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The 5th World IT Forum 2012 ICT for Sustainable Human Development

‘Vocational Training and Skill Upgradation’

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New Delhi

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N · S · D · C
National
Skill Development
Corporation

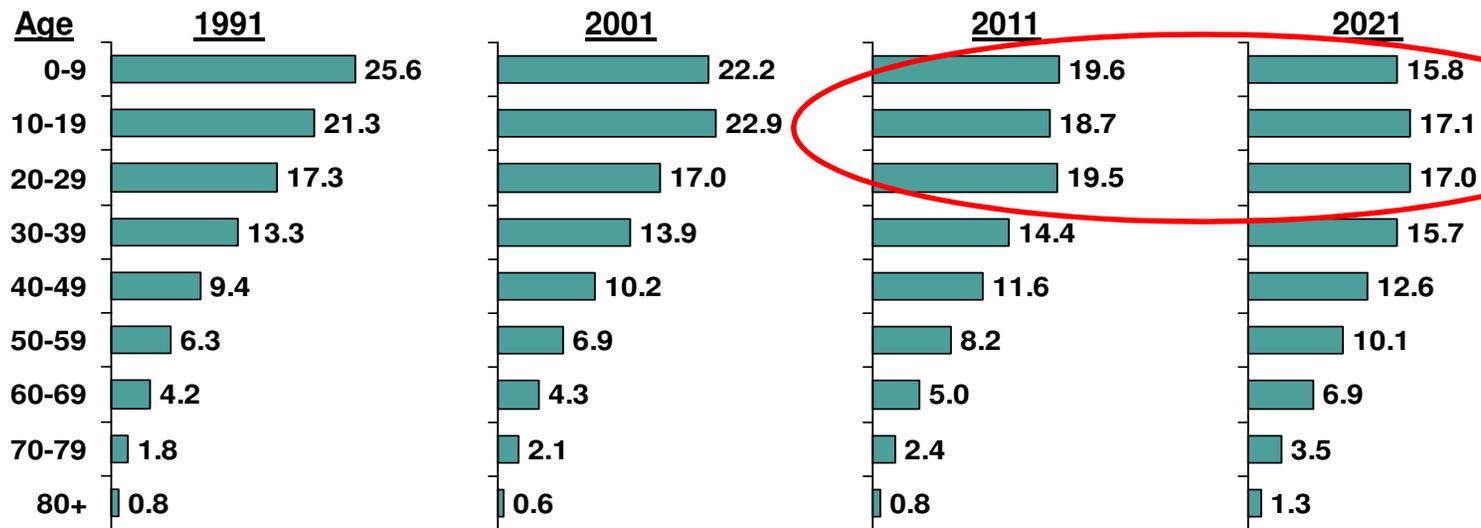
Agenda

- **Current Skill Gap in India : Employability Issue**
- **Challenges in Private Sector**
- **NSDC – an Introduction**
- **Role of IT in Skill Development: Reaching the Mass**

Agenda

Current Skill Gap in India : Employability Issue

India: Land of World's Largest Young Population



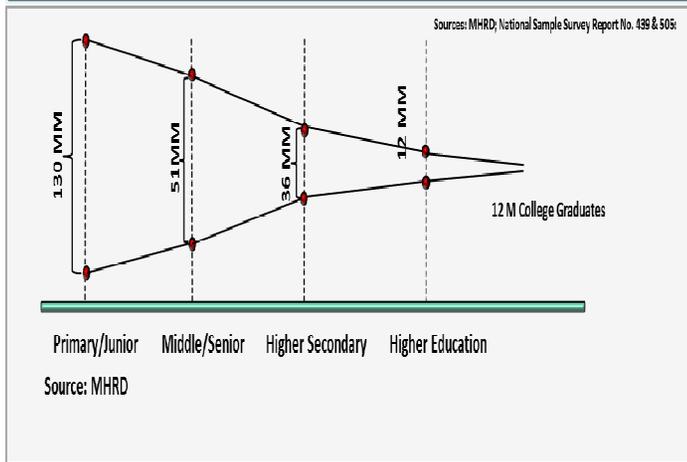
47.8% of India's population is below 29 years increasing to 49.9% in 2021

- India will add significantly to its labor pool, even as the median age rises by FY2026E, it will be relatively young
- India should ensure that working population are skilled to meet requirements of the industries.

