

Surprise softening

The RBI's inflation projections belie

households' and manufacturers' expectations The Reserve Bank of India's policymakers have acted predictably in opting to keep interest rates unchanged and in retaining the 'neutral' stance. Price stability, after all, remains the Monetary Policy Committee's primary remit, and trend line retail inflation continues to run above its medium-term target of a durable headline inflation reading of 4%. But as with all central bank policy statements, it is not only the action but also what is said that is closely scrutinised for clues on what may lie ahead. The RBI's bimonthly monetary policy statement, unfortunately, ends up sending mixed messages as its outlook for inflation and assessment of the factors contributing to price gains are at variance. The MPC has appreciably lowered its projections for CPI (consumer price index) inflation for the fourth quarter of 2017-18, and for the new fiscal year. It sees price gains having slowed to 4.5% over January-March – a full 60 basis points lower than the 5.1% pace it had projected in February. Forecasts for the first and second halfs of 2018-19 have also been substantially trimmed. Price gains in the first half are now in the 4.7-5.1% range (as against 5.1-5.6% projected in February), with inflation slowing in the second half to 4.4%.

The key factors cited by the RBI in lowering its inflation projections are a "sharp decline in vegetable prices and significant moderation in fuel group inflation." In extending the moderation in food prices in February-March as a major driver of the lowered trajectory for price gains in the new financial year, the RBI is not fully convincing on account of an assertion (of a "likely reversal in food prices in H1") and an assumption (of a "normal monsoon"). Despite a private weather forecaster's projection of normal rains from June to September, the MPC itself acknowledges the risks that temporally or spatially deficient monsoon rainfall could pose to food prices. Also, policymakers appear to have glossed over the RBI's March survey of households' inflation expectations – where prices are seen edging up over the three-month and one-year-ahead horizons – as well as feedback that manufacturers expect input and output prices to rise. Volatility in oil prices too have been played down. The other surprise is the decision to jettison Gross Value Added as the main measure of economic output and switch to Gross Domestic Product. While the assertion that GDP growth will strengthen this fiscal has given investors cause for cheer, the forecast of 7.4% is unchanged from the implicit projection from February. The messaging on the economy could have been clearer and more consistent.

Retaining confidence

After surviving the no-trust vote, the Sri Lankan government must reboot itself

The resounding defeat of a no-confidence motion against Prime Minister Ranil Wickremesinghe in Sri Lanka's parliament provides an opportunity for its bickering leaders to reassess their priorities. Hoever, it may not end the prevailing political uncertainty as the three-way competition among President Maithripala Sirisena, Mr. Wickremesinghe and their common rival, former president Mahinda Rajapaksa, is likely to continue. The confidence of parliament has been numerically settled in favour of the Prime Minister now, with Tamil and Muslim parties backing him in the crucial vote, but in electoral terms the question of political supremacy is still open. For nearly two months, the power-sharing arrangement between Mr. Wickremesinghe's United National Party and President Maithripala Sirisena's Sri Lanka Freedom Party has been unravelling. Their national unity government came under strain after both parties, contesting separately, lost to a party backed by Mr. Rajapaksa in local body elections in February. Mr. Sirisena held Mr. Wickremesinghe responsible for the debacle, seeing in the results an expression of public anger against the government's poor performance on the economic front and a bond scandal in the central bank helmed by the Prime Minister's appointee as governor. A sudden outbreak of communal violence targeting Muslims last month worsened the political situation. The 'Joint Opposition' consisting of loyalists of Mr. Rajapaksa moved the no-confidence motion, despite lacking the numbers needed to bring down Mr. Wickremesinghe, citing the bond scam and the sectarian violence as major grounds. The aim was obvious: to deepen the wedge between the President and the Prime Minister, in the hope that some of the SLFP members now in the ranks of the government would abandon Mr. Wickremesinghe, and that he would face a leadership tussle within the UNP.

Mr. Sirisena's hostility to Mr. Wickremesinghe could not tilt the scales in favour of those batting for the latter's ouster. The fear of a return to the days of Mr. Rajapaksa's political dominance possibly deterred more members from joining the bandwagon. With the noconfidence motion out of their way, there ought to be some recognition that matters of far greater import await attention. The local body poll results have given sufficient indication of the people's concerns over the economy and unemployment. Investigation into past crimes and corruption seems to be slow. In addition, the process of framing a new and inclusive constitution needs to be expedited. Sri Lanka has made a commitment to the international community that it would promote accountability and reconciliation as part of its post-war transformation. This needs the President and the Prime Minister to work together, de-emphasising their political differences. The two leaders came together in 2015 and got a mandate from the people for good governance and institutional reform. Sri Lanka needs a reboot to bring these objectives back on track.

