Labour Reforms Begin

The Lok Sabha has approved **the Apprentices (Amendment) Bill**, 2014 that seeks to expand the skilled work force. **The Factories (Amendment) Bill,** moved in the Lok Sabha, seeks to give a better deal to workers. State governments have independently begun to ease labour laws

Work Culture and Environment

Directives issued to government departments and ministries for better functioning include **emphasis on cleaner government offices, ambience and punctuality of officials dealing with the public**

PEOPLE

The government's intent to upgrade skills of the youth through a slew of measures has been welcomed, but much more needs to be done

Building a Network for Skill Development

Anumeha Chaturvedi and Prachi Verma

As he addressed the nation from the Red Fort on India's 68th Independence Day, skill development was high on Prime Minister Narendra Modi's priority list. He spoke passionately about the vision for a skilled India, repeatedly calling upon the youth of the nation and resolving to enhance skill development at a rapid pace.

"If we have to promote the development of our country, then our mission has to be skill development and skilled India. Millions of Indian youth should go for acquisition of skills and there should be a network across the country for this and not the archaic systems," Modi said, urging the youth to develop skills that would contribute towards making India a modern country.

The National Skill Development Corporation (NSDC), formed under a public-private partnership and tasked with imparting skills to 150 million people out of 500 million overall by 2022, has identified some of the newer areas of proficiency. They include manufacturing skills linked to solar panels, waste management, auditing and assessment, research and improvement of new technology, and public transit skills.

In its first 100 days, the National Democratic Alliance government has taken steps towards dismantling what Modi refers to as 'archaic systems.' The government has formed a ministry for skill development and entrepreneurship, and approved amendments to the Apprentices Act. The labour ministry, among others, is keen to foster closer collaboration with the corporate sector.

SKILLING MINISTRY AND MUCH MORE

Sivaram R, managing director of Chennai-based skill development firm, Laurus Edutech, gives the government 7 out of 10 for its intention to fix the issues. "Forming a skills ministry and making efforts to consolidate various initiatives under a common umbrella is a very good move," he says.

The ministry for skill development and entrepreneurship has outlined its objectives, which include better co-ordination for evolving an appropriate skill development framework and building of new skills along with removal of the disconnect between demand for and supply of skilled manpower through vocational as well as technical training.

The NSDC and the National Skill Development Agency (NSDA), formed under the previous United Progressive Alliance (UPA) regime to harmonise skilling initiatives, were earlier under the ambit of the finance ministry. It will now fall under the purview of the new ministry, which will also include sports and youth affairs.

"Skilling is the biggest challenge for our country and we want to become the greatest powerhouse of youth in the world," Sarbananda Sonowal, minister of skill development and entrepreneurship, youth affairs and sports, stated at NSDC's 7th National Partners Meet.

"The government has shown that it means business and is committed to skill development. As outlined by the prime minister in his Independence Day speech, I believe the skilling mission has the power to turn our demographic challenge into our greatest strength," said S Ramadorai, chairman of the NSDA and vice-chairman of Tata Consultancy Services.

While the formation of the ministry has been lauded, there needs to be clarity on the fate of skilling interventions panning out under existing ministries like labour, feels Sivaram.

The government also approved amendments to the Apprentices Act of 1961, scrapping the clause mandating imprisonment of company's directors who fail to implement the Act, as well as including apprenticeship training for graduates with BA, BCom and BSc degrees, as opposed to only technical students and diploma holders. The government proposes to replace prison terms with monetary fines for every violation of the law and give companies more flexibility on their apprenticeship responsibilities.

While the Confederation of Indian Industry has welcomed the move, the Federation of Indian Chambers of Commerce and Industry says the Apprentices Act could be amended further to include more than 30 million registered and unregistered establishments from the current 27,000.

