



A study on skill development in India: Initiatives and challenges

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Abstract

The large population, majority of which are either unemployed or underemployed in the unorganized sector, need to be given adequate skill training which will not only aid the industries but will also encourage entrepreneurial ventures that will in turn generate future employment opportunities and fuel economic growth. India has gradually evolved as a fast-developing modern economy due to the abundance of qualified, capable, motivated and flexible human capital. However, there is a need to further develop and empower the human capital to ensure that country is standing tough and tall in global competitiveness. This paper is an attempt to understand the existing skill development landscape in India by having a bird's eye view of the importance of skill development for the economy. It is in line with the skills acquired in formal education to prepare youth and adults for the world of work ranging from informal learning on the job, apprenticeship and enterprise-based training, to learning off the job in government and non-governmental training institutions. The paper discusses recent initiatives to facilitate young people's transition to the world of work and also the challenges which are faced to impart training to the workforce to meet the job requirements of the industry.

Keywords: training, human capital, institutions, entrepreneurial, employment

Introduction

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's. India has immense potential to not only meet its own demand, but become a worldwide hub for outsourcing skilled manpower. The Indian government's 'Make in India' campaign and the accelerated growth in the economy has highlighted the demand for skilled manpower in the country. Government of India has set up a target to impart necessary skills to about 500 million people by 2022, in line with the skilled man power requirement of future. Government also aim to train 500 million people by 2022 by empowering all individuals through improved skills, knowledge and nationally and internationally recognized qualifications to gain access to decent employment and ensure India's competitiveness in the global market.

As India moves progressively towards becoming a "knowledge economy" it become increasingly important that the country should focus on advancement of skills and these skills have to be relevant to the emerging economic environment. In order to achieve the twin targets of economic growth and inclusive development, India's Gross Domestic Product (GDP) has to grow consistently at 8% to 9% per annum. This requires significant progress in several areas, including infrastructure development, agricultural growth coupled with productivity improvements, financial sector growth.

The majority of young people have limited access to education and training, and most find work in the informal sector. In recent years, India has rapidly expanded the capacity of

Educational institutions and enrollments, but dropout rates remain high, and educational attainment remains low. While India has a well-institutionalized system of vocational training, it has not sufficiently prepared its youth with the skills that today's industries require. Thus, to speed its economic growth and take advantage of its "demographic dividend," the country has recently embarked on drastic policy reforms to accelerate skills development (figure 1). Skills development is a much broader concept, more diverse, hence, more difficult to monitor. Despite the utmost importance and attention given to education and training, there is still a shortage of skilled manpower in India to address the mounting needs and demands of the economy. In the current scenario, 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.

For India, skill development is also critical from both socio-economic and demographic point of view. For the economy to grow at 8% to 9%, with the targeted growth rate of 10% for secondary, 11% for tertiary and 4% for agriculture sectors, a multi-faceted and highly efficient skill development system is imperative. Further, India is destined to be a contributor to the global workforce pool on account of demographic bonus, with the growth rate of higher working age population as compared to its total population and home to the second largest population (with a headcount of around 1.4 billion by 2025) in the world with distinct advantage of having the youngest population with an average age of 29 years.

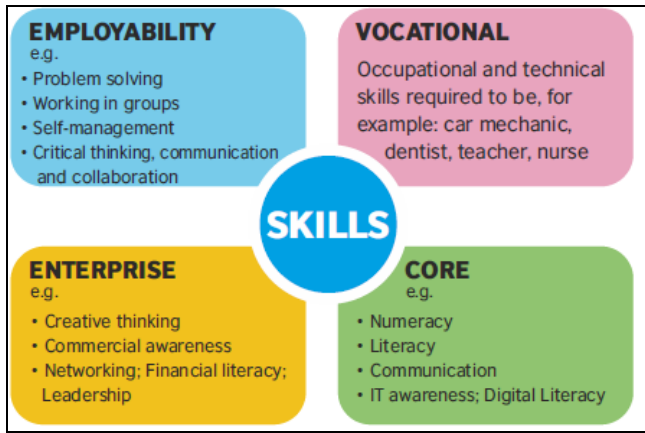


Fig 1: Types and reason for skill Development

Objectives of the Study

1. To understand the conceptual framework of skill development in India.
2. To study the importance and the rationale of skill development in India.
3. To study the present skill capacity of India.
4. To know the skill development initiatives and strategies in India and its impact on India.
5. To study the challenges faced by skill development system in India.
6. To suggest possible solutions or ways forward.

