

Evolving PPP Models in Skills Development: An Indian Private Sector Experience

Presented by

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‘Skills for Emerging India’

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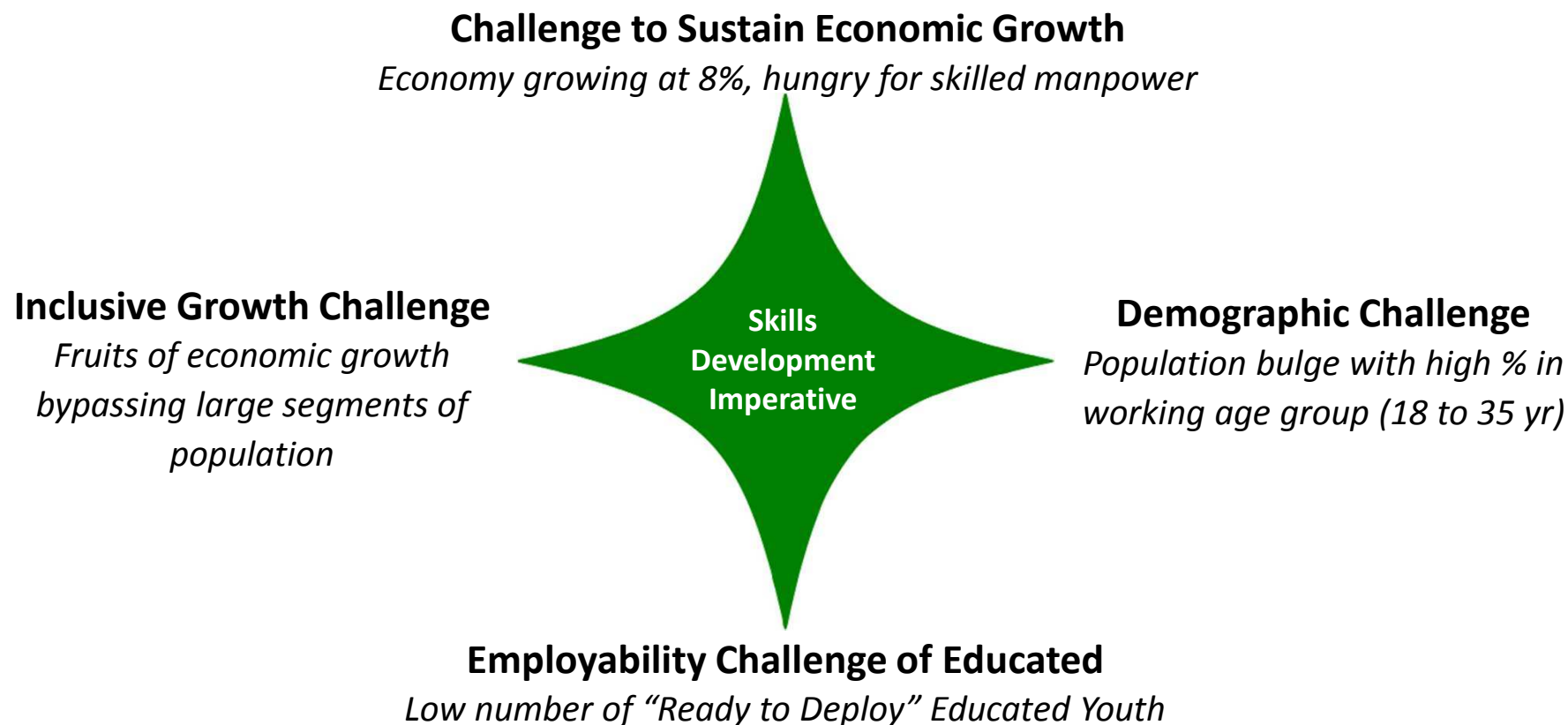
Skills Development: Issues and Challenges

PPP Models in Skills Development in India

IL&FS Skills: Experience of Skilling 1 Mn people

Making PPP work for Skills Development in India

The last decade witnessed the Indian economy facing 4 key socio-economic challenges ...



