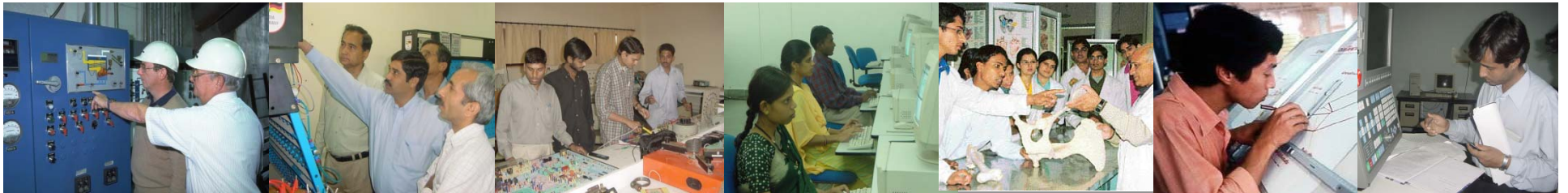


# Perspectives for Indo-German Cooperation

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5TH National Convention  
Don Bosco, 5th of March 2009





# Five Questions

1. Why India?
2. Why Skill Development?
3. What does India want?
4. What can Germany offer?
5. What are the perspectives of Indo-German Cooperation?



# 1. Why India?

- **India offers opportunities – High demand potential**
  - The Indian government is investing massively in the **expansion and reformation** of the professional training system
  - **Expansion (Quantity):** Increase the number of training placements from 3.1 million p.a. to 15 million p.a.
  - **Reformation (Quality):** Market and demand orientation, standardization, stronger role/participation of the private sector
- **The German dual system commands a high reputation**
  - however: other systems, like AUS, UK, Korea
- **Indo-German cooperation in vocational training spanning over a half century**
  - **Successful private Indo-German initiatives**
  - **German TC as pioneer and resource**  
(Experience, partnerships, networks, reputation)



## 2. Why Skill Development?

- **Dearth of qualified employees acting as a bottleneck** for further growth
  - High growth rates (Ø 8% in the last 5 years) cannot be sustained without qualification offensive
- India can maintain social and political balance only through an **inclusive growth**
  - To generate income and employment for a lot more people
  - Labor intensive sectors, for example, industry, infrastructure, elementary services etc., need qualified employees
- **The youngest workforce in the world** (“Demographic Dividend ”)
  - Ca. 50 million workforce surplus in 2020 – corresponds roughly to the demand of the OECD countries → Training for Export!
  - Crucial: education/professional training!