Research Methodology

The research paper is an attempt of exploratory research, solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. Looking into requirements of the objectives of the study, the research design employed for the study is of descriptive type and was adopted to have greater accuracy and in-depth analysis of the research study. The relevant books, documents of various ministries/departments and organizations, articles, papers and web-sites are used in this study.

Skill Development: Theoretical Concept

A growing number of countries have achieved the goal of universal primary education and others are moving closer to this goal. Young people who expect to pursue further education and training to improve their chances for employment and higher earnings get benefited from these goals.

Skill

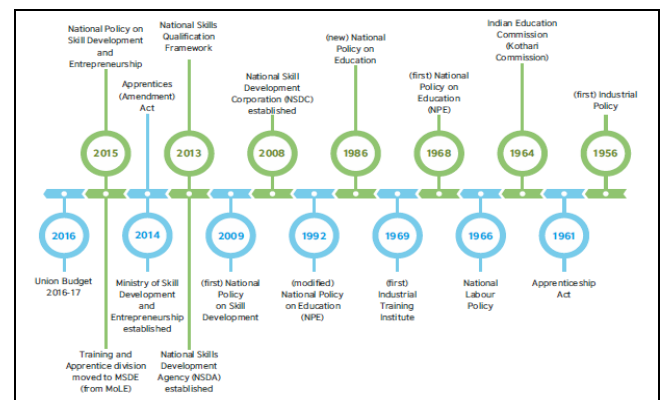
A skill is the learned ability to carry out a task with pre-determined results often within a given amount of time, energy, or both. In other words the abilities that one possesses. Skills can often be divided into domain-general and domain-specific skills. For example, in the domain of work, some general skills would include time management, teamwork and leadership, self-motivation and others, whereas domain-specific skills would be useful only for a certain job. Skill usually requires certain environmental stimuli and situations to assess the level of skill being shown and used.

People need a broad range of skills in order to contribute to a modern economy. Skill development has always been an important agenda for all the governments India has seen so far. When it comes to a fast-developing country like India,

the desired set of skills is of much more importance than any other economy. Different types of skills are needed to be developed in an individual in order to meet lifestyle and industrial needs. A few can be named as *Labor Skill, Life Skill, People Skill, Social skill, soft skill, hard skill, etc.* Realisation of type of skill required for a specific job or task is an essential need of the hour.

Skill Development

According to the International Labour Organization (ILO), “Skill development is of key importance in stimulating a sustainable development process and can make a contribution in facilitating the transition from an informal to formal economy. It is also essential to address the opportunities and challenges to meet new demands of changing economies and new technologies in the context of globalization.” The objective of Skill Development is to create a workforce empowered with the necessary and continuously upgraded skills, knowledge and internationally recognized qualifications to gain access to decent employment and ensure India’s competitiveness in the dynamic global market. It aims at increasing the productivity and employability of workforce (wage and self-employed) both in the organized and the unorganized sectors. It seeks increased participation of youth, women, disabled and other disadvantaged sections and to synergize efforts of various sectors and reform the present system with the enhanced capability to adapt to changing technologies and labour market demands. Skills development can help build a “virtuous circle” in which the quality and relevance of education and training for all genders fuels the innovation, investment, technological change, enterprise development, economic diversification and competitiveness that economies need to accelerate the creation of more jobs.



Source: <http://nsdcindia.org/knowledge-bank>

Fig 1: History of Skill Development: A Snapshot

Importance of the Study

Today, youth across the world face serious challenges regarding skills and jobs, challenges fundamentally different from those their parents faced. In the globalized economy, competition has become intensified among firms and industries in developing and developed countries alike, requiring their workers to have higher levels of skills to enable them to engage in innovation, improve the quality of products/services, and increase efficiency in their production processes or even to the point of improving the whole value chain process. Rapid technological change demands a greater intensity of knowledge and skills in producing, applying and diffusing technologies. In turn, all

these have changed the nature, contents, and types of skills that industry demands. The rationale for prioritizing Skill development can be explained as below:

