

SECTOR:
SKILLS & EDUCATION

SECTOR OVERVIEW:
JUNE 2012

Welcome to the quarterly report on Skills and Education. The report begins with insights into the skills gap challenge faced by India cutting across different sectors. While India has a mammoth manpower resource, only 2% of these are skilled. We take a look at the initiatives to address the skills gap. We discuss government's plans of introducing a bachelor's degree in vocational education in its affiliated institutions in the academic year 2012-13 in an effort to mainstream vocational training. The Indian Banks' Association (IBA) approved a vocational education loan scheme that will provide an impetus to the country's skill mission. On the healthcare side, Apollo partners with NSDC to impart healthcare-related training to 392,000 people in 10 years. This report also brings you an innovative and inspiring tale of 2 Indian students from the McGill University who showed the world how a combination of simple healthcare skills training and cloud technology in a village can address the challenge of providing healthcare in the rural and remote areas of India.

The report provides news updates in the skills sector and takes a look at important events – past and forthcoming. The report discusses briefly the delegation of Indian skills businesses to the UK in April, and the UKIBC's outward delegation to Hyderabad and New Delhi, during the week of 2-7 September 2012.

Finally, the case study section looks at the success story of Career Launcher Educate, which started as a preparation centre for competitive exams in New Delhi in 1995 and has over the years diversified to vocational training, K-12 education and higher education. In this report we talk to its President and CEO, Sanjay Shivnani.

UK Business Perceptions of Asia – Survey

UK Trade & Investment (UKTI) is running a short survey to understand how UK companies perceive Asian markets and the benefits and challenges of doing business there. We want to know the concerns or issues you have when doing business in, or considering business in Asia. Your feedback will help us understand what more can be done to help UK companies succeed in Asia. The findings will be presented to Ministers

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and senior business people at the Asia Task Force meeting on 11 July 2012.

The survey will take around 3 minutes to complete.

To take part in our survey, please click on the link below.

<http://www.surveymonkey.com/s/NL7HMGR>

A summary of these results will be published on the Asia Task Force pages at <http://www.ukti.gov.uk/export/countries/asiapacific/fareast/china/asiataskforce.html> and on UKTI social media channels in July.

UKIBC SKILLS & EDUCATION UPDATE

Indian Delegation to the UK 16-19 April, 2012

The UKIBC hosted a delegation of leading Indian skills businesses in April. The week started with the ministerial Joint Economic and Training Committee (JETCO) meeting, with the associated Working Groups. This session was followed by a programme that covered the midlands and south of England, and engaged the Indian delegates with several UK FE colleges, and leading private sector training businesses. The 20-strong skills delegation, arranged by the Federation of Indian Chambers of Commerce and Industry (FICCI) was the largest ever to come from India to participate in the JETCO.

The JETCO bilateral saw skills and training recognized as an integral part of the overall trade relationship between India and the UK. The skills and education WG agreed to focus on a number of key areas over the next 12 months: vocational education in schools; capacity building and assessment management; and leadership development programmes for managers in the vocational education and training sector and the ITI partnerships initiative. They also decided to introduce skills training into other JETCO working streams like retail and supply chain logistics, healthcare and construction. The UK's Department of Work and Pensions presented on their procurement arrangements, and the potential routes for Indian businesses to access these contracts via sub-contracting in partnership with a UK supplier. (For a more detailed report please see http://www.ukibc.com/key_sectors/skillseducation/members-only/1205_sector-view.aspx)

UK India Business Council Skill Delegation to India

The UKIBC is taking a skills delegation to Hyderabad and New Delhi during the week of 2-7 September 2012, to coincide with the FICCI Global Skills Summit on the 6th and 7th. This top quality group will be accompanied by the Rt. Hon. Patricia Hewitt, UKIBC Chair.

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The key focus areas for this delegation include:

- Healthcare training
- The initiative to connect UK skills providers into India's network of ITIs
- B2B connections
- A workshop for colleges on succeeding in India
- Engagement with Indian state and central government departments to understand how we can support their skills training initiatives

BUSINESS OPPORTUNITIES

REEMAP

Rajiv Yuva Kiranalu is an initiative by the Govt. of Andhra Pradesh to build job specific skills among the unemployed and place them in appropriate private jobs. The aim of the programme is to train the NEET (not in education, employment or training) cohort, developing a productive workforce and promoting inclusive growth. The mission proposes to employ 1,500,000 young people in private sector jobs by 2014.

We are delighted that the UIBC's delegation will spend a day with the REEMAP project. The objective is to establish a deep understanding and forge partnerships between UK companies, Indian companies and the Government of Andhra Pradesh training initiative.

