoming events

- 14th March: UKIBC Annual Summit
- w/c 16th April: Inward mission of Indian skills providers, London and Manchester
- 18th April: Insight India seminar: Skills, Manchester
- April: tbc Adapting your Offering to the Indian Market
- 10th May Insight India Seminar: Skills, Glasgow
- June: UK India Skills for Employability Conference with Tata Consultancy Services
- September: Outward mission of UK skills providers to India
- 4th December: Insight India: Skills, Birmingham