

# SKILLING INDIA'S YOUTH

## SKILLING STRATEGY (2020-2024)

### OUR STORY

Dr. Reddy's Foundation (DRF) was set up in 1996 with the purpose of enabling young and disadvantaged youth, access "quality education" and "employability skills" to help them to realise their true potential. Over the past two decades we have impacted more than 3.8 lakh youth through our flagship skilling programs with the support of partners (table 1).

The journey began with the designing and piloting one of India's first short term placement-linked skilling models – "Livelihoods Advancement Business School" (LABS) in the then, undivided State of Andhra Pradesh. The success of the LABS program resulted in its pan India scale up from 2004 with the support of Ministry of Rural Development, state governments and development agencies. Later, the program was replicated in other countries (Sri Lanka, Indonesia and Vietnam).

Early 2010, the National Skill Development Corporation (NSDC) and later, the Ministry of Skill Development and Entrepreneurship (MSDE) initiated similar skilling programs across the country. The launch of 'Skill India' Campaign in 2015 gave further impetus to it, resulting in a significant increase in skilling initiatives across the country by the government, private sector and not-for-profit organizations.

In 2016 we shifted our focus to improving the quality of skilling programs while operating at scale; particularly in the area of training, placement and the type of jobs in which youth were being placed. In addition to the issue of varied quality, a plethora of incentivised and free skilling programs created an additional challenge of mobilization (of youth) both in terms of absolute numbers and right fit.

This shift included a yearlong of intense research (secondary and primary) across seventy cities in twenty states; and involved engaging with hundreds of youth, our alumni, community members, employers, peer skilling agencies and the government to arrive at possible solutions for improving the quality of skilling programs which can be implemented at scale.

Based on the research findings, we made a key shift from "Domain" based skilling to "Core Employability Skills"<sup>1</sup> and "Technical Skills"<sup>2</sup>. While the focus of the former was to have a common training program on "foundational skills" for youth for entry level job roles<sup>3</sup> for multiple sectors<sup>4</sup> or self-employment, the latter was a "job-role-specific" training program for a specific sectors.

As part of this shift we also ensured that our programs have [a] market aligned skills [b] certified trainers having competency to deliver quality training [c] learning outcomes measured through pre and post assessments and [d] quality placements as per the aspirations and competencies of youth, through tech-enabled matchmaking<sup>6</sup>.

The recent cross-sectional studies (refer to reference points 19, 20) on the impact of our "Core Employability Skills" program and results from our Allied Healthcare Professional (AHP) "Technical Skilling" program established that imparting market aligned skills, having certified trainers, measuring trainees' learning outcomes and proper matchmaking of their competencies and aspirations with employers' requirements helped in improving the overall quality and outcomes of skilling programs.

<sup>1</sup> Our first "Core Employability Skills" program 'GROW' now includes other programs like GROW Plus, GROW-Digital Etc.

<sup>2</sup> The first "Technical Skills" program launched was HQHCS (High Quality Healthcare Skilling)

<sup>3</sup> Our research findings showed that youth trained on "Core Employability Skills" are able to get placed in 48 job roles (mapped with qualification indicators) across 17 tertiary sectors

<sup>4</sup> The top sectors included – Retail, IT-ITeS, BFSI and Hospitality

<sup>5</sup> AHP roles of General Duty Assistant (GDA) and Emergency Medical Technician (EMT) in Healthcare Sector

<sup>6</sup> We have developed an IT platform which has an analytic enabled matchmaking engine, which got "Digital Innovation Award" by International Data Corporation (IDC) in 2018

The study also found a positive correlation between “Core Employability Skills Score”<sup>7</sup> and the “Average Monthly Salary” – with the salary increasing by ₹1020 for every 10-point increase in the skill score. In addition, youth trained on “core employability skills” after working for a year got an average salary increment of 21.2 percent compared to the industry average of 9.5 percent.

The “Technical Skilling” program for AHPs also achieved a high placement percentage of 85 percent and salary range of ₹12000-16000 per month with rural youth getting jobs in leading hospital chains.

