



Dear Member,


'India Labour Report 2007' released by Team Lease Services, India's largest staffing and head-hunting company is an eye-opener on the current state of India's labour, employability of youth vis-à-vis skills regime and sharpening demographic divide. "Poverty is declining but inequality is rising sharply. 300 million Indians will not read the newspaper they delivery, sit in the car they clean or live in the house they build. 57% of India's youth suffer from some form of skill deprivation", laments its preface. The skill deficit is more damaging than the infrastructure deficit because, "it not only reinforces inequality but amplifies it". India is facing a crisis of unemployability for want of vocational skills. The speed of a nation's development is directly related to the quantity and quality of vocational skills possessed by its workforce. The wider the range and higher the quality of vocational skills, the faster the growth and more prosperous the society. Regretfully, while 90 per cent of employment opportunities require vocational skills, focus is laid on knowledge rather than skill.

The reasons for the malaise are regulatory cholesterol - bureaucratic controls, focus on inputs rather than on output, mismatched demand and supply and over regulation and under supervision. This leads to unfinished education and perpetuation of inequality of opportunities. 57 percent of students drop out of schools by the time they reach Grade 8 prompted by the low returns of education, 75 percent of school finishers make less than Rs.50,000 per year and 45 percent of graduates makes less than Rs.75,000 per year, highlights the report.

Alarmed by the situation, Law and Technical Education Minister of Government of Andhra Pradesh announced that 86 Industrial Training Institutes would be moderised. 'We will set up centers of excellence to provide quality, technical education to students including dropouts' said the Minister. This, indeed is gratifying.

Recognising that education is a critical factor in human development and economic growth, the Central Government in its final document for the 11th Five Year Plan proposes to increase allocation for education to a whopping 19.9% of the total planned expenditure – almost 2.7 times the allocation in the last plan. As per the plan document, Rs.84,000 crore are being set aside for higher and technical education. There are plans among others to set up additional Industrial Training Institutes, and 10 National Institutes of Technology. But only money is not enough; it must be well spent for creation of human capital capable of answering the needs of modern society. Corporate world too must truthfully and honestly come forward to supplement the efforts of government for it being the primary beneficiary of an efficient human capital.

I thank you for your cooperation.



ATLURI SUBBA RAO