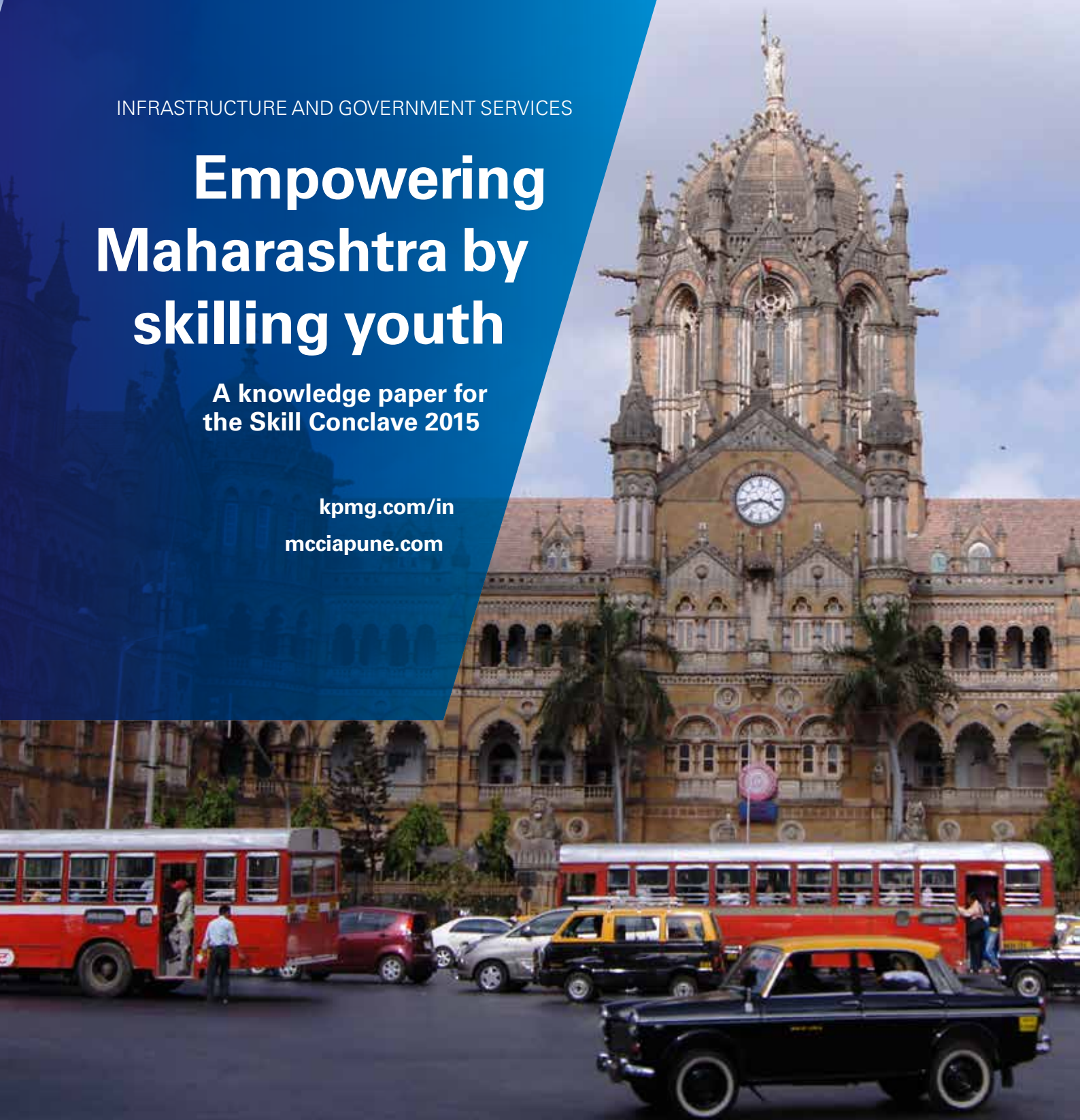


INFRASTRUCTURE AND GOVERNMENT SERVICES

# Empowering Maharashtra by skilling youth

A knowledge paper for  
the Skill Conclave 2015

[kpmg.com/in](http://kpmg.com/in)  
[mcciapune.com](http://mcciapune.com)





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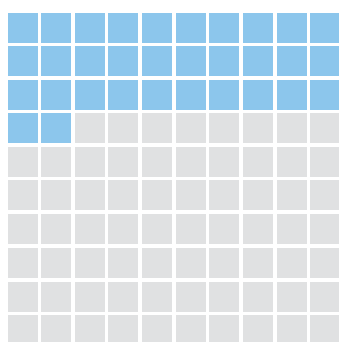
# Foreword





**29** years shall be an average age of the Indian population by 2020.

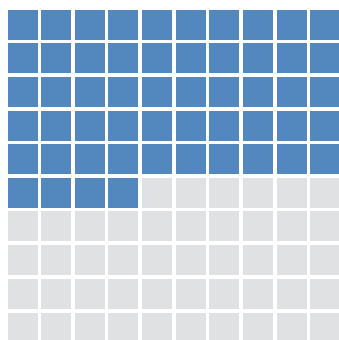
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**32%**

increase is expected in the labour force in India, as against 4 per cent decline in the world.

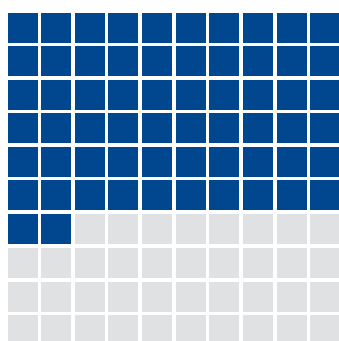
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**54%**

of the population may probably be below the age of 25 years in India.

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**62%**

of the population is likely to be in the working age group in India.

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Skills and knowledge are driving forces of economic growth and social development for a country. Countries where professionals have higher education and enhanced skill-sets adapt more effectively with the changing domestic and international business environment.

India ranked number one in 2015 as against number six in 2014, in the Baseline Profitability Index. Maharashtra ranks the highest in FDI inflows since the year 2000, when compared to its neighbouring states, which makes it more lucrative for investors to carry out business. With global investors looking towards India as a major investment destination, we perceive this as a crucial time for the nation to work on increasing its skilled manpower base.

With the government's 'Make in India' and 'Make in Maharashtra' initiatives, the thrust on investment in the manufacturing sector is expected to increase and this increase should be supplemented by the availability of skilled workforce. This knowledge paper, 'Empowering Maharashtra by skilling youth', by KPMG in India and MCCIA, attempts to understand the skill landscape in the state and strategise about the future priorities in order to address the demand for skilled manpower.

# MESSAGE from President, MCCIA



In an endeavour to support Government of India's 'Skill India' initiative, and address the problem of shortage in skilled manpower in Maharashtra, MCCIA is organising the National Skill Conclave 2015. The main theme of the conclave is to discuss an approach to enhance skills, employability and entrepreneurship in the state. Against this backdrop, the conclave shall cover the existing policy framework, industry's innovative skill development initiatives through case studies, presentations by skill development centres from various states and the CEOs/COOs of various sector skill councils, sharing of international experiences by specialists.

At MCCIA, we aspire to get involved with the industry to accelerate the industrial and economical development of Maharashtra and in particular, the Pune region which has become a major hub of both manufacturing and services industry. Known as the Oxford of the East, Pune is best poised to support this hub with a major thrust on skill development and carrying forward the legacy of being called the education hub of Maharashtra.

I also humbly thank KPMG in India for being our knowledge partners for the Skill Conclave 2015 and the knowledge report prepared by them, which truly provides great insights in to the skill development arena, both at an international and national level. Working with KPMG in India for this activity was a great pleasure and I wish them all the success they truly deserve.

Warm regards,

**Satish Magar**  
President, MCCIA

# Message from Director General, MCCIA



The Mahratta Chamber of Commerce Industries & Agriculture (MCCIA), since its foundation in 1934, has strived hard to contribute to the industrial growth in and around Pune, Maharashtra. MCCIA has also taken up initiatives to make Pune a global business destination and has been able to contribute towards the economic development of the region.

Pune, today is at a very interesting phase, where both manufacturing and services industry are contributing to the economic growth. But with growth, comes the requirement of skilled workforce and to address this, since 2013, MCCIA has been organising the Skill Conclave to bring together the government, industry, academia, training partners and visionaries in this field who can deliberate on skill development related domain. Skilled manpower is the basic requirement for any industry, and recognising its importance, the MCCIA is happy to contribute in this domain through Skill Conclaves.

I, also take this opportunity to thank KPMG in India for contributing to this knowledge paper under the capacity of knowledge partner for the conclave. KPMG in India has thrown light on many aspects regarding skill development and I am confident that Government of Maharashtra shall put in efforts to match the ambition of 'Make in Maharashtra'.


Warm regards,

**Dr. Anant Sardeshmukh**  
Director General, MCCIA

# Message from Partner and Head, Education, KPMG in India







India will have close to 700 million youth in the active working age by 2020, going by the Census 2011 data, which is twice the current population of the U.S. This means India can be an important supplier to the global workforce in the coming decades. Young Indians need to be prepared for the global workplace to leverage this opportunity and become a key part of the global economy. The Government of India's 'Skill India' initiative aims to provide the youth with employment opportunities and thereby build a conducive growth environment for them – both in India and abroad. As we observe, 'Skill India' has the right ingredients: ownership at the highest level, a ministry formed to take this up on an exclusive basis, and a demand pull from the industry. As in many such ambitious schemes, execution is expected to be a real game-changer.

With a target of providing training and enhancing the skills of 400 million people, the 'Skill India' initiative is aimed at making the country the world's leading human resource capital. One of the critical success factors to achieve this target could be the strengthening of the State Skill Development Missions (SSDMs), considering their pivotal role in implementing the programme at the grass-root level. While the National Skill Policy mentions the setting up of SSDMs at each state, however the implementation capacity of the institutions already set up in, still remains a challenge.

Along with making India a human resource hub, the government also has a vision to make the country a manufacturing hub of the world. With USD2 trillion GDP and at a 7.5 per cent growth, India has emerged as the fastest growing large economy in the world. The sustainability of

such a growth rate of the overall economy shall depend on a strong manufacturing sector. While the manufacturing sector in India has grown at a rate of ~7 per cent in the last decade, its contribution to GDP is still low at ~18 per cent. A rapid and sustained growth in manufacturing can be key for the Indian economy to grow at this pace. The government seems to have made note of this important requirement and has therefore responded through multiple initiatives such as 'Make in India,' – bringing the much needed focus and attention to the manufacturing sector of the country.

India needs to strengthen its capabilities in the manufacturing sector across multiple dimensions. Not surprisingly, availability of skilled manpower has emerged as one of the top priorities for this sector as well. Thus, initiatives like 'Skill India' and 'Make in India' will have to work in a coordinated manner to achieve the targets for the country as a whole.

