

12TH FIVE YEAR PLAN

Expert Committee on Employment and Skills Development

KERALA STATE PLANNING BOARD

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Foreword

Kerala has traditionally catered to the global skill needs, with the diaspora of Malayalis across the world and its particular demographic dividend stimulating not only its own economy, but contributing to fuelling the economies of many countries. To further stimulate employment and skills development in the state, the Government of Kerala has recently been taking a series of initiatives to upscale the state's skills development regime and enhance the employability of its young population. The Kerala Academy of Skills Excellence, the district wise Employability Centres etc. are but some examples of such recent proactive initiatives of the Government.

The *Expert Committee on Employment and Skills Development* was meanwhile constituted by the Kerala State Planning Board (KSPB) to recommend fine-tuning existing Central and State schemes under the 12th Five Year Plan so that the plan funds could be utilized more optimally by the state. The recommendations of the Expert Committee would no doubt then, have to lead to the creation of employment opportunities within the state and to the development of appropriate skills that can meet local, national and global skill demands. Indeed, taking advantage of its human resource potential and its democratic dividend, Kerala has a remarkable opportunity to position itself as the premier destination for those seeking to develop employable skills, while continuing to provide Kerala's skilled manpower across India and the world.

With these objectives in view, the Expert Committee on Employment and Skills Development is pleased to present its Interim Report which consists of an analysis of some of the major 12th Plan Central and State schemes implemented in the state that have a bearing on employment and skills development and then goes on to make recommendations to optimize the impact of the funds received under the 12th plan. The recommendations have been formulated based on series of discussions and a fair exchange of ideas within and fall under 3 broad heads:

1. Recommending the fine tuning existing Central Schemes,
2. Recommending the formulation of new schemes under the State Scheme and
3. General recommendations and suggestions for improving the Employment and Skills Development situation in the state.

The Expert Committee hopes that this Interim Report will be followed by a Final Report within a few months and thereafter with segment-specific reports at intervals.

I would like to place on record the valuable inputs provided by my colleagues in the Expert Committee, officials and staff of the Perspective Planning Division of State Planning Board and particularly of the Dr. V. Santhosh, Chief, Perspective Planning Division and the Convenor of the Committee, Officials of MGNREGA, Department of Rural Development, Kudumbasree and the Industries Directorate in the compilation of this report. I am sure these would serve as a blue print for the promotion of Employment and Skills development activities in the State through the next three years of the 12th Plan and beyond.

I would particularly thank Sri. G Vijayaraghavan, Member, Kerala State Planning Board for the support he provided to the Committee. I also thank Prof. Rajeev who assisted in the compilation of this report and helped in structuring it and preparing the initial drafts and Ms. Aswathi who provided valuable secretarial and technical support to the Committee. I would like to record my special appreciation of the excellent work done by Sri. Anand Scotlin in the drafting and finalizing this Report. I have tried to the extent possible to acknowledge in the body of the report the individual inputs of the various members of the Committee. However I admit, I cannot thank enough their invaluable inputs, individually and collectively, but for which this report would not have been possible.

Let me conclude by thanking the Vice-Chairman of the Board, Sri. K. M. Chandrasekhar IAS for the confidence he placed in the Committee.

M. P. Joseph
Chairman

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Glossary

BPL	Below Poverty Line
APL	Above Poverty Line
MDG	Millennium Development Goals
EDP	Entrepreneurs Development Programme
SJSRY	Swarna Jayanthi Shahari Rozgar Yojana
NULM	National Urban Livelihood Mission
NRLM	National Rural Livelihood Mission
PMEGP	Prime Minister's Employment Guarantee Scheme
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
KVIC	Khadi and Village Industries Commission
DIC	District Industries Centre
DGET	Director General of Employment & Training
SCP	Special Component Plan
SCSP	Scheduled Caste Sub Plan
TSP	Tribal Sub Plan
HSRT	Hunar Se Rozgar Tak
HH	House Holds
MOOC	Massively Online Open Courses
SSP	State Skills Plan
KPO	Knowledge Process Outsourcing
BPO	Business Process Outsourcing

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Executive Summary

1. Introduction

Kerala has always been famous for its global outlook. The Roman Senator Pliny the Elder complained around 200 BCE that the imperial treasury was being emptied because of the demand for Tellicherry pepper. Today's diaspora of working Keralites sends back huge remittances, which play a significant part in sustaining Kerala's economy and feed its high cost high wage structure. But tomorrow's global labor market may see shifting needs, trends, and locations, and there is a need to forecast these opportunities and plan for these emerging skills requirements. Keralites have been also always been good at identifying opportunities for work abroad. In view of the global shifting of skill needs and locations, a similar broad shift in focus may currently become necessary.

The 12th Five Year Plan and the Prime Minister's Skilling India Initiative that intends to skill 50 crore young people, over a 10 year period provide a valuable spring board for Kerala to prepare and implement these shifts.

2. Employment and Skills Development Scenario in Kerala

Skill development is critical for achieving faster, sustainable and inclusive growth and for providing decent employment opportunities to Kerala's young population. Given its high social and human indicators, Kerala can contribute to the requirements of technically trained manpower not only for the country's growing economy but also for rest of the World.

Much has been done in the recent few years to upgrade Kerala's skills development regime. But the existing capacity of skills training institutions in Kerala often generates skills that are below international standards. There is often a prerequisite for up-skilling and re-skilling skilled persons entering the labour force. Even though the enrolment in technical higher education has grown, there is still a shortage of the requisite skilled persons.

One of India's and Kerala's advantages is its 'demographic dividend' with many more young people entering the workforce in India than in most other countries. The *demographic dividend* has a flip side though. If the demographic dividend is not converted into economic dividends immediately, it is possible that within a generation, the young people of today having aged, India would have not only lost the advantage of a young population, but on the contrary have become a nation where too few young people have to take care of vast numbers of its aged. The same issues trouble Kerala as well, with the added complication that Kerala's population is aging faster than the rest of India.

The 12th Plan Schemes on employment and skills development however provide an initial springboard for the state to move forward in respect of skills development and employment, provided these Schemes are tuned to the context and needs of Kerala as described supra. The sections below describe the tuning that is required in the existing 12th Plan Schemes in the context of Kerala to achieve the above outcomes. They also describe the other initiatives that the Expert Committee feels need to be taken to maximize employment and enhance skills development in the state.

3. The Focus of the Report

The *Expert Committee on Employment and Skills Development* was tasked by the State Planning Board with synergizing the existing 12th Five Year Plan Central and State Schemes. To do so the Expert Committee reviewed 24 Central Schemes and all the State Plan Schemes of 2012-13 which have a direct impact on Employment and Skills Development in Kerala.

This Report presents the review and recommendations of the *Expert Committee on Employment and Skills Development*. It does so under 3 broad heads:

1. Recommending the fine tuning existing Central Schemes,
2. Recommending the formulation of new schemes under the State Scheme and
3. General recommendations and suggestions for improving the Employment and Skills Development situation in the state.

4. Analysis of Existing 12th Five Year Plan Central and State Schemes in Kerala

The Expert Committee identified 24 schemes that are contributing to the Employment and Skills Development and on preliminary review, found that six of these schemes have a great impact on the Employment and Skill Development in the state. The Expert Committee therefore conducted a detailed analysis of these six schemes and identified the factors limiting the optimal outcomes of these schemes in the state.

The review found that:

- Presently only BPL families are eligible to be beneficiaries under the NULM & NRLM Schemes. Because Kerala is a high cost economy and the definition of BPL does not reflect real poverty in the state, this eligibility criterion excludes many genuine deserving beneficiaries in the State.
- The NULM Scheme allows only an amount of ₹10,000 per person and the NRLM Scheme allows only an amount of ₹18,000 per person for development of skills. This allocation is too meagre and is insufficient to meet the skill development needs of beneficiaries.
- There is the need to skill young beneficiaries not only under the NULM & NRLM Schemes but also other young people to improve their employability within and outside the state.
- The ceiling of ₹25 lakhs set under the Scheme for the maximum cost of a project/unit under the manufacturing sector is too meagre considering the high cost economy of the State.
- The present interest rate of roughly 13% charged for the loan component under the Scheme is too high and discourages aspiring young entrepreneurs.
- The Entrepreneurship Development Programme (EDP) envisaged under the Scheme is provided to the young entrepreneurs only after the first instalment of the loan is disbursed. This is too late in the day to make the EDP training effective and useful for new aspiring young entrepreneurs.
- This is a new Scheme and as yet there is no mechanism in place to monitor and evaluate it. Therefore its strengths and weakness are not fully known.
- There is too much focus under the Scheme on unskilled labour and little or no focus on upgrading the skill of the beneficiaries. Thus the Scheme in effect becomes a Scheme to perpetuate unskilled labour rather than pull up beneficiaries from unskilled to skilled labour and thereby to pull them out of poverty.

- The Scheme focuses only on the creation of physical assets and altogether ignores the acquisition of skills. Acquisition of skills is presently not a ‘durable tangible asset’ under the Scheme.
- Presently only unskilled manual jobs that create tangible assets come within the scope of MGNREGS. Thus service sector jobs (such as cleaning in hospitals) are excluded from the definition of unskilled manual jobs under the Scheme.
- There is no scope within the MGNREGS for women (and men) with poorly marketable skills in the modern context to acquire more relevant/marketable skills (e.g. women from the cashew or coir or handloom industries which are declining).
- Presently with no separate funds provided under the Scheme for training, funds provided under administrative support (8%) are being currently used for training. This restricts the scope for training under the Scheme.
- The wages presently set under MGNREGS in Kerala is ₹180 per day. This is too low when compared to the de facto real wages in the State which is between ₹300 - ₹500.
- The Scheme does not permit the use of even simple mechanical equipment/devices.
- The list of areas of work included under “Guidelines for new additional works permitted under MGNREGA” does not include many areas of work that are relevant to the state such as land development, sapling planting in Mangroves (back waters), coconut climbing etc.
- Many skilled workers acquire their skills on the job working as assistants to master craftsmen and through their experiential learning on the job. These highly skilled persons therefore will however not possess any certificate from a competent certifying agency to vouch for their skills and competence. The lack of a Certificate often prevents them from applying for formal jobs in Government and in reputed companies and overseas.
- The skills training provided presently under the Scheme does not focus on providing demand driven advanced upgradable skills such as 3D manufacturing, pre-fab construction etc. There is also no avenue available presently for skilled persons to further upgrade their skills in order to have vertical mobility in their career.
- The Hunar Se Rozgar Tak (HSRT) scheme contemplates only an 8th Std. pass to be eligible as a beneficiary under the Scheme. In Kerala, almost every young person completes the 10th standard with even the pass percentage in the 10th standard being more than 95%. Many such 10th standard pass or 10th completed students consider it below their dignity to apply for a Scheme which requires only an 8th Std. Pass. Thus there are very few young aspirants from Kerala applying for the Hunar se Rozgar Tak (HSRT) Scheme.
- The age limit of 28 years fixed for eligibility under the Scheme prevents older people from applying under the Scheme.
- The stipend of ₹2,000 per month provided under the Scheme is inadequate and fails to attract young people to the hospitality sector.
- The wages paid by the hospitality sector to new recruits who have been trained under the Hunar se Rozgar Tak (HSRT) Scheme is very low and inadequate. This discourages many HSRT trainees to seek jobs in the hospitality sector and end up by working in other sectors and doing jobs other than what they have been trained for.
- There is a general lack of awareness about the prospects of employment in the tourism and hospitality sector among the young in Kerala, particularly in rural areas.
- Kerala faces inadequate supply of skilled manpower to address the needs and requirements of high end tourism.

The Expert Committee *also* reviewed all the schemes for year 2012-13 under the 12th Five Year State Plan which contribute to the Employment and Skills Development in the state. Based on this analysis the Expert Committee has recommended the introduction of certain new schemes in addition to the existing schemes to fill existing gaps and future needs.

5. Recommendations of the Expert Committee

The Expert Committee recommends changes to the existing schemes under the 12th Five year Plan Central schemes and suggests new schemes under the State Plan. The Expert Committee has also made certain general recommendations which complement the scheme-wise suggestion.

*Recommendations made by the Expert Committee to the existing schemes under the 12th Five year Plan **Central** schemes*

The Expert Committee has made 26 Recommendations to the existing Central Schemes being implemented in the state and these 26 Recommendations have been summarized into 21 Broad Recommendations below:

1. An immediate relaxation in the eligibility criterion for beneficiaries under the NULM and NRLM scheme by increasing the income limit to avail the scheme to ₹50,000/-.
2. The allocation for skill development per person under the NULM and NRLM scheme may be doubled to ₹20,000 and ₹36,000 respectively.
3. A Very Large Multi Skill Training Centre (VLMSTC) be setup in the state by pooling resources from NULM, NRLM and MGNREGS and supplemented with funds available under the various welfare boards in the state.
4. Considering the present high cost economy of the State, the ceiling of ₹25 Lakhs for PMEGP may be increased to ₹35 lakhs.
5. The interest rate for the loan component of PMEGP may be reduced to 7% on par with the interest rates charged under the Women Development Corporation/Backward Development Corporation Schemes.
6. The Entrepreneurship Training Programme (EDP) and management training may be provided to the prospective entrepreneurs at the very start of the PMEGP Scheme.
7. A mechanism may be put in place to monitor and evaluate the PMEGP Scheme in the next 2 years using the services of a reputed organization/agency.
8. The MGNREGS Scheme may also include the acquisition of skills as part of its objective, and focus may be placed in the Scheme to upgrade the skills of beneficiaries.
9. The acquisition of skills should be defined as a “durable tangible asset” created under the MGNREGS.
10. Service sector jobs may also be included under the definition of unskilled manual jobs under MGNREGS.
11. Those with poorly marketable skills should be encouraged to acquire more marketable and relevant skills under MGNREGS.
12. A separate fund of 10% of the Scheme allocation may be set up under the MGNREGS for skilling, so that larger numbers of beneficiaries presently in the Scheme can be lifted from out of poverty and from out of the Scheme.
13. There is an imperative need to increase the daily wage given under MGNREGS and the same may be increased to ₹250.
14. MGNREGS scheme may allow the use of basic mechanical devices and simple equipment (eg. Coconut climbing machine, grass cutters etc.).

15. The State should be allowed to include additional areas of work that are relevant to the state in the “Guidelines for new additional works permitted under MGNREGA”.
16. A framework for certifying the skills and competence of those who have acquired their skills on the job without going through a formal vocational training course needs to be developed and implemented both at the national and state level .
17. Demand driven advanced upgradable skills development courses may be identified and such courses developed and introduced in existing and new vocational training institutions in the state. The Kerala Academy for Skills Excellence (KASE) may also be encouraged to design and implement demand driven advanced skill development courses.
18. The minimum qualification for joining Hunar Se Rozgar Tak (HSRT) Scheme may be fixed as 10th standard. The upper age limit of the scheme may be raised to 35 and the monthly stipend may be increased to ₹5,000.
19. The monthly stipend paid to successful HSRT trained candidates who works in the hospitality Sector on the completion of the training may be continued for a period of twelve more months after the completion of their course at the reduced level of ₹2,000 per month.
20. The Central and State Government institutes in Tourism and Hospitality sector may be encouraged and supported to conduct Tourism and Education Expo every year towards attracting and mobilizing job seekers for various skill programs in this sector.
21. New Schemes for skill development in areas like spa therapy, massages, public relations management, event management, electronic marketing etc. may be introduced.

Recommendations (suggestions for new Projects) made by the Expert Committee to the existing schemes under the 12th Five year Plan State schemes

The Expert Committee has made 9 Recommendations (suggestions for new Projects) to the existing State Schemes being implemented in Kerala under the 12th Plan State Schemes. The new Schemes recommended are schemes for:

1. Providing Comprehensive Skill Development in areas of skill shortage
2. Setting up Community Colleges at different locations across Kerala
3. Developing and implementing a nine year Kerala State Skills Plan (SSP) and holding an international seminar titled Emerging Skills, Kerala to prepare the SSP.
4. Setting up of the Very Large Multi Skill Training Centres.
5. Encouraging the renaissance and revival of traditional skills in Kerala through utilizing traditional master craftsmen.
6. Implementing a Scheme for providing language training and soft skills
7. Implementing a Scheme for Life Skills and Talent Training
8. Setting up Massively Open Online Courses (MOOC)
9. Setting up a Scheme for Voluntary Certification of Skills.

General Recommendation to complement Employment and Skills Development initiatives

The Expert Committee has made the following 5 General Recommendations to complement Employment and Skills Development initiatives in the state. These 5 General Recommendations are:

1. Working towards a convergence of Central and State Schemes
2. Strategy to change the social attitude/perception towards skills and blue collar jobs
3. Add-ons to supplement the skilling process

4. Developing a grass root MBA model to up-skill persons at the bottom of the pyramid
5. Bringing the industry on board in the skilling initiative

6. Conclusion

The Expert Committee on Employment and Skills Development feels that when implemented its 40 Recommendations can impact the employment and skills scenario in the State very positively. The supply side constraint can be removed by effective implementation of the recommended schemes and the add-on suggestions which will take advantage of Kerala's demographic dividend and the emerging global opportunities.

1. Introduction

Kerala has always been famous for its global outlook. The Roman Senator Pliny the Elder complained around 200 BCE that the imperial treasury was being emptied because of the demand for Tellicherry pepper. Today's diaspora of Keralites across the world and particularly the state's skilled, semi-skilled and unskilled workers in the Gulf Cooperation Countries sends back huge remittances, which play a significant part in sustaining Kerala's economy and feed its high cost high wage structure. But tomorrow's global labor market may see shifting trends, needs and locations, and there is a need to forecast these opportunities and plan for these emerging skills requirements.