The current changes go much further and deeper, says Manish Sabharwal, co-founder and chairman of TeamLease Services, who chaired a committee for the former Prime Minister's Skill Council that looked at revamping India's apprenticeship regime. "The new apprentice regime will make employers volunteers and create a substantial pool of people who have on-the-job training," he says. "Anybody who is not happy clearly does not know what is going on or the depth of the problem in the past," says Sabharwal.

THERE'S ROOM FOR IMPROVEMENT

There's definitely room for more, feel other stakeholders. Muralidhar Rao, chief executive officer of Future Sharp Skills, a partnership between Future Group and NSDC, says the first challenge for the government is to be able to absorb the 10-12 million youth entering the job market every year.

"Some of the proposed actions like consolidation of skill development initiatives under one unit, significantly improving the quality of facilitation of employability projects and the proposed amendments to Apprentices Act can be game-changers in the area of skill development," he adds. With 53% of employment generated in agriculture, Satender Arya, CEO of Agricultural Skills Council of India, cites the retention of youth as a major challenge. "Agriculture is not perceived as a vocation. Vocational curriculum should be a part of the formal education in schools, especially in rural areas."

Dilip Chenoy, managing director and CEO of the NSDC says all other skill development activities should be aligned to the standards set by industry through the sector skill councils set up by NSDC to identify requirements in various sectors.

"Schedule VII of the Companies Act 2013 lists skill development as one of the activities that could be included under corporate social responsibility. The government must plan an advocacy campaign to spread awareness about this provision and highlight its benefits for the industry and nation alike," he suggests.

COLLABORATING WITH INDIA INC

Attempts have been made under the labour ministry to foster closer collaboration with the corporate sector. "A partnership of government policy, industry interface and continuing engagement is the key to strengthening our economic prowess. As a group, we have always been strong advocates of inclusive growth and we see that as a key element as part of all the initiatives that we have seen over the last 100 days," says NS Rajan, member — group executive council and group chief human resources officer at Tata Sons.

While Tata Sons tied up with the ministry as its knowledge partner to provide suggestions on processes and policies, India's largest online retail portal will look at training manpower for micro, small and medium enterprises under an arrangement that it refers to as 'Flipkart Kaarigar ke Dwaar.' Flipkart will design the curriculum for courses such as photography and cataloging. It will ensure that employment is provided to not less than 80% of its trainees by the company or its business partners.

"The government has training programmes but corporates have to guide them in tweaking these. The government said we don't do all this. So, we said we'll train the trainers and we'll employ them. They get a job after a Government of India certificate and that's the game-changer," said Mekin Maheshwari, chief people officer at Flipkart.

Santanu Paul, co-founder and CEO of Talent Sprint, is happy that the government is following an 'embrace and extend' approach. "I am glad that we are maturing to a point where a change of government does not automatically lead to knee-jerk change in policy. Skill development is an area with enormous need as well as high potential, and the new regime is doing absolutely the right thing by pressing down on the pedal." •

STEPS BY GOVT
WELCOME CHANGES

FORMATION of skill development ministry may lead to better co-ordination between ministries

Creating room for states to make their own amendments

OVERHAULING Apprentices Act 1961, governing on-the-job training

APPROVING independent programmes such as National Employability Through Apprenticeship Programme under the Gujarat government

ACT BEING amended to do away with imprisonment for violators

FOSTERING greater collaboration with private sector via MoUs under the labour ministry

ROOM FOR MORE?

