

Skill Development in India

A Transformation in the Making

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INTRODUCTION: THE SKILLS CHALLENGE

With the opening up of the economy and increase in exports, improving the productivity of the workforce is a key challenge for many corporations and entities in India. Further, as the Indian economy grows, a large number of skilled persons will be required to sustain this growth. Current studies indicate that net enrolment in vocational courses in India is about 5.5 million per year compared to 90 million in China and 11.3 million in the United States (US). A mere 2 per cent of Indian workers are formally skilled.

Significantly, the bulk of the labour force in India — about 93 per cent — who work in the unorganised sector are largely untouched by any kind of formal training. By way of comparison, 96 per cent of the workers in South Korea receive formal skills training. This is 80 per cent in Japan, 75 per cent in Germany and 68 per cent in the United Kingdom (UK).

According to a Boston Consulting Group (BCG) report prepared for the Confederation of Indian Industry (CII), India's workforce in 2006–07 numbered 484 million (Sinha et al. 2008). Out of this, 273 million were working in rural areas, primarily in agriculture, while 61 million were working in manufacturing and about 150 million in services. As per the BCG study, 40 per cent of the current workforce is illiterate and another 40 per cent is made up of school dropouts. Those who are vocationally-trained, diploma holders, graduates and above comprise a mere 10 per cent of the overall workforce, while those who have completed 12 years of schooling comprise another 10 per cent.

Software industry body National Association of Software and Services Companies (NASSCOM) says that of the 400,000-odd engineering graduates who pass out every year, only 20 per cent would meet the requirements of the Indian

industry. The rest would have to go through rigorous training before businesses could find use for them.

Given this background, one would expect that firms would invest in in-service training. But the World Bank India Country Strategy 2009–2012 (World Bank 2010) indicates that in-service training is received by only 15 per cent of workers in the manufacturing sector, which is far below what is observed in many countries, with the inadequate availability of training capacity being one of the major reasons for this. So the first challenge is to increase the number of skilled persons in the workforce.

Yet this is far from easy. The 11th Five-Year Plan document mentioned that while 12.8 million people join the Indian workforce each year, the annual training capacity is less than half of that (GoI 2007). With one of the youngest populations in the world and projected to have 64 per cent of its likely population in the 15–59 age bracket by 2021 (GoI 2012), India is uniquely positioned to take advantage of this favourable demographic profile to take that giant leap from being a developing country to a developed one in a decade from now.

However, leveraging this 'demographic dividend' (the average age of an Indian would be 29 by 2020 compared to 37 in China and the US, and 45 in western Europe [GoI 2012]) is easier said than done on account of the poor level of skills possessed by the vast majority of those joining the workforce each year — a situation that has arisen owing to high rates of school dropouts, inadequate skills training capacity, a negative perception around skilling, and low employability of even those holding professional qualifications, such as degrees in different engineering disciplines. An additional issue is that these outcomes vary from state to state.

According to the *Economic Survey 2011–12* (ibid.), 63.5 million new entrants would be added to the working age group during the period 2011–16. The challenges are

further enhanced by the studies by consulting firms IMAcS and Aon Hewitt that forecast an incremental shortfall of nearly 350 million people¹ by 2022 in 20 high-growth sectors of the Indian economy, the infrastructure sector and the unorganised segment.

NATIONAL POLICY ON SKILL DEVELOPMENT

Conscious of the vital role that skill development can play in the growth of a nation, the Prime Minister, in August 2008, outlined his vision for skill development in India. He stated that ‘experts have estimated that India has the capacity to

create 500 million certified and skilled technicians by the year 2022’ (PIB 2008).

The Prime Minister also outlined the institutional structure at the national level for coordinated action in the skills space. This consisted of the establishment of a National Council for Skill Development, chaired by the Prime Minister himself, at the apex to lay down the broad framework for this arena; a National Skill Development Coordination Board (NSDCB), coordinated by the Planning Commission to combine public and private prongs of action; and the setting up of a National Skill Development Corporation (NSDC) as a not-for-profit company through the Public–Private Partnership (PPP) route to catalyse private sector involvement in the skills space.

In March 2009, the Government announced a National Policy on Skill Development, laying down the framework within which it wanted skills-related training to be conducted. The Policy clarified the roles that different stakeholders — government, industry, trade unions, and civil society — would need to play for the creation of a skills ecosystem in India.