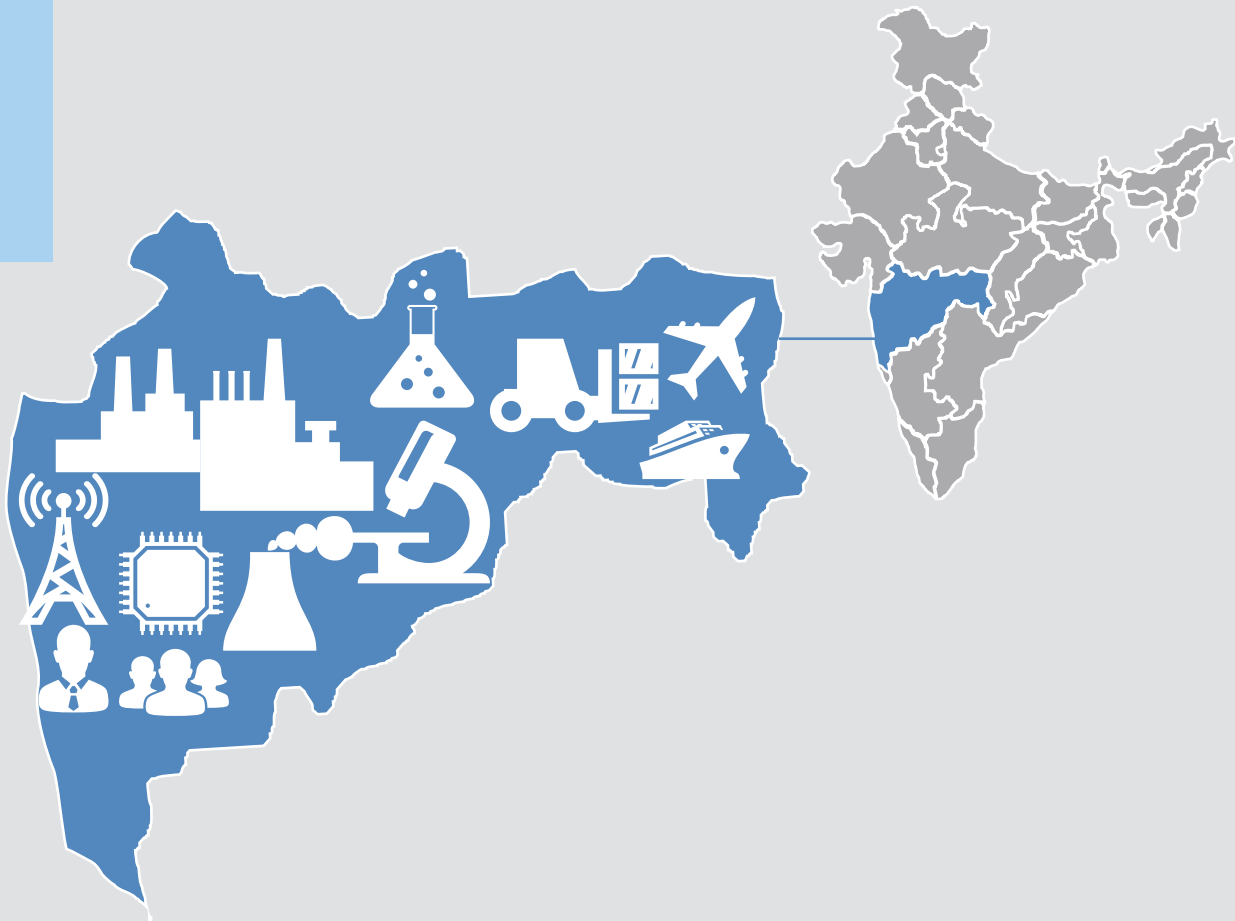
I would like to thank Maharashtra Chamber of Commerce Industries & Agriculture for providing KPMG in India with an opportunity to release this document highlighting the need in the Skill Conclave 2015. A conference wherein the theme of 'Enhancing skills, employability and entrepreneurship' will be focussed on, along with discussions about building a road map for the future.

Warm regards,

**Narayanan Ramaswamy**

Partner and Head - Education  
KPMG in India

# Analysis of Maharashtra's socio-economic demographics



Maharashtra is the second largest state in India with a geographical area of 3.08 lakh sq.km and a population of 11.24 crore (Census 2011) which is 9.3 per cent of the total population of India and is highly urbanised with 45.2 per cent people residing in urban areas.<sup>1</sup>

Maharashtra lies in the western and central part of the country with a long coastline stretching nearly 720 km along the Arabian sea. On the demographic terms, Maharashtra has Gujarat to the north-west, Madhya Pradesh to the north, Chhattisgarh to the east, Telangana to the south-east, Karnataka to the south and Goa to the south west as its neighbours.

The state has 36 districts which are divided into seven revenue regions viz. Amravati, Aurangabad, Konkan, Nanded, Nashik, and Pune taking care of the administrative work and providing an effective machinery for district planning at the District Collector level. For local self-governance in rural areas, there are 34 zilla parishads, 351 panchayat samitis and 27,873 gram panchayats, while the urban areas are governed through 26 municipal corporations, 226 municipal councils, 13 nagar panchayats and seven cantonment boards.

# 15,10,132 crore

gross state domestic product estimated.

# 88.7%



industry and services sector contribution.

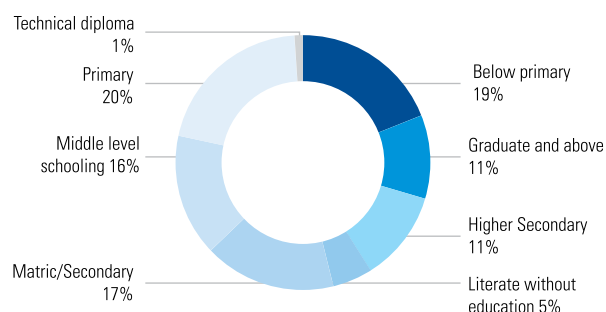
# 11.3%



Agriculture and allied activities sector contribution.

The development expenditure in Maharashtra is anticipated to be 66 per cent to the total revenue expenditure for the financial year 2014-15, of which nearly 50 per cent is expected to be invested in social services such as education, health, water supply etc. Maharashtra has given considerable impetus to the education sector and the graph depicts the state's education status:

## Education status



Source: Economic survey of Maharashtra 2014-15

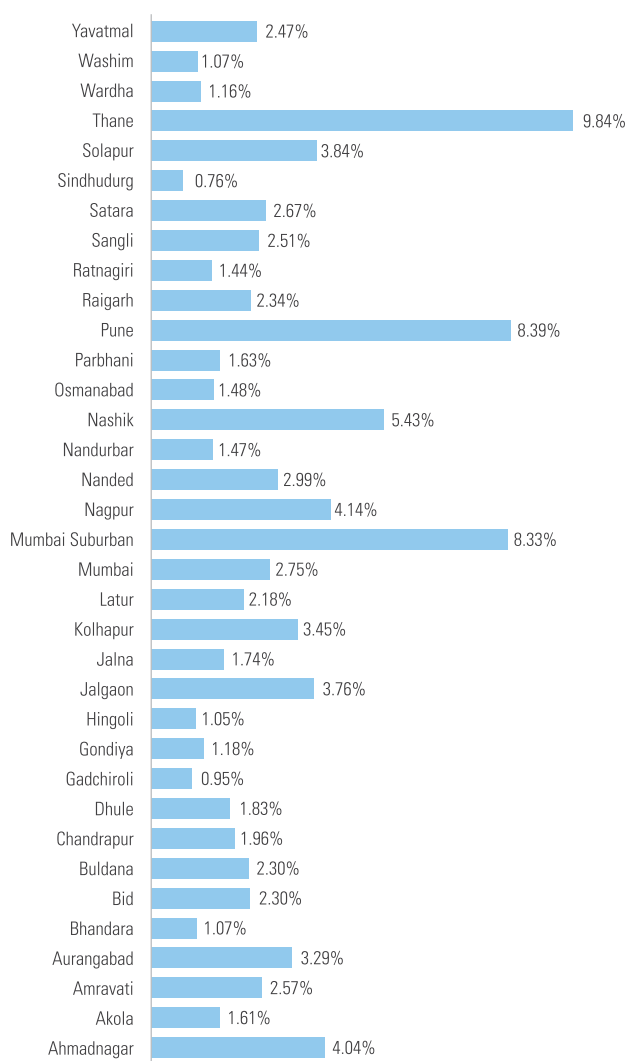
## Demographic profile

Maharashtra has seen a decadal growth of 16 per cent in the population from 2001, with 10 per cent share in the total working population, as compared to rest of the country. The sex ratio of the state is 92.9 per cent which has shown a marginal increase of 0.7 per cent over the last decade. With the increase in population over the years, at present the density of population stands at 365 people per square kilometer. Literacy rate of the state has increased from 76.9 per cent in 2001 to 82.3 per cent in 2011. The growth in literacy rate for females (8.9 per cent points) was also higher than that of males (2.4 per cent points) during this period. Literacy rates for rural and urban population are 77 per cent and 88.7 per cent, respectively. The rural-urban gap in literacy has also reduced from 15.1 per cent points in 2001 to 11.7 per cent in 2011.

1. Economic survey of Maharashtra 2014-15

The table below illustrates the distribution of the population in the districts of the state:

### Distribution of population in Maharashtra

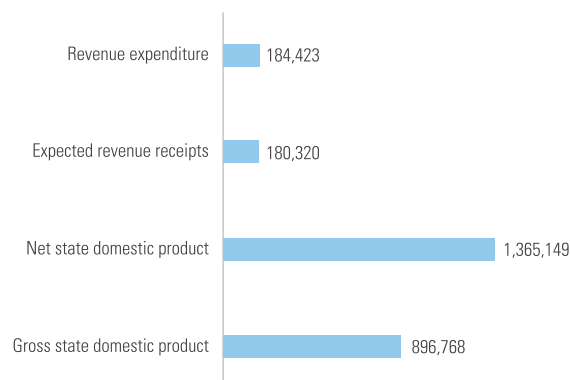


Source: KPMG in India Analysis

### State economy

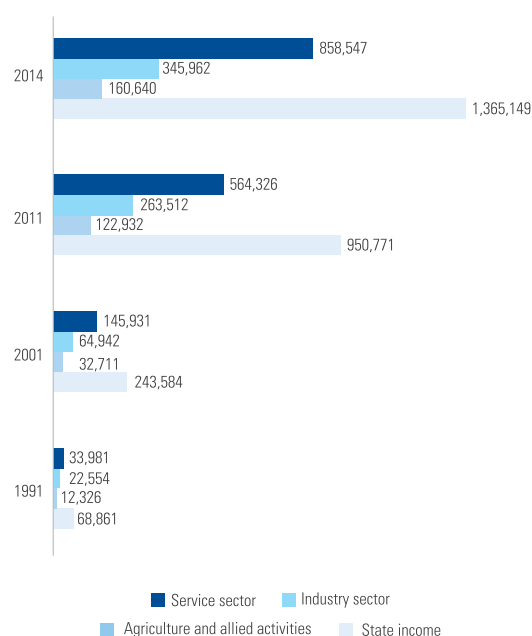
Maharashtra is one of the richest states in India. It enjoys a per capita income (at current prices) of 1,17,091 as against the India average of 80,388. The graphs below gives a snapshot of the state's economy.

### State economy in 2013-14 (in INR crore)



Source: Economic survey of Maharashtra 2014-15

### Income parameters (in crore)

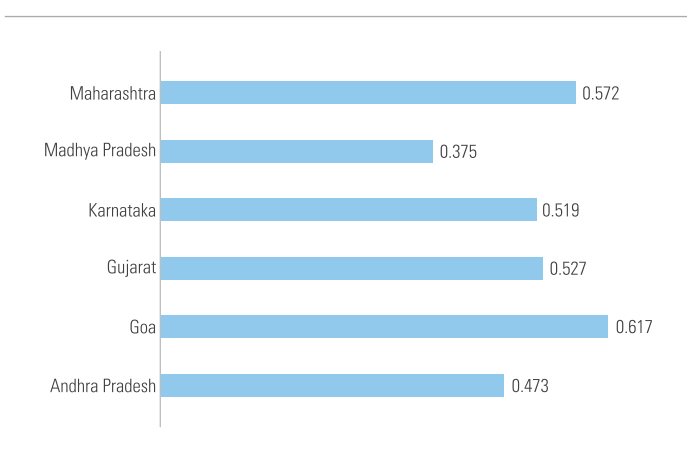


Source: Economic survey of Maharashtra 2014-15

## Trends in the human development index<sup>2</sup>

While we have analysed the country's perspective, India, as of 2013, ranks one hundred and thirty-fifth in the world in terms of the HDI, witnessing a growth of 1.49 per cent in the HDI from 2000-13. A quick comparison of the HDI with the neighbouring states reveals the following facts:

### Human development index for the neighbouring states



Source: Human Development Report by UNDP and Maharashtra Human Development Report 2012

## Make in Maharashtra<sup>4</sup>

Maharashtra is a leader in 20 out of 26 sectors in the country and possesses a colossal potential for development in varied sectors due to the wide spread of vital resources across different regions in the state. Also, Maharashtra is one of the most early mover states in India to launch a Single Window Clearance (SWC) service that permits both - online submission and approval system through a dynamic interactive portal. In order to inculcate the ease of doing business in the state of Maharashtra, state authorities have initiated a Maharashtra industry, trade and investment facilitation cell, called MAITRI. MAITRI's online portal also enables applicants to download application forms even for the services which are not complete online. This cell assists investors in obtaining approvals for 31 services across eight departments.