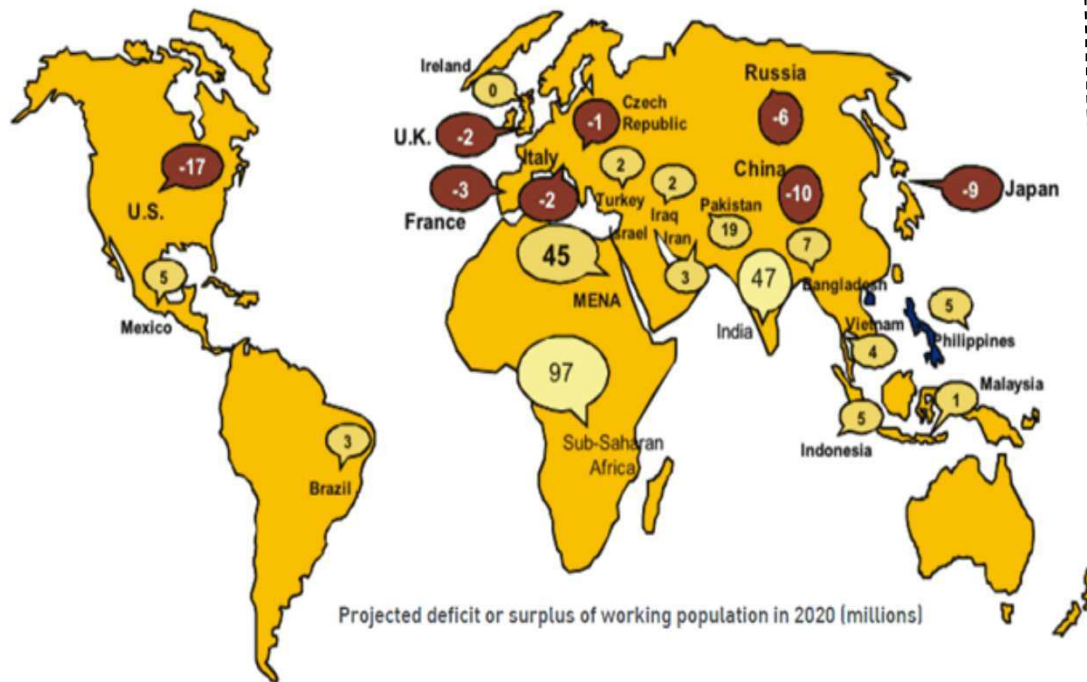
The Incremental HR requirements till 2022 for top 20 sectors is around 200 Mn to support domestic economic growth

- 68% of requirement is for skilled entry level operators with education levels of 12th grade and below
- Need for transition of labour from farm to industry
 - 54% of population dependent on agriculture, but contribution of agriculture to GDP is around 18%
 - Agriculture sector capacity to absorb human resources limited

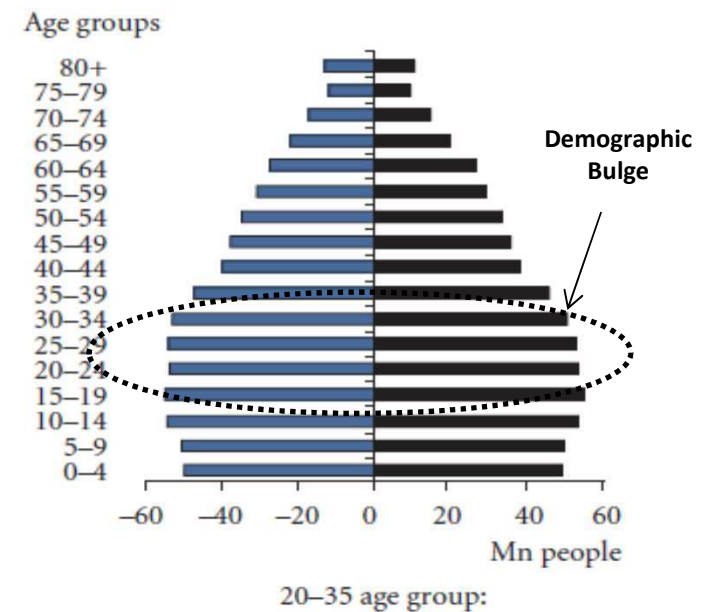
KEY SECTORS	Incremental HR (mn)
Building, Construction, Real Estate	47.31
Auto & Auto Components	35.20
Organized Retail	17.34
Textiles	16.79
Tourism, Travel	12.86
Healthcare	12.70
Education & Skills Development	5.80
IT & ITES	5.30
Leather	4.64
Gems & Jewellery	4.60
BFSI	4.49
Furniture & Furnishing	3.34
Electronics/ IT Hardware	3.22
Media & Entertainment	2.99

India is enjoying a demographic dividend window of opportunity to become "global skills factory"