1. The skills possessed by each country's population provide the fundamental determinants of prosperity and well-being and hence there is a need to focus on skill development to foster human development.
2. Skill building can be viewed as an instrument to improve the effectiveness and contribution of labor to the overall production. It is as an important ingredient to push the production possibility frontier outward and to take growth rate of the economy to a higher trajectory.
3. The global financial crisis has crunched the employment opportunities. It is thus an instrument to empower the individual and improve his/her social acceptance or value.
4. The global economy is expected to witness a skilled man power shortage to the extent of around 56 million by 2020, according to the ILO report. Thus, Indian "demographic dividend" of the youngest population in the world needs to be exploited to meet the skilled manpower requirements in India and abroad.
5. The confluence of technological advancement, globalization and economic liberalization in recent years has prompted governments in developed and developing countries alike to prioritize skills development as a key strategy for economic competitiveness and growth.
6. It is important to meet the Inclusive Growth Initiatives as well as Equitable Distribution of Wealth and Opportunity under the Welfare State concept.
7. Developing countries are deficient in skills relative to richer countries, significant numbers of those who are educated and trained end up unemployed, working in jobs that underutilize their skills or immigrating to other countries resulting in Brain Drain. The result is a misallocation and waste of resources that the countries can ill afford. India needs to focus more explicitly on the link between investments in skills development and employment and productivity.
8. Reflecting an international consensus on the critical role of skills for economic advancement, including in the poorest countries, the G20 leaders included human resource development as one of nine pillars in the group's Multi-Year Action Plan on Development adopted at its Seoul Summit in November 2010. For the HRD pillar, the G20 Action Plan envisages two actions: (a) create internationally comparable skills indicators; and (b) enhance national employable skills strategies.
9. The percentage of workers (both regular and others) in the formal sector is about 13.69 per cent of the labour force. Due to a greater percentage of workers in the informal sector there remains a huge variation in wages. Low levels of income force people to remain "employed" even if wage earnings, or in the case of self-employment, imputed wage earnings fall. In this situation, focusing on the measured rate of employment has little economic significance since many people who are technically employed may be under considerable economic stress.

Current Scenario of Skill Development in India

A committee has been set up under the 'Skills Innovation

Initiative' at National Skill Development Agency (Government of India) to bring new ideas and practices to the national level. This will benefit in implementing and Extend uniform skill development program across the nation. The skill development of the working population is a priority for the government. The objective of National Policy on Skills (2009) is to expand on outreach, equity and access of education and training, which it has aimed to fulfill by establishing several industrial training institutes (ITIs), vocational schools, technical schools, polytechnics and professional colleges to facilitate adult learning, apprenticeships, sector-specific skill development, e-learning, training for self-employment and other forms of training. However, a fresh look at this policy was much needed in the frequently changing and more demanding industry needs. It led to the introduction of the National Policy on Skill Development and Entrepreneurship, 2015. The objective of this policy is to meet the challenge of skilling at scale with speed and standard (quality). It aims to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link the skilling with demand centers. The effort is also to identify the various institutional frameworks which can act as the vehicle to reach the expected outcomes. This policy links skills development to improved employability and productivity (Figure 2).



Fig 2: Need for Skill Development

India's transition to one of the largest and fastest growing global economies during the last decade has been a remarkable phenomenon. In order to sustain its growth trajectory, an efficient and continuous system of skill development for its workforce is critically imperative for India. Therefore, this section is devoted to portray the current skill capacity of India; the major challenges in the successful implementation of skill development initiatives along with their way outs or suggestions. In India, about 12 million people join the workforce each year comprising highly skilled (constitute a minuscule part), skilled, semi-skilled and unskilled work force. The last category constitutes the majority of the population entering the workforce. However, the current skill capacity of the country is about four million. Hence, skilling and technical education capacity needs to be enhanced to about 15 million.

In order to capitalize the demographic dividend, India will need to empower its workers with the right type of skills. Thus, this section depicts the present skill levels of the Indian workforce in the age group of 15-59 years in the form of their general educational levels and vocational training levels.