## 2. Why Skill Development?

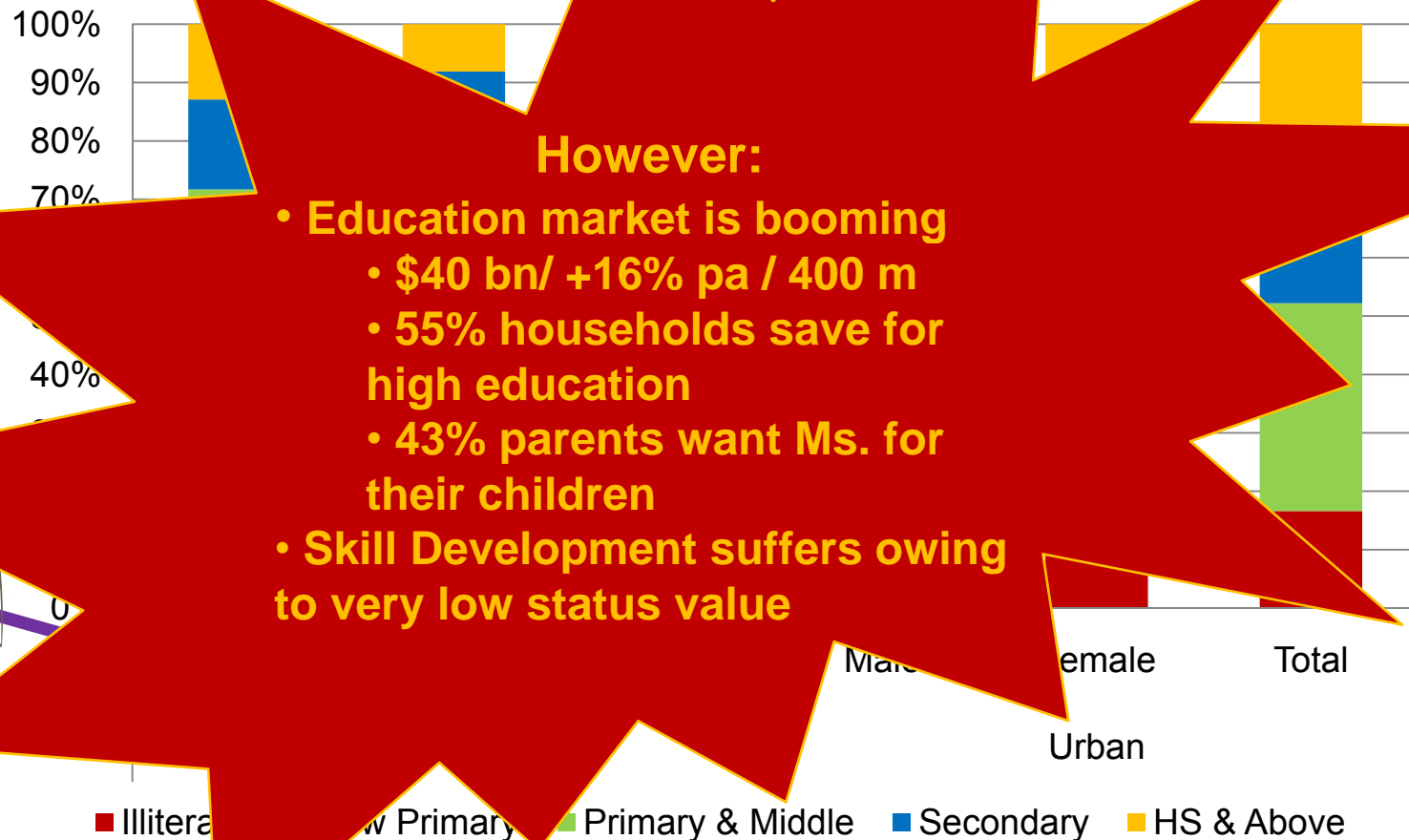
- **Skill development system** lacks

quality and quantity needed to address these **urgent requirements**

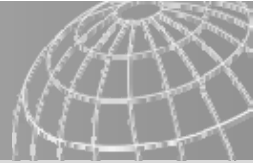
- **Quantitatively:** only ca. 5% of an age cohort is covered
- **Qualitatively:** often does not correspond to the industrial requirements
  - 90% of jobs entail practical skills
  - 90% graduates possess only book knowledge
  - Formal vocational training has virtually no influence on employment and income
- **Urgent!**
  - By 2025, **300 million youth** will enter the job market
  - In the coming years, **25% of the world's workforce** will be constituted by Indians



## Level of education in age group of 15 - 29 (2004/2005)



Source: NSS 61<sup>st</sup> Round 2004-2005, Employment-Unemployment Survey



### 3. What does the Indian Government want and what is its plan of action

11. 5- years plan:

- 3.4 bn EURO for National Skill
- Almost 2 bn EURO for Human Resource Development
- 1.6 bn EURO for Development and Modernization of IT
- 600 m EURO for Higher Education
- 432 m EURO for Development and Modernization of IT
- 15 m EURO for Ministry of Tribal Affairs

**6.66 bn Euros**  
**from 2 to 5% GNP**

National Council on Skill Development

Highest political priority

**Mission Goal:**  
To provide within a five- to eight-year timeframe a pool of trained and skilled workforce, sufficient to meet the domestic requirements of a rapidly growing economy, with surpluses, thereby effectively leveraging India's competitive advantage and harnessing India's demographic dividend.

National Council on Skill Development

Chair: Prime Minister

Tasks: Guide activities for skill development, vision setting, laying down core strategies

National Skill Development Coordination Board  
Chair: Planning Commission

Tasks: to coordinate action for skill development both in the public as in the private sector

National Skill Development Corporation  
Chair: Private Sector

Tasks: to stimulate and co-ordinate private sector led initiatives in selected growth sectors

Include private sector (PPP)

(Proposed) Missions on the State level



- Quantity:
  - Quintuplication of the official capacities (3.1 to 15 m)
- Quality:
  - Reform of the system architecture with focus on employability
  - Intense involvement of the private sector
    - „PPP mode“
    - *Sector Skills Councils*
  - Higher institutional autonomy
  - Training of vocational and management staff
  - National (Vocational) Qualifications Framework
    - horizontal und vertical mobility
  - Certification system – also for informal sector
  - Effective management
    - through accreditation agencies
    - financing candidates, instead of the institute