However, Plagued by Inadequately Skilled Manpower

1

High drop outs in the education space



2

Employability of the skilled a challenge

Only one in four engineering graduates in India is employable, based on their technical skills, English fluency, teamwork and presentation skills and of the 4 lakh odd engineering graduates, who graduate each year, only about

20% is good enough for India Inc.

3

Very low enrolments for VET

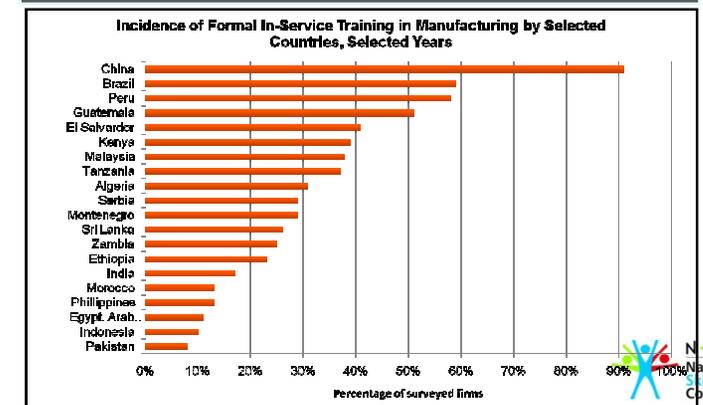
Vocational education: How India compares

	Pop (million)	GDP (\$ per capita PPP)	Literacy (% over age 15)	Higher education (% of age group)	VET net enrolment (million)
USA	300	41,890	99	72.6	11.3
China	1,300	6,760	91	7.5	90
Germany	82	29,460	99	46.3	2.85
Japan	127	31,270	99	47.7	NA
Brazil	186	8,400	89	16.5	NA
Russia	144	10,845	99	64.1	2.28
India	1,100	3,450	61	10.5	3.5

