



Sector Report Skills & Education



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Report highlights:

- *Skills and education sector in Mizoram: Current scenario and opportunities in future*
- *British Council's study on opportunities for UK firms in Indian education sector*
- *Fundraising activities by Indian education firms*

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**SECTOR:
SKILLS & EDUCATION**

**SECTOR OVERVIEW:
March 2014**

Welcome to the quarterly UKIBC Sector Report on Skills & Education. Continuing the focus on business friendly Indian states we shall discuss business opportunities in the North Eastern state of Mizoram. We will scope the skills and education sector of the state, understand the challenges and highlight the opportunities which are born out of these challenges. We will also understand how the state promotes Public Private Partnerships in the skills and education sector. For more information on Mizoram and the UKIBC's programme of work in India, please contact our sector team - Jesh Rajasingham, Neeru Sood or Rajni Sachdeva.

Additionally, in this report, you will find an update on the recent developments in the skills sector in India, such as the findings of British Council's report on opportunities in the education sector in India. You will also read about new educational ventures by Supertech and Jaipuria group which might lead to collaboration opportunities for UK based firms.

Economic Indicators

Indicator	Q2	Q3
Real GDP Growth (%)	4.7	5.0 (F)
FDI (GBP bn, Monthly Average)	1.5	1.0
FII (GBP bn, Monthly Average)	-1.3	0.5
CII Business Confidence Index	45.7	54.9

Quarters for business confidence/optimism indices may vary from India's fiscal year quarters [RBI The External Sector](#), [DIPP Dec](#), [DIPP Sep](#), [DIPP Jun](#), [RBI Bulletin](#)

In Focus: Skills & Education Opportunities in Mizoram

The backdrop

Historically, the eight north-eastern states of India have been less developed than the rest of India because of infrastructure issues, limited connectivity and a weak industrial base. Mizoram had a literacy rate of only about 31.4% at the time of India's independence in 1947. However, over the last few decades, the state has managed to beat all odds to achieve a very high literacy level and set a benchmark for the rest of the country. A significant amount of credit for this goes to the local government, which is working toward developing an administrative structure aimed at achieving total literacy. Nowadays, Mizoram has a literacy rate at 91.58%, according to the 2011 census, which is high compared to 74.04% for the country.

As of March 2011, Mizoram had 3,810 schools, 21,228 teachers and 304,159 students, with a strong teacher-pupil ratio of 1:14. Aizawl has the highest school, teacher and student concentrations (as a percentage of the entire state) at 34%, 38% and 40%, respectively.

Higher and technical education is provided through colleges, polytechnics and industrial training institutes (ITIs). As of March 2011, Mizoram had one university, 27 colleges including one law college, two colleges for teacher education, two District Institutes of Education and Training and a Mizoram Hindi Training College apart from which they also have two polytechnics and three ITIs.

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In addition, over 59% of Mizoram's population falls in the 15-60 age group while another 35% is in the 0-14 age group. When combined with the high literacy levels, this constitutes a huge pool of human resources that can be tapped over the next few years. However, despite the high literacy levels, the state must overcome certain existing challenges in the areas of education and skills, before this can happen.

Many challenges to overcome

Most of the educational infrastructure and development are focussed on Aizawl, the state's capital. In addition, a large chunk of the tribal population in the lesser developed non-urban areas still does not have access to education. Quality of education is another challenge, not only in the lesser developed areas but also in Aizawl. In general, poor quality of education prevails across primary, higher and vocational education.

The quality of primary education is poor, despite a healthy teacher-student ratio, as teachers are professionally not competent enough. On the vocational education front, although the courses and trades offered at the polytechnics and ITIs are in line with the domestic demand, the quality of infrastructure and course material does not meet the contemporary standards.

Nearly 75% of the colleges in Mizoram do not have classrooms and hostels, as highlighted by the state's Chief Minister, Mr. Lal Thanhawla, in his speech at the 57th National Development Council Meeting. He also emphasised the need to amend the University Grant Commission (UGC) Guidelines for better utilisation of the UGC Fund and highlighted the ever-pressing need for establishing a medical college in Mizoram.

Given the infrastructure gaps, lack of quality education and persistent unemployment, Mizoram faces a high level of emigration. Emigration of the young population can lead to smaller working population and hence a potentially lower growth in region. Educating the youth, making them employable, creating employment opportunities and providing impetus to set up industry in Mizoram can be the keys to progress for the state.