2. Human Development Report by UNDP and Maharashtra Human Development Report 2012

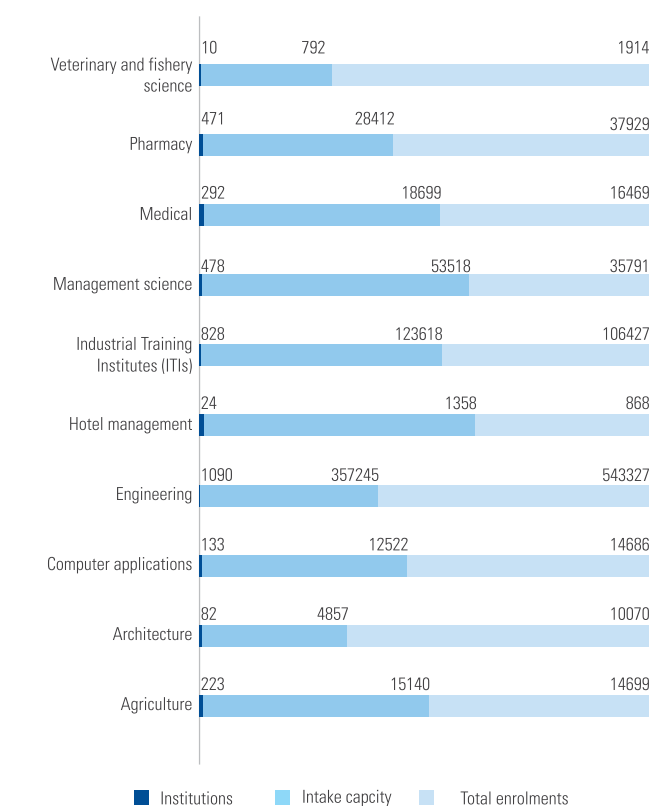
3. Magnetic Maharashtra November 2014

4. Maharashtra Industrial Development Corporation online

## Education enrolments<sup>3</sup>

Maharashtra has 20 universities, of which four are for agriculture, one for health science, one for veterinary science, one for technology and 13 general universities. In addition to this, there are 21 deemed universities in the state.

### Education system in 2014-15



Source: Magnetic Maharashtra November 2014



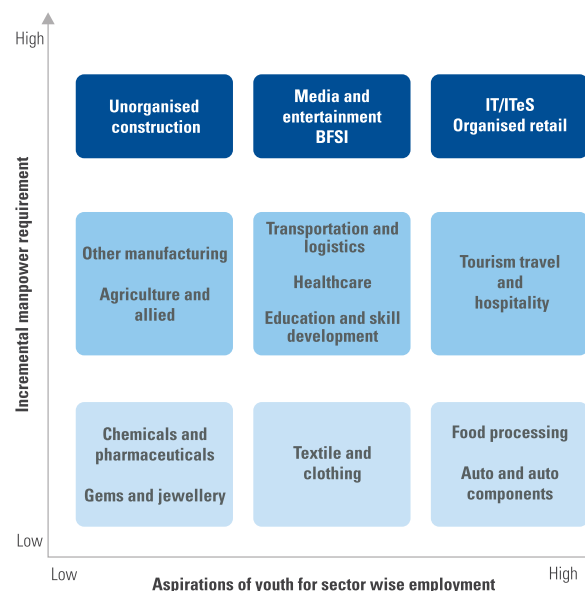
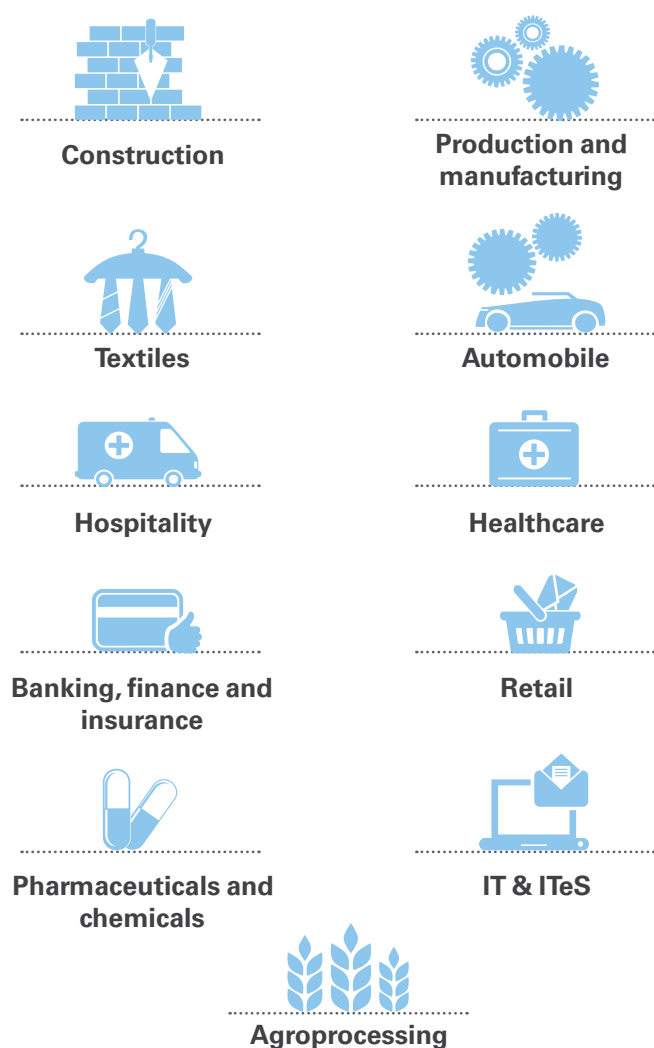
# Skill gap assessment in the state - across trades and regions





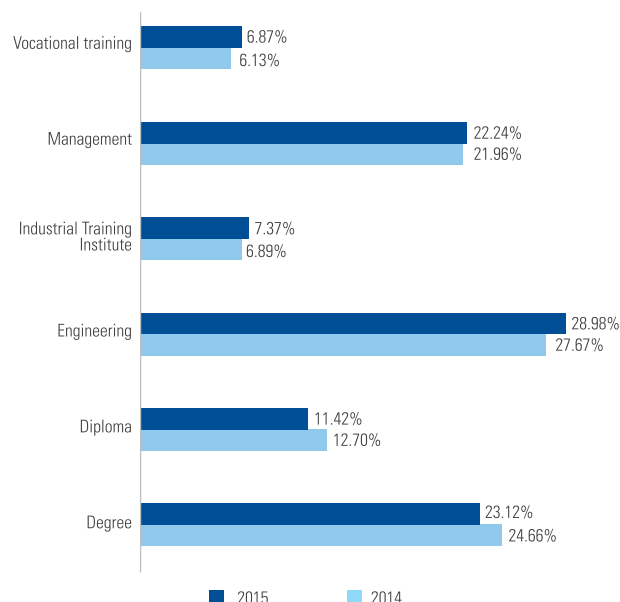
National Skill Development Corporation conducted a district wise skill gap study for the period 2012 to 2022. It forecasted the demand and supply side numbers for high growth sectors in 35 districts of the state. It estimates that an incremental demand of 1.55 crore persons will be generated in the state.

Maharashtra's GSDP is a key contributor to India's growth story, as it contributes to around 15 per cent of the country's GDP. For the state, six key districts namely, Mumbai (including Thane), Pune, Nashik, Nagpur, and Aurangabad alone account for around 60 per cent of the GSDP. The government has put in place an institutional structure for skill development in the state up to the district level. It mainly consists of 'Sectoral Skill Development Committees', which have been set up for 11 sectors so far:



## Understanding the employability trends<sup>5</sup>

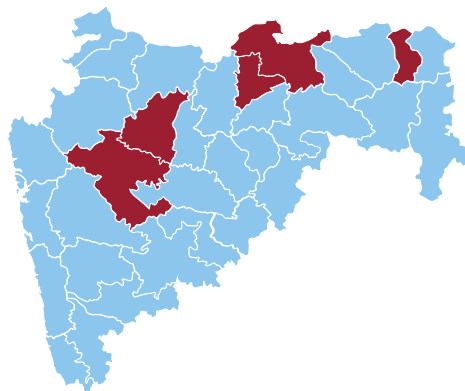
### Hiring trends








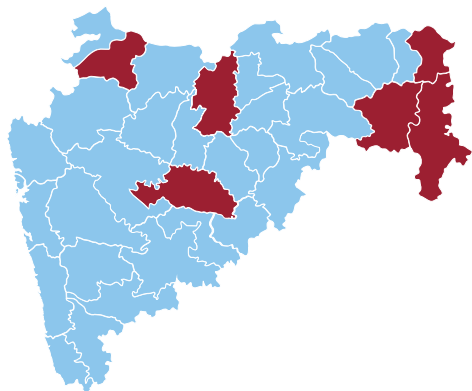
Source: CII, India Skills report 2015







5. CII – India Skills report 2015

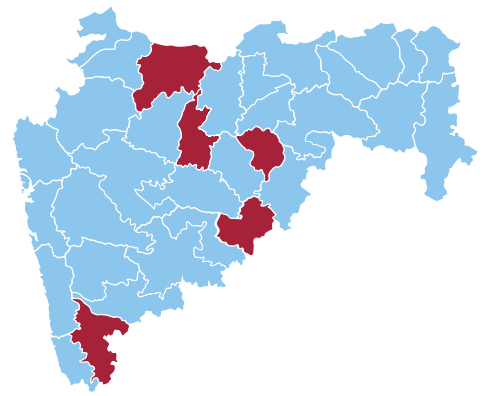
## District-wise identification








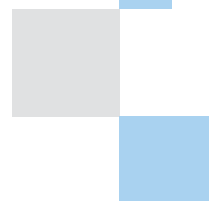
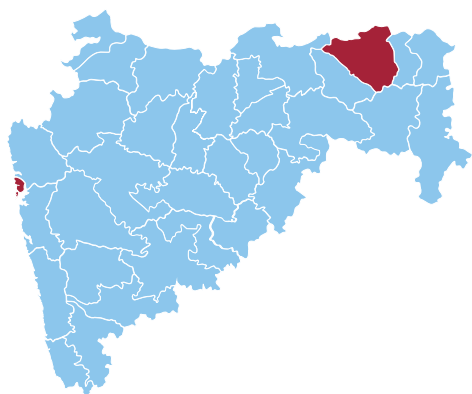
District	Population as per 2011 census	Population in the age group of 15-60	Focus sectors	Incremental demand for sectors (2012 - 2022)
<b>Ahmednagar</b> 	4,543,159	2,889,449	Agriculture	49,472
			Auto and auto component	5,300
			Food processing (mainly sugar processing)	27,003
			Tourism, travel, hospitality and trade	81,937
			Others (fabrication and general engineering)	1,019
<b>Akola</b> 	1,813,906	1,153,644	Food processing	465
			Textile and clothing	687
<b>Amravati</b> 	2,888,445	1,837,051	Agriculture and allied activities	29,463
			Food processing	2,481
			Textile and clothing	599
			Other manufacturing (mainly machine manufacturing for the textiles sector)	2,995
<b>Aurangabad</b> 	3,701,282	2,354,015	Agriculture	27,911
			Auto and auto component	53,891
			Chemicals and pharmaceuticals	2,329
			Food processing	3,046
			Organised retail	57,585
			Textile and clothing	1,903
			Tourism, travel, hospitality and trade	48,937
			Unorganised sector	-
<b>Bhandara</b> 	1,200,334	763,412	Agriculture	14,452
			Food processing	2,038



