

SKILL DEVELOPMENT IN INDIA

Dr. Shobha Arun Paudmal

*Assist. Professor (Dept. of Commerce and Management)
Night College of Arts and Commerce, Ichalkaranji*

ABSTRACT

Skills and knowledge are the driving forces of economic growth and social development for any country. India currently faces a severe shortage of well-trained, skilled workers. It is estimated that only 2.3 % of the workforce in India has undergone formal skill training as compared to 68% in the UK, 75% in Germany, 52% in USA, 80% in Japan and 96% in South Korea. Large sections of the educated workforce have little or no job skills, making them largely unemployable. Therefore, India must focus on scaling up skill training efforts to meet the demands of employers and drive economic growth. India's annual skilling capacity was estimated at approximately 7 million during the period 2013-2014. Apart from meeting its own demand, India has the potential to provide a skilled workforce to fill the expected shortfall in the ageing developed world. India is one of the youngest nations in the world, with more than 54% of the total population below 25 years of age and over 62% of the population in the working age group (15-59 years). The country's population pyramid is expected to bulge across the 15-59 age groups over the next decade. This demographic advantage is predicted to last only until 2040. India therefore has a very narrow time frame to harness its demographic dividend and to overcome its skill shortages. The enormity of India's skilling challenge is further aggravated by the fact that skill training efforts cut across multiple sectors and require the involvement of diverse stakeholders such as: multiple government departments at the centre and state levels, private training providers, educational and training institutions, employers, industry associations, assessment and certification bodies and trainees. All these stakeholders need to align their work together in order to achieve the target of 'Skill India'.

Key Words: Workforce, Approximately, Shortfall, Enormity, Stakeholders etc.

1. INTRODUCTION

Skill building can be viewed as an instrument to improve the effectiveness and contribution of labour 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. Skill building could also be seen as an instrument to empower the individual and improve his/her social acceptance or value. The contemporary focus on skill building or skill development in India is derived from the changing demographic profiles in India vis-à-vis China, Western Europe, and North America. These changing demographic profiles indicate that India has a unique 20 to 25 years' window of opportunity called "demographic dividend". The demographic dividend is essentially due to two factors (a) declining birth rates and (b) improvement in life expectancy. The declining birth rate changes the age distribution and makes for a smaller proportion of population in the dependent ages and for relatively larger share in the productive labour force. The result is low dependency ratio which can provide comparative cost advantage and competitiveness to the economy. The "demographic dividend" accounts for India having world's youngest work force with a

median age way below that of China and OECD Countries. Alongside this window of opportunity for India, the global economy is expected to witness a skilled man power shortage to the extent of around 56 million by 2020. Thus, the “demographic dividend” in India needs to be exploited not only to expand the production possibility frontier but also to meet the skilled manpower requirements of in India and abroad.

2. OBJECTIVES OF THE STUDY

1. To study the Government Policies on skill development in India.
2. To study the government schemes for skill development in India.
3. To study the objectives of skill development in India.
4. To study the challenges of skill Development.

3. GOVERNMENT POLICIES ON SKILL DEVELOPMENT

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. The Policy was to be reviewed every five years to evaluate the progress and revised appropriately. The 12th Five Year Plan observes that skill development programmes in the past have been run mainly by the government, with insufficient connection with market demand. It has called for an enabling framework that would attract private investment in Vocational Training through Public–Private Partnership (PPP).The NDA Government created a Ministry of Skill Development & Entrepreneurship to address the Skill Development needs.

1. 4. GOVERNMENT SCHEMES FOR SKILL DEVELOPMENT IN INDIA

- ❖ [Deen Dayal Upadhyaya Grameen Kaushalya Yojana](#)
- ❖ [Pradhan Mantri Kaushal Vikas Yojana](#)
- ❖ [Financial Assistance for Skill Training of Persons with Disabilities](#)
- ❖ [National Apprenticeship Promotion Scheme](#)
- ❖ [Craftsmen Training Scheme](#)
- ❖ [Apprenticeship training](#)
- ❖ [Pradhan Mantri Kaushal Kendra](#)
- ❖ [Skill development for minorities](#)
- ❖ [Green Skill Development Programme](#)