Making a departure from the past, the 2009 Skill Development Policy clearly specified that skills-related training should become outcome-focused and linked to jobs and employability. The Policy stated that access to training should be available to all, particularly those at the bottom of the pyramid. It said that the government should complement private sector initiatives in skill development and emphasised the need for short-term, industry-relevant courses.

Adding that infrastructure should be created for on-the-job training and apprenticeships encouraged through a possible change in legislation if required, it also stated that prevalent employment exchanges would be transformed into career guidance centres to channelise applicants to jobs, apprenticeships and training.

The Policy called for the establishment of an effective assessment and credible certification framework, publicising information on training institution outcomes to ensure greater transparency, and a greater role of state governments in the skilling initiative so that these combined measures could expand employment in the formal sector.

Significantly, the Policy talked of encouraging innovation in delivery such as using school infrastructure for skills training after school hours, ensuring greater participation of women and those living in rural India in vocational training programmes, and more PPPs in the skills space.

In January 2011, the Government appointed Mr S. Ramadorai, vice-chairman of India’s biggest Information Technology (IT) software firm, Tata Consultancy Services (TCS), as Skills Advisor to the Prime Minister with the rank of a cabinet minister to provide an impetus to the skilling mission.

TABLE 18.1 Incremental Skill Gap across Various Industries in India in 2022

Industry	Incremental requirement (in million)
Building and Construction Industry	33.0
Infrastructure Sector	103.02
Real Estate Services	14.0
Gems and Jewellery	4.6
Leather and Leather Goods	4.6
Organised Retail	17.3
Textiles and Clothing	26.2
Electronics and IT Hardware	3.3
Auto and Auto Components	35.0
IT and ITES	5.3
Banking, Financial Services and Insurance	4.2
Furniture and Furnishings	3.4
Tourism and Hospitality Services	3.6
Construction Material and Building Hardware	1.4
Chemicals and Pharmaceuticals	1.9
Food Processing	9.3
Healthcare	12.7
Transportation and Logistics	17.7
Media and Entertainment	3.0
Education and Skill Development Services	5.8
Select Informal Employment Sectors (Domestic Help, Beauticians, Security Guards)	37.6
Incremental	347

Sources: IMAcS reports ‘Human Resource and Skill Gap Requirements (2022)’, 2008; Aon Hewitt report ‘Talent Projections and Skill Gap Analysis for the Infrastructure Sector (2022)’, 2011, National Skill Development Corporation (NSDC).

CURRENT SKILLS ARCHITECTURE AND LIMITATIONS

Seventeen Ministries of the Government of India, ranging from the Ministry of Labour and Employment to that of Human Resource Development and Food Processing Industries, are presently engaged in undertaking different training initiatives with the combined target of skilling 350 million people by 2022.

The NSDC was also set up to enable skills-related training through its private-sector partners with the intention of skilling 150 million people by 2022 to contribute to the prime minister's vision of skilling half-a-billion Indians.

Most of the formal skills-related training in the government apparatus happens through the Industrial Training Institutes (ITIs) and the Industrial Training Centres (ITCs), which come under the Ministry of Labour and Employment. The Ministry of Human Resource Development provides support to polytechnics for engineering disciplines. Many of the ITIs have now been brought under the PPP route with the private partner responsible for the management of the institution. The goal is to get all of 1,396 ITIs under the PPP mode. Through private sector participation, 400 other ITIs are being transformed into centres of excellence.

Informal skills-related training, including that in the traditional arts and crafts of India, is also supported through different government schemes. The Ministry of Textiles has a number of institutional partners to develop skills required in the textiles, apparel and handicraft sectors. The Ministry of Medium, Small and Micro Enterprises has programmes that run good-quality tool rooms and other training programmes through the Khadi and Village Industries Commission. The Ministry of Labour has developed the modular employable skills training scheme to enable vocational training providers to conduct short-term courses that are employment-linked.

All states have set up Skill Development Missions and some have even put together a strategy to equip millions of persons with skill over the next few years. Many PPP models have been put forth and bids invited to engage the private sector in skill development.

The National Open School system also runs a number of vocational training programmes. A number of community colleges — over 600 — have been approved by the Indira Gandhi National Open University (IGNOU) and other states. Many of these are run by the private sector. Some states are also approving the setting up of skills universities.

