

*20 Sectors to Drive Economy and Create bulk of Employment*  
**8% GDP GROWTH UP TO 2022 WILL REQUIRE 500 MILLION  
SKILLED WORKFORCE: FICCI-IMaCS REPORT**

*Eight-Point Agenda to Meet Challenges with Right 'Scale' & 'Speed'*

**NEW DELHI, August 14, 2010.** India faced a challenge of mammoth proportions of producing a skilled workforce of 500 million to meet the requirements of a projected CAGR of 8% of GDP by 2022, says a **FICCI-ICRA Management Consulting Services Ltd (IMaCS) Report on 'The Skill Development Landscape in India and Implementation of Quality Skills Training'**.

The FICCI- IMaCS Report identifies the following 20 sectors that will drive the growth of the economy as well as play a significant role in generating employment:

- Auto and Auto Components
- Building and Construction Materials
- Building and Construction
- Real Estate Services
- Electronics and IT Hardware
- Education and Skill Development Services
- Food Processing
- Gems and Jewellery
- Healthcare
- Textiles
- Leather and Leather Goods
- Organised Retail
- Tourism and Hospitality
- Transportation and Logistics
- Media and Entertainment
- BFSI
- Chemicals and Pharmaceuticals
- Furniture and Furnishings
- IT
- ITES

With about 12 million persons expected to join the workforce every year, and an existing skill development capacity of about 3.4 million, the report emphasizes that it is imperative to enhance the skilling and technical education capacity to about 15 million (considering that even sections of the

existing workforce would have to be trained). It is expected that this 15 million would be the required skill development capacity in vocational training in itself as a large portion of the employment (as well as workforce input) would occur in the lower portions of the skill pyramid.

As skill development in a large scale takes off, implementing agencies (government, institutes – both government and private, vocational training providers, and other such implementers) would be faced with challenges that come up at every segment of the skill development value chain. In other words, these are challenges that each skill development centre or groups of such centres are likely to face.

The various challenges would be pertaining to the following dimensions:

- How does a centre attract or mobilise students?
- Is there an ability to pay among trainees?
- What are the courses that need to be offered for each centre/institute, or regionally?
- Is there a demand for such courses/trades?
- Will an in-house system work or a franchisee system or a combination of both?
- How does one standardise content and delivery across a large number of centres?
- How is the training delivered?
- What is the infrastructure required and is it available?
- How can qualified trainers be found?
- Is there a system for third party assessment and certification?
- How will the project owner raise funding?
- What will the form of funding – debt, equity, grant?
- Is the model sustainable and viable?
- How would the institute guarantee placement linkages?
- How does the institute or the training provider connect with industry?

Considering the magnitude of the challenge in terms of skilling about 15 million persons every year and ensuring that the workforce of 500 million is adequately skilled by 2022, it is required that the way forward comprises of adequate initiatives to achieve these humungous targets in the right '**scale**' and '**speed**'.

Some of the possible solutions to address the issues outlined are as follows:

**Targeting skill development at all levels of the 'skill pyramid':** It is required to not only skill and educate the workforce at the higher skill levels (which is

key to ensuring industry competitiveness through research and IP, etc.), but also to adequately skill the workforce at the lower levels (i.e., where much of the workforce is concentrated). Accordingly it is required that skill development initiatives be targeted at all levels of the **'skill pyramid'**.

**Implementing Vocational Education in schools:** Vocational Education in schools should be enhanced. This will present a channel for students to acquire skills, both life skills and industry-specific skills during schooling. The vocational education system should be enhanced from the current 3.2 lakh available under the National Institute of Open Schooling.

**Creating a large talent pool through Modular Employable Skills:** The MES framework provides a means for multiple-entry and multiple-exit skill development. It brings with it a flexibility to offer short-term, demand-led courses with partnerships. Increased adoption and will help achieve the required scale in skill development.

**Ensuring Quality in Delivery:** Quality will have to be driven (as well as be determined) by the following dimensions at the level of each/individual institute/centre: Strong Governance and Administration; Adequate and appropriate faculty; Current curriculum; relevant infrastructure; a defined process for evaluation of student learning from in-gate to out-gate, employment, and employability and Rewarding partnerships.

**Employing technology to achieve scale:** Information and Communication Technology (ICT)- led interventions will help achieve *scaleability, standardisation, and maximisation of impact*. ICT can have a role to play in the following areas: Need Assessment and Sourcing (through media, internet, community based mobilisation, employer views); Curriculum Design and Development (standardised curriculum which can be easily replicated and offered at multiple locations to aid scale up); Education and Training Delivery (through recorded/interactive teaching input); Assessment and Certification (through e-testing, computer based tests, supporting current theory and practical tests) and Placement linkages (employer and student views on demand, centralised placement systems).

**Formulation of institutional mechanisms for content formation, delivery, and assessment:** As the demand for training grows, there will also be a cascading impact on the demand for content, standardised processes for training delivery, uniform assessment practices. These will drive the demand for trainers and assessors which will be a critical bottleneck as other pieces of the ecosystem fall in place. Furthermore, there would be a need for standards and quality processes (quality systems formulation, quality assessment, quality certification/training process certification) as the demand for training grows

rapidly. These would require institutional mechanisms, specifying of quality standards and practises.

***Expediting the formulation of Sector Skill Councils:*** Given the need to ensure standards, industry involvement and industry led initiatives, it is required to expedite the formulation of Sector Skills Councils. The National Skill Development Policy has proposed the following roles for the Sector Skills Councils: Identification of skill development needs; Development of a sector skill development plan and maintain skill inventory; Determining skills/competency standards and qualifications; Participation in affiliation, accreditation, examination and certification; Plan and execute Training of Trainers; and Promotion of academies of excellence.

***Setting up of a National Human Resource Market Information System (a National Skill Exchange):*** The requirement for an ICT-enabled market information system will help both employers and employees provide details on specific demand, as well as where the access to the skilled workforce exists. This should not only be limited to the vocationally skilled workforce but also be made available to the higher skill levels as well.

*Note: Detailed findings of the report are attached.*

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