

## **ROLE OF SKILL INDIA TO ENHANCE THE EMPLOYABILITY IN SMALL SCALE INDUSTRIES: – AN OVERVIEW**

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### **Abstract**

*We have to admit the Small Scale Sector, either to known as SSI or generally as the Small and Medium enterprises have always been important for India's economic growth and its development. They are established for several regions. They not only feed the heavy industries but also provide constant support and strength. This sector has always been looked upon as a source of employment generation, given the labour intensive nature of the industries result under it. Therefore, the importance of SSIs in the economic development of the Country is of immense significance and they act as a nursery for entrepreneurship. In spite of impressive growth figure of small scale Industries, we cannot ignore that large number of small scale Industries had turned out either to be sick Industries or could not survive more than five years. This article highlights the role of Skill India to enhance the employability in small scale industries. skill India transition to a knowledge based economy. Thought the creation of professional skill work forces and developed the management skill and structure and process.*

**Key Words- Skill India, Small Scale Industries, Employment**

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## **Introduction**

Skill development is an important driver to address poverty reduction by improving employability, productivity and helping sustainable enterprise development and inclusive growth. India is facing a paradoxical situation, where on the one hand, youth entering the labour market have no jobs; on the other hand, industries are complaining of unavailability of appropriately skilled manpower. The employment sector in India poses great challenge in terms of its structure which is dominated by informal workers, high levels of under employment, skill shortages and labour markets with rigid labour laws and institutions. Vocational education and training are crucial for enhancing the employability of an individual, by facilitating the individual's transition into the labour market. The present skilled workforce in India is only 2 %, much lower than the developing nations (Korea (96%), Japan (80%) ,Small scale industries are the main sources to provide the job to the youth in India.

### **Objective of the study:**

1. To study the need of Skill India programme
2. To study the role play by the skill India for small scale industries.

Need for Skill Development Livelihood opportunities are affected by supply and demand side issues. On the supply side, India is failing to create enough job opportunities; and on the demand side, professionals 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:** Between 1999-2000 and 2004-05, the number of jobs increased by 59.9 million persons (assessment by usual status) against an increase in labour force 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. Currently about 26 million people enter the working age group every year with about 65% of them looking for jobs.

**Youth Skilling:** While keeping pace with employment generation is one issue, employability and productivity of those entering the labour market is another issue. 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 ranked last among 60 countries on labour productivity (World Competitiveness Yearbook, 2012).

**Demand for Skilled Workforce: CII (2009)** had projected Incremental Human Resource Requirement 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 100million new jobs in manufacturing by 2022.

**The National Skill Development Policy (2009)** had set a target of skilling 500 million people by 2022. More recently, study reports commissioned and released by Ministry

The following are some of the important role played by Skill India Program For the Development of small- scale industries in India.

### **Employment generation**

The basic problem that is confronting the Indian economy is increasing pressure of population on the land and the need to create massive employment opportunities. This problem is solved to larger extent by small-scale industries because small- scale industries are labour intensive in character. They generate huge number of employment opportunities. Employment generation by this sector has shown a phenomenal growth. It is a powerful tool of job creation. For this skill India development state Entrepreneurship Development Programmes (EDPs) Entrepreneurship Development Programmes are being organized regularly to nurture the talent of youth by enlightening them on various aspects of industrial activity required for setting up MSEs. These EDPs are generally conducted in ITIs, Polytechnics and other technical institutions, where skill is available to motivate them towards self-employment. 20% of the Total Targets of EDPs are conducted exclusively for weaker sections of the society i.e. (SC/ST/ Women's and PH) with a

stipend of Rs. 500/- per month candidate under the promotional Package for (Micro, Small Enterprises) MSEs. No fees charged from SC, ST, Women and PH candidates under these Programmes. A Department of Skill Development and Entrepreneurship was created under the Ministry of Youth Affairs and Sports in July, 2014 and was subsequently upgraded to full-fledged ministry in November 2014. The role of the Ministry involves coordinating and evolving skill development frameworks, mapping of existing skills and certification, industry-institute linkages among others. Human Resource and Skill Requirement reports across 24 sectors were prepared which serve as a baseline for all skill development initiatives. The Ministry works primarily through the National Skill Development Corporation (NSDC), National Skill Development Policy 2009, the National Skill Development Corporation (NSDC) was mandated to skill **150 million**, while the Directorate General of Employment and Training (DGET), under the Ministry of Labour and Employment was to skill **100 million**. Currently, over **70 skill development schemes** across various sectors are being implemented by over 20 Central Ministries/Departments.