Many companies, too, conduct training programmes to meet the skilling requirements of their own workforce, or sometimes as part of their corporate social responsibility (CSR) initiatives. Non-governmental organisations (NGOs) also conduct skills-related training to address the needs

of the segments they are working with. Clearly, there are multiple efforts and due to the nature of the PPP models, the efforts of the private sector are also linked to different schemes.

The Ministry of Labour and Employment has entrusted the National Council for Vocational Training (NCVT) to prescribe standards and curricula for the training imparted at ITIs and ITCs. States also play a part in this process through State Councils for Vocational Training (SCVTs). Steps are being under taken to strengthen the NCVT structure.

As part of the National Policy on Skill Development, 2009, the NSDC has been given the responsibility of setting up Sector Skill Councils (SSCs) to define standards for the segments they represent. The Ministry of Human Resource Development, in conjunction with the SSCs being set up by the NSDC, is launching the National Vocational Education Qualification Framework (NVEQF) to allow seamless migration from vocational to formal education. The All India Council for Technical Education (AICTE) has also launched a scheme under the NVEQF. Given that these efforts are parallel in nature, efforts are on to align them and bring about a uniform framework. This would be a key to the progress of skill development in future.

This framework for skill development, however, is not robust and has several limitations, which may be broadly categorised as:

- (a) Institutional/scalability,
- (b) Financial,
- (c) Perceptual,
- (d) Industry/Employer apathy, and
- (e) Quality issues.

Although many ITIs are now managed by the private sector, which has resulted in some modification in course content at these institutions, the lack of scale means that not too many students benefited from this training. Lack of scale is also an issue with several vocational training centres run in the private sector. The year-on-year training capacity would have to rise to nearly 40–50 million incrementally over the next 10 years for India to achieve its target of skilling 500 million people by 2022.

The question of who pays for skill development is currently exercising the minds of many. It is clearly established that the poor are willing to pay for good quality products and services, including skill-training, as long as there is an outcome — job in the case of skill-training associated with it. Firms are not yet inclined to pay a placement fee for correctly skilled persons who could be productive on the job from the first day. In some other industries, the remuneration does not excite people enough to skill themselves and join a job. In some sectors, the challenge is much greater as people do not even join after a stint of free training.

The lack of a universal skill loan product is another big hindrance in the way of creating a skills ecosystem in the country. The current bank financing model, with its emphasis on collaterals or guarantees, acts as a big stumbling block for a number of people at the bottom of the pyramid who could have used the skill-training to improve their stations in life and contribute to the country's growth. As of now, the Central Bank of India is the only public sector lender active in this space, and there too, its intervention is limited to the partners of the NSDC. Although the declaration of a Credit Guarantee Fund in the Budget announced for 2012–13 is a positive development, it is still too early to comment on the impact it may have as the mechanism for its operations is still unclear. Even if the banks do aggressively start lending, there is a need for other Non-Banking Finance Companies (NBFCs) to enter this space.

Skill development also carries a negative perception in many quarters, with the prevalent notion being that skill-training courses are only meant for those who could not make it in the formal education system. Parents push their children to become graduates. This results in enrolments at vocational courses not taking place out of choice and also low enrolments at skilling centres. This, in turn, leads to a lower number of skilled people emerging out of these institutions. With no prestige or aspiration built into skilling and consequently people staying away from it, there is a huge skills gap created in diverse spheres, ranging all the way from plumbers and electricians, to nurses and teachers.

The problem in the way of evolving a skills culture has not been helped by the industry's own reluctance to encourage skilling by hiring skilled workers at all levels or creating an adequate salary differential between skilled and unskilled or semi-skilled workers so that people are encouraged to get themselves skilled. The industry has also been lukewarm in skilling its own workforce with the incidence of in-service skilling being one of the lowest in India. The industry, moreover, has not moved briskly on collectively addressing the problem of course curriculum at educational institutions/vocational training centres not being in sync with its requirements. As part of the National Policy on Skill Development, 2009, though, the industry has been empowered to do this through the establishment of SSCs, which apart from defining the quality standard, can also take care of accreditation and certification issues.

Many skill development initiatives in the government and private space are not focused on employment and employability with the courses not keeping in mind the needs of the ultimate user — the industry or the employer. The stress on the supply side results in a quantity, quality and qualification mismatch. This causes disappointments to both the person wanting the job and the one giving it.