GREATER clarity on skilling programmes under labour ministry and other ministries engaged in various skilling initiatives

ABSORBING **10-12 mn** youth that enter job market yearly

INCLUDING vocational curriculum as part of education in schools

PROVIDING greater clarity on cost and finances for skilling programmes & ensuring they are subsidised

ALIGNING state skilling missions to Qualification Packs

CREATE a system to get degrees via classroom & on-the-job credit

STARTING AN advocacy campaign for CSR based on Act provisions

Time, Not Just Intent, Needed for New Temples of Learning

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Institutions are built over several decades, and so, 100 days are too early to assess the government's performance in building new IITs and IIMs. The announcement had been made in the Union Budget presented by finance minister Arun Jaitley on July 10. He had said the government would build an IIT and an IIM in every state. In the two-and-a-half months after this announcement, the government is working to identify the locations for these new institutions. In a few months, the locations for these institutions might be announced. However, stakeholders and observers have debated this idea and found much to argue on both sides. The overwhelming opinion is that starting more such institutions is a bad idea, particularly because many newer IITs and IIMs are still struggling to get good faculty. Last week, at the Foundation Day ceremony of IIT Kharagpur, Pradeep Khosla, president, University of California, San Diego had this to say, "Ideally, the expansion of IITs is not a bad idea if you could staff all the IITs with the faculty of the right calibre. But if you just expand IITs for the sake of expansion without faculty of the right calibre, then you are just harming the students."

Khosla is one of the most famous alumni of the IIT system. So, what he said would have been heard across the country. While what he said rings true, academic staff shortages have been a serious issue across institutions, and the IITs and IIMs are no exception. A human resources development ministry report two years ago estimated the shortage at about 60% in the new IITs. Conversations with IIM directors suggest that the situation in the new IIMs is even worse. Would this make their expansion a non-starter?

IN THE LONG RUN, THE QUESTION IS NOT WHETHER INSTITUTES WILL GET GOOD FACULTY. IT IS ONE OF GOOD LEADERS

The answer to this question depends on how much importance the government has given itself. Institution-building is a multi-decade exercise. If you look at the example of the US, where majority of the world's best universities are located, all great universities are at least over a century old. Carnegie Mellon is the only university among the top 25 in the US founded in the 20th century, but it is still more than 100 years old. Indian institutions are going through a massive expansion, for the first time after two decades of independence. It is pointless to expect a smooth journey at least for one or two decades.

We need to ask a few more questions in our analysis. Are the new IITs and IIMs necessary? India's demand for engineering graduates has increased many times since the IITs were set up, and we could make a similar argument for the IIMs too. If we look at the next decade, to keep up with the increasing enrolment in higher education, the number of IITs and IIMs has to increase 10 times. Of course, engineering and management education need not be restricted to the IITs and IIMs, but it is far easier to maintain quality in an IIT or an IIM than in a state-run university. This was the logic behind expanding the IIT and IIM systems.

If we accept that expansion of the system is necessary, we have only one more question to ask: At what pace should they expand? It is easier to find an answer to this question when applied to the IITs. The number of young professors available is dependent on the number of PhD students graduating every year from the system and the number of students who go abroad for PhDs. IITs now hire about 300 new faculty every year, and there is little scope to increase this number. Some directors, after back-of-the-envelop calculations, give the additional student intake possible at 1,000 a year. Whether we set up new IITs or not, the number of additional students in the system cannot exceed this in a year, if the IITs are to keep a healthy student-teacher ratio. Over the next decade, as the number of engineering PhD students increase two or three-fold, faculty recruitment can go up, and so can the number of students. New IITs do not have more than 250 students initially, and it will take time for them to set up shop and get new campuses. By the time all of them are functioning in their own campuses, IITs could afford to recruit more young faculty. So, setting up IITs in every state is quite possible if we take a long-term view.

IIMs are a different story. It is harder to get good management professors than engineering professors as most management graduates do not like to go on to do PhDs and then to an academic career. Lack of PhDs in management is a problem even in the best American universities. So, it is likely that the new IIMs will struggle more than the IITs to become world class, and they will have a longer gestation period. What has happened so far in the new IIMs provides enough evidence for this argument, as they are finding it more difficult to recruit faculty than the IITs. Over the years, as research picks up in the IITs, some of them could go up in their international rankings. But, as the system expands, the differences in quality between them would be magnified. In the long run, the real question is not whether they will get good faculty. It is whether they will get good leaders •

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