The journey of the last twenty years has been possible because of the support of partners. Like every journey, our skilling journey has also gone through its ups and downs, but the enormous support, encouragement and trust especially from long-term partners have helped us to sail through. We look forward to continue supporting young people in the rapidly changing skilling and job environment in India and globally.

**Table 1**

**DRF with support of long-term partners has impacted more than 3.8 lakh youth in the past twenty years through its placement linked skilling programs**

Financial Year	Total Impact (No. of Youth)
1999-2002	1132
2002-03	215
2003-04	328
2004-05	18923
2005-06	25123
2006-07	45191
2007-08	47064
2008-09	46473
2009-10	20820
2010-11	25403
2011-12	27191
2012-13	19549
2013-14	17032
2014-15	21270
2015-16	27732
2016-17	18865
2017-18	5892
2018-19	11656
2019-20 (till 30 <sup>th</sup> September)	6091
<b>Total</b>	<b>385950</b>

## CURRENT SKILLING SCENARIO CHALLENGES

### Quality of Education

India’s education system has not evolved at the same pace as its industry. While primary level enrolment is almost universal, the number becomes half at the higher secondary level. The dropout percentage is 10.1 at primary, 16.2 at upper primary, 20.7 at secondary and 10.8 at higher secondary. For the majority of those who continue schooling beyond primary level, learning outcome is very low. As per Annual Status of Education Report (ASER) 2018, in Standard VIII, two out of four children are still struggling with division and one out of four does not have basic reading skills. As highlighted by numerous studies, a majority of youth passing out remain unqualified for higher studies and inept for the labour market. DRF’s skilling program data too highlights the same, with 95 percent of students not qualifying the pre-assessment tests in foundational skills.

### NEET

Youth who are not in education, employment or training (NEET) is another major area of concern. As per 2017 report of Organisation of Economic Cooperation and Development (OECD), more than 30 percent of youth (15-29 age) in India are in the NEET category. Though the interpretations of NEET is debatable and bulk of interpretations associate NEETs with issues of discouragement, joblessness or marginalization/exclusion among youth, this (NEET) has emerged as the sole youth-specific target for the post -2015 Sustainable Development Goals (SDGs) - 8 to “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. There is an urgent need to either integrate NEET in the education system or train them on demand based vocational or skilling programs which will enable them to participate in the economy.

### Employability Skills

A majority of school and college graduates are struggling to get jobs due to the lack of employability skills. The 2016-17 annual report of MSDE estimated that only 5 percent of India’s total workforce received formal skill training. Even those who have formal degrees are unequipped to meet the demands of the changing job market. According to a 2016 study carried out by ‘Aspiring Minds’ barely 7 percent of the 150,000 engineering students were suitable for core engineering jobs.

<sup>7</sup> “Core Employability Skills Score” is measured through pre and post assessments

### **Unemployment Rate**

As per National Sample Survey Office (NSSO) recent report, the country's unemployment rate is at a four-decade high of 6.1 percent. But this is just part of the story as this official rate represents only a portion of those people who want to work and those actually working or in the process of looking for work. This excludes nearly 490 million jobless people who are of working age from unemployment assessments. The Centre for Monitoring Indian Economy (CMIE) monthly series data, (April 2019) states very high unemployment rates in States like Haryana-26.4 percent, Tripura-25.4 percent, Himachal Pradesh-19.6 percent, Jharkhand-15.7 percent, Bihar-14.5 percent, Rajasthan-13.2 percent, and UP-11.1 percent; with the unemployment rate among graduates thrice the national average! There are approximately 55 million graduates – of which 9 million are unemployed as per the Centre for Sustainable Employment at Azim Premji University.

### **Women in Workforce**

The decreasing Labor Force Participation Rate (LFPR) especially among women is equally alarming. Only 23 percent of all women who can work are part of the workforce when compared to the men's LFPR rate of 75 percent. Nearly 120 million Indian women having at least a secondary education do not participate in the workforce for various personal, social and economic reasons. National Sample Survey Office (NSSO) periodic labour force survey data collected between July 2017 and June 2018 indicates LFPR at 49.8 percent in 2017-18, and as mentioned above women LFPR is at historic low at 23.3 percent in the same period. Among G-20 States, India is second from the bottom in women participation in workforce.

