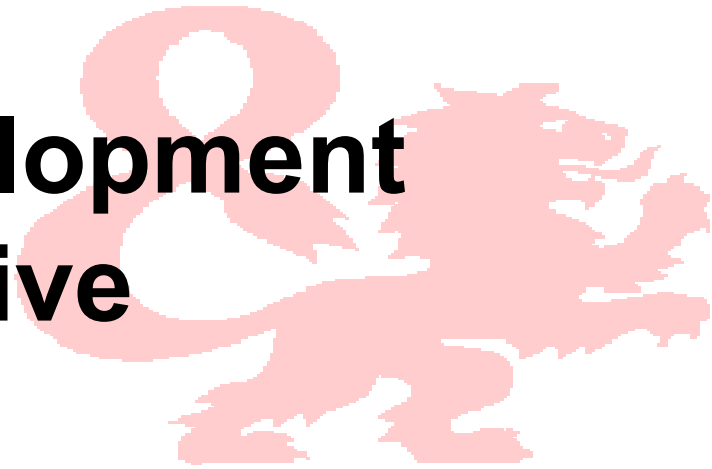




Skills Development Initiative



Reality Check

- 1073 Mn population with a 460 mn workforce
Unemployment at 9.1% - 42 mn (CIA World Fact Book)
- By 2010 – 63 mn unemployed; more than entire population of UK, France & Italy
- 90% workforce in the unorganised sector
- 30% (140 mn) casual labour with no regular source of work or income

Reality Check

- Abysmally low per capita income- India (\$460), US (\$30000), Sri Lanka(\$833)
- Overall productivity extremely low – India (\$5.45/person), Thailand (\$11.69), Mexico (\$20.51)
- Large Scale unplanned rural-urban migration causing urban poverty, slum dwellings proliferation, crime, etc
- Low skill levels among women causing rise in unemployment rate for women

Composition of Workers: Age 15 Years and Above by Level of Education 1999-2000

	Not Literate	Literate & Schooling upto primary level	With Schooling upto middle & higher level	Total	Share in Work Force
Rural Area					
Male	39.6	27.3	33.1	100	49.74
Female	74	15.5	10.5	100	25.77
Person	51.3	23.3	25.4	100	75.51
Urban Area					
Male	16	21.9	62	100	19.72
Female	43.9	17.6	38.5	100	4.76
Person	21.5	21.1	57.4	100	24.49
All Areas					
Male	32.9	25.8	41.3	100	69.46
Female	69.3	15.8	14.9	100	30.54
Person	69.3	22.7	35.2	100	100

Source: National Sample Survey on Employment & Unemployment, 55th Round

Falling Short

- 2.5 mn graduates passing out of colleges each year without skills connecting to employment
- ITIs - outdated curriculum, outmoded attitude, lack of quality trainers & output
- Mismatch between educational system output and Industry's manpower requirements
- Over 70 per cent of the labour force combined (organized and unorganized sector) is illiterate or educated below the primary level.

India's Labour Market

- Labour force participation is a low 400 million of a 1 billion population
- Organised employment has been stagnant at 30 million for thirty years (22 million in Public Sector, 8 million in Private Sector)
- Unorganised employment is the bulk of the labour force (340 million)
- Given that 269 million people are below the poverty line, even the majority of those employed can barely sustain themselves.
- Given India's employment elasticity (0.15) and ICOR (3.75), the 8 million new jobs needed to freeze unemployment require an impossible annual GDP growth rate of 13.6 % and investments of \$125 billion.

Elasticity of Employment to GDP

Sector	Employment Elasticity		
	1977 - 83	1983 -94	1994 - 00
Construction	1	1	1
Finance, Real Estate, Insurance & Business Services	1	0.92	0.73
Transport, Storage & Construction	1	0.49	0.69
Wholesale & Retails Trade	0.78	0.63	0.55
Manufacturing	0.67	0.33	0.26
Community, Social and Personal Services	0.83	0.5	0.07
Agriculture	0.45	0.5	0
Electricity	0.73	0.52	0
Mining & Quarrying	0.8	0.69	0
All Sectors	0.53	0.41	0.15
Source: Planning Commission, July 2001			
1% Growth in GDP results in 0.15% growth in jobs, except Construction where 1% equals 1%.			