Many argue that the cause of skill development, moreover, has received a setback through select social schemes of the government, such as the Mahatma Gandhi National Employment Guarantee Act, that have had the impact of making rural people stay away from skill development initiatives. By being assured of a certain amount every year, a number of rural people have now started feeling they no longer need to make the extra effort to get themselves skilled as the money is already coming in. A case had been made out to introduce an element of skill in the scheme so that persons who are employed under it could use a part of the funds to attain a skill that could in the medium or long term enable them to earn a livelihood and not be dependent.

NATIONAL SKILL DEVELOPMENT CORPORATION — TRANSFORMING THE SKILLS LANDSCAPE

The deficiencies in the skills training framework prompted the Prime Minister's Council on Skill Development to come up with an innovative PPP in the form of the NSDC in 2008–09 to address the skills gap in India. The idea was to have a system that enabled the government provision of training to be delinked from the government financing of training; focused on output (demand) rather than input (supply); stressed on competencies and not specific skills; was flexible; based on periodic labour market surveys; and addressed the issues of affordability and accessibility.

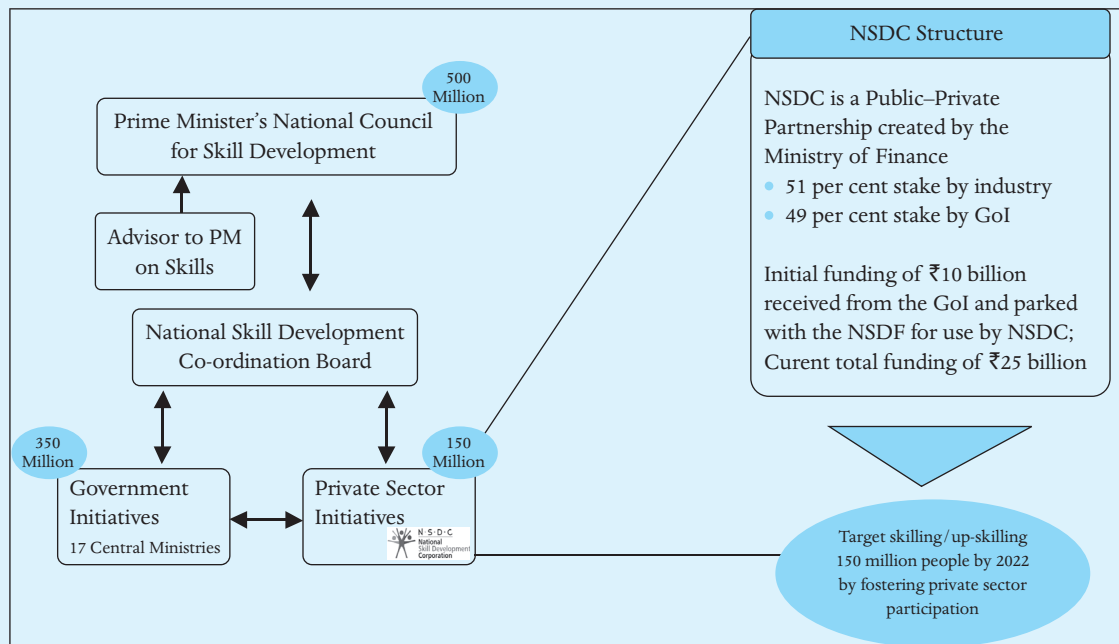
A unique experiment in the skills arena, the NSDC was officially launched in October 2009 with a mandate to skill 150 million people by 2022 in 20 focus sectors identified by the government and the informal segment through a three-pronged approach revolving around creating, funding and enabling sustainable skills training initiatives in the private space.

Structured as a PPP with government-ownership restricted to 49 per cent of the equity capital, majority ownership of the NSDC rests with the private sector with the shareholdings equally dispersed among 10 chambers of commerce and sector-specific industry organisations (See Box 18.1).

The money for meeting its funding requirements though is made available to the NSDC through a trust called the National Skill Development Fund (NSDF). The NSDC acts as an investment manager for the NSDF, whose current corpus of ₹15 billion is slated to go up to ₹25 billion following the Finance Minister's announcement of a further infusion of ₹10 billion in 2012–13. Going forward, the NSDF may have to attract private funding (See Box 18.2).

