

Apprenticeships along with Graduation Degree Programs can bring about a revolution in Higher Education in the country

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Higher education is meant to act as a pathway, launching students into the wider world in the expectation that the currents will guide them into a job. In practice, many students get stuck in the doldrums because employers demand evidence of specific experience even from fresh graduates aspiring for their first job. Lack of work experience for a fresh University graduate is only the natural order of things and hence whether this deficiency counts as a skills gap is a matter of debate. But irrespective of where the fault lies, with the educators or the employers, there is a need for pathways that lead individuals into jobs.

CEOs from around the world consider skill gap as one of their top five pressing concerns. In both developed and developing countries skill-gaps constrain companies' ability to grow, innovate, deliver products and services on time, meet quality standards and meet environmental and social requirements. Closing skill gaps would improve productivity, employment, and enterprise creation, both in the formal and the informal sector. The concerns employers have with the skills of young graduates and their difficulty with filling vacant positions, stem from two sources: 1) skills shortages (scarcity of candidates with the necessary skills for the job) and 2) skills mismatch (a qualitative challenge where companies do not find fresh graduates employable even when they have the right qualifications on paper).

Universities, on the other hand, have a pressing need to deliver outcome, which in most cases, is employment. Most employers are sure that undergraduate education delivered by the Universities does not produce the type of workers that the industry requires. All Universities face the difficult trade-offs between cost, quality and scale and hence need to focus more on the purpose. Getting students to meaningful employment is one of the paramount goals of higher education.

Apprenticeship linked degree programs were introduced in several European countries to

provide students with a University-level qualification and the employment experience while allowing them to share the cost of their education with employers. Germany, which has had a culture of apprenticeship for hundreds of years, has been quoted as the flagbearer of the apprenticeship movement. UK, which in the late 1990s not only had high unemployment but had the same kind of pessimism among the unemployed that the U.S. now faces, decided to revive the country's apprenticeships, which had nearly died out. Between 2003 and 2012, the number of apprentices grew from 75,000 to 800,000 and is now about 1 million a year. In Australia, apprenticeships are employer-led, with government as a partner at the table.

For companies, apprenticeship programs would mean that instead of waiting fruitlessly for skilled workers to walk in the door, they could build the workforce they need. The apprenticeships provide the students the opportunity to build their trade skills by learning on the job while the university degree provide the foundation of the underlying principles. Government's role would be to supply enough funds to help subsidize the stipends of the apprentices, certify that the apprenticeships meet certain minimum standards, push Universities and colleges to align themselves with an apprenticeship movement, and help create a culture where apprenticeships are seen as a head-held-high route for a student to get to his/her first job. In recent years, several large companies in India, with some support from the government, have increased their intake of apprentices. Universities with strong links to local industries and those that understand regional skills shortages have an advantage. These institutions can, with some external help, start functioning as 'anchor institutions' – the academic hubs of local development. The new arrangement is also good for employers and students. Students are not saddled with the pressure of University course fees: they study online on their smartphones at their own flexi-timings, pay no fees (net of stipend received) and will graduate with several years of work experience that will be transferable into other jobs and industries. While this is fantastic

for the students, several service providers and job aggregators help Universities take steps to ensure that the demographic profiles of degree apprentices remain balanced and also maximise opportunities for young people from lower socio-economic backgrounds, geographically disadvantaged areas and minority groups.

Universities realise that a multi-modal offering – a combination of Online, Offline, On-Campus and On-the-Job – is a much more effective way to deliver high quality purposeful and employable education. These pathways are clearly defined in the field of medicine and law; even our chartered accountancy program is based on the concept of apprenticeships (on-the-job learning). Several Universities in the country have moved beyond the old-style 'apprenticeships' by making a university degree a core part of the apprenticeship experience. Several Universities in India are also crafting courses to meet the skill demands of the local industries – BSc in Mechatronics is an innovative course provided by the TeamLease Skills University in Gujarat to cater to the demands and the skills shortages of the local industries!

Although in their infancy, degree programs that are linked to apprenticeships are growing in popularity across the world. Spurred on partly by students who, given increases in fees and the diminishing returns from just a graduate degree, quite rightly expect more from their university experience than previous generations, and partly by forward thinking higher education institutions who have spotted a gap in the market for alternatives to a traditional degree. However, such a wholesale change in the design and delivery of undergraduate programs, and in some cases postgraduate courses, is not easy. Universities will need to think structurally about how apprentices fit in with their other students while the staff, academic and administrative, will need to rethink their roles to best support this new type of learner and to engage meaningfully with their employers. While the majority haven't invested enough time and effort to develop links with employers, several service providers like Schoolguru and TeamLease are showing the way through their industry connect



programs. NR Narayana Murthy once made an interesting observation about change: 'Growth is painful. Change is painful. But, nothing is as painful as staying stuck where you do not belong'. Higher education does not belong to the doldrums where it is stuck currently. The chronic neglect of higher education is untenable and

is detrimental to the society and the nation. Education has to deliver results to the satisfaction of the stakeholders, the society and the economy – the question is exciting, difficult, challenging and existential! Things must change!

Education Development Impact Bond launched in India

A coalition comprising HRH Prince Charles's British Asian Trust, the Michael & Susan Dell Foundation, UBS Optimus Foundation and Tata Trusts, together with the Comic Relief, the UK Government's Department for International Development (DFID), the Mittal Foundation, and British Telecom, launched the world's largest education development impact bond: "Quality Education India" Development Impact Bond (DIB).

The first phase of the fund raised USD 11 million and the consortium wants to use this as a springboard to double the DIB in size in the coming years. To date, this is the largest DIB globally for education and the largest DIB in India with a potential to be significantly scaled up further. With this new and innovative social finance tool, the consortium aims to improve literacy and numeracy skills for more than 300,000 children, drive focus towards outcomes in the development sector and transform the way education is funded in India. While traditional funding streams are under severe pressure, innovative financing mechanisms such as DIBs, are a complementary tool to attract new private capital and will also play a major role in bridging the financing gap to achieve the UN's ambitious Sustainable Development Goals. Finance minister, Arun Jaitley, launched DIB at a ceremony in New Delhi on September 11.

DIBs are results-based finance mechanisms. The 'outcome funders' only pay for successful results. If the outcomes are not achieved, the funders do not pay. The working capital that enables the organisations to deliver the programmes comes from 'risk' investors who can recover their capital and earn a return if the programme is successful – in this case, if pre-determined education outcomes are met.