Keralites have been also always been good at identifying opportunities for work abroad. Note their early migration to Singapore and Malaya in the 1940s, to pan-India focus in the 1950s, and to the worldwide market for nursing services, and then on to the emerging countries of the Persian Gulf in the 1970s. In view of the global shifting of skill needs and locations, a similar broad shift in focus may currently become necessary.

Meanwhile, Indians have also become in-demand skilled professionals globally with their skills coming into demand in many vocational and technical areas. However with the geography of work and the capabilities in demand quickly changing, to be winners in the new globalized era, the present skills education system in the country and the state has to be remodeled.

The 12th Five Year Plan and the Prime Minister's Skilling India Initiative that intends to skill 50 crore young people, over a 10 year period provide a valuable spring board for Kerala to prepare and implement these shifts.

2 Background of Employment and Skills in Kerala

2.1 Overview of Employment

Kerala with a population of 33.3 million¹ as per 2011 census has a labour force participation rate of 55 percent. The worker population ratio is 50 percent and the proportion unemployed is 54 percent. The unemployment rate for the person of age 15 to 59 years is 9.7 per cent². Of the employed, 38.4 percent are self-employed, 23.1 percent on regular wage or salaried work with the rest 38.5 percent being casual labour.

As per the figures of the Directorate of Employment, Government of Kerala, the number of professional and technical work seekers as on September 2012 is Rs.1.70 lakh. Data as on September 2012 reveals that ITI certificate holders and Diploma holders together constitute 89.10 percent of the total professional and technical work seekers. This indicates that unemployment is increasing among skilled persons. The number of registered engineering graduates' increased from 8,143 in 2010 to 14,477 as on September 2012. (Please see Appendix A)

¹3.33 crores or more correctly 3,33,87,677 as per the 2011 census.

²Key indicators of Employment and Unemployment in India 2009-2010, NSS 66th Round

2.2 Overview of skills

Skill development is critical for achieving faster, sustainable and inclusive growth and for providing decent employment opportunities to India's growing young population. Given its high social and human indicators, Kerala can contribute the requirements of technically trained manpower not only for the country's growing economy but also of the advanced economies of the world.

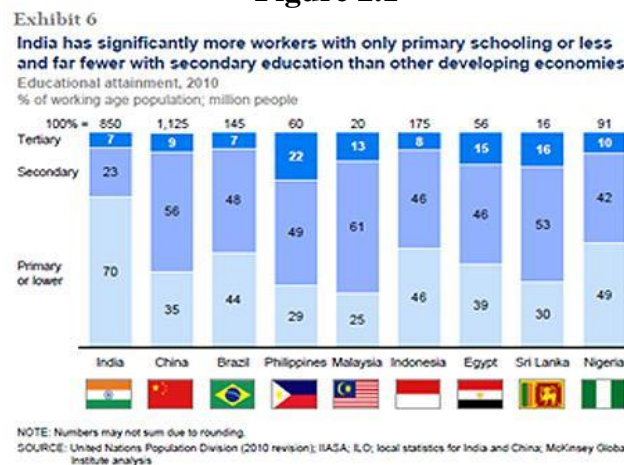
Kerala currently has 307 technical institutions, 120 ITIs, 450 privately managed Industrial Training Centres (ITCs), 80 Vocational Training providers, 389 Government and Aided Vocational Higher Secondary schools and a few private training institutions catering to the needs of the population (*Annexure-1*). The existing capacity generates skills that are below par compared to international standards and perhaps that is the reason for the high unemployment figures in respect of ITI and Diploma holders noticed supra. There is often a prerequisite for up-skilling and re-skilling skilled persons entering the labour force. Contradictory as it may seem in the context of the high unemployment figures, and even though the enrolment in technical higher education has grown, there is still a shortage of the requisite skilled persons. This challenge has to be addressed in a mission mode.

2.3 Taking advantage of the demographic dividend

One of India's advantages is its 'demographic dividend' with many more young people entering the workforce in India than in most other countries. Whereas other countries are aging, India's population is very young and half are below 20. A May 2012 report from management consultants, McKinsey and Company, suggests that of the number of workers that are needed in the world's workforce over the next 30 years, a majority can come from India.

Unfortunately, the same report suggests that Indians are not being educated appropriately. India produces too many people with primary education, which only equips them for low-skilled tasks (Figure 2.1). The need for vocational or technical secondary education is not met by India's education system. India may also be producing too few tertiary or college-educated people to meet global demand. And even college-educated people are ill-equipped. McKinsey and NASSCOM reported that only 25 percent of engineering graduates could be employed by IT firms without remedial training.

Figure 2.1



The *demographic dividend* has also a flip side. If the demographic dividend is not converted into economic dividends immediately, it is quite possible that within a generation (say 25 years), the young people of today having aged, India would have not only lost the advantage of a young population, but on the contrary have become a nation where too few young people have to take care of vast numbers of its aged.

The same issues trouble Kerala’s potential job-seekers as well, with the added complication that Kerala’s population is aging faster than the rest of India. The quality of Kerala’s education system has declined over the years. Besides, the output from institutions does not meet what industry demands.

Especially in an environment where India is becoming a significant world player in manufacturing (Figure 2.2), as seen in another McKinsey report, it is clear that there will be factory jobs aplenty in India as well.

Figure 2.2



3 Analysis of Central and State Plan Schemes under Employment and Skills with respect to Kerala

3.1 Introduction

The Expert Committee on Employment and Skills Development set up by the Kerala State Planning Board was mandated to look into the operational effectiveness and the bottlenecks faced in the implementation of 12th Plan Central and State Schemes that have a direct or indirect impact on skills up-gradation and employment generation. While doing so this Interim Report of the Expert Committee also attempts to find ways in which to address the shortcomings highlighted in Sections 2 above, while capitalizing on the emerging opportunities in India and abroad, also mentioned briefly supra. With these goals in view, the Report looks at ways in which Kerala can optimize the flow of funds to the state available for employment and skills development under the 12th Five Year Plan.

The Report first attempts an analysis of the Central and State Plan Schemes under Employment and Skills in the 12th Five Year Plan and thereafter recommends changes in some of the major Central Plan Schemes and the introduction of additional Schemes under the State Plan Schemes to meet the above goals. The Report also makes other general recommendations and some suggestions to meet the above goals.

To do so, the Expert Committee reviewed the existing Central and State Schemes under the 12th Five Year Plan and attempted the customisation of these Central and State Schemes with the objective of optimising the flow of funds under these schemes to the stat that can meet the objectives stated in Section 2 above. The analyses are detailed hereunder. The recommendations that the Expert Committee makes on the basis of these analysis may be seen under Section 4.1 below.

3.2 Analysis of 12th Five Year Plan Central Schemes under Employment and Skill Development

Around 20 Ministries of the Government of India are closely involved in employment and skill development. These Ministries mainly operate through setting up their own training capacity in specific sectors or through providing per-trainee costs of training for specific target populations. The Expert Committee identified 24 central schemes which are directly related with employment and skill development. (For the complete list please see *Annexure – 2*)

Considering the outlay and scope of the schemes and its relevance to Kerala, six schemes out of the 24 were identified for detailed analysis. The result of the analysis of the six, are briefly given below.

3.2.1 The National Urban Livelihood Mission (NULM)/Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)

The Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) is an on-going centrally sponsored urban poverty alleviation programme initiated during 1997. The scheme is operated under the ministry of Housing and Urban Poverty Alleviation with an outlay of ₹ 950 Cr. The nodal agency for implementation of the Scheme in Kerala is *Kudumbshre*.

The scheme with the funding pattern of 75 percent central share and 25 percent state share, aims to provide gainful employment to the urban unemployed and under-employed through setting up of self-employment ventures or provisions of wage employment. Under the scheme 45,756 urban poor families in the State have been benefited covering 20 percent of urban poor families. A balance of 80 percent remains to be covered.

The Expert Committee looked at the various factors that affect the optimal utilization of funds and identified the following

- Presently only BPL families are eligible to be beneficiaries under the Scheme. Because Kerala is a high cost economy and the definition of BPL does not reflect real poverty in the state, this eligibility criterion excludes many genuine deserving beneficiaries in the State.
- The Schemes allows only an amount of ₹10,000 per person for skills development. This allocation is too meagre and is insufficient to meet the skill development needs of beneficiaries.

- There is the need to skill young beneficiaries not only under the Scheme but also other young people to improve their employability within and outside the state. This is in line with the PM's 'Skilling India' initiative and Kerala's proposed State Skills Plan (SSP). However Kerala does not have any Very Large Multi Skills Training Centres equipped to upgrade the skills of young people to meet emerging market needs within Kerala, India and Globally.

3.2.2 The National Rural Livelihood Mission (NRLM)/AAJEEVIKA

The National Rural Livelihoods Mission (NRLM) now renamed Aajeevika with *Kudumbshre* as the nodal agency had two major strategic shifts:

- (i) it became a demand driven programme with the states allowed to formulate their own poverty reduction action plans under it based on their past experience, resources and skills base and
- (ii) it provided for a professional support structure for programme implementation from National to Sub district levels in different streams.

Aajeevika envisages capacity building and training of community institutions and of the personnel engaged in programme implementation and of other stakeholders like bankers, PRI functionaries etc.

The Expert Committee on Employment and Skills Development looked into the various factors that affect the optimal utilization of funds and identified the following

- Presently only BPL families are eligible to be beneficiaries under the Scheme. Because Kerala is a high cost economy and the definition of BPL does not reflect real poverty in the state, this eligibility criterion excludes many genuine deserving beneficiaries in the State.
- The Schemes allows only an amount of ₹18,000 per person for development of skills. This allocation is too meagre and is insufficient to meet the skill development needs of beneficiaries.
- There is the need to skill young beneficiaries not only under the Scheme and other young people to improve their employability within and outside the state. This is in line with the PM's 'Skilling India' initiative and Kerala's proposed State Skills Plan (SSP). However Kerala does not have any Very Large Multi Skills Training Centres equipped to upgrade the skills of young people to meet emerging market needs within Kerala, India and Globally.

3.2.3 The Prime Minister's Employment Generation Programme (PMEGP)

The *Prime Minister's Employment Generation Programme* (PMEGP) is a credit linked subsidy programme of the Government of India implemented under the Ministry of Micro, Medium and Small Enterprises (MSME) with an outlay of ₹1,237.90 lakhs. It was introduced by merging two schemes, namely, the Prime Minister's Rojgar Yojana (PMRY) and the Rural Employment Generation Programme (REGP). The State Directorate of the Kerala Village Industries Commission (KVIC), State Khadi and Village Industries Board (KVIB) District Industries Centres (DICs) and bankers are the agencies for implementation of the scheme in the state.

The Expert Committee on Employment and Skills Development looked into the various factors that affect the optimal utilization of funds and identified the following

- The ceiling of ₹25 lakhs set under the Scheme for the maximum cost of a project/unit under the manufacturing sector is too meagre considering the high cost economy of the State.
- The present interest rate of roughly 13% charged for the loan component under the Scheme is too high and discourages aspiring young entrepreneurs.
- The Entrepreneurship Development Programme (EDP) envisaged under the Scheme is provided to the young entrepreneurs only after the first instalment of the loan is disbursed. This is too late in the day to make the EDP training effective and useful for new aspiring young entrepreneurs.
- This is a new Scheme and as yet there is no mechanism in place to monitor and evaluate it. Therefore its strengths and weakness are not fully known.

3.2.4 The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

The *Mahatma Gandhi National Rural Employment Guarantee Scheme* (MGNREGS) aims at enhancing livelihood security of the rural poor. The scheme seeks to create durable assets and strengthen the livelihood resource base of the rural poor. Around 2.6 million individuals from around 370,000 households have been covered by MGNREGS this financial year. The major beneficiaries are young people between 20 and 35 years (constituting between 15 and 20 % of under-thirties in Kerala) with a class 10 education or less.

The Expert Committee looked into the various factors that affect the optimal utilization of funds and identified the following

- There is too much focus under the Scheme on unskilled labour and little or no focus on upgrading the skill of the beneficiaries. Thus the Scheme in effect becomes a Scheme to perpetuate unskilled labour rather than pull up beneficiaries from unskilled to skilled labour and thereby to pull them out of poverty.
- The Scheme focuses only on the creation of physical assets and altogether ignores the acquisition of skills. Acquisition of skills is presently not a ‘durable tangible asset’ under the Scheme.
- Presently only unskilled manual jobs that create tangible assets come within the scope of MGNREGS. Thus service sector jobs (such as cleaning in hospitals) are excluded from the definition of unskilled manual jobs under the Scheme.
- There is no scope within the MGNREGS for women (and men) with poorly marketable skills in the modern context to acquire more relevant/marketable skills (e.g. women from the cashew or coir or handloom industries which are declining).
- Presently with no separate funds provided under the Scheme for training, funds provided under administrative support (8%) are being currently used for training. This restricts the scope for training under the Scheme.
- The wages presently set under MGNREGS in Kerala is ₹180 per day. This is too low when compared to the de facto real wages in the State which is between ₹300 - ₹500. The minimum wage for unskilled labour set by the Labour Department in the State is also significantly higher than the daily wage provided under the Scheme. This affects the quantum and quality of work under MGNREGS.

- The Scheme does not permit the use of even simple mechanical equipment/devices. In the context of Kerala, it is no longer possible to get men and women to do manual labour without the use of basic mechanical equipment/devices. The restriction on the use of even simple mechanical equipment and devices discourages genuine and deserving persons from joining the Scheme.
- The list of areas of work included under “Guidelines for new additional works permitted under MGNREGA” does not include many areas of work that are relevant to the state such as land development, sapling planting in Mangroves (back waters), coconut climbing etc.

3.2.5 Training (Labour and Rehabilitation)

There are various central schemes in operation which are implemented by the Department of Labour and Rehabilitation Department, Government of Kerala, with special focus on Training. The schemes are as under:

(i) Up-gradation of ITIs into Centre of Excellences

This centrally sponsored plan scheme is for up-gradation of 500 Industrial Training Institutes (ITIs) into Centre of Excellences. Out of these, 100 ITIs are to be funded from domestic resources and the balance 400 from World Bank funding. The Government has taken up the scheme of up-gradation of 1396 Government ITIs into Centres of Excellence (COEs) in specific trades and skills under Public Private Partnership. The funds are being released on the basis of Institute Development Plans (IDPs). The process of up-gradation of these institutes into COEs has already begun.

(ii) Hi Tech Training

The Central Sector Scheme is aimed at developing a new generation of workers for hi-tech disciplines.

(iii) Training to out of school youth, workers, ITI graduates etc.

This scheme aims at improving the employability of the school youth, workers and ITI graduates through optimally utilizing infrastructure available in Industrial Training Centres (ITCs) and other organizations. The schemes cater to the needs of all those who want to acquire skills or upgrade them to improve their employability. Existing skills of persons can also be tested and certified under this scheme. Emphasis is given to cater to the needs of unorganized economy.

(iv) Minor Schemes of the Director General of Employment and Training:

The Director General of Employment and Training (DGET), Government of India is responsible for the development of programmes relating to the employment service and vocational training. The DGET is implementing a number of minor schemes relating to training and employment. They include funds allocated for Special Component Plan (SCP) and Tribal Sub Plan(TSP)

The Expert Committee looked into various factors that affect the optimal utilization of funds under the above 4 schemes and identified the following

- Many skilled workers acquire very high degree of skills without going through a formal vocational or training course. They acquire their skills on the job working as assistants to master craftsmen and through their experiential learning on the job. These highly skilled persons therefore will however not possess any certificate from a competent certifying agency to vouch for their skills and competence. The lack of a Certificate often prevents them from applying for formal jobs in Government and in reputed companies and overseas.
- The skills training provided presently under the Scheme does not focus on providing demand driven advanced upgradable skills such as 3D manufacturing, pre-fab construction etc. There is also no avenue available presently for skilled persons to further upgrade their skills in order to have vertical mobility in their career.

3.2.6 Training (Tourism)

Trained manpower is an essential for the development of tourism. There are 38 Institutes of Hotel Management (IHMs) (includes 15 from the private sector) and 10 Food Craft Institutes (FCIs), which conduct various courses of the National Council for Hotel Management and Catering Technology (NCHMCT) in the state. In addition, the Indian Institute of Tourism and Travel Management (IITTM) and the National Institute of Water Sports (NIWS) are other bodies involved in manpower development in tourism. Besides this, regular courses of various duration are conducted for fresh as well as existing service providers including Guides, Government employees etc., posted at places of tourist interest, airports etc. The Ministry of Tourism has also taken special initiatives to create employable skills amongst young persons in the country through 6 weeks and 8 weeks programmes in Food and Beverage Services and Food Production, Housekeeping Utility, Bakery, Driving and Stone masonry.

The Expert Committee looked into various factors that affect the optimal utilization of funds under Tourism Training Schemes and identified the following

- The Hunar se Rozgar tak (HSRT) scheme contemplates only an 8th Std. pass to be eligible as a beneficiary under the Scheme. In Kerala, almost every young person completes the 10th standard with even the pass percentage in the 10th standard being more than 95%. Many such 10th standard pass or 10th completed students consider it below their dignity to apply for a Scheme which requires only an 8th Std. Pass. Thus there are very few young aspirants from Kerala applying for the Hunar se Rozgartak (HSRT) Scheme.
- The age limit of 28 years fixed for eligibility under the Scheme prevents older people from applying under the Scheme.
- The stipend of ₹2,000 per month provided under the Scheme is inadequate and fails to attract young people to the hospitality sector.
- The wages paid by the hospitality sector to new recruits who have been trained under the Hunar se Rozgartak (HSRT) Scheme is very low and inadequate. This discourages many HSRT trainees to seek jobs in the hospitality sector and end up by working in other sectors and doing jobs other than what they have been trained for.
- There is a general lack of awareness about the prospects of employment in the tourism and hospitality sector among the young in Kerala, particularly in rural areas.
- Kerala faces inadequate supply of skilled manpower to address the needs and requirements of high end tourism.