The Surplus/ Deficit working population regions, 2020



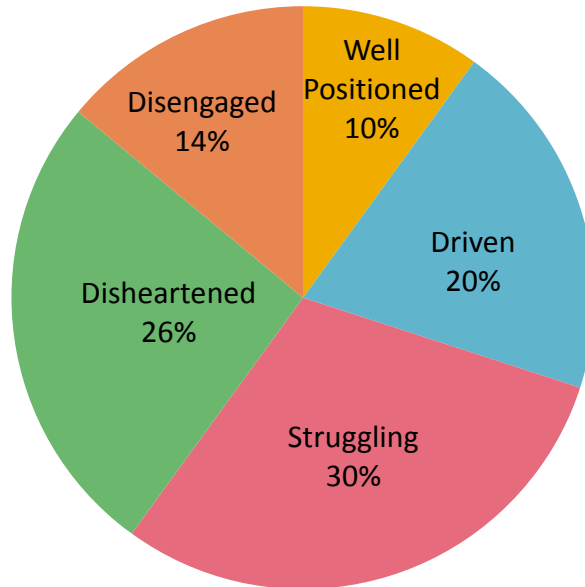
The Demographic Bulge 20 -35 years



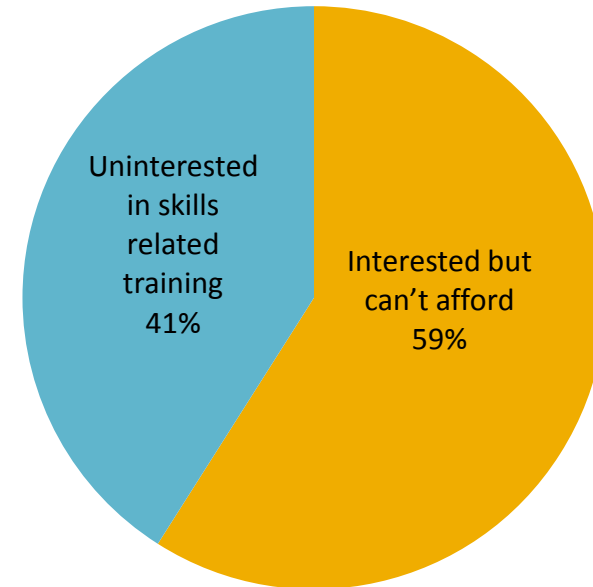
Source: Boston Consulting Groups Study on India in 2020 , Planning Commission, XI Plan document, UN/ DESA

A recent McKinsey Survey has segmented Indian youth based on awareness and level of interest in skills training.....

Undergraduate and Above segments



12th graders and below segments



Well Positioned: *Well informed and interested in skill related training*

Driven: *Moderately informed and interested*

Struggling: *Not well informed but interested*

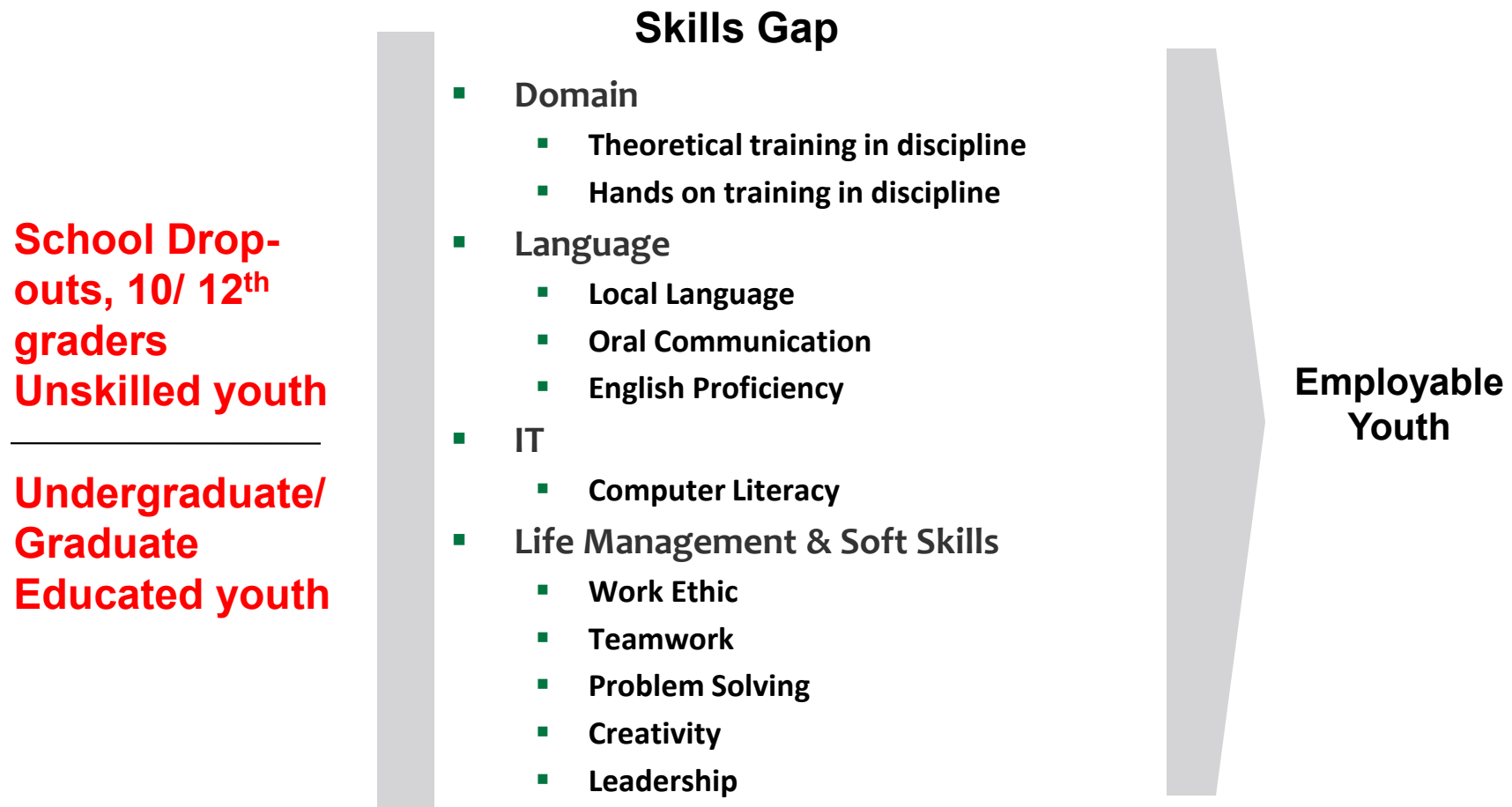
Disheartened: *Moderately informed and uninterested*

