

## SECTOR: SKILLS & EDUCATION

### SECTOR OVERVIEW: March 2013

There have been very exciting developments in skills and education over the last quarter. Only a few days ago we co-hosted a seminar that focused on the vast and yet untapped opportunities in India, paying special attention to its huge rural and underprivileged population which remains underserved. Speakers gave insightful and engaging examples of delivery methods in India, and an interesting case study of one of India's first planned cities.

In February, the British Prime Minister went to India for the second time during his term, a momentous occasion buoyed by a business delegation unprecedented in size. Skills and education featured prominently, with the fantastic success story of the signing of a MoU between UKIBC and the Tata Group for cooperation on skills development in India.

In this sector report I share with you some views and notes on these and other developments relevant to the skills sector. Following our last quarterly report where we shared news of A4e's initiative to up-skill youths below the poverty line in six Indian states, here you will also find a piece that explains their "Skills for Work" initiative in more depth.

We hope that you enjoy this quarterly sector report and invite you to send us your comments. For more information on UKIBC's programme of work in the Skills and Education sector, please contact: [Jesh.Rajasingham@ukibc.com](mailto:Jesh.Rajasingham@ukibc.com) or [Neeru.Sood@ukibc.com](mailto:Neeru.Sood@ukibc.com)

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## Market Update

### Prime Minister's visit to India: A strong focus on skills and education

In February, David Cameron was joined in his visit to India by an unprecedented contingent of top-ranking British businesses and trade associations. During his trip, special attention was paid to the skills and education sector and the opportunities that it presents for British businesses. This was emphasized by having David Willetts MP, Minister for Universities and Science, as a member of the delegation, as well as delegates from renowned British academic institutions. Minister Willetts was present at the signing of a landmark MoU between the UKIBC and the Tata Group on skills development collaboration, and he also held high level roundtables focusing on UK-India cooperation initiatives.

In a meeting between the British Prime Minister and his Indian counterpart, Dr Manmohan Singh, both leaders expressed interest in facilitating student mobility between the UK and India. Recent accomplishments in the skills sector were praised, such as the remarkable progress in establishing institutional links under the UK-India Education and Research Initiative (UKIERI), which has, since its inception in 2006, supported more than a thousand UK-India partnerships. The leaders also welcomed initiatives by the British Council in providing English language training to millions of learners in India, by incorporating digital training materials and establishing partnerships with State governments.

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With the Government of India's ambitious targets to train 500 million people by 2022, efforts in skills and education are taking centre stage across sectors. The opportunities that India offers to UK skills and vocational training companies are vast: there is a need for a huge expansion of both capacity and quality at all levels of the education system. Government headline targets include creating 40 million new university places by 2020 and 11,000 new secondary schools. The UK is very well regarded in India for its excellence in education and learning, which is very positive for British skills providers interested in going to India.

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**UKIBC and TATA Sign MoU on Skills Development**

As noted above, the Tata Group and the UKIBC signed an MoU to bring together relevant organisations for skills development in India. This will initially include projects in Odisha and Mumbai, with the intention of creating replicable models to deploy across India. The MoU was signed in the presence of David Willetts by Mukund Govind Rajan, Chairman, Tata Council for Community Initiatives, and Rt Hon Patricia Hewitt, Chair UK India Business Council.

The initiative will work towards the improvement of skills and employability in India, and is likely to create a virtuous cycle whereby the increased supply of better trained people will in turn attract more private sector investment and then fuel the creation of yet more new businesses. Tata Steel, TCS and several other Tata Group entities will be involved in the execution of this initiative.



*Mukund Govind Rajan, Chairman, Tata Council for Community Initiatives, and Rt Hon Patricia Hewitt, Chair UK India Business Council*

*"There is no more exciting place in the world [than India] at the moment for those of us in the skills development sector. The intervention of Tata into the skills training space is hugely significant and we, along with other UK skills providers, look forward to supporting Tata's vision for skills development in India."* - John Yates, CEO of Manipal City & Guilds, senior UKIBC member and key partner in the Tata initiative.