3.3 Analysis of 12th Five Year Plan State Schemes under Employment and Skills Development

The Expert Committee on Employment and Skills Development reviewed various State schemes which are implemented by the State Government with Central funds. The schemes in operation and the outlay are appended in *Annexure 3*. The Expert Committee felt that there is a need to have additional state schemes using Central Funds (or otherwise) to meet the employment and skills development needs of the state. The new schemes that the Expert Committee recommends may be seen in Section 4.2 below.

4 Recommendations to Enhance Employment and Skills in Kerala

The Expert Committee, after review of the various Central and State Plan Schemes recommend changes to the existing schemes under the 12th Five year Plan Central schemes and suggest new schemes under the State Plan. The Expert Committee also has some general recommendations which complement the scheme-wise suggestion. These 3 sets of recommendations are given below.

4.1 Changes recommended to the existing schemes under 12th Five Year Plan Central schemes to enhance Employment and Skills

The scheme-wise recommendations of the 12th Five Year Plan central schemes are as under: (For full details please see *Annexure -4*)

4.1.1 National Urban Livelihood Mission (NULM)/Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)

[R-1] The definition of Extreme Poverty under the Millennium Development Goals (MDG) to which India is committed is \$1.25 per day per person. This works out to approximately ₹ 66 per day per person (taking 1\$=₹ 53.35) or ₹ 266 per day for a family of four. For a month of 30 days, this works out to ₹8,000 per month. In the high cost context of Kerala, even if only half the above monthly income is considered as the basis for eligibility of benefits of the Scheme, individuals belonging to families with a family income of up to ₹ 48,000 per annum (₹4,000X12 months) should be allowed to become eligible as beneficiaries under the Scheme. The Expert Committee therefore recommends an immediate relaxation in the eligibility criterion for beneficiaries under the Scheme by increasing the income limit to avail the scheme to ₹50,000/-.

[R-2] The Expert Committee recommends that the allocation for skill development per person under the Scheme may be doubled to ₹20,000.

[R-3] The Expert Committee Recommends that a Very Large Multi Skill Training Centre (VLMSTC) be setup in the state equipped to upgrade the skills of young people to meet emerging market requirements. Such a Very Large Multi Skill Training Centre (VLMSTC) will cater to both rural and urban youth. The scale effect of such a Centre means that it can be an aggregating regional centre for scarce training resources. The VLMSTC may be setup not only with resources from NULM, but pooling resources from NRLM and MGNREGS and supplemented with funds available under the various welfare boards in the state.

4.1.2 National Rural Livelihood Mission (NRLM)/AAJEEVIKA

- [R-4] The criterion for eligibility as a beneficiary under the Scheme should not be limited to only BPL families. As per the definition of poverty under the Millennium Development Goals (MDG) a family of four should have an annual income of ₹1,08,000 per year to be above poverty. While this may be too high a benchmark to set, yet given Kerala's growth so far, the Expert Committee Recommends that families with income up to ₹50,000 may be made eligible under NRLM/Aajeevika.
- [R-5] The Expert Committee recommends that the allocation for skill development per person under the Scheme may be doubled to ₹36,000.
- [R-6] The Expert Committee Recommends that a Very Large Multi Skill Training Centre (VLMSTC) be setup in the state equipped to upgrade the skills of young people to meet emerging market requirements. Such a Very Large Multi Skill Training Centre (VLMSTC) will cater to both rural and urban youth. The scale effect of such a Centre means that it can be an aggregating regional centre for scarce training resources. The VLMSTC may be setup not only with resources from NULM, but pooling resources from NRLM and MGNREGS and supplemented with funds available under the various welfare boards in the state.

4.1.3 Prime Minister's Employment Generation Programme (PMEGP)

- [R-7] Considering the present high cost economy of the State, the Expert Committee recommends that the ceiling of ₹25 Lakhs may be increased to ₹35 lakhs.
- [R-8] There is a need to lower the interest rate for the loan component of the Scheme. The Expert Committee recommends that the interest rate for the loan component may be reduced to 7% on par with the interest rates charged under the Women Development Corporation/Backward Development Corporation Schemes.
- [R-9] The Expert Committee recommends that the Entrepreneurship Training Programme (EDP) and management training may be provided to the prospective entrepreneurs at the very start of the Scheme.
- [R-10] The Expert Committee recommends that a mechanism may be put in place to monitor and evaluate the Scheme in the next 2 years using the services of a reputed organization/agency.

4.1.4 Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

- [R-11] The Expert Committee recommends that the Scheme may also include the acquisition of skills as part of its objective, and focus may be placed in the Scheme to upgrade the skills of beneficiaries.
- [R-12] The Expert Committee recommends that the acquisition of skills should be defined as a "durable tangible asset" created under the MGNREGS.
- [R-13] The Expert Committee recommends that service sector jobs may also be included under the definition of unskilled manual jobs under MGNREGS.

- [R-14] The Expert Committee recommends that those with poorly marketable skills should be encouraged to acquire more marketable and relevant skills under the Scheme.
- [R-15] The Expert Committee recommends that a separate fund of 10% of the Scheme allocation may be set up under the Scheme for skilling, so that larger numbers of beneficiaries presently in the Scheme can be lifted from out of poverty and from out of the Scheme.
- [R-16] There is an imperative need to increase the daily wage given under MGNREGS. The Expert Committee recommends that the daily wage under MGNREGS may be increased to ₹250.
- [R-17] The Expert Committee recommends that the Scheme may allow the use of basic mechanical devices and simple equipment (eg. Coconut climbing machine, grass cutters etc.).
- [R-18] The Expert Committee recommends that the State should be allowed to include additional areas of work that are relevant to the state in the “Guidelines for new additional works permitted under MGNREGA”.

4.1.5 Training (Labour and Rehabilitation)

- [R-19] The Expert Committee recommends that a framework for certifying the skills and competence of those who have acquired their skills on the job without going through a formal vocational training course needs to be developed and implemented both at the national and state level . At the state level the Kerala Academy of Skills Excellence (KASE) could develop the Certification system and implement it through DET and reputed private agencies.
- [R-20] The Expert Committee recommends that demand driven advanced upgradable skills development courses may be identified and such courses developed and introduced in existing and new vocational training institutions in the state. The Kerala Academy for Skills Excellence (KASE) may also be encouraged to design and implement demand driven advanced skill development courses.

4.1.6 Training (Tourism)

- [R-21] The Expert Committee recommends that the minimum qualification for joining Hunar se Rozgartak (HSRT) Scheme may be fixed as 10th standard.
- [R-22] The Expert Committee recommends that the upper age limit under the Hunar se Rozgartak (HSRT) Scheme may be raised to 35.
- [R-23] The Expert Committee recommends that the monthly stipend under the Scheme may be increased to ₹5,000.
- [R-24] The Expert Committee recommends that the monthly stipend paid to successful Hunar se Rozgartak (HSRT) trained candidates who works in the hospitality Sector on the completion of the training may be continued for a period of twelve more months after the completion of their course at the reduced level of ₹2,000 per month. This will help reduce the burden on the employer who will then find it attractive to hire the HSRT trained persons.

[R-25] The Expert Committee recommends that the Central and State Government institutes in Tourism and Hospitality sector may be encouraged and supported to conduct Tourism and Education Expo every year towards attracting and mobilizing job seekers for various skill programs in this sector.

[R-26] The Expert Committee recommends those new Schemes for skill development in areas like spa therapy, massages, public relations management, event management, electronic marketing etc. may be introduced.

Based on the changes recommended, amendments were proposed in the scheme guidelines for operationalization. (For full details please see *Annexure -5*)

4.2 New Schemes recommended under 12th plan State schemes to enhance employment and skills

The Expert Committee after reviewing the existing schemes and based on the common understanding of making the state being aspirational to move ahead, recommends the implementation of 9 new Schemes under the 12th Plan State Schemes. These *nine new schemes* recommended by the Expert Committee would drastically reduce skill gaps and help in progression are detailed hereunder: (For full details, please see *Annexure 6*)

4.2.1 Scheme for providing Comprehensive Skill Development in areas of skill shortage³

Based on discussions and field level interactions, ten major sectors where acute shortages of skilled hands are felt have been identified by the Expert Committee. The Expert Committee therefore recommends a new scheme to provide training under these skill areas.

Ten sectors (construction⁴, health, service, food and hotel, tourism, marketing, education, agriculture, import/export, trained accountants) where there are skills deficits have been identified and within these ten sectors skill areas (soil testing, waste management, energy management, baby care etc.) have been identified. Different target groups (school drop outs, engineering drop outs/graduates, VHSE/Plus two/house wives/nurses/ANM/GNM/B.Sc. nursing/retired professionals) may be trained in these skills areas within the skill sectors identified. (For details please see Appendix C).

4.2.2 Community Skills Colleges⁵

Lack of a proper system to establish and coordinate skills development at the grass root level is a major hurdle in skill up gradation. A system that is easily accessible which could also ensure quality skilling is essential to be newly set up. Therefore, the Expert Committee recommends setting up Community Skills Colleges at different location that would increase access to quality skill training and would contribute to efficient implementation of the Comprehensive Skill Development Program.

³The Chair is indebted to Dr. B. Vijaykumar, Dr. B. R. Saroop Roy and Dr. S. N. Kumar Members of the Expert Committee for this suggestion.

⁴The Chair is indebted to Prof. B.R. Srinivasa Murthy, Member of the Expert Committee for report on skill development for the workers of construction industry (Appendix – B)

⁵The Chair would like to acknowledge the contribution of Prof. Rajeev, Member of the Expert Committee in the development of this idea.

At present, there are more than 500 community colleges in about 22 states and union territories that provide education to empower the disadvantaged and the under-privileged, including the urban, rural and tribal poor and women. In India, community colleges have a major role to play because in collaboration with local industries and the community, they could help students attain skills that lead to gainful employment.

Community Skill Colleges could offer not only skills learning but also a range of multi-focused programs in occupational, technical and continuing education designed to meet the skill workforce needs of the regions where the colleges are located. Community Skills Colleges could also offer “bridge” courses to complete higher certifications, which would ensure employability and competency of the individual trained, teach life skills and communication in English, and provide training in personal, social, language, communication and creative skills⁶. This scheme would dramatically help to improve the skill development infrastructure and access thereto.

4.2.3 Developing and implementing a Kerala State Skills Plan through conduct of an International Seminar to be called:

Skilling India - The Kerala Seminar (Providing skilled workforce to India and the World)

In order to position Kerala to contribute significantly to PM’s Skilling India Initiative, the Expert Committee recommends that a (nine year⁷) Kerala State Skills Plan (SSP) is developed and implemented from early 2014.

The State Skills Plan will focus on development of skills training infrastructure, training faculty development, curriculum development, industry partnership, and would be based on an analysis of the skills required over the next twenty years. It would position Kerala as a skills training provider not only for Kerala but also for the NE States, for states like Jammu and Kashmir, Orissa, Jharkhand as well as for young people in emerging countries of Africa, South America etc.

The Expert Committee also recommends the holding of an international seminar called *Skilling India – The Kerala Seminar (Providing Workforce to India and the World)* in order to determine the contours of the State Skills Plan (SSP) and prepare the SSP for implementation. (For fuller details please see Appendix - D)

4.2.4 The Very Large Multi Skill Training Centres⁸

A major problem faced by skills development institutions in India is finding skilled trainers to staff them. This is because India lacks adequate skilled trainers in a variety of areas from building construction, electronics, automotive engineering, HVAC (Heating, Ventilation, Air-conditioning), healthcare, traditional high skill crafts, hospitality and tourism, communication

⁶White Paper on US Model Community Colleges

⁷ This is contemplated as a 9 year plan so that it can coincide with the PM’s Skilling India Initiative which ends in 2021-22.

⁸ The Chair would like to place on record that this idea mooted and developed by Dr. Uday Balakrishnan, Member of the Expert Committee.

skills etc. among several others. This is also a major reason why India under-performs in manufacturing.

The current approach to set up small training centres is self-defeating. These small training centres are poorly equipped and lack skilled trainers. The process of aggregation needs to start. This is best done by developing a few mega training centres where hundreds of thousands are trained rapidly in ‘soft’ and ‘hard’ skills required by industry today and in the future. These very large training centres can use the latest training techniques that will facilitate rapid and lifelong learning, a mix of hands on workshop training, interactive classroom sessions, many web based, as well as dedicated skills development modules through MOOC (Massive Open Online Courses). The National Open School can be brought in to address the educational/ certification requirements of these very large multi-skills training centres. (For full details, please refer Appendix E)

These very large multi-skills training centres need to be staffed with highly skilled trainers. Possible agencies to tap are retiring highly skilled personnel from the armed forces, the railways and agencies such as the ISRO and large industrial establishments in the private and public sectors such as steel and ship-building. Additionally skilled Indians from the Gulf as well as Eastern Europe can be brought in. A sub unit of the mega skills training centres can train them to be master trainers.

The Expert Committee recommends that over the remaining period of the 12th Five Year Plan, Kerala set up one or two such mega centers. Two institutions that can help in this regard are the Nettoor Technical Training Foundation (NTTF) and Don Bosco Tech (DBTech)⁹ both of which have several decades of experience in this line. Funding can come from the National Skills Development Corporation as well as industry, which should be consulted and involved from the start in developing these mega training centres.

4.2.5 Renaissance and Revival of traditional crafts through utilizing traditional master craftsmen

One of the unfortunate consequences of globalization is that traditional skills are neglected, although they may in fact have tremendous value. There are many skills in Kerala that need to be preserved both because they are part of the tangible heritage of humanity and also because they are useful and practical, and the result of many years of observation and evolution by practitioners.

One example is the making *aranmula kannadi* or metal mirrors, a Kerala specialty where metal is polished so highly that it forms a reflecting surface. There are also the *uru*-makers of Beypore who can make sea-going ships only of wood without using a single nail, the structure being lashed together with ropes and held together with wooden joints. Similarly, there are many cultural artifacts that are currently in decline, and that deserve to be preserved.

One reason for the decline is a fondness for things western, with derision for the indigenous. Another is that the traditional artisans cannot actually make a living with their crafts. The Expert Committee recommends that a mechanism for honoring and recognizing the truly skilled master-craftsmen, along the lines of what the Japanese do in declaring certain masters as “national treasures” be put in place. This would be part of the overall branding and

⁹ A detailed note on “Bridging the Skill Gap in India” by Don Bosco Tech is enclosed as Appendix F and the chair would like to place on record the skilling initiatives of DB Tech and thank Fr. Joseph, Director, DB Tech

marketing activity and nomenclature updating that this report suggests improving the image of vocational pursuits.

There is also a need to equip traditional craftsmen with modern technologies and access to global market. Assistance in branding, marketing and recognition would definitely help to revive the traditional crafts.

The Expert Committee also recommends the setting up of a traditional skills and crafts development training center which would help in the renaissance and transfer of these skills to the next generation while reviving them as marketable skills and help traditional craftsmen with modern technologies and access to global markets..

4.2.6 Scheme for Language training and Soft Skills

One of Kerala's weaknesses in moving up-stream in many areas, is the inability of its people to effectively use English and other languages. The state has always faced a setback in progression due to this handicap in communication. This also affects the quality of services in many sectors like tourism and hospitality. Lack of global competency affects Kerala's progress.

The Expert Committee recommends setting up of finishing schools that offer training to improve global competency

A finishing school that imparts skills in foreign language like Spanish, German, French and soft skills at affordable cost is particularly important to be set up soon. The scheme should be open to ITIs and other technical diploma holders and also to Engineering, Arts, Science and Management graduates to improve their competency and employability in the global market.

4.2.7 Scheme for Life Skills and Talent training¹⁰

The lack of diversity in its manpower is another drawback for Kerala, with students primarily interested only in acquiring academic skills. The innate talent in each student is not harnessed and given proper training. We lack quality teachers and trainers to mould future potential in fine arts like painting, music crafts etc.

There is therefore need for a Scheme to develop the innate talent in each child and nurture those skills and the Expert Committee recommends the development and implementation of such a scheme.

Life skills like fine arts (music, crafts, cooking, painting etc.) could help young people take up a career in areas they are passionate about.

A talent hunt program from Primary School onwards would help our young to identify their areas of interest and talent and thus develop those skills in those areas. Such a Scheme would promote a better work culture and employment opportunity based on the strengths of each person.

¹⁰The Chair is indebted to Dr. B. Vijaykumar, Dr. B.R. Saroop Roy and Dr. S. N. Kumar Members of the Expert Committee for this suggestion.

4.2.8 Massively Open Online Courses (MOOCs)¹¹

Lack of access to course materials and high quality trainers is a hurdle in acquiring quality education and skills.

One of the interesting developments of the recent past is the availability online of high quality education, free of charge. In addition to initiatives like the Khan Academy (khanacademy.org) which provides school and college level material, there are also entities such as Coursera, Udacity, Edx etc. which are now offering the full course content of top American universities on the web in video format. These courses, unlike earlier courses which only had the lectures available, now include evaluation and college credit for those interested.

These Massively Open Online Courses are leading to a minor revolution in education, and have the potential to disrupt the university system as we know it. In fact, some cash-strapped public universities in the US, such as the California State University, San Jose, California, have now begun to integrate MOOCs into their regular curriculum.

The advantage with MOOCs is that any student can get access to some of the best teachers in the world, and the only requirement is that s/he has an internet connection. MOOCs can be picked up not only on computers, but also on moderately priced cell-phones that cost ₹5,000 onwards, equipped with a data connection. Thus issues of time (synchronous viewing of the lecture) and place (physical presence at the lecture) become less significant.