Disengaged: *Not well informed and uninterested*

Source: *McKinsey Report on "Education to Employment" 2012*

Clearly, lack of Information about skills training, absence of Youth role models, low career related Counseling and lack of financial support emerge as key youth issues related to skills training

From an employer perspective, Indian youth lack key employability skills ...



A decade ago, Skill Development in India was driven largely by 3 parallel strands

Government – Industrial Training Institutes (ITIs), Polytechnics

Private Skill Training Providers – IT/ITES related training providers

Industry – In-house training centres of large companies like Tata, L&T etc.

- **Capacity Gap** – Annual Capacity of 0.4 Mn seats against annual demand of 1.2 Mn
- **Quality Gap** – Programs of Low industry relevance, Infrastructural deficiencies, Trainer inadequacies
- **Operating in profitable niches** where cost of training was relatively lower and willingness to pay existed
- Focused on IT/ITES, Sales & Marketing, Customer service training.
- **Captive training centres**
- Increased Human Resources training costs



Limited interactions between the three players, resulting in a less effective skill development ecosystem

Role Matrix for emerging PPP Model for Skills Development in India

Responsibilities	Government & Government promoted agencies	Private Training Providers	Employers
Market Scan	●●●	●●	●
Programme Design	●●●	●●	●
Funding	●●●	●	●
Infrastructure	●	●●●	●
Training Delivery	●●	●●●	●
Mobilisation	●●	●●●	●
Content, Standards & Assessment	●●	●●	●
Certification	●●	●	●
Placement	●	●●●	●
Post – Placement Support	●●	●●	●

Level of Engagement: ●●● High ●● Medium ● Low

All these models contribute to realizing the Government's vision of skilling 500 mn youth by 2020....

	Grant based Model			Patient Capital based model
	Ministry of Labour & Employment	Sectoral Ministries	Ministries of Rural/ Urban Dev	NSDC
OBJECTIVE	<i>Employability & Addressing Demographic Dividend</i>	<i>Achieving Sectoral Growth Targets</i>	<i>Poverty Alleviation</i>	<i>Providing Risk Capital for creation of private sector capacities</i>
INITIATIVES	<i>Modernization of ITI s, ITI s in PPP, 50000 SDCs</i>	<i>Schemes of Ministry of Textiles, Tourism, Commerce</i>	<i>Scheme for Placement linked Skills Training for BPL Youth</i>	<i>80 companies/ NGO s funded till date</i>
SKILLS TRAINING TARGETS (2022)				

Government supported institutional mechanism for PPP in Skill Development

- National Skill Development Corporation (NSDC) – A development financial institution, set up in PPP mode :
 - To enable private sector to build capacities for skills training by providing patient capital in form of soft loans and equity
 - To create an enabling eco-system in the form of Sector Skill Councils (SSCs) and Labour Market Information Systems (LMIS)
 - To be the common platform for all stakeholders - Industry, Knowledge partners, Skill providers and Assessors
- Central and State Governments
 - central and state governments are increasingly hiring the services of private sector for delivery of grant funded skill development programmes
 - State level Skills Development Missions are being set up for strategy, convergence and stakeholder engagement. The employer industry is associated with the Missions in advisory capacity



IL&FS is India's leading infrastructure development and finance group with PPP at the core



IL&FS | Energy

IL&FS | Infrastructure

IL&FS | Maritime

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IL&FS | Transportation

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IL&FS | Skills

IL&FS | Clusters

IL&FS | Environment

IL&FS | IT Services

IL&FS | Realty

IL&FS is India's leading infrastructure development and finance group with a distinct mandate for catalysing the progress of multiple types of infrastructure in the country.



McKinsey & Company profiles IL&FS Skills as one of the top two model for skill development in the world



www.ilfsskills.com

IL&FS leveraged its PPP experience to support the initial pilots and implementation of mandates under PPP in skill development ...