1. The drop-out rates of educational institution was estimated to be 50% in the age group of 5-14 years and 86% after 15 years of age and in contrast to this the participation rate of the workforce rises rapidly after 14 years of age and it results in a semi-literate workforce which finds it difficult to absorb higher form of skills.
2. 38% of Indian workforce is illiterate, 25% has education below primary or up to primary level and remaining 36% has an education level of middle and

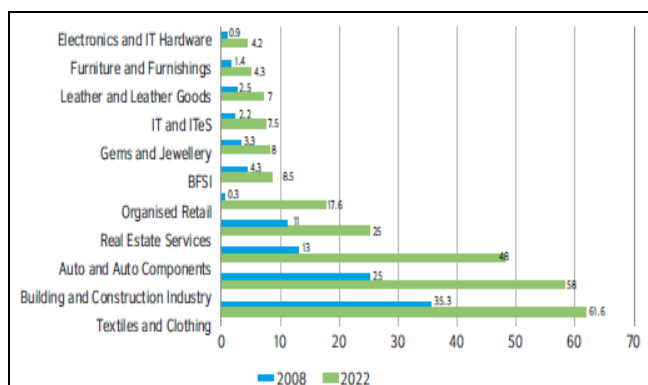
- higher level.
- 80% of Indian workforce does not possess any marketable skills.
 - Only about 2% have received formal vocational training and 8% non-formal vocational training, thereby implying that very few new entrants to the work force have any marketable skills as compared to developed economies such as Korea (96%), Germany (75%), Japan (80%) and United Kingdom (68%).

High Growth Sectors and Manpower Requirements

It is estimated that 109.73 million additional skilled individuals will be required across 22 key sectors by 2022. Manufacturing would roughly contribute towards half of these additional jobs. The key sectors are:

1. Auto and Auto Components
2. Building and construction
3. Real Estate Services
4. Electronics and IT Hardware
5. Media and Entertainment
6. Food Processing
7. Gems and Jeweller
8. Healthcare
9. Textiles
10. Agriculture
11. Apparel
12. Beauty and Wellness
13. Capital Goods
14. IT and ITeS
15. Leather
16. Mining
17. Plumbing
18. Rubber
19. Tourism and Hospitality
20. Telecom
21. Security
22. Mining

Figure shows the stunning growth rate that some sectors are expected to achieve. The building and construction sector, where the demand for workforce is expected to be 58 million by 2022, largely consists of the unorganized workforce relying mostly on migrant population of daily wage earners labourers. Formalizing the sector and improving the skill workforce is a high priority but it will take time to establish the change and pose a challenge for international collaboration.



Source: National Skill Development Corporation

Fig 3: Illustrative Human Resource Requirements in Select Sectors till 2022(in million)

Skill Development Initiatives of the Government of India

Various steps are being taken towards meeting the above objectives, such as, the formulation of the National Skills Development Policy, delivery of Modular Employable Schemes, up gradation of existing institutions through World Bank and Government of India funding, as well as up gradation of training institutes under Public Private Partnership mode, setting up of the National Skill Development Corporation, and the plan to establish 50,000 Skill Development Centers. Apart from these, several ministries/departments and state governments are engaged in skill development initiatives.

1. Skill Development Initiative (SDI) Scheme

Under this scheme, which has been operationalized since 2007, training to earlier school leavers and existing workers especially in an unorganized sector are to be trained for employable skills. A majority of Indian workforce does not possess marketable skills which is an impediment in getting decent employment and improving their economic condition. While India has large young population, only 5% of the Indian labour force in the age group of 20-24 years has obtained vocational skills through formal means whereas the percentage in industrialized countries varies between 60 % and 96%. About 63% of the school students drop out at different stages before reaching Class X. Only about 2.5 million vocational training seats are available in the country whereas about 12.8 million persons enter the labour market every year. Further, the largest share of new jobs in India is likely to come from the unorganized sector that employs up to 93 per cent of the national workforce, but most of the training programs cater to the needs of the organized sector.

2. Modular Employable Skills (MES)

- MES was developed in close consultation with industry and micro enterprises in the unorganized sector, state governments, experts and academia. It provides testing and certification of existing skills of a person the SDI-MES scheme also has the objective of building capacity in the area of development of competency standards, course curricula, learning material and assessment standards in the country.
- The scheme is targeted towards the early school leavers, people who cannot devote a long time to studies and unorganized sector workers among others to increase their employability and skill level.
- The scheme has helped those who acquire training informally, due to certain socio-economic constraints, to be assessed and have their skills nationally recognized thus enhancing their employability.