Healthcare

Healthcare training will also be a key feature of the delegation. India's Twelfth Five-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. The government has recognised that a step change is required in the quantity and quality of skilled manpower if its ambitions for universal healthcare are to be realized.

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, made it very clear that there was strong support for collaboration between India and the UK, particularly in the field of skills and human resources for healthcare.

The UKIBC will therefore be hosting sessions on the potential for collaboration in the field of healthcare training in Hyderabad and New Delhi in September, bringing the UK delegates together with India's top private sector healthcare providers.

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SECTOR NEWS

Now, a college degree in vocational education

For years, India's basic college education had been segregated into three distinct academic islands: the masses pursued humanities; the ones with shining score cards took to the sciences; and the rest who wanted to pick up the tools of trade, opted for commerce. Now students can venture into a fourth dimension: a bachelor's in vocation education.

From the upcoming academic season, the University Grants Commission (UGC) is considering offering a bachelor's degree in vocational education in its affiliated institutions. The standing committee of UGC has formally approved the proposal. The finer details are being worked out and the final nod from the commission is still awaited according to Ved Prakash, the acting chairman of the UGC. This will underpin a stream that has always languished for want of a formal degree. Sensing the gap in the system, the move to offer the B.Voc is largely in response to the hungry local manufacturing industry's requirement for a top-grade workforce and partly because several graduates from the existing traditional streams were jobless and deemed unemployable. The student will have to choose a sector and a specific specialization from each sector. Initially, 10 sectors have been chosen including tourism, construction, printing, telecom, IT, mobile and communication.

Indian Banks' Association approves vocational education loan scheme

The Indian Banks' Association (IBA) approved a long awaited scheme on vocational education loans, providing an impetus to the country's skill mission. The scheme will help not just students but also skill providers complaining of low enrolment due to financial reasons.

Interestingly, and perhaps for the first time, a student will not be required to provide a collateral security and there will be no age bar to secure this loan. To be eligible, students need to study in an institution recognized by either the Central or State government, and supported by the National Skills Development Council (NSDC). "A universal vocational loan scheme will increase financial accessibility," said an NSDC spokesperson.

Banks may also consider increasing the amount of the bank loan depending on the length of the course. The loan amount will vary between £250 to £1875.

Vocational training in India is a £12.5m business annually, according to a July report by Kotak Securities Ltd.^[1] "There was [a] need for a separate scheme for vocational training courses as sometimes bank officials may be wary of lending to students pursuing such courses in the absence of a specific scheme," said M. Narendra, chairman and managing director of Indian Overseas Bank. "Polytechnic and other vocational courses of short-term nature provide good employment opportunities," he said.

However, Muralidharan Thyagarajan, Managing Director of TMI e2E Academy^[2] which has a tie-up with the NSDC to train 520,000 people, cautions that for a sustainable model of skill development, quick and easy access to funds is important.

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“While the scheme looks great, it should be hassle free and quick,” he said.

McGill students providing rural health care with a phone, Windows 8 and the cloud

At the Canadian Imagine Cup, two students from the McGill University tried to address the challenge of providing healthcare in rural areas using a Windows Phone application, the cloud, and a Windows 8 application. Their solution earned them the 3rd place at the Canadian Imagine Cup Finals.

72% of the India’s population lives in villages with healthcare facilities that are particularly inadequate. 43% have no access to healthcare, 70% have no resident doctor and 80% of medical workers are unqualified.

Abhijeet Kalyan and Shravan Narayan from McGill university came up with a rural healthcare solution under project Neem (named after a tree purportedly with numerous medicinal values). The solution sounds simple and revolves around training some people in the villages as healthcare workers. You provide some basic medical training and a Windows phone to some computer literate persons in the rural areas. They act as the village healthcare workers. Using the Windows Phone they can scan the national Identity card of a patient. Any stored information about the patient is retrieved. The village healthcare worker is given sufficient training to take temperature, check blood sugar levels, pulse or blood pressure ([read more: Digital Innovation Sector View](#)). These vitals can be recorded in the phone application. The health care worker is also trained to record any particular symptoms the patient reports by tapping the area of the body and selecting the symptoms.



The patient data is then stored in SQL Azure and accessed by doctors in the city through a Windows 8 application. The doctors can review the patient’s symptoms and recommend appropriate treatment. The team is also considering adding a Skype option to train the healthcare worker in direct doctor to healthcare worker interaction or facilitating direct patient to

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doctor interaction.

