
SKILL DEVELOPMENT IN INDIA - CHALLENGES AND REMEDIES

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Abstract: India is one of the fast developing nations in the Globe. The most valuable property of nation is youth which provides multiple benefits. In this context efforts are to be made to utilize young labor force by pumping investment on human capital, while is very much needed. Prominent changes are taking place in terms of economic, demographic and technically. In this process, development is to be distributed among all the sections of the society. India could reach its targets only when the youth can take part in the process of growth and development. Unfortunately, only 2.3 per cent of the labour force obtained skill training at the time of completion of their education, while it is 96 per cent in case of South Korea. Under these circumstances only 20 per cent of the graduates are eligible to obtain employment with their qualification and skills. India secured 6th place in the world GDP ranks in 2019. Though India contains 19 per cent of youth population, its share in World GDP is limited to 3 per cent, while America with 3 per cent of youth contributing 25 per cent in world GDP and secured 1st place. Similarly China with 15 per cent of youth population contributing 16 per cent of world GDP and stood in 2nd place. These statistics clearly speak wide variations among the percentages in terms India's youth real capacities, total GDP and World GDP.

Introduction: Skill development in India has emerged as a key strategy to realize the potential of demographic advantage of having the youngest work force with an average age of 29 years in comparison with the advanced economies to create human resource for improving country's competitiveness and growth. Economic growth is a reflection of job creation and skills and knowledge are evident requirements for any job. Both developed and developing countries are focusing on skilled people and India is no different. Our aim is to become the future skill capital of the world and government is not leaving a single stone unturned. Being the youngest nation with more than 62 per cent of its population in working age group of 15-59 years and more than 54 per cent of its total population below 25 years of age, it seems feasible.

Education, Skills and Health are pre-requisites for countries prosperous future. Half of the India's population i.e. 60 crore are below 25 years of age. Out of the 180 crore global youth in the age group of 10-24 years, India possesses highest number of 35.6 crore which is a notable feature. The next in the ladder is China with 26.9 crore, followed by Indonesia with 6.7 crore, America 6.5 crore, Pakistan 5.9 crore, Nigeria 5.7 crore, Brazil 5.1 and Bangladesh with 4.8 crore etc (UNFPA, UNO Report, 2019).

Skill Development system in India

India experiences a huge advantage by having a young workforce, which means it has high scope of providing manpower to the labour market. After assessing the high demand for the skilled workforce in the world, the Ministry of Skill Development and Entrepreneurship was formed in 2014. In India, the skill acquisition is by through two channels which include both formal and informal methods. While both Public and Private Sector aims at imparting the formal training, the informal channel is more unstructured and can be imparted through working on the job or through experiential learning. In addition to this, the government is also looking at the Public and Private Partnership known as the PPP model. Apart from this, there are privately run Industrial Training Centres known as ITCs and vocational schools. Though there is a lot of participation from the private sector on skill development but the public sector dominates the skill development programs in India.

Indian Policy framework for Skill development

The government of India designed a policy framework for skill development which includes the Apprentices Act, 1961, The National Skill Policy and the National Skills Qualification Framework (NSQF). The Apprentice Act, 1961 aims at making it mandatory for establishments in the private and the

public sector to train the students. The National Policy on Skill Development, a Public Private Partnership model, was framed in 2009 with an aim to strengthen the skill development initiatives of the country. It was established in order to promote skill development by creating large and exceptional quality vocational institution with the appropriate training infrastructure. The National Skills Qualifications Framework (NSQF), enacted in December 2013, was built on the concept of competencies which analyses the knowledge, skills and aptitude needed at each qualification.

Institutional Structure for Skill Development

The skill development initiatives in India are supported by National skill development Agency, National skill Development Corporation and national skill development fund. They facilitate all the skill development stakeholders functioning in a smooth manner and help them to achieve the desired results.

Skill Development Initiatives in India

Currently, over 40 skill development programmes are being implemented by over 20 Ministries/Departments of the Government of India. The Ministry of Skill Development and Entrepreneurship (MSDE) was created in 2014 to coordinate all skill development related activities. MSDE is supported by National Skill Development Mission (NSDM) which will provide the overall institutional framework to rapidly implement and scale up skill development efforts across India. It aims to create convergence and expedite cross-sectoral decisions through a high powered decision making framework. At the state level, State Skill Development Missions (SSDMs) are expected to act as nodal bodies to coordinate with central ministries and state line departments, industry and private training organizations. Around 25 states and 4 union territories have set up SSDMs and some have begun putting together a skills strategy to equip millions of persons over the next few years.

Further, multiple corporate companies have begun spending their corporate Social Responsibility (CSR) funds on development issues like education and skill development. Over \$500 Million was invested in CSR by top corporate companies in India 44 of 100 companies analyzed invest in some form of skill development. However, the current annual training capacity in India is less than half the required rate and stands at about 5 million persons being trained annually. Despite over 12,000 Industrial Training Institutes (ITIs) run by the Government and by the private sector, and other privately run vocational training centers, access continues to be a challenge in rural areas and in difficult to reach geographic areas particularly in the North Eastern States. As a result, capacity utilization of training infrastructure is impacted and over 50 per cent of training seats go unutilized annually. In addition, industry linkages are limited, in terms of contribution to content design or training delivery and even final placements.