3. Star Scheme

This scheme titled “The National Skill Certification and Monetary Reward Scheme” popularly known as the Star Scheme was announced by the Finance minister in the budget speech in 2013. A monetary reward of up to Rs 10,000 is awarded to selected candidates who have successfully completed their training program from an approved training institution. The scheme is targeted to benefit 10 lakh youth with a budgetary allocation of 1,000 crore rupees.

4. National Urban Livelihood Mission/Swarna Jayanti Shahari Rozgar Yojna

The scheme is aimed to provide gainful employment to unemployed and underemployed urban youth by encouraging skill development and self-employment. The scheme is targeted to employ 2 lakh urban poor under skill development.

5. National Rural Livelihood Mission/Ajeevika

The scheme is aimed at rural poor households to gain skill development and skilled wage employment opportunities. It encourages the below the poverty line rural households to convert into self-help groups and providing them training to set up their own micro enterprise.

6. Jan ShikshanSansthan Scheme

The scheme has been launched under the National Literacy Mission, focusing on the poor, the illiterates, the neo-literates and the under-privileged. This scheme not only provides skill development but also vocational skills to provide Life Enrichment Education to people.

7. Vocationalisation of Secondary Education Scheme

It was launched by the HRD Ministry to strengthen vocational education in Classes XI-XII.

8. Saakshar Bharat Scheme

It is launched by the Department of School Education and Literacy, Ministry of Human Resource Development to promote and strengthen Adult Education, more so for women, by extending educational options to those adults who having lost the opportunity of access to formal education.

9. Skill development for women and adolescent girls

The Ministry of Women and Child Development has launched many schemes for the development and empowerment of women and children like the Kishori Shakti Yojana, Rajiv Gandhi Scheme for Empowerment of Adolescent Girls, Swayam Siddha and Support to Training and Empowerment Program for Women.

10. Enhancing skill development Infrastructure in North- Eastern States and Sikkim

The ministry of labour and employment has sanctioned the upgrade of 20 ITIs and to supplement the infrastructure deficiencies with an overall budget of 57.4 crores. It will indirectly aid in the social- economic development of the region.

11. The Multi-Sectoral Development Programme (MSDP)

The Ministry of Minority Affairs has launched several schemes for skill development and enhancing employability of the minority segment. The “Learn and Earn “scheme, also known as “Seekho Aur Kamao”, is a100% Central Sector Scheme which provides training to traditional trades/arts/craft forms. The scheme “Nai Roshni” focuses on providing knowledge, tools and techniques to enable minority women to become self- reliant and independent.

12. Skill development for people with disability

The National skill development council has supported Arunim, an NGO, to design and run programs and training

sessions and to develop viable business models build around products made by people with disabilities.

13. Rashtriya Kaushal Puraskar

National Skill Awards (Rashtriya Kaushal Puraskar) was launched to recognize outstanding achievements of individuals as well as institutional entities such as central ministries, State Skill Development Missions, Training Institutions, Public and Private Enterprises in the skill development space.

14. Rural Broadband Initiative

The Rural Broadband initiative of the Ministry of IT and Communications proposes to connect 250,000 panchayats in India using high capacity broadband connectivity of atleast 100 Mbps. Pilots for this are being planned in Vizag, North Tripura and Ajmer Where skilling content can be delivered digitally.

15. Citizen Service Centre Initiative

Citizen Service Centre’s are set up under the Ministry of IT & Communications to provide prescribed citizen services including in the villages. These centres are being used both to deliver skill development through IT and also as centres for skill development.

Sl. No.	Ministry / Department/ Organisation	Number of trained persons (in Millions)
1.	National Skill Development Corporation (NSDC)	150
2.	DGE&T (Industrial Training Institutes)	100
3.	MHRD Higher Education MHRD Vocational Education	50
4.	Road Transport and Highways	30
5.	Agriculture	20
6.	Construction Industry Development Council (under Planning Commission)	20
7.	Rural Development	20
8.	Micro Small and Medium Enterprises	15
9.	Others (Power, Petroleum etc.)	15
10.	Urban Development	15
11.	Consumer Affairs	10
12.	Finance-Insurance/Banking	10
13.	Heavy Industry	10
14.	Health & Family Welfare	10
15.	Information Technology	10
16.	Textiles	10
17.	Women & Child Development	10
18.	Chemicals & Fertilisers	5
19.	Food Processing	5
20.	Overseas Indian Affairs	5
21.	Social Justice & Empowerment	5
22.	Tourism	5
Cumulative Total		530 Millions

Source: <http://pib.nic.in>

Fig 4: Sector wise Total number of Trained persons by 2022

Measures Taken by Private companies

Non-profit organizations in large numbers are being engaged in providing skill training to enhance employability among the weaker sections of society. Companies like Tata motors, Bosch India, Toyota etc. at their level are also trying to develop the workforce and have built up their own training infrastructure to re-train entry-level candidates. Some companies have adopted various trades at ITIs in a Public Private Partnership model to make the students industry ready.