The government's vision

The North Eastern Council and the Ministry of Development of North Eastern Region's Vision 2020 for the North-eastern region targets its state domestic product to increase at a CAGR of 11.64% and its per capita income to increase at a CAGR of 12.95% till 2019-20. The levers to be used to achieve the targets include:

- Encouraging rapid socio-economic development
- Promoting the strengths of the region
- Building capacities and competencies in critical sectors

As a part of building competencies, the plan is to:

- Identify institutes and organisations for imparting training and building capacities
- Set up training institutes in the region in important fields through line ministries, NEC or State Governments
- Augment the capacity of the training institutes in the north eastern states
- Use Information Technology (IT) to upgrade skills

The plan is to set up new polytechnics in four additional districts, along with setting up institutes for higher education, such as the National Institute of Technology (NIT), Indian Institute of Information Technology (IIIT), Rajiv Gandhi Indian Institute of Management (RGIIM) and Institute of Hotel Management (IHM).

Future opportunities

The National Skill Development Council's detailed 2010 study revealed that several sectors have a significant potential for demand for domestic industries, as shown in Table 1.

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The youth who decide to migrate to other parts of the

In short, a significant opportunity exists for both domestic

Table 1: Skills and Training Opportunities for Domestic Demand and Livelihood Opportunities

Sector	Factor Endowments	Policy Thrust	Market Potential	Historical Presence	Availability and quality of training Centre	Time taken to train	Employment Opportunities
Livelihood Opportunities							
Agriculture	✓	✓	✓	✓	✗	Low	-
Fishery	✓	✗	✓	✓	✗	Low	-
Animal Husbandry	✓	✓	✓	✓	✗	Low	-
Sectors for Domestic Demand							
Handloom	✓	✓	✓	✓	✓	Medium	High
Handicrafts	✓	✓	✓	✓	✓	Medium	Medium
Horticulture	✓	✓	✓	✓	✗	High	High
Food Processing	✓	✓	✓	✗	✗	Low	High
Hospitality	✓	✓	✓	✓	✗	Medium	Low
IT/ITES	✗	✓	✓	✗	✗	High	Medium
Forest based	✓	✓	✓	✓	✗	Low	High
Construction	✓	✓	✓	✓	✗	Low to Medium	High
Healthcare	✓	✓	✓	✗	✗	Medium to High	Low
Other services: Motor Repair, Beauty Culture	✓	✗	✓	✗	✗	Low	Low to High

country and abroad also need skills improvement in certain areas as highlighted in Table 2.

Table 2: Skills and Training Opportunities for the Migrating Youth

Sectors for Migration	Natural aptitude	Youth aspiration	Market potential	Availability and quality of training Centre	Time taken to train
Beauty and Wellness	✓	✓	✓	✓	Low to Medium
Hospitality	✓	✓	✓	✗	Medium to High
IT/ITES	✓	✓	✓	✗	Medium to High
Retail Services	✓	✓	✓	✗	Low
Music	✓	✓	✓	✗	Medium to High
Sports	✓	✓	✓	✗	Medium to High
Fashion Designing	✓	✓	✓	✗	High
Flight attendants	✗	✓	✓	✗	Medium to High
Ground staff at the airports	✗	✓	✓	✗	Low to Medium
Healthcare	✗	✓	✓	✗	Medium to High
Language Skills	✓	✓	✓	✗	Low to Medium
Trainers	✗	✓	✓	✗	Medium to High

References: NSDC Skill Gap Study of the North East

According to Mizoram's annual plan, which was presented to the Planning Commission in 2013-14, the target is to improve employment of local literate youth in sectors such as IT, paramedical, biotech, aviation, entertainment and hospitality. In addition, the completion of three hydro-electricity projects and a multi-modal transport project are expected to create further employment opportunities for the youth.

and foreign players, which can benefit by supporting the government to set up quality institutes in IT/ITeS, including English language training; food processing; construction; healthcare and hospitality sectors amongst others.

One way to leverage such opportunity could be through the state government-allowed public-private partnership models:

Model 1: This model envisages joint ownership of the state government and the local community. The local community offers the land free of cost while the state government operates the institution like any other government institution. In exchange for the land, a representative of the local community could be appointed in the management. This model is suitable for establishment of higher and secondary schools.

