

Skill Development in India: Trends and Issues



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Abstract

"The growth of any country is directly related to the skills of the population. The key is to measure the skills properly."

The modern India has an expensive working quality of youth. It needs to impart adequate and appropriate skills to its workforce. That's why skill development has been a major policy agenda of the Indian government in past few years. Skill India program is a dream project of the Prime Minister of India *Mr. Narendra Modi*. He launched this program on 15 July 2015. The main aim of skill development is to increase the employability of workforce and to ensure that workers can adapt the various technological applications in all fields by 2020 covering each village. Hence, this paper tries to find out the effect of skill development program on employability. This paper sheds light on the outcomes of skill development program which are running by government and non-governmental organization. Through the review of many research papers, it is found that for the successful implementation of skill development program, it is important to provide training, support and guidance for all occupations even for the traditional type like nursing, tailoring, welders, weavers, carpet making, handicrafts etc. Since, in India, almost 68.84 % of population lives in villages so, the main emphasis should be given to rural India skill development, so that rural India can be converted into the most potential propeller of the Indian Economy. The emphasis on education would also play a vital role to build skill-based society of the 21st century.

Keywords: Employability, Skill Development, Potential Propeller.

Introduction

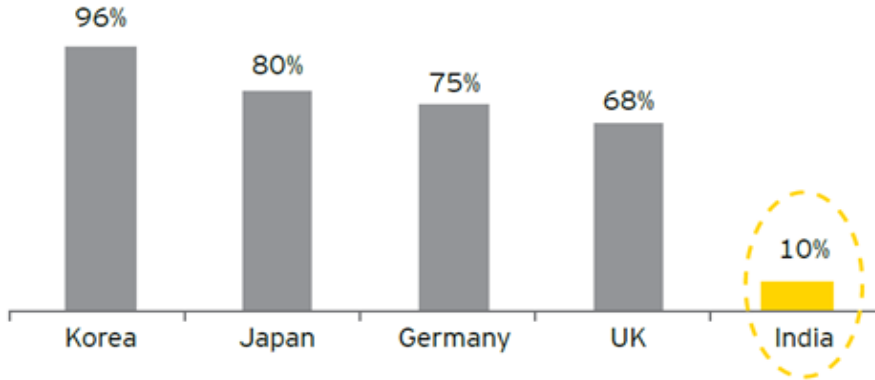
India has seen rapid growth in recent years because of the growth in new- age industries. The Indian economy is widely expected to grow at sustained high rates over the next few decades and emerge as the second largest economy by 2050.

India is one of the youngest nations in the world with more than 54% of the total population below 25 years of age. India's workforce is the second largest in the world after china. As compared to western economies where there is a burden of an ageing population, India has a unique 20-25 years window of opportunity called the "demographic dividend". This "demographic dividend" means that as compared to other large developing and developed countries, India has a higher proportion of working age population about its entire population.

The rapid economic growth has increased the demand for skilled manpower, but India is facing the shortage of skilled manpower. In India the size of the current technical training infra structure is much smaller than what is required. India currently has the capacity for training 4.3 million people per year. This is insufficient given that every year 12.8 million new people enter the workforce.

The 11th Five Year Plan reported that in India only 10% of the workforce aged between 15 and 29 years get some skilled training (2% with formal training and 8% with informal training) which is dismally low compared to China 47%, Japan 80%, Korea 96%. (Fig1)

Figure 1: Percentage of Workforce Receiving Skill Training (2008)