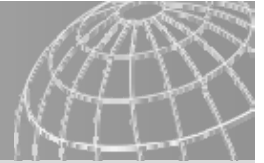


## 4. What can Germany offer?

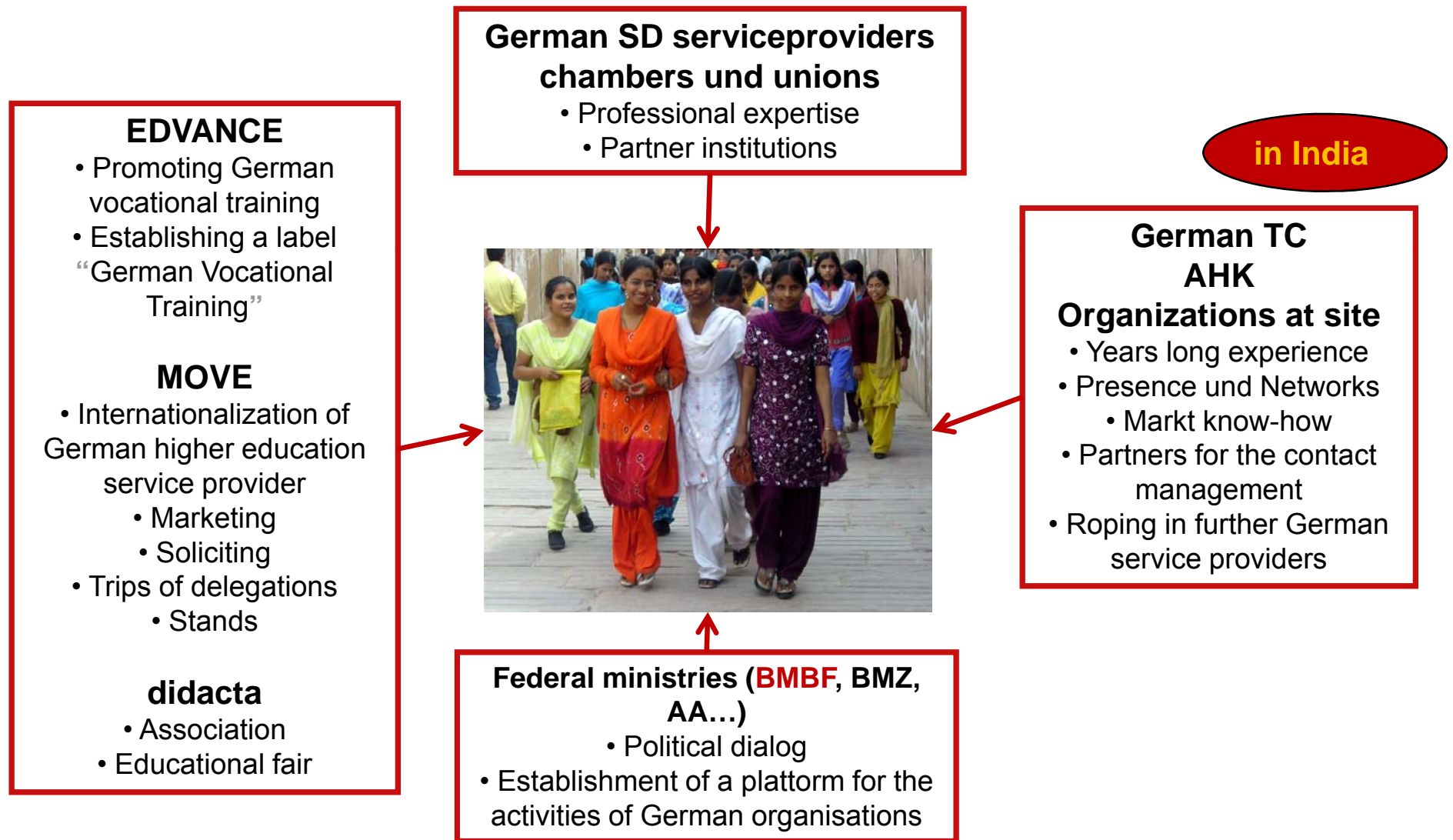
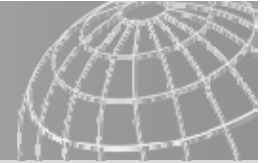
5 good reasons for Indo-German cooperation in vocational training -  
counselling and training offers