### **Promotes exports**

Small-scale industries have registered a phenomenal growth in export over the years. The value of exports of products of small-scale industries has increased to Rs. 393 crores in 1973-74 to Rs. 71, 244 crores in 2002-03. This contributes about 35% India's total export. Thus they help in increasing the country's foreign exchange reserves thereby reduces the pressure on country's balance of payment. For increase the export role of skill India development programme started to connect entrepreneurs to peers, mentors incubators to support young entrepreneurs, a web and mobile based platform connecting the entire entrepreneurial ecosystem will be established. Platform members will access content online, including information on government services and special packages offered by service providers. The creation of new incubators will be encouraged and a national network of incubators and accelerators established to support young entrepreneurs. A national network of high quality, screened mentors will also be created, leveraging existing networks and successful local entrepreneur Where possible

Entrepreneurship activities Small scale industries and Skill India development In addition, entrepreneurship education will be integrated into the mainstream curriculum in 3,000 colleges around India. Entrepreneurship education courses will also be delivered in approximately 325 industrial clusters across the nation. Through 50 nodal Entrepreneurship Hubs (E-Hubs) set up across all states, existing and potential entrepreneurs will be targeted for entrepreneurship education modules that suit their need. Programme these programme will help to increase the export of small scale industries in India.

### **Regional dispersal of industries**

There has been massive concentration of industries in a few large cities of different states of India. People migrate from rural and semi-urban areas to these highly developed centres in search of employment and sometimes to earn a better living which ultimately leads to many evil consequences like overcrowding, pollution, creation of slums, etc. This problem of Indian economy is better solved by SSIs which utilise local resources and bring about dispersion of industries in various parts of the country some skill India programme are helping to remove the regional disparity, skill India development programme was started **Foster social entrepreneurship and grassroots innovations** Universities and academic institutions will be encouraged to launch a course on ‘Social Entrepreneurship’, including through online distance education, to actively promote social entrepreneurship in the country. Additional support, including through fiscal incentives and incubation, will also be considered. Encourage entrepreneurship among underrepresented group Special focus will be given to the inclusion of scheduled castes & scheduled tribes, minorities, differently abled, etc., and regionally under-represented areas including large part of Eastern and North Eastern India in entrepreneurship programs. Special efforts will also be made to enrol incubators and mentors catering to these groups will in the national entrepreneurial ecosystem. Skill India development programme focus on women entrepreneurs through appropriate incentives for women owned businesses under the public procurement process. It will also be ensured that gender neutral incubation/ accelerator, network of mentors, industry, resource centres and credit institutes are developed to facilitate Women Entrepreneurs. Priority will be given for mentorship and support system for women entrepreneurs in existing business centres and incubators. Steps will also be taken to assemble gender disaggregated data, and to remove the regional disparity in the SSI sector.