When Kerala is looking at using the best trainers it can find, the provision of MOOCs can make the process cost-effective, and at one stroke makes access trivially easy. Thus the experts at the Very Large Multi Skill Training Centers discussed supra can easily be exposed to a large number of potential students.

A combination of existing material from foreign MOOCs and custom-generated material from Kerala's own centers and trainers can be used to scale up quickly.

4.2.9 Voluntary Certification System

The skilling process currently in place is arbitrary and on low volume with many small time players providing unregulated qualifications and false promises. In order to streamline the qualification and certification process, the Expert Committee recommends that a certification body parallel to international skills certification bodies (and similar to ToFEL etc.) can be put in place with exit examination options for those willing to seek quality and recognition. Any person can voluntarily get himself examined by the body and if s/he meets the standards a Certificate would be issued. The value of the Certificate would lie in the fact that it is voluntarily accepted by employers as being a standard and quality certification system. Tie ups with international bodies will help in mobility and validity across the globe and compete with the international skilled force. In this process, the quality of skills imparted will improve which is now commonly lacking.

¹¹The Chair acknowledges the contribution of Prof. Rajeev and Dr. Uday Balakrishnan in the development of this idea.

4.3 General Recommendation (that complement Employment and Skills Development initiatives):

4.3.1 Convergence of Central and State Schemes

There is an absence of convergence amongst the many schemes available under Employment and Skills Development. The impact of these Schemes could be optimized if they are managed and utilized efficiently and the output of one scheme could become useful to other schemes as input. The Kerala State Planning Board may take up the responsibility to interlink the schemes to maximize impact. Addressing this convergence gap would result in the effective and synergic outcomes of the schemes.

The Expert Committee recommends that the State Planning Board examine the possible convergence of the schemes and identifying interlinks between them build such inter-linkages to maximize the impact of the schemes. A special convergence committee could be set up to examine the necessity of the same.

4.3.2 Changing social attitude and perception towards skills as a career

The state has traditionally looked down upon a skill job, with social thought considering only a white collar job and especially a Government job to be an acceptable career. There is an inherent and hereditary bias against a career in skill jobs. It is only when a young person is unable to find a white collar job that s/he rather reluctantly accepts a blue collar job, even though the latter may be many times more paying than the former.

Traditionally the state has respected skilled carpenters, goldsmiths and others but always with a bias in favour of someone with an office job, however lowly the latter's position in that office was or however measly the latter's salary was. Every skilled worker still has a feeling that society does not consider him equal to the one who has a white-collar job.

The Expert Committee feels that this attitude needs to be changed and recommends the following initiatives to bring about that change:

- Catch them young to bring a change in attitudes: Changes in the attitude towards skills should be brought about in the young minds at the pre-primary school level itself. The child should be made aware that a person good in painting or carpentry work is to be recognized and appreciated just like a person good in arithmetic or science or in languages.
- Change in nomenclature of jobs: A tailor may be renamed as dress maker, gardener may be called a garden manager etc.
- Providing uniforms, identity cards to all categories of employees (uniform especially for women employees): Everyone craves for recognition. This basic human feeling has to be respected through providing uniforms, identity cards etc. to all employees whether they be blue or white collar workers. This can bring them recognition, protection, status and respect in the society.
- Change in attitude towards skilled workers: The attitude towards skilled workers has to happen from the top to bottom, from top bureaucratic and political level and the rich and highly educated.

4.3.3 Grass-root MBA¹²

In order to up-skill the existing grass root skilled work force, the Expert Committee recommends creating *Grass-root MBAs* by engaging Business schools (like IIMs, say IIM Kozhikode or ISBs) to do a need assessment study and design the appropriate modules for implementing and training the skilled workers to become entrepreneurs. This can go a long way in creating entrepreneurs from mere wage/salary earners, bringing innovations and instilling marketing competitiveness in relation to mere delivering of skilled jobs.

4.3.4 Bringing industry on board¹³

The Expert Committee recommends tie-ups with industries for introducing an **Earn while you Learn Programme** utilizing the services of students at Degree/Post-graduate level in their own institutions for paid service. The Scheme could be implemented in leading institutions including those that train Ayurveda Doctors, pharmacists, paramedics and nurses.

4.3.5 Some Miscellaneous Add-on Suggestions:

During the deliberations the Expert Committee many additional suggestions and ideas came up, which need to be recorded in this Report. They are indicated below:

- *Compulsory internship in Academic/Professional courses:* This will make young people coming out of such courses employable as well as generate the feeling of responsibility in them. It will make them understand that doing something is different from learning/studying something.
- *Skilling the highly skilled* through world class infrastructure and global best practices, so that the Kerala labour can take advantage of the opportunities emanating from developed countries.
- *Providing additional language (Indian/foreign) training for taxi and auto rickshaw drivers* through non-conventional schools/colleges. This can bring in higher incomes to them as well as tickling the urge in them to become entrepreneurs.
- *Providing additional language (foreign) training for graduates and post-graduates.* It would be important to provide training in English, Arabic (Opportunities in West Asian countries), Spanish, Portuguese (Opportunities in South American countries), German, Chinese, Japanese etc. in KPO, BPO and other industries.
- *Redefining the importance of skill and efficiency:* At the Primary and secondary school level equal credits may be given for proficiency in skills.
- *Providing implements/instruments to students at the school and college levels for practical lessons and work experience:* Handling of instruments and implements can lead to a different attitude towards skills than mere reading about them. Funds are available now from SSA, UGC, AICTE and other bodies for such purposes.
- *A Non-formal Skills Stream:* In order to achieve the target of the Prime Minister's India Skilling Initiative, the committee suggests a scheme for drop outs under a non-formal stream with upward mobility towards the formal system of education/skills.
- *Social Security for All:* An all-encompassing Social Security Scheme for those above 60: As most white collar jobs come with pensions or other forms of social security as part of the compensation package, job seekers are pulled towards white collar jobs

¹²The Chair would like to acknowledge Ms. Vandana Verma, Member of the Expert Committee for this idea

¹³The Chair would like to acknowledge Mr. Ganesh L. Member of the Expert Committee for this idea

resulting in bias against other (skilled or blue collar) jobs. In order to mitigate the bias, the Expert Committee suggests that an all-encompassing social security system that would bring all those above 60 years of age under it, may be formulated and implemented.

- ***Models to Learn from:*** The Expert Committee suggests that Kerala learns from successful global models. For instance, the German model of the *mittelstand* or small to medium enterprises forms the backbone of its economy. This is supported by an excellent system of secondary training in polytechnics and other schools, where students streamed into vocational and technical areas are trained. Some of them eventually become *meisters* or master craftsmen. Kerala can learn from the German model. The Japanese model of honoring skilled artisans as ‘national treasures’ also holds lessons for Kerala. Kerala have a tradition of arts and crafts, of a very high level of sophistication, wherein the traditional masters were held in high esteem. The Expert Committee suggests honoring them appropriately as state treasures

5 Conclusions

The Expert Committee on Employment and Skills Development feels that its above recommendations can impact the employment and skills scenario in the State very positively. The supply side constraint can be removed by effective implementation of the recommended schemes and the add-on suggestions which will take advantage of Kerala’s demographic dividend and the emerging global opportunities.

5.1 Possible Outcomes of the recommendations:

When effectively implemented the recommendations and the suggestions made by the Expert Committee on Employment and Skills Development can lead to the following outcomes:

- Social attitude towards skills and particularly traditional skills and blue collar jobs will change by giving the skilled young people a Decent Work regime, recognition in society and decent pay that would ensure a good standard of living. The concept of right skills for right job which form the basis of success in employment and skill development initiatives and which is the under-laying basis of these recommendations would help to increase job satisfaction and motivate people to work.
- Economic benefits could be attained with skill up-gradation and better employment opportunities which would help in attaining of a good standard of living
- Unemployment rate in Kerala is overwhelmingly high and skill development in diverse sectors would create more employment opportunities which in turn would increase labour force participation rate
- Skill up-gradation in diverse sectors would result in effective and efficient employees and that leads to increased productivity.
- Increased productivity through skill development and the quality control measures recommended could make Kerala a quality training center for the country and place it on the global skills map.
- A gradual change in the standard of living and economic benefits and social recognition would lead to improvement in the quality of life and incomes in the state.

Existing Skills Training and Employment infrastructure in Kerala

Table 1 : Technical/Vocational Institutions in Kerala

Sl. No.	Institutions	Nos.
1	Government Engineering Colleges	9
2	Private Aided Engineering Colleges	3
3	Unaided Engineering Colleges	141
4	Government Polytechnic Colleges	36
5	Government Women's Polytechnic Colleges	7
6	Private Aided Polytechnics	6
7	Fine Arts Colleges	3
8	Government Technical High Schools	39
9	Government Commercial Institutes	17
10	Tailoring and Garment making training centres	42
11	Vocational Training Centres	4
Total		307

Table 2 : Branch-wise Distribution of Seats in Engineering Colleges-2012-13

Sl. No	Name of Course/Branch	Total Sanctioned Seats	Sl. No	Name of Course/Branch	Total Sanction-ed Seats
1	Applied Electronics and Instrumentation	1446	14	Food Technology	60
2	Agricultural Engineering	46	15	Instrumentation and Control Engineering	123
3	Architecture	560	16	Industrial Engineering	32
4	Automobile Engineering	360	17	Information Technology	2730
5	Bio-medical Engineering	240	18	Mechanical (Automobile)	60
6	Bio- Technology	300	19	Mechanical Engineering	7553
7	Civil Engineering	6939	20	Mechanical (Production Engineering)	90
8	Chemical Engineering	173	21	Polymer Engineering	90
9	Computer Science and Engineering	8777	22	Production Plant Engineering	150
10	Diary Science and Technology	25	23	Printing Technology	30
11	Electronics and Communication	11002	24	Aeronautical Engineering	240
12	Electricals and Electronics	7572	25	Safety and Fire Engineering	60
13	Electronics and Instrumentation	300	26	Food Engineering	30
				Total	48988

List of 12th Five Year Plan Central Schemes identified under Employment & Skills Development

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
1	Dairy Entrepreneurship Development	Agriculture	295.00	259.70	Provision is for Dairy Entrepreneurship Development Scheme. An amount of ₹ 69.80 crore is kept for Scheduled Castes Sub Plan (SCSP). The objectives are: <ul style="list-style-type: none"> • Setting up modern dairy farms for production of clean milk • Encourage heifer calf rearing for conservation and development of good breeding stock • Bring structural changes in unorganized sector so that initial processing of milk can be taken up at village level. • Up gradation of traditional technology to handle milk on commercial scale • Generate self-employment and provide infrastructure mainly for unorganized dairy sector
2	Manpower Development (including Skill Development in IT & IT for Masses)	Communications and Information Technology	65.14	90.00	The objective of the programme is to ensure availability of trained human resources for the manufacturing & service sectors of electronics and IT industry. Initiatives include identifying gaps emerging from the formal sector and planning programmes in non-formal and formal sectors for meeting these gaps. This budget provision includes provisions under Scheduled Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP) to the tune of ₹ 5 crores and ₹ 25 crores respectively.
3	Swarna Jayanti Shahari Rozgar Yojana (SJSRY) / National Urban Livelihoods Mission (NULM)	Housing and Urban Poverty Alleviation	704.46	950.00	The provision is for the scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) / National Urban Livelihoods Mission (NULM) aimed at providing gainful employment and skill development to the urban unemployed or underemployed poor. This also includes ₹284.69 crore for Scheduled Castes Sub Plan (SCSP) and ₹29.44 crores for Tribal Sub Plan (TSP).

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
4	Vocationalisation of Education	Human Resource Development	69.73	72.09	The Centrally Sponsored Scheme (CSS) 'Vocationalisation of Secondary Education' was launched in 1988, to be implemented through State/UTs and NGOs/VA in the formal and non-formal sector respectively in Classes XI-XII. The revised scheme, as approved by CCEA on 15.9.2011, aims to strengthen vocational education in Classes XI-XII. The components approved include strengthening of 1000 existing vocational schools and establishment of 100 new vocational schools through State Governments, assistance to 500 vocational schools under PPP mode, teacher and development of 250 competency based modules for each individual vocational course. Pilots in Class IX for the National Vocational Education Qualifications Framework (NVEQF) have also been approved within the scheme for the states of Haryana and West Bengal
5	Adult Education & Skill Development Scheme	Human Resource Development	378.80	514.80	The existing schemes of Literacy Campaigns & Operation Restoration and Continuing Education for Neo- Literates have been merged into one single scheme of Adult Education & Skill development and now known as Saakshar Bharat programme that will cover both the existing schemes
6	Support to NGOs/ Institutions/ SRCs for Adult Education & Skill Development	Human Resource Development	72.83	90.00	This new scheme assimilates the two existing schemes of Support to NGOs in the field of Adult Education and Jan Shikshan Sansthan (JSS). Under the scheme, financial support will be provided to NGOs for imparting literacy to adult non-literates in the age group of 15-35 years. The State Resource Centres (SRCs) managed by the NGOs also receive support under this programme.
7	New Indian Institutes of Information Technology in PPP mode	Human Resource Development	8.00	30.00	Looking to the demand of IT professionals, it is proposed to establish more Indian Institute of Information Technology (IIIT). Proposed IIITs would be on Public Private Partnership basis

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
8	Support for skill-based higher education including community colleges	Human Resource Development	--	30.00	Under this scheme, Special emphasis will be placed on expansion of skill-based programmes in higher education through Community Colleges which will serve multiple needs. Community colleges would be located to afford easy access to underprivileged students
9	Support for the Polytechnics in the States	Human Resource Development	--	595.00	The existing scheme of XI Plan on submission of polytechnics has four components of setting up new polytechnics in unserved areas, strengthening infrastructure in existing polytechnics, community polytechnics and Women hostels in polytechnics.
10	Training	Labour and Employment	506.79	617.99	<p>Under this item provision for the following schemes has been made:</p> <p>(i) Upgradation of ITIs into Centres of Excellence</p> <p>(ii) Hi Tech Training: The Central Sector Scheme is aimed at developing new generation of workers for the Hi Tech disciplines, both in operation and maintenance.</p> <p>(iii) To provide training to out of school youth, workers, ITI graduates etc. for improving their employability by optimally utilizing infrastructure available in ITIs/Industrial Training Centres (ITCs) and other organizations. The schemes will cater to the needs of all those who want to acquire skills or upgrade them to improve their employability. Existing skills of the persons can also be tested and certified under this scheme. Emphasis would be given to the courses to cater to the needs of unorganized economy.</p> <p>(iv) Other Schemes: Provides for the Director General of Employment and Training, which is the apex organization in India responsible for the development of programmes relating to the employment service and vocational training. In addition, a number of minor schemes relating to training and employment are being implemented by the Director General of Employment and Training.</p> <p>It includes the funds allocated for SCSP and TSP.</p>

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
11	Welfare of SC, ST and other backward classes	Labour and Employment	6.27	7.20	The scheme includes Coaching-cum-Guidance Centres for SC/ST to provide confidence building training programmes and vocational guidance for candidates belonging to that category. These Coaching cum Guidance Centres have been involved in pre recruitment training courses for various nationalized Banks and agencies. Another scheme to impart refresher training to SC/ST candidates registered with the employment exchanges has also been introduced in some Coaching cum Guidance Centres. With a view to ensure adequate representation in various Central Government departments, special coaching is being imparted to SC/ST applicants for competitive examinations. It includes the funds allocated for SCSP & TSP.
12	Infrastructure Development & Capacity Building (Erstwhile MSME Cluster Development Programme and MSME Growth Poles (Infrastructure Development))	Micro, Medium and Small Enterprises	136.88	156.00	MSME Cluster Development Programme is one of the important schemes of the Office of DC (MSME). Special emphasis has been accorded to comprehensive development of clusters. Infrastructural support has also been added under this programme. Association of women entrepreneurs will be assisted under the Cluster Development Programme in establishing exhibition in central places for display and sale of products made by women owned MSMEs.
13	Special Scheme on MSME	Micro, Medium and Small Enterprises	1.00	--	The Report of the Task Force on Micro, Small and Medium Enterprises was presented to the Hon. Prime Minister in January 2010 by its Chairman, Shri T.K.A.Nair. The report provides a roadmap for the development and promotion of the Micro, Small and Medium Enterprises (MSMEs). It recommends an agenda for immediate action to provide relief and incentives to the MSMEs, especially in the aftermath of the recent economic slowdown, accompanied by institutional changes and detailing of programmes, to be achieved in a time bound manner. In addition, it suggests setting up of appropriate legal and regulatory structures to create a conducive environment for entrepreneurship and growth of micro, small and medium enterprises in the country.

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
14	Khadi Industries	Micro, Medium and Small Enterprises	108.80	108.80	Budgetary allocation under Khadi grant is for promotion and development of khadi, financial assistance for revitalisation of KVI institutions through, inter-alia, replacement of charkhas and looms that have outlived their utility, scheme for encouraging value addition by converting khadi fabric into readymade garments, provision for rebate on sale of khadi, Marketing Development Assistance based on production, interest subsidy on term and working capital loans taken by khadi institutions at reduced interest rate of 4%, allocation for the PRODIP scheme for development of new products, designs and better packaging for Khadi products and welfare of khadi artisans, etc.
15	Other Village Industries	Micro, Medium and Small Enterprises	67.92	67.92	The budget provision under this sub-head is meant for promotion and development of village industries through technology upgradation, improved market access through facilitating participation in exhibitions at International, National, State and District levels, modernisation of sales outlets ,etc. allocation for the PRODIP scheme for development of new products, designs and better packaging for VI products, rebate on retail sales of Polyvastra/MDA based on production of Polyvastra, up gradation of existing training institutes of KVIC/KVIBs and institutions affiliated to KVIC/KVIBs, development of clusters under the Rural Industries Service Centre (RISC) scheme through setting up of Common Facilities Centre (CFCs).
16	Prime Minister's Employment Generation Programme (PMEGP)	Micro, Medium and Small Enterprises	1146.10	1237.90	The Prime Minister's Employment Generation Programme (PMEGP) launched during the XI plan by merger of erstwhile Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) has created around 1.64 lakh micro-enterprises providing employment to around 16.06 lakh persons by the end of XI plan. Response to PMEGP has been very encouraging.

