

An Analysis of Skill Development Programmes in India – Rural and Urban

Dr. V. Sujatha
Lecturer in Economics
The Hindu College, Machilipatnam
Andhra Pradesh
Email.id: sujathavepur@gmail.com

ABSTRACT

Education is the single most important instrument for social and economic transformation. Skills and knowledge are the driving forces of economic growth and social development for any country. Globalization, knowledge and competition have intensified the need for highly skilled workforce in both the developing and developed nations. India today has its own initiative to rebuilt, reinvent and re-energize. India is expecting a huge growth in the labour market by having 64.8 percent of the population as the working population. At present India can be the largest provider of workforce to the world. The focus towards both job generation and skill development is leading the nation to greener “Demographic Dividend” pastures. In this era of knowledge based economy, skilled and employment ready manpower is utmost important. There are various initiatives which have been launched – ‘Skill India’ to hone skilled power, ‘Career Centers’ to connect the dots in the employment zone, ‘Make in India’ to create entrepreneurial capabilities and generate more employment facilities, jobs etc. But still, India has difficulty to fill up jobs due to a shortage of applicants with the right skills and knowledge. India is still behind countries like China and Singapore in imparting skills. Boston Consulting Group, in its study discussed the workforce demand and supply challenges faced in the world and stated that by 2020 the world may expect a shortage of 47 million skilled people. In this background the objectives of the study are to study the present skill capacity of India, to discuss the challenges facing by skill development system in India and to suggest some possible solutions.

Key Words: *Make in India, Skill India, Job Skills, Demographic Dividend, Matchmaking Initiatives, Entrepreneurial Capabilities, social and economic transformation, skilled workforce*

1. Introduction

The Government of India's skills gap analysis shows that by 2022, there will be an additional requirement of 109 million skilled workers in 24 key sectors of the economy. The Skill India Program through financial incentives and partnerships with industries will encourage market relevant training programs to meet the demands of employers and drive economic growth. India is recognized as one of the youngest nations in the world with over 50 percent of the population under 30 years. It is estimated that by about 2025, India will have the 25 percent of the total global workforce (World Competitiveness Yearbook, 2012). Hence, there is a need to further develop and empower the human capital to ensure the nation's global competitiveness. As far the economic progress of our country is concerned, India is still lagging behind due to various problems like poverty, unemployment, illiteracy, medical infrastructure etc. Youth plays a crucial role in achieving economic prosperity of the country.

In the present scenario, it is found that most of the youth being educated are facing severe unemployment problem due to lack of skills and technical knowledge. The government has recognized the need for Skill Development firstly 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. National Skill Development Initiative will empower all individuals through improved skills, knowledge, nationally and internationally recognized qualifications to gain access to employment and ensure India's competitiveness in the global market. The 12th Five Year Plan observes that Skill development programmes in the past have been run mainly by the government, with insufficient connection with the market demand. 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 etc

2. Need for Skill Development Programmes in India:

- India has maximum young population without jobs and their potential should be harnessed

- The skilled workforce is crucial for the success of recently launched missions - Make in India, Skill India, Digital India, Start up India, Smart Cities etc.
- India needs to create a skilled and productive workforce matching international standards of quality and productivity through integration of skills and training along with education.
- Skills are needed to the students in educational institutes for achieving better employment suitable to their qualifications.

3. Features of Skill India Programme:

Government of India started Skill India Programme with the following features:

- The emphasis of this programme is to skill the youths in such a way so that they get employment and also improve entrepreneurship.
- It provides training, support and guidance for all occupations that were of traditional type like carpenters, cobblers, welders, blacksmiths, masons, nurses, tailors, weavers etc.
- More emphasis will be given on new areas like real estate, construction, transportation, textile, gem industry, jewellery designing, banking, tourism and various other sectors, where skill development is inadequate or nil.
- The training programmes would be on the lines of international level so that the youths of our country can not only meet the domestic demands but also of other countries like the US, Japan, China, Germany, Russia and those in the West Asia.
- Another remarkable feature of the 'Skill India' programme would be to create a hallmark called 'Rural India Skill', so as to standardize and certify the training process.
- Tailor-made, need-based programmes would be initiated for specific age groups which can be like language and communication skills, life and positive thinking skills, personality development skills, management skills, behavioral skills, including job and employability skills.
- The course methodology of 'Skill India' would be innovative, which would include games, group discussions, brainstorming sessions, practical experiences, case studies etc.