A Section 25 Company, the NSDC is a board-managed enterprise, with its 13 directors (four from the government and nine seats held by private-sector shareholders) taking the final call on how best to structure the funding and

Box 18.1
NSDC Ownership Pattern



Source: GoI (2009).

Note: Set up as a PPP by the Ministry of Finance, the NSDC is a Section 25 company with a paid-up equity capital of ₹100 million. The Government holds 49 per cent of the equity in NSDC while the private sector has 51 per cent shareholding. The private-sector shareholders of the NSDC include 10 business chambers and industry-specific associations, with each having 5.1 per cent shareholding. The private-sector shareholders of NSDC are the Federation of Indian Chambers of Commerce and Industry (FICCI), the Associated Chambers of Commerce and Industry of India (ASSOCHAM), the CII, the Gems and Jewellery Export Promotion Council (GJEPC), the NASSCOM, the Society of Indian Automobile Manufacturers (SIAM), the Confederation of Real Estate Developers Associations of India (CREDAI), the Confederation of Indian Textile Industry (CITI), the Council for Leather Exports (CLE), and the Retailers Association of India (RAI).

which proposals should be financially supported by the organisation.

Over the nearly two-and-a-half years that the NSDC has been operational, the Corporation has put in place a mechanism that would allow for the creation of large, for-profit skills training ventures linked to jobs and employability, with the onus on the skills provider to ensure the employment of at least 70 per cent of the people they trained.

From big corporates such as TVS, Future or NIIT to NGOs such as Pratham, or educational institutions like the Centurion Group of Odisha to social entrepreneurs, there has been a growing interest among organisations to align with the NSDC to start sustainable skill development ventures. Corporate groups have increasingly started seeing merit in setting up skilling ventures of their own or supporting the skills mission by hiring skilled workers at all levels. Enquiries on how organisations could associate with the NSDC have increased substantially, which in turn has resulted in more

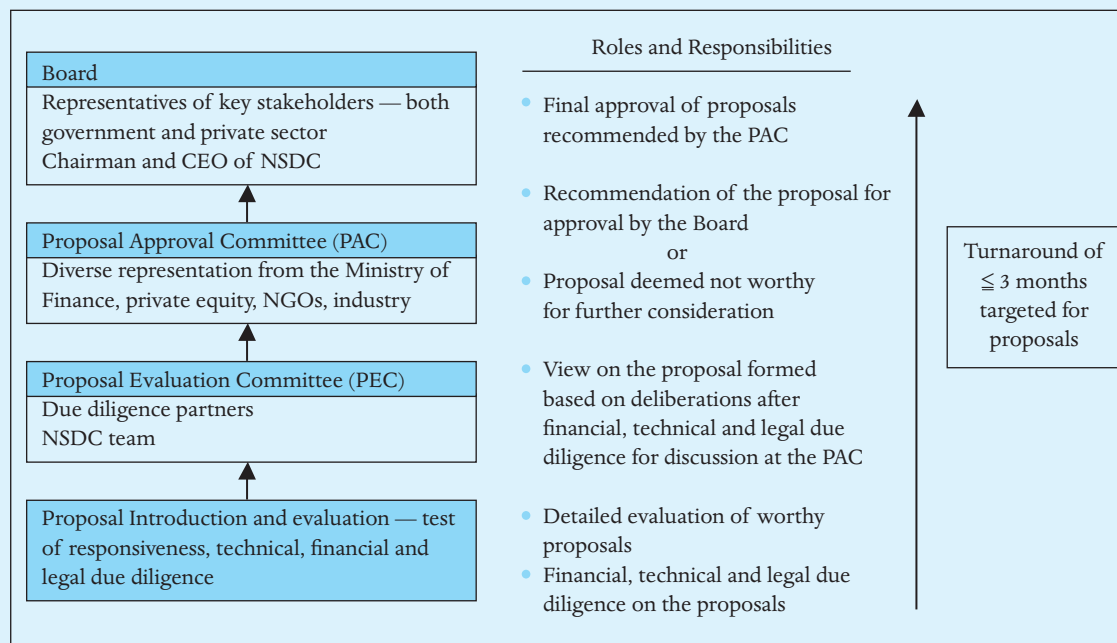
proposals being submitted and approved for funding by the NSDC Board.

