



Development for the Next Generation

Challenges in South Asia region

Roundtable

Consultative Workshop to support the WDR
2007

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- Poverty reduction and the conflict
- Community managed schools
- Handing nationalised schools back to communities
- Cynicism – with political parties
- Similarity in issues – labour law reform
- Both forgot exit issues
- Who is driving this? In India it is the think tanks
- In Nepal, donors' push



- Is the timing right in Nepal?
- Fiscal crisis – how this affects of all of us in South Asia and spills over the borders
- In Nepal the need for well targeted poverty reduction
- Why does the World Bank not collaborate with think tanks like IDF
- And institutionalise this



- Government schools – last year the education cess
- What happens to the cess – 70% not utilised
- WDR on delivery of services to the poor – points out
- 1983 – 1999 – per cent spend per student – 37 all India
- Bihar 109%
- West Bengal 160%



Are more going to school

- WB – 50 to 68%
- Bihar – 34 to 49%
- All India – 50 to 73%

Employment – the guarantee

- NSS on unemployment 2003
- Unemployment lowest ever 3.1 %- from 4.4% in 1999



- Between 2000 and 2003 – 2.9% growth in employment – mid term appraisal of five year plan
- Look for work programme
- Political will the solution in conjunction with expanding the coverage!



- Two reports – Montek – unemployment will take care of itself growth
- S P Gupta – irrigation, liberalising waste land development.... Fix policy and
- Textile – 15% of employment – should have grown with MFA gone
- But labour laws put paid to this potential and enterprises refuse to employ more and grow more



We don't have enough schools

- Not enough people – IT – wage increases because of supply problems with graduates and post graduates
- TCS University – 53 days of additional education required to make recruits useful
- Engineering college – 70% shortage in number of teachers
- Education standards falling drastically
- Government to let go
- NCAER – India science report – 200000 potential students per university



Labour laws

- Idealism
- Averaging
- Permanent jobs

Matching jobs and supply

Multiplicity and enforceability of law

Unintended consequences

40 per cent of salary gets confiscated
statutorily



No job is better than a temporary job!

Contract labour act

- Core and perennial work
- Sanctity of fixed term contract
- License – one year, one for each location

Let us tier the law

- Job creation Vs job preservation



- Job creation Vs job preservation – same story
- Those who want flexibility have got it (at some cost!)
- State controlled skilling system does not skill by demand
- Archaic syllabi
- Some institutions that react to demand but cannot get their students certified that is captured by state run institutions
- The twain does not meet



Auctioning non existent assets!

- The national apprenticeship scheme – not being scaled up – is restrictive because of its lists
- Syllabi in schools The old story
- Literate population – but the economy cannot give them Baywatch
- That is why the strife....
- It is those who take risks that generate high growth – and they are being restrictive



Fee structure..... Women

Subsidy in higher education surreptitiously being withdrawn. If the UK can hike college fee, we can too.

Incentivise women to study and join the labour market. Subsidise or pay for

- Transportation
- Internet
- Personality development



Government on both sides

- Industry already subsidised. So now industry should be asked to set up skilling centers/schools and run them.
- List of rules/laws that restrict private institutions coming up.
- Government should finance – not produce.
- Scrap the AICTE... the institution gives out information and gets ranked
- Allow private players to take schools over post lunch... and monitor



- Institutionalise credit availability for tiny entrepreneurs... eg: US Small Business Administration
- Incentivise corporates to promote ancillaries among vulnerable communities
- Vocations as part of syllabus.
- Make skills bankable by incentivising banks
- In any infrastructure contract, dedicate 10% to skilling. Chaos.....
- RBI guidelines!! Allow bankability of skills



- Separate legal system for SMEs!
- Accreditation service for SMEs so they access banks
- Banks will not look at these micro transactions till they have recourse to government securities
- Lack of credit history
- Absence of collateral
- Remove restrictions on setting up banks



- If the government provides education, it should also provide jobs
- Decentralisation of labour laws
- Statutory issue – corporate sector takes a certain percentage of underprivileged youth and trains them for x months. Retains a y percentage.
- Once an infant, always dependent.
- In Sri Lanka, back to schools under the Company's Act.



etcetera

- Corporate Social Responsibility should simply be paying taxes. Increase tax GDP ratio and there will be enough resources.
- Tradeable credits... chaos
- Portfolio standards – advantage is that it dies by itself. It is competition for subsidy not for subsidy itself.



Thank you

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