

Keynote address by Secretary, Labour & Employment during the inaugural session of Global Skills Summit organized jointly by Ministry of Labour & Employment DGE& T & FICCI on 20th & 21st August, 2009

Hon'ble Union Minister of State for Labour & Employment, Shri Harish Rawat jee, Dr. Narendra Jadhav, Member, Planning Commission; Shri. Harsh Pati Singhanian, President, FICCI; Shri Anurag Jain, Chairman, FICCI Skill Development Forum; Dr. Amit Mitra, Secretary General, FICCI; representatives of industries, workers, Central and State Governments; distinguished delegates from Germany, U.K., Switzerland and Australia, respected guests, members of print & electronic media, ladies & gentleman.

It is my privilege to address this distinguished gathering in this Global Skills Summit on a very important theme "Emerging Skills-India 2020". The objective of summit itself indicate the importance being given by Government as well as industry to Skill Development with focus on employability for all.

2. As we all know that "Skill Development" is the key to promote employability, competitiveness and economic growth. In Indian context, there is a gap between skills produced by the vocational training institutions and skills demanded by the industry. Relevance of skilled manpower produced is very important to overcome acute shortage of skills which various sectors of economy face. As Indian industry and services grow and compete internationally, they realize that the availability of requisite skills - in terms of relevance, quality and quantity, has become an urgent need. The swiftness with which this skill deficit is bridged will be critical in determining India's competitiveness in global market.

3. The importance being given to building human resources, especially if India is to take advantage of its demographic profile, has been highlighted by the Hon'ble Prime Minister. Planning Commission, Ministry of Labour and Employment and other Government departments, State Governments, industry partners, workers and all stakeholders across the spectrum are now involved in skill development. It was recognized that a national skills policy can enable and anchor implementation of the many initiatives, reforms and innovations already underway. Therefore, National Policy on Skill Development was approved by the Union Cabinet on 23rd Feb 2009. The objective of the policy is to create a workforce empowered with improved skills, knowledge and internationally recognized qualifications to gain access to decent opportunities of employment and ensure India's competitiveness in the dynamic global labour market.

4. The policy envisages -demand driven system guided by labour market signals thereby reducing skills mismatch, expansion of outreach using established as well as innovative approaches. The rigid boundaries between categories of education -diplomas and degrees has created a structure of rigid "caste system" within education. This must be transformed into a more open and flexible system that permits competent individuals to accumulate their knowledge and skills, and convert them through testing and certification into higher diplomas and degrees. National Policy has, therefore, suggested creation of National Vocational Qualification Framework (NVQF) with an open and flexible system which will permit individuals to accumulate their knowledge and skills, and convert them through testing and certification into higher diplomas and degrees. National Vocational Qualifications Framework inter-alia will maintain quality and relevance, encourage opportunities for horizontal and vertical mobility between general and technical education and recognition & certification of competencies irrespective of mode of learning including recognition of prior learning.

5. Quality and relevance of skill development are key to India's global competitiveness as well as

improving an individual's access to decent employment. For enterprises to compete in the global economy, the quality of training must reach world standards and be relevant to the needs of national and international markets. The demographic advantage that the country enjoys, coupled with prospects of global shortages in skills as the world population ages, means that the country could be supplying skills to the rest of the world as well. An analysis carried out by U.S census Bureau and Boston consulting Group says that by 2020 the whole world will be facing shortage of about 46 million workforce. A heartening conclusion is that India will be having a surplus of about 47 million persons. So the skill development aligned with the International Standards provides an opportunity not only to meet our domestic requirement, but also meet global demand.

6. Ministry of Labour & Employment has taken number of initiatives for international cooperation for bringing international inputs to our Skill development efforts. An Indo- German Joint Working Group has been constituted to share their experiences and expertise in the field of Vocational Education and Training. An MoU has been signed with South Korea to use their expertise in preparing participants for World Skills Competitions. We are also collaborating with Australia for bringing in systemic changes to enhance industry participation, preparation of training packages and introducing qualification framework.

7. The futuristic market demand for skilled workforce cannot be met until our all Vocational Training Institutions are upgraded in terms of hardware and software. During 2007, there were 1896 Govt. ITIs in the country. The Government of India is in the process of upgradation of all these ITIs under three different schemes. (i) upgradation of 100 ITIs into Centres of Excellence through domestically funded scheme with an outlay of Rs. 1600 million, (ii) up gradation of 400 ITIs under Vocational Training Improvement Project through World Bank Assistance with RS.15.81 billion and (iii) upgradation of the remaining 1396 ITIs through PPP mode, granting Rs 25 million to each ITI as a long term interest free loan with a total outlay of Rs 35.50 billion.

8. As on date, we have more than 6900 ITIs/ITCs in the country with a seating capacity of 9,54,000 out of which 4909 ITCs are in private sector having a seating capacity of 5,45,000. Therefore, Private ITCs are playing very important role in producing skilled work force. Some of them are very old and need up-gradation. There is therefore a need to evolve some mechanism for upgradation of these ITCs also.

9. To facilitate an accelerated and sustainable transformation and for expansion of outreach of the vocational training, Ministry has initiated action to set up 1500 new ITIs and 5000 SDCs in the country in PPP mode. These facilities will be created in the un-serviced blocks including hilly, difficult & backward areas so that large unskilled workforce of these areas could acquire skills and mainstream with workforce in the developed regions. The Government is encouraged with the response of industry in PPP mode. There is huge shortage of trainers in the country & therefore, Ministry has also taken initiative for establishing 11 Advanced Training Institutes, 4 Institutes for Training of Trainers and 12 Regional Vocational Training Institutes for Women in PPP mode. These projects are in various stages of formulation and finalization. This is a good opportunity to request industry through this important forum to come forward and join hands with the Government in skill development efforts.

10. Government of India has also ventured into "Skill Development Initiative" (SDI) based on Modular Employable Skills, where industries are involved actively not only in running the training programmes but also in carrying out competency based assessment. This ensures that trainees meet industrial standards. National Council for Vocational Training grants certificates on the basis of assessment and recommendation of these assessing bodies.

11. As regards unorganized sector, approximately 93 per cent of the country's workforce is in this

sector. This sector cuts across all economic activities and includes rural and urban areas. It contributes to about 60 per cent of the country's GDP. Strengthening the skill base of the unorganized sector will improve productivity, working conditions, labour rights, social security and living standards. There is therefore a need for separate institutional mechanism which may, inter alia, plan, implement and monitor the skill development efforts for the unorganized sector.

12. Although, both the industry and the Govt. are moving in the right direction, yet we have to travel a long way to establish a employer led, industry managed and Govt. supported just, equitable, employment assured vocational training system in the country which is our ultimate objective.

13. I am very happy to note that FICCI has organized this Global Skills Summit with international partners like Germany, U.K., Australia and Switzerland. A similar event was organized last year also which reaped rich dividends. Lot of International cooperation was firmed up and MoUs signed between governments, industry bodies and individual organizations. This has now become an annual feature which everybody looks forward to. I am sure that with such international cooperation, we will be able to move forward with our skill development programmes in bringing them at par with the world standards and many more partnerships will blossom during this Summit as well.

I wish the summit all success.

Thank you