Source: The Human Development Report 2007-08; Unesco; iwatch

4

In service training levels very low in India

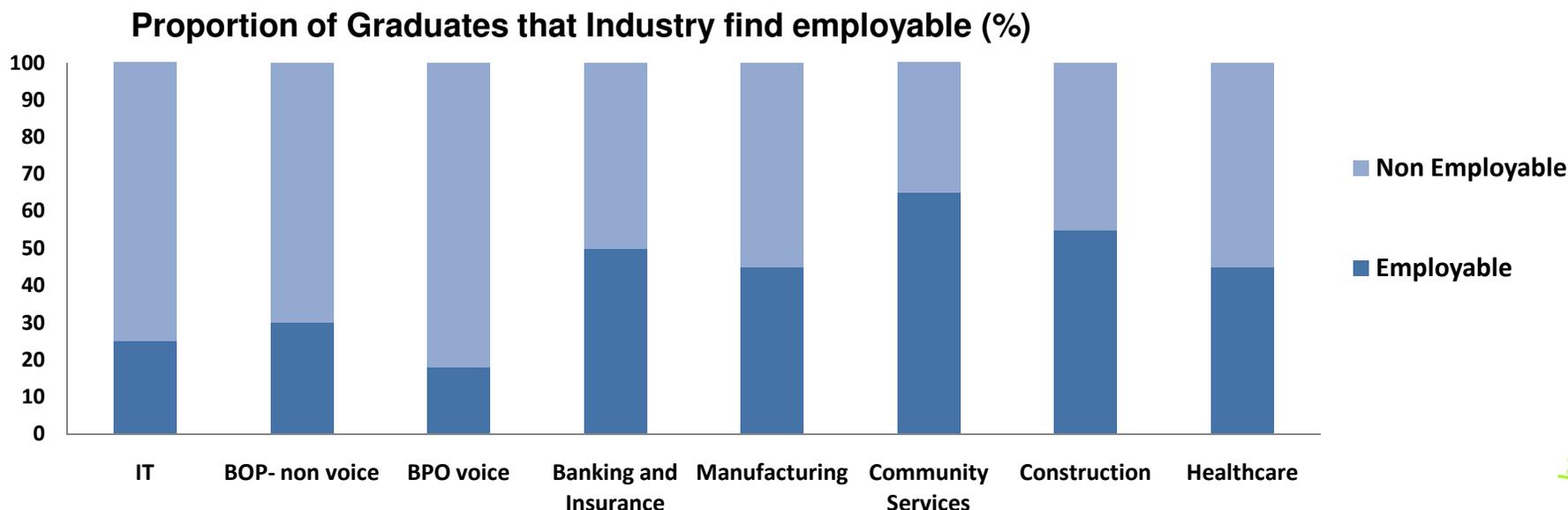


Skilling should Become a major Policy Focus going forward

Current need of Vocational training in India

Capacity Creation Challenge

	Level 1	Level 2	Level 3	Level 4	Total
<i>New employment opportunities created (mn, between FY2008-2022E)</i>	208	59	47	16	330
<i>Upgrading a part of the current work-force (mn)</i>	67	15	8	2	92
<i>Re-skilling a part of the current work-force (mn)</i>	40	8	3	1	51
<i>Total Skills Demand</i>	315	82	57	19	474
<i>*Annual Numbers* (mn)</i>	21	5	4	1	32



Estimated skill gap of 347 Million across 22 key sectors

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

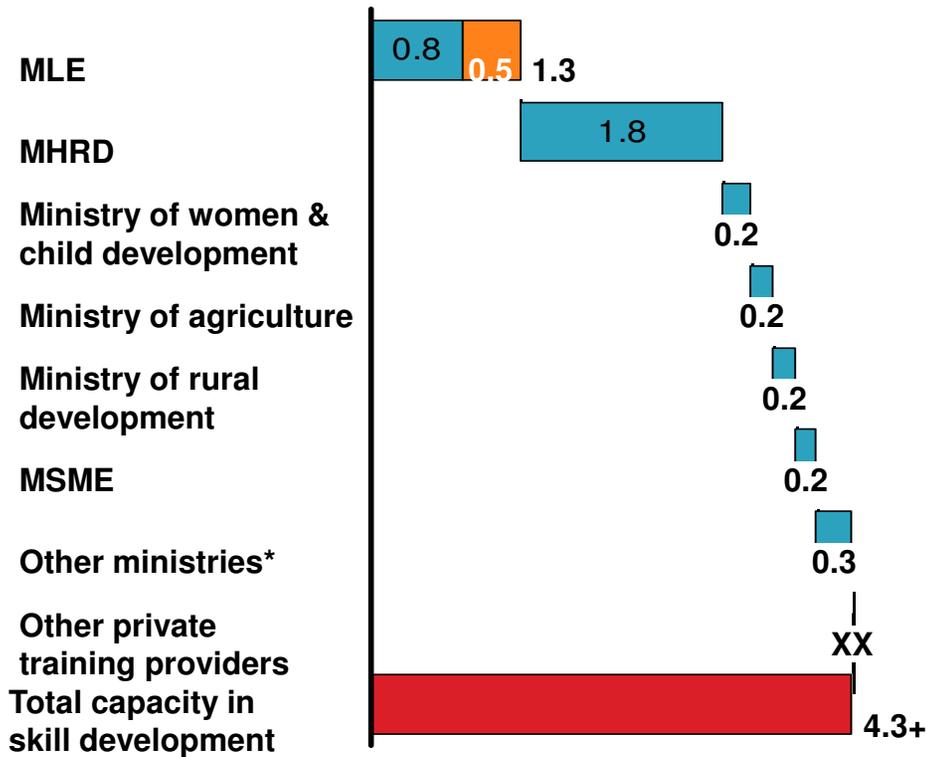
Industry	Incremental requirement (in million)
Tourism and Hospitality services	3.6
Construction Material and Building Hardware	1.4
Chemicals and Pharmaceuticals	1.9
Food Processing	9.3
Healthcare	12.7
Transportation and Logistics	17.7
Media and Entertainment	3.0
Education and Skill Development Services	5.8
Select informal employment sectors (domestic help, beauticians, security guards)	37.6
Incremental	347