Shravan and Abhijeet also see a bigger picture of using the data generated from the application to help public health organizations, governments and aid agencies. A desktop data analytics application could help interpret the data and identify trends while still keeping patient information anonymous. Perhaps helping agencies identify the diseases that are diagnosed in different regions.

'India: Incredible Investment Destination' news

Amid a barrage of criticism from various global agencies on the Indian economy, the government has published a 'fact book' listing the economy's strengths. These include a sound banking and financial system, and political stability that would make it an attractive investment destination for all.

Emphasising the strong economic fundamentals, the Finance Ministry's fact book titled 'India: The Incredible Investment Destination' states that the country's real GDP is 60% higher than five years ago, while FDI soared by 41.4% to £29.9 billion in 2011-12.

The Indian economy, the Industry stressed, has its own innate strengths that accrue from a vast domestic market fuelled by ongoing economic liberalisation. As India has a stable financial system, strong external liquidity position, and a strong financial regulatory framework it is non-susceptible to major risks. Besides, as a democratic country, India has a highly stable system of governance.

Apollo Hospitals partners with National Skill Development Corporation (NSDC) to promote skills

Apollo Hospitals has formed a subsidiary to impart healthcare-related training to 392,000 people in 10 years. NSDC has agreed to buy a stake in Apollo Med Skills Ltd., a Unit of the Apollo Hospitals Group.

The investment on the project will be around £4.88m of which NSDC will loan £3.14m to Apollo Med Skills and Apollo will contribute £1.24m. NSDC will also buy a 27% stake in Apollo Med Skills for £4.56m.

According to Dr. K. Prabhakar, CEO of Apollo Med Skills, the company is entering the sector because it realises the need for trained manpower. "We have now got their board approval," he said. The company will train people in subjects such as medical lab technology, dialysis and non-invasive cardiac courses, radiology and imaging, and operation theatre technology. It will also train doctors and nurses to update their skills. Apollo will find jobs for the trained people in its hospitals and other healthcare centres. Ms. Sangita Reddy, executive director of operations at Apollo Hospitals, will oversee the work of the training subsidiary as a director.

The company plans to set up about 47 centres in Andhra Pradesh, Tamil Nadu, Bihar, Orissa, Jharkhand, Karnataka and West Bengal. "Since we have partnered with NSDC we can use some government school buildings for running classes, especially in the evenings," Dr. Prabhakar said.

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Maruti Suzuki to adopt ITIs to create a customized labour pool

Maruti Suzuki India Ltd, the country's largest car-maker, is adopting 40 state-run technical schools to create the customized labour pool it will need to fuel its £225m expansion in Gujarat. This would entail building at least three assembly lines and setting up a vendor base. The Gujarat factory will double the company's production capacity to three million cars by 2015.

Maruti already has two factories in Manesar, Haryana. The Maruti Suzuki factory in Haryana will adopt 50 ITIs which will not only ensure a steady supply of trained personnel to the auto maker but also to its dealers and vendors. Maruti Suzuki already works with 10 Industrial Training Institutes (ITIs), from which it has recruited people in large numbers. A pool of labour is being created which will help the firm's growth.

Private firms adopting ITIs create a win-win situation, according to Sharda Prasad, Director General at the Directorate General of Employment and Training, which operates under the Labour Ministry. According to Prasad, "The adoption of government ITIs helps the cause of modernization, and, from the company perspective, it helps them to get a customized workforce. ITIs are getting better infrastructure, contemporary curricula in sync with the industry demand, and it also improves their placement record." The ITIs adopted by various companies such as the Taj Group, Hindustan Unilever Ltd, Videocon Industries Ltd, India Cements Ltd and Punj Lloyd Ltd now have a placement record of around 85%. Placements from ITIs are typically much lower than this, although specific numbers are hard to come by. Industry lobbies that have facilitated the ITI adoption by corporates are in agreement. "The move is good as vocational institutes like ITIs get a facelift.... They can also retrain the existing workers through these ITIs, knowing that the auto sector needs to upgrade its own technology usage regularly." Abhey Yograj, chairman and chief executive of Tecnova India Pvt. Ltd, a consulting firm that tracks the sector, tended to agree with this and said the initiative can definitely help create an efficient, job-ready labour pool that the company can use while charting its growth plan. "They will be great resources," Yograj said.

"The best part is now these ITIs and industry have a better connection. They understand each other's need to a large extent. The in-company training (of students), contemporary curricula, and training of the faculty by the industry have helped the improvement," said Sobha Mishra, head of the education wing at the Federation of Indian Chambers of Commerce and Industry.