SPRING Skills PRogrammes for INclusive Growth

Placement Linked Skills Development

- Sectoral approach to skills development with industry linkages and placements at the core.
- Courses in 40 + trades from 15 high growth industries from Manufacturing, Engineering & Construction and Services sectors
- Outcome based programmes with placement success rate of around 90 %

Up-skilling of the workforce already employed

- Lower level govt employees engaged in development administration
- Supervisory level staff in private sector

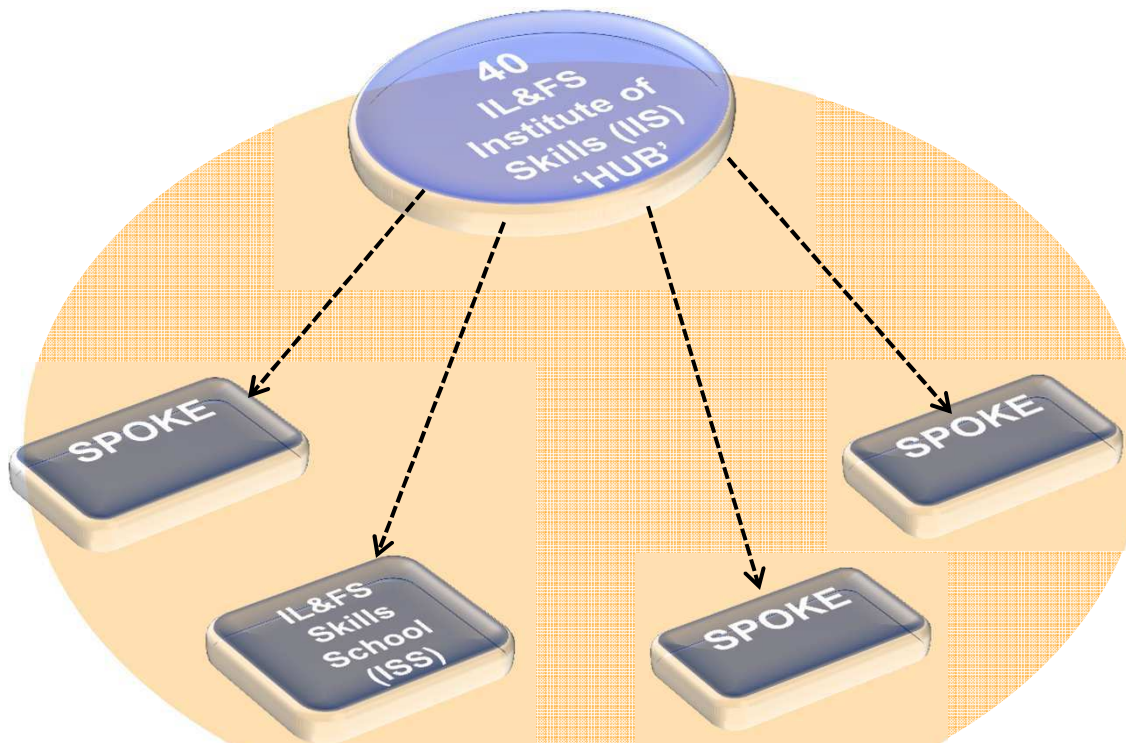
MASTERY - Training of Trainers Programme

- a rigorous 1 month programme on pedagogy, adult learning principles and domain knowledge
- Certified by a reputed third party, and continuous monitoring to maintain the quality

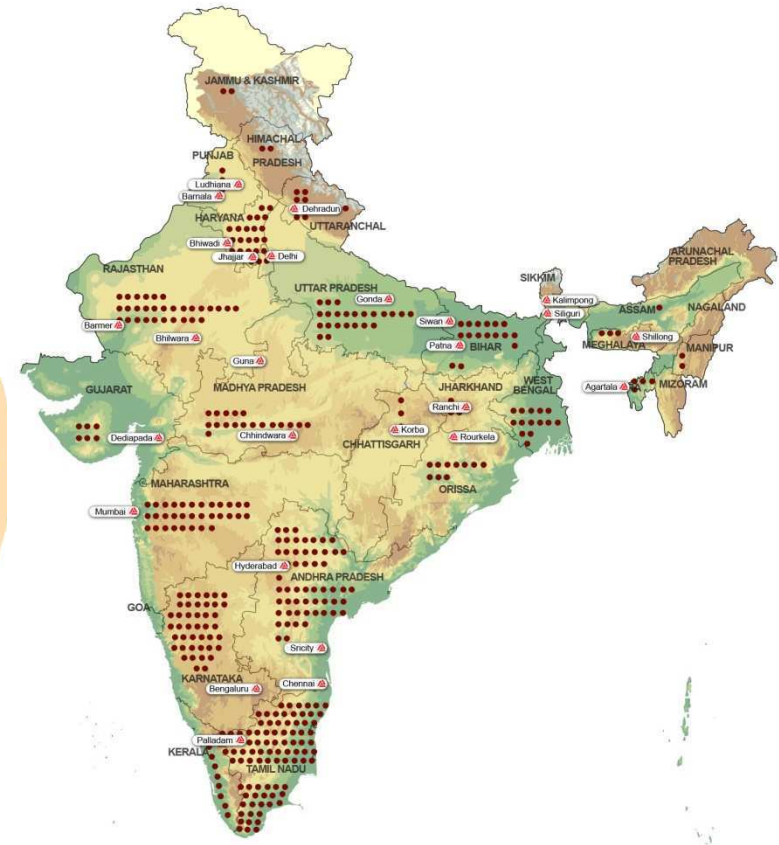
Skills @ Schools

- Implementation of vocational education in schools
- Supplementary and life management skills like health, financial literacy, road safety