Proportion of Vocationally Trained Youth

In India, 5.06 per cent of the youth are single skill vocationally trained compared to 95.86 in Korea. In Botswana, this figure is 22.42, in Colombia 28.06, in Mexico 27.58 and in Mauritius it is 36.08.

Problems

- Current school 10 + 2 dropout rate is 90 per cent.
- A large part of this group become apprentices in the unorganized sector to pick up saleable skills.
- Skills generated in the unorganized sector have no formal recognition.
- Consequently, labour market opportunities for even the most skilled labour are restricted to local markets.
- This severely constrains the growth of a national labour market

Problems

- There are 5114 vocational schools (ITI's), covering 98 vocations. Course duration 1 and half to 3 year. Entry level class 8th to 12th.
- 1893 are run by the government. (4 lakh students)
- 3218 are with the private sector. (3.46 lakh students)
- A changing economy requires new skills and the training curricula. This requires a new syllabus, trainers who can teach these new skills, and the infrastructure where people can be trained.

Problems

- Given the large expected inflow of people into the labour force the number of students the current vocational schools can train in any year is not sufficient.
- Therefore, in addition to upgrading the current ITIs, we need to increase the supply of training centres.

Unique Opportunity

- We are the youngest population in the world; our median age is around 24, compared to 38 for Europe and 41 for Japan; for China the median age is 30.
- India in 2025 will have a dependency ratio of 12.1, i.e., for every 100 working age adults there will be slightly more than 12 persons who are above the age of 65. For China the ratio will be 19.4, for Japan 49, for Europe 33.2.

An Idea

Alternatively viewed, this means that India has the unique opportunity to complement what an ageing world needs the most -- **Productive Workers.**

Hypotheses



- The poor cannot afford to be unemployed; hence their unemployment rates are low.
- It is not the low availability of jobs, but low productivity that is the problem

Objective

- To propose a structured and pragmatic solution to address the lack of relevant skills amongst the current and potential workforce of India.
- To deliver a structured, sustainable and scalable framework to impart skills to the unemployed, underemployed, uncertified and un-benchmarked workers.
- To dovetail into a larger national framework of human resource development to meet the dynamic needs of industry and the economy.

VISION INDIA

**To make India
'The Skills Capital of The World'**



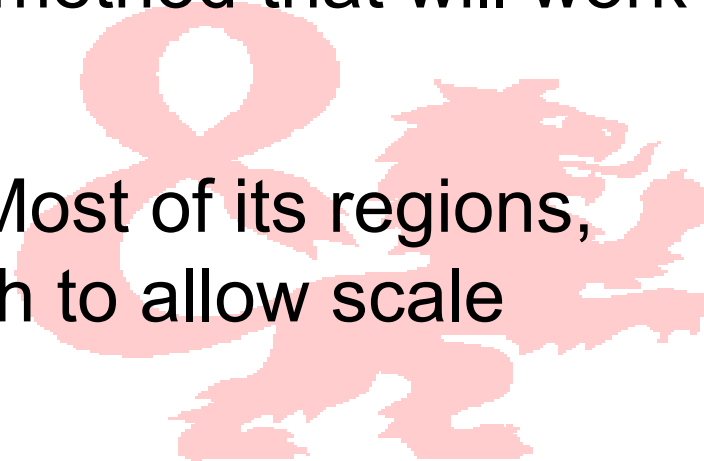
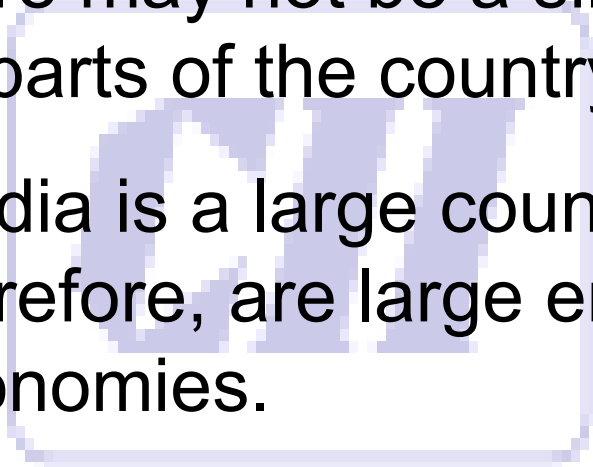
Proposition