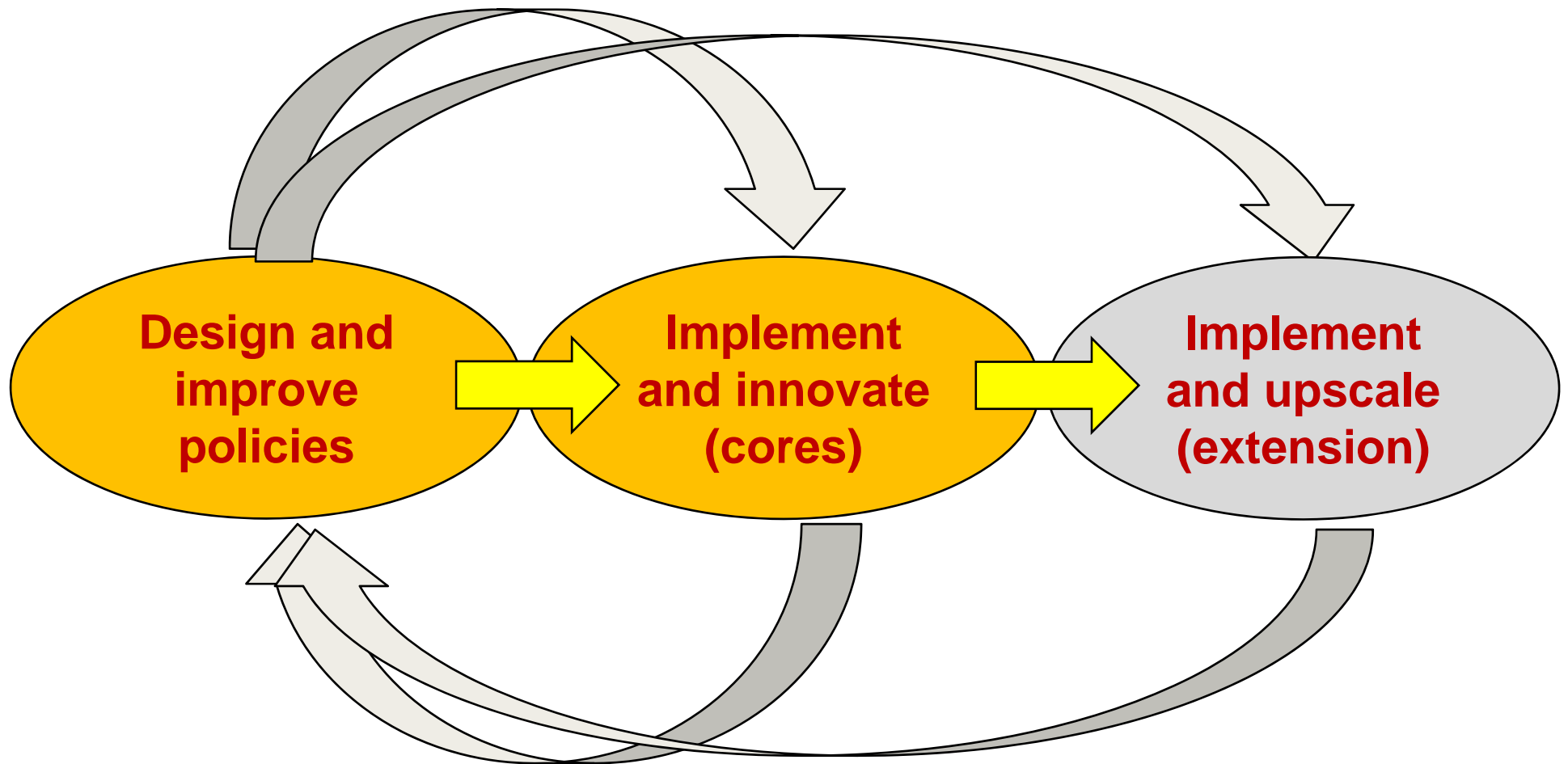
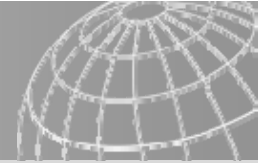
<b>Public Private Cooperation</b>	<ul style="list-style-type: none"><li>• <b>System consultation towards regulative framework</b></li><li>• Dialog between state, private enterprise and civil society</li></ul>
<b>Learning in the working process</b>	<ul style="list-style-type: none"><li>• <b>Curriculum based on subject matter, methodological, operational and social competence</b> educational structures and proposals of the enterprise</li></ul>
<b>Social acceptance of standards</b>	<ul style="list-style-type: none"><li>• <b>For example, testing standards and certification systems</b></li><li>• <b>Introduction of further studies standards</b></li></ul>
<b>Qualification of training staff</b>	<ul style="list-style-type: none"><li>• <b>For exapmle, further study for industry trainers, faculty and management staff</b></li></ul>
<b>Institutionalized research and counselling</b>	<ul style="list-style-type: none"><li>• <b>For exapmle, methods and instruments of research in qualification development, job market</b></li></ul>