IL&FS Skills today offers its skill development programs through a network of Hub & Spoke institutions across India



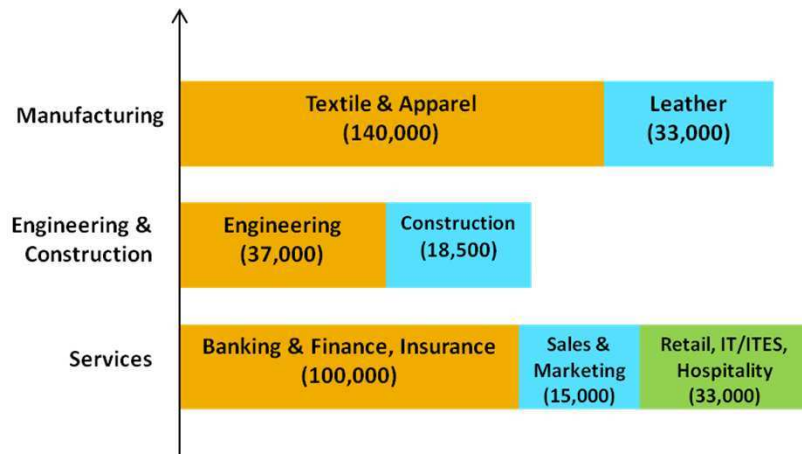
250 + Spokes in 25 States reaching 50% of 610 districts in India



IL&FS Skills has skilled over 1,000,000 people since 2005...

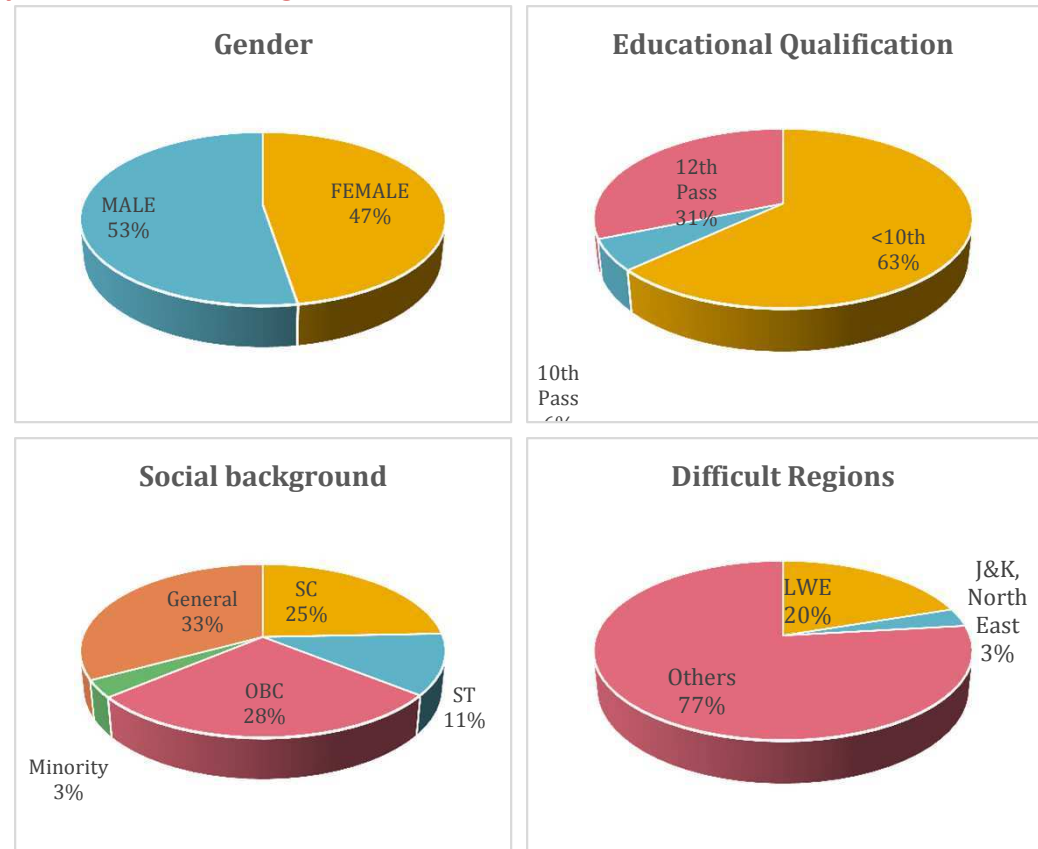


300,000 Youth have been skilled as part of our placement linked training programmes:



In addition, **700,000** workers of the government and private sector have been up-skilled

We focus on women, disadvantaged groups, school drop – outs and the youth in difficult regions



IL&FS Program matrix for various industry and learner segments ...