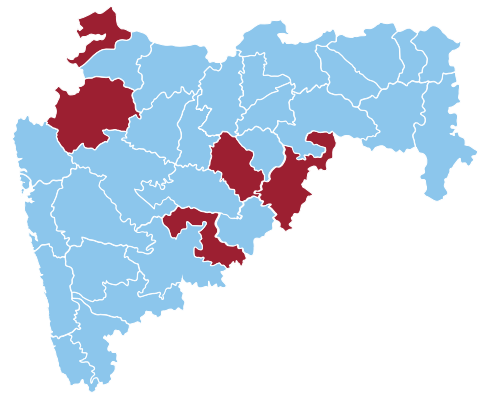
District	Population as per 2011 census	Population in the age group of 15-60	Focus sectors	Incremental demand for sectors (2012 - 2022)
Beed 	2,585,049	1,644,091	Agriculture and allied	28,376
			Food processing – sugar	1,632
			Textile and clothing – cotton ginning and spinning	914
Buldana 	2,586,258	1,644,860	Agriculture and allied	31,269
			Food processing	1,412
			Textile and clothing	1,447
Chandrapur 	2,204,307	1,401,939	Construction materials and building hardware	63,460
			Food processing	2,696
			Tourism, travel, hospitality and trade	13,769
			Energy (Power)	-
			Fly ash cluster	-
			Mining	-
Dhule 	2,050,862	1,304,348	Agriculture	19,865
			Food processing (oil extraction/processing)	2,396
			Textile and clothing	8,877
Gadchiroli 	1,072,942	682,391	Agriculture and allied	15,608
			Unorganised sector	-
Gondiya 	1,322,507	841,114	Agriculture	15,033
			Food processing	5,801








District	Population as per 2011 census	Population in the age group of 15-60	Focus sectors	Incremental demand for sectors (2012 - 2022)
<b>Hingoli</b> 	1,177,345	748,791	Agriculture and allied	14,560
			Food processing – soya processing	363
			Textile and clothing – cotton ginning and pressing	364
<b>Jalgaon</b> 	4,229,917	2,690,227	Agriculture	42,313
			Food processing	5,890
			Others (gems and jewellery, pipe manufacturing, plastic processing)	4,727
			Tourism, travel, hospitality and trade	19,274
<b>Jalna</b> 	1,959,046	1,245,953	Agriculture and allied	21,274
			Construction materials and building hardware - metals	24,397
			Textile and clothing – cotton ginning and spinning	290
			Unorganised sector – Ganesh idol	-
<b>Kolhapur</b> 	3,876,001	2,465,137	Agriculture	36,616
			Food processing	10,128
			Textile and clothing	36,143
			Tourism, travel, hospitality and trade	35,757
			Others – foundry	842
			Unorganised sector – silver jewellery and leather chappals	-
<b>Latur</b> 	2,454,196	1,560,869	Agriculture	23,465
			Food processing – sugar	6,148
			Food processing – soya	6,148

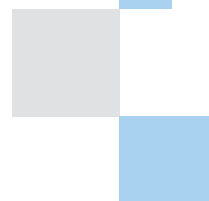
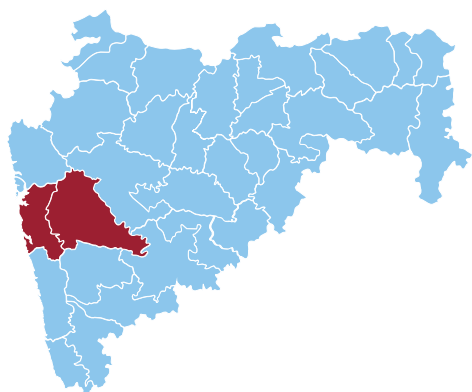




District	Population as per 2011 census	Population in the age group of 15-60	Focus sectors	Incremental demand for sectors (2012 - 2022)
Mumbai and Mumbai Suburban	12,442,373	7,913,349	Auto and auto component	12,588
			Banking and financial services insurance	387,215
			Building, construction industry and real estate services	483,028
			Education and skill development services	93,290
			Electronics and IT hardware	111,784
			Food processing	-
			Gems and jewellery	38,693
			Healthcare services	138,802
			IT & ITeS	462,686
			Leather and leather goods	4,245
			Media and entertainment	1,100,576
			Organised retail	1,190,820
			Transportation, logistics, warehousing and packaging	278,973
			Tourism, travel, hospitality and trade	192,427
			Unorganised sector	554,177
Nagpur	4,653,570	2,959,671	Banking and financial services insurance	71,968
			Building, construction industry and real estate services	194,822
			Food processing	5,005
			IT & ITeS	12,329
			Media and entertainment	-
			Organised retail	77,097
			Textile and clothing	15,963
			Transportation, logistics, warehousing and packaging	33,512
			Tourism, travel, hospitality and trade	25,494
			Unorganised sector	238,083
			Fabrication industry (engineering units)	1,632

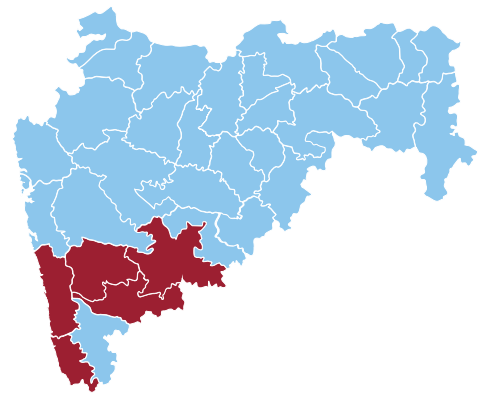







District	Population as per 2011 census	Population in the age group of 15-60	Focus sectors	Incremental demand for sectors (2012 - 2022)
<b>Nanded</b> 	3,361,292	2,137,782	Agriculture	33,909
			Food processing - fruit processing	5,747
			Textile and clothing – cotton ginning and pressing	1,291
			Tourism, travel, hospitality and trade	14,395
<b>Nandurbar</b> 	1,648,295	1,048,316	Agriculture	18,998
			Food processing (Chilli/fruit processing)	1,660
			Textile and clothing	-
			Others – diamond cutting	-
<b>Nashik</b> 	6,107,187	3,884,171	Auto and auto component	37,497
			Chemicals and pharmaceuticals	2,677
			Electronics and IT hardware	1,124
			IT & ITeS	-
			Tourism, travel, hospitality and trade	21,364
			Plastic processing	52,732
			Wine processing - cluster	
			Paithani saree cluster	
			Raisin making cluster	
<b>Osmanabad</b> 	1,657,576	1,054,218	Agriculture	19,632
			Food processing – soya processing	2,591
			Tourism, travel, hospitality and trade	26,193
<b>Parbhani</b> 	1,836,086	1,167,751	Agriculture	18,422
			Textile and clothing	611

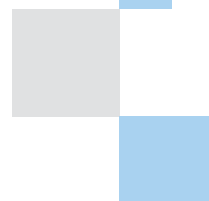
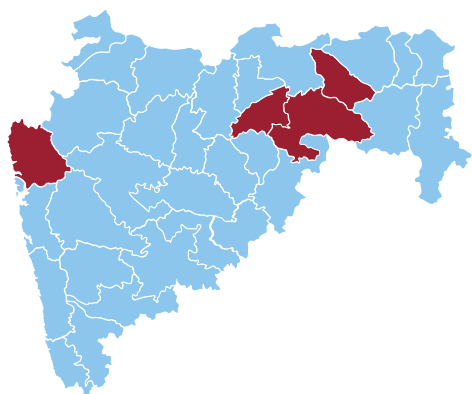








District	Population as per 2011 census	Population in the age group of 15-60	Focus sectors	Incremental demand for sectors (2012 - 2022)
Pune 	9,429,408	5,997,103	Agriculture	44,614
			Auto and auto component	163,195
			Banking and financial services insurance	152,024
			Building, construction industry and real estate services	351,208
			Chemicals and pharmaceuticals	5,188
			Education and skill development services	57,131
			Food Processing	10,049
			Healthcare services	47,522
			IT & ITeS	441,655
			Media and entertainment	-
			Organised retail	799,280
			Textile and clothing	8,697
			Transportation, logistics, warehousing and packaging	67,025
			Tourism, travel, hospitality and trade	57,458
			Unorganised sector	525,817
Raigarh 	2,634,200	1,675,351	Building, construction industry and real estate services	72,967
			Chemicals and pharmaceuticals	4,277
			Construction materials and building hardware	-
			Organised retail	-
			Transportation, logistics, warehousing and packaging	24,381
			Tourism, travel, hospitality and trade	11,110
			Unorganised sector (Ganesh idol cluster – pen)	-
			Fabrication industry (engineering units)	27,494



District	Population as per 2011 census	Population in the age group of 15-60	Focus sectors	Incremental demand for sectors (2012 - 2022)
<b>Ratnagiri</b> 	1,615,069	1,027,184	Agriculture and allied	19,266
			Chemicals and pharmaceuticals	-
			Food processing	2,417
			Tourism, travel, hospitality and trade	5,003
<b>Sangli</b> 	2,822,143	1,794,883	Agriculture	32,262
			Food processing – sugar, turmeric, raisin and dairy	8,259
			Textile and clothing	13,513
<b>Satara</b> 	3,003,741	1,910,379	Agriculture	34,801
			Food processing – sugar and agro based	18,282
			Tourism, travel, hospitality and trade	9,859
<b>Sindhudurg</b> 	849,651	540,378	Agriculture and allied	10,230
			Food processing	56
			Tourism, travel, hospitality and trade	5,817
<b>Solapur</b> 	4,317,756	2,746,093	Agriculture	41,870
			Food processing	6,995
			Textile and clothing – power loom and handloom	3,135
			Unorganised sector – beedi factories	516



District	Population as per 2011 census	Population in the age group of 15-60	Focus sectors	Incremental demand for sectors (2012 - 2022)
<b>Thane</b> 	11,060,148	7,034,254	Building, construction industry and real estate services	288,964
			Chemicals and pharmaceuticals	-
			Electronics and IT hardware	-
			Food processing	2,737
			IT & ITeS	328,612
			Organised retail	78,753
			Textile and clothing	5,580
			Transportation, logistics, warehousing and packaging	134,547
			Tourism, travel, hospitality and trade	10,199
			Unorganised sector	304,382
			Others – Facility management, metal forging, electricals and other manufacturing	103,305
<b>Wardha</b> 	1,300,774	827,292	Agriculture	14,434
			Construction materials and building hardware	35,079
			Textile and clothing	5,260
<b>Washim</b> 	1,197,160	761,394	Agriculture	14,567
			Food processing – soya processing	2,459
<b>Yavatmal</b> 	2,772,348	1,763,213	Agriculture	33,015
			Food processing – manufacture of food products	2,327
			Textile and clothing – cotton ginning and spinning	730

# Understanding the overall skill development ecosystem



As opposed to developed countries, where the percentage of skilled workforce is between 60 to 90 per cent of the total workforce, India records a low five per cent of workforce (20 - 24 years) with formal vocational skills<sup>6</sup>.

Modern vocational or skill education in India can be traced back to the origin of the Industrial Training Institutes (ITIs), setup under the Ministry of Labour and Employment, along with the council for certification of those successfully trained in these institutes. Thereafter, various other policies such as the Apprenticeship Act, 1961, National Skill Policy 2009 and 2015 and the National Skills Qualification Framework (NSQF) have defined the road map for skill development in India.

The Government of India has taken the following steps towards enhancing the skill development ecosystem in the country:

#### **Apprenticeship Act, 1961**

This act was sanctioned to regulate programmes for training of apprentices and make it obligatory for employers in both public and private sector establishments to have training infrastructure, as detailed in the Act. The objective of the Apprenticeship Act was also to ensure that employers get skilled workforce with adequate exposure to real work environment. In a major move, in the year 2014, the government decided that the industry should have have 2.5 to 10 per cent of the total workforce as apprentices.

#### **National Skill Policy**

The UPA government in 2009 devised a National Skill Policy which, in a way was the first step towards skill development involving stakeholders such as the government, industry bodies, trade unions and the civil society to create a uniform skills ecosystem in India. The 2009 policy's objective was to empower the workforce with required skills, knowledge and qualifications to make the workforce globally competent. Apart from this, the focus was also on increasing productivity of the workforce in the organised and unorganised sector, increasing participation of women, youth, differently abled and disadvantaged sections of the society.