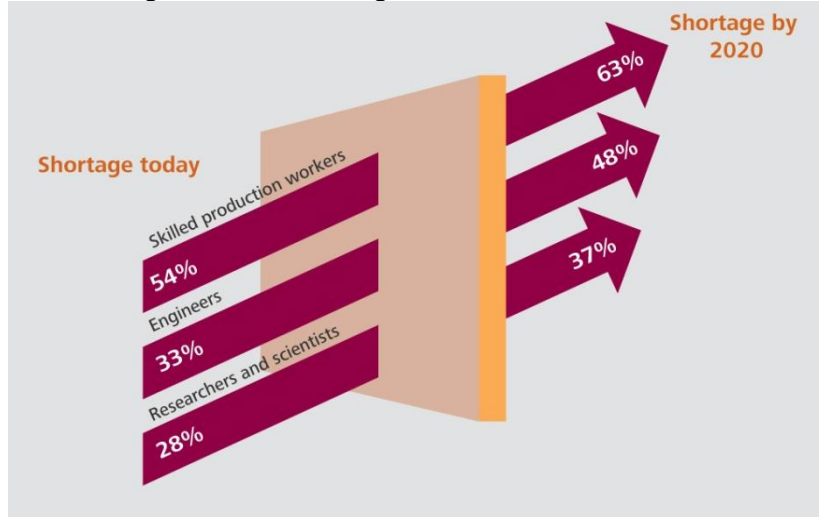


Source – Planning Commission Report (2008)

India has the workforce requirement in the industry for almost 22 million however the amount of workforce getting formally trained is 4.3 million. Due to this, the industrial employers are finding it difficult to offer the jobs to workforce as a result the positions are

lying vacant. Suitable candidates are not found for available jobs, people lack hard skills and soft skills. This leads to some serious implications when the employers look at the skill sets and the level for the workforce.

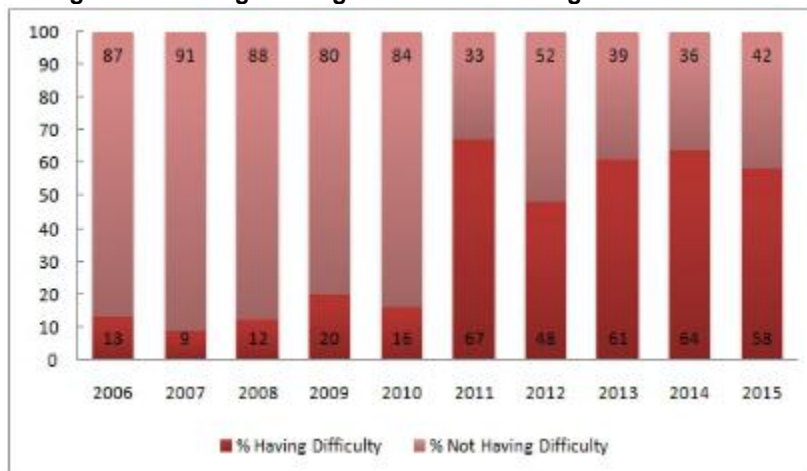
Figure 2: Picture Showing Increase in Shortage of Skilled Workers in Present Scenario up to 2020



In India, employers are facing difficulties in filling job vacancies but the percentage of having

difficulties in filling jobs fluctuate continuously from 2005 to 2015, as shown in fig. 3

Fig 3: - Percentage having Difficulties in Filling the Jobs in India



It shows that the percentage is decreased from 64% to 58% from 2014 to 2015. Employers are having major difficulty filling jobs in Accounting and

Finance Staff, IT personal, Secretaries, PA's, Receptionists, Admin, Assistant & Office support staff, teachers, Engineers, Marketing, Public Relations,

Communications staff sales managers, Management, Legal staff, Researchers etc.

Hence, the government recognized that India is facing a serious skill shortage. That is why skill development has been a major policy agenda of the Indian government in past few years.

This paper looks to find out the effect of skill development program on employability which are running by government and NGOs.

Objective of The Study

1. To understand through the review of literature the effect of “skill development” on employability.
2. To analyze through the review of literature if the skill development measures will help to bridge the gap of existing skills and required skills of workforce in India.

The objective of this paper will be achieved if the analysis will help in the future implementation of skill development program to make successful India.

Methodology

The study in this paper is based on review of secondary data. The data has been collected by government portals of *Make in India*, *Skill India*, reputed articles of research journals, prominent sites etc.