### **Technology**

Technology has already started to make traditional jobs redundant and is set to fundamentally change the way goods are produced and services are delivered. Automation and artificial intelligence is further likely to replace many jobs. NASSCOM in its 2017 report indicated that 40 percent of the present workforce in the IT sector will need to be reskilled by 2022 due to the impact of technology. Similarly McKinsey Global Institute model estimates that for India, 9 percent of the current work hours will be automated by 2030. These paradigm shifts will call for massive efforts in reskilling and upskilling of the affected workforce.

### **Climate Change**

It is important to factor in the impact of climate change which is likely to have a profound bearing on both humans and the ecosystems during the coming decades. The palpable changes in global average temperature and rainfall will have a direct bearing on Agriculture and allied sectors which employ 42 percent of our total workforce. Other than this, India's Nationally Determined Contribution (NDC) under the Paris Agreement includes a target to reduce the emissions intensity by increasing the share of non-fossil fuel based capacity in the electricity mix to over 40 per cent by 2030. As a result, there will be a vital need to reskill millions of farmers & workforce currently engaged in fossil fuel sectors to help them transition to manufacturing, service sector, green practices, renewal energy or self-employment options. As per the Paris Agreement (2015) countries must take into account this transition of its workforce and ensure creation of decent work and quality jobs in accordance with nationally defined development priorities.

### **OPPORTUNITIES**

With 30,000 youth joining the workforce every day, the challenge of ensuring that everyone gets an opportunity to build skills that will help them to meaningfully participate in the economy will require large scale collaborations and massive efforts by all stakeholders. Though multiple efforts are underway there is an urgent need to overcome challenges and leverage the opportunities.

### **Demographic Advantage**

India is set to have the largest and youngest workforce in the world by 2020 which is predicted to last until 2040. At the same time it is estimated that there will be global shortage of 57 million workers. India cannot afford to miss this one-time opportunity in the life of a country.

### **GOI Support & Policies**

The Government of India, apart from the initial efforts made by various ministries to scale up placement-linked skilling programs, established NSDC, MSDE, and Skill Sector Councils to promote wage or self-employment in the country. However, reforms and recommendations for strengthening systems and processes suggested by multiple studies and committees including the Sharda Prasad Committee in 2016 will need to be executed at a much faster pace. In addition, several Policies and Act like the CSR Act 2013, New Education Policy 2019, MSDE Vision Document 2025 and Allied Healthcare Professional Bill, 2019 can provide the required policy direction.

## Self-employment & Entrepreneurship

As per new International Labour Organisation (ILO) report “Women and Men in the Informal Economy” – in India nearly 81 percent of all employed persons are working in the informal sector, with only 6.5 percent in the formal sector. Exploring self-employment and entrepreneurial opportunities, especially for the youth from rural areas, can unleash the potential of millions of youth. The renewed focus of government, private agencies and non-profit-organizations in promoting entrepreneurial thinking among the youth is a positive change.

## Leveraging Technology

There is an immense scope of innovation in skilling especially through the leveraging of technology, such as app-based training, digital classrooms & delivery, new age high-end technical courses and optimum utilization of online job portals. These innovations can help improve quality, cost effectiveness and scalability of skilling initiatives. There is a scope of creating new job roles and creating self-employment opportunities by leveraging technology. As per Tata Sons and McKinsey & Company Analysis, 30 million gainful jobs can be created across six sectors (Healthcare, Education, Agriculture, Logistics, Judiciary and Financial Services) by 2025 if we take a new approach that views artificial intelligence and automation as a human aid, not a replacement for human intervention.

## DRF SKILLING STRATEGY

In the context of these challenges and opportunities, DRF has developed its skilling strategy. The strategy can be summarised as *“Equip youths from low-income households with market aligned foundational and technical skills for better jobs or self-employment, using a segmented approach”*.