	Industry	School Dropouts	X/XII Pass	ITI Pass	Graduates	Engineers
Services	IT/ITES		•		•	
	Retail		•			
	Hospitality		•			
	Healthcare		•			
	Financial Services		•		•	
Manufacturing	Textiles & Apparel	•				
	Leather	•				
Engineering & Construction	Welding, Fitting	•	•	•		
	AC/Refrigeration		•	•		
	Electrical		•	•		
	CNC Operator		•	•		
	Construction	•				•
	Engineering Design					•
	Industrial Automation					•

Our programmes ensure 360 degree development of our trainees to ensures work ready candidates

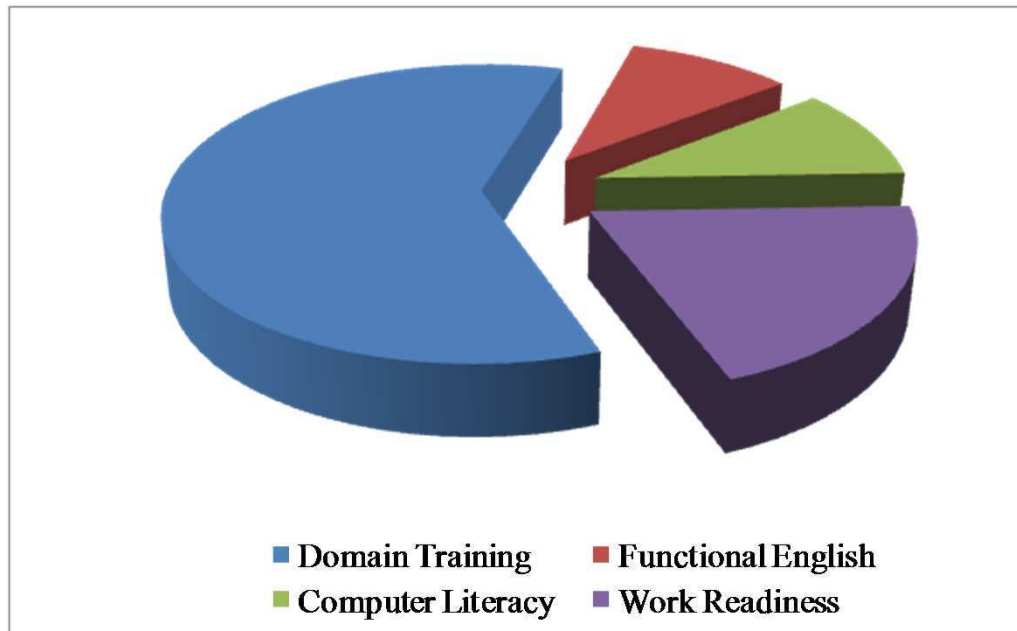
Duration of our programs range from 240 to 600 hours delivered over 6 to 24 weeks

Domain Training follows the principles of:

- “bringing the workplace to the classroom”
- Technology enabled learning

Functional English focuses on

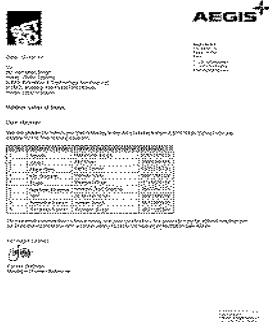
- Mobile based learning
- English for Employability



- **Computer Literacy** is imparted through Microsoft Digital Literacy (MDL) program

- **Work Readiness** for seamless transition of trainees to formal work environment

Our standardized technology enabled training methodology ensures quality with scale