EVENT UPDATES

UK-India Teaching Partnership Development Forum: 26 June - 27 June 2012, New Delhi, India

India's Manipal University and the UK's University of Nottingham held a major British Council-funded event on 26 and 27 June, 2012 at the India Habitat Centre, New Delhi.

The "UK-India Teaching Partnership Development Forum" focussed on the development of teaching partnerships between India and the UK, with input from higher education institutions, industry and government officials.

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UK-India Employability Skills: An employers' perspective: 29 June 2012 , London, UK

The UKIBC and the Confederation of Indian Industries held a seminar in London on 29th June on UK-India Employability Skills: An Employers' perspective. Leading UK and Indian business figures discussed, from an employers' perspective, employability skills training in the UK and India.

The speakers include Mukesh Aghi, CEO Steria; Pramod Bhasin, Genpact and Rajendra Pawar, Chairman NIIT. UK participants included Roy Newey from A4E and David Davies from Edexcel.

We will publish and distribute a report of the event in the second half of the week beginning 2 July.

[1]<http://ir.kotak.com/downloads/annual-reports-2010-11/pdf/Kotak-Securities-Ltd.pdf>

[2]<http://www.tmie2eacademy.com/>

CASE STUDY - CAREER LAUNCH EDUCATE

From a modest beginning in April 1994 to a fully functional and operational corporate house with forays into all segments in the education industry, CL Educate Pvt Ltd is led by a team of Indian Institute of Management (IIM) alumni and is a well known name in Asia today.

In the past 17 years, the CL brand has diversified and effectively established itself as a household name in India. They operate across a broad spectrum of segments in the education industry, including test preparation, K-12 education, higher education and vocational training. Moreover, it has an established presence in the K-12 segment with its own school, the Indus World School, started in 2005, coupled with the Indus World School of Business (2006), and various Bottom of Pyramid schools for imparting education in the rural areas. With this established diversity in the education industry, CL Educate Ltd has come a long way in a short time.

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Diverse Portfolio: Our Business Segments

	Higher Education (Post School)	K-12 (School)
Test - Prep	MBA, Civil Services, GATE, GMAT, GRE	Law, BBA, HM, IIT, AIEEE, CA, SAT
Vocational Training	Various skills training for employability, under direct to consumer, government and corporate offerings	
Mainstream Education	MBA (Indus World Business School) Proposed University (Indus World)	Indus World Schools

In the following conversation with its President and CEO, Sanjay Shivnani we focus on CL Educate’s role in their vocational training section, SkillSchool and Kestone.

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

Career Launcher (CL) now known as CL Educate started in 1995 by Satya Narayanan and Gautam Puri, two IIM Bangalore graduates.

Till about 2007 CL was only a test prep company (what is known as coaching classes in India). We institutionalised the coaching business. We serve the market for school leaving students and college leaving students and prepare students to give entrance exams to pursue further studies like MBA, MCA, Common Admission Tests, Hotel Management, Law, BBA, Bank exams, Indian Administrative Services and state level entrance exams. We also help prepare students for entrance to international universities. CL offers a solution for every entrance test and is a comprehensive test prep for undergraduates and post graduates.

CL started as a preparation centre for competitive exams. How and when was the decision taken to diversify into vocational training, a field which is quite different from academics? What were the main drivers behind the decision?

We are based in 120 cities, have about 150 centres, with 200+ classrooms and more than 60,000 students. All of this works on a franchise model.

Since its inception CL test prep focussed on students from the creamy layer who could afford to pay. After 15 years of being in this field we wanted to give a ‘cradle to grave’ education services. CL has been a ‘strong academics for education’

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purpose so it was inevitable that we should get into mainstream and vocational education. We wanted to make a difference. We wanted others to benefit from CL Educate as an ethos and decided to expand into the entire spectrum. In 2008 we decided to address the challenge of providing vocational education and skills for the underprivileged.

How many ITIs do you have under the umbrella of CL?

The company has 15 ITI and 40+ CL Skills Group in Tier 3 and 4 towns and by the end of this year this will increase to about 100 in the states of Jharkhand, Chattisgarh and J & K.