The Tata-UKIBC MoU is just one of the skills initiatives currently underway at UKIBC. Other projects we are working on include training for the healthcare and media & entertainment industries, and engagements with Indian state governments.

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### Accessing skills opportunities in India: emerging models

On 20th March, the UKIBC and Penningtons Solicitors organised an event on accessing skills opportunities in India. The event considered the untapped opportunities for UK skills providers, with particular consideration of India's rural and deprived areas which are still very much under-served in terms of skills provision. By exploring new models of delivery and promoting much-needed industry involvement, local people, employers, skills providers and regions as a whole would benefit.



At the event, the UKIBC's CEO Richard Heald, discussed skills initiatives currently underway at UKIBC, giving attendees an overview of the scale of the India opportunity.

We also heard two engaging presentations, by Roy Newey, who spoke about the experience of A4e in skills delivery in India, and by Ged Latham, Business Development Manager at Oldham College, who spoke of the college's partnerships in India and a case study of their involvement in the Indian planned city of [Lavasa](#):

Lavasa is one of the first planned city developments in India, which is being built and maintained privately. The city is

conveniently located near the Mumbai-Pune economic corridor, along the Warasgaon Lake, only 66 km away from Pune, and 180 km from Mumbai. Lavasa aims to absorb the demand for housing, education and leisure in an area near two of India's major economic engines. The city has a great need for qualified staff, which poses an enormous potential for providers of occupational and vocational training. Some of the businesses already in Lavasa include: Holiday Inn, ACCOR, Double Tree, Cafe Coffee Day, Subway, Novotel, Apollo Hospitals, Ecole Hoteliere de Lausanne, Steve Redgrave Rowing Academy, Hockey Australia, Manchester City Football Club, and many more.

To address the skills gap in the market, Oldham College has entered into a partnership with the Lavasa Corporation for the provision of skills training and qualifications, initially only in the areas of hospitality and customer service, but with a vision to expand the offering after some time. Their academy, which will soon begin training staff for 7 hotels currently under construction, aims to train up to 2,500 students within the next couple of years, and will be modelled on Oldham's curriculum in hospitality offered in the UK.

At the event, Roy Newey, with his lengthy experience in forging partnerships in the skills sector in India, also shared some tips following A4e's successful journey to India:

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what did we discover?

- Seek first to understand before you seek to be understood
- Everything is about adding value
- The scale is mindboggling – 1.2 billion people, 520 million labour force! – everything is bigger
- The foundations have to be built by establishing respect and trust with people with humility
- It takes time
- The reception has been very warm and inviting
- This is a long term strategy
- We have so much to learn by being in India
- Celebrating and rewarding the best in India

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our story will not be unique

**To build business linkages between India and commonwealth countries**

***Your service has to be:***

- Needed
- Tailored
- Priced for India
- Delivered locally
- Built on relationships of trust and respect
- Opportunities for reciprocity built in for the start

Roy also shared some of A4e's novel initiatives delivered in partnership with the Indian Government to work with people below the poverty line to secure them long term sustainable jobs with certificated skills. He noted the excellence of local staff in India as well as the existing good local providers and NGOs.

### Investment Update

#### Apprenticeship training certificates to be issued digitally

In an effort to speed up the issuing of apprenticeship certificates, which at the moment can take up to two months to obtain, the [Board of Apprenticeship Training](#), an autonomous body of the ministry of human resource development, is working on

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[issuing digitally signed certificates](#) to trainees who have completed their training with employers registered with the Board. The process is now expected to take only two weeks and will be rolled out in July. Cognizant Technology Solutions will undertake the project.

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### Financial institutions to set up operations in Gujarat

[Three Mumbai financial institutions](#) are to set up training and academic institutions in Gujarat's International Finance Tec-City (GIFT). The Financial Technologies Knowledge Management (FTKMCL), The Institute of Cost Accounts of India (ICAI) and Narsee Monjee Education Trust (NMET) will set up with an investment of £ 9.4 billion. Activities in GIFT City have picked up pace since the State's Chief Minister Narendra Modi inaugurated Gujarat's tallest 29-storey tower at the complex earlier this year.

