

## India-USD 5 Trillion Skill Development Required Change

Does anyone have any idea how the Job Market of India will look in the next 10 to 20 years? How the promoters of the organisation will be able to find talent to match the changing job market? Are we planning for import of human manpower to match the requirement of our jobs? On what basis India will achieve the USD 5 Trillion? Do we only need liquidity and ease of doing business policies and neglecting human capital? Does only creating more jobs through entrepreneurship will resolve the growing force or manpower? Well, we cannot create enough jobs based on traditional operational skills. We need to understand what type of change is getting evolved in job delivery and the whole infrastructure.



We are looking for a policy framework to get consumption demand reprieving in India for achieving the GDP growth to 8% but did we ever thought that income levels of the population will drop or will witness wider disparity in the long run as jobs and its patterns will change.

Indian dreams to have USD 5 Trillion GDP growth but that growth cannot come only form consumption or export market. The liquidity problems are structural and can be changed over the period with injecting liquidity in the system but what about the structural issues which need abroad vision of up-gradation. I am not discussing here the infrastructure space but about that

section of the society which is called manpower. Countries like China, Korea did not grow out for a blue moon. The top four (of 157) spots in the World Bank's recently introduced Human Capital Index -- a composite measure of survival, learning-adjusted years of schooling and health -- are occupied by East Asian economies: Singapore, South Korea, Japan and Hong Kong. Neither, injecting liquidity has played a massive role unless the same has been amplified with skilled manpower. Yes, the skill plays a pivotal role behind the USD 5Trillion GDP growth. Productivity in terms of manufacturing and servicing both are dependent on manpower and human skills. This skill needs significant improvement to get the USD 5 Trillion GDP growth.



India is currently grappling with the issue of unemployment. Well, unemployment numbers will grow in the coming days not only in India but also across the globe provided there is no structural change in skill development. Yes, the skill required for performing the desired task is changing radically in this technological era.

The skill development syllabus needs radical change and makeover where we find that technologically advanced studies need to be incorporated into the syllabus. The 4th Industrial revolution is changing the landscape of education and hence skill development is a critical part of the syllabus. Traditional courses will of less benefit to the coming decade. Skill and quality education developed for USD 5Trillion GDP is the key to the road map.

Currently, we all hear about AI and Machine learning type of subjects where we get an idea about the upcoming new decade of industrial growth. But did we ever think that when half of the jobs over the next 2 to 3 decades will be automated the same will need the support of Human and for that, we have not created skill development programmes?

Most of the low hanging jobs will be automated or will be shifted from massive labour force to a simple, automated process. This is the grey area where informal sector jobs will be reduced and the same will be replaced with higher-end skilled jobs. Technology will enhance the skill levels of the human manpower in the coming days provided the policy framework towards syllabus and education is being changed accordingly.

If we get back to the history of the East Asian countries we will find that the productivity of manpower is much higher compared to the rest of the world. The index estimates that a child born today in Singapore will be 88% as productive and when she grows up. In Sub-Saharan Africa, by contrast, a child will be only 40% as productive. Globally, 57% of all children born today will grow up to be, at best, half as productive as they could be.



In South Korea, each of the five-year development plans carried out from 1962 to 1996 contained action plans for manpower development, including education and training policies. This place where India needs to come up. Indian human capital needs to shift from quantity of delivery to the quality of delivery. This is a high requirement in times when India dreams to be USD 5 Trillion in GDP.

The quality of teaching, syllabus and skill are the key areas to get reform so that the productivity of India improves. Both formal and informal jobs will face the heat of the situation in the coming days if the skill is not developed for human power training. Skill development education needs a complete overhaul where investments into the centres of skill development need to be brushed up.

The private sector needs to play a significant role in educational and skills development. The need of the hour is that cost-effective sequential approach to upgrade the education and training structures, which complements their stage of development in the long term.

Once the AI and ML will be floating just like Smart-phone in every aspect of our life the structure of the job market will change radically. If India is focusing on 4th industrial revolution and getting the GDP growth of USD 5 Trillion then skill development syllabus and framework for the same needs to be developed. The government needs to take up the herculean task developing policies so that investments could be made judiciously to get the efficient cost-benefit from the same.

We cannot pass this skill development proposition 100% to the private segment since the pricing of the product will be expensive and major part of the society will be left out. Pricing of the skill training will decide the future of the human manpower. The pricing of training should be within affordable limits with benefit for a specific segment just like the subsidy benefit transfer through Adhar-linked bank account system.

Skill development is an important part of USD 5 Trillion dreams and this needs greater attention in the coming days as compared to the creation of demand for consumption.

**Written by Indraneel Sengupta** Vice President-Business Development, Research & Product.  
+91 99878 24927 / [indranil.sengupta@ifan.co.in](mailto:indranil.sengupta@ifan.co.in)

---

**SPA Group** (Corporate Office), 25, C-Block Community Centre, Janak Puri, New Delhi-110 058, India. Contact: 011-45675500 / 45586600

---

**IFAN Finserv Private Limited** (A SPA Group Company), 804, Hallmark Busines Plaza, Bandra (East), Mumbai-400 051, India.  
Toll free contact : 1800 22 6784, Contact: 022 4061 7990, Email : [advisor@ifan.co.in](mailto:advisor@ifan.co.in) Website : [www.ifan.co.in](http://www.ifan.co.in)

CIN U72900MH2005PTC154875 | SEBI: IA Number: INA000003304

---

This Document is for information purposes only and for internal circulation to the registered associates only. This Document and the information (including any opinion/s view point/s) contained therein do not constitute a distribution, an endorsement, an investment advice, an offer to buy or sell or the solicitation of an offer to buy or sell any securities or any other financial products/investment products (collectively "Products") mentioned in this Document or an attempt to influence the opinion or behaviour of the Investors / Recipients. Investors/Recipients must make their own investment decisions based on their own specific investment objectives, their financial position and using such independent professional advisors, as they believe necessary, before investing in such Products. The opinion incorporated in this document is solely to enhance the transparency and should not be treated as an endorsement of any Product in any manner whatsoever. Investments in Products are subject to market risks, various micro and macro factors and forces affecting the capital markets and include price fluctuation risks. There is no assurance or guarantee/warranty that the objectives of any of the Products will be achieved. IFAN, its affiliates, their directors / proprietor / partners, employees, representatives or agents shall not be liable or responsible, in any manner whatsoever, to any Investor/Recipient or any other person. The distribution of this Document in certain jurisdictions may be restricted / prohibited by law and the persons who come into possession of the Document should inform themselves about and observe any such restrictions/prohibitions. The information in this Document reflects prevailing conditions as of date of publication and is subject to change from time to time. The distribution, reproduction or other use of all or any portion of this Document is prohibited.