

**SKILL DEVELOPMENT IN INDIA : CHALLENGES, SCENARIO IN
SELECT SECTORS & RECENT DEVELOPMENTS**

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Abstract;

The constant rising influence of globalization, has given India immense opportunities to establish its distinct position in the world. Despite of all these, there is a need to further development and empowerment of the human capital to ensure the nation's global competitiveness. Because of the current scenario an urgent need has risen, of which the government is dedicatedly striving to initiate and achieve formal/informal skill development of the working population via education/vocational education/skill training and other upcoming learning methods. Concerns are specially for the youth, rising unemployability and lack of skill are major problems. Some of the key sectors such as constructions, textiles, healthcare etc. are the major employment generators the workforce of these sectors are needed to be skilled as not only for employment generation but for steady economic development as well. This paper shows the major challenges and recent development in the way of skill development taken by our Government to overcome this problem, but a lot is yet to be so that India can compete at global level.

KEY WORDS: globalization, skill development, vocational education.

Introduction :-

India's emergence as a knowledge-based economy is because of the abundance of capable, flexible and qualified human capital. The constant rising influence of globalization, has given India immense opportunities to establish its distinct position in the world. Despite of all these, there is a need to further development and empowerment the human capital to ensure the nation's global competitiveness.

Despite the emphatic stress given on education and training in this country, there has been a great shortage in skilled manpower to address the ever increasing needs and demands of the economy. Because of the current scenario an urgent need has risen, of which the government is dedicatedly striving to initiate and achieve formal/informal skill development of the working population via education/vocational education/skill training and other upcoming learning methods.

India beholds a great demographic opportunity. Today it is one of the youngest nations in the world where more than 62% of the population in the working age group (15-59 years), and more

than 54% of the total population below 25 years of age. It is further estimated that the average age of the population in India by 2020 will be 29 years as against 40 years in USA, 46 years in Europe and 47 years in Japan. In fact, in next 20 years the labor force in the industrialized world will decline by 4%, while in India it will increase by 32%.

Our nation is presently facing a two major challenges one of severe scarcity of highly-trained, quality labor, as well as non-employability of large sections of the educated workforce that possess little or no job skills. To overcome this situation Ministry for Skill Development and Entrepreneurship (earlier Department of Skill Development and Entrepreneurship created in July 2014) has been set up in November 2014 to give fresh impetus to the Skill India agenda and impart employable skills to its growing workforce over the next few decades.

Major challenges in the way of skill development :-

- a) Increasing capacity & capability of existing system to ensure equitable access to all.
- b) Promoting life-long learning, maintaining quality and relevance, according to changing requirement particularly of emerging knowledge economy.
- c) Creating effective convergence between school education, various skill development efforts of government and between government and Private Sector initiative.
- d) Capacity building of institutions for planning, quality assurance and involvement of stake holders.
- e) Creating institutional mechanism for research development quality assurance, examinations & certification, affiliations and accreditation.
- f) Increasing participation of stakeholders, mobilizing adequate investment for financing skill development, attaining sustainability by strengthening physical and intellectual resources.

The need for skill development livelihood opportunities are affected by supply and demand issues. In India the supply side is failing to create enough job opportunities; whereas in the demand side the professionals which are entering the job market are lacking in skill sets. This is resulting in a scenario of rising unemployment rates along with low employability.

- ***Job Creation:***

- During the period of 1999-2000 and 2004-05, number of jobs increased by 59.9 million persons but the increase in labour force was of 62 million.
- Though, the increase in employment kept pace with increase in labour force for the next 5 years, the total increase in jobs was only 1.1 million. Employment generation picked up from 2009-10, with 13.9 million people finding jobs in 3 years.