'Skill India' urgently needs reforms

There is no way the country can reap its demographic dividend without fixing vocational education



SANTOSH MEHROTRA & ASHUTOSH PRATAP

alvaging the Indian demographic dividend must be a key part of India's growth story. In 2016, the Government of India formed the Sharada Prasad Committee to rationalise the Sector Skill Councils (SSCs), which are employer bodies mostly promoted by the Federation of Indian Chambers of Commerce and Industry, the Confederation of Indian Industry and other industry associations, and improve 'Skill India'. The committee submitted its report in 2016. Now over a year later, it may be prudent to look at the reforms it suggested and action taken in the vocational education/

The two goals in 'Skill India' are, first, to meet employers' needs of skills and, second, to prepare workers (young and old) for a decent livelihood. The recurring theme in the report is its focus on vouth. Each recommendation underlines that the VET is not just for underprivileged communities; it is not a stopgap arrangement for those who cannot make it through formal education. It is for all of us.

Streaming for students

It suggests concrete steps to ensure a mindset change, such as having a separate stream for vocational education (in secondary education), creating vocational schools and vocational colleges for upward mobility, and having a Central university to award degrees and diplomas. Streaming would mean that the 'diploma disease', which is resulting in growing tertiary enrolment along with rising unemployment among the educated, would be stemmed. Chi-

na, for instance, has such a separate stream after nine years of compulsory schooling, and half the students choose VET at the senior secondary level (after class

This requires a serious engagement of employers. Private vocational training providers (VTPs) that mushroomed as private industrial training institutes (ITIs) and National Skill Development Corporation (NSDC)-financed short-term training providers are no substitute for industry-employer engagement with each pillar of the VET ecosystem: secondary schools; ITIs, public and private; NSDC-funded VTPs; ministries that train, and firms that enterprise-based training.

A global alignment

The second recurring theme is the realisation of human potential. This means aligning the courses to international requirements, ensuring a basic foundation in the 3Rs, and life-long learning. It implies national standards for an in-demand skill set with national/global mobility that translates into better jobs. Short duration courses (with no real skills) that provide low pay for suboptimal jobs cannot be called national standards. Hence the current national standards have to drastically improve This means that we should have

no more than 450 courses - Germany has only 340 courses - in accordance with the National Classification of Occupations 2015 (which itself was based on the International Standard Classification of Occupations). Such trainees will be a national asset. What we have instead are nearly 10,000 standards, produced mostly by consultants. There cannot be thousands of standards (compressed into 2,000 qualification packs/job roles), and "delivered" to trainees in a matter of a few months. This is not what the National Skills Quali-



recommended. The focus should be in strengthening reading, writing and arithmetic skills. No skill development can succeed if most of the workforce lacks the foundation to pick up skills in a fastchanging world. Vocational training must by definition be for a minimum of a year, which includes internship (without which certification is not possible). Short-term training should be confined to recognising prior learning of informally trained workers who are al-

ready working. The third theme is to do what is right when no one is watching you, because, as in other industries, the regulator has displayed a limited capacity to regulate. Cases of a conflict of interests, of rigged assessments and of training happening only on paper are not new.

A recent parliamentary report on private ITIs has exposed yet another scam - the Quality Council of India's approval for thousands of private ITIs. If the number of private ITIs has grown from under 2,000 to over 11,000 in five years, it points to a colossal failure of regulation, accompanied by a lack of quality training on offer at

There is a huge ethics and accountability issue if there is no credible assessment board and when there are too many sector skill councils, each trying to maximise their business. The Sharada Prasad Committee had recommended that the number of SSCs should correspond to the National Industrial (Activity) Classification

across the entire economy), but which is still way larger than Australia's six. Little has happened except for the number of SSCs dropping from 40 to 39.

For a unification

The first policy step should be towards a unification of the entire VET system. What we have today are fragmented pillars. Each of the five pillars does what it wants to, with no synergy. An NSDC-centric focus has left the skill development efforts of 17 ministries out of the same scrutiny. 'Skill India' can have an impact only when all of them work together and learn from each other. SSCs, which are supposedly industry representatives, should be engaging themselves with each pillar of the system, and not just NSDC-funded

The second step is to enhance employer ownership, responsibility and their 'skin in the game'. Media reports often highlight the corporate sector lamenting about "unemployable youth". The private sector places the onus on the government, treating it as a welfare responsibility, while the government looks to the private sector since it is the end consumer of skills. The result is that only 36% of India's organised sector firms conduct in-firm training (mostly large ones, which are also the only ones that take on apprentices under a Government of India Act).

We need a clear fix for this. In this regard the committee's recommendation of a reimbursable industry contribution model (applicable only to the organised sector) should solve the perennial problem of poaching while providing a common level field. It could ensure reimbursements for those companies undertaking training while rewarding industry for sharing and undertaking skilling until everyone in the company is skilled. This will lay the foundation for making at least our organised

The third policy step is in getting the government to recognise that decades have been spent in building a government-financed and managed, and hence supplydriven system.