Model 2: In this model, the state government identifies a field of study and invites Expression of Interest from the educational entities that have prior experience in the concerned field. The selected entity procures land, constructs the campus, and hands over the developed facility to the state government, which then operates the institution. The state government repays the set-up costs, along with interest, in the next 15 to 20 years. This model is suitable for institutions looking for new investments yet wanting to avoid the operational risks that come along with it.

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Model 3: The state government provides free land and invites educational entities to establish an institution. The selected entity constructs the campus and manages it to recover its cost of investment, along with returns. This model can be adopted for professional or higher education and could be a preferred model for foreign entities to participate in Mizoram's education development plans.

References: Planning Commission, Mizoram Annual; NSDC Skill Gap Study of the North East; The Sangai Express, 28th March 2012; Directorate of School Education, Mizoram; Directorate of School Education, Mizoram; District Information System for Education; Department of Higher & Technical Education, Mizoram; and IBEF

Market Update

British Council study finds huge opportunities for UK education players in India

According to a study by the British Council, there are huge opportunities for UK education providers in India over the next ten years. The report titled "Understanding India – the future of Higher Education (HE) and opportunities for international co-operation identifies current and emerging areas for UK-India collaboration across the Indian HE sector, highlighting that the current focus is too narrow.

The report notes that although numerous collaborations exist with central government institutions, the real, untapped opportunity lies in partnering with the state governments. The Indian education sector aspires for more partnerships in the disciplines of social sciences; humanities & arts; and Science, Technology, Engineering and Mathematics (STEM).

The report makes a note of four broad challenges facing Indian higher education and the corresponding opportunities for the UK companies:

- The supply-demand gap
- The low quality of teaching and learning
- Constraints on research capacity and innovation
- Uneven growth and access to opportunity

[British Council, 13th Feb; Click Here for the Report](#)

The education crisis in India deepens

A series of consecutive reports on the education sector make some shocking revelations. As per the UNESCO's 11th Education For All Global Monitoring Report, 90% of the children from poor families remain illiterate, despite completing four years of education in school. The report also highlights that India has the highest number of illiterate adults across the world, at 287 million, constituting 37% of the illiterate adult population across the world.

According to the National Skill Report 2014, prepared by the CII, PeopleStrong and Wheebox, only 34% of the assessed 100,000 students were employable. The government is spending a significant amount of tax-payer money on education, most of it being spent on capital expenditure and salaries, but not on improving the quality of education. The Annual Status of Education Report 2013 points out a huge surge in private schools to fill this gap in quality.

[Live Mint, 29th Jan; Hindustan Times, 30th Jan](#)

Supertech plans GBP 72.5 million education venture in Uttarakhand

Supertech, one of the leading real estate firms in India, has announced its education venture, which will be called Supertech University. The new institution will offer graduate, post-graduate, doctorate and specialised courses across a large number of subjects, such as engineering, technology, law, management, fashion design, liberal arts, humanities, medical and social sciences. The newly appointed Vice Chancellor, V.P.S. Arora, announced that some short-term specialised courses are expected to start by the end of 2014 whereas regular courses are slated to begin by mid-2015.

Mohit Arora, director of Supertech and one of the trustees of the new foundation under which the university will operate, stated that Supertech will be keen on collaborations with foreign institutions, although no such tie-ups have been finalised yet.

[Business Standard, 23rd Jan](#)

President of India and Kofi Anan urge India to improve education system to retain talent

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Indian President Pranab Mukherjee stated that he felt saddened to see that no Indian educational institution featured among the world's top 200 institutions in the 'QS World University Rankings'. He added that most Indians who have won Nobel Prizes since Dr. C.V. Raman have won it working at universities outside India. Speaking at the Infosys Science Awards in Bangalore, former UK Secretary General said that India has lost a lot of its talent to North America and Europe and this "brain drain" has benefitted other economies. He said that the answer was to provide them with conditions and incentives to realise their dreams at home. "This is not only keeping many talented young people in India but also persuading those who have gone abroad to return", he added.

[Business Standard, 8th Feb; India TV News, 9th Feb](#)

IIM Calcutta and Ivey Business School sign Memorandum of Understanding to jointly develop and publish India-relevant cases

Indian Institute of Management Calcutta and Ivey Business School at Western University, signed a five-year Memorandum of Understanding to jointly develop and publish India-relevant cases.

The two institutions agreed to collaborate in the areas of research, development and publishing of cases. They would also work together in fostering a culture of case writing and case pedagogy in Indian management institutes. The partnership aims at promoting case-based teaching and in creating high-quality case materials to enrich classroom discussions.