5. OBJECTIVES OF SKILL DEVELOPMENT IN INDIA

- ❖ Create an end-to-end implementation framework for skill development, which provides opportunities for life-long learning. This includes: incorporation of skilling in the school curriculum, providing opportunities for quality long and short-term skill training, by providing gainful employment and ensuring career progression that meets the aspirations of trainees.
- ❖ Align employer/industry demand and workforce productivity with trainees’ aspirations for sustainable livelihoods, by creating a framework for outcome-focused training. Establish and enforce cross-sectoral, nationally and internationally acceptable standards for skill training in the country by creating

a sound quality assurance framework for skilling, applicable to all Ministries, States and private training providers.

- ❖ Build capacity for skill development in critical un-organized sectors (such as the construction sector, where there few opportunities for skill training) and provide pathways for re-skilling and up-skilling workers in these identified sectors, to enable them to transition into formal sector employment.
- ❖ Ensure sufficient, high quality options for long-term skilling, benchmarked to internationally acceptable qualification standards, which will ultimately contribute to the creation of a highly skilled workforce.
- ❖ Develop a network of quality instructors/trainers in the skill development ecosystem by establishing high quality teacher training institutions.
- ❖ Leverage existing public infrastructure and industry facilities for scaling up skill training and capacity building efforts.
- ❖ Offer a passage for overseas employment through specific programmes mapped to global job requirements and benchmarked to international standards.
- ❖ Enable pathways for transitioning between the vocational training system and the formal education system, through a credit transfer system.
- ❖ Promote convergence and co-ordination between skill development efforts of all Central Ministries/Departments/States/implementing agencies.
- ❖ Support weaker and disadvantaged sections of society through focused outreach programmes and targeted skill development activities.
- ❖ Propagate aspirational value of skilling among youth, by creating social awareness on value of skill training.
- ❖ Maintain a national database, known as the Labour Market Information System (LMIS), which will act as a portal for matching the demand and supply of skilled workforce in the country. The LMIS will on the one hand provide citizens with vital information on skilling initiatives across the country. On the other, it will also serve as a platform for monitoring the performance of existing skill development programmes, running in every Indian state.

6. CHALLENGES OF SKILL DEVELOPMENT IN INDIA

The challenge of Skill Development in India is multifold. There is a large proportion of the existing workforce, which needs skill training support of varying levels. While it is estimated that at least 1.70 crore will enter the workforce every year for the next 7 years. The current annual skilling capacity is inadequate to match this demand, with many initiatives un-aligned and suffering from a lack of coordination. The situation is further complicated by different states having different demographic situations, hence different skilling needs and challenges. “Vocational Training” falls under the Concurrent list, which means State Governments have a key role and responsibility in realizing the objective of “Skill India”. The Ministry of Skill Development and Entrepreneurship however, will have a crucial role in

coordination between a range of stakeholders – including skill training providers, governments at all levels, and the end beneficiaries.

7. CONCLUSION

Skill development is critical for economic growth and social development. The demographic transition of India makes it imperative to ensure employment opportunities for more than 12 million youths entering working age annually. It is estimated that during the seven year period of 2005-2012, only 2.7 million net additional jobs were created in the country. To enable employment ready workforce in the future, the youth need to be equipped with necessary skills and education.

8. REFERENCES

1. Press Information Bureau (PIB). 2008. 'Prime Minister Writes to Chief Ministers Suggesting Use of Public Education Infrastructure for Skill Development'. Press Information Bureau, Government of India, 30 August.
2. Sinha, Janmejaya Kumar, James Abraham, and Rohit Vohra. 2008. India's Demographic Dilemma: Talent Challenges for the Services Sector — [BCG Report]. New Delhi: Confederation of Indian Industry and Boston Consulting Group.
3. World Bank. 2010. 'India Country Strategy (CAS) 2009–2012'. <http://www.worldbank.org/en/news/2010/04/06/india-countrystrategy> (accessed 12 November 2012).
4. 2009. 'National Policy on Skill Development'. Government of India.