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
17	Skill Development Initiatives	Minority Affairs	18.00	15.00	The objective of the scheme is to allow urban and rural livelihoods to improve for inclusive growth by providing skill to the minority communities who do not possess any, to allow them to gain employment. For those who already possess skills, the Scheme proposes to allow them to upgrade the same to enhance their employment opportunities and also provide credentials to allow such persons to gain access to credit to help them expand their enterprises, so that greater value addition results.
18	Backward Regions Grants Fund	Panchayati Raj	5050.00	6500.00	Backward Regions Grants Fund are to be utilized for putting in place programmes and policies with the joint efforts of the Centre and the States which would remove barriers to growth, accelerate the development process and improve the quality of life of the people. The Scheme aims at focused development programmes for backward areas which would help in reducing the imbalances and speed up development. Panchayat at all levels in the backward districts will have a Central role in planning and implementation of schemes under the Backward Regions Grants Fund which would bridge the gap among the different regions of the country. (In Kerala, the scheme is implemented in Palakkad and Wayanad districts)
19	Aajeevika – National Rural Livelihood Mission	Rural Development	3563.50	3659.00	<p>The SGSY has been restructured as National Rural Livelihoods Mission NRLM in June, 2010 to implement it in a mission mode in a phased manner for targeted and time bound delivery of results. NRLM has now been renamed as Aajeevika. The two major strategic shifts under Aajeevika, vis a vis SGSY are that</p> <ul style="list-style-type: none"> (i) Aajeevika will be a demand driven programme and the states will formulate their own poverty reduction action plans under it based on their past experience, resources and skills base and (ii) Aajeevika will provide for a professional support structure for programme implementation at all levels for National to Sub district level in different streams. <p style="text-align: right;">(Contd.....)</p>

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
					<p>Universal social mobilization through formation of SHGs under Aajeevika will ensure that at least one member of each rural BPL household, preferably a woman member of the household, is brought under the Self Help Group (SHG) net. With a view to form strong Peoples Institutions, Aajeevika will focus on setting up of federations of SHGs from village panchayat to district levels. The goal of universal financial inclusion will be furthered through linking the SHGs with banks for securing credit.</p> <p>Aajeevika envisages Capacity Building and Training of the community Institutions and the personnel engaged in programme implementation as well as other stakeholders like Bankers, PRI functionaries etc.</p> <p>To meet the requirement both in terms of consumption and taking up the income generating activities, revolving fund is provided to the extent of ₹10000 -₹15000 per SHG.</p> <p>A new scheme Mahila Kisan Shaktikaran Pariyojana (MKSP) has been initiated as a sub-component of the NRLM to meet the specific needs of women farmers and achieve socioeconomic and technical empowerment of the rural women farmers, predominantly small and marginal farmers.</p> <p>Another Scheme under NRLM is for setting up of Rural Self Employment Training Institutes RSETIs, one in each district of the country, for basic and skill development training of the rural BPL youth to enable them to undertake micro enterprises and wage employment. Under NRLM, 20 percent of funds are available for placement linked skill development and innovative special projects.</p>

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
20	Mahatma Gandhi National Rural Employment Guarantee Scheme	Rural Development	33000.00	33000.00	<p>Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship programme of Government of India implemented by Ministry of Rural Development w.e.f. 02.02.2006. The main objective of the programme is to provide for the enhancement of livelihood security of the rural households by ensuring a legal right for at least 100 days of unskilled wage employment to willing adult members. Implemented initially in 200 most backward districts of the country, this programme was later extended in two phases to cover the entire country. MGNREGA envisages creation of durable and productive assets which would contribute greatly to the economic and ecological development of the rural areas. The objective of asset creation also takes into account local needs and priorities and calls for community participation and departmental convergence at the worksite.</p> <p>To bring in transparency and accountability in public expenditure at the grass root level, Ministry of Rural Development has notified the MGNREGS Audit of Scheme Rules, 2011 delineating process and procedures of conducting social audit under MGNREGA. Among others, the Audit of Scheme Rules, 2011 prescribed at least one social audit in each Gram Panchayat every six months.</p> <p>It has also been decided to revise the wage rate on the basis of Consumer Price Index for Agricultural Labour(CPIAL) once in a year and accordingly wages have been revised in 2012 vide notification dated 23.3.2012 effective from 1st April 2012.</p> <p>A committee has been constituted under the Chairmanship of Secretary (RD) to look into all implementation issues relating to Electronic transfer of benefits to the beneficiaries of MGNREGA & NSAP. MGNREGA Operational Guidelines have been revised. The revised 4th edition of MGNREGA Operational Guidelines 2013 was released on 02.02.2013.</p>

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
21	Flexi Fund	Rural Development	--	0.90	As the States have different needs, priorities and level of development, one size fits all models of Centrally Sponsored Schemes (CSSs) does not permit interstate variations to be adequately reflected in these Schemes. In view of this, greater flexibility in the design of Schemes is required to give freedom to States to prepare projects schemes to address their potential for development and investment requirements. Thus, the overall focus of the flexi funds is to give freedom to States to prepare their plan of action based on local conditions and local requirements with the broad objectives envisaged under various Centrally Sponsored Schemes. Certain activities projects which are out of purview of CSSs would be addressed by flexi funds as add-on of the Schemes. Flexi funds could act as add-on to the norms prescribed under different CSS Schemes.
22	Human Resource Development (ISDS)	Textiles	70.00	250.00	Commonly known as Integrated Skill Development Scheme. The Scheme is part of a Government wide focus on creating Skill i.e. needed to enhance the competitive advantage of India in the manufacturing and Textiles Sector.
23	Training	Tourism	148.00	235.00	Trained manpower is an essential feature for the development of tourism in the country. At present there are 38 Institutes of Hotel Management (IHMs) (includes 15 from the private sector) and 10 Food Craft Institutes (FCIs), which are conducting various courses of National Council for Hotel Management & Catering Technology (NCHMCT). In addition, Indian Institute of Tourism and Travel Management (IITM) and the National Institute of Water Sports (NIWS) are other bodies involved in manpower development in tourism. Besides this, regular courses of various duration are conducted for fresh as well as existing service providers including Guides, Govt. employees etc., posted at places of tourist interest, airports etc. The Ministry of Tourism has also taken special initiations to create employable skills amongst young persons in the country through 6 weeks and 8 weeks programmes in Food & Beverage Services and Food Production, Housekeeping Utility, Bakery, Driving States and Stone masonry.

Sl. No.	Name of Scheme	Ministry	Outlay 2012-13 (In lakhs)	Outlay 2013-14 (In lakhs)	Objective of the scheme
24	Rashtriya Krishi Vikas Yojana (RKVY)	Ministry of Agriculture	9124.83	9854.46	<p>To incentivise the states so as to increase public investment in Agriculture and allied sectors.</p> <p>To provide flexibility and autonomy to states in the process of planning and executing Agriculture and allied sector schemes.</p> <p>To ensure the preparation of agriculture plans for the districts and the states based on agro-climatic conditions, availability of technology and natural resources.</p> <p>To ensure that the local needs/crops/priorities are better reflected in the agricultural plans of the states.</p> <p>To achieve the goal of reducing the yield gaps in important crops, through focussed interventions.</p> <p>To maximize returns to the farmers in Agriculture and allied sectors.</p> <p>To bring about quantifiable changes in the production and productivity of various components of Agriculture and allied sectors by addressing them in a holistic manner.</p>

Annexure 3

List of 12th Five Year Plan State Plan reviewed by the Expert Committee on Employment & Skills Development

Area	Scheme	Outlay (₹ in lakhs)
Animal husbandry	Entrepreneurship development programmes	100
Small scale industries	Capacity building program	595
	Entrepreneur Support Scheme	3000
Handloom and Power loom Industries	Training and Skill Development Programme	285
	Self-Employment under Handloom Sector	50
	Training in Power loom	25
Coir Industry	Cluster development programme in Coir sector	300
Khadi and Village Industries	Special Employment Generation Programme	250
Higher Education	Additional Skill Acquisition Programme	750
	Skill Development Programme	2150
Technical Education	Finishing schools in Polytechnics	85
	Additional Skill acquisition programme	10.50
	National Vocational Education Qualification Framework (NVEQF) in Technical High Schools and Polytechnics	50
Labour and labour Welfare	Multi-Purpose Job clubs	150
	Skill Up-gradation & Re-integration Training for NRKs	200
	Self-Employment Scheme for the Registered Unemployed Widows, Deserted/ Divorced/Unmarried Woman and Unwedded Mother (SHARANYA) (Outlay)	120
	Skill Development Programme	2000
	Conversion of Employment Exchanges into Centres of Skill and Employability Development	250
	Rehabilitation of Returnee Migrants	297

Area	Scheme	Outlay (₹ in lakhs)
Welfare of Scheduled Castes	Assistance for Training and Employment (Outlay) Project based funding schemes	3000 Pooled fund for SCP (5000) Corpus Fund for SCP (22750)
Welfare of Scheduled Tribes	Project based funding schemes	Pooled fund (1300) Corpus Fund for TSP (3460)
Welfare of OBC	Employability Enhancement Programme/Training	500
Welfare of Minority	Skill Training - Reimbursement of fees to the Minority BPL students studying in two years courses in ITC	100

Changes recommended to the existing schemes under 12th Five Year Plan Central Schemes to enhance Employment and Skill

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
1.	National Urban Livelihoods Mission (NULM)/ Swarna Jayanti Shahari Rozgar Yojana (SJSRY)	Employed or unemployed Urban poor in BPL category	<ul style="list-style-type: none"> • Skill development • Training component • Gainful employment 	704.36	950.00	<p>1. Presently only BPL families are eligible to be beneficiaries under the Scheme. Because Kerala is a high cost economy and the definition of BPL does not reflect real poverty in the state, this eligibility criterion excludes many genuine deserving beneficiaries in the State.</p> <p>2. The Schemes allows only an amount of ₹10,000 per person for skills development. This allocation is too meagre and is insufficient to meet the skill development needs of beneficiaries.</p>	<p>1. The criterion for being eligible to be a beneficiary under the Scheme should not be limited to only BPL families. As per the definition of poverty under the Millennium Development Goals (MDG) a family of four should have an annual income of ₹1,08,000 per year to be above poverty. While this may be too high a benchmark to set, yet given Kerala's growth so far, the <i>Expert Committee Recommends</i> that families with income up to ₹ 50,000 may be made eligible under NULM/SJSRY</p> <p>2. The <i>Expert Committee Recommends</i> that the allocation for skill development per person under the Scheme may be doubled to ₹20,000.</p>

(Contd/-)

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
						3. There is the need to skill young beneficiaries not only under the Scheme but also other young people to improve their employability within and outside the state. This is in line with the PM's 'Skilling India' initiative and Kerala's proposed State Skills Plan (SSP). However Kerala does not have any Very Large Multi Skills Training Centres equipped to upgrade the skills of young people to meet emerging market needs within Kerala, India and Globally.	3. The <i>Expert Committee Recommends</i> that a Very Large Multi Skill Training Centre (VLMSTC) be setup in the state equipped to upgrade the skills of young people to meet emerging market requirements. Such a Very Large Multi Skill Training Centre (VLMSTC) will cater to both rural and urban youth. The scale effect of such a Centre means that it can be an aggregating regional centre for scarce training resources. The VLMSTC may be setup not only with resources from NULM, but pooling resources from NRLM and MGNREGS and supplemented with funds available under the various welfare boards in the state.
2.	National Rural Livelihood Mission (NRLM)/ Aajeevika	Rural poverty eradication	<ul style="list-style-type: none"> • Demand driven • States will formulate their own poverty reduction action • Professional support center from National to Sub district level 	3563.50	3659.00	1. Presently only BPL families are eligible to be beneficiaries under the Scheme. Because Kerala is a high cost economy and the definition of BPL does not reflect real poverty in the state, this eligibility criterion excludes many genuine deserving beneficiaries in the State.	1. The criterion for eligibility as a beneficiary under the Scheme should not be limited to only BPL families. As per the definition of poverty under the Millennium Development Goals (MDG) a family of four should have an annual income of ₹1,08,000 per year to be above poverty. While this may be too high a benchmark to set, yet given Kerala's growth so far the <i>Expert Committee Recommends</i> that families with income up to ₹50,000 may be made eligible under NRLM/Aajeevika.

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
						<p>2. The Schemes allows only an amount of ₹18,000 per person for development of skills. This allocation is too meagre and is insufficient to meet the skill development needs of beneficiaries.</p> <p>3. There is the need to skill young beneficiaries not only under the Scheme and other young people to improve their employability within and outside the state. This is in line with the PM's 'Skilling India' initiative and Kerala's proposed State Skills Plan (SSP). However Kerala does not have any Very Large Multi Skills Training Centres equipped to upgrade the skills of young people to meet emerging market needs within Kerala, India and Globally.</p>	<p>2. The <i>Expert Committee Recommends</i> that the allocation for skill development per person under the Scheme may be doubled to ₹36,000.</p> <p>3. The <i>Expert Committee Recommends</i> that a Very Large Multi Skill Training Centre (VLMSTC) be setup in the state equipped to upgrade the skills of young people to meet emerging market requirements. Such a Very Large Multi Skill Training Centre (VLMSTC) will cater to both rural and urban youth. The scale effect of such a Centre means that it can be an aggregating regional centre for scarce training resources. The VLMSTC may be setup not only with resources from NULM, but pooling resources from NRLM and MGNREGS and supplemented with funds available under the various welfare boards in the state.</p>

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
3.	Prime Minister's Employment Generation Programme (PMEGP)	Rural youth for self-employment	<ul style="list-style-type: none"> Generate employment opportunities through self-employment ventures/projects/micro enterprises 	1146.10	1237.90	<p>1. The ceiling of ₹25 lakhs set under the Scheme for the maximum cost of a project/unit under the manufacturing sector is too meagre considering the high cost economy of the State.</p> <p>2. The present interest rate of roughly 13% charged for the loan component under the Scheme is too high and discourages aspiring young entrepreneurs.</p> <p>3. The Entrepreneurship Development Programme (EDP) envisaged under the Scheme is provided to the young entrepreneurs only after the first instalment of the loan is disbursed. This is too late in the day to make the EDP training effective and useful for new aspiring young entrepreneurs.</p> <p>4. This is a new Scheme and as yet there is no mechanism in place to monitor and evaluate it. Therefore its strengths and weakness are not fully known.</p>	<p>1. Considering the present high cost economy of the State the <i>Expert Committee Recommends</i>, that the ceiling of ₹25 Lakhs may be increased to ₹35 lakhs.</p> <p>2. There is a need to lower the interest rate for the loan component of the Scheme. The <i>Expert Committee Recommends</i> that the interest rate for the loan component may be reduced to 7% on par with the interest rates charged under the Women Development Corporation/Backward Development Corporation Schemes.</p> <p>3. The <i>Expert Committee Recommends</i> that the Entrepreneurship Training Programme (EDP) and management training may be provided to the prospective entrepreneurs at the very start of the Scheme.</p> <p>4. The <i>Expert Committee Recommends</i> that a mechanism may be put in place to monitor and evaluate the Scheme in the next 2 years using the services of a reputed organization/agency.</p>

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
4.	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	Rural development	<ul style="list-style-type: none"> • 100 days of unskilled labour • Creation of durable and productive assets 	33000.00	33000.00	<p>1. There is too much focus under the Scheme on unskilled labour and little or no focus on upgrading the skill of the beneficiaries. Thus the Scheme in effect becomes a Scheme to perpetuate unskilled labour rather than pull up beneficiaries from unskilled to skilled labour and thereby to pull them out of poverty.</p> <p>2. The Scheme focuses only on the creation of physical assets and altogether ignores the acquisition of skills. Acquisition of skills is presently not a 'durable tangible asset' under the Scheme.</p> <p>3. Presently only unskilled manual jobs that create tangible assets come within the scope of MGNREGS. Thus service sector jobs (such as cleaning in hospitals) are excluded from the definition of unskilled manual jobs under the Scheme.</p>	<p>1. The <i>Expert Committee Recommends</i> that the Scheme may also include the acquisition of skills as part of its objective, and focus may be placed in the Scheme to upgrade the skills of beneficiaries.</p> <p>2. The <i>Expert Committee Recommends</i> that the acquisition of skills should be defined as a "durable tangible asset" created under the MGNREGS.</p> <p>3. The <i>Expert Committee Recommends</i> that service sector jobs may also be included under the definition of unskilled manual jobs under MGNREGS.</p>

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
						<p>4. There is no scope within the MGNREGS for women (and men) with poorly marketable skills in the modern context to acquire more relevant/marketable skills (e.g. women from the cashew or coir or handloom industries which are declining).</p> <p>5. Presently with no separate funds provided under the Scheme for training, funds provided under administrative support (8%) are being currently used for training. This restricts the scope for training under the Scheme.</p> <p>6. The wages presently set under MGNREGS in Kerala is ₹180 per day. This is too low when compared to the de facto real wages in the State which is between ₹300-₹500. The minimum wage for unskilled labour set by the Labour Department in the State is also significantly higher than the daily wage provided under the Scheme. This affects the quantum and quality of work under MGNREGS.</p>	<p>4. The <i>Expert Committee Recommends</i> that those with poorly marketable skills should be encouraged to acquire more marketable and relevant skills under the Scheme.</p> <p>5. The <i>Expert Committee Recommends</i> that a separate fund of 10% of the Scheme allocation may be set up under the Scheme for skilling, so that larger numbers of beneficiaries presently in the Scheme can be lifted from out of poverty and from out of the Scheme.</p> <p>6. There is an imperative need to increase the daily wage given under MGNREGS. The <i>Expert Committee Recommends</i> that the daily wage under MGNREGS may be increased to ₹250.</p>