Source: IMacs Study

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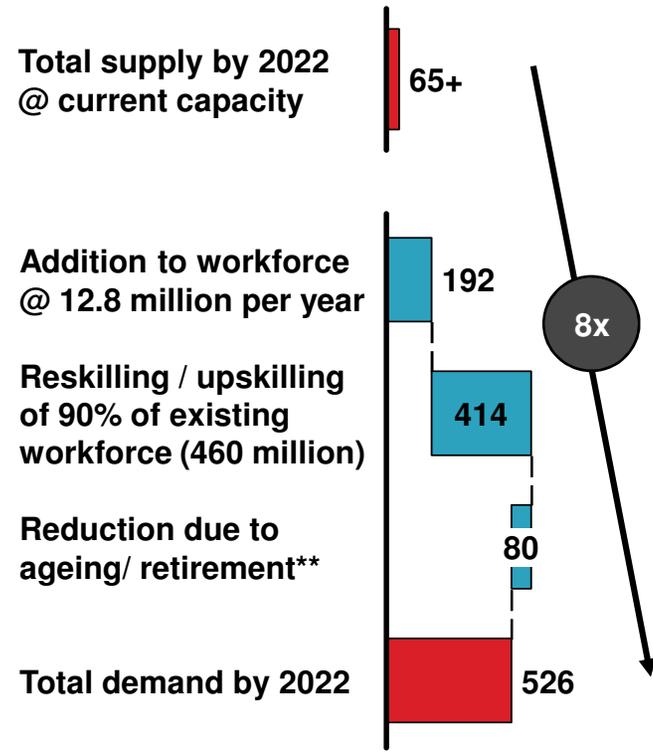
Current Landscape needs drastic capacity addition to meet future demand

Current capacity in skill development under various schemes, 2008-09



Business opportunity of ~ 1 20 Bn USD

Eight-fold increase in capacity is required to meet aspiration



Privately owned ITCs

*Includes ministry of housing and urban poverty alleviation, textile, health and family welfare, food processing industries, and others

**Assuming that the existing workforce in the age group of 45-59 will not be re-skilled

***Assuming training fee of Rs 2000 per student for the total demand estimated

Skills: Ten Learning Gaps

1. Existing workforce lacks skill
2. Global comparisons are not favorable
3. Status of training varies across states in India
4. Problem growing every year
5. Other economies are doing far better
6. Employability a question mark
7. Levels of in-service training in India are low
8. The issue is more acute outside the company
9. Skills Shortages next 10 years estimated at 93.6 + million
10. Current capacity can not meet future demand

Result : People difficult to find; Hiring over qualified persons; Poaching paying more for same set of skills + 15%

Agenda

Challenges in Private Sector

Challenges for Private Sector



Quantity

- Large numbers to be targeted
- Dispersed Locations
- Small Batch Size
- Non permanent role
- Advocacy aspirational quotient



Quality

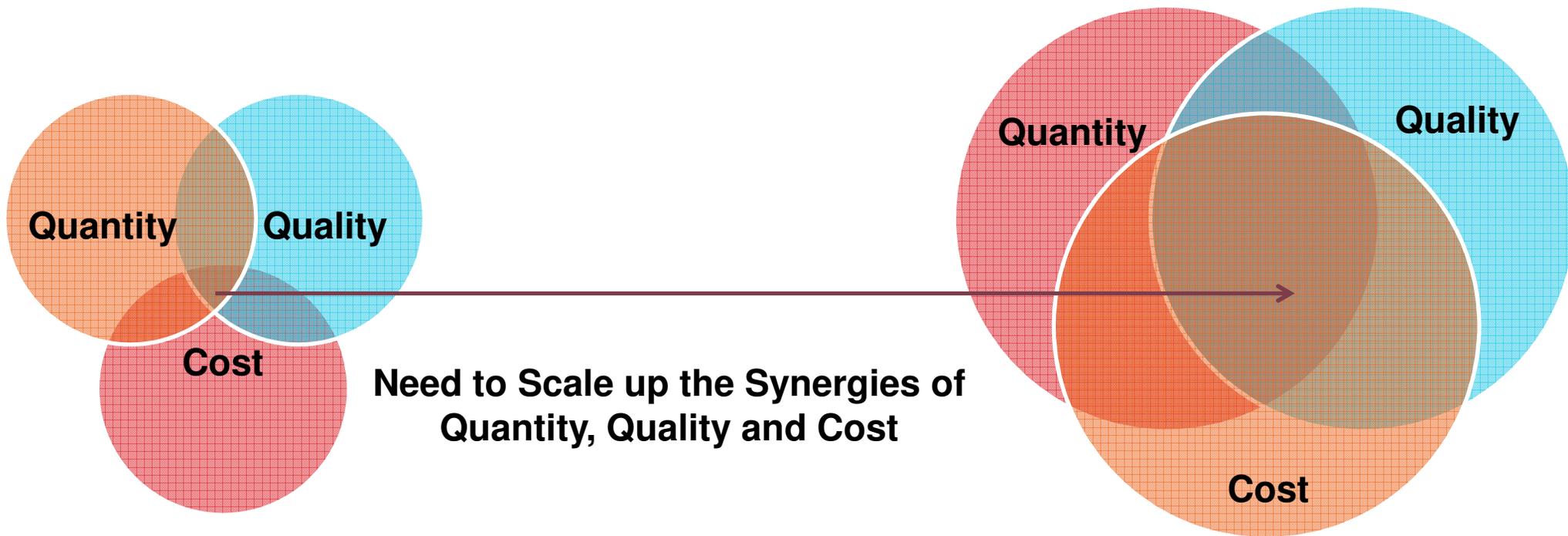
- Taking one teacher to many
- Getting industry acceptance of assessment
- Allow accumulation of curriculum
- Recognition of prior learning



