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Educate The Masses

India can address the world's needs for skilled manpower

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The outsourcing boom of the 21st century has transformed India. From a developing country, we are today an emerging economy and a superpower in the making. Over the last few years, India has moved up the offshoring value chain — from being a low-cost destination to a knowledge hub to the world. Today, 5.2 per cent of the country's GDP comes from export of IT and IT-enabled services (ITES).

While the sheen is unmistakable, we need to look deeper. After 60 years of independence, our system does not ensure 'education for all'. Of the 200 million children in the age group of six to 14 years, 59 million children do not attend school in India. Even those who get educated are often not employable.

Every year, 3,00,000 engineering graduates and approximately two million graduates pass out of colleges. But only 10-15 per cent of the graduates are suitable for employment in offshore IT and BPO industries. Nearly two-thirds of the 3,00,000 engineering graduates need to be reskilled, so that they can get jobs in the IT industry.

Even those who find jobs need to undergo training and be reskilled. Today, India needs to skill/reskill one million working executives. Emerging sectors such as retail, banking, financial services and insurance (BFSI) industries are facing an acute shortage of manpower. The banking industry, which employs 9,00,000 people, is expected to add 6,00,000 more over the next five years. But it is unclear how this increased demand will be met.

The shortage of skilled talent threatens to slowdown the Indian IT and ITES industry if the education system does not keep pace with the rising talent needs. As per estimates, by 2010 the industry will need approximately 8,50,000 additional skilled manpower.

Meanwhile, the developed world requires fuel of another kind — knowledge workers and skilled professionals. By 2020, the developed world will have a shortage of 40 million

working people, says a report — India's New Opportunity-2020 — brought out by the All India Management Association, the Boston Consulting Group and Confederation of Indian Industry.

A recent study by global HR consultancy Manpower Inc says that 41 per cent of employers worldwide are having difficulty filling positions due to lack of suitable talent in their markets.

For the developed world, this is a serious matter. Manpower shortages can cripple economic growth. It can escalate wage rates, thereby reducing the competitiveness of these countries. Blessed with surplus workforce, countries like India and China can meet the manpower shortages of the developed world.

at India's semi-urban towns and villages.

This is where India requires substantial public-private partnerships. NIIT is undertaking initiatives to generate skilled manpower resources at small towns and villages. In August this year, NIIT inaugurated its first model district learning centre (DLC) at Chhindwara in Madhya Pradesh. The DLC is geared towards fostering talent and skilled manpower resources for global readiness. Over 4,000 students graduate every year from the Chhindwara district.

The DLC will provide intensive training programmes to over 200 students a year. It will work towards increasing the capacity by another 200 students in the next two years. Once the

model is tested, NIIT plans to roll out similar initiatives in other districts of the country. These graduates will be equipped with various skills, such as IT, communication (verbal and written), and business etiquette that will enable them to acquire gainful employment.

The existing education and training infrastructure cannot meet skilled manpower requirements. We need to begin from the primary schools in villages and cities, work with underprivileged children and encourage them to get educated. We need to change our education system and focus on job-oriented courses. For a sharp focus on global talent development, education and vocational training have to be more market-driven. If the education system does not transform itself, we may lose out to other BRIC economies, particularly China and Russia.

The task of developing global talent can be approached in two ways — by companies or training institutes going global in order to develop talent in those nations, and by developing talent indigenously. At NIIT we are working on both approaches. While India has some natural advantages — it is the world's largest English-speaking country — countries like China are working overtime to cash in on the global labour crunch. A fifth of the Chinese population is learning English.

There is a pressing need to act fast. From an outsourcing hub, India needs to transform itself into a repository of talent that can feed global demands for a skilled workforce.

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India faces a peculiar manpower paradox — while it is a young country (over 50 per cent of its population is below the age of 25 years), it is up against a shortage of skilled manpower even vis-a-vis the domestic sector. Despite the increase in jobs, the number of educated unemployed in India is on the rise. By 2012, India could have an unemployed population of 19-37 million, the largest share of which will be educated youth. By 2020, India is estimated to have surplus working population of 45-50 million people.

How does one explain this paradox? While urban India has witnessed a stupendous growth in jobs, in other parts children still drop out from school, girls are still not sent to school and youngsters are forced to take up jobs instead of completing their graduation. The way out is to begin work