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
						<p>7. The Scheme does not permit the use of even simple mechanical equipment/devices. In the context of Kerala, it is no longer possible to get men and women to do manual labour without the use of basic mechanical equipment/devices. The restriction on the use of even simple mechanical equipment and devices discourages genuine and deserving persons from joining the Scheme.</p> <p>8. The list of areas of work included under "Guidelines for new additional works permitted under MGNREGA" does not include many areas of work that are relevant to the state such as land development, sapling planting in Mangroves (back waters), coconut climbing etc.</p>	<p>7. The <i>Expert Committee Recommends</i> that the Scheme may allow the use of basic mechanical devices and simple equipment (eg. Coconut climbing machine, grass cutters etc.).</p> <p>8. The <i>Expert Committee Recommends</i> that the State should be allowed to include additional areas of work that are relevant to the state in the "Guidelines for new additional works permitted under MGNREGA"</p>
5.	Training	Labour and rehabilitation	<ul style="list-style-type: none"> • Up gradation of ITI into COE • Hi tech training • Training to youth, ITI students • Improve employability 	506.79	617.99	<p>1. Many skilled workers acquire very high degree of skills without going through a formal vocational or training course. They acquire their skills on the job working as assistants to master craftsmen and through their experiential learning on the job. These highly skilled persons therefore will however not possess any certificate from a competent certifying agency</p>	<p>1. The <i>Expert Committee Recommends</i> that a framework for certifying the skills and competence of those who have acquired their skills on the job without going through a formal vocational training course needs to be developed and implemented both at the national and state level . At the state level the Kerala Academy of Skills Excellence (KASE) could develop the Certification system and implement it through DET and</p>

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
						<p>to vouch for their skills and competence. The lack of a Certificate often prevents them from applying for formal jobs in Government and in reputed companies and overseas.</p> <p>2. The skills training provided presently under the Scheme does not focus on providing demand driven advanced upgradable skills such as 3D manufacturing, pre-fab construction etc. There is also no avenue available presently for skilled persons to further upgrade their skills in order to have vertical mobility in their career.</p>	<p>reputed private agencies.</p> <p>2. The <i>Expert Committee Recommends</i> that demand driven advanced upgradable skills development courses may be identified and such courses developed and introduced in existing and new vocational training institutions in the state. The Kerala Academy for Skills Excellence (KASE) may also be encouraged to design and implement demand driven advanced skill development courses.</p>
6.	Training	Tourism	<ul style="list-style-type: none"> Employable skills development of short duration 	148.00	235.00	<p>1. The Hunar se rozgar tak (HSRT) scheme contemplates only an 8th pass to be eligible as a beneficiary under the Scheme. In Kerala, almost every young person completes the 10th standard with even the pass percentage in the 10th standard being more than 95%.</p> <p>Many such 10th standard pass or 10th completed students consider it below their dignity to apply for a Scheme which requires only an 8th Std. Pass.</p>	<p>1. The <i>Expert Committee Recommends</i> that the minimum qualification for joining Hunar se rozgar tak (HSRT) Scheme may be fixed as 10th standard.</p>

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
						<p>Thus there are very few young aspirants from Kerala applying for the Hunar se rozgar tak (HSRT) Scheme</p> <p>2. The age limit of 28 years fixed for eligibility under the Scheme prevents older people from applying under the Scheme.</p> <p>3. The stipend of ₹2,000 per month provided under the Scheme is inadequate and fails to attract young people to the hospitality sector.</p> <p>4. The wages paid by the hospitality sector to new recruits who have been trained under the Hunar se rozgar tak (HSRT) Scheme is very low and inadequate. This discourages many HRY trainees to seek jobs in the hospitality sector and end up by working in other sectors and doing jobs other than what they have been trained for.</p>	<p>2. The <i>Expert Committee Recommends</i> that the upper age limit under the Hunar se rozgar tak (HSRT) Scheme may be raised to 35.</p> <p>3. The <i>Expert Committee Recommends</i> that the monthly stipend under the Scheme may be increased to ₹5,000.</p> <p>4. The <i>Expert Committee Recommends</i> that the monthly stipend paid to successful Hunar se rozgar tak (HSRT) trained candidates who work in the hospitality Sector on the completion of the training may be continued for a period of twelve more months after the completion of their course at the reduced level of ₹2,000 per month. This will help reduce the burden on the employer who will then find it attractive to hire the HSRT trained persons.</p>

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Beneficiary Target Group	Major Highlights of the Scheme	Total Allocation for 2012-13 (₹ in lakhs)	Total Allocation for 2013-14 (₹ in lakhs)	Barriers preventing Kerala's optimal utilization of Funds under the Scheme	Recommendations and Solutions suggested to overcome the barriers
						<p>5. There is a general lack of awareness about the prospects of employment in the tourism and hospitality sector among the young in Kerala, particularly in rural areas.</p> <p>6. Kerala faces inadequate supply of skilled manpower to address the needs and requirements of high end tourism.</p>	<p>5. The <i>Expert Committee Recommends</i> that the Central and State Government institutes in Tourism and Hospitality sector may be encouraged and supported to conduct <i>Tourism and Education Expo</i> every year towards attracting and mobilizing job seekers for various skill programs in this sector.</p> <p>6. The <i>Expert Committee Recommends</i> that new Schemes for skill development in areas like spa therapy, massages, public relations management, event management, electronic marketing etc. may be introduced.</p>

**Amendments proposed to the existing scheme guidelines based on the
Expert Committee on Employment & Skills recommendations**

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
1.	National Urban Livelihoods Mission (NULM)/ Swarna Jayanti Shahari Rozgar Yojana (SJSRY)	<p>1. The criterion for being eligible to be a beneficiary under the Scheme should not be limited to only BPL families. As per the definition of poverty under the Millennium Development Goals (MDG) a family of four should have an annual income of ₹1,08,000 per year to be above poverty. While this may be too high a benchmark to set, yet given Kerala's growth so far, the <i>Expert Committee Recommends</i> that families with income up to ₹ 50,000 may be made eligible under NULM/SJSRY</p> <p>2. The <i>Expert Committee Recommends</i> that the allocation for skill development per person under the Scheme may be doubled to ₹20,000.</p> <p style="text-align: right;">(Contd/-)</p>	<p>Para 7.1 should be replaced as</p> <p>The candidates selected for training under EST&P component of NULM should be from the urban poor households with income upto ₹50,000/- only.</p> <p>Para 3 should be replaced as</p> <p>The maximum cost support provided for training under EST&P is ₹20,000/-per candidate (₹23,000/- per candidate for North-East and Jammu & Kashmir States).</p>	Guidelines for Employment through Skills Training & Placement, Ministry of Housing & Urban Poverty Alleviation, Government of India

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
		<p>3. The <i>Expert Committee Recommends</i> that a Very Large Multi Skill Training Centre (VLMSTC) be setup in the state equipped to upgrade the skills of young people to meet emerging market requirements. Such a Very Large Multi Skill Training Centre (VLMSTC) will cater to both rural and urban youth. The scale effect of such a Centre means that it can be an aggregating regional centre for scarce training resources. The VLMSTC may be setup not only with resources from NULM, but pooling resources from NRLM and MGNREGS and supplemented with funds available under the various welfare boards in the state.</p>		
2.	National Rural Livelihood Mission (NRLM)/ Aajeevika	<p>1. The criterion for eligibility as a beneficiary under the Scheme should not be limited to only BPL families. As per the definition of poverty under the Millennium Development Goals (MDG) a family of four should have an annual income of ₹1,08,000 per year to be above poverty. While this may be too high a benchmark to set, yet given Kerala's growth so far the <i>Expert Committee Recommends</i> that families with income up to ₹50,000 may be made eligible under NRLM/Aajeevika.</p>	<p>Para 2.1 should be replaced as</p> <p>The target groups for these projects are candidates from rural households with income upto ₹50,000/- only.</p>	Revised Guidelines – Special Projects for Placement Linked Skill Development of Rural Youths under Aajeevika (NRLM), Ministry of Rural Development, Government of India

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
		<p>2. The <i>Expert Committee Recommends</i> that the allocation for skill development per person under the Scheme may be doubled to ₹36,000.</p> <p>3. The <i>Expert Committee Recommends</i> that a Very Large Multi Skill Training Centre (VLMSTC) be setup in the state equipped to upgrade the skills of young people to meet emerging market requirements. Such a Very Large Multi Skill Training Centre (VLMSTC) will cater to both rural and urban youth. The scale effect of such a Centre means that it can be an aggregating regional centre for scarce training resources. The VLMSTC may be setup not only with resources from NULM, but pooling resources from NRLM and MGNREGS and supplemented with funds available under the various welfare boards in the state.</p>	<p>Para 8.8 should be replaced as</p> <p>Up to ₹34,000/- + ₹2,000/- (₹36,000/-)* cost estimates in the project repo whichever is less. The cost will exclusive of monitoring charges agencies like NIRD, NABARD etc.</p>	

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
3.	Prime Minister's Employment Generation Programme (PMEGP)	<p>1. Considering the present high cost economy of the State the <i>Expert Committee Recommends</i>, that the ceiling of ₹25 Lakhs may be increased to ₹35 lakhs.</p> <p>2. There is a need to lower the interest rate for the loan component of the Scheme. The <i>Expert Committee Recommends</i> that the interest rate for the loan component may be reduced to 7% on par with the interest rates charged under the Women Development Corporation/Backward Development Corporation Schemes.</p> <p>3. The <i>Expert Committee Recommends</i> that the Entrepreneurship Training Programme (EDP) and management training may be provided to the prospective entrepreneurs at the very start of the Scheme.</p> <p>4. The <i>Expert Committee Recommends</i> that a mechanism may be put in place to monitor and evaluate the Scheme in the next 2 years using the services of a reputed organization/agency.</p>	<p>Para 3 should be replaced as</p> <p>The maximum cost of the project/unit admissible under manufacturing sector is ₹ 35 lakh.</p> <p>Para 8.5 should be replaced as</p> <p>Subsidised rate of interest shall be charged on par with the rate of interest charged under the Women Development Corporation/Backward Development Corporation Schemes. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed by the concerned bank/financial institution. It has been observed that banks have been routinely insisting on credit guarantee coverage irrespective of the merits of the proposal. This approach needs to be discouraged.</p>	Guidelines on Prime Minister's Employment Generation Programme, Ministry of Micro, Small and Medium Enterprises, Government of India

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
4.	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	<p>1. The <i>Expert Committee Recommends</i> that the Scheme may also include the acquisition of skills as part of its objective, and focus may be placed in the Scheme to upgrade the skills of beneficiaries.</p> <p>2. The <i>Expert Committee Recommends</i> that the acquisition of skills should be defined as a “durable tangible asset” created under the MGNREGS.</p> <p>3. The <i>Expert Committee Recommends</i> that service sector jobs may also be included under the definition of unskilled manual jobs under MGNREGS.</p>	<p>Para 1.1 should be replaced as</p> <p>The mandate of the Act is to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work and/or acquisition of employable skills.</p> <p>Para 1.2(ii) should be replaced as</p> <p>Livelihood security for the poor through creation of durable assets, improved water security, soil conservation, higher land productivity and acquisition of employable skills.</p> <p>Appendix 2 insert clause 7 which read as</p> <p>Acquisition of employable skills categorised as durable tangible asset is also admissible under the scheme</p> <p>insert clause 8 which read as</p> <p>Service Sector jobs which ensure employability of the beneficiaries are also admissible</p> <p>insert subsection I which will read as</p> <p>Service sector jobs which contribute 67 percent to the GDP is a major employment providing sector and hence the employment under these sectors are also included in the scheme</p>	Operational Guidelines on MGNREGA, 2013 (4th Edition), Ministry of Rural Development, Government of India

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
		<p>4. The <i>Expert Committee Recommends</i> that those with poorly marketable skills should be encouraged to acquire more marketable and relevant skills under the Scheme.</p> <p>5. The <i>Expert Committee Recommends</i> that a separate fund of 10% of the Scheme allocation may be set up under the Scheme for skilling, so that larger numbers of beneficiaries presently in the Scheme can be lifted from out of poverty and from out of the Scheme.</p> <p>6. There is an imperative need to increase the daily wage given under MGNREGS. The <i>Expert Committee Recommends</i> that the daily wage under MGNREGS may be increased to ₹250.</p>	<p>Subsection insert subsection H which will read as</p> <p>Acquisition of employable skills/upgrading of existing poorly marketable skills which in turn improve and sustain the livelihood of the beneficiaries.</p> <p>The one-time cost of acquisition/enhancement of poorly marketable of skills under MGNREGA is eligible.</p> <p>Para 12.5.2 should be replaced as</p> <p>To enable the States/UTs for augmenting human resources and developing capacity for critical activities Central Government provides upto 10% of the total expenditure on MGNREGA in a FY as administrative expenses.</p>	

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
		<p>7. The <i>Expert Committee Recommends</i> that the Scheme may allow the use of basic mechanical devices and simple equipment (e.g. Coconut climbing machine, grass cutters etc.).</p> <p>8. The <i>Expert Committee Recommends</i> that the State should be allowed to include additional areas of work that are relevant to the state in the “Guidelines for new additional works permitted under MGNREGA”</p>	<p>Para 7.1.3 insert clause xvii which read as</p> <p>Use of basic mechanic devices and simple equipment is permissible under the scheme (e.g. Coconut climbing machine, grass cutters etc.)</p>	
5.	Training	<p>1. The <i>Expert Committee Recommends</i> that a framework for certifying the skills and competence of those who have acquired their skills on the job without going through a formal vocational training course needs to be developed and implemented both at the national and state level . At the state level the Kerala Academy of Skills Excellence (KASE) could develop the Certification system and implement it through DET and</p>		

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
		<p>reputed private agencies.</p> <p>2. The <i>Expert Committee Recommends</i> that demand driven advanced upgradable skills development courses may be identified and such courses developed and introduced in existing and new vocational training institutions in the state. The Kerala Academy for Skills Excellence (KASE) may also be encouraged to design and implement demand driven advanced skill development courses.</p>		
6.	Training	1. The <i>Expert Committee Recommends</i> that the minimum qualification for joining Hunar se rozgar tak (HSRT) Scheme may be fixed as 10th standard.	<p>Para 4.(i) should be replaced as</p> <p>To target those who are minimum 10th pass with English as a subject and in the age group of 18 to 35 years.</p>	Training programme to create employable skills (Hunar ser Rozgar) under the CBSP scheme - Guidelines, Ministry of Tourism, Government of India

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
		<p>2. The <i>Expert Committee Recommends</i> that the upper age limit under the Hunar se rozgar tak (HSRT) Scheme may be raised to 35.</p> <p>3. The <i>Expert Committee Recommends</i> that the monthly stipend under the Scheme may be increased to ₹5,000.</p> <p>4. The <i>Expert Committee Recommends</i> that the monthly stipend paid to successful Hunar se rozgar tak (HSRT) trained candidates who works in the hospitality Sector on the completion of the training may be continued for a period of twelve more months after the completion of their course at the reduced level of ₹2,000 per month. This will help reduce the burden on the employer who will then find it attractive to hire the HSRT trained persons.</p>	<p>Para 4.(x) should be replaced as</p> <p>A trainee with a minimum attendance of 90% will be paid lump sum stipend of ₹4,500/- in respect of Food & Beverage course and ₹5,000/- in respect of Food Production course. The stipend will be paid in two equal instalments – first one in the middle of the Programme and the other at its conclusion. Also an additional monthly stipend of ₹2,000/- will be paid for the next 12 months.</p>	

Sl. No.	Name of the (Significant) Central Scheme on Skills and Employment relevant to Kerala	Recommendations and Solutions suggested to overcome the barriers	Amendments	Reference Document
		<p>5. The <i>Expert Committee Recommends</i> that the Central and State Government institutes in Tourism and Hospitality sector may be encouraged and supported to conduct <i>Tourism and Education Expo</i> every year towards attracting and mobilizing job seekers for various skill programs in this sector.</p> <p>6. The <i>Expert Committee Recommends</i> that new Schemes for skill development in areas like spa therapy, massages, public relations management, event management, electronic marketing etc. may be introduced.</p>		

**New Schemes Recommended under 12th Five Year Plan State Schemes
Towards Enhancing Employment and Skills**

(For details please refer Section 4.2 of Interim Report)

Sl. No.	New State Schemes recommended	Gaps Identified that the scheme proposes to fill	Sectors or Areas to be Covered Under the Scheme	Target Groups to be Covered Under the Scheme	Major Highlights of the Scheme
1.	Comprehensive skill development programme	<ul style="list-style-type: none"> Lack of trained personnel 	<ol style="list-style-type: none"> Construction Health Agriculture Tourism Food and Hotel Accounting Education Service Marketing Export/ import 	<ul style="list-style-type: none"> School /college drop outs VHSE/ITI/HSE/ polytechnic Educated housewives Educated unemployed Differently abled Retired but employable 	Sub skill areas identified in each sector, which are new and unaddressed and could, give potential employment in national and global level. (For more details please see Appendix C)
2	Community colleges (not affiliated to a university, not granting degrees, but granting a certificate in skills)	<ul style="list-style-type: none"> Access to education 	Adult education, elementary education, migrants	<ul style="list-style-type: none"> House wives Migrants Unskilled labourers 	Community colleges that are easily accessible and which could also ensure quality skilling will increase access to quality skill training

Sl. No.	New State Schemes recommended	Gaps Identified that the scheme proposes to fill	Sectors or Areas to be Covered Under the Scheme	Target Groups to be Covered Under the Scheme	Major Highlights of the Scheme
3.	Developing and implementing a Kerala State Skills Plan (SSP) with International Seminar – Emerging Skills, Kerala		Broad range of sunrise skills	<ul style="list-style-type: none"> Youth between 18-35 age group 	Please see attached concept note, Appendix D
4.	The Very Large Multi-Skill Training Centres	<ul style="list-style-type: none"> Lack of skills in building construction, electronics, automotive engineering, HVAC (Heating, Ventilation , Air Conditioning) Health care etc. 	Across a large spectrum of industry		For full details, please refer Appendix E
5.	Renaissance and revival of traditional crafts through utilizing traditional master craftsmen	<ul style="list-style-type: none"> Inadequate systems to tap the tacit knowledge available in traditional art and crafts 	Traditional and conventional crafts that are globally in need	<ul style="list-style-type: none"> Craftsmen 	Equip traditional craftsmen with modern technologies and access to global market. This can lead to high-value products for affluent target markets, and geographical appellations, and lead to revival, preservation, development and marketing of Kerala's disappearing crafts (e.g. Theyyam, Beypore Uru-making, Aranmula kannadi etc.)