Bosch India: As part of a national mission, Bosch India along with National Skill Development Corporation

(NSDC) is working to achieve its objective of fulfilling the growing need for skilled manpower across sectors in India. The main objective is to develop and deploy a vocation training model for making underprivileged children employable. It will help in providing a pool of high-quality skilled manpower to the industry. From January to April 2013, the pilot program under this model was conducted in Bangalore. A second batch for girls was inaugurated exclusively with the aim of empowering them financially. Soon, the scope of the program will be extended to Nashik, Jaipur and Pune.

Bharti –Walmart: It is a joint venture between Bharti Enterprises and Walmart, that has established skill centers to train youth, free-of-cost, in retail skills to make them employable in a sector short of skilled manpower.

Tata motors: The training institutes keep upgrading existing technical training institutes and establishing new technical training institutes. NSDC signed MOU with Tata Motors for skill development programs in automotive sector. Automotive skills will be taught to students in class 11 and 12 as a vocal subject in a few government schools for schools identified by Tata Motors. This pilot program was introduced in 5 schools, teaching 50 students each. A total of 250 students participated in this program and was a huge success.

Volkswagen India: Their main focus was on investing on employment and education for locals. Buhler India has implemented this approach at their plant in Bangalore. Every year apprentices are hired from ITIs. They are then enrolled under the vocational courses, where both theoretical and practical training was provided by Skill Sonics. The apprentices become multi-skilled professionals after two-year vocational course, with dual certification and get the opportunity to work as employees in Buhler. The National Skill Development Mission, 2010 made a strategic plan on skill enhancement and knowledge building of about 530 youth by 2022 by NSDC, DGE&T (Directorate General of Employment and Training under Ministry of Labour and Employment, MHRD and other Ministries came together to initiate the Skill Enhancement process (Das, 2015). In the recent times, 59 Corporates/ Private Companies/Private Educational Institutes coming together with NSDC to provide Vocational Training in Skill Enhancement in India. With the help from its private alliances, NSDC targeted to achieve 150 Million skilled labour by 2022 (FICCI, Ernst &Young, September 2012) (Table 2)

Nodal Bodies for Skill Development in India

Table 2: Incremental Human Resource Requirements across Sectors by 2020

Segment	Employment base in million	2013	2017	2022
Building, construction and real Estate		45.42	59.40	76.55
Automobile and auto component		10.98	12.18	14.88
Banking, Financial Services Insurance		2.55	3.20	4.21
Textile and Clothing		15.23	18.06	21.54
Pharmaceuticals		1.86	2.60	3.58
Electronics – IT hardware		4.33	6.24	8.94
Retail Sector		38.6	45.11	55.95
IT and ITES		2.96	3.86	5.24
Food Processing		1.75	2.65	4.40

Ministry of Skill Development and Entrepreneurship

The creation of the first-ever separate Ministry of Skill Development and Entrepreneurship was announced by Prime Minister Narendra Modi in June 2014. It is conceived to encompass all other ministries to work in a unified way, set common standards, as well as coordinate and streamline the functioning of different organisations working for skill development. The Ministry of Skill Development and Entrepreneurship is entrusted to make broad policies for all other ministries’ skill development initiatives and National Skill Development Corporation (NSDC). Mapping and certifying skills, market research and designing curriculum, encouraging education in entrepreneurship, make policies for boosting soft skills and computer education to bridge the demand and supply gaps are among the other goals.