GIFT City has plans to become a hub for national financial services, banking, financial services, insurance, and regional high net worth individuals.

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### Union Budget 2013-2014: Vocational education providers affiliated to NSDC to pay service tax

Under India's new union budget, as of the new fiscal year starting in April, vocational institutions under the National Skills Development Corporation will be [liable to pay an effective service tax of 12.36%](#). Institutes affiliated to State Government's vocational councils, however, remain exempt. Under previous budgets, NSDC institutes, which include 95 firms, had been exempt from this service tax. In response to the new measure, NSDC chief executive and managing director, Dilip Chenoy, stated that the organisation is in the process of trying to restore the tax exemption. The tax will effectively raise the cost of education for students, which could have a negative impact on the country's efforts to meet its education targets.

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### Case Study: A4e Skills for work initiative

*By Liton Ullah, Programme Director, A4e India*

India's political and economic necessity to engage with 270 million people and take them from the informal to the formal economy has been a key driver for the creation of Skills for Work. India is one of the fastest growing economies in the world, with a mostly young population and a potential leading provider of human resources, not only for the economic growth of India but also for the world. However, India's opportunities also provide some unprecedented challenges. India can only reap the benefit of its demographic dividend if, firstly, the country can improve the lives of the 270 million Indians who are still below the poverty line and secondly, if it can address the growing skills shortage which could adversely impact growth.

Key facts about the Skills for Work project:

- A skills development initiative under the SGSY-SP Programme of the Ministry of Rural Development
- Objective: to identify and make available potential livelihood options for Below Poverty Line (BPL) families and bring them up above the poverty line through placement ensuring regular wage employment
- 8,370 rural BPL youths from 6 states across India are being trained for entry-level jobs in Hospitality, Retail and Health Care sectors. Delivery will be done through 18 training centres.
- This objective will be delivered within an 18 month time frame using the Prime Contracting model.

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- A4e uses its internationally benchmarked curriculum adequately adapted to India conditions. The pedagogy includes classroom sessions, demonstrations, role-plays, exposure visits, guest lectures and on the job trainings.
- In addition to the functional skills, candidates are trained in personality development, English language, communication skills and workplace skills.
- Training programme duration is 45 days – blending technical and work readiness skills.
- The trainings are both residential and non residential. Boarding and lodging facilities have been provided to candidates.
- On completion of the training, all candidates are assessed and certified by reputed awarding bodies.
- Post-placement tracking and handholding is conducted to support candidates stay in a job after they have completed training

The Skills for Work Initiative is the ideal programme to reach out to the unemployed who live below the poverty line across India at a rural level because: It is designed with the needs of the learner and employers; programmes are delivered locally; there is a big focus on work readiness and not just skills training, and a focus on supporting the learners with their barriers to employment

About A4e India:

A4e India is a private ltd organisation with a social purpose: to improve people's lives. Our core business in India is the design, management and delivery of work readiness and skills training programmes to move people in to employment and promote sustainable employment. A4e has been operating in India for over three years delivering a variety of projects relating to training and welfare, as well as consultancy in these fields.

## Forthcoming Events

### National Skills Vocational Framework – UKIBC roundtable

The UKIBC, in collaboration with the Federation of Indian Chambers of Commerce and Industry (FICCI), propose to hold a roundtable on the vocational qualifications framework in New Delhi in the near future.

There is an urgent need to redefine and standardise the critical elements of imparting vocational education and training (VET) in India. To do this successfully, the National Skill Development Authority (NSDA) is in the process of preparing a National Skills Qualification Framework (NSQF).

The UK, meanwhile, has a well developed VET system and UK institutions are well positioned to support a policy and delivery mechanisms. Vocational education within the UK has been put within a national framework of vocational qualifications (NVQ's).

The roundtable aims to bring together British experts and Indian stakeholders to share the experiences of the UK in the development of its qualifications framework, within the UK and in other countries, and also, to examine how these might be customised to Indian needs.

If you would like to learn more about this initiative, please get in touch at: [Neeru.sood@ukibc.com](mailto:Neeru.sood@ukibc.com)