Importantly, again, the proposals for skill development have encompassed diverse spheres and different geographies. The pace should pick up in the near future. The challenge for the NSDC is to quickly get a capacity to skill 200–210 million people by 2022 in place. The system has to be built such that it caters for projects that do not reach full capacity or potential.

Several key lending institutions, including the World Bank and the Asian Development Bank, have also expressed interest in participating in the Indian skills development initiative through the NSDF. The challenge here, however, is that as a country India would have to decide how it would like to allocate the funds from these organisations.

The NSDC has developed a 10-year plan. Till September 2012, the NSDC Board had committed funds to 77 projects, of which 61 are pure-play training proposals and 16 are SSC

Box 18.2 NSDC Funding Process



Source: GoI (2009).

NSDC assistance to its partners is provided in the form of soft loans, equity and grants, or even a combination of one or more financing options. Any organisation, including start-up ventures, having a scalable and sustainable business model that ensures the employability of the resources trained is eligible for funding by the NSDC. The amount of funding could extend up to 75 per cent of the project cost. Debt is offered at subsidised rates with other features like a moratorium built in depending on the nature of the project. Equity infusion by the NSDC is normally capped at 27 per cent of the total paid-up capital. Grant funding is considered only in select cases. The minimum ticket size of a training proposal that the NSDC normally insists on for the purpose of funding is 100,000 people over a 10-year span.

For the process of funding, the NSDC evaluates the 10-year business plan submitted by the prospective private partner, including NGOs, for its feasibility, sustainability and whether it meets its lending norms, and only then is a decision taken on whether the institution should be funded. Prospective NSDC partners also have to provide at least a 70 per cent employment guarantee for the students who would enroll in their centres to be eligible for funding by the NSDC. NSDC partner institutions have tie-ups with industry players and design courses keeping the requirements of the latter in mind. The certificates issued by the NSDC partners therefore have a good buy-in within the target industry segment. As mandated in the National Policy on Skill Development, 2009, the NSDC is also involved in constituting SSCs that would establish quality standards for the segments they represent. Funding for the establishment of SSCs in India is initially done by the NSDC. As it grows, each SSC can become a self-funded, for-profit organisation. The proposed SSCs would develop skill competency standards and qualifications, as well as standardise the affiliation and accreditation process. They would set up labor market information systems to assist in the planning and delivery of training, besides identifying skill development needs and preparing a catalogue of skill types. Promotion of academies of excellence and helping in executing train-the-trainers programmes also fall within the ambit of the SSCs. Once the SSCs are in place, an NSDC partner institution offering a course in that particular segment would have to get the curriculum ratified by the relevant SSC and also follow its assessment and certification procedure.

initiatives. As of August 2012, NSDC partners had trained 257,000 people across India and ensured jobs for over 194,000 of the young boys and girls who enrolled at their institutions to pursue skill development courses. In addition to this, NSDC Partners had also set up 4,030 physical and mobile training centres nationwide. Significantly, the capacity creation by NSDC partners has taken place not just in the bigger cities and towns, but also in remote and far-flung areas, small towns and villages.

Special skills training initiatives of the NSDC have been helping youth in restive parts of India, Jammu and Kashmir and the north-east to join the mainstream, and participate in and contribute to the process of economic growth. The NSDC has been able to get some of India's biggest corporate groups interested in the private sector-led skills training programme for graduates and post-graduates in Jammu and Kashmir. This initiative is targeted to be scaled up to 40,000 people being skilled and placed in jobs over a

five-year span. We are seeking to reach out to more corporates to undertake projects under this initiative termed 'Udaan'. Incidentally, the Himayat programme run by the Ministry of Rural Development similarly is focused on the training and placement of youth who have not cleared Class XII.

In the north-east, nearly 200 people have already benefited from the Youth Employability Skill (YES) project for which the NSDC is partnering with the Ministry of Youth Affairs and Sports. This number would rise to 1,000 over the next few months.

Technology would play a crucial role in going forward, without the innovative use of which reaching the intended scale in a short duration would just not be possible. Technology for mobilisation — using the mobile phone, radio, social media, internet, television, movies, developing new online assessment tools, using modern-day technology such as haptics or other tools to develop computer- or tablet-based training curriculum or modules, digitised certificate banks, virtual employment exchanges — are all ecosystem interventions, and if done on a commercial basis, could be supported by the NSDC.