After the 2014 general elections, when the NDA government came into power, it notified the formation of the dedicated Department of Skill Development and Entrepreneurship on 31st July, 2014 which subsequently led to the creation of the Ministry of Skill Development and Entrepreneurship on 10th November, 2014. The 2015 policy aims at providing an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link the skilling with demand centres. Identification of the various institutional frameworks can act as vehicles to reach the expected outcomes is made.

#### **National Skill Qualification Framework (NSQF)**

A comprehensive skill development framework was notified on 27 December 2013, which gives a uniform platform for skilling activities in the country, to have standardised and quantitative parameters to gauge an individual's skill levels and map them to international skilling levels.

6. Ministry of Skill Development and Entrepreneurship website

## Key enablers for the skill development environment

### State Skills Development Missions

Setting up of the State Skill Development Mission (SSDM) in each state and mandating it to integrate and bring the required synergy among multiple state-run schemes. SSDM also acts as a nodal agency to bring institutional mechanism to work along with NSDC, SSCs, training partners and other stakeholders apart from different ministries.

### National Skill Development Agency (NSDA)

Notified through the Gazette dated 6 June 2013, NSDA is an autonomous body of Ministry of Skill Development and Entrepreneurship that coordinates and harmonises the skill development efforts of the government and the private sector to achieve the skilling targets of the twelfth five year plan and beyond. It endeavours to bridge the social, regional, gender and economic divide to ensure that the skilling needs of all are taken care of through the various development programmes and promulgate the National Skills Qualifications Framework (NSQF) to facilitate the setting up of professional certifying bodies, in addition to the existing ones.

### National Skill Development Corporation (NSDC)

A public-private partnership organisation (now under the Ministry of Skill Development and Entrepreneurship) was incorporated in 2009 with an aim to provide viability gap funding to the private sector in order to scale up training capacity. Since then, NSDC has over 150 approved training projects across sectors, post due diligence, which are monitored on their financial and social targets. NSDC's mandate also involves capacity building by working with different stakeholders and identifying best practices to create an excellence model.

### Sector Skill Councils (SSCs)

The National Skill Development Policy 2009 mandated NSDC to setup SSCs to bring together key stakeholders, i.e. industry, work force and academia. As on date, NSDC has identified 38 SSCs<sup>7</sup>. SSCs have a mandate to have fair representation of employers in terms of sub sectors, size and geography, they are expected to ensure wider group of employers are stakeholders to the ecosystem. One of the key deliverables of SSCs is to develop National Occupational Standards (NOSs) apart from empanelment of training partners and qualified assessment providers.

### National Council for Vocational Training (NCVT), State Council for Vocational Training (SCVT) and Quality Control of India (QCI)

NCVT and SCVT are the foremost efforts of the Government of India, established under the Ministry of Labour and Employment, with a view to ensure and maintain uniformity in the standards of training all over the country. The national council for vocational training was set up in the year 1956. It is considered to be the certifying body who conducts all India trade tests for those who complete training in ITIs and awards national trade certificates to successful candidates.

### Industrial Training Institutes (ITIs)<sup>8</sup>

Industrial Training Institutes play a vital role in economy of the country especially in terms of providing skilled manpower. At present there are a total of 11,964 (government 2284 + private 9680) ITIs in several states/UTs. Training is imparted in 126 trades (73 engineering + 48 non - engineering + 5 exclusively for visually impaired) for a duration of one to two years. The students undergoing skill training are awarded a national trade certificate, which is recognised both nationally and internationally, under the aegis of the NCVT, on successful completion of the training.

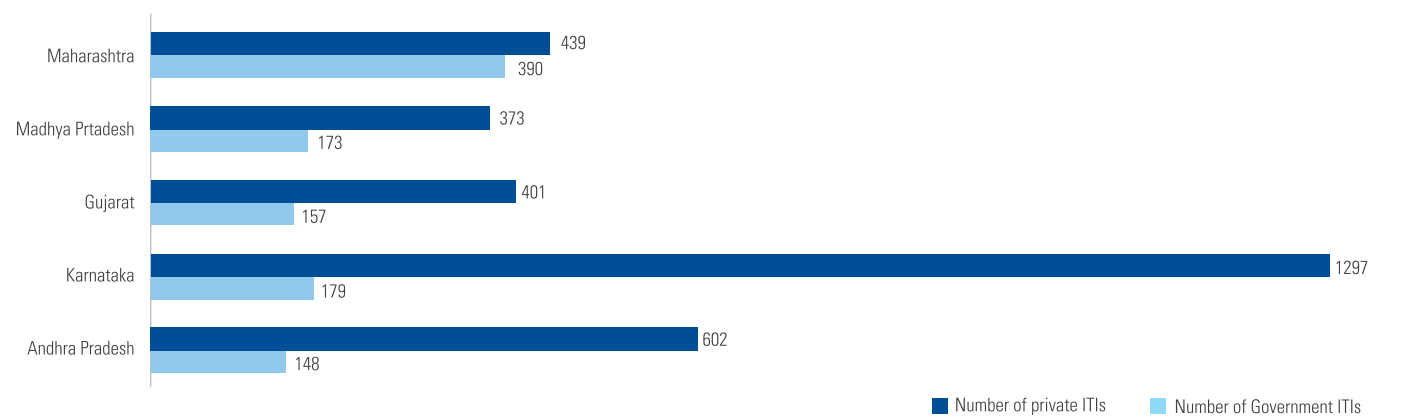


7. [http://www.skilldevelopment.gov.in/assets/images/SSC\\_Website.pdf](http://www.skilldevelopment.gov.in/assets/images/SSC_Website.pdf)

8. As per the information provided on the website of Directorate General of Training as on September 2014



State-wise Industrial Training Institutes (ITIs)



Source: As per the information provided on the website of Directorate General of Training as on September 2014





## Understanding the National Skill Development Policy and interventions adopted <sup>9</sup>

A skill gap study conducted by NSDC over 2010-14, indicated that there is an additional net incremental requirement of 109.73 million skilled manpower by 2022 in twenty four key sectors.

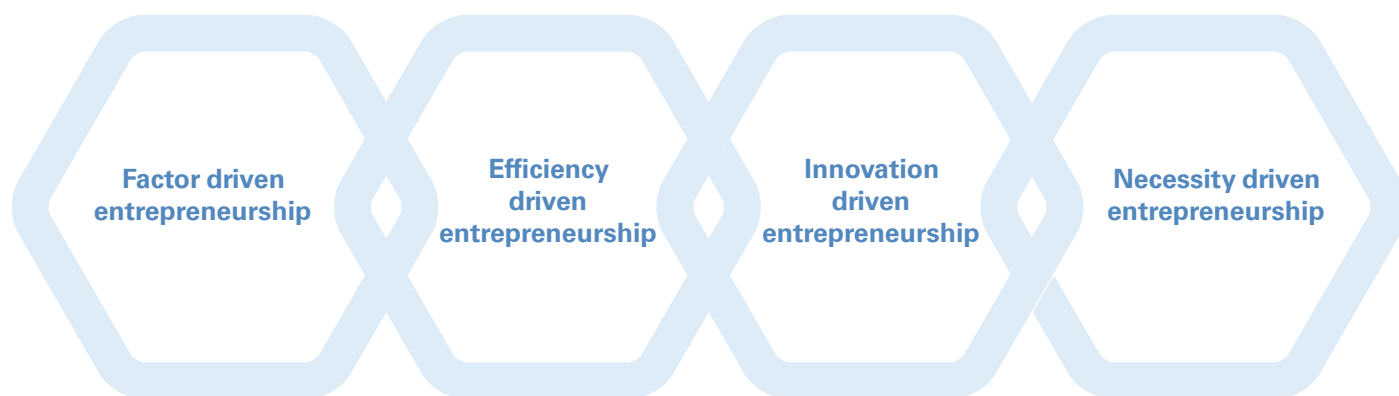
On the supply side, analysis based on results of round 66 and 68 of NSSO, total workforce in India is estimated at 487 million, of which approximately 57 per cent is in the non - farming sector. If the workforce with higher education without formal skill training are excluded, the balance workforce is estimated to be 450.4 million with youth forming the majority (estimated ~170 million) in the age group of 15-45 years. Approximately 241.86 million would either be unskilled or skilled through non-formal channels. An exercise for mapping individuals with recognition of prior learning or existing skills, followed by a right mix of skilling, reskilling and upskilling should be made which could lead to increase in productivity and higher chances of earning a good livelihood.

The National Skill Policy also indicates that in India, it is estimated that every year around 26.14 million workforce enters into the market, of which, is by assumption, around 90 per cent are males and 30 per cent are females. A robust coordination and monitoring mechanism to ensure convergence needs to be established for this purpose.

One more factor which is highlighted by the National Skill Policy 2015 is that, most of the skill development programmes undertaken by the State Skill Development Missions are not properly aligned with the industry's demand in their states which leads to scant placements.

An important observation made is that the various grant based, 'free' training programmes have their own limitations, especially on quality and employability. Many a times, the students undergoing training for 'free' attach little value to training, whereas training providers focus on increasing their numbers rather than quality of training. There is a need to make concrete efforts in improving the quality of trainers who impart training to students. It is often seen that there is a lack of focus on development of a trainer undertaking training programmes and their career progression pathways too are not well defined.

For jobseekers, can one be a job generators, is a call which the state needs to take to have an inclusive Skill Development programme. In general, entrepreneurial activities can be categorised into four types as:



## National Skill Policy's vision, mission and objectives



### Vision

To create an ecosystem of empowerment by skilling on a large scale, at speed with high standards and to promote a culture of innovation based entrepreneurship which can generate wealth and employment, so as to ensure sustainable livelihoods for all citizens in the country.



### Mission

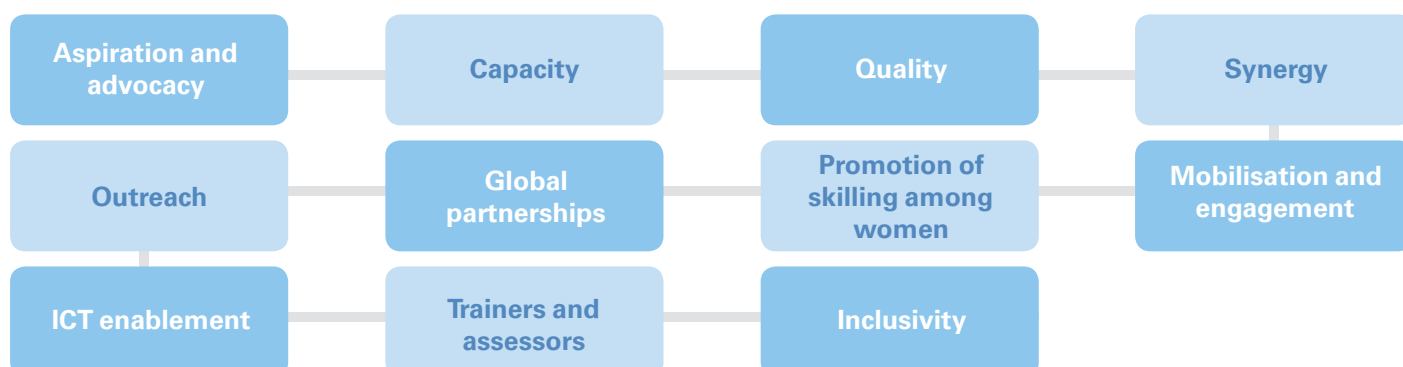
Create a demand for skilling across the country, correct and align skills with required competencies, connect the supply of skilled human resources with sectoral demands, certify and assess in alignment with global and national standards; and catalyse an ecosystem, wherein, productive and innovative entrepreneurship germinates, sustains and grows, leading to creation of a more dynamic entrepreneurial economy and more formal wage employment.



### Objective

The core objective of the policy is to empower an individual, by enabling her/him to realise their full potential through a process of lifelong learning where competencies are accumulated via instruments such as credible certifications, credit accumulation and transfer, etc. As individuals grow, the society and nation also benefit from their productivity and growth.