4. Advantages of Skill India Programmes:

The idea Skill India is to raise confidence, improve productivity and give direction through proper skill development. Skill development will enable the youth to get blue-collar

jobs. Development of skills, at a young age, right at the school level, is very essential to channelize them for proper job opportunities. There should be a balanced growth in all the sectors and all jobs should be given equal importance. Every job aspirant should be given training in soft skills to lead a proper and decent life. Skill development should reach the rural and remote areas also. Corporate educational institutions, non-government organizations, Government agencies, academic institutions and society should help in the development of skills of the youths so that better results are achieved in the shortest time possible.

5. Challenges facing by the Skill Development Initiatives of the Government:

- **vocational Training:**

India is progressively moving towards knowledge economy, where skills are widely recognized as the important lever of economic growth. In India, around 90 percent of the jobs are skill –based i.e. they require some sort of vocational training whereas in reality only 2 percent of the population (in 15-25 years age group) enrolled for vocational training in India as compared to 80 percent in Europe and 60 percent in East Asian countries.

- **Demand & Supply Mismatch:**

The demand made by the industries and supply of labour force mismatch leads to aggravate all types of skill development initiatives of the Government and its partner agencies. Lack of correlation between demands of local economy and provisioning of skills by local institutions create an employment gap and lead to job related migration. It also gives rise to social tensions due to the skilled unemployed phenomenon. Majority of the current government schemes of India like Swarnjayanti Gram Swarozgar Yojana (SGSY), Roshini and Himayat aimed at providing employment to around 75 percent people at above minimum wages; while in reality significant number of trainees are still not able to get jobs or some dropped due to inadequate wages or poor working conditions etc.

- **Geographical Problem:**

It is another serious problem plaguing the labor market and has a more serious impact in larger economies like India as the geographical set -up or outreach of the people for skills

in India are uneven and in dismal share. The states with much higher economic growth rates have more new jobs with lower rate of labour-force while on the other hand; the states with slower economic growth rates have higher population growth rates with fewer new jobs. Majority of formal institutions are located in urban areas as compared to rural areas and even private sector institutions are also reluctant to operate in rural areas. Districts notified as backward have serious paucity of formal skill training as majority of skill development institutions in these locations emphasized only on basic livelihood skills and that is generally provided by NGOs or provided by other agencies as a part of social development programs.

- **Low Educational Attainment:**

There are about 1.5 million schools in India with a total enrolment of 250 million students (from pre-primary to high/senior secondary levels) i.e. schools constitute the maximum number of enrolments. Higher education sector comprises around 20.7 million. The total number of students enrolling for open universities and other diploma courses constitute 24.3 percent of the total students. Current annual training capacity of India is 4.3 million, which is 20 percent less than the industrial requirement of 22 million skilled workers a year.

- **Skill development programmes and women:**

In India, women also form an integral and substantial part of the workforce; but the working percentage rate of women in total labor force is declining. The share of women workforce (between 25-54 years of age) is about 30 percent in 2010 as against 39 percent in 2000, which is quite below as compared to 82 percent in China and 72 percent in Brazil. All it depict the under-representation of women in the workforce and results in the wastage of the demographic dividend to India.

- **Private sector participation:**

The private sector is not involved adequately in curriculum development and policy formulation related to educational and vocational training. Mostly private sector institutes are

located in urban areas therefore rural population remains lags behind. Due to high cost of these institutes the weaker or disadvantaged section are unable to get proper skill training.

- **Placement - Linked Challenge:**

A major problem of India's existing skill development system is lack of linkages between education and placement of that trained workforce. In India, the vocational training is offered nearly in 120 courses and mostly of long duration (i.e. of 1 to 2 years duration). Whereas in China, there exist approximately 4,000 short duration modular courses, which provide skills more closely aligned to employment requirements. In India, as compared to large firms the micro, small and medium enterprises (MSME) find it difficult to invest in skill development institutions and this result in deployment of semi-skilled workforce in many MSME firms. Majority of ITI/ITC do not offer job placement services i.e. they struggle for appropriate employment except in areas with high economic activity.

- **Lack of Labor market information system (LMIS):**

The absence of proper Labour Management Information System (LMIS) impedes the very objective of the skill initiative in India as it results in poor linkage between skill development and employment. At present, there is no proper system available in the job market where the industrial, job seekers and government come forward and share the relevant information among them and derive collective benefit from it.

