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NEW SKILL DEVELOPMENT POLICY 'SKILL INDIA' — POSSIBILITY AND ISSUES —

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Abstract

In India, the new skill development policy has started and expectations from stakeholders including multi-national companies, non-governmental organizations, and people who suffer from unemployment are mixed towards the training policy 'Skill India (SI)'. The government expects the country to have a drastic change to skilled nation. Corporate Social Responsibility (CSR) investments in the country tend to shift from philanthropy to create new social values, e.g. skill development and social business (SB) promotions with appropriate trainings for young people. The aim of this article is to find out what exactly the tendencies of Indian Corporate Social Responsibility investments regarding the new policy and issues are based on the interview data. And also it tries to find out some possibilities to make the policy work better. The author will explain and analyze the results of the survey conducted to companies and schools who are main actors to carry out the mission and discuss possible solutions based on suggestions made by CSR personnel, student trainees, school teachers, staffs including social workers.

Keywords: Skill Development, Corporate Social Responsibility, Industrial Social Workers

1. Introduction

New skill development and personnel training policy of India "Skill India (SI)" has started and the industries including multi-national companies, non-governmental organizations, and people who suffer from unemployment and lack of skills are expecting the country to have a drastic change to a skilled nation (Ghosh, 2015; SWISSNEX, 2015) .

The main idea of this policy has also conformed to some of the Sustainable Development Goals of the United Nations, and corporate social responsibility (CSR) investments in the country tend to shift to skill development and social business(SB) starting help with appropriate training of young people from other social issues (UNDP, 2004). The objectives of this study are to find out what the tendencies of Indian Corporate Social Responsibility investments are and what exactly the corporate expect from the new policy 'Skill India' and also how to make the policy work better. This article will analyze the results of the survey regarding expectation and issues of the new policy conducted to companies and schools, who are the main players to carry out the mission.

It has become clear that all the ten companies in the survey expect a good outcome of the new policy, and are shifting their CSR investment to Skill Development. Successfully, many of them already have their own skill training project to obtain skilled manpower. They have Skill Development Network with other industries and professions, e.g. banks, social workers and

NGOs to help starting SB financially and technically. The general expectations from the policy are high in women's empowerment and employment of disabled and lower cast people. However, there are some concerns and issues to be solved (Reji, 2009). This article will try to identify those factors based on the survey results.

2. Background

India has put (SI) (the new policy for the improvement in skill and promotion of SB) into operation to provide occupational skill training to young people, and it has announced the goal of providing 400 million young people with skill training by 2022. And the country wants to be the one with quality labor and talented people's treasury to decrease unemployment, to improve productivity, and to send quality workers overseas for their economic development (Datta *et al.*, 2007; GOI 2002, 2008, and 2015).

Skill Training and Encouraging SB Ministry was newly established in 2014 for 'Make in India' promotion (increase the products made in India). In 2015, SI was put into operation, and the policy conformed to Sustainable Development Goals (SDGs) of the United Nations Development Programme (UNDP, 2015); improvement in employment, quality skill, competitiveness and matching and linking job supply and job demand, clarifying universally acceptable qualifications were strongly aimed for. In order to implement the strategy successfully, they focus on the following: universal school education, basic skill training, strengthening a trainer and teacher training; filling the gap of non-skilled and skilled, and high quality skill training; offering opportunities for socially vulnerable groups, a low caste layer, and women; potential social business entrepreneur's excavation and activation (Aoki, 2016): full utilization of CSR. In the country, in 2013 the law that 2% of the company profit whose net profit is 8 million Rupees and more should be invested in CSR was passed. The companies which agree to this new policy and commit CSR investments to SI are increasing in number (Baxi and Prasad, 2005).

However, many issues have been pointed out. This article tries to find out some solutions to make SI work better based on the research result investigated among companies asking what expectations and problems are in carrying out the activities, and also based on the survey result conducted at skill training vocational schools.

Study objectives are verifying and identifying expectations, possibilities, and issues regarding Skill India (SI) from companies' view (The survey was conducted among 10 companies running business in Maharashtra state); and also comparing two vocational skill training schools, which play main roles in SI, and identifying the factors of failure and exploring the factors of success.