A transformation is taking place in the skills arena with a new breed of social entrepreneurs emerging in India.

By seeing its role as that of a social venture capital-cum-venture debit/development bank and putting its own skin in the game through patient capital, flexible financial terms and also a transparent and time-bound project approval, funding and monitoring framework, the NSDC has enabled its partners to make a business out of skills. A recent report by Kotak Institutional Equities has forecast that skill development can become a \$20 billion business by 2022 (Kotak Institutional Equities Research 2011). Other reports have supported this market size.

Rather than being a pure-play financial institution though, the NSDC continues to focus on creating a supportive ecosystem for skill development. The emphasis is on creating a social market for skills and skill development. This is a tougher challenge than just funding entities to skill people.

To establish the demand for skill, the NSDC has been commissioning sectoral and state-specific skills gap studies. Through this initiative, the NSDC has been able to provide existing and prospective partners not only sectoral but district-level demand and supply perspectives for creating sustainable vocational training capacities. Skills gap studies are also being undertaken and commissioned for other critical sectors of the economy and ones holding promise. The NSDC has already completed skills gap studies for Odisha, the eight north-eastern states, and the infrastructure sector. Such studies are now being initiated for many other states. A sports skills gap study is also being done.

Through the incubation of the industry-led SSCs and development of Labour Market Information Systems, the NSDC has put in place the bedrock within which all skills training is to be conducted.

SSCs are employer-driven national partnership organisations that bring together all stakeholders — industry, labour and academia included — to achieve the common goal of creating a skilled workforce for the segments they represent. The SSCs develop skill competency standards and qualifications, as well as standardise the affiliation and accreditation process. They would put in place labour market information systems to assist in the planning and delivery of training, besides identifying skill development needs and preparing a catalogue of skill types. Promotion of academies of excellence and helping in executing train-the-trainer programmes would also fall within the ambit of the SSCs.

The NSDC has been actively engaged in fast-tracking the establishment of SSCs and integrating the courses being run by our training partners with the respective SSCs to facilitate accreditation, assessments, certification, and employment. Industry leadership is required to ensure that the Sector Councils function appropriately and the industry plays an active role. The challenge is to work collaboratively.

Many of the NSDC's partners such as NIIT, Future, Infrastructure Leasing & Financial Services Limited (IL&FS), for example, have embarked on large-scale training projects capable of training a minimum of 100,000 or more persons in 10 years either on their own or through consortiums and ensuring that the lack of trained people does not come in the way of the growth of Indian industry. This is not easy and requires new forms of working and partnerships.

At places, these organisations are even teaming up with ITIs to use the latter's spare infrastructure for running their courses in order to keep costs down and be in a position to start operations quickly. In other areas, school and other public infrastructure is being used. Training centres are being opened across the length and breadth of the country, including in areas affected by extremism.

The NSDC-funded institution, Gram Tarang, for instance, operates centres in the Naxal-affected belt of Odisha. Another NSDC Partner, IL&FS Education & Technology Services (ETS), proposes to start skill schools in some of the most backward areas of India so that the recipients of the training are in a position to get jobs or become self-employed.

Enterprises such as Empower Pragati are even training people to become housemaids or drivers and also helping them find gainful employment. Training organisations are setting up rural Business Process Outsourcing (BPO) services to employ persons trained by them and adding to the revenue streams. Companies are also coming up with innovative financing models whereby a part of the training

costs of students are being taken care of by the potential employers of these trainees. Training firms are more often than not seeking potential trainees with employment letters from companies to mobilise students at their centres.

NGOs have also begun looking at sustainable models so that their programmes can benefit more people. Grants are no longer being seen as the only mode of raising funds for their activities. Going forward, government programmes could move towards scholarship- or voucher-based funding with the students having the choice of institution that they wish to attend.

Educational institutions too are either starting separate courses for skill development or establishing exclusive facilities for skills-related training. A new category of social entrepreneurs are slowly but surely transforming the space.

To counter a misconception around skills that it is only meant for those who could not make it in the formal education system, the NSDC has already started work on a communications campaign that would seek to glorify the pursuit of skills and explain to all stakeholders how a skilled workforce is absolutely essential for India to grow and prosper.