- **Insufficient Scale and Restricted Capability:**

The current infrastructure facility available in the educational institutions is inadequate considering the huge demand of labour. 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. The existing infrastructure, both physical and human, is grossly inadequate considering the projected demand for skilled labour. While there is a need to create additional capacity in existing institutes, at the same time there is a need to create an adequate infrastructure even in small towns and villages

- **Mobilization:**

The enrollment of the students for vocational education and training has become an extremely challenging task. The outlook of the people associated with the skill development is still very traditional. The students would move on to managerial roles as the technical trade's positions are associated with low salaries and lack of recognition. 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. In India, educational qualification is generally preferred over vocational training as former is associated with better employment opportunities, in terms of pay as well as quality of work. Additionally, 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, under the on-going National Skills Qualification Framework (NSQF), attempts are being made to address the mobility issue by recognition of prior learning and establishing a credit system for skills, knowledge and experience gained by an individual either formally or informally. NSQF is expected to enable multiple-entry and exit between vocational education, skills training, general education, technical education and job markets.

- **Employer's buy-in:**

The industry doesn't distinguish whether the person has acquired the skills through on the job training or has gone through a formal training. Many companies make their own skill centers through which they develop the skills of their workers. 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.

- **Scalability:**

Any model to be successful needs a lot of support from stakeholders too. Since there is very limited buy-in from the corporate sector the progress of such initiatives is reduced. Skill development had not been a priority of the government earlier and hence this area has always

been ignored. Since the model requires high capital investments, the people are not very willing to support such a model.

- **Skills Mismatch:**

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. 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.

- **No focus on Non-Technical Skills:**

The Vocational Training Centers in India are focusing on developing technical skills only whereas the employers feel the need of having Behavioral Skills also. According to the India Hiring Intent Survey, 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. 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.

- **Awareness, Mindset and Perception Issues:**

Skill development in India is way below the requirements due to a lack of awareness on the type of courses as well as information on the ensuing career prospects. More importantly, there is limited acceptance 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. This is partly to do with the lack of integration between the two options and also due to rising aspirations for white collar jobs which necessitate higher qualifications. Moreover, skill development is often associated with blue collar jobs, which is largely perceived to be of low dignity and provides low wages/salaries. The perceived 'stigma' associated with skill development has resulted in low enrolments in vocational education courses.

- **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. Additionally, a fee-based model also faces challenges as prospective students are often unwilling or unable to pay high fees for training. Even the bank's willingness to lend for skill development activities is low as educational loans are perceived as high risk products due to uncertainty with respect to future employment.

- **Quality concerns:**

There is a serious mismatch between the industry's requirements and the skills imparted in educational and training institutes, especially for the mid-level skills requiring some expertise on handling of machinery. To tackle this problem, considerable improvement of the quality of training is needed. 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-standardized. Additionally, the lack of industry-faculty interaction on course curricula leads to irrelevant training modules. The availability of good quality trainers is also a key concern. The quality of trainers is affected due to limited efforts towards re-training and skill improvement of trainers. There is a lack of focus on development of trainers with a clear career path which can make this an aspiration career choice and can ensure regular adequate supply of good-quality trainers in every sector. While there is a need to constantly upgrade the training infrastructure and pedagogy, it is very expensive. This restricts the pace of modernization and up gradation. Likewise, the process of standardization is challenging in India. A significant portion of total employment falls under the unorganized segment, where it is extremely difficult to sensitize the employers on the importance of occupational standards, job roles and qualification packs.

6.List of High Growth Sectors for Skill Development in our country:

The following sectors have high growth opportunities for introducing skill development programmes in India:

1. Automobile and Auto Components
2. Banking / Insurance and Finance Services

3. Building and construction Industry
4. Construction Materials / Building Hardware etc.
5. Chemicals and Pharmaceuticals
6. Electronic Hardware
7. Food Processing / Cold Chain /Refrigeration
8. Furniture and furnishings
9. Educational and Skill Development Services
 10. Gen and Jewellery
11. Health care services
12. IT Es or BPO
13. IT Cs or Software Service s/ Products
14. Leather and leather goods
15. Media, Entertainment, Broad casting, content creation and Animation
16. Organized Retail
17. Textiles, Apparel and Garments
18. Real Estate Services
19. Tourism, Hospitality and Travel Trade
20. Transportation Logistics, Warehousing and Packaging etc.