Over the years Skill development programmes of the Central Government have been spread across 20 Ministries/Departments and made considerable progress. As on 31st December 2017, the NSDC by coordinating various central ministries and state governments with 354 training partners and 6,004 training centres has trained around 1.01 crore persons across India. One of the key objectives of skill development initiatives in India is to safeguard the skilling needs of SCs, STs, OBCs, minorities, and differently abled persons, as well as those living in difficult geographical pockets. Skill India aims at preparing a highly skilled workforce which is completely aligned to the requirements of industry so as to promote growth through improved productivity.

Skill Development training programmes have made considerable impact on unemployed youth in India. They become a ray of hope for rural youth to overcome poverty and paved the way for fulfilling their aims with the economic support through the job gained after skill training. They would be able to purchase basic necessities which were not affordable before, increase in level of savings and disposable income, getting wider access to education, healthcare and nutrition choices results in leading a comfortable life with their family in the society. Besides, skill development training could make changes in the personality and behavior of the youth through the interactions with the fellow trainees, instructors and employers. Thus, skill development training could have a positive impact on youth by bringing significant changes in the quality of their life. Further the skill development training programmes made improved availability of skilled workers and the quality of their skill sets for the employers.

Efforts have been made towards skilling man power in the country from time to time, some of the recent initiatives taken in this regards are the Rastriya Uchchatar Shiksha Abhiyan (RUSA), Technical Education Quality Improvement Programme (TEQIP), and national Skill Qualification Framework (NSQF). An

exclusive Department of skill development and entrepreneurship has been created under the Ministry of Skill Development, Entrepreneurship, and youth Affairs and Sports to focus on quality skill development and innovations in the country. Skilling has been reprioritized to build the capacity of poor rural youth to address domestic and global skill requirements with the introduction of the DDU-GKY, which is placement linked skill development scheme for poor rural youth. Under Urban Mission, out of 14 components, two components namely skill Development Training linked with economic activities and digital literacy is for skilling youth in rural areas. In case of skill development training linked with economic activities and digital literacy are for skilling youth in rural areas. In case of skill development training linked with economic activities, 70 percent of households are to covered under Rurban Mission, The government has been making concerted efforts for skilling India.

According to the India's employment bulletin 2020, more number of employment opportunities are emerging for block chain developers, experts in Artificial Intelligence, JAVA script developers, Robotic process automatic consultation, robotics engineers and cyber securities specialists. Moreover multinational companies are churched for newly trained skilled experts in the field of Hyper ledger, Solidity, Notjes, Smart contract, Mission learning, deep learning, Tensorflow and Python programming language. However, according to Talent roster report, 2019 realized by Infosys the MNCs to complete the on-going projects there heavy demand technical experts in areas of user experiences, analytics, IT architecture and Artificial Intelligence. But, none of the universities and technical engineering institutions are imparting training for these courses.

This gap between the demand and supply not only affects economic growth, but it also prevents the inclusive growth of the economy as a whole. Hence, it becomes the responsibility of the government to be aware of such skill gaps and take newer initiatives for bridging those gaps in order to ensure inclusive growth. Fresh employment opportunities are getting created in the field of core engineering, retail, hospitality, e-commerce and banking but there is shortfall of trained people in the country to fill the positions.

Job markets all across the world including India are undergoing a tectonic shift. The future of work in India: Inclusion, Growth and Transformation Report by the Observer Research Foundation and the World Economic Forum sheds light on the future of transformative technology and its impacts on work in India. Some key insights from this report are that companies expect technological change to lead to job creation, not job loss. They recognise the potential of new technologies in the coming years. The whole focus is expected to be on automation of repetitive tasks, time optimisation, maximising productivity, creation of digital platforms for online access to job opportunities and formalising informal operations. It is critical for people to keep picking up new tricks of their trade and keep themselves updated with new technological changes in their sphere of work. In the light of the above realities the governments and higher education institutions have to initiate steps to equip the educated work force to meet the growing world labor market demand.

Employability Skills of Graduates in India

India is one of the emerging markets in the world. India's change from an agrarian economy to an industrialized economy is lagging due to the shortage of skilled labour (The skill development landscape in India and implementing quality skill training, August 2010). Although the country has enough potential to deliver to the needs of the global talent market, the strong employability challenge of the graduates; especially engineering graduates became the bottleneck of India's growth perspective (Talent shortage survey, 2005). Even in India, which produces 400,000 engineers annually, corporations are finding it increasingly difficult to find the qualified workers they require (Replacement migration, 2009). India's National Association of Software Services Companies estimates a potential shortfall of 500,000 technology professionals by 2010. There were several studies conducted in India to know the employability skills of the students. It is found that 75% of the Indian graduates are unemployable. There was an argument that this study doesn't give a clear picture of Indian graduates and it is outdated. But the recent study conducted by World Bank(2011) points out that 64% of the employers say they are only somewhat satisfied with the performance of the engineering graduates in India (Andreas Blom, 2011). Globally about 34% of the employers find it difficult to fill the talent gap and in India 67% of the employers find it difficult to find right talent in India (from both arts and science graduates). These results point out the need for proper awareness and training among the graduates to enhance their skills.