Purpose of the strategy is to help DRF meaningfully contribute to the national skilling priorities and also to help: [a] guide its future work on skilling; [b] sharpen its current programs; [c] respond to emerging opportunities; and [d] align its work better with the priorities of its current and future partners and larger ecosystem.

The skilling strategy consists of three core sections: [1] principles [2] strategic priorities and [3] strategic components.

## 1. PRINCIPLES

All our skilling work will be guided by the following six principles.

We will focus on:

- 1.1 youth<sup>10</sup> from low income communities and improve participation of women
- 1.2 demand-led skilling<sup>11</sup> by deeply engaging with employers
- 1.3 collective problem inquiry to pressure test new ideas and use minimum viable product approach to design solutions
- 1.4 innovation in all our work: including designing solution, process improvement & delivery of training
- 1.5 rigorously measuring and evaluating program outcomes and practice data based decision making
- 1.6 programs which have the potential to bring ecosystem impact or enable transformation in the lives of the youth

## 2. STRATEGIC PRIORITIES

### 2.1 “Core Employability Skills” & “Technical Skills”

Based on our learnings in the last two and a half years our strategy pivots on “Core Employability Skills” and “Technical Skills”.

*Core Employability Skills:* These are foundational skills which include competencies such as Communication, English, Digital Literacy, Arithmetic, Financial Literacy, Problem Solving, Life Skills, Entrepreneurial Thinking, “Work Readiness” and Interview Skills. These skills are domain-agnostic, universally applicable, transferable and essential to prepare youth for today and future.

*Technical Skills:* These are demand driven specific technical skills related to specific jobs roles in certain sectors which has some long term existence (in the fast changing job market); such as Healthcare, IT, Beauty & Wellness etc. While the focus is on specific technical skills, a component on life skills & communications have been integrated as these are essential for all job roles.

<sup>8</sup> Youth from age group of 14-30 years

<sup>9</sup> Youth are segmented as per their educational, employment or training status

<sup>10</sup> DRF works with Person with Disabilities as well. There is a separate Skilling Strategy Paper Person with Disabilities Program

<sup>11</sup> Demand estimation will be done by conducting primary and secondary research and aligning on the problem

## 2.2 Blended Training Model

We will transition from a classroom only training model to a blended training model. Focus will be on developing effective ways of delivering blended training without adversely affecting the learning outcomes. This will require digitization of content, setting up digital classrooms, training of trainers and strengthening our Learning Management System.

## 2.3 Digital Training Model

Other than blended training model, we will also design “virtually delivered” and “do it yourself” training models. This will not only help in reaching out to the new segment of youth (from same target group, who are interested in digital training and have smartphone with data connectivity) but also in scaling up impact with speed. We will focus on designing digital training models in which all components of the programs can be delivered online.

## 2.4 Age Group: 14-30 Years

For all our placement linked or self-employment programs, we will focus on the 18-30 year age group. However, in case of skilling program for school children the age group will be 14 years and above.

## 2.5 Helping Youth And Their Families To Significantly Improve Their Economic Well-being

Through our placement linked programs, skilling for self-employment and upskilling & reskilling programs we aim to help youth earn incomes that significantly improve their economic well-being with a special focus on improving women’s participation in all our interventions.

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*As part of our strategic focus we choose **not to do the following**:*

- *Design programs which are above Level 6 of the National Skills Qualification Framework (NSQF) [e.g. courses which are equivalent to Graduation and above ]*
  - *Programs which require heavy infra investment. [e.g. setting up manufacturing or costly lab for skilling]*
  - *Implement skilling models which are not scalable. [e.g. very high cost models that deliver quality outcomes but are not scalable]*
  - *Offer skilling programs to children who are in primary or elementary education [e.g. children who are below fourteen years or standard nine]*
  - *Offer full-fledged entrepreneurship incubation programs [e.g. setting up entrepreneurship incubation centres]*
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## STRATEGY COMPONENTS (SC)

### SC1: SKILLING IN SCHOOLS AND COLLEGES

#### Program Objective

To impart quality training on “Foundational Skills” or “Technical Skills” in Govt. institutions (9<sup>th</sup> to 12<sup>th</sup> /ITIs/ Polytechnic/Colleges to make youth future ready for jobs, higher studies or self-employment.

