

# Business Line

Date:30/04/2007

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## [`Skilled hands shortage a serious issue'](#)

### Our Bureau



DR V. KRISHNAMURTHY

Chennai April 29 The much-touted 10 per cent growth in the Indian industry is likely to be stalled unless one looks at ways and means to tackle problem of `skills shortage'.

According to Dr V. Krishnamurthy, Chairman, National Manufacturing Competitiveness Council, the ambition for the higher growth rate is not being supported by adequate supply of skilled manpower.

"We need 25 lakh skilled workers each year to sustain this growth. Though 100 lakh people pass out of school, less than 7 lakh can be trained by the Government," he said, indicating a severe shortage of government-run Industrial Technical Institutes (ITIs), each of which can train a few hundred candidates a year.

Speaking at the 54th anniversary celebrations of the Triplicane Cultural Academy, he suggested that other methods of training be introduced to groom the remaining candidates.

"About 55 per cent of our population has not passed Class 8 and hence cannot even apply to ITIs. There must be institutes/programmes created to train them in industry specific skills," he said.

## `Under utilised'

Talking about the "unemployability" of degree and diploma holders, he said these youth were not unemployable but chose jobs where they were "under-utilised".

"Why do engineers have to work for BPOs? Their skills are not utilised in a BPO. Diploma holders have the right skills to work for BPOs but they in turn are working in jobs requiring lesser skilled persons," he said.

Such a scenario in the long run would discourage people from pursuing Masters and PhD degrees and there would be no teachers available to train candidates.

"In the US and China, about 50,000 and 1.2 lakh candidates, respectively, have registered for PhD degrees. But in India, of the 5,000 registered candidates only over 350 received PhD degrees recently. At this rate, in five years we will not have any teachers," he said.

Dr Krishnamurthy observed that while the avowed objective of the concept of `special economic zones' was to increase manufacturing activity (and thereby create jobs), over 60 per cent of the space was taken up by the IT sector.

"IT is important, but it does not need a SEZ," he said, adding that the sector also cannot lead to job creation in rural areas.

## Inflation worries

Dr Krishnamurthy said that the current problem of inflation in India was a "passing phase" and was confident that the problems (such as shortage of skilled manpower) would be tackled. He noted that the `manufacturing' segment of the economy had grown from 7 per cent in 2003 to 9 per cent in 2005 and to 12 per cent last year. "How to sustain this growth rate over the next 10-12 years is the challenge," he said.

Quoting a survey, he noted that of the BRIC countries (Brazil, Russia, India and China), only India's manufacturing competitiveness rating had marginally increased, while that of the others had declined. "This gives me hope that we are on the right direction," he said.