CL vocational training centres can be divided into 3 sections:

- 1. Focussed on Government projects:** These are central and state government funded vocational projects under the Ministry of Rural Development (MoRD) and public private partnerships of the ITIs. All these government projects have been picked up from the state governments of Jharkhand and Chattisgarh. Government gives us the mandate to train about 10-30000 children from the marginalised sections of society (like scheduled castes and scheduled tribes, minorities, below poverty line youth, women and people with disabilities) in a given time frame. The project is fully paid for by the government, state or central, or the ministry or the department.
- 2. Focussed on private/urban projects:** Known as SkillSchool, these projects are run in collaboration with companies and are mostly in the retail, telecom, fast moving consumer goods (FMCG), banking, financial services and insurance (BSFI) sectors. These could involve short term certification programmes of 3 days to 3 months. These are fully paid by students in many cases and in some cases the cost is shared by students and the industry partner. The industry's interest in funding them is because they want trained manpower before they join the workforce to save industry's time and manpower. All this is entry level labour market. The eligibility criteria for trainees is class 10 or class 12 pass. People who are willing to do a job come from the lower end of the society. All these are sales jobs and the wages at entry level may vary between Rs6000-9000 (approximately £70- 105) per month.
- 3. Focussed on employment/manpower solutions:** This division is known as Kestone and is a 100% subsidiary of CL. This is given out on contract. Labour is taken on third party roles and has the advantage that large corporates do not have to take a large number of manpower on their roles and do not have to bear the administrative costs. So they are happy to pay a little extra to the franchisee. Kestone plays a key role in sourcing the right candidates, assessing their skills and those required for the job, training and deploying them, and finally managing the workforce for optimal performance.

How does CL Educate function – in terms of curriculum followed, accreditation, funding and the business model?

The curriculum and accreditation given to ITI's is provided by our government bodies - National Council for Vocational Training (NCVT) or State Council for Vocational Training (SCVT).

Government's mandate can be defined in 3 bullet points – the project is given for a fixed time period. They will give you a fixed amount for training for each student per course and set a limit of the trainees who need to be trained. The payment

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will differ depending on the course – more payment for a diesel engine mechanic than an accountant, because in a diesel engine course we need to make a lab if we have to follow NCVT/SCVT curriculum.

The company's role is to acquire the trainee, do counselling and put him through a training programme. Once the training programme is over the government will conduct an audit and then pay the company.

What are the trades you offer?

CL Educate provides training in desktop publishing, tally accounts, computer operator, carpenter, diesel engine repair mechanic, sales and marketing executives, hair cutting and beautician, embroidery, needlework, tailoring, dress making and stitching for women. The ITI's also have automotive, diesel engineering, motor mechanic, welder, electrician, welder and fitter trades.



A tailoring workshop in CL Educate's ITI in Haryana, India

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CL Educate's automotive training workshop in Meham, Haryana

Could you please tell us about your institute's linkages with the industry to ensure employment for your students?

Yes, and there are two models to this. The first one is the usual model of training students and then ensuring placement in different industries. We invite companies to the campus at the end of the training and they select the students for placement in their companies. The second model is where we draw up a contract with a company and promise to train the entire batch for them. For example if we draw up a contract with some private bank then the entire batch gets placement in that bank. We train the students in accordance with the requirements of the bank - for sale of credit cards, mortgages, car loans, personal loans, know your customer, etc. This ensures 100% employability because the course is designed according to the client's requirement who underwrites the batch.

Have you ever entered a foreign collaboration earlier?

We had a foreign collaboration with Learning Skills Network (LSN). Now we are working with the AoC on a proposal awarded under UKIERI 2 in February. The work has just started.

What has been your biggest challenge?

The greatest challenge across urban and rural areas is not employability or lack of jobs. On the contrary there are jobs chasing people. I feel that people don't want to work in these sectors. The largest number of jobs in the country is sales jobs. The public don't want to go out to sell mobiles or other wares. May be difficult for you to believe but when a private bank sent out interview calls to 830 people only 30 turned up even though the salary being offered was also not too low.

Our biggest challenge, especially in urban areas, is finding people who are willing to come and undergo vocational training. Firstly, it is difficult to attract children for skills training. Even if the child comes to the classroom absenteeism is high.

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Secondly there is extremely low propensity and capability to pay for these training and thirdly they do not wish to do this work. Even today youth aspiration is for permanent, government jobs even if they get a peon or security guard's job in an air conditioned office. For example when government bank vacancies are advertised, the total vacancies may be about 20-30000 but there will be about 1,400,000 applicants. The problem in our country is that where there are jobs there is no aspiration and where there is aspiration there are no jobs.

What suggestions would you have for UK companies/skills providers wishing to do business in India?

The UK companies need to realise that though the short term returns on investment may be low, money will come in the long term and this is due to sheer volumes and economies of scale which will drive the market. UK should think of India in terms of long term engagement. They should connect with Indian companies and spend time building relations.