In order to achieve the vision of 'Skill India', a policy framework revolving around 11 major paradigms and enablers have been identified. These are:



## Points to ponder upon

- Can counselling and career guidance emerge as a big boon in the skill space today? Will good counselling be useful to create aspiration, reduce the attrition rates during training and employment by helping candidates make informed choices?
- Can we leverage on the common infrastructure under the 'Digital India' and National eGovernance Plan (NeGP) to deliver the career counselling services?
- New talent should be groomed and motivated so that they impart the training to their fellow citizens. Can the 'Guru Shishya Parampara' which has been the backbone of India's culture for centuries alone be again leveraged extensively further?

## Recognition of prior learning

In India, skills are traditionally handed over from one generation to the other and there is no prevalence of the concept of Recognition of Prior Learning (RPL). It is of particular significance in India, especially in the informal sector which employs more than 90 per cent of the workforce<sup>10</sup>. Integrating an RPL framework within the general and vocational education systems is the need of the hour. Out of these, it is estimated that approximately 170 million could be in the age group 15-45 years.



10. National Skill Development Agency website – Recognition of Prior Learning

## National accreditation platform

Currently, in India, the NCVT, provides a national framework for setting curriculum for various vocational courses, and also prescribes standards for equipment, scale of space, duration of courses, methods of training, and awarding accreditation. NCVT should be further strengthened so that through the involvement of the SSCs and National Occupational Standards (NOS) a standardised and internationally acceptable accreditation is established in India. As on 31 March 2015, across 28 sectors, standards for 1319 'job roles have been' fixed at NSQF levels from one to eight by the SSCs. So far, 14 SSCs have covered development of 80 per cent of entry level workforce qualification packs.

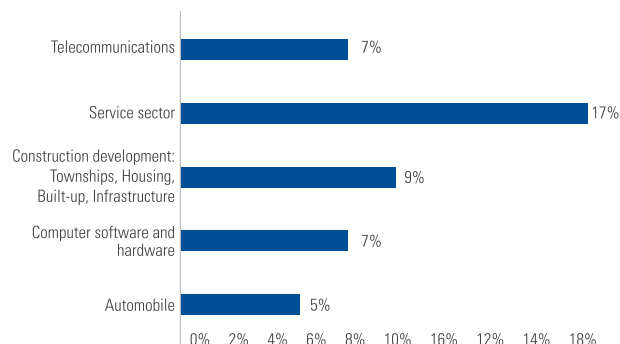
## Placement and tracking mechanisms

The crux of any skill development programme should be placements, whether self-employment, or service. Also, each and every individual undergoing skill development related training should be tracked for a period of six months to one year using digital platforms. A national Labour Market Information System (LMIS) should be developed so that an exhaustive and integrated database that contains socio-economic data, supply side skilled labour force statistics, demand of skilled/unskilled labour, market trends like wage structures and distribution, economic growth trends across sectors, focus areas for skilled manpower, and occupational shortages be made functional.

## Supplement 'Make in India' initiative

The 'Make in India' initiative launched by the Government of India to promote manufacturing in 25 sectors of the economy, shall lead to job creation and consequently generate need for skilled manpower. The skill development efforts undertaken should coalesce with the 'Make in India' initiative and should aim at preparing a highly skilled workforce which is completely aligned to the requirements of the industry, so as to promote growth through improved productivity. The June 2015 report on Foreign Direct Investment (FDI) released by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India shows that, globally, the 'Make in India' has seen a positive response and the FDI has increased by 40 per cent over the last financial year. The statistics reveal the following data:

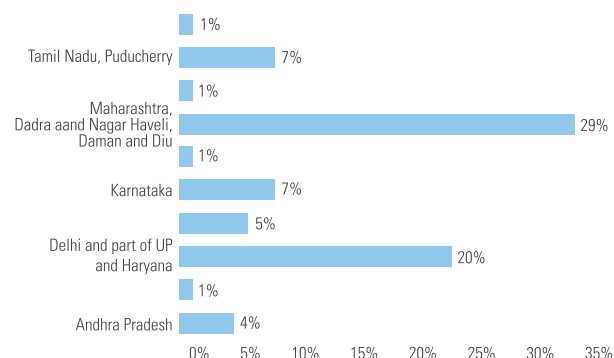
## Top five sectors attracting FDI equity inflow (% of total inflows)



Source: The June 2015 report on Foreign Direct Investment (FDI) released by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India

Maharashtra region is the clear leader in terms of the FDI inflows, with the highest amount (29 per cent) of FDI received till June 2015, as illustrated below:

## Top 10 regions receiving FDI Inflows (% of total inflows)



Source: The June 2015 report on Foreign Direct Investment (FDI) released by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India

## Focus on entrepreneurship

Development of entrepreneurship through the 'Skill India' initiative, the National Skill Policy 2015 has a complete new section with the details of the framework for entrepreneurship development. The framework envisages educating and equipping potential and early stage entrepreneurs across India by imparting education in 3,000 colleges, setting up 50 nodal entrepreneurship hubs (e - hubs) and through Massively Open Online Courses (MOOCs). One nation, 30 states, 50 nodal and 3,000 college based nodal e-hubs, can connect entrepreneurs to peers, mentors and incubators. Barriers to start a business are proposed to be removed by improving ease of doing business and access to finance.



# Role of the government and private sector in skill development





At this exciting period in its growth cycle, India needs an employable, well-equipped and skilled workforce to not only expedite its economic growth, but also for development of individuals to alleviate poverty. The availability of skilled workforce is essential for the success of recent strategic growth initiatives such as 'Make in India', 'Digital India', Smart Cities and 'Swachh Bharat Abhiyan'. Major challenges ahead for workforce skilling and development include:

- Forecasting the requirement of workforce for each identified skill.
- Skilling at scale, with speed by developing short-term skilling courses.
- Set-up institutions/collaborate and incentivise non-public entities to set-up training centres.
- Raise awareness about importance of skills and subsequent opportunities.
- Anticipate the significant changes and expectations of tomorrow's workplace.
- Enabling continuous access to the education and training systems for Indian workforce.

### Strategic framework required for skill development

- Accessibility to good quality education as foundation for future training.
- Matching of skill supply to needs of enterprises and labour markets.
- Anticipate and prepare for significant changes and expectations of tomorrow's workplace.
- Enabling workers and enterprises to adjust to changes in technology and markets.
- Leverage partnerships of key stakeholders to increase innovation and cooperation.

### Role of the central government

#### Creation of the Ministry for Skill Development and Entrepreneurship (MSDE)

The Ministry of Skill Development and Entrepreneurship was set up in November 2014 to drive the 'Skill India' initiative, in a 'Mission Mode' in order to converge existing skill training initiatives and combine scale and quality of skilling efforts, with speed. Creation of a separate ministry for skill development and entrepreneurship emphasises the government's focus on skilling and creation of employment opportunities.

### Launch of 'Skill India' initiative

The Government of India launched the 'Skill India' initiative with the aim of making India a hub of skilled manpower to provide an impetus to the country's flagship 'Make in India' initiative. 'Skill India' aims at preparing a highly skilled workforce, which is completely aligned to the requirements of the industry, so as to promote growth through improved productivity. The initiative shall be aligned with the requirements of 25 key identified sectors of the 'Make in India' initiative.

### National Skill Development Mission

The National Skill Development Mission aims to provide overall institutional framework to rapidly implement and scale up skill development efforts across India.

### National Policy for Skill Development and Entrepreneurship 2015

The National Policy for Skill Development and Entrepreneurship aims to create an ecosystem of empowerment by skilling on a large scale, at speed with high standards and to promote a culture of innovation based entrepreneurship which can generate wealth and employment, so as to ensure sustainable livelihoods for all citizens in the country.

### Pradhan Mantri Kaushal Vikas Yojana

The objective of this skill certification and reward scheme is to enable and mobilise a large number of Indian youth to take up outcome based skill training and become employable and earn their livelihood.

### Skill loan scheme

Under the Skill loan scheme, credit ranging from INR5,000-1.5 lakh will be given to 34 lakh youth over five years.

As part of these schemes, the Government of India has set itself a target of skilling 40.02 crore people by 2022.

## Role of state government

On the lines of the 'Make in India', the Maharashtra government has launched the 'Make in Maharashtra' initiative to create a business friendly atmosphere in the state by facilitating ease of doing business. The state targets to increase industrialisation by attracting more Foreign Direct Investment and local investment in the region. The state estimates an ingress of INR5 lakh crore (USD84 billion) in industrial investment and generation of around two million jobs across the state between 2014-2019.

The state has come up with various initiatives to foster skill development environment:

### Pramod Mahajan Kaushalya Vikas Yojana

Pramod Mahajan Kaushalya Vikas Yojana was recently launched to evaluate and integrate existing schemes of skill development and launch new ones.

## Skill Development and Entrepreneurship Department created by the state

In line with the central government's 'Skill India' initiative, the Maharashtra government has created a department for skill development and entrepreneurship to focus on promotion of skill development and entrepreneurship in the state.

### Plans for village and cottage industries, handicraft resources, training centres

Maharashtra state government plans to establish village and cottage industries, handicraft resources, training centres at Sevagram in Wardha district to promote rural artisans and handicrafts. A provision of INR25 crore has been announced for this purpose.





### Role of the private sector

With growth in technology and increasing automation of redundant, low-skill tasks, the demand for skilled workforce is on a rise in the industry. Increasingly, highly-skilled workforce is required for maintenance of complex automated systems and robots. A lot of private players have invested in Maharashtra, due to suitable business environment and motivating initiatives by the state government, such as 'Make in Maharashtra', which has given a boost to the manufacturing sector in the state. Some examples include:

#### Strategic Manufacturing Skills Council (SMSC)

CII has brought together key industry players including Godrej, Mahindras, L&T, Bharat Forge and the Tatas, to train and certify workers at all levels with support from the government. The SMSC will focus on four major sectors

- Defence equipment manufacturing
- Ship building and repair
- Homeland security equipment and
- Firefighting equipment.

#### Larsen & Turbo Construction Skill Training Institute

Larsen and Turbo Construction has established eight Construction Skill Training Institutes (CSTI) across the country. These CSTIs provide trainings through hands-on practical trainings, classroom lectures and virtual and e-learning sessions. Training is provided in fifteen technical trades including masonry, carpentry, scaffolding, electrical, railway electrification, welding, prestressing, plumbing, etc.





## Ministry of Skill Development and Entrepreneurship

### A. Entrepreneurship development

The focus of the ministry through this initiative is to provide:

- a. **Massively Open Online Courses (MOOCs):** A curriculum has been developed with the help of experts, efforts have been made to develop a world-class entrepreneurship education curriculum for budding entrepreneurs to leverage upon the power and reach of internet connectivity. This shall be offered to aspiring entrepreneurs free of cost.
- b. **National network of incubators and accelerators:** Web and mobile based platforms are made available to help connect the entrepreneur ecosystem to online content, including information about government schemes and services, packages, etc. by providers.
- c. **Promoting entrepreneurship among women:** This initiative aims at encouraging women entrepreneurs with appropriate incentives for owned businesses under the public procurement process. Efforts are also made to have gender neutral incubation/accelerator, network of mentors, industry, resource centres and credit institutes are developed to facilitate women entrepreneurs.
- d. **Self Employment Talent Utilisation (SETU):** Under the aegis of NITI Aayog, SETU shall provide a stage for techno-financial, incubation and facilitation programme to support all aspects of a start-up business and other self-employment activities in technology driven areas.

### B. Atal Innovation Mission

The National Institution for Transforming India (NITI) Aayog has setup AIM that will provide an innovation promotion platform connecting academics, entrepreneurs and researchers leveraging upon national and international experience to foster upon innovation and research and development in India.

### C. Sub group of Chief Ministers on skill development

This sub group was created vide order dated 9 March 2015, to address issues pertaining to human resources, especially youth, and create a pool of skilled manpower, using scientific tools. The composition of this group has 11 chief ministers to work upon strengthening the state's skill development missions to enhance capacity and improving the standards of skilling.