The proposed multi-lingual campaign will target all stakeholders — the prospective trainee, the society to which he/she belongs, corporates that would be hiring skilled workers, enterprises that would like to start sustainable skill development ventures, governments both at the Centre and states, and the media — to highlight the importance of skilling in a nation's advancement. It is not an easy task as many stakeholders have to be aligned to make it successful. Although seen by many as a panacea for filling the classroom, it would be dangerous to pin all hopes on the campaign alone. Training organisations have to build connections with the heart and soul of the many young people in the country and learn to tailor their offerings to fulfil their aspirations and also to meet the needs of the employer.

To create an aspiration for skills, the NSDC took on the responsibility of organising the Indian participation at the 2011 WorldSkills competition in London. A biennial event, WorldSkills is seen as a Skills Olympics and is designed to test the skills of people below the age of 23 in several disciplines, from car painting to IT software. India took part in 15 skills at the London WorldSkills event. The NSDC has already started preparing for the 2013 WorldSkills competition that would be held in Leipzig, Germany. The idea is to work towards creating standards conforming to international benchmarks.

CONCLUSION

Although the NSDC's interventions augur well for the cause of skills promotion, there is still no getting away from the

fact that a lot more work needs to be done for the skills culture to take root in India. All the structural and financial interventions in the skills space would come to naught unless the industry sheds its reluctance to define what constitutes employability for a particular job role so that training programmes could be tailored to address this.

Each company within a particular industry often has its own yardstick for defining employability. Thus, for example, what Organisation A may describe as the basis for considering someone employable for a particular job role, Organisation B could have an entirely different perspective on it even if both enterprises are roughly of the same size and cater to similar kinds of customers.

With no uniform definitions of occupational standards for different job roles across industry segments, new entrants to the workforce in particular are often confused about where they stand on the employability scale, and are left completely at the mercy of Human Resource (HR) representatives of organisations to decide this for them.

Although the NSDC Board has approved funding of 16 SSCs till September 2012 (Agriculture, Auto, Banking, Financial Services and Insurance [BFSI], Electronics, Food Processing, Gems and Jewellery, Healthcare, IT, Logistics, Media and Entertainment, Plumbing, Private Security, Telecom, Retail, Leather and Rubber), getting a buy-in for the concept of a National Occupational Standard (NOS) is key. Even where the buy-in has taken place in a particular industry arena, getting it to fix a timeline for coming out with the occupational standards for as many job functions as possible has been pretty tough.

Skill development is a Chief Executive Officer (CEO) agenda. Industry leaders have to start taking ownership of driving the SSCs and the NOS exercise in their respective domains through greater involvement as without the occupational standards, accrediting system and certification in place, skill development would be reduced to just another futile exercise. Similarly, the various skill development programmes run by the different ministries and states could also align their requirements through the SSCs.

It is imperative to focus along the entire value chain of skill development, mobilisation to placement including post-placement support, and making this system scalable and sustainable. It is not a purely financial effort as it requires a great deal of understanding and social engineering as well. The skills landscape has to be transformed.

Unlike many developed countries, where skill development initiatives have been largely led by the government, the private sector in India has the opportunity to play a significant role in the country being able to produce job-ready and industry-ready professionals in large numbers.

Industry leaders here simply cannot afford to play a passive role in the skill development process and hope that

the problem of skilled manpower would get sorted out all by itself, through government intervention or otherwise. Given the projected humongous shortfall of 347 million skilled people by 2022 in 20 key sectors of the economy and the infrastructure arena, the industry needs to wake up to the rude reality that a laidback approach to skilling on its part would only hasten its relegation to obscurity, and, in an extreme scenario, even put its own existence at risk.

For far too long, something as serious as skill development has been allowed to remain the exclusive preserve

of either the HR, training or CSR cells of companies. Skill development is a CXO-level (executive-level) issue and deserves to be discussed in boardrooms.

The pace at which this transition happens would determine where India would stand 20 years hence — as just another fast-growing developing country or an influential member of the First World. CEOs have to lead and the time to act is now.

NOTE

1. IMaCS [ICRA Management Consulting Services Limited] Skill Gap Studies conducted for the National Skill Development

Corporation (NSDC). <http://www.nsdcindia.org/knowledge-bank/index.aspx> (accessed 5 November 2012).

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