### **Provide opportunities for development of technology**

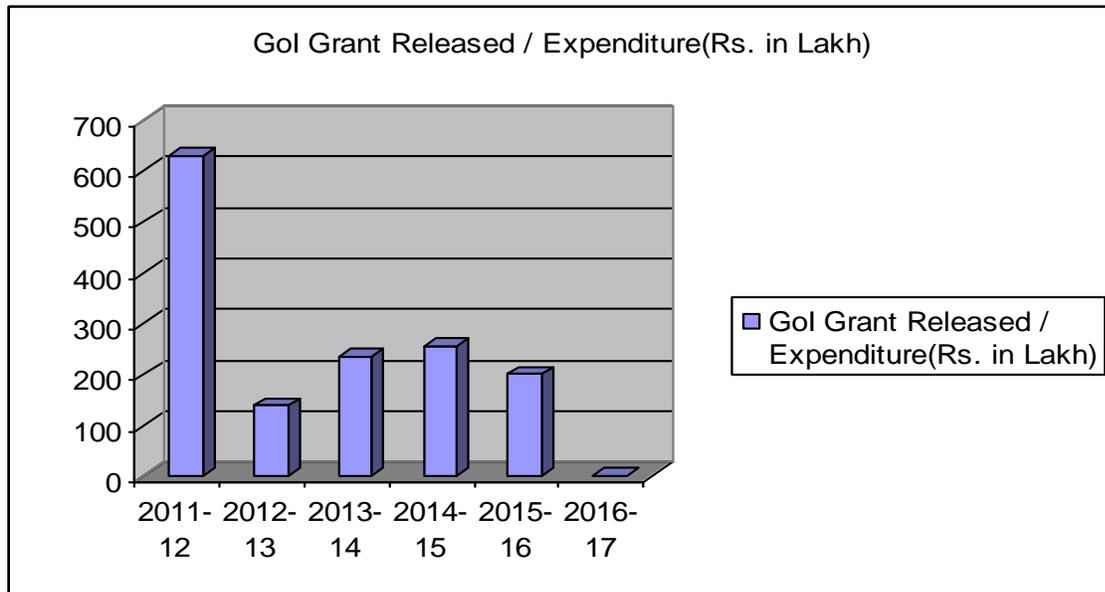
SSIs have tremendous capacity to generate or absorb innovations. They provide ample opportunities for the development of technology and technology in turn, creates an environment conducive to the development of small units. The entrepreneurs of small units play a strategic role in commercialising new inventions and products. They also facilitate the transfer of technology from one to the other. As a result, the economy reaps the benefit of improved technology For this The National Institute for Entrepreneurship and Small Business Development (NIESBUD) (**Ministry of Skill Development and Entrepreneurship, Govt. of India**):- NIESBUD provides various Entrepreneurship and Skill Development Programs for the entrepreneurs and other candidates. The NIESBUD provides:

**Eliciting Information on Related Needs** - Institutions such as Entrepreneurship Development Institutes (EDIs), NIMSME, NIESBUD, IIE, MSME-DIs, EDIs sponsored by State Govt. and any other suitable institution of repute will be provided need based Government grant limited up to Rs. 5.00 lakh per project primarily for undertaking activities aiming at empowerment of women such as field surveys, research studies, evaluation studies, designing of training modules,

S.NO	Year	GoI Grant Released / Expenditure(Rs. in Lakh)
1	2004-05 to 2011-12	630.09
2	2012-13	138.79
3	2013-14	233.40
4	2014-15	254.20
5	2015-16	200.00
6	2016-17	0
	Total	1456.48

etc. covered under the scheme.

Source: Lok Sabha Questions, \*up to February 2015



Some training programme are constituted under banner of the skill India development

NSDC-Public Private Partnership entity set up to promote and fund private training providers and set up Skill Development Centres. Funds to NSDC are received through NSDF • Facilitate setup of Sector Skill Councils (SSCs) which are autonomous industry-led bodies. SSCs design Qualification Packs (QPs) and National Operation Standards. • Implement STAR (Standard, Training, Assessment and Reward) and UDAAN Scheme