- However, 14.9 million people entered the job market during this period. Presently there are about 26 million people enter the working age group every year with about 65% of them looking for jobs.
- **Youth Skilling:**
 - To keep up the pace with employment generation is one issue, employability and productivity of those entering the labour market is another.
 - As per the India Skills report 2015, only 37.22% of surveyed people were found employable - 34.26% among male and 37.88% among female.
 - NSSO (2010) showed that only 10.1% of the labour force had received vocational training, with only 25.6% among them receiving a formal vocational training.
 - India is ranked among the last 60 countries on labour productivity in the World Competitiveness Yearbook, 2012.
- **Demand for Skilled Workforce:**
 - As per the projection of CII (2009), the Incremental Human Resource Requirement up till 2022 at 201 million, making the total requirement of skilled work force by 2022 at 300 million.
 - A major share of these jobs was to be added in the manufacturing sector, with the National Manufacturing Policy (2011) targeting 100 million new jobs in manufacturing by 2022.
 - The National Skill Development Policy (2009) had set a target of skilling 500 million people by 2022.
 - Many of the recent study reports commissioned and released by Ministry of Skill Development assessed an incremental human resource requirement across 24 sectors as 109.73 million by 2022.

Skill development scenario in key sectors :-

- ❖ The growth in the economy and fastening globalization are major cause to surge up the workforce requirement in the next decade across various skill levels.

- ❖ The Government and its partner agencies which are deployed for executing the skill development agenda have identified sectors with the potential to create high employment in the near future.
- ❖ There are 20 high-growth sectors of industries as well as services that have been identified by the government that have the ability to provide expanded employment. It consists of 10 high-growth sectors on the manufacturing side and an equal number on the services front.
- ❖ Out of these, the key sectors are manufacturing, textile, construction, automotive and health care.
- ❖ The gaps in the skill development framework in these sectors are needed to be addressed & must be coupled with the provision of effective employment, will be particularly useful to ensure consistent development of the economy.
- ❖ Various skill development initiatives have been implemented by the Government, industries and SSCs, along with several other stakeholders, to cater to the requirements of these sectors.
- ❖ Nevertheless, multiple challenges in each sector need to be tackled uniquely in order to pre-empt the potential economic losses originating from a skill gap in the respective sectors.

Recent developments in skill development in India :-

- ***National skill development coordination board (NSDCB) :-***
 - ✓ The National skill development coordination board (NSDCB) was found under the Chairmanship of Deputy Chairman, Planning Commission, with secretaries of ministries of Human Resource Development, Rural Development, Housing and Urban Poverty Alleviation, Labour and Employment, and Finance as members. Secretaries of four states by rotation, for a period of two years, three distinguished academicians/subject area specialists are the other members.
 - ✓ Secretary, Planning Commission is the member secretary of the board.
 - ✓ It was supposed that the Board will enumerate strategies for implementing the decisions of the Prime Minister's National Council on Skill Development and will also develop operational guidelines and instructions for meeting the larger objectives of skill development.

- ✓ A State Skill Development Mission (SSDM) is also expected to be established in each state.
- ***Prime minister's national council on skill development :-***
 - ✓ This was set up as an apex institution for policy advice, direction, and review.
 - ✓ The Council is chaired by the Prime Minister along with ministers for Human Resource Development, Finance, Heavy Industries, Rural Development, Housing and Urban Poverty Alleviation, and Labour and Employment as members.
 - ✓ Deputy Chairman, Planning Commission, Chairperson of the National Manufacturing Competitiveness Council, Chairperson of the National Skill Development Corporation, and six experts in the area of skill development are its other members.
 - ✓ Prime Minister's National Council has a vision of creating 500 million skilled people by 2022 through skill systems, which must have high degree of inclusiveness in terms of gender, rural/urban, organized/unorganized, and traditional/contemporary.
 - ✓ It was expected that the Council will lay down the overall, broad policy objective, financing, and governance models and strategies relating to skill development, review the progress of the scheme and guide mid-course correction, including addition and closure of parts or whole of any particular programme or scheme, and coordinate public/private sector initiatives in a framework of collaborative action.
 - ✓ Innovative mechanisms for delivery through the Central Government, states, civil society, community leaders, and Public-Private Partnerships (PPPs) the strategy to achieve such skill systems will depend upon.
- ***Draft National Policy for Skill Development and Entrepreneurship 2015:-***
 - ✓ The main objective of this Policy is to meet the challenge of skilling at scale with speed, standard (quality) and sustainability.
 - ✓ This policy targets to provide an umbrella framework for all skill development activities being carried out within India, to align them to common standards and link skilling with demand centers.
 - ✓ The Policy contains ten major directions for the Skill Development Framework, which also emphasizes on increasing the capacity, synergy among existing schemes, global partnerships and inclusivity.