In addition to White and Blue Collar Skills, India also needs:

- Grey Collar - what we term knowledge workers in the ICT sector.
- Rust Collar - skilled workers at the grass root level in the currently unorganized and un-benchmarked sectors including construction, agriculture and related fields

Proposition

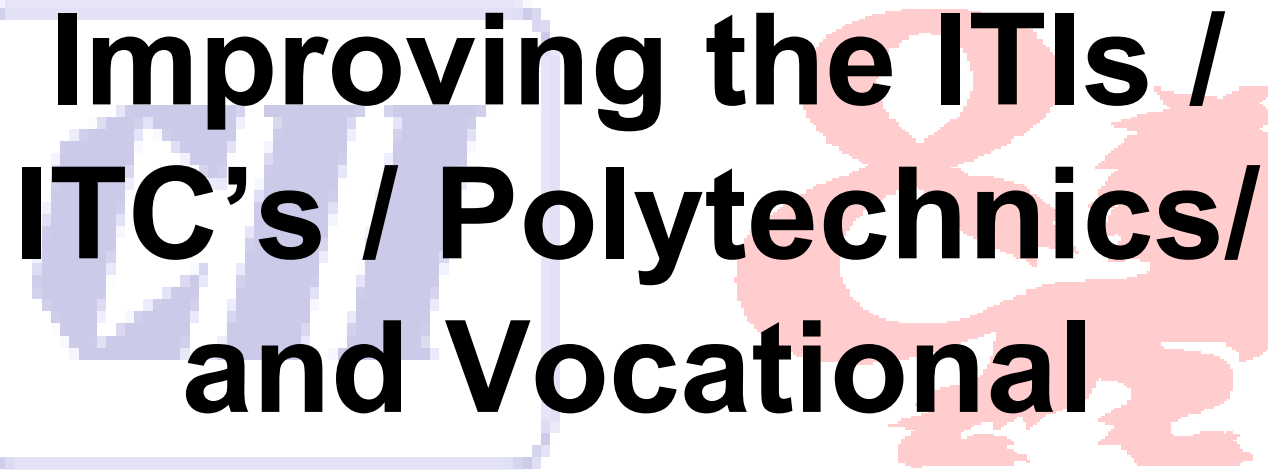
- India is a highly diverse country. Consequently, there may not be a single method that will work in all parts of the country.
- India is a large country. Most of its regions, therefore, are large enough to allow scale economies.



The Way Ahead

Two distinct approaches:

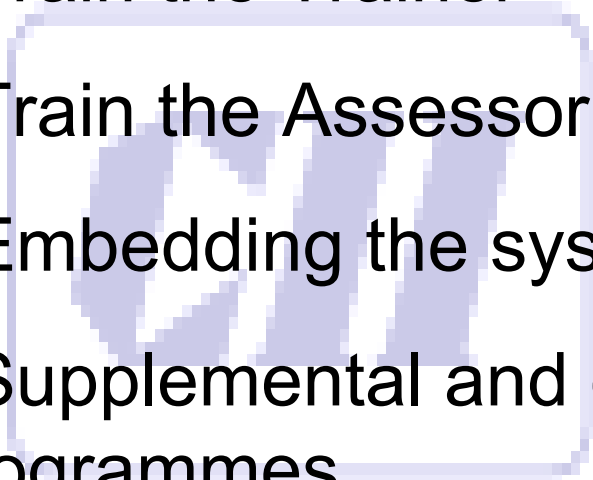
- Using the current ITI, ITC and Vocational Institutes infrastructure and upgrading these institutions.
- Launch a Skills Development Initiative by using under – utilised public and private facilities (schools / colleges /institutions/ universities / workshops / industrial premises)