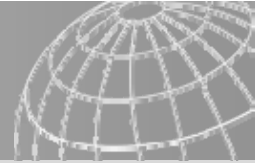




- **Christiani Sharpline Technical Training Pvt. Ltd., Mumbai**
- **Gedee Technical Training Institute (GTTI), Coimbatore**
- **Indo-German Training Centres (IGTC) der AHK in Mumbai, Chennai (PPP/GTZ), Bangalore (PPP/ SEQUA)**
- **Daimler Automotive Mechatronics Centre, Pune**
- **MAPAL precision tooling:** Setting up a training center for tool making and engineering, **Bangalore** (PPP/SEQUA)
- **Ernst Schöller clothes factory:** Setting up a training center for the textile industry in **South India** (PPP/SEQUA)
- **Sächsisches Technologiezentrum (STZ):** Setting up a **welding center** in **Guntur, Andhra Pradesh** (PPP/GTZ)







# Thank you!



# gtz

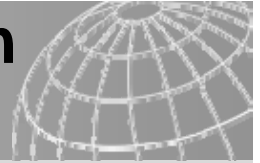


## ■ India

- Surface area ca. 9 times the size of Germany
- Population ca. 14 times that of Germany
- Working population: 516 million people
- Average age: **25**
- Literacy rate: 61%

## ■ Economic and social development

- *Jobless Growth* (high growth rates, however, hardly any more employment; current crisis dampens growth)
- Ca. 828 million people have access to less than 2 USD/day. UNDP Human Development Index: grade 128/177 (Germany: 22)
- High unemployment along with a simultaneous shortfall of qualified employees
- 93% of the work force in informal sector
- Wide and growing regional disparities concerning per head- income, poverty, infrastructure, social development etc.
- Numerous regional trouble spots



## Technology-centers of excellence

- **Industrial Service Network (ISN)**
  - **Promotion of Industrial Services and Employment (PISE)**, Ministry of Communication and Information Technology
  - **Indo-German Institute for Advanced Technology (IGIAT)**, **Visakhapatnam**, Ministry of Micro, Small and Medium Enterprises and Government of Andhra Pradesh
  - **Centre for Research and Industrial Staff Performance (CRISP)** **Bhopal**, Ministry of Human Resource Development and Government of Madhya Pradesh (closed)
  - **Indo-German Tool Room Program (IGTRP)** with Tool Rooms in Ahmedabad, Aurangabad, Indore, Ludhiana, Ministry of Micro, Small and Medium Enterprises (closed)
  - **Society for Electronic Test Engineering (SETE)**, Ministry of Communication and Information Technology (closed)

## **Qualification for existing employment**

- Restructuring and Extending the National Vocational Training System (NVTS), with emphasis on the **informal sector** with the Ministry of Labour & Employment, (closed)

## **Promotion of Institutions**

- **Central Instructional Media Institute (CIMI)**, **Chennai** (closed)
- **Central Staff Training and Research Institute (CSTARI)**, **Calcutta**, concluded (closed)



## Projected work force requirements 2006/07 – 2016/17

<b>Agriculture</b>	<b>-3,9</b>
Mining and Quarrying	3
<b>Manufacturing</b>	<b>24,5</b>
<b>Construction</b>	<b>26,3</b>
<b>Trade, hotel, restaurant</b>	<b>34,4</b>
Transport, storage, communication	18,7
Finance, insurance, real estate, business services	7,5
Community, social and personal services	8,3
<b>TOTAL</b>	<b>118,8 Million</b>

Source: Planning Commission, 11<sup>th</sup> 5 Year Plan