Data gathering by sector

Does the government, which is not generating much employment in the public sector, really know what industry's skill requirements are in the private sector? Private employers do know this but there has been no serious effort by them to gather data. So the government needs to confine itself to roles it is capable of performing and not involving itself through multiple ministries in activities in which it has no comparative advantage.

One such role is to have surveys, once every five years, through the National Sample Survey Office, to collect data on skill providers and skill gaps by sector. Such data can guide evidencebased policy-making, as against the current approach of shooting in the dark.

Finally, we need more reflection from stakeholders on the actual value addition done by the skilling initiative. The NSDC, which was envisioned as a publicprivate partnership, receives 99% of its funding from government, but its flagship scheme has a less than 12% record of placement for trainees. The NSQF framework has seen little adoption in private sector. And, more than two-thirds of courses developed have not trained even one student so far.

India can surely become the world's skill capital but not with what it is doing right now. The reforms suggested by the committee can be a good starting point for we cannot let another generation lose its dreams.

Santosh Mehrotra is Professor, Centre for Labour, JNU, a member of the Expert Committee on SSCs, and a lead author of the NSQF. Ashutosh Pratap worked with

The 'fake news' fiasco

Smriti Irani's cure is worse than the disease



KARAN THAPAR

Tas Smriti Irani Union Mi nister for Textiles and Information and Broadcast-(I&B), become embarrassment for the government? Her fake news press release is not the first time she's stumbled on a banana skin. There have been several earlier occasions and each time she's thrown the skin herself. Let me recount the facts, and then you can decide for yourself.

The fake news episode is, of course, the worst. Only infrequently does the Prime Minister's Office overrule a decision by a senior colleague in less than 24 hours. It's even more rare for this to be made public. Ms. Irani was not allowed to claim she changed her mind. She was ordered to do

Ever since 2104

However, Ms. Irani's gaffes go all the way back to 2014, beginning with contradictory claims about her Bachelor's certificate. Eventually, she was moved from the HRD Ministry. By then she was considered "the most controver-Minister in the NDA

But her worst errors have happened in connection with the media. The first happened just weeks after she took over as I&B Minister in July last year. The incident revealed that she not only lacks judgment but needs a better sense of

It happened when the Press Trust of India released a photograph of some people wearing Narendra Modi and Nitish Kumar masks to mark friendship day. It was a harmless picture of an innocuous bit of innocent fun but enough to enrage Irani. "Is this how elected heads will be projected?" she asked PTI on Twitter. "Is this your official stand?"

Clearly, the I&B Minister did not accept a news agency's right to release a picture it thought the public wanted to see. More significantly, she did not accept politicians could be mocked. Most obvious of all, she felt she could admonish the media without contradicting her government's commitment to honour free speech.

At the time the Prime Minister did not intervene, and PTI was forced to issue an apology. This may have left Ms. Irani feeling triumphant but it also proved she doesn't understand what free



once pointed out that free speech doesn't mean anything unless someone is offended. And if that person is the Prime Minister or a colleague, they have to accept it as the price of freedom.

Far more serious are her run-ins with Prasar Bharati. I'll come to the specific issues in a moment's time, but first consider the tone and tenor of the Prasar Bharati Chairman A. Surya Prakash's angry comments. And remember, he was appointed by the NDA government. He is not a survivor from the days of its predecessor.

"The bureaucrats in the Ministry have passed several orders which indicate that they have utter contempt for the Prasar Bharati Act. In fact, they behave as if the Act does not exist at all," Mr. Prakash told *The Hindu*. "I regard such orders as gross contempt of the Act and of Parliament itself."

Perhaps the most serious cause of the problem is the Ministry's order requiring that the Prasar Bha-

rati CEO's appraisal be done by the I&B Secretary and reviewed by the Minister. Mr. Prakash calls this "absolutely and patently illegal". It flouts Section 6(vii) of the Act which stipulates that the CEO is an employee of the Corporation and not the Ministry.