**Improving the ITIs /
ITC's / Polytechnics/
and Vocational
Centres**

Modalities for ITI's

- Syllabus mapping
- Train the Trainer
- Train the Assessor
- Embedding the system
- Supplemental and complementary programmes
- Industry exposure





Skills Development Initiative



Creating New Training Grounds

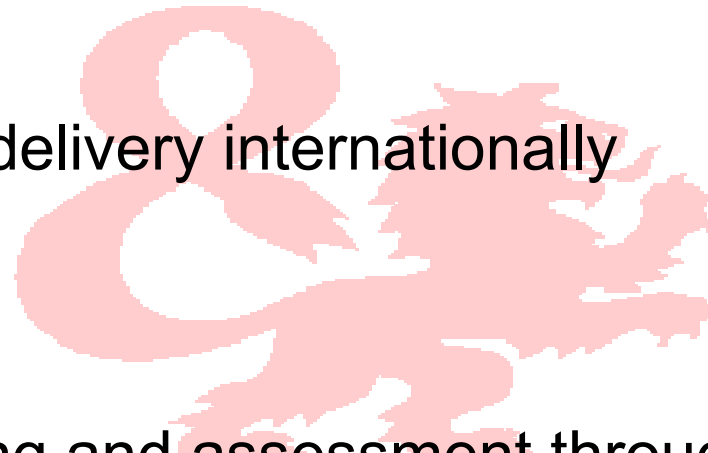
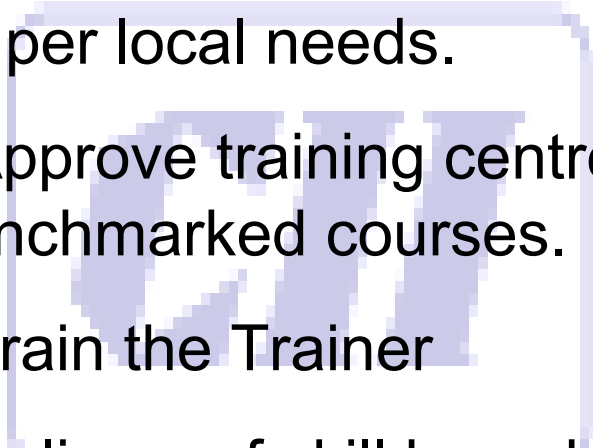
- **To take skills to all parts of India:**

- As first step utilize the existing infrastructure, including corporate facilities, public facilities (schools, colleges, training institutions, etc), for delivery of training programmes.



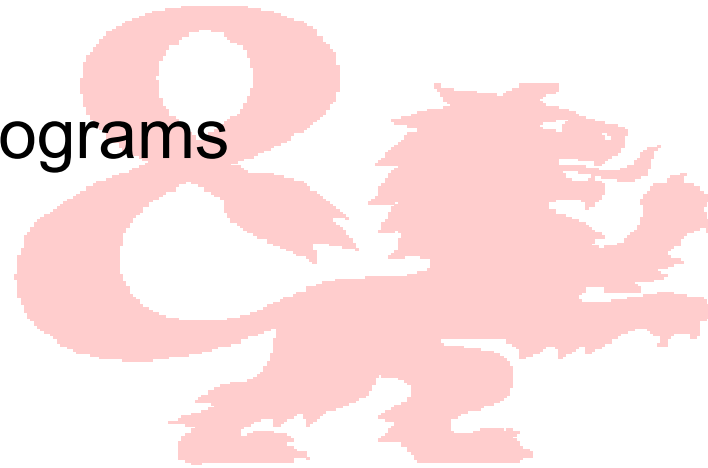
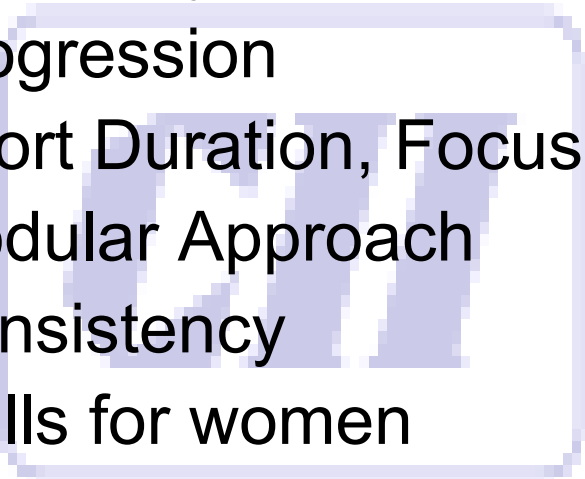
Modalities