Cost

- Lowering Cost
- Achieving one month salary
- Maximizing delivery of one capacity

Challenges to be Dealt with ...



Agenda

NSDC – an Introduction

National Skill Development Corporation (NSDC)

About the Company

- NSDC is a Public Private Partnership with 51% stake by Industry and 49% stake by Government of India (GOI).
- Initial funding of \$ 220 million received from GOI and parked with NSDF for use of NSDC; additionally \$ 110 million committed in budget for 2011-2012.
- Target skilling / up skilling 150 million people by 2022 by fostering private sector participation
- Current total funding of \$550 million

Vision

- Proactively catalyze creation of large, quality vocational training institutions
- Reduce risk by providing patient capital
- Improve returns by providing viability gap funding
- Support systems required for skill development
 - Sector skill councils
 - Quality Assurance
 - Information system
 - Train-the-trainer
 - Set Standards

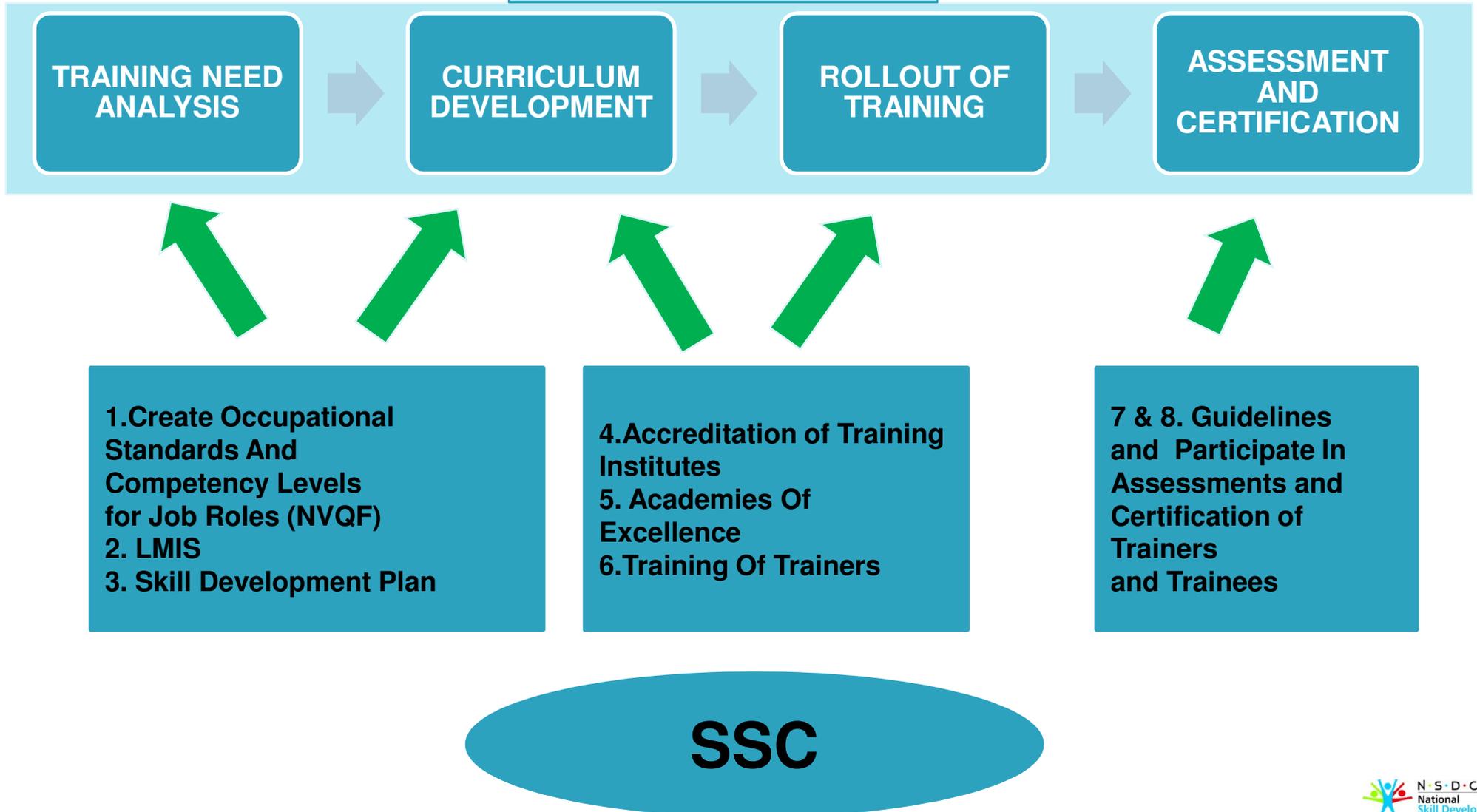
Private Sector Initiatives Driven by NSDC