[Economic Times, 19th Mar](#)

IIM Bangalore and Toulouse Business School (France) launch an aviation management course

IIM-Bangalore and Toulouse Business School, France signed an agreement to set up an executive general management programme in aerospace and aviation management, a one of its kind programme in the country. Airbus, headquartered in Toulouse, would sponsor the two-year part-time degree course, designed with a view to develop and nurture local talent in the field of aerospace. Airbus sights India as one of the fastest developing countries in the aviation market and also one of the richest talent pools for the next generation of business leaders.

[Economic Times, 13th Mar](#)

Germany offers dual vocational training to India

Germany offered to provide dual vocational training in order to enable India deal with its huge demographic challenge. Addressing the Bertelsmann Stiftung-Infosys conference on building a training system in India, German President Joachim Gauck stated that about 500 million Indians were projected to enter the global labour market in the next 10 years.

The German dual vocational system, consisting of practical training in companies and theoretical education in schools, is well-respected, especially in the southern European countries facing high unemployment. German companies such as Bosch, BMW and Volkswagen expressed willingness to support vocational qualifications in India. As a role model, Infosys trains 14,000 skilled workers and IT specialists each year with the support of the German foundation.

[Business Standard, 7th Feb](#)

Indian Pharma firm Cipla donates GBP 771 k to Britain-based Royal Society of Chemistry

The funds will go toward supporting advanced chemistry education in India through a tie-up with a Britain-based not-for-profit organisation, Royal Society of Chemistry. The funds will be mobilised in India to equip 8,000 teachers with skills to deliver chemistry lessons, pass their knowledge to colleagues and provide 1,600 brightest students with places at chemistry camps, to motivate them to pursue the subject at a university over the next five years.

The Royal Society of Chemistry will manage the programme in collaboration with Britain's Slaters Institute and leading Indian institutes to enhance skills and knowledge of chemistry teachers and motivate school students to study chemistry at the university level.

[India Today, 11th Feb](#)

Microsoft ties up with Tata Tele, MBD & Acer to bundle content for schools

Microsoft tied up with personal computer and notebook maker Acer, publishing house MBD and telecom services

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provider Tata Teleservices to launch bundled tablets for private schools. The deal represents a first-of-its kind venture in the education space, where four companies spanning diverse industries came together to provide digital learning solutions for students from standard VI to XII in Indian schools.

The K-12 segment in India is at GBP 22.7 billion, according to Technopak estimates. It is expected to reach GBP 56.9 billion by 2020 and currently has around 230 million students. Success of this venture depends upon how they make this product commercially viable in Indian market.

[Economic Times, 5th Feb](#)

Investment Update

Jaipuria Group plans GBP 95 million investment in education

Jaipuria Group is planning 50 educational institutions under a franchisee model in tier II and III cities across North India over the next five to seven years. Chairman Sharad Jaipuria said, "Each school would be spread over an area of around 90,000 sq ft and entail investment of INR 200-250 million (Approx. GBP 2 million)".

The Group currently runs Seth MR Jaipuria School in Lucknow and management institutions in Lucknow, Noida, Jaipur and Indore, apart from its traditional textile business. In the first phase, the focus is to launch schools in Uttar Pradesh, Rajasthan, Haryana and Madhya Pradesh, based on the CBSE or the ICSE/ISC pattern. Jaipuria group will be looking for local partners that would invest in land, building and other infrastructure while the group will ensure quality teaching, pedagogy and other academic support to the initiative.

[Business Standard, 5th Feb](#)

Digital education firm raises over GBP 5.3 million

iProf Learning Solutions, a provider of e-learning content both in India and abroad with a focus on delivering digital education via tablets, raised over GBP 5.3 million in its second round of funding. The investment was made by venture investors Daily Mail Group Information, on behalf of its education subsidiary, Hobsons; Norwest Venture Partner (NVP); and IDG Ventures India.

"This new funding will help us in further consolidating our leadership and serve thousands of schools by our new product SchoolEra", said founder Sanjay Purohit.

Mohan Kumar, executive director, NVP India, said: "iProf has created a business model which works for Ed Tech (education technology) companies in India and neighbouring markets. The combination of online and off-line, with lessons/contents delivered on tablets and smart phones is gaining acceptance. The company has successfully delivered tablet based education content in India and also to more than 25,000 students in Mauritius."