As methodology, interviewing 10 core persons in charge of CSR of ten different companies (of 1,000 or more employees) in Maharashtra state and interviewing and conducting a questionnaire for teachers, students and responsible staff in two vocational training schools (ITI) are used in this research.

2.1. 'Skill India' Occupational Skill Development Policy of India

In India, 65% of the total population is under 35 years but most of them have limited educational and skill training opportunity. For this reason, while expansion of job creation is expected with its economic growth, the government is anxious about the short supply of the labor force with high quality to meet the demand.

The new policy is expected to provide substantial training opportunities, and the training expense of 5,000-10,000 Rupees per person will be assisted to 3,400,000 young people in five years. And also other supports, including giving the certificates for the training graduates finishing a certain standard remuneration, will be also given. In response to the governmental appeal, private enterprises and financial institutions are also positive to offer vocational training opportunities and CSR investments, and the policy aims at 400 million young people's training in collaboration with public and private organizations (GOI, 2002, 2008, 2015).

2.2. Social Business in India

The country suffers from many social issues as below, some of which are expected to be solved by promoting social businesses (Hashimoto, 2016).

- 1) Child mortality rate (infant death rate per 1,000 births): Although it has improved sharply from 127 in 1970 to 52 in 2008, India has the highest number of child deaths in the world, with an estimated 1.2 million deaths in 2015 out of 5.9 million global deaths.
- 2) Safe water availability: The country has 75.8 million people, at least 5% of its population, without access to safe water. The majority of those people come from impoverished communities (living on around \$2.31 a day), and are forced to collect dirty water from open ponds and rivers or spend most of what they earn buying water from tankers.
- 3) Adult (aged 15 and over) literacy rate: 66% of total population, although it is still far from the full achievement of universal elementary school education, the literacy rate is definitely improving.
- 4) Sanitation: A lack of sanitary facilities: 49.2% in 2008 is much better than 55.3% in 2005 but still 50 percent of the households of whole India are carrying out outdoor defecation.
- 5) Access to electricity: An electrification rate rises from 56% in 2006 to 67% in 2009 in the village areas, and it has become 94% in urban areas. However, no less than 96,000 villages are without electricity at the end of November, 2015 (Planning Commission, 2016).

Hopefully, however, there are plenty of capable and talented youth (social workers) in India who have grown up and seen the problems closely, have received professional education, have high awareness of the issues, and are inspired to solve them. They are also expected to help those who have potential to start social businesses to solve those problems (CSR Initiative, 2008).

2.3. Public and Private Vocational Skill Training Schools (Industrial Training Institute-ITI)

In order to implement the policy more effectively, private enterprises involving in employee training or management of ITIs through public and private partnership are actively participating, for example, there is a company who starts the original program (Flexi-MoU) based on the framework of the government course curriculum of the employee training scheme (Craftsman Training System). Some automobile companies are very active in that regard. Some automobile companies were involved in the management of ITI through Public Private Partnership, and started their own course curriculum of the training system (CTS). Another active automobile company started skill improvement centers at 3 ITIs and offered equipment required and the employee volunteers as teachers. Moreover, there are also companies which have started the comprehensive automobile maintenance course and body repair / paint course, and have achieved good outcomes under cooperation with private run ITIs (JICA, 2016).

2.4. Corporate Social Responsibility

The new company act of India included mandatory CSR passed Parliament in August, 2013, and the requirements to CSR are enforced as from April 1, 2014. Those include the mandatory rule of investing for CSR at least 2% or more of the net earnings gained in the past three years in India and overseas. The duties of companies' CSR including selecting enforcement strategy or a partner, deciding a project plan, and submitting CSR activity report are imposed. Some of the popular projects which are main strategies to implement the policy are supporting vocational trainings and personnel training projects. At the training school ITIs, investments, including building management capability, raising teachers' quality, and changing to new equipment are urgently needed. For the purpose of improvement in employee capability and productivity, there are many companies which become a partner company with ITIs, and the ability of the industrial social worker who works in the CSR department becomes very important to work together with ITIs. Some consultancy and social work related organizations including Global Impact, an overseas organization whose specialization is consulting for company's entry into India have begun competitively working. High intensive competition is one of the recent tendencies for ITIs to win or fail in the field (Srivastava, 2008; NCEUS, 2007).