Key Bodies	Enablers	Implementing Bodies	Beneficiaries
<ul style="list-style-type: none"> Ministry of Skill Development & Entrepreneurship MHRD Ministry of Rural Development (MoRD) Other Central Ministries 	<ul style="list-style-type: none"> State Skill Development Mission (SSDM) NSDC NSDA SSCs NCVT SCVT Labour Laws Minimum Wages Act Financial Institutions Apprenticeships Act 	<ul style="list-style-type: none"> ITIs Training Providers Captive Training by Employers Schools Universities Assessment Companies 	<ul style="list-style-type: none"> Marginalized societies Unemployed youth Low income Group School & College Students

Source: FICCI-KPMG report “Skilling India”

Fig 4: Skill Development Eco-System in India

MHRD

The Ministry of Human Resource and Development (MHRD) governs the polytechnic institutions offering diploma level courses under various disciplines such as engineering and technology, pharmacy, architecture, applied arts and crafts and hotel management. MHRD is also involved in the scheme of Apprenticeship Training. Apart from this, MHRD has also introduced vocational education from class IX onwards, and provides financial assistance for engaging with industry/SSCs for assessment, certification and training.

Central Ministries

There are 21 Ministries under the central government who are also working for the purpose of skill development. There are two approaches that these Ministries have. The first approach is setting up training centres of their own for specific sectors like (adopted by Ministry of Labour & Employment, Ministry of Agriculture, Ministry of Health & Family Welfare, etc.). The second approach is in the form of Public Private Partnership (as adopted by Ministry of Rural Development, Ministry of Women and Child Development, etc.).

Beauty and wellness	4.21	14.27	10.06
Electronic and IT Hardware	4.33	8.94	4.61
Transportation and Logistics	16.74	28.4	11.66
Healthcare	3.59	7.39	3.8
Handlooms and Handicrafts	11.65	17.79	6.14
Telecommunication	2.08	4.16	2.08
Pharma and Lifesciences	1.86	3.58	1.72
Education / Skill development	13.02	17.31	4.29
Leather and Leather goods	3.09	6.81	3.72
Security	7	11.83	4.83
Furniture and Furnishing	4.11	11.29	7.18
Tourism, Hospitality and Travel	6.96	13.44	6.48
Gems and Jewellery	4.64	8.23	3.59
Domestic Help	6	10.88	4.88

Source: Ministry of Skill Development and Entrepreneurship

Skill Development Challenges In India

India is facing a lot of challenges of evolving a skill development system that can equip the workforce adequately to meet the requirements of the industry. The skill development system in India is plagued with multiple issues related to awareness, perception, cost, quality and scale. The challenges faced in skill development have been discussed below:

1. Inadequate scale, limited capacity

The existing infrastructure, both physical and human, is grossly inadequate considering the projected demand for skilled labour. In terms of faculty, too, the training infrastructure is inadequate. For instance, corresponding to the current seating capacity of about 1.7 million trainees at ITIs, there is a need of almost 85,000 trainers (considering 20:1 student/faculty ratio).

2. Awareness, mindset and perception issues

There is limited acceptance and awareness of skill development courses as a viable alternative to formal education. Skilling is often viewed as the last resort meant for those who have not been able to progress in the formal academic system. The perceived 'stigma' associated with skill development has resulted in low enrolments in vocational education courses. The aspirational mismatch that exists in India can be gauged from the example of the construction sector, which has a huge requirement of workforce with low level skills. For instance, the construction sector in Punjab faces a shortage of workers locally, and depends on the migrant workforce from Uttar Pradesh, Bihar and Jharkhand.

3. Cost concerns

Skill development initiatives in India continue to be largely dependent upon the government funds or public-private ventures. Owing to high capital requirements and low return on investments, skill development is often looked at as a non-scalable model and remains underinvested.