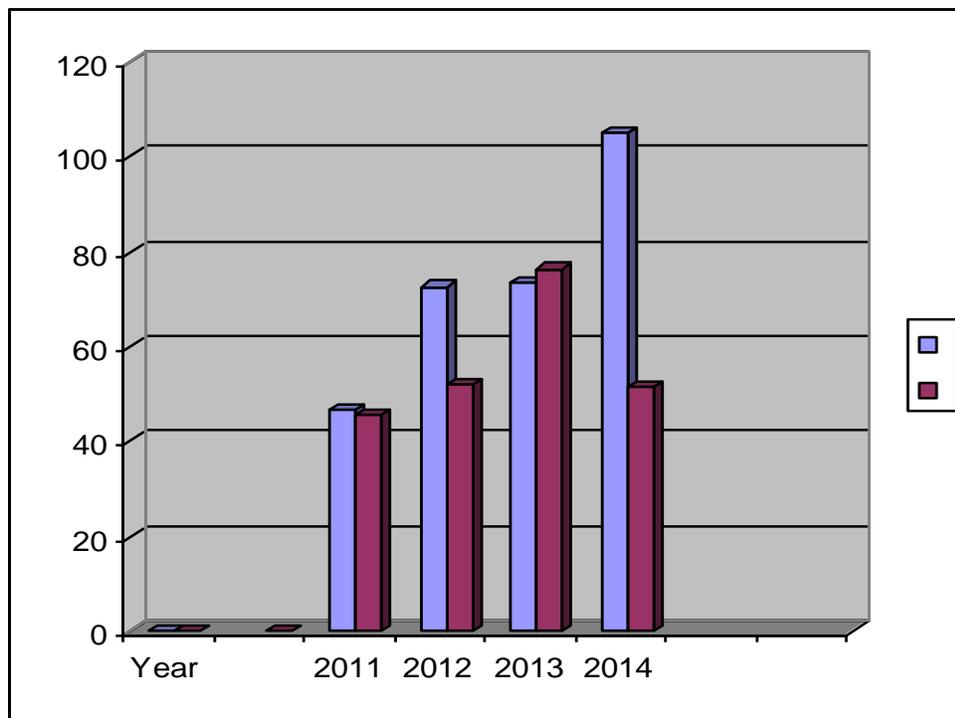
NSDA-Autonomous Body registered under Societies Act. Rationalize Skill Development Schemes of Government of India • Anchor and implement the National Skills Qualifications Framework (NSQF) • Create integrated Labour Market Information System (LMIS), engage with states to plan their skill development and facilitate Skills Innovation

DT-Training and Apprentice Divisions have been transferred from Labour department from April 2015. • Comprises government and private ITIs, PPP skill schools and other institutions • 25 new Advanced Training Institutes to be setup..

<b>Year</b>	<b>Target</b>	<b>Persons skilled (in Lakhs)</b>	<b>Achievement</b>

2011	46.53	45.58	<b>98%</b>
2012	72.51	51.88	<b>72%</b>
2013	73.42	76.37	<b>104%</b>
2014	105.07	51.50*	49%

Source: Lok Sabha Questions, \*up to February, 2015



**Analyses of Graph:-** in year 2011 the target to 46.53 to trained the people and and only 45.58 person they trained, in year 20127 traget was7 2.51 and skill person was 51.88 but in the year 2013 the target was 73.42 and they developed the skill 76.37 person which is the highest achievement in the skill development year. In the next year the target was increase as 105.07 but only 51.50\* people they can trained.

## **Conclusion**

Small-scale industrial sector contributes to the increase of industrial productivity and rise of national exports, generating more employment opportunities. This sector also contributes very impressively to the GDP. In view of this, the government of India has rightly recognised SSIs as the engine of growth for the present millennium. For sustainable growth of the small-scale industrial sector, top priority should be given to financial support to SSIs. State and Central Governments should facilitate the growth of SSIs mainly by creating conducive environment for production and marketing of products and services of small-scale sectors. By their less capital-intensive and high-labour absorption nature, SSIs have made significant contributions to employment generation and also to rural industrialisation. This sector is ideally suited to build on the strength of our traditional skills and knowledge by infusion of technologies, capital and innovative marketing practices. Small-scale sector has emerged as a dynamic and vibrant sector of Indian economy due to the new reforms for skill development formulated policies for the individuals and besides these there are vocational training centers. Skill development has been facilitated by the organization of certain programs, educational institutions and training centers. Skills are of various kinds, within an organizational structure it is essential on the part of the management to develop leadership skills amongst themselves such as motivating people, decision making and communication. In India, rural masses are still in a backward condition, steps therefore have been implemented to develop skills amongst them for the purpose of obtaining self-sufficiency in running the Small scale Industries and enhance the employability of small scale industries in India.

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