- Identification of skill needs in the area.
- Decide the mode of implementation of the programme as per local needs.
- Approve training centres to delivery internationally benchmarked courses.
- Train the Trainer
- Delivery of skill based training and assessment through short-duration, practical courses allowing the candidate to gain employable skills.



Features of the 'Skills Initiative'

- Localised Approach - Relevant to local needs
- Scalability
- Progression
- Short Duration, Focused Programs
- Modular Approach
- Consistency
- Skills for women
- Independent Assessment
- Joint Certification by CII and City & Guilds





Training and Certification Models



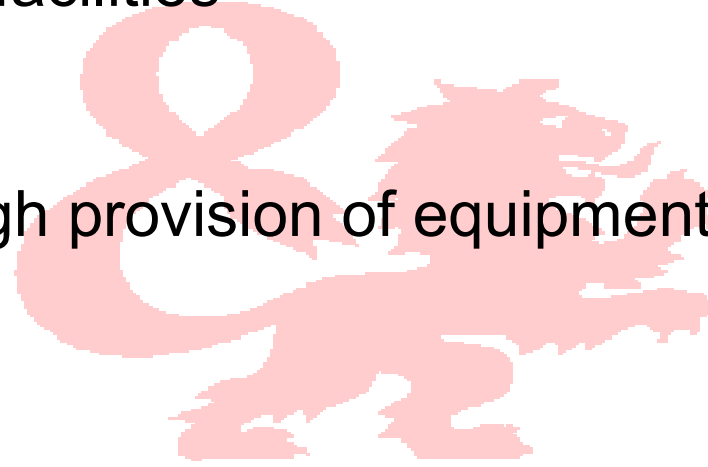
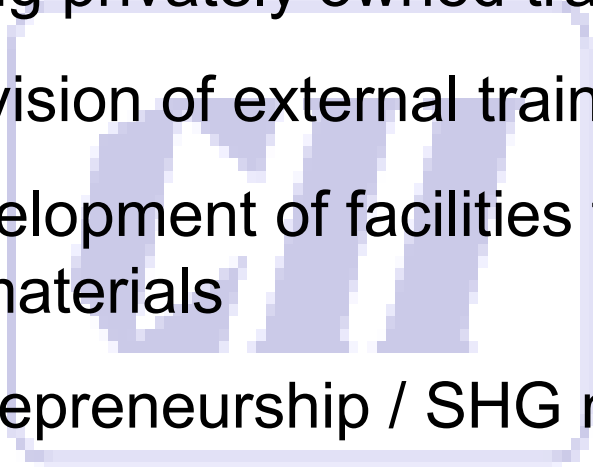
Models of Training

- **Full Day/Half Day/Weekend Training**
- **Flexible Scheduling to Accommodate Working Professionals**
- **Multiple Centre Options**
 - Workshops
 - Actual Place of Work
 - Training Institutes
 - School/Colleges
- **Cluster Facility**



Public –Private Partnership

- Using existing facilities provided by the Government
- Using privately owned training facilities
- Provision of external trainers
- Development of facilities through provision of equipment and materials
- Entrepreneurship / SHG model
- Mobile Training Units
- Certification only

