

INDIA: POSITION PAPER ON SKILLS

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MODELS AND METHODS

- History of recognition of a serious skills challenge only in 11th Five Year Plan (2007); a chapter added to Plan.
- In earlier plans chapters were only on Employment
- 6 years ago, National Skills Development Corporation created with govt and industry “partnership” – PPP only in name, entirely govt funded, responsible to GOI
 - Commissioned a credit rating agency to conduct skill gaps by sector, based on an econometric model;

PROBLEMS WITH ECONOMETRIC MODELS

- Assumptions on parameters galore, when parameters change in reality, model predictions fall – fast growing economies are changing and diversifying their product mix and technologies all the time:
- India is the fastest growing large economy in the world (faster than China), and still in the middle of its demographic dividend (China's is over) – hence will continue to grow fast over at least next two decades (3rd largest economy in PPP terms; 7th at mkt exch rates)
- No one today even refers to NSDC sectoral econometric forecasts

BOTTOM UP SURVEY BASED ON ASSESSING BOTH DEMAND AND SUPPLY ESSENTIAL

- Labour Force surveys conducted in India by National Sample Survey Organization (NSSO) every 5 years for last 45 years; starting 2017 will be annual, plus quarterly
- But unfortunately, no nation-wide skills needs assessment by NSS yet
- What is required is a baseline, with periodic updating by a respected national organization like NSS
- In its absence, what happens is ad hoc surveys, on tiny samples, which masquerade as skill needs assessments

ALSO NEEDED GREATER INDUSTRY SECTORAL BODIES' ENGAGEMENT

- Currently Employer engagement with skill needs issues very limited
- Employer-Industry funding for skilling negligible (contrast 63 other countries, incl Thailand, S Korea, Malaysia, Singapore, all LAC)
- Under Anglo-Saxon influence, Sector Skills Councils have been created – our evaluation have shown them to less than useful
- Industry bodies (CII, FICCI, ASSOCHAM) should join hands to support a NSS-conducted survey, as baseline – which should be periodically updated, at 5 yearly intervals
- That would become the basis for a LMIS

THANK YOU