2.5. Public and Private Partnership in ITI Management

As mentioned above, low quality programs and a lack of talented training personnel are pointed out and the efforts towards the improvement have been made through Public Private Partnership (Wood, 2008). The main purposes of Public Private Partnership are increasing an employment rate of trainee students, modernization of institutions, and offering good training courses by appropriate teachers. The roles expected for the partner companies are supporting financially or offering new equipment, and training the teachers and trainees of ITIs. The following changes have been identified at ITIs currently helped by partnership with private enterprises:

- The improvement of equipment, such as a wide range of substantial books, new desks, chairs, PC and machines for training rooms.
- Strengthening teacher's capability through the factory tours at a partner company, training at advanced schools.
- Due to putting emphasis on comprehensive training of trainees as the contents of the program, safety and quality is very important issues, and successfully it has been done by company volunteers and social workers.
- IT education and character development preparing for employment are also focused.
- New implementation of on-the-spot training at the factory of a partner company and other support companies has been successful.

Some private ITIs try to cooperate with private companies for quality training and employment so that they gain good talented graduates. There are many companies who consider that building a strong relation with ITI contributes in favor of obtaining talented new employees (National Knowledge Commission, 2009; O'Laughlin, 2008).

2.6. Industrial Social Work

Industrial social work has performed well in companies for improvement in welfare of employees and development of personnel. In the US and UK, social workers' roles in a company are generally consultation concerning employee's child-rearing, family problems and employee's absenteeism. In India the social workers have been playing a wider important role in the vocational skill training schools (ITI). They understand the needs of the young people in the community, suggest how to improve curriculum, and try recruiting new trainees (Sankaran and Nadkarni 2005; Sankaran, 2009). The current research result shows, they work with the youth in the community, and occasionally become a counselor and a role model for them and an indispensable existence for building a confidential relationship with them.

3. Research I

3.1 Methodology

This research aims to investigate the expectation of companies for 'Skill India' policy, and the CSR investment tendency of each company. The study was conducted in December 2015 and January 2016. Data was collected in the form of interviews of 10 CSR personnel working for different companies using a structured questionnaire. Those 10 companies have been actively and successfully invested in CSR in Pune, Maharashtra.

Companies who answered were 10 companies who are subject to CSR 2% duty in Pune. Forbes Marshall; SKF Pune, a subsidiary of SKF Sweden; TATA Motors, whose philosophy of the founder's environmental preservation is famous; Godrej Foundation, group company which works broadly from home electric appliances to space technology; Yardi Software, Computer software development, running Yardi e-Learning center, waste management Social Business support; Tata capital, which supports youth entrepreneur; Zensar; Harbinger, an IT Software company; Tech Mahindra, IT software, running and supporting ITI Smart-center; and Creative people social business, which supports hearing disabled people by developing their potential and creativity of art, designing, and production of crafts and accessories (this company is not one of

the subjected to the CSR duty but the founder is a professional industrial social worker and encourages other companies' CSR investments).

3.2 Findings

The personnel of those companies were firstly asked if their company's CSR invests the skill development activities, and all the respondents answered positively. The second question was about the main reasons for investing. The respondents indicated that the followings were the main reasons for investing: helping agricultural development in the remote areas, creating more jobs for young people who do not have skills, social business' developing capacity of young people and solving social issues and encouraging youth independence. Third question asks how your CSR supports the skill development, through other organizations, or your own original projects? While 3 out of 10 personnel answered as own projects, the other 3 of them answered as cooperating with NGOs or other organizations. Meanwhile 4 personnel's response was through training schools (ITIs). Answers were varied but we found out after the interview that most of the companies involved in management help, employee volunteering, and developing innovative programs at ITIs.

7 personnel answered negatively the question of "Is your project directly related to your company's professions?" whereas the only 3 of them responded affirmatively to this question. For sustainability purpose, companies can invest to directly related project so that companies can benefit themselves and contribute the society more sustainably. The following question was related to the evaluation process of CSR investment and the purpose of this process. 80% of them has objective evaluation because effectiveness and social impact will be affected to their reputation. Another question aimed to reveal the features of their skill training CSR projects? Though all of the respondents have their own way of carrying out the projects, main answers are as follows: L&E (Learning and Earning) students get some income while they learn, they can obtain some qualifications which are creditable for job searching, they can get individual approach to develop their own ability, there is no discrimination towards minorities, lower casts, women and disabled people, it is encouraging for empowerment, and unemployed scheduled cast (SC) and scheduled tribes are mainly targeted.