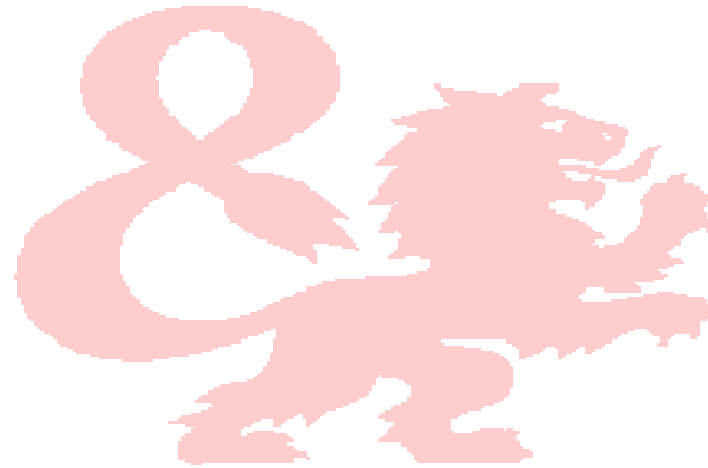


Blue and Rust Collar Skills



Indicative List of Skills

- **Agriculture and related trades**
 - Horticulture
 - Bamboo Cultivation
 - Vegetable Farming
 - Integrating Farming
- **Construction**
 - Masonry
 - Carpentry
 - Painting
 - Electrical Installation
 - Plumbing
 - Scaffolding
- **Handling and Usage of Power Tools**



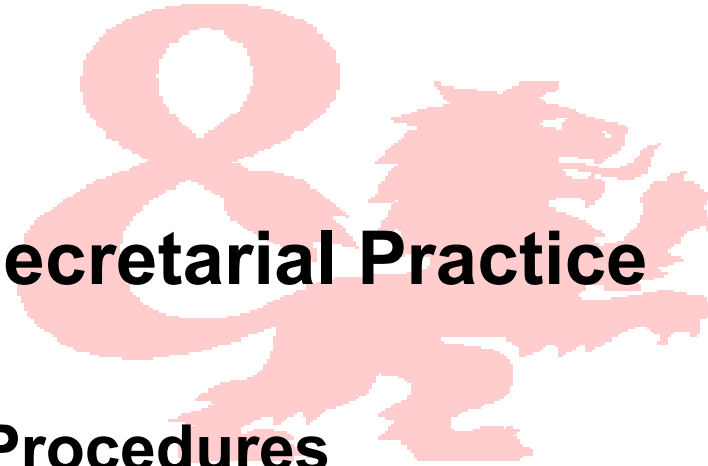
Indicative List of Other Skills Available

- **Communication Skills**
 - Eight Levels of Spoken English
 - Spoken English for Professionals
 - Situational English
- **Hair Dressing & Beauty Therapy**
 - Manicure
 - Pedicure
 - Hair Styling
 - Skin Care and Make-Up



Indicative List of Other Skills Available

- **Primary Health Care**
 - Medical Assisting
 - Child Care
 - Counseling
- **Office Management & Secretarial Practice**
 - Basic IT Skills
 - Office & Administrative Procedures
 - Official Communications
 - Numeracy & Accounts



Indicative List of Other Skills Available

- **Security**
 - Door Supervisors
 - Facilities Management
- **Transportation**
 - Public Transport Drivers
 - Basic Motor Vehicle Engineering
 - Engine Systems
 - Chassis Systems



Indicative List of Other Skills Available

- **Customer Service**

- Sales & Marketing
- Segment Specific Skills (Hospitality/Travel & Tourism)

- **Engineering Skills**

- Air Conditioning and Refrigeration
- Mechanical Fitting
- Welding & Pipework
- Electrical Engineering