However, the Corporation's difnistry have several more causes. In February, the Ministry directed Prasar Bharati to terminate all contractual employees. This was a blatant attempt to undermine its autonomy to hire its own staff. It wanted a serving IAS officer appointed as a full-time member of the Corporation's board, ignoring the fact such people should be employees of Prasar Bharati and selected by a committee chaired by the Vice President. It wanted officers of the Indian Information Service, which comes under the Ministry, to work with Doordarshan and AIR news divisions. It wanted ₹2.92 crore paid to a Mumbaibased private firm for services that could easily have been performed by Prasar Bharati itself. It's even held back release of money allocated by the Finance Ministry, presumably to force acceptance of its

We, therefore, have a clear rift between Prasar Bharati and the Modi government. Mr. Prakash may only talk about "bureaucrats" Irani's support.

but they would not act without Ms. —

The latest folly

The recent 'fake news' guidelines compounded her folly. The truth is fake news is hard to define and even, at times, to identify. It's also generated by multiple sources and ferences and discord with the Minot just journalists. In these circumstances Ms Irani's 'cure' was arguably worse than the disease. The attempt to suspend a journalist's accreditation before proof of guilt was liable to be misused. To many it suggested an attempt to muzzle the media in this crucial year before the 2019 elections. Finally, the fact that she made her decision known around the same time that Malaysia is proposing high-handed action against fake news – prior to its own election – only added to doubt and suspicion.

> As far as the journalist community is concerned, on this occasion she went one step too far. She has shown she doesn't understand journalism, cannot be relied upon to protect press freedom and, therefore, does not deserve to be I&B

> So, now, what's your answer to the question: has Smriti Irani become an embarrassment? Mine is

Karan Thapar is a television anchor

LETTERS TO THE EDITOR Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

Why no re-exam?

As school students, a majority of us work hard all year round preparing for our board examinations. There are some of us who study just before the examinations commence and there still others who hope that there is a paper leak somewhere to help them clear the hurdles. How is this fair? So when it came to light that some CBSE papers (classes 12 and 10) for this year had been leaked, the CBSE dithered but eventually moved towards conducting a retest, which was then scrapped for the class 10 mathematics paper. The authorities' defence was that this decision had been taken in the "interest of students". Yet the only opinions which mattered seem to have been of those

who were against having the retest. I am a part of a small but no less significant group of students that wanted the retest: in the interest of fairness and credibility; to prevent marks from being inflated; and so that each of us gets marks that reflect our academic standing. It appears that small groups in this country have no voice and are eventually shut down. We are deeply dismayed by the decision not to have the retest ("Panel to probe CBSE question leaks", April 5). CYRUS MONTEIRO,

■ It is a shame that one of India's best examination boards has allowed its credibility to take a hit, deeply affecting the delicate thread of faith between the

student and the education board. As a student of the CBSE, I want to know why the re-examination for the class 10 mathematics paper has been cancelled as it defies rationale. Social media has no boundaries and leaked papers are bound to have been circulated across the globe. A press notice of a few lines by the board is no defence for the failure of administration by the CBSE. It takes a lot for a student and his/her family to prepare for a board examination. Not having a re-exam disheartens those students who have prepared with sincerity. ANAMIKA BAHUGUNA

The Gowda interview The nation never took H.D. Deve Gowda seriously in the first place, when he was at its helm, notwithstanding his

could have continued as the Prime Minister for some time but for his sticking to his values and ideals. Neither does the nation remember his visit to riot-hit Godhra as an act of valour ('The Wednesday Interview' -"Sheen around Modi has faded... Rahul's remarks are immature'," April 4). The prospects of his party, the Janata Dal (Secular), now turning king-maker in the event of a fractured verdict in Karnataka appear bleak as he has nothing new to offer to the electorate. Further, his party appears to have 'A' and 'B' teams owing allegiance to the father-and-son duo; its

disputable claim now that he

coffers are also dry, rendering it incapable of oiling the poll campaign. His party seems to be in the electoral fray looking only for residual opportunities.

Mr. Gowda sounds unsure about the impact of the issue of minority status for the Lingayat community. On the whole, his interview sounds like that of a cricket captain who has conceded defeat even before a single ball has been bowled.

SIVAMANI VASUDEVAN,

Satellite trouble

After a string of successes, acclaimed both nationally and internationally, ISRO appears to have encountered an unexpected failure in loss

its ground station and its newest satellite, GSAT-6A (Editorial - "Launch lessons", April 4). The reasons need to be looked into and the flaws ironed out. Having said that, for any space agency, every launch will always remain a learning experience. We are sure that with the vast pool of talent it has, India's much adored space agency will move on. Hempur, Uttarakhand

of communication between

MORE LETTERS ONLINE:

CORRECTIONS & CLARIFICATIONS: In the report headlined "Panel to probe CBSE question leaks" (April 5, 2018), the reference to Class 12 maths re-examination should be corrected to read as Class 10 maths re-examination.

It is the policy of The Hindu to correct significant errors as soon as possible. Please specify the edition (place of publication), date and page. The Readers' Editor's office can be contacted by Telephone: +91-44-28418297/28576300 (11 a.m. to 5 p.m., Monday to Friday); Fax: +91-44-28552963; E-mail:readerseditor@thehindu.co.in; Mail: Readers All communication must carry the full postal address and telephone number. No persona visits. The Terms of Reference for the Readers' Editor are on www.thehindu.com