When the expectations regarding skill development training policy "Skill India" were asked, the respondents put forward the ideas of decrease in an unemployment rate, gap dissolution, SB woman's independence, solution of social problems, encouraging sports, actualization of inclusive society, job creation in rural areas or farm villages, the emigration reduction to cities, awareness raising of environmental problems, and avoiding the supply-demand mismatch in employment. Again, their expectations are very positive and they think seriously about social contributions rather than charity purpose. But some issues were still disclosed. As the final question, they were asked if there were issues they face or to be solved regarding the skill development? The main answers for this question were continuing motivation for drop outs, reaching out marginalized youth, competitions among schools which get too high so that the term of training is getting too short for the students to reach certain skill level, and the fact that the government depends too much on private sectors and that charging no fee increases students drop out but charging also makes less accessible.

As the findings show, expectation of companies from the new policy 'Skill India' is high and positive. At the same time there are some issues and skepticism to the policy. Some of the companies are skeptical and have not acted positively and prefer investing to traditional CSR areas such as environment, health, and basic education.

4. Research II

4.1. Methodology

The aim of the second research is to investigate the possibility of a program improvement of training schools in terms of programs, employment rate, SB floatation, and salary levels. The study was conducted in December 2015 and January 2016. Data was collected in the form of questionnaire and interview to the students at the two ITI schools in Pune.

4.2. Findings

Center A has 78 students (SC: 57.5%) 63.80% of which is female, whereas Center B has 59 students (SC: 31.25%) 44.75% of which is female. (In August 2016, the number of students increased to 132 at Center A, but Center B lost students to only 12). We also try to identify the reasons why and give some suggestions based on the results. The first question was "What have you gained or improved since you come here?" and the answers are as follows: The students at Center A appreciate higher skills, the expansion of community relationship and good evaluation from family members. They feel more independent and confident themselves and extending the choices. The students at Center A had more positive responses. It seems because the students at Center A have higher motivations at the entrance and the courses are the ones which are useful to get a job.

The question regarding future possible jobs or plans was answered by these two different groups as follows: Center A students plan higher skills and higher pay, while Center B students plan self-employed or starting SB. It may be because it is hard for Center B students to work at a large company and easy for them to start SB or self-employed. Unfortunately, however, there are few students at Center B who can start a business and contribute to improve the society such as SB.

4.3. Proposed Suggestions

Although we could not identify the reason why center B lost the students in numbers but from CSR persons and industrial social workers we could get some suggestions to make ITI successful and get better impact of CSR investment.

The data suggests curriculum improvements for drop out students are necessary so that slower learners can continue the program. Encouraging L&E program can benefit economically disadvantaged students to continue the training. Wider out reaching by private and public sector networking with help of social workers can benefit recruiting new students. Programs for higher qualifications and performance evaluation system should be developed for more motivated students. Creating alumni association with help of social workers can be beneficial to reach out and build higher school reputation. Modeling and disseminating successful programs can be useful for other projects to learn. Encouraging company volunteering for on the job training and employee participation can cultivate company awareness and ownership of the program (again by help of social workers). Variety of courses which fit to the current job market should be newly developed. These suggestions were brought up by CSR persons of companies, the teachers of the training school, and the students.

5. Conclusion

Mandatory CSR law which imposes the company of 8 million dollars earnings or more to invest 2% of the profits to CSR has been changing company policy from charity to creating new social values. Some innovative companies are focusing on skill development for youth to encourage starting SB especially aiming at sustainable social impact. The big roles of company CSR can be training mentorship, entrepreneur support by a senior management staff and encouraging innovative social entrepreneurs, and financial support for training schools and the students.

It is also found that social workers can play a big role in CSR functioning effectively, building youth awareness in skill development and contributing sustainable social development. It can be concluded that expectation of companies in India toward the skill development policy considered to be high and their positive attitude to CSR investments can lead the country economically and socially sustainable.

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