4. Quality concerns

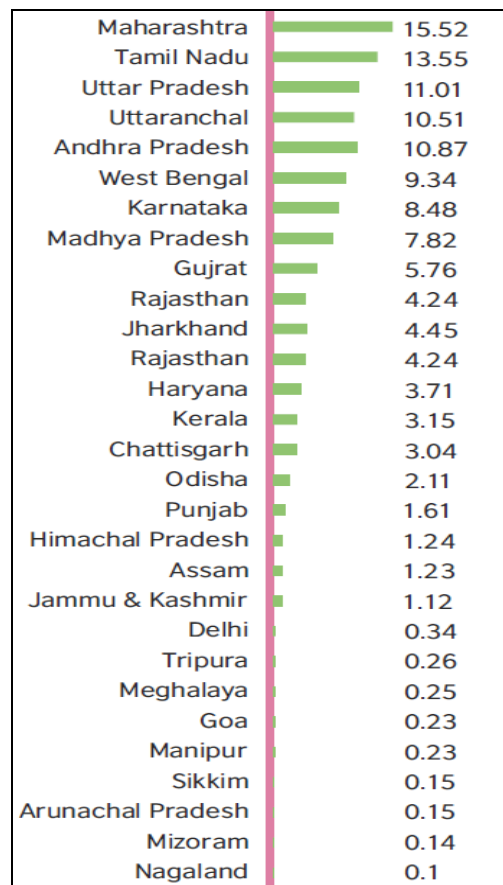
The issue relates to the quality of infrastructure, trainers, as well as curricula and pedagogy. In terms of infrastructure, the institutes often lack appropriate machinery to give students hands-on training. Even the course curricula often are outdated, redundant and non-standardised. Additionally, the lack of industry-faculty interaction on course curriculae leads to irrelevant training modules.

5. Mobility concerns

There is limited mobility between formal education and vocational training in India due to lack of equivalent recognition for the latter; a student enrolled in vocational

training often cannot migrate to institutes of higher education due to eligibility restrictions. However, the National Skills Qualification Framework (NSQF), is expected to enable multiple-entry and exit between vocational education, skills training, general education, technical education and job markets.

The table 3 shows that states like Uttar Pradesh, Utrakhand, Maharashtra, Andhra Pradesh, Telengana and Tamil Nadu would require anywhere between 10-16 million skilled manpower between the year 2012-2022 to drive the growth of its economy i.e. Top five States account for 50% of the Incremental Requirements of the country.



Source: National Skill Development Corporation

Table 3: Incremental Human Resource Requirement by States from 2012-2022

Recommendations

In India, both the government sector and the private sector

have realized the critical role education plays in building skilled manpower and in turn boosting economic growth. Some of the recommended steps that the government can take to make skill training fully inclusive and achieve the training targets:

1. Unconventional formal skill training should be imparted to extract opportunities from least explored sectors.
2. More Focus should be given on rural, uneducated and unemployed youth managing livelihood in remote areas.
3. Skills development courses should be framed keeping in view the necessities of private/ enterprise needs. For instance, specialised training to convert bio waste into meaningful products to earn livelihood at the same time protecting environment.
4. Creating a work force of certified trainers to take skill development to new heights and train youth with some direction and motive, to generate a sense of entrepreneurship and earning on own.
5. These certified trainers should be motivated to reach to the most remote areas of country and impart skills. There should be a provision of rewards by Government when they manage to meet target.
6. Financial inadequacy should not be a reason for the majority of our population to be left skill-less and redundant.
7. A Career and Counseling Window may be developed at a district level with a pool of professionals from the field of psychology and skill planning to support the initiative.
8. Women participation in vocational education and training is especially low as compared to men. In order to increase enrolments, the combined efforts with local NGOs and panchayats on informing women and their families on the advantages of vocational education, which may lead to employability, is very important.
9. Government financing, for example, could be used to encourage private provision in rural markets underserved by private provision, but also for reaching the disadvantaged for whom there is limited private incentive to invest.
10. The government can provide innovative packages of financing vocational training along with formal education to attract underprivileged youth.

Thus, there is an urgent need for a paradigm shift in the skill development sector, in favour of innovations, improvements and high-quality training

Conclusion

Globalization, knowledge and competition have intensified the need for highly skilled workforce in both the developing and developed nations as it enables them to accelerate their growth rate towards higher trajectory. To make India internationally competitive and to boost its economic growth further, a skilled workforce is essential. As more and more India moves towards the Knowledge economy, it becomes increasingly important for it to focus on advancement of the skills and these skills have to be relevant to the emerging economic environment. For transforming its demographic dividend, an efficient skill development system is the need of the hour. Prime Minister in his maiden speech said, "Skill development should be

accompanied by a spirit of '*Shram-ev Jayate*' – giving dignity to labour." Therefore to achieve its ambitious skilling target, it is imperative to have holistic solutions of the challenges instead of piecemeal interventions. The workforce needs to be trained across four levels, from the high-end specialized skills for 'White Collar' jobs to the low-level skills of the 'Rust Collar' jobs. Skill development is the most important aspect for the development of the country. It needs a coordinated effort from all the agencies, stakeholders and the students to make it a successful program.

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