Challenges of Skill development in India

a) **Insufficient Scale and Restricted Capability:**

- There aren't many trained and highly skilled trainers available. The faculty needs to be motivated and skilled to take up higher responsibilities.
- Another crucial aspect in skill development is the 'Train the Trainers'. The trainer should be able to assess the needs of the students considering the labour market situation. It also requires that there is an ideal mix of both theoretical as well as practical learning experience. Hence, training of the trainer has become a major challenge.
- The training infrastructure and educational infrastructure needs to be made adequate keeping in mind the number of aspirants to be skilled.

b) **Mobilization**

- The enrolment of the students for vocational education and training has become an extremely challenging task.
- There are students who are not able to pay for the fee and may not be aware of the schemes run by the government which also leads to a low mobility towards such programs.
- Like Singapore, our government needs to focus a lot on the branding strategies for skill development which may ensure a high mobility towards such programs.
- Skilling has always been branded as a blue collar job, which is further associated with low pay scales, limited growth and less challenging roles.
- The perception of the people associated with the skill development is still very traditional. The students are moving on to managerial roles as the technical trades positions are associated with low salaries and lack of recognition.

c) **Employer's buy-in**

- Many companies make their own skill centres through which they develop the people.
- Though the Skill Development also focuses on the Public Private Partnership Model but it needs a lot of effort from both the players in development of skills.
- The industry doesn't distinguish whether the person has acquired the skills through on the job training or has gone through a formal training.

d) **Scalability**

- The urban areas face issues like high operational cost which discourages such entrepreneurs to come forward.
- Since the skill development model requires high capital investments, the people are not very willing to support such a model. The challenges associated with unavailability of infrastructure, slow processing of bank loans seldom demoralizes the entrepreneurs.
- In rural region, it becomes more challenging because the people aren't aware of the credit facility and the different schemes supported by the government.

e) **Skills Mismatch**

- Though the people may be skilled but they are not employable. It becomes extremely important that the industry professionals are also included during the design of the curriculum.
- There is a lot of issue related to the skills needed by the industry and the skills imparted through the educational and training institute.
- There is a lack of industry-faculty interaction because of which the skill set doesn't suit the employer.

f) **No focus on Non-Technical Skills**

- The employers also focus on Skills like Domain Expertise, Communication, a culturally fit person, values on Honesty and Integrity, Adaptability, focused on Result, Interpersonal skill and Learning attitude.
- The Vocational Training Centres in India is focusing on developing technical skills only whereas the employers feel the need of having Behavioural Skills also.
- These skills are not covered as an integral part of the skill development. This is a major challenge as it results to a lot of unemployed skilled workforce.

g) **High Cost**

- According to the estimates of Planning Commission, around 80% of the individuals who enter the workforce don't have the opportunity for training.
- The cost of the training is high which is not affordable by many of the students aspiring for training.
- Moreover, due to unsatisfactory placement records and low salary offers after the training completion, high training cost does not appeal the target population.

h) **Direct admission without assessment**

- Randomly choosing training courses may lead to a mismatch between the interests and the abilities of the students as a result of which students are unable to cope with the course requirements and thus drop-outs occur.
- One of the major causes for low quality of training is the low frequency of pre-assessment or entrance tests before admitting students to the skill training institutes.

i) **Lack of standardization**

- There is no standardization of the course curriculum or training delivery systems due to which it is not possible to compare courses across different training institutes which also creates ambiguity among the student about skills.

j) **Career Counseling**

- The institutes are often set up in rural areas but the jobs offered to the trainees are in urban areas.
- The absence of information on the nature and location of the job leads to uninformed skill acquisition choices.
- There is a lack of proper career guidance to the students due to the inadequate placement statistics and weak industry linkages of the training institutes.

Remedies to the Challenges

I. **Evaluation of Training Institutes**

- In addition to providing grants to training institutes, NSDC should also develop some techniques to evaluate the performance of such institutes and encourage them to perform better.
- There is an urgent need to provide quality training to the students so enhance their employability.
- One such initiative can be to provide incentives to the training institutes based on their performance which can be evaluated based on certain criteria.

II. **Skills survey**

- Surveys can be conducted to find the exact skill requirement from the employers.
- Analysis of such surveys would help in designing course structures of the training programs and thus standardized course curriculum or training delivery systems can be developed.

Enlighten students

- Students should be made aware of the existing training institutes, courses offered and career opportunities after course completion.
- This will help the students to choose the right institute and course based on their interests and demand in the market.
- Moreover, it will also help in keeping a check on the fraudulent institutes which are cheating students and are not credible.

Conclusion : Skill development is the most important aspect for the development of our country. India has a huge 'demographic dividend' which means that it has very high scope of providing skilled manpower to the labour market. This needs a coordinated effort from all stakeholders including. Government agencies such as Ministry of Skill Development and Entrepreneurship, National Skill Development Corporation etc. Industries, Educational and training institutes and Students, trainees and job seekers.

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