[Live Mint, 23rd Jan](#)

Established e-learning firm seeks up to GBP 5.9 million venture capital funding

Liquid e-Learning Services, an educational software provider, is seeking a second round of equity funding and has begun talks with a number of venture capital funds, including Matrix Partners India and Nexus Venture Partners.

Investors are now showing a renewed interest in India's education services sector in 2013, the investments had dropped to GBP 7.7 million compared to GBP 46 million on 2012, according to the research firm Venture Intelligence.

Liquid's flagship product is a customised English language learning software EnglishEdge. Apart from India, Liquid has also forayed into the markets in the US and Singapore, where it caters to both the consumer and enterprise markets. Indian Institutes of Technology, British Council, Cairn Energy and the Essar Group are some of Liquid's key clients.

[Economic Times, 21st Jan](#)

Educational platforms raise angel investment

Meritnation.com, which offers online and correspondence learning resources for Maths, Science, English, Hindi, Sanskrit & Social Sciences, has raised further GBP 96 K funding from its existing investor, Info Edge. This takes Info Edge's total investment to nearly GBP 6.8 million, for a 55.81% stake.

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Medhavi Professionals Services, a career planning services firm, has raised funds from an Indian investor based in the Middle East, for its career planning platform iDreamCareer. The company plans to use the money for new product development and to set up distribution networks for its career planning kit in India, Nepal, Bhutan, Sri Lanka, Dubai and Pakistan.

ThinkVidya, an online education community portal, has also secured investment from a US-based angel investor and serial entrepreneur. This will help the startup to expand its physical presence, grow its user base and boost its sales and marketing efforts. It will also help ThinkVidya increase its workforce from 30 employees to 70 employees by the end of 2014.

[Deal Curry, 4th Dec;](#) [Deal Curry, 6th Dec;](#)
[Deal Curry, 31st Jan](#)

Past Events

New approaches of higher education partnership with India

On 13 February 2014, UKIBC organised a one day event in London to focus on new approaches in mobility, research and strategic partnerships with India. Keynote speakers included: Steve Smith, Vice-Chancellor, University of Exeter; and Rt. Honourable Patricia Hewitt, Chair UK-India Business Council.

The aim of the event was to update the UK higher education sector about India, across partnerships, mobility and research. It also focused on demonstrating a joined up and coordinated approach to India from UK government and related agencies.

In Conversation with Mr S Ramadorai

On 12 February 2014, UKIBC held an interview with Mr Ramadorai, Chairman of the National Skill Development Agency (NSDA) in the rank of a Cabinet Minister. Considering India's educational priorities, he revealed that "everyone bemoans the lack of talent, but the key is creating commonality of standards and qualifications".

During his role as an Advisor he focused on skill development in youth and made it a priority to make India more results focused and look at outcomes such as the dropout rate and employment success, something that previously hadn't been considered as key.

Mr Ramadorai has been particularly keen on distance learning and the possibilities it offers in a country such as India, "if you want to maximise the existing infrastructure and broadband, then distance learning is the only option". He also stressed on R&D, as it would fuel next generation of growth as western based firms are increasingly looking to India as an R&D hub.

Skills Sector Policy Group

On January 15th, the UKIBC launched its first round of meetings of the newly set up Sector Policy Group in Skills and Education. The idea of the meeting was to respond to an identified need over recent months to provide a platform where companies can discuss issues relating to their India strategy. It was our vision, and was reinforced after the first round that UKIBC can work with members to present their collective views to government, the media and other influencers. Essentially, to be the business voice for British business in India.

Besides sector specific issues several cross-cutting issues emerged, with attendees highlighting: IP protection; the impact of the upcoming India election; promoting and raising awareness of "Brand Britain"; challenges with import duties; retrospective legislation in India and other judicial issues were shared. As an outcome, few collaborative initiatives were identified which are now driven by the UKIBC to help improve business environment for not just British business groups operating in India but for all others who intend to explore this market for their investments.

Upcoming Events

Seminar for UK Business Schools in India

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UKIBC would host seminars for UK Business Schools to outline the opportunities available for them in India, on 6th May 2014 in London & 7th May 2014 in Manchester.

[UKIBC Events Website: Register Here](#)

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Please note:

- Conversion rate used across the report is for Feb 20th 2014. 1 GBP = 104.17 INR and 1 GBP = 1.67 USD
- Numbers rounded across the report