Sl. No.	New State Schemes recommended	Gaps Identified that the scheme proposes to fill	Sectors or Areas to be Covered Under the Scheme	Target Groups to be Covered Under the Scheme	Major Highlights of the Scheme
6.	Scheme for language training and soft skills	<ul style="list-style-type: none"> Inability of job seekers to effectively communicate in English and other languages 	Foreign languages, communication skills at accessible and affordable cost (e.g. German, Spanish, Chinese etc.)	<ul style="list-style-type: none"> Graduates B-Tech MBA 	Finishing schools including for engineering graduates
7.	Scheme to provide Life skills and talent training	<ul style="list-style-type: none"> Sparse diversity in its manpower with narrow focus only in academic skills 	Fine arts (e.g. music, painting), crafts, cooking	<ul style="list-style-type: none"> Primary students to higher secondary 	To locate hidden talent in children so that it could be developed from the childhood (Talent hunt)
8.	Massively Online Open Courses (MOOC)	<ul style="list-style-type: none"> Lack of access to course material and high quality trainers 	Broad areas, including hard and soft skills	All	
9.	Voluntary Certification System	<ul style="list-style-type: none"> Skilling arbitrary and low volume with unregulated quality checks. 	Entire skilling spectrum	All target group	Internationally valid certification system with Exit Examination options

A NOTE ON THE EMPLOYMENT SCENARIO IN KERALA

The Employment Service in Kerala has a network of one Directorate, 3 Regional Deputy Director's offices and 3 Professional and Executive Employment Exchanges at Thiruvananthapuram, Ernakulam, and Kozhikode, 14 District Employment Exchanges, 58 Town Employment Exchanges, 6 Special Employment Exchanges for Physically Handicapped, 2 Coaching Cum Guidance Centers for SC/ ST, 5 University Employment Information & Guidance Bureau. These offices render 5 types of services, namely Placement service, Vocational Guidance, Employment Market Information, Self-Employment Guidance, implementation of the Kerala Unemployment Assistance Scheme and Kerala Self Employment Scheme for the Registered unemployed (KESRU-99). The Department has a very important and unique role to play in a state like Kerala with more than 10% of its population on the Live Register of Employment Exchanges.

This agency is perhaps the only link between employers and job seekers in that it is sponsoring candidates of required qualification and experience for various jobs within the shortest possible time. Number of registrants in Employment Exchanges has been exceeded from 2 lakhs in 1962 to 44.99 lakhs; of which 27.4 lakh (60.9 per cent) are female as on 30.9.2012;

The Category-wise registered job seekers in Employment Exchanges are given in Table below.

Registered Job Seekers in Employment Exchanges - Kerala

(As on 30th September 2012)

Sl. No.	Category	Numbers
1	Illiterate	101
2	Below SSLC	5,97,655
3	SSLC	28,36,941
4	Higher Secondary	7,49,262
5	Degree	2,66,470
6	Post Graduates	48,946
Total		44,99,374

Source: Directorate of Employment, Govt. of Kerala, 2012

A Concept Note

SKILL DEVELOPMENT FOR THE WORKERS OF CONSTRUCTION INDUSTRY

The Government of Kerala has embarked on a novel idea of skill development for the workers of various groups and areas. The Construction Industry in both public and private sectors together is perhaps the largest spending sector in the 12th Plan proposal. Now the fact that there is a chapter on Construction Industry in the Plan document indicates the importance of this sector. The total estimated expenditure in this sector far exceeds ₹ 50 lakh Crores in five years. Today really skilled personnel at every level in construction industry have become scarce. This is primarily due to two reasons.

One: There is acute shortage of quality civil engineers in public works due to the boom in IT, BT, Electronics and Communication industry over the last three decades. Many colleges and polytechnics either reduced or totally stopped annual admission for the courses in civil engineering. Further those who got in to the course are not the students with their first choice. Even brighter amongst civil engineers, after graduation are being attracted by the high profile IT and BT industries. This threat to the basic and general engineering fields has not been addressed at all.

TWO: At unskilled literate/illiterate workers there is regional level, tremendous shortage exists. Just like in Industrial Training Institutes, job-on training for a particular trade like mason, carpenter, bar bender, plumber, painter etc., need to be provided.

TRAINING MODELS

Engineers: It is absolutely necessary to train the available/left out civil engineers at both diploma and graduate engineers level on the model of **finishing schools**. This should be done with, proper stipend/remuneration during training, certification of the training and assured placement after training. This can be easily achieved with participation of Contractors of the Government Works. The stipendiary payments could be shared equally between the Government and the agency. Post training, the contractors could recruit the trained engineers.

Unskilled workers: A mechanism of evaluating the trainees and certification need to be in position. Six months to 12 months stipendiary programs could be started with participation from the contractors. After training and with certificate it should be mandatory for the contractors, taking up government works to recruit/deploy only certified trained people. The stipend shall be shared equally by the participating contractor and the government. The government funding could be from 1% tax collected for the welfare of the workers, which has not been used at all.

It is possible to train entrepreneurs to set up units in the manufacturing segment of construction industry in the fields of Ready mix and special concretes, Construction Chemicals, Use of heavy Construction equipment for roads and other infrastructure projects, bricks and concrete blocks, manufactured sand, replacement to wood and timber, pipes and specials etc.

Even engineers at higher level should get the technical knowledge up-graded periodically. There should be incentive for getting advanced training and passing in the examination and penalty for not getting trained and failing.

Perhaps setting up of training centres as **finishing schools** at three or places and aligning with reputed local engineering colleges/ IITs and deriving faculty from the Industry is the best model for higher level.

For unskilled level setting up of on job training with contractors of government works and getting trainers from other firms and institutions and providing job after training with the government contractors is the best model.

This concept note was prepared by *Prof. B.R. Srinivasa Murthy, PhD., Professor (Retd.) Civil Engineering, Indian Institute of Science (IISc)*

AREAS OF ACUTE SHORTAGE OF SKILLS

1. CONSTRUCTION INDUSTRY:

The construction industry is probably the largest industry in terms of the money involved and the number of people employed. The total estimated expenditure in this sector exceeds ₹50 lakh crores in five years as per the 12th plan document. **There is large shortage of quality civil engineers.** In addition, tremendous shortage is very much felt in the following skill areas of construction industry:

Plumbing, electrical works, carpentry, masonry, painting, drilling

For the allied jobs in construction sector like plumbing, electrical works, carpentry, masonry, painting, drilling etc. there is lack of skilled manpower. A skill development programme is essential which would enable them to work in a global and national level. SSLC/HSE dropouts or those who discontinue education after HSE could be the target group. Training on Structural fabrication, Bar Benders etc. could be given.

Earthwork related machinery operation

Heavy weight machinery and other high End machinery are used to support the construction domain and skills are to be developed in handling those equipment. The target group could be 10th standard pass out.

Soil testing

With the proliferation of construction sector, there is an acute need for soil testing and quality control for durable and safe construction activities. In this area, we could impart skills to B.Sc.(Science) graduates on collection and testing of soil and after the successful completion of the training, they could be employed in global level (Gulf countries) where construction industry is prominent, also in national and regional level as it is growing sector in India and Kerala.

Green building management

Green buildings are the need of the hour to create an ecologically sustainable range of buildings, civil engineering drop outs or ITI drop outs and VHSE pass outs could be given training and could be placed in construction sector

Water conservation

With the raising scarcity in water resources, steps are needed to conserve water resources. Skill training to identify the water flow on each land surface and to develop strategies and actions to impart water conservation prior to construction activities is necessary. Target group could be Engineering drop outs, ITI holders, polytechnic graduates.

Energy management

The shortage of electricity could be tackled by giving energy management training on how to reduce the connect load or the accessories to be selected to reduce the power consumption or to utilize the maximum of natural sources of energy. Target group could be engineering students, ITI, diploma holders and retired engineers.

Road/land Survey training

There is shortage of manpower in this area and HSE and VHSE dropouts could be trained in this area with more innovative and advanced methods of training could be imparted.

Waste management

This is a major problem in the state and there should be regional training on waste management. The graduates or drop outs from colleges can be targeted and training should focus on plastic waste management

Bio waste management

Clusters of households or resident's associations should be given training and educated unemployed housewives who look into part time engagement should be the target group and who could monitor and effectively set up a management system.

2. HEALTH

Ayurveda Nurses

To offer short term panchakarma courses and HSE/VHSE could be the target group

Ayurveda Pharmacists

To offer short term courses in pharmacy course in Ayurveda and the target group could be HSE and above

Geriatric care

Geriatric care is the need of the hour as we have a high population of old age people. Trained care givers from ANM or GNM are needed.

Alzheimer's care

Alzheimer's is a major problem which affects the elderly and we have less systems to address that, trained people in ANM and GNM to give specialized care.

Baby sitting

Specialized care for our younger generation. Certificate course in baby sitting with necessary medical and developmental training could be provided to existing care givers.

Pre and post pregnancy care

Pre and post pregnancy care for both rural and urban communities. People equipped with both traditional and modern pregnancy care methods are needed educated unemployed women are the target group where these skills can be engaged in partnership with resident's association.

Mobile clinic

Rural areas and urban areas with a quick access system of medical care with a multi-disciplinary team of health professionals is required especially in situations of spreading up of infectious diseases.

Epidemic management

Up skilling of the existing NRHM workers/ ASHA workers for epidemic management.

Dental Hygienist

The skill available in this domain is limited and more VHSE/Graduates can be trained to provide supportive function to the professionals in the field with opportunities in dental clinics and specialty hospitals

Pharma Assistant

With the sprout of pharma stores including community medicine, there is a shortage of skills in this area and VHSE/Graduates can be trained to provide support to the existing pharma industry

Occupational Therapist

The work-culture has brought another epidemic the occupational hazard and more skills are required to cater to these segment. The graduates can be trained to provide support in this area.

3. SERVICE SECTOR (DAY TO DAY SERVICE)

Utilities Services Management

More and more people could take it up as part time job option with new technologies and target group could be 8th standard and above.

Appliances Services

To take care of the service of all electronic equipment's and appliances in households. Target group could be ITI, Poly technic drop outs

Home manager

To take care of the utility care management of neighborhoods and flats and resident's associations. Target group could be SSLC/HSE/VHSE

4. FOOD INDUSTRY

Skilled hands are not available to operate machines which are needed for large scale manufacture of food items.

Food Production/Bakery/Confectionery

The consumption pattern of the population with increased disposable income has resulted in niche segments in food production and taste. There is skill requirement with 8th class and above trained in providing support to Hotels/Resorts/Catering groups.

Cooking (traditional recipes)

There is shortage of skills in imparting training in traditional ways of cooking Training on both traditional and regional food production methods should be given importance and 8th standard and above people can be trained.

Food safety management

There should be effective system to monitor the quality of food products and every food court or street vendors should be given certifications by the quality control officers. The target group should be VHSE graduates who complete the food production course or Home science course.

Dairy group

Milk clusters in regional level to help the unorganized dairy farmers, with trained technicians and supervisors and distributors to take it to urban consumers. Target group for this could be HSE pass outs/ drop outs.

5. TOURISM INDUSTRY

Kerala with high tourism inflow can leverage by skilling and up skilling the target group under the below mentioned skill areas.

Driver-cum guides

There is acute shortage of drivers who could converse well in English and any other foreign language. Target group could be 10th standard and above

Specialist Guides/ interpreters

Regional specialist guides to assist tourist both domestic and international. Target group could be graduates, and skills development in communication

Front office

Target group could be graduates, with effective communication in different languages.

Housekeeping

Housekeeping staff in different sectors could be trained and the target group could be 8th standard and above.

Tourist Assistant

In order to help both domestic and international tourist, a call center can be developed to assist and offer continued service from the beginning to tour. The target group could be graduates and above

6. MARKETING

Trained hands for marketing the products/services are not available for Pharmaceutical industry, Consumer durable and Finance sectors.

Online marketing/ Social media marketing

Graduates can be trained in technology and content to provide support to the industry which is looking to have online presence through cost effective methods.

7. EDUCATION

Education quality is poor due to absence of innovate skilling and training methodologies. Care has to be taken to skill the resources that educate and train our youth.

Teachers

Candidates satisfying the minimum educational qualifications are available. However candidates with good soft skills and use of modern teaching aids are not available for teaching at the pre-primary, primary and secondary school levels and Higher Education sectors.

Vocational Trainers

Graduate students with skills in vocational areas like fashion design; fine arts, visual communication, etc. could be trained to be lead trainers to support the skilling initiative

Activity-Based Trainers

Since learning is more effective in kinesthetic mode, learning methodologies can be structured to deliver with this objective. Skilling in this area is essential to achieve the herculean task

8. AGRICULTURE-RELATED LABOUR

This is an area which needs urgent intervention. The traditional tacit knowledge is being lost due to non-availability of repositories in this sector. Those who are ready to take up the jobs are totally unskilled resulting in lot of wastage of resources. Those who can operate agricultural machinery are rare.

Farm Mechanisation

Use of semi/fully automated equipment can be used to increase productivity and the target group can be 10th who can be trained to handle these equipment

Farm Consultant

Graduates can be trained to provide knowledge support to farmers in procurement and supply groups, livestock assistance, branding and quality control etc. which can help in increasing the output in this sector

9. EXPORT/IMPORT SECTOR

Those who are conversant with the rules and regulations are scarce

Logistics management

Skilled resource is limited and there is a need to bring in more resource as the country is spearheading to double its infrastructure in the coming years where graduates can be targets.

Quality control

To ensure the quality of the products exported and imported, graduates in Arts could be trained.

Merchandising

Management graduates can be targeted to skill them in merchandising as the retail sector is growing in a big way with multinational walking in.

10. ACTUARIES/TRAINED ACCOUNTANTS

Insurance industry is finding it extremely difficult to get the service of actuaries. Those who are trained in computerized accounting system are scarce.

Accounts Assistant

Since the business in the country is increasing, accounting skills are in demand and the commerce graduates can be targeted to provide knowledge with international best practices and can be employed in corporate.

This note was prepared by **Dr. B. Vijaykumar, Principal, KITTS, Trivandrum, Dr. S. N. Kumar, Associate Professor, Dept. of Geology, University of Kerala, Trivandrum and Dr. Saroop, Assistant Professor, KITTS, Trivandrum**

Note on the
STATE SKILLS PLAN
and the
EMERGING SKILLS, KERALA MEET

1. *Background and Justification*

The Government of Kerala has been focusing on improving the State's Skills Development regime, focusing on the relevance of skills taught, quality of skills training and numbers. The State has set up the *Kerala Academy for Skills Excellence* (KASE) a nodal institution that will lead Kerala's initiatives for skills development into the next decades. The Industrial and Training Department (ITD) under the Department of Labour and Rehabilitation of the Government of Kerala (GoK) runs around 120 Industrial Training Institutes (ITI's) in the State and an additional 450 privately managed Industrial Training Centres (ITCs) as well as 80 Vocational Training Providers are functioning in Kerala. The ITD has recently commenced the *Additional Skills Enhancement Programme (ASEP)* for drop outs and other young persons not interested in a University career. Targeting those who are already in colleges and universities, the Department of Education of the State Government has also commenced the *Additional Skill Acquisition Programme (ASAP)*. All these put together provide skills training to around 100,000 young persons per year.

Meanwhile the State Planning Board has set up a 12 Member Expert Committee on Skills and Employment to optimize the implementation of the 12th Plan Schemes on Skills and Employment in the State.

The Prime Minister's initiative for skilling 50 crores (500 million) young people by 2022 is a crucial step forward towards building up a pool of skilled manpower in India. What with Kerala's highly educated young population, and its proactive skilling policies, the Kerala Government feels that there is much that the State can contribute in the Prime Minister's initiative of skilling India.

Kerala has a population of 3.3 crores (33 million), representing roughly 2.7 percent of the country's total population of 122 crores (1.22 billion). If out of India's total population of 122 crores, 50 crores of young people are to be skilled by 2022, then purely on a proportionate basis 1.35 crores (13.5 million) young people would have to be skilled in Kerala before the end of the year 2022. This would mean that over the next 9 years from 2014 to 2022, Kerala will have to target on an average the skilling of 15 lakhs (1.5 million) young people for skilling every year. This represents about a 8 fold increase in the numbers that Kerala is training today.

This is a challenge. But Kerala is not only capable of meeting this skilling target but can also play a significant role in providing the know-how for skilling other parts of the country (particularly the states of the NE, Jammu and Kashmir, Odisha, Chattisgarh, Jharkhand etc.) while supplying skilled manpower within India and globally to the Gulf and the emerging countries in Anglophone and Francophone Africa.