Placement Linkages

Community Engagement

Counseling & Selections Tests

Training of Trainers



Training

Assessment & Certification

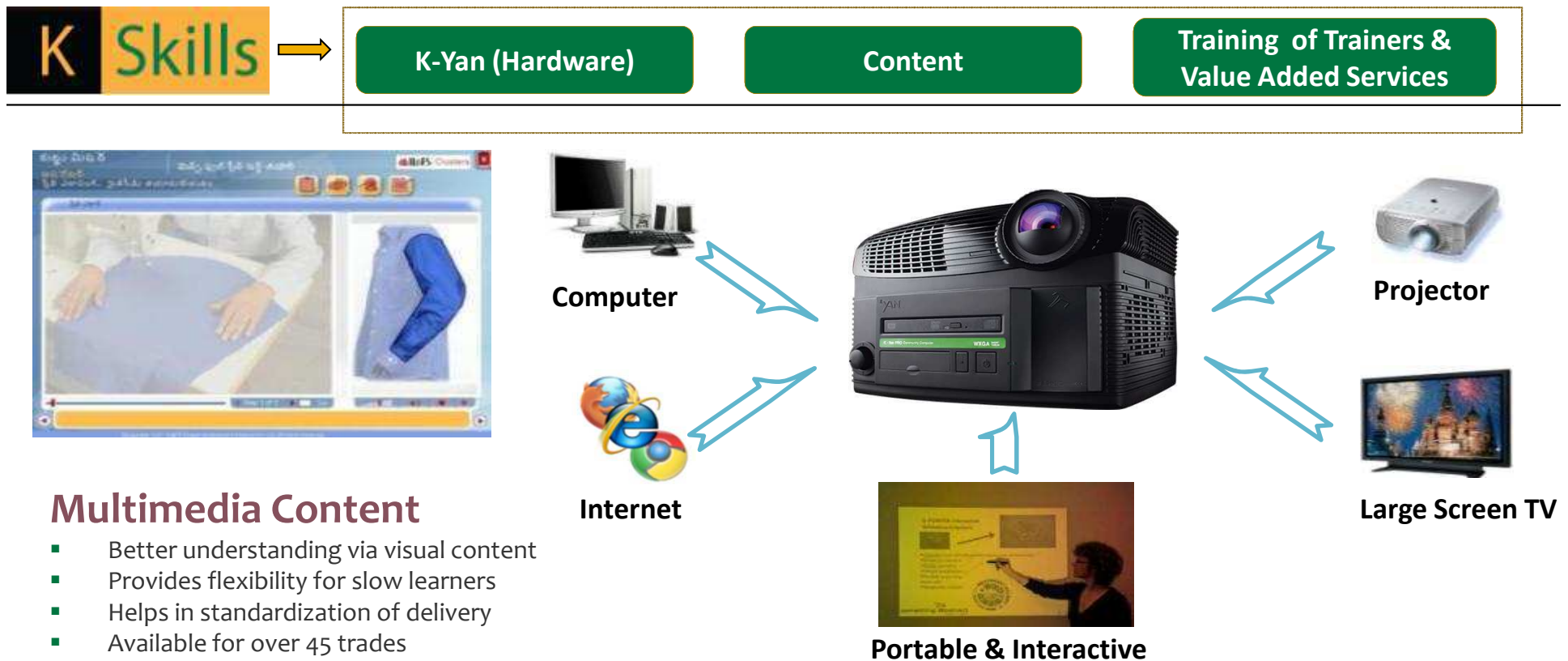
Placement

Post Placement Tracking & Counseling

K-Skills, is our outcome based multi-media training content offered in 10+ languages



- IL&FS has developed multimedia content for 45 courses in 15 trades available in 10 languages. Our ISO certified team comprises of instructional designers, subject matter experts, industry veterans



We bring workplace to the classroom ...



Sewing Machine Operator Training Lab

We bring workplace to the classroom ...



Mapped to real kitchen

Technology to monitor individual progress

Food Production Lab

We bring workplace to the classroom ...



Training in a shop floor environment

Welding Lab

We work with international awarding bodies for creating a cadre of quality conscious trainers



- Shortage of Trainers key challenge in Skills Training
- Experienced Hires are recruited and trained through IL&FS Train the Trainer (ToT) Program
- TOT programme provides:
 - Training Androgogy
 - Domain training on IL&FS Content
 - Soft Skills Training
- Scottish Qualifications Authority (SQA) certifies trainers
- ToT Academies established in Coimbatore, Delhi and Bhubaneshwar



Our courses are assessed and certified by the best in industry



Hospitality



Apparel



Retail



Leather



IT / ITeS



Construction



Welding



Electrician



English



Vocational Trainers



Automation



We are gradually moving towards aligning programmes with National Occupational Standards (NOS) and have tied up with all key Sector Skills Councils (SSC)

- Youth
 - High Job related Aspirations of the youth; vocational trades not the preferred choice of employment
 - Jobs are not where people live, resultant migration has social issues
- Employer
 - Low Employer willingness to pay a premium for trained candidate
 - Low Acceptance both by industry and learners of the newly created National Occupational Standards (NOS)
- Government / Regulatory systems
 - Lack of experience in working with private sector in PPP models at State Government levels affects program implementation
 - Slow acceptability of Skills training within the formalized university education system
- Skills Training Provider
 - Shortage of Qualified Trainers
 - Creating a sustainable market driven skill development model

1. Define the **Role Matrix** amongst the partners.
 1. Who? Why? When? How? What? Whom?
2. Refine the **Contractual Framework** on:
 - i. Duration: Long term with a minimum period of 5 years
 - ii. Size: Minimum numbers of trainees and contract value to ensure sustainability
 - iii. Result Framework: Clear performance indicators which are outcome based. Performers to be rewarded with incentives
3. **Pricing:** Funding to be designed to shift from project based grants to Viability Gap Funding (VGF) models on long term basis. Meanwhile
 - i. Differential funding to account for variations in difficult geographies, target group and domain requirements
 - ii. Skills Vouchers to be offered instead of grants or project based funding to provide choices to the trainee
4. **Infrastructure:** Government & Industry to provide ready to use building and workshops to make the programmes viable
5. **Employer Engagement** for defining occupational standards, technical support and provide preference for skilled manpower.
6. **Civil Society and Community Engagement** to embed skills programmes within the community to improve responsiveness and accountability

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