#### Key Strategic Components

- Certified trainers with standard competency to deliver quality training
- Focus on learning outcomes by measuring skill shift through pre and post assessments
- Focus on entrepreneurial thinking
- Exposure visits and mentoring opportunities
- Based on the program outcomes, advocate for integrating skilling with education to make youth future ready

#### Preferred Delivery Model

To be implemented in partnership with government education institutions with blended training approach or delivered digitally.

### SC 2: SKILLING NEET [Studied below Secondary]

#### Program Objective

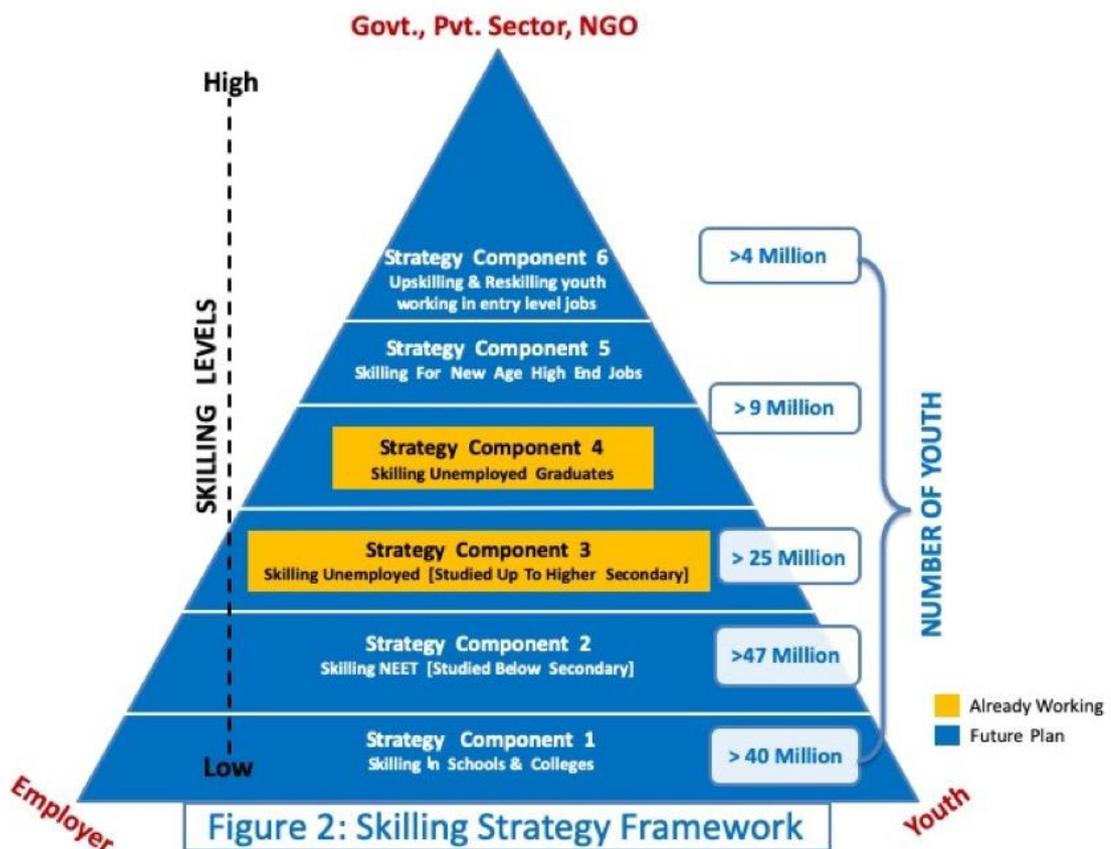
To impart demand or need-based training to marginalised youth who are NEET and help them to get absorbed in semi-formal or formal jobs or equipped for self-employment as per the local market opportunities.