## National Skill Development Authority (NSDA)

### A. Skills innovation initiative

It is a forum created by the NSDA for presenting innovative ideas and after evaluation of these ideas, an opportunity would be provided for selected ideas to be applied across a wider section.

### B. Labour market information system

This initiative shall help in bringing together students, training providers, academia, employers and industry on to a single platform where they can interact and evolve together.

- a. **Prime Minister Skill Development Fellowship (PMSDF):**  
A three year work-cum-learning opportunity will be presented to young professionals in the state and districts for working in the skill sector. This practice shall help ensure greater involvement of youth in skill development programme.

## National Skill Development Corporation (NSDC)

### A. World skills competition

This initiative of which the NSDC is a member is a global hub for determining skills excellence and development. Grass-root community projects, skill competitors and knowledge exchange have been promoted through cooperation between industry, the government, organisations and institutions.

### B. Innovations for Skills Marketplace (ISM)

This initiative hosts information on innovative solutions, practices, models, and other relevant research in the skill development space which can be leveraged upon by the government, policy makers, corporates and other stakeholders, thereby contributing to the skill development ecosystem.

## Leading international practices

### Canada<sup>11</sup>

#### Establishment of Invest in Canada Bureau

Canadian government's Department of Foreign Affairs and International Trade's (DFAIT) 'Invest in Canada Bureau' was created as a modern, systematic and more targeted FDI strategy that directly communicated with the investors the value propositions that Canadian locations offer. It identified the targeted sectors, countries and specific firms with potential to establish or expand their business operations in Canada, which would lead to both taking advantage of Canada's existing skilled workforce and adding to Canada's skilled workforce pool.

#### Strong focus on enrollment and spending on elementary and secondary education

Focus of the education policy in the mid twentieth century was on provision of new infrastructure and education professionals. Heavy investments were made in existing institutions and creating or accrediting the others which led to high enrollments in the university programmes.

#### Skill spillovers

Canada gives importance to technology transfers, process innovation to local firms and on-job training, which in turn creates a competitive pressure on local supplier firms to make greater use of technology and up-skill the workforce.

### Singapore<sup>12</sup>

#### Focus on incentivising skill and knowledge intensive industries

The Singapore government phased out the incentives for labour intensive industries and diverted their attention to attract more skill and knowledge driven companies by adopting an active targeting approach which led to selection of companies adding significantly to skills enhancements.

#### Common approach for skill development

The Singapore government established a multidepartment and tripartite institutional arrangements to coordinate policies for skill development under which Ministry of Trade and Industry, Ministry of Education and Ministry of Manpower were tasked to jointly manage supply of skills as per the current and incremental demand. With the interlocking board and council membership, a steady flow of information and encouraging common approach for skill development was established.

#### Incentive for training

Joint training institutes involving foreign players and locals to create a network of specialised training platforms and offering grants/scholarships to both local and foreign companies to train their employees. For the students who successfully complete the training, the investors were given the chance to hire such students from the centres.

#### Upgrading the supply chain

Incentives were given to foreign/big companies to upgrade their local suppliers through mentorship programmes so that local supplier's efficiency, reliability and international competitiveness would be enhanced significantly.

11. Investment Advisory Series by United Nations Conference on Trade and Development

12. Investment Advisory Series by United Nations Conference on Trade and Development



## Germany<sup>13</sup>

### Image of Technical and Vocational Education and Training (TVET)

The TVET covers around 50 to 60 per cent of the similar age group, not only the image and reputation of the TVET institutions but also the image of TVET graduates is excellent. This is mainly attributable to the high salaries earned by TVET graduates and umpteen number of job opportunities contribute to the attractiveness of the system.

### Dual system for vocational training<sup>14</sup>

Dated back to the twelfth century, holistic approach of providing dual system for vocational training involves both in-company training and education at vocational schools. Content and training methods are jointly determined by the industry and training colleges to reflect current vocational practice and ensure a successful mix of theory and practice.



## Republic of Korea<sup>15</sup>

### Value and image of technical education

Creating and branding the Meister schools at the secondary level provides an option of work experience to students in secondary school as part of the course of study and they are branded as 'young master craftsman,' which is considered a prestigious label. The student graduates with the equivalent of two years work experience and/or community college experience.

### Work first, study later

The government has come up with initiatives for companies to hire well-prepared high school graduates and offer them counselling. These tax incentives are offered to companies employing every secondary school graduate.

### Forecasting

A comprehensive economic plan combined the industrial and economic forecasting and labour force planning. The government made efforts so that forecasts of future demand in specific sectors were linked to investments in the education subsectors to expand and improve primary and secondary education in Korea, thereby promoting skills development to match the economic aspirations.

13. Asian Development Bank Briefs volume 19, November 2013

14. [http://www.worldskillsleipzig2013.com/en/education/germany\\_dual\\_system](http://www.worldskillsleipzig2013.com/en/education/germany_dual_system)

15. Asian Development Bank Briefs volume 19, November 2013

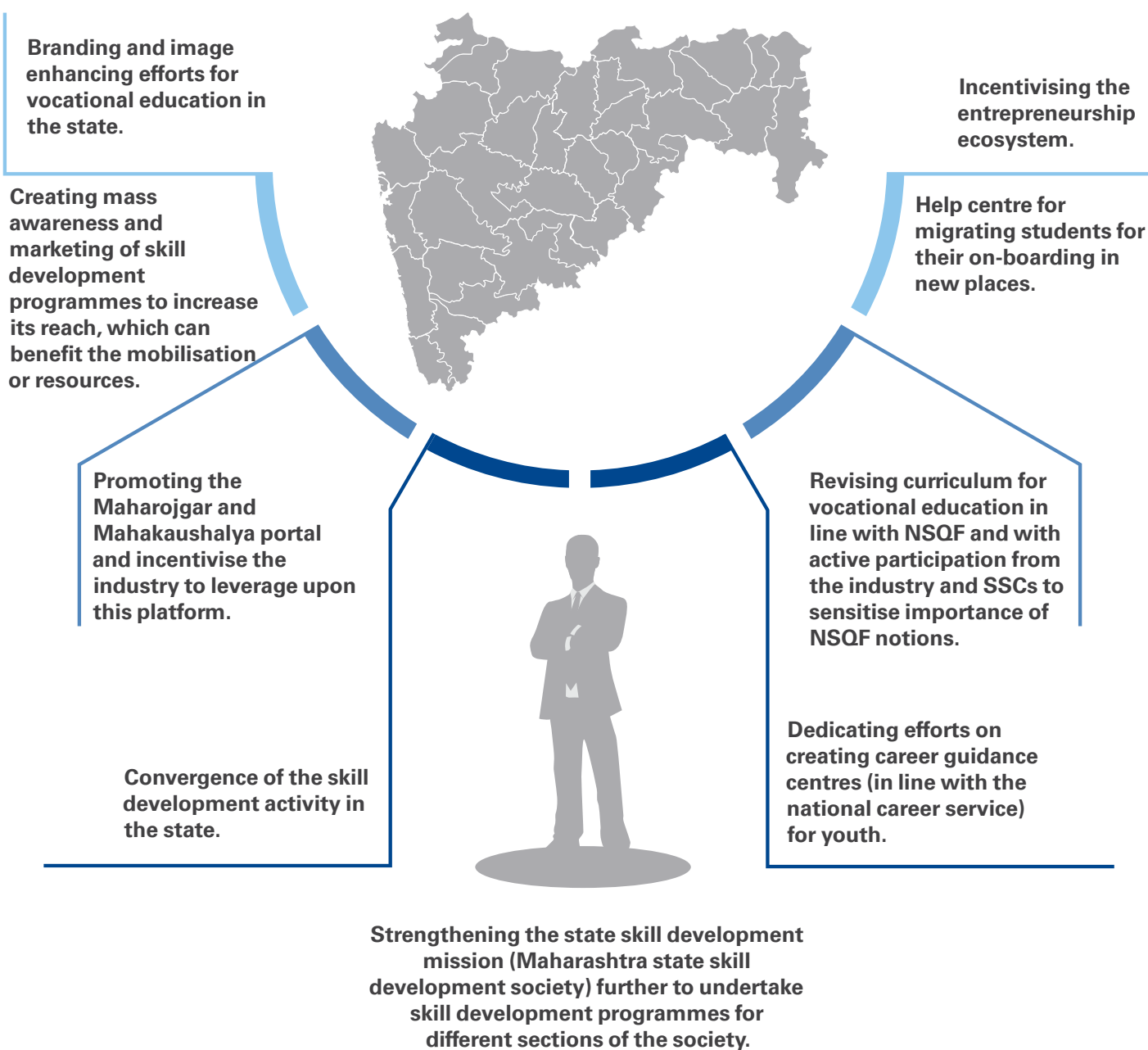




## Policy implementation: Road map for skill development in the state

Maharashtra has a relatively high human development index (as compared to neighbouring states), availability of the education institutional framework and with the 'Make in Maharashtra' drive, skill development should be given

the required thrust in coming days to make investment happen in the state, owing to availability of skilled manpower. Maharashtra should look at implementing a focussed strategy for skill development in the state covering:



### **Branding and image enhancing efforts for vocational education in the state**

The vocational education provided by Industrial Training Institutes and government polytechnics, still has a perception of lack of recognition from the industry and educational institutions. One of the ways of improving the perception and brand recall is to get industry's recognition towards vocational education and recognition of the students undergoing training in the ITIs. Like what Republic of Korea has done, can the students choosing to get trained in the ITIs be branded differently? Can the industry provide their shop floor during non-working hours for on-the-job training so that students use the right mix of machinery during the learning stage?

### **Creating mass awareness and marketing of the skill development programmes to increase its reach which benefits mobilisation of resources**

The government of Maharashtra can play a larger role through Maharashtra State Skill Development Society (SSDM for Maharashtra) which can help create mass awareness of the programmes through mobile and internet friendly mediums like social media, online quizzes, competitions, mobility based training mediums, etc. which helps in creating a positive awareness about the programmes undertaken by the state propagating them to the masses.

### **Promoting the Maharojgar and Mahakaushalya portal and incentivising the industry to leverage upon this platform**

A digital platform which the state has already prepared for creating a database of the students, training providers, industry, and academia can be leveraged further by using data analytics tools and big data concepts to identify the quantitative and qualitative measures to be undertaken region wise. This platform should be promoted more and more in the industry for increasing their participation in using it as one of the tools for identifying workforce availability.

### **Convergence of skill development activity in the state**

The state should work towards bringing all the skill development related activities undertaken throughout the state under the ambit of Maharashtra State Skill Development Society. Going forward, efforts should also be made to converge the State Council Vocational Training (SCVT) with the state's skill initiative. Uniformity in the curriculum thought and accreditation provided should be worked upon, which is in line with the NSQF mandate and gradually weed away the non-standard curriculum taught by various training partners in the state.

### **Strengthening the state's skill development initiative (Maharashtra State Skill Development Society) further to undertake skill development programmes for different sections of the society**

A dedicated skill development initiative which is driven by the Maharashtra State Skill Development Society (MSSDS) may be enhanced further with initiating state driven skill development programmes for the identified line departments in the state. MSSDS should also look to engage with experts in academia, industry partners to deliberate and arrive on a workable model for skilling and upskilling in the specific sectors in the state which can thereby assist in increasing participation of stakeholders, mobilising adequate measures driving skill development, and attain sustainability by strengthening physical and intellectual resources.

### **Dedicated efforts for creating career guidance centres (in line with the national career service) for youth**

Maharashtra has been one of the front runners for implementation of the concept of Career Guidance and Counselling Centers (CGCC). The Prime Minister's award for excellence in public administration for 2013-14 has also been awarded for placement linked vocational training programmes to CGCC, Gadchiroli, in the year 2015<sup>16</sup>. Many a times, a youth in the village is not fully aware of the benefits of skill development and follows what his/her friends, relatives, parent's wisdom to choose a career path.

16. [www.mahakaushalya.com](http://www.mahakaushalya.com)

### Revising curriculum for vocational education in line with NSQF and with active participation from the industry and SSCs to sensitise importance of NSQF notions

NSQF provides a uniformity in the curriculum and a competency-based framework that organises all qualifications according to a series of levels of knowledge, skills and aptitude. A student's learning outcomes are mapped to the levels from one to ten, regardless whether the learning was achieved formally or informally. Hence, in order to bring the competency based framework in informal training, an implementation of the NSQF in the state should be fast tracked, clearly identifying and measuring the implementation milestones.