- ✓ It seeks to address the gap in Entrepreneurship by taking some serious steps like streamlining entrepreneurship in education system, inventing business through mentorship, fostering social entrepreneurship, promoting inclusivity, improving the ease of doing business and providing access to finance.
- ✓ It also encourages companies to spend at least 25% of Corporate Social Responsibility (CSR) funds on skill development, seeks to introduce fee paying model along with Skill Vouchers, and set up a Credit Guarantee fund for Skill Development.
- ✓ There has also been a proposal of 'Project Implementation Unit' (PIU) to be set up to review the implementation and progress of the various initiatives under this policy.

- ***Select Schemes and Funding***

Some new schemes has been introduced along by The Government to revamp of few existing schemes. Some of the more important ones are listed below, along with information on implementing agencies and budgetary outlay for this financial year.

- ❖ **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):**

This flagship programme is a outcome-based skill training scheme, which has aim to benefit 24 lakh youth. A monetary reward is provided to trainees on assessment and certification. The steering Committee for PMKVY is responsible for providing directions for implementation.

- ***Implementing Agency:*** This scheme will run through the National Skill Development Corporation (NSDC), by the Ministry of Skill Development and Entrepreneurship
- ***Scheme Outlay (2015-16):*** Budgetary Allocation of Rs 1,500 crore (including awareness, mobilization and administrative expenses). NSDC is going to support vocational training institutes by funding upto 75% of the total project cost in case of for profit entities and upto 85% of the total project cost in case of not for profit entities.

- ❖ **Deen Dayal Upadhyaya Gramin Kaushal Yojana (DDU-GKY):**

The Skill development programme of NRLM i.e. Aajeevika Skills, has been revamped as the Deen Dayal Upadhyaya- Gramin Kaushal Yojana. The minimum entry age for the scheme has been reduced to 15 years which earlier was 18. Training will be imparted through 1500-2000 centers to be set up for the purpose over the next two years. The Government is also exploring a Project for providing Livelihoods in Full Employment (LIFE) for skilling the unskilled workers in NREGA.

- **Implementing Agency:**The National Unit of DDU-GKY in the Ministry of Rural Development functions as the policymaking, technical support and facilitation agency & the State Missions of DDU-GKY provide implementation support and the Project Implementing Agencies (PIAs) implement the programme through skilling and placement projects.
- **Scheme Outlay(2015-16):**A budget of Rs. 1200 crores has been allocated. The scheme will be running with a changed sharing pattern, with states bearing the revenue expenditure.

❖ ***Other Schemes:***

Ministry of Housing and Urban Poverty Alleviation will undertake skill development of 5 lakh urban poor per year under the DeenDayalUpadhyayaAntyodayaYojana (DAY)scheme of which the first phase is to be implemented from 2016-17in urban areas. A Memorandum of Undertaking (MoU) has been signed between The Ministry &NSDC, to assist in training.

Some other new programmes include NaiManzil for education and skill development of dropouts; USTTAD(Upgrading Skills and Training in Traditional Arts/Crafts for Development) which has been launched to protect &conserve traditional arts/crafts and build capacity of traditional artisans and craftsmen belonging to minority communities; NaiRoshni is a leadership training programme for minority women; and MANAS for upgrading entrepreneurial skills of minority youth.

Conclusion :-

As it is quite clear that though India is emerging as one of the most promising economies in the world and it's growth is powered by ever increasing influence of globalization but the skill set in the majority of the workforce. Concerns are specially for the youth, rising unemployability and lack of skill are major concerns. Some of the key sectors such as constructions, textiles, healthcare etc. are the major employment generators the workforce of these sectors are needed to be skilled as not only for employment generation and sustenance but for steady economic development as well. Though The Government has recently taken some serious measures to overcome this problem, but a lot is yet to be so that India can compete at global level.

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