

→ „Training – Made in Germany”: The Key to Employability

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>> India's economy is growing at a fast pace, although for some analysts way too fast. At the end of 2006, Robert Prior-Wandesforde, the high-ranking economic analyst of HSBC investment bank, warned that signs are emerging that India exceeded the speed limit. And according to JP Morgan's vice-president and senior economist, Rajeev Malik, some sectors seem to overheat. Following an average GDP growth-rate of 8% during the past three years, the Deutsche Bank estimates an average GDP growth rate of 5,5% for India between 2006 and 2020. The Centre for Monitoring Indian Economy (CMIE) estimates for 2006-07 growth rates of 8,5% in the industrial and 9,6% in the service sector.

> A qualified and skilled workforce has become a decisive and strategic factor for companies. In the dynamically growing regions of the emerging countries throughout the world, as well as in the industrialised countries, the need for qualified professionals is increasing. At the same time, the need for continuing education and training is growing.

> Although India estimates some three million graduates and post-graduates from colleges and universities every year, companies are facing skilled labour shortage. Wages and salaries of skilled manpower are rising fast. In order to ensure the employability of staff, companies have to invest considerable amounts of time and resources to train and retain employees.

> Even India's information technology (IT) and information technology-enabled services (ITeS) sectors, growing by 180,000 and 200,000 people respectively between April 2006 and March 2007, complain about poor skills and communication abilities of quality talents. According to NASSCOM, only 25% of technical and 10-15% of other Indian graduates are considered employable by the growing IT and ITeS sectors. Fearing that due to the talent shortage resulting in increasing salaries and high attrition rates India could lose its competitive edge in the IT sector, Indian IT majors like Infosys, TCS and Wipro as well as global players like IBM and Cognizant have invested heavily in training their new recruits.

> The Confederation of Indian Industry has formed a Mission on Knowledge and Skills. According to its mission statement, the main aim is „to institute a sustainable framework that would assist industry across sectors in developing knowledge and skills abilities in our workforce to international standards“.

> Traditionally, India and Germany have very good relations. On the economic level, bilateral trade increased enormously during the past years. According to the information provided by the Indo-German Chamber of Commerce, German imports to India increased by 27,7% between 2003 and 2005 and surged another 39,7% between January and July 2006 compared to the same period of the previous year. Similarly, Indian exports to Germany increased by 14,8% between 2003 and 2005, jumping by 30,5% between January and July 2006 compared to the same period of the year before. While Germany exports mainly machines, electronic equipment and metal goods to India, the bulk of Indian exports to Germany consists of textiles, shoes and leather.

> On the political level, cooperation between India and Germany has entered new spheres in 2007. Under the German EU-presidency the first EU-India ministerial science conference took place in New Delhi on February 7th and 8th, 2007. India's Science and Technology Minister, Kapil Sibal, pointed out that the „joint call for research with the EU is a historic breakthrough“. Germany's Federal Minister of Education and Research, Annette Schavan, called the common Communiqué „a milestone in the India-EU relationship“.

> The joint „New Delhi Communiqué“ points to the enormous importance of science and research as basis for competitiveness and economic development in the light of the global challenges. The initiative supports not only the establishment of joint German-Indian research networks and projects, but also the qualification of the young generation and an increased mobility of students and researchers between Germany and India.

> Currently, academic exchanges between Germany and India are already taking place within the frame of 50 mobility projects of the German Federal Ministry of Education and Research. The number of Indian students enrolling in German Universities has risen tremendously during the past years. With an increase rate of 500% since 1997, German academic institutions have seen a larger growth rate of Indian students than from any other country. Although an increasing importance has been placed and successfully developed on the level of academic cooperation between India and Germany during the past years, a central and potentially highly beneficial field of cooperation has been neglected by both sides. Yet, the increasing problem of employability in India should draw the attention to the German strength in technical and vocational training.

> Germany has a long-standing tradition in vocational training. By constantly improving and adapting the education and training system to meet current requirements, Germany now has one of the most efficient systems in the world. It is characterised by its strong practical component, its close alignment with the business community and the job market, as well as the integration of professional, social, and methodical competencies and skills. The label „Made in Germany“ wouldn't enjoy such a high international recognition if it wasn't for the country's highly skilled workforce. German vocational education and training stands for quality, competence, efficiency and experience – the same attributes which are associated with the country's cars, machines and other industrial products. „Training – Made in Germany“ is an important underlying factor in the strength and success of the German economy.

> Close cooperation between industry and educational system is the only way to guarantee demand-driven practical training, highly developed problem-solving skills and individual responsibility. Today, countering the challenge of employability is the foremost responsibility of the private sector, which has to lobby for an appropriate framework set by the government. Employability is an internationally common responsibility in a global economy guaranteeing social stability.

> Strategic alliances have become indispensable to the modern way of doing business because they create synergies vital for international success. The cooperation between German and Indian organisations in the field of education and training could take many forms. German training services range from standard education courses to tailor-made in-house trainings. While direct cooperation between industry or service sector companies with German training providers is mutually rewarding, a partnership between educational institutions in both countries is, likewise, possible.

> So far, such cooperations have developed at a slow pace. Yet, success stories have unfolded during the past years, such as in the case of the leading German fashion business school LDT Nagold and the New Delhi Pearl Academy of Fashion. Starting in 2000, the partnership originally focused on knowledge transfer in training and further education of students and teaching staff. Meanwhile, LDT Nagold validates against a certification fee, Pearl Academy of Fashion's two-year post-graduate programme in Fashion Retail Management, a cooperation, which not only the training institutions, but also the economies and the bilateral trade profit from: „The Indian side clearly laid out its strategy to benefit from the competence and resources of the German partner“, Manfred Mroz, Managing Director Finance & Marketing of LDT Nagold explains. At the same time, German importers are aware of the competitive edge of Indian textile producers: „Indian companies also accept quantitatively small orders and convince through creativity and competence in fashion design“, says Mroz. „Indian textile exporters offer complete collections to German chains, which can be sold in the middle or higher price segment.“

> Although it involves a lot of effort from the Indian as well as the German partner, joint activities of this sort surely have the potential of being mutually beneficial. Working together with an experienced partner is often the only way to success in domestic and international markets.

> In order to facilitate and promote international cooperation and business relations among German training providers and international public and private organisations the initiative iMOVE was established by the Federal Ministry of Education and Research in 2001. The services of iMOVE include a multilingual database informing about German training providers, seminars, trainings and delegation visits abroad.

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