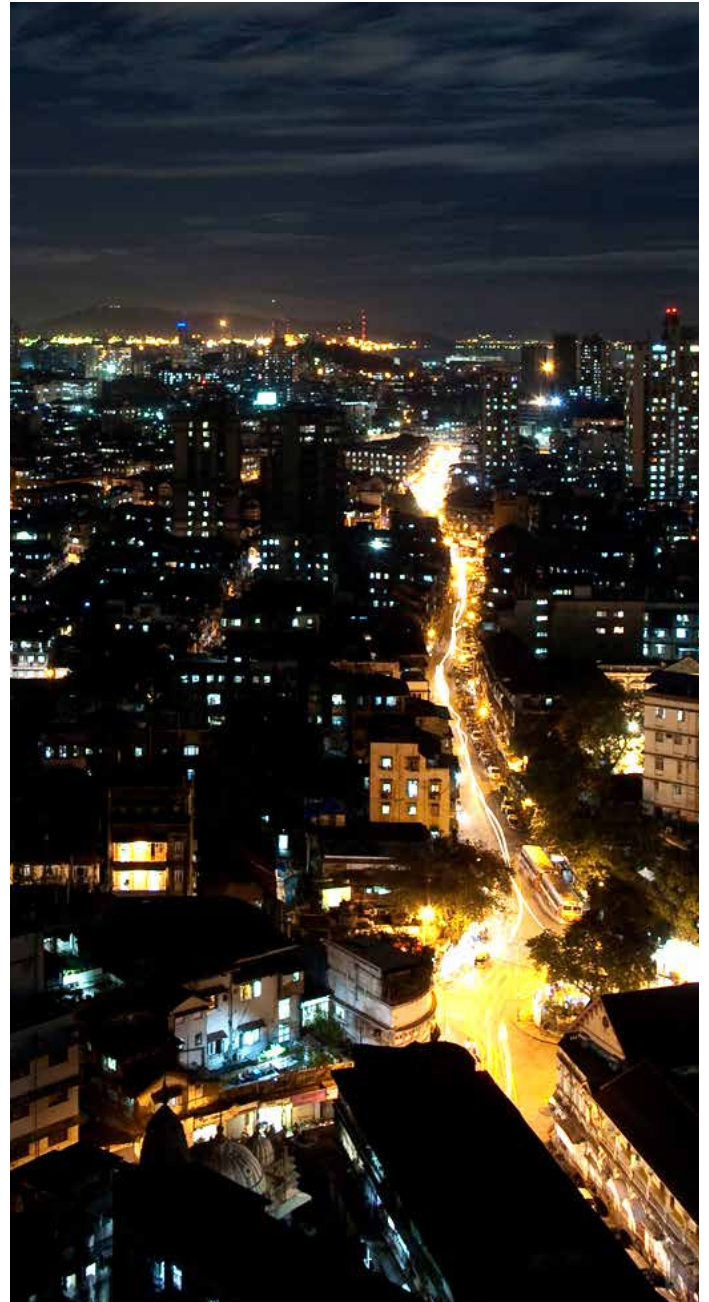
### Help centre for migrating students for their on-boarding in new places

Many a times, when migrating students are asked about their difficulties, they look for dependable help which can guide and help them settle in a new place. Where the state of Maharashtra is concerned, common regions are Konkan, Khandesh, the Marathwada and Vidharbha, where each region has its own behavioural ethos and for accommodating migrating of students in search of jobs or skilling programmes, a help centre for these regions may act as a soother to them.

### Incentivising the entrepreneurship ecosystem

The emphasis of Government of India and Government of Maharashtra on development, can act as a stimulus for new business creation and start-ups.

An article on 'Introducing the Entrepreneurship Ecosystem'<sup>17</sup> has identified categories which promote an environment to foster entrepreneurship:



**Conducive culture**

**Enabling policies and leadership**

**Availability of finance**

**Quality Human Capital**

**Friendly markets**

**Institutional and infrastructure support**

17. Article by author Daniel Isenberg on [www.forbes.com](http://www.forbes.com)

# KPMG in India's view on the 'Skill India' initiative



India is one of the youngest nations in the world, with more than 54 per cent of the total population below 25 years of age. India's workforce is the second largest in the world after China's. While China's demographic dividend is expected to start tapering off by 2015, India will continue to enjoy it till 2040. However, India's formally skilled workforce is approximately 2.3 per cent, which is dismally low compared to China (47 per cent), Japan (80 per cent) or South Korea (96 per cent)<sup>18</sup>. To leverage our demographic dividend more substantially and meaningfully, the government launched the 'Skill India' initiative.

India's annual skilling capacity was estimated at approximately seven million during the period 2013-14<sup>17</sup>. Apart from meeting its own demand, India has the potential to provide a skilled workforce to fill the expected shortfall in the ageing developed world. The world shortage of skilled manpower will stand at approximately 56.5 million by 2020<sup>19</sup>. With a target of skilling 500 million people between now and 2022, India can not only fulfill its own requirement but also cater to labour shortages in other countries around the world. Young Indians need to be prepared for the global workplace, and the 'Skill India' initiative could provide them with the employability and respect in society.

The mission statement of the National Policy lays out in detail a direction towards a robust framework. It also addresses essential issues like access, aspiration and convergence. The horizontal approach adopted by the skill industry, in terms of providing the required manpower for each ministry to achieve their objectives is a commendable way to align with industries. Further to this, setting up of SSC as a central agency to approve, assess, and certify skills is a good initiation. Another positive step taken in the 'Skill India' initiative is empowering the states and making them an important stakeholder. However, there ought to be a smooth and a pervasive implementation of the National Skills Qualification Framework (NSQF) to the ensure that the target of 'Skill India' is achieved.

Two ambitious schemes launched by the skills ministry, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and Skill Loan Scheme. PMKVY could provide a platform for learners and trainers to come together. This scheme also has the potential to reach out to aspirants directly and bridge the financial gap existing in the skill ecosystem. The access and financing issues of the skilling ecosystem has been addressed by the Skill Loan Scheme. With its target of reaching out to 24 lakh youth across India and various sectors, this scheme may not only push the social welfare agenda of the government but can also skill youth on NSQF-aligned courses and certify the existing workforce by assessing their skill-sets<sup>20</sup>.

Effective execution of these initiatives could be a real game changer for India. The government needs to address the labour reforms, NSQF-based wages and collaborate with the industry to create apprenticeship opportunities. Out of the critical success factors to achieve the targets of 'Skill India', the archaic labour laws need to be amended in consultation with states as more than 96 per cent of the Indian workforce is in the unorganised sector with minimal social security benefits<sup>21</sup>. Another critical success factor could be the strengthening of the State Skill Development Missions (SSDMs), given the important role in implementing the mission at the grass root level. Though setting up of SSDMs at each state has been mandated under the National Skill Policy, however capacity of these institutions to implement the same remains a challenge.

To make India the 'human resource capital of the world', 'Skill India' seems to have the right mix of elements: ownership at the central level, an exclusive ministry for implementation, demand pull from Indian industries and global requirements.

18. The National Mission for Skill Development, A Framework for Implementation

19. The National Mission for Skill Development, A Framework for Implementation

20. Skills Development, Sector Profile, FICCI

21. Skill India, the world needs it, The Financial Express, Aug 27, 2015, <http://www.financialexpress.com/article/industry/jobs/skill-india-the-world-needs-it/103885>



# About MCCIA<sup>22</sup>



MCCIA is a non government, non-profit association which caters to the needs of industries in the western Maharashtra region in India. MCCIA has been playing a significant role in accelerating the industrial and economic development of Pune for more than eight decades now. It is one of the most active chambers of Commerce in India and has been instrumental in promoting number of institutions in Pune. MCCIA has continuously driven to make Pune a global business destination and has been a catalyst for economic development of the region.

- Recommending appropriate policy guidelines to the concerned authorities.
- Forging a common platform with affiliated bodies with a view to project a unified voice for all associations active in commerce, industry, and agriculture.
- Providing a platform for networking and knowledge sharing, especially to enhance the abilities of the members to forge ahead in the competitive world
- Increasing our membership
- Recognising the services of individuals and organisations for their outstanding contribution to social and economic development in Maharashtra.



## MCCIA's vision

MCCIA aims to transform lives and establish an eco-friendly, bio-diverse environment that will nurture and propel towards creation of infrastructure and education while emerging as the nucleus of technical and industrial research, development and growth model of the country.

We will strive to encourage preservation of heritage, energise lives, inspire progress, optimise resources and implement ethical practices towards a sustainable growth paving the way towards a future of astounding business possibilities.



## MCCIA's mission

1. To make a beginning by developing Pune into a world-class centre by improving its physical and social infrastructure.
2. To promote information technology, biotechnology as focal industries by leveraging the existing educational, industrial and agricultural resources in Maharashtra.
3. To be an effective voice of trade, commerce, industry and agriculture by;



## Activities involved in

- Making representations at the concerned government departments.
- Partnership with the government for different projects.
- Branding for Pune to attract investments.
- Infrastructure development.
- Promoting international trade and business.
- Guidance and assistance to SMEs.
- Spreading awareness on the current issues and latest technology and tools.
- Events: Seminars, workshops and exhibitions.
- Database creation.
- Economics research activity.

22. 80<sup>th</sup> Annual Report 2013-14 of MCCIA



# About KPMG in India



## KPMG in India

KPMG in India, a professional services firm, is the Indian member firm of KPMG International and was established in September 1993. Our professionals leverage the global network of firms, providing detailed knowledge of local laws, regulations, markets and competition. KPMG has offices across India in Delhi, Chandigarh, Ahmedabad, Mumbai, Pune, Chennai, Bengaluru, Kochi, Hyderabad and Kolkata. Over 10,000 Indian and expatriate professionals, many of whom are internationally trained are part of the Firm. KPMG in India is currently offering services to over 3,000 national and international clients in India across sectors. We strive to provide rapid, performance-based, industry-focussed and technology-enabled services, which reflect a shared knowledge of global and local industries and our experience of the Indian business environment.

## KPMG International

KPMG International is a global network of professional firms providing Audit, Tax and Advisory services. KPMG member firms operate in 155 countries and have more than 155,000 outstanding professionals working in member firms around the world.

The KPMG Audit practice endeavours to provide robust and risk-based audit services that address member firms' clients' strategic priorities and business processes.

KPMG's Tax services are designed to reflect the unique needs and objectives of each client, whether firms are dealing with the tax aspects of a cross-border acquisition or developing and helping to implement a global transfer pricing strategy. In practical terms that means, KPMG firms work with their clients to assist them in achieving effective tax compliance and managing tax risks, while helping to control costs.

KPMG's Advisory professionals provide advice and assistance to help enable companies, intermediaries and public sector bodies to mitigate risk, improve performance, and create value. KPMG member firms provide a wide range of risk consulting, management consulting and deal advisory services that can help their clients respond to immediate needs as well as put in place the strategies for the longer term.

## Dedicated Infrastructure & Government Services (IGS) practice

KPMG in India has a sector-focussed advisory group to serve government and infrastructure clients in a dedicated manner. This group today comprises over 800 experienced professionals with deep domain competence in energy, infrastructure and government sectors. The formation of IGS allows us to be more differentiated in the market place, with access to KPMG's wide range of services in India and globally.

Several KPMG member firms have an established global practice on government advisory which focusses on working with the governments on matters of policy formulation and improvement, design, implementation and programme management of specific initiatives across infrastructure, healthcare, rural and urban development, education, security and justice, to name a few.

KPMG also has a public finance and taxation team that works in partnership with Governments. We have developed a total tax management capability which encompasses the entire spectrum of direct, indirect and personal taxes. Our approach to tax planning is multi-jurisdictional. We, together with other member firm's spread across the globe, can provide quality national and international tax advice. We help clients understand their impact, improve and enhance performance, and manage their risk.



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