



Skill Development - Opportunities & Challenges

at the

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By

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Skill Shortages in the Indian industry **FICCI**

India's phenomenal growth averaging at almost 9% in the last five years has led to a huge manpower shortage of the Skilled workforce in some key economic sectors:

FICCI conducted a quick survey across sectors to estimate skill gaps

FOOD PROCESSING

- Refrigeration Mechanics-65%
- Food Safety professionals- 70%
- Agricultural Scientists - 60%

RETAIL

- Shop floor Executives – 20%
- Visual Merchandisers – 50%
- Purchase Managers- 30%

HEALTH

- Doctors: Anesthetist, Radiologist, Gynaecologists and surgeons
- Paramedics: Radiographers, Physiotherapists, ECG Technicians etc
- Nurses

BANKING AND FINANCE

- Risk Managers- 90%
- Treasury Managers-50%
- Wealth Managers-80%

Why focus on skill development



- A large part of the workforce (approximately 93%) is in Informal Sector with no skills or any potential for skill development.
- Large Sectoral Migration from Agriculture to Industry and Service ,due to almost stagnatory growth in agriculture.
- Only a meager 13% of all University graduates are Employable
- Only 5%of the Youth are vocationally trained
- There is a need to build Global Skilled Workforce as India is the youngest Country with almost 54% of population below 30 years.
- Skill obsolescence due to rapid technological advancement made by India
- Annual entry in labour force is 12.8 million per year as against the training capacity of 2.6 million/year which creates a gap of 10.2 million/year

A Upgradation of Existing Institutions

A1- Upgradation of 500 Govt. ITIs

- 100 Domestically funded and 400 World Bank assisted – at a cost of US \$ 435 million.
- Closer involvement of industry by forming an Institute Management Committee (IMC) headed by an Industry representative.
- IMC given financial and academic powers to help run the institute.

A 2- Upgradation of 1396 Govt. ITIs through Public Private Partnership

- Cost - US \$ 887 million
- 300 ITIs to be taken up every year from 2007-08 to 2010-11 and remaining in 2011-12.
- An Industry Partner(IP) is associated with each ITI.
- IMC is constituted with IP or its representative as Chairperson, registered as a Society & given financial & academic autonomy.
- Interest free loan of upto US \$ 625000 is given directly to IMC with a moratorium of 30 years.

Strategies and Initiatives Govt. of India



(B) Skill Development Initiative Scheme OF Govt.

- Cost - US \$ 137 million
- Target – 1 million in five years and thereafter one million every year
- Demand driven short term training courses based on Modular Employable Skills (MES) decided in consultation with Industry – till now 308 courses notified.
- Flexible delivery mechanism (part time, weekends, full time, onsite/ offsite) to suit various target groups.
- Testing of skills of trainees by independent assessing bodies other than VTPs.
- Certification by NCVT

Strategies and Initiatives Govt. of India



(C) Setting up of New Institutions

- Establishment of 1,500 new ITIs.
- Establishment of 50,000 Skill Development Centres.
- Total capacity 10 million per annum
- Setting up of PM National Council on Skill Development
- Setting up National Skill Development coordination Board .
- Formulating National Skill Development Corporation with a corpus of US \$ 3.75 billion.

FICCI Initiatives



- FICCI through its members has already adopted 23 ITIs and plans to adopt around 100 ITIs in the next three years.
- FICCI has been designated as an assessor for the MES scheme which provides credibility to the process of training
- FICCI is also a stakeholder in the National Skill Development Corporation and FICCI nominee is a director on the board of NSDC
- A specialised cell called FICCI Skill Development Forum has been created which focuses on mobilizing efforts towards the deployment of a viable and sustainable framework for skills development
- FICCI is in the process of starting Skill Development Centres (SDCs) in 4 metropolitan cities

- Lack of Awareness about the courses and job opportunities, lack of respect from the Society
- Lack of sustainable sources of funds and inadequate credit profile of individual borrowers
- Rebranding vocational training into skills development
- There is no standardization of assessment and certification processes
- No framework for placement of Skilled resources

Areas of Collaboration for FICCI-DON BOSCO



FICCI-DON BOSCO can collaborate wherein FICCI will help Don Bosco by :

- 1) Assessing the existing training facilities in ITC
- 2) Providing necessary guidance to develop the skills as per the need of the industry
- 3) Improving the employability of the pass outs
- 4) Restructuring curriculum according to the market demand
- 5) Developing Industry interface to rope in faculty, conduct assessments and also help in placements