Skill Development Initiatives by Previous Government of India

The government has recognized the need for skill development with the 11th Five Year Plan providing a framework to address the situation. The first National Skill Development Policy was framed in 2009 and subsequently a National Skill Development Mission was launched in 2010. Fig 4 shows National Skill Development Initiative’s strategic institutions by govt. of India.

Fig 4. Strategic Institution in National Skill Development

Lead Initiative/ Functionary	Launched By	Launch Date
Prime Minister’s National Council on Skill Development (PMNCSD)	Prime Minister’s Office	1st July 2008
National Skill Development Coordination Board (NSDCB)	Planning Commission	24th July 2008
National Skill Development Corporation (NSDC)	Ministry of Finance	31st July 2008
National Skill Development Fund (NSDF) (Trust)	Ministry of Finance	20th October 2009
Office of the Adviser to the PM on Skill Development	Prime Minister’s Office	31st January 2011
National Skill Development Agency (NSDA)	Ministry of Finance	9th May 2013

(Source: NSDA)

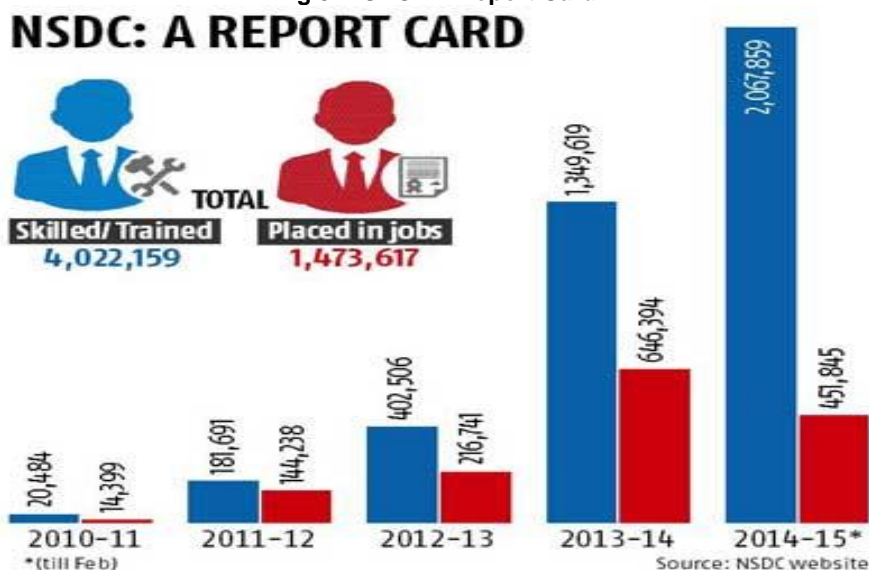
In 2008, Indian government has started a program named as “*Coordinated Action on Skill Development*”, which is led by Prime Minister’s National Council on Skill Development (PMNCSD), newly formed National Skill Development Agency (NSDA) in 2013 and National Skill Development Coordination Board (NSDCB).

This program is a merger between the officers of the advisory to PM on skill development, PMNCSD and the new formed NSDA. The aim of NSDA is to provide strategic guidance and inputs in upgrading and infrastructure development of the existing institutions like Industrial Training Institutes (ITIs), Craftsmen Training Institutes and Technical & Vocational Education and Training (TVET) system to

provide a skilled and enhance labor force to fulfill the globally accepted accreditation and global standard of skill.

The 12th Five Year Plan observes that skill development programs in the past have been run mainly by the government with insufficient connection with market demand. The country had more than 70 schemes on skill development being run across 29 states through 21 different ministries. Each one had their own norms and outcomes and tracking mechanism. The multiplicity of these initiatives had diffused the impact that skill development could have had for the youth of India as seen in Fig 5 that number of people who get job is very less in comparison to the number of skilled people.

Fig 5. NSDC : A Report Card



Growth of Manpower requirement by 2022

This time India stood on the global map with the maximum number of people in the employable age-group (population between 15 -60 years) waiting for some synergies to happen.