- **Funded 57 Private Sector Partners total financial commitment of Rs 1367 crore and target of skilling 68.6 Million people in next 10 years.***
- **NSDC partners portfolio is a mixed bag of Large to Medium Corporates and Entrepreneurs . Even NGO partners such as Pratham, Anudip, Global India Foundation etc moving towards sustainable models.**
- **Presence in over 365 districts in 27 States with placement rate of Partners at 75%.***
- **Approved 11 Sector Skill Councils set up by Industry Representatives.***
- **Linking training to placements by mandating delivering of Industry accepted and Certified courses.***
- **Linking School to Vocational Education : Haryana ‘ National Vocational Education Qualification’ Pilot Project.***

**As on 30th March, 2012*

SSC – Leading Industry Involvement

SKILL DEVELOPMENT CYCLE



Status of SSCs – As on 30th ,March 2012

Approved by NSDC	SSC Proposals under evaluation/approval by NSDC	SSC Proposals in Pipeline
Auto	Textiles	Logistics & Transportation
Security	Food Processing	Plumbing
Retail	Telecom	Domestic Workers
IT/ITES	Agriculture	Capital Goods
BFSI		Electrical Equipment
Media		Pharmaceuticals
Healthcare		Beauty & Wellness
Gems & Jewelry		Construction and Real Estate
Rubber		Foundry
Leather		Education & Skills
Electronics hardware		Handicrafts

11

5

11

15

26

Cumulative



Agenda

Reaching the Mass

Technology and Skill Value Chain



Technology Intervention Required at Various stages of Vocational Training



Creating Aspirational Quotient

- Social Media marketing
- TV
- Reaching through Mobile/ telemarketing
- Radio
- CSC



Mobilization

- Messaging
- Opportunity
- Connect
- Virtual employment exchange
- Low cost rural banking



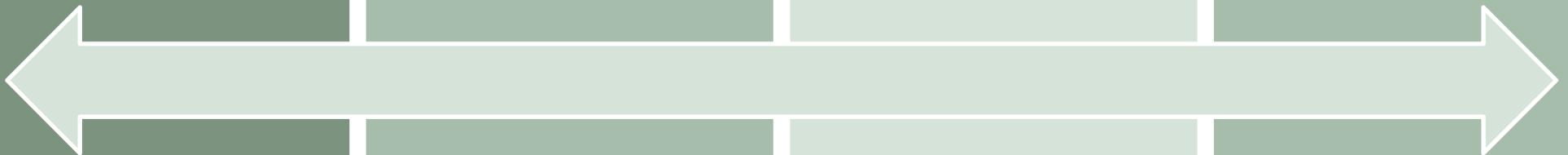
Recognition of Prior Learning

- Digitizing the outcome
- Technical testing system
- Remote Assessment
- Online Certification



Building Aptitude

- Remote Assessment
- Intelligent Systems
- Cloud enabled database



Technology Intervention Required at Various stages of Vocational Training



Training

- Low Cost training device
- Affordable network delivery
- Cost reducing training methodology
- Simulators
- Online tracing system
- Distributed training system
- Digital curriculum



Assessment

- Digital component of assessment
- Remote accessibility



Certification

- Checking authenticity
- Demat
- Validating industry on mobile



Technology Intervention Required at Various stages of Vocational Training



Placement

- Tracking
- Deducing bank accounts
- Online Portal



Monitoring

- Measuring Outcomes
- Quality Rating



Upskilling

- Self Learning
- Online assessments
- Certification



End of presentation