#### Key Strategic Components

- Employer led skilling
- Exploring self-employment opportunities as per local market conditions especially for rural youth
- Focus on casual workers or youth from low income households
- Exploring apprenticeship opportunities

#### Preferred Delivery Model

To be implemented through skilling centres with blended training approach or delivered digitally.



### SC 3: SKILLING UNEMPLOYED YOUTH [Studied up to Higher Secondary]

#### Program Objective

To impart placement led training on “Core Employability Skills” or “Technical Skills” and help they get quality entry-level jobs in various roles across multiple sector or specific jobs roles in particular sectors.

#### Key Strategic Components

- Industry aligned courses
- Certified trainers having competency standards to deliver quality training
- Focus on learning outcomes by measuring skill shift through pre and post assessments
- Placing youth in quality entry level jobs after proper matchmaking
- Post placement support

#### Preferred Delivery Model

To be implemented through skilling centres with blended training approach or delivered digitally.

### SC 4: SKILLING UNEMPLOYED GRADUATES

#### Program Objective

To impart placement-led training on “Advanced Core Employability Skills”<sup>12</sup> or “High End Technical Skills”<sup>13</sup> and help youth get quality entry-level Plus-One jobs in various roles across multiple sectors or specific jobs roles in particular sectors.

#### Key Strategic Components

- Screening youth for basic cognitive, communications and digital skills
- Certified quality trainers
- Focus on learning outcomes by measuring skill shift through pre and post assessments
- Deeper engagement with employer for quality placement in entry level Plus-One jobs

#### Preferred Delivery Model

To be implemented through skilling centres with blended training approach or delivered digitally.

<sup>12</sup> These include higher level proficiency in “Core Employability Skills”

<sup>13</sup> These include job roles that are in NSQF levels 4 to 6

## SC 5: SKILLING YOUTH FOR NEW AGE HIGH- END JOBS

### Program Objective

To place youth in high-end new-age jobs, through an apprenticeship model in partnership with private players operating in specific sectors<sup>14</sup>.

### Key Strategic Components

- Focus on demand driven new-age high end jobs
- Screening youth with specific talent and interest, from low income households
- Providing loan facility for training & certifications
- Ensuring quality training through apprenticeship by forming partnerships with private players

### Preferred Delivery Model

To be implemented by private partners through apprenticeship or classroom training approach

## SC 6: UPSKILLING & RESKILLING YOUTH WORKING IN ENTRY LEVEL JOBS

### Program Objective

Partner with private sector to train entry level workforce on customised “Core Employability Skills” or specific “Technical Skills” for their career growth and meet new-age skill requirements.

### Key Strategic Components

- B2B focus
- Improving employee competencies for next level role by developing new skills to keep pace with changes in the external environment, especially technology related developments.
- Certified trainers with standard competencies to deliver quality training
- Focus on learning outcomes by measuring skill shift through pre and post assessments

### Preferred Delivery Model

To be implemented in partnership with private sector at workplace, or blended training approach at workplace or delivered digitally.

## PARTNERSHIP

We recognise that the execution of this strategy will only be possible with support of partners. Till date, our partners from Government, Corporate CSRs, Foundations and NGOs have played a critical role in shaping our skilling work and have helped us creating impact at community and system level.

We also strongly believe that this skilling strategy will help us strengthen our collaboration with our current partners and help in developing new partnerships.

## CONCLUSION

We envision that our skilling strategy will guide our work in contributing to system reforms and system strengthening through evidence-based advocacy and need-based technical assistance, knowledge sharing as well as knowledge partnerships. It will also enable us to impact at least 1,00,000 youth by helping to build skills that will equip them to meaningfully participate in the economy.

We plan to have a mid-term strategy refresh in 2022, to review [a] the progress made towards the purpose of the strategy [b] to take stock of ecosystem changes and its impact on our work and strategy [c] to incorporate new learnings from our work.

<sup>14</sup> Sectors like Beauty and Wellness, Sports etc.

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At Dr. Reddy's Foundation we develop and test innovative solutions to address complex social problems and leverage partnerships to scale up impact. Over the years DRF has directly impacted 7.6 lakh lives through improved education, health, livelihood and climate action outcomes.

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