By 2022 more than 700 million Indians are estimated to be of working age. Out of those, more than 500 million require vocational or skill development training. The country has set a tough challenge in the field of skill development. Twelfth Five Year Plan aims to increase the percentage of workforce with formal skills to 25% at the end of the Plan. It is estimated that 50-70 million jobs will be created in India over the next five years and about 75% -90% of these additional employment avenues will require some vocational training.

To achieve the target, the first and foremost step that the current government took in shaping the skills landscape, was the creation of separate Ministry of Skill Development & Entrepreneurship(MSDE).

Through MSDE various skill development and vocational training programs are conceptualized, executed and monitored by various organizations, working closely with the government of India. There are various plans and schemes that are dedicated to achieving scalable skilling with quality and higher productivity, particularly in the unorganized or informal sector which accounts for 83% of India’s workforce.

This paper presents some organizations, missions or schemes started by government that are the striving towards sustained livelihoods and gainful employment through skilling and reskilling. These organizations collaborate with industry bodies like CII and FICCI that take ownership of various sector skill councils.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

PMKVY was launched on July 15, 2015 by Hon’ble Prime Minister, *Mr. Narendra Modi*. This is a special skill training scheme which is based on outcome scheme of MSDE. It is additionally India’s biggest skill certification scheme which focuses on the objective to alter and mobilize a large range of Indian youths to take up outcome-based skill training. This

can lead to employment for them and eventually help in their livelihood. Since this scheme was launched, as per government, almost 20 lac people have been trained under this scheme, which equals to a mean of nearly 6600 persons being either trained or upskilled on daily basis. However, looking at the stats till 25 April 2016, there are only 17.58 lacs of candidates are skilled. Also, out the total trained candidates merely 81,978 have managed find jobs since the inception of the PMKVY. These stats are as per the official data updated till April25, 2016. This works out to be a placement to skilling ratio as to less than 0.5%.

Udaan

Udaan is a special initiative in the industry for the youth of J & K which are graduates. It is supposed to cover 40,000 youth in 5 years as planned by NSDC. As per the stats, 10,555 youth got trained but only 4984 have found employment till date.

Roshni

This intense program targets 50,000 youth. This is specially for the people to be trained in 24 Naxalite affected districts over 9 states of India. This scheme will be launched with the help of training partners in public sector as well as private sector. This is to ensure that training providers will guarantee 75% placement which is supposed to be a continuous employment for 3 months and the wages will be sufficiently more than minimum wages. These placements for jobs can be anywhere in India.

Conclusion

According to the report published by MSDE, these schemes and initiatives have helped a good number of trained workforces in India. Stats show that trained youth percentage has grown by 37% which means numbers have surged from 0.76 crore (2015) to 1.04 crore (2016). But the problem remains, and it is suggested that by 2022, we need almost 10 crores of skilled personnel. Additionally, the 30 crore of the existing workforce needs upskilling to stay competitive.

After introducing multiple schemes, the question still stands that where is this Skill India

program lagging? What needs to be done to reach further heights? MSDE was created as a central point for coordination of all skill efforts across India. As seen, there are multiple bodies involved with different departments in the government, multiple training institutes introduced by the government. Also, private agencies are hired for training purposes. But the requirements of efforts are posing as a challenge even after this.

Training institutes must increase their reach to various corporates so that youth can get placed as a part of skilled workforce. Industry associations and coordination with employers requires further strengthening. The training institutes and industry tie-ups will eventually help in understanding the industry's requirements in much better way.

Whilst the schemes are employed, there is also a strong need for the people to change their mindset towards these skills and they must understand the need of these vocational training programs. Our citizens are still obsessed with academic certifications, degrees. Sometimes these degrees might not even be appropriate to obtain a job. These vocational trainings are still overlooked and considered as the last option. There is a dire need to spread awareness about the various skilling programs/schemes. Schools & colleges and training institutes need to tie up and work together to ensure that students get awareness about the opportunities. Various institutes like it is are not even used as per their potential, this needs to change.

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