If this is to materialize, there is a need to develop a **State Skills Plan** and implement it say during the period from 01 Jan 2014 and ending (coinciding with the end of the PM's Skilling India Initiative) on say 31 Dec 2022, focusing on the skills that would be required in Kerala and across India and globally. The State Skills Plan would need to be a comprehensive and would need to include:

1. Mapping of Skills Requirement identifying possible Skills requirement over the next two decades within Kerala, India and globally.
2. Promoting Kerala as a Skills Training Destination for skills deficient states in the country, particularly states like Assam, the NE states, Jammu and Kashmir, Odisha etc.
3. Identifying and bringing on board a wide spectrum of international and national business and industrial houses, top quality investors and enterprises onto the skills development platform, attracting a wide range of new players particularly in the private space as training providers.
4. Building up on a large-scale, quality training infrastructure, identifying Training Infrastructure Needs in order that the State can meet its skill training targets till 2022 indicated above.
5. Identification of Faculty Needs. Identifying and ensuring the training of the necessary numbers of Instructors, Trainers of Instructors and Lead (or Master) Trainers.
6. Developing appropriate training faculty, consisting of Lead Trainers¹, Trainers of Instructors and Instructor themselves, setting up an Institute to train large numbers of high quality Skills Trainers (Instructors). Developing a programme for imparting the soft skills necessary that a young trained person would need succeed in tomorrow job market.
7. Increasing Institutional Skill Training Capacities of government skills training institutions (ITIs), of privately run skills training institutions (ITCs) and other Vocational Training Providers.
8. Identifying industries, Academic institutions, Universities, Colleges, Plus 2 Schools, Private Enterprises, Public Enterprises, other Enterprises including Technoparks, Infopark, Smart city etc. Engineering , Medical and Other professional Colleges, Export Processing Zones, Construction Firms etc. that is capable of and can provide skills trainings or participate in the monitored apprenticeship training either as an additional facility or as a by-product of their work.
9. Developing and implementing a well monitored system of large scale *Skills Acquisition through Apprenticeship Training Programme* where the apprenticeship of all trainees would be monitored on a regular fortnightly (or monthly) basis by monitors who would be responsible to an **Apprenticeship Monitoring Authority**. The Apprentices who successfully complete the apprenticeship programme would be awarded Certificates, Diplomas or Degrees under the aegis of a **Kerala Skills University**. This would ensure that the apprentices indeed acquire their intended skills and have a Certificate, or Diploma or Degree as evidence thereof.

In order to Develop the State Skills Plan and implement it, it is felt that the best minds on skills training nationally and internationally should be invited to an International Seminar on **Emerging Skills, Kerala** to identify the challenges in developing and implementing such a State Skills Plan as well as identify and evolve solutions. The focus of the **Emerging Skills, Kerala** would also be on developing the outlines of such a Plan with the outcomes of the Conference forming the basis of the Skills Plan.

¹ Lead Trainers would train Trainers of Instructors who in turn would train the Instructors.

The Government of Kerala is therefore considering (Department of Industries and the Department of Labour and Rehabilitation) holding the *Emerging Skills, Kerala*, which would also be a follow through of the Emerging Kerala Meet held in September last year.

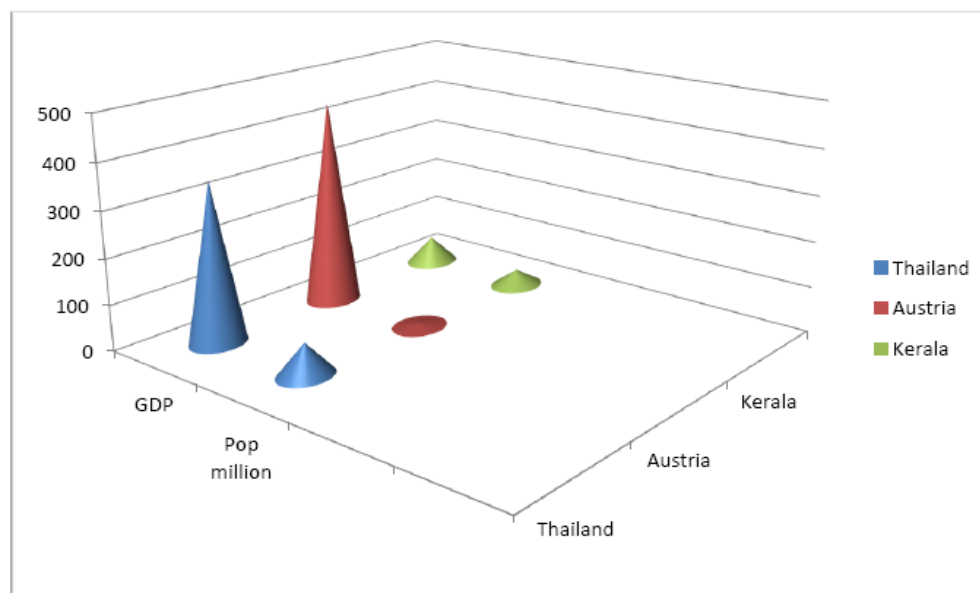
This note has been prepared by **Sri. M. P. Joseph Chairman of the Expert Committee and Advisor to the Hon. Minister for Labour**. It is based on a longer Concept Note prepared by him and submitted to the Government of Kerala.

CONCEPT NOTE ON SKILLING KERLA TO TAKE ON THE WORLD (Very Large Multi-Skill Training Centres)

Kerala, with high literacy levels, is astonishingly well placed geographically and otherwise to become another high performing economy like the successful ones in SE Asia e.g. Thailand¹. The State should also have a plan to overtake a high performer like Austria possibly by 2025 in real GDP terms not just PPP.

A population/GDP comparison with just two countries Thailand (Pop 70 million/ GDP 350 billion) and Austria (Pop 8 million/ GDP 450 billion) gives us an idea of the slack there is as well as a potential to register explosive growth in Kerala (Pop 36 million/GDP 59 billion)². Properly pursued Kerala can achieve an extraordinary economic transformation by 2025 and reverse the trends in the chart below comprehensively.

GDP PPOPULATION COMPARISON Thailand Austria Kerala



To achieve such transformation Kerala will have to focus on manpower development in a very big and sustained way, where needed taking help from high performing economies like Germany and the EU conglomeration to ensure it moves from being a low/to medium skilled economy to one that has a world-beating workforce to hit the ground running within the space of a decade (2023). Can Kerala ‘do it’? Going by South Korea’s example, it definitely can.

¹ Given its unique geography, Kerala should aim to compete with the best in Asia not just in India.

² All figures pertain to 2011-12 for all the three countries.

Kerala is a laggard because it is continuing to compete with under performers like the Philippines, Bangladesh and Pakistan in an ever-shrinking West Asian labour market instead of planning to be a world-beater from home. To achieve a transformation Kerala will need to overhaul the way it prepares its young people to compete in a competitive world now and in the future. A beginning can be made by consciously and expeditiously overhauling its educational and vocational training infrastructure while changing a societal mindset that presently makes a peon's job more prestigious than that of a highly skilled carpenter or electrician. Most of all it needs to quickly overhaul its training infrastructure by eliminating small inefficient ones and replacing them with very large ones.

Like in the rest of India, Kerala's training assets are spread too thinly across multiple small training units with inexpert training personnel³ and inadequate physical infrastructure. What Kerala needs to do is to rapidly upgrade the skill levels of its young to achieve high economic growth while ensuring high employment by setting up self-contained⁴ Very Large Multi-Skill Training Centres (VLMSTC) the IIT equivalent for skills training several times better than the best India has presently e.g. the NTTF institutions. These VLMSTCs will be staffed by highly skilled and very well paid Master Trainers sourced from India and overseas⁵. The advantages of the VLMSTC are:

1. It will aggregate scarce training assets⁶ in a variety of skills and under one roof.
2. Facilitate immersion or saturation training in a residential environment covering staff as well as trainees.
3. Deploy Industry-driven curriculum that will, in the shortest and most intensive manner by developing and running training modules that will take participants from the 'classroom' to the 'assembly line' so to speak in quick time – the longest programme lasting no more than a year.
4. The training programmes will use the latest learning technologies including real life simulation systems, supplemented by self and co-learning programmes e.g. MOOC and those provided by UDACITY.
5. The training infrastructure can be utilized in several shifts daily.

Each VLMSTC should aim to train at least 100,000 young school leavers (10th & 12th) every year in a variety of skills identified by the National Skills Development Corporation of India as well as those that are shortlisted in collaboration with industry in India and overseas. Kerala should aim to establish at least 10 such world-class VLMSTC in the state over the next three years in a planned effort to take Kerala way past where it is now economically.

This note was prepared by **Dr. Uday Balakrishnan, Centre for Contemporary Studies, Indian Institute of Science, (IISc) Bangalore.**

³ Why would a master carpenter or plumber be a trainer when he/she can earn several times the salary that an ITI trainer gets today in India?

⁴ With its own residential facilities for trainees as well as integrated residential facilities for its staff including schools, medical facilities etc.

⁵ In India army, the railways as well as several of the PSUs can provide the kind of trainers required and this can be supplemented by master trainers in a variety of skills from overseas especially Eastern Europe.

⁶ Training personnel as well as expensive equipment.

BRIDGING THE SKILL GAP IN INDIA

An All-India Model from Don Bosco Tech

DON BOSCO TECH

Don Bosco Tech is a network of all Don Bosco Technical/ Skill Training centres across the country. It was registered in 2006 with an objective of providing quality vocational training to disadvantaged youth. It provides employment-linked, market-driven vocational courses of short duration to the economically and socially marginalized youth. A network of 176 skill training centres, DB Tech arguably has the largest spread of technical institutions across 25 states of India.

Our Vision and Mission

Mission

Skilling India

Vision

Significantly contribute to the development of the marginalized youth by enhancing the employability and life management skills.

THE ROLE OF DB TECH IN BRIDGING THE SKILL GAP:

What we see around in the fast-growing Indian economy is a veritable paradox. While employment avenues are increasing rapidly, they are not being filled by people with compatible skill-sets. Unemployment, therefore, continues to rise inexorably. The result is perpetuation of poverty, right in the midst of opportunity. The youth scenario in the country is alarming, where in just over a third of the aspirants who enroll in the primary level reaches Class X. Less than 4% have the access and luxury of higher education / degree. The huge pool of school dropouts thrown up by the system year after year renders itself unfit for sustainable mainstream employment.

DB Tech, attempts to bridge this widening gap between those who have access to opportunities and those who are increasingly being marginalized from the new economy jobs. DB Tech addresses this endemic problem with a market – based approach that is sensitive to the economic needs of the marginalized youth in the 18-35 years age group. To enable youth to gain a foothold in the competitive job market, DB Tech helps them to acquire the required skills in an environment of learning and mentoring that is responsive to the individual's emotional and developmental needs. DB Tech provides employment-linked market driven courses to the economically and socially vulnerable youth. A network of over 176 training centres, DB Tech is arguably the largest spread across 25 states of India.

DB Tech conducts courses of various duration adapted to the need, qualification, and interest of the candidates. The formal training institutes provide training from 1-3 years in manufacturing trades. Through 40 formal institutions we train over 4000 candidates per year. In Non- Formal training gives opportunity to any youth, without limiting to any educational qualification to learn a trade. 80 non-formal institutions

spread across India caters to more than 15000 youth per year. The short Modular training programme is directed towards the BPL groups in particular to get a gainful employment at the completion of 90 days of training.

DB TECH METHEDODOLOGY:

DB Tech bridges the skill gap in terms of quality and number through **ACCESSIBILITY** to youth for training. Our motto is to maximize the capacities of our institutions by providing opportunity to every youngster for formal/ non-formal / short term training programme. In the last two years we trained 50000 youth, and this year we expect to train over 60000 youth across India.

The second area of bridging the gap between the youth and the industry/ job opportunities is **QUALITY TRAINING**. Every Don Bosco Institution has the state- of the art facilities for training. We believe in the principle , “ Giving best to the least”. The infrastructure, equipments and facilities are made available to every youth who walk into Don Bosco Institution to learn a skill. The quality training is ensured through emphasis on practical learning . The learning is made more interesting through the use of media, group and project work.

Every organization wants candidates with right **ATTITUDES**. Often the industrialists/companies who walk into our organization for campus recruitment say, “provide candidate with right attitudes”, the rest we will take care in our company. Don Bosco Plus is the module which consists of soft skills, communication skills, team building exercises and value based training which we impart as an integral part of the curricula. It is preparing a candidate psychologically and emotionally for the future demands of the market.

As an integral part of the training, every candidate is given **exposure to the industries** to get familiarize with the working conditions during the course of the training. Guest lectures are arranged time to time to interact with senior and management staff.

The training is not complete without **placement**. The placement is not the last activity but a programme for every candidate. Every candidate is prepared through induction, training and mock interviews. The institute facilitates the trainees to have access to job opportunities in the market. They are supported through campus recruitments and contacts to get jobs within 3 months of the training. They are tracked and followed up through the web based application.

Industrial Partnership is another initiative in bridging the gap . The partnership is sought at various levels, as knowledge partner, training partner, placement and even funding partnership with industries to train youth for industrial requirement. We have strengthened this partnership through mutual agreement signed between Don Bosco and the Industry. Thus partnership with Companies we are reaching out to many more youth otherwise would have had no opportunities to earn a skill.

- **Steps have been taken to:**

- to meet the demand of skilled work force by the industry and service sector
- to keep the economy growing,
- to facilitate employability of the rapidly growing work force
- flexible approach in developing courses and curriculum.

- Curriculum be developed based of the learning outcome rather than on prescribed rigid format
 - *Add On'* specialized vocational courses to be offered at University & Higher Institution level.
 - *Add-on and industry oriented courses* be provided for meeting the demand in industry.
 - Modular system of VET be facilitated at different level giving due weightage to experience in industry and professions.
- Employability and Demand and Supply matching
 - Informal Sector's requirement
 - Multiple skills
 - Flexibility of Course design, modularity
 - Open and distance learning
 - Use of Technology
 - Career guidance
 - TOT and Retention
 - National Vocational qualification system Skill requirement in – Curriculum, Assessment and Certification
 - **PARTNERSHIP & NETWORKING:**

The Planning Commission proposes to train 500 million youth by 2022, it may sound ideal. But we DB Tech is committed to train 2 million youth by 2022 through Don Bosco and network institutions across India in the past two years have trained over 60000 youth in short term training, and 80% are employed. The growing collaboration with Govt., corporate bodies, industries and like minded NGOs, this dream of skilling 2 million youth is being made possible; thus bring hope to many a shattered dream of millions of poor youth in India.

Don Bosco Tech in the last 3 years have worked with Ministry of Rural Development in providing short term skill training and employment to 60,000 youth across India. We were able to achieve the target before time in most of the projects. DB Tech is one of the agencies selected by the Government in piloting HIMAYAT project in Jammu Kashmir. Now this model is rolled out under SRLM project. Don Bosco Tech has proved its credibility in working in Tribal areas and North East. The process and systems developed and implemented in the last 3 years give us confidence in scaling up the programme across India.

Besides working with Government, presently DB Tech is implementing Skill Training through various corporate across the country. The organizational set up, training infrastructures, quality training programme and committed staff attract many more youth to our centres for training.

DB Tech Training and placement details of short term training in the last 3 years:

Project	Target	2010-11		2011-12		2012-2013	
		Trained	Placed	Trained	Placed	Trained	Placed
Himayat	16920			714	417	2573	1453
North Central	11800	1876	1505	7624	6167	-	-
East & North East	9400	1639	1272	7802	6148	-	-
South West	7800	1990	1564	5799	4834	-	-
South	7800	2875	2356	4975	4282	-	-
Meghalaya & Nagaland	7800			850	512	3882	2523
Orissa	3000					1243	941
Quest Alliance						812	582
Accenture	5600	120	76	2737	2145	3642	2456
Schneider	2500	193	141	815	606	2506	1754
Tata Housing	300			98	80	80	62
CII	292			245	138	-	-
EGMM	1500			910	600	185	132
BOSCH	200			155	125	706	522
Landmark	1000			860	685	750	623
Godrej	500					280	227
Others	5000					7653	7816
Total		8693	6914	32748	26739	24312	19091

*The details of the existing formal and non-formal centres (126) is not included.

The successful completion of various projects undertaken by Don Bosco Tech gives us the confidence to scale up the programme with Central, state governments and Corporates for skill Training.

We have partnered with NSDC for training 2.27 million youth by 2022. In the coming 5 years we wish to establish our centres in every district of the country.

Scale up Plans:

In order to achieve the target we plan to increase the number of centers thus offering **accessibility to rural youth**. Making training available at the door step through opening new centers at the local/ block level.

Employment oriented programme: The training will focus on employment; the trainees will be prepared through soft skills, and with lots of exposure and hand on training in the particular domains.

Training of Staff: The key component of successful training is the motivated staff. Since the staff has multiple task of training and preparing the candidates for employment, he / she needs to be prepared through various training programmes to address the needs of youth and prepare them for employment. Our focus will be to train master trainers and to conduct regular staff training programme to strengthen the training team.

Possible Interventions in Kerala:

Since Kerala has more educated unemployed youth , short term training programme for graduates and undergraduates in soft skill and work readiness can bring many more youth to employment. It can be done through intensive soft skills and language training .

The school leavers can be prepared with particular skills in maintenance services which can lead to self – employment. Technical training with entrepreneurial skills could support them to livelihood opportunities.

Creating academies for training and certification: Establishing livelihood colleges in districts which would provide quality training for entry level jobs and also for certification of skills for better jobs.

Multiple level of training: Although we give training to entry level jobs, we plan to give additional training and certification to candidates who desires to scale up in the particular sector / domains.

This note was prepared by **Fr. A. M. Joseph, Director, DB Tech, New Delhi**