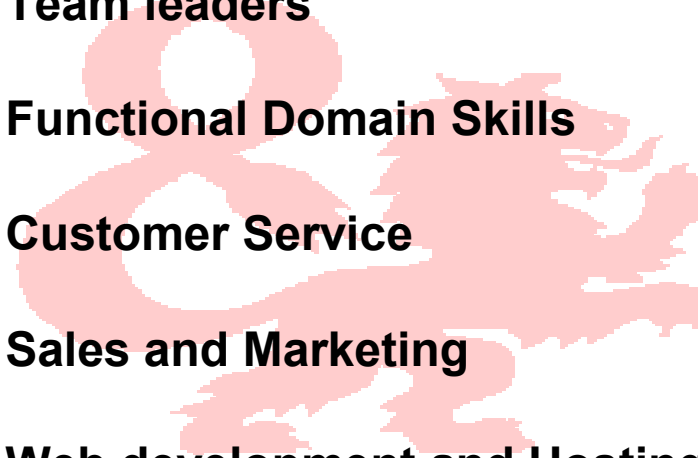


Grey Collar Skills



Skills for IT & ITeS

- **Certificate for IT Users**
- **Word Processing**
- **Spreadsheets**
- **Database Methods**
- **Presentation Software**
- **Internet Usage**
- **Desktop Publishing**
- **Systems Analysis**
- **Data Communication and Networks**
- **eKaliber**
- **Specialist or bespoke software**
- **Team leaders**
- **Functional Domain Skills**
- **Customer Service**
- **Sales and Marketing**
- **Web development and Hosting**
- **eSecure**
- **Language Skills**



eKaliber

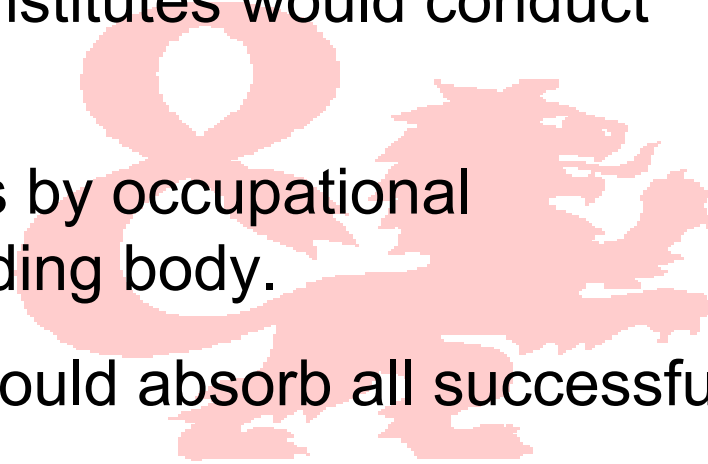
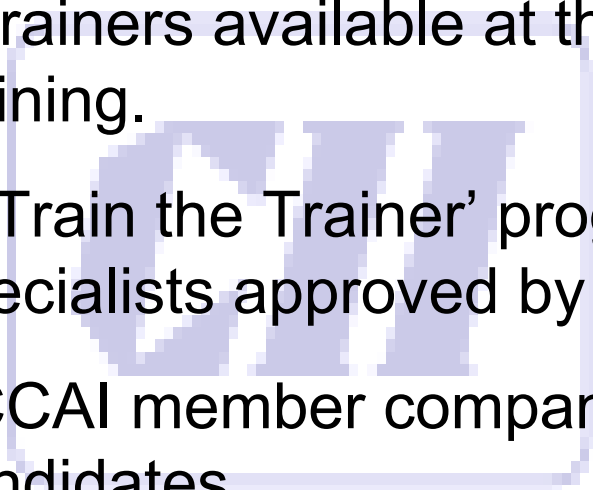
eKaliber is a specialised training and certification programme designed for the BPO industry. It has been initiated with an aim to build a large pool of manpower, which would be benchmarked according to international standards.

eKaliber - Smaller Towns

- Model envisages the growth of the BPO industry into smaller towns and cities.
- Setting up training centres in conjunction with local bodies.
- For employment opportunities BPO companies would also set up units in smaller towns and cities.

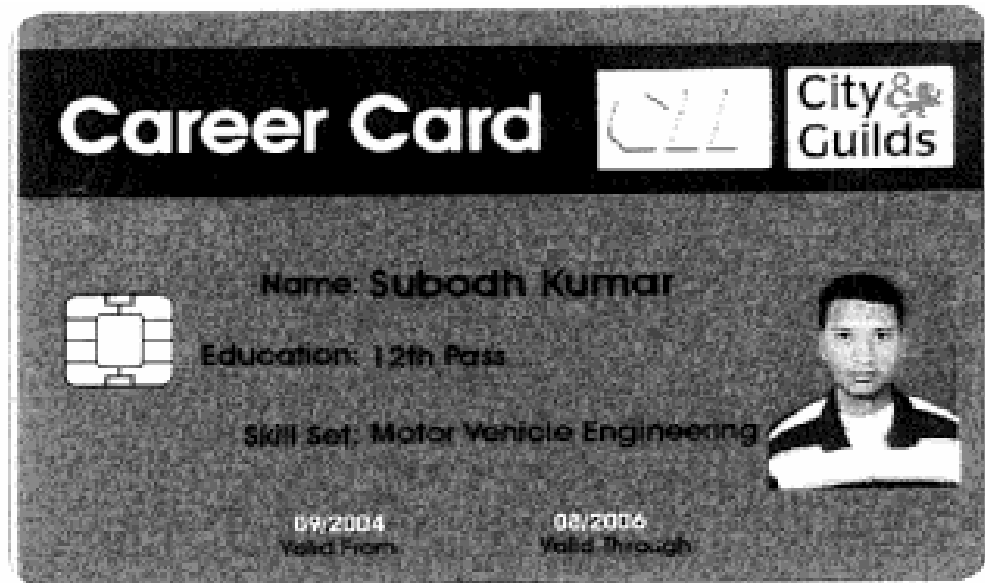
eKaliber - Smaller Towns

- Centres would be approved for training delivery.
- Trainers available at these institutes would conduct training.
- 'Train the Trainer' programs by occupational specialists approved by awarding body.
- CCAI member companies would absorb all successful candidates.



Smart Card Certification

- **Biometric Identification**
- **Tamperproof**
- **Multifunctional**
- **Convenient**
- **Access to a gateway of Services**
- **Possibility of bank linkages for Micro-Credit**



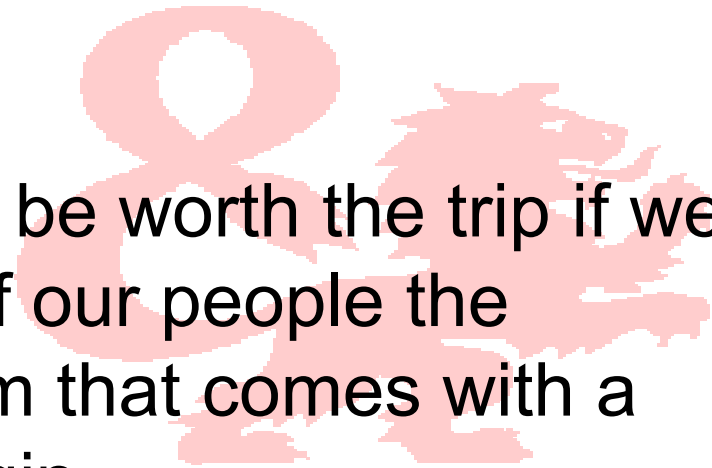
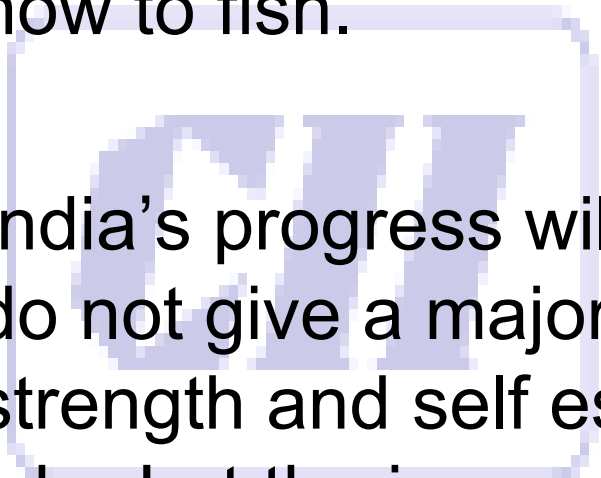
Gathering Momentum

- India has the potential to become the skill capital of the world.
- Labour force is increasing very fast, the skilling initiative has to be on a large scale and kept flexible enough to reach all corners of this very diverse country.
- Many things that need to be done for India's rapid transition out of poverty and underdevelopment.
- CII Skills Development Initiative is one of them, and ties up neatly with everything else that needs to be done.

Thought Shift

➤ We need a “thought shift ” from employment to employability ; from giving fish to teaching how to fish.

➤ India’s progress will not be worth the trip if we do not give a majority of our people the strength and self esteem that comes with a job . Let the journey begin.





THANK YOU