7. Strategies to Improve Skill Development Programmes in India:

- IITs must be regulated and conduct all trades related training programmes
- There is a need to improve the quality of education in our Polytechniques
- Delays and Red tapism should be avoided in providing support to the young entrepreneurs
- All rural development institutions and NGOs also plan to provide training in skills such as electronics, electric, plumbing, computers etc.
- Seats for women candidates must be enhanced
- Transforming employment exchanges to act as career counseling centers
- Upgrade and strengthen the State Council of Vocational Training
- Revamp the Institute Management Committee and ensure genuine implementation
- To encourage girls and women to undergo skill training
- Draw up plan for strengthening existing infrastructure.

The State Governments may establish State – level missions to gear skill development activities in the Mission mode, with appropriate structures. Departments of the State Governments and Universities having Skill Development Programmes will be required to reorient their skill development strategies and programmes in line with the central objectives.

India is committed to becoming the “skill capital” of the world and structured efforts such as the India International Skill Centre (IISC) programme are evidence for this. A new, market-driven IISC network has been proposed to counsel and guide potential emigrants with a focus on skills tests, up skilling, language and pre-departure orientation. Furthermore, the Governments of India and Japan are cooperating to implement Japan’s Technical Intern Training Programme (TITP), an on-the-job training scheme providing three to five years of internship opportunities for foreign nationals in Japan, with NSDC as the implementing organization. Technical collaborations have been undertaken with countries such as the UK, Australia and the UAE for benchmarking and mutual recognition of standards.

Encouragingly, our progress so far in terms of creating access to skill development for women has been positive. More than 50 percent of the candidates trained under PMKVY are women. A significant number of women have also been trained in unconventional roles, such as in the electronics and hardware sectors. On our paid courses, women account for 40 percent of trained candidates. Here too women are increasingly enrolling for unconventional job roles, such as field technician, organic grower and automation specialist. Several training providers in our system focus exclusively on women and are promoting skill training in areas including digital and financial literacy, entrepreneurship, website design, 2D and 3D design, hardware repair and farm management. Partnerships with industry to support women-centric projects in non-traditional trades have also been explored.

8. Conclusion:

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.

Therefore to achieve its ambitious skilling target, it is imperative to have holistic solutions of the challenges instead of piecemeal interventions.

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 programme. Challenges and Opportunities to reach a larger audience will make a difference in the employment scenario of the country. India has a 'demographic dividend' and it has to work toward making it useful for the country. It will not only add value to the economy of the country but will be supporting the 'Make in India' campaign by providing the skilled workforce in the country. Like China, our vocational training programs should be included at the school level itself. The Public Private Partnership plays a key and an important role in the development and enhancement of skills. NSDC has made some progress in improving the training infrastructure in the private sector by having more and more Public Private Partnership. Such partnerships are also being encouraged in rural areas which consist of a considerable high number of aspirants. It becomes extremely important to strengthen the tie-ups with the training institutes to ensure that the quality is maintained and the model is sustainable too.

Since, there will be a huge demand in the Retail and the Hospitality Sector so the government needs to focus on the non-technical skills too. The Skill India initiatives need to focus and develop more entrepreneurship skills amongst the workforce in order to ensure more job generation in the country. The Startup India and Stand up India schemes need to be advertised well in the market in order to have more people taking advantage of such a model. The NSDC should also focus on the unorganized sector in order to make the Skill India campaign a successful model. Hence, the Make in India campaign will be successful from skill point of view and India will achieve its mission of "Koushal Bharat, Kushal Bharat".

References:

1. Skill development programmes in India – A literature Review, Maroof Maqbool, Mahmad Ahmad Khan, 2019 April
2. Skill Development in India: Gaps and Opportunities, September 28, 2018 17:45 IST | India Infoline News Service
3. The 3 challenges to skill development in India – and how to tackle them, Manish Kumar, World Economic Forum, 2019
4. Skill India Programme – Objectives, Features and Advantages, Rumani Saikia Phukan, 2014
5. India Skills Report 2016 , powered by Wheebox, Measuring World's Talent

6. Skill Development in India 2015
7. Skill Development in India, IAS Score, Manoj K. Jha, 2017
8. Skill Development In India: Need, Challenges And Ways Forward, Vandana Saini, Abhinav National Monthly Refereed Journal of Research in Arts & Education, Volume 4, Issue 4(April, 15)
9. Government of India (2012). Reports and Publications Ministry of Statistics and Programme Implementation Government of India. New Delhi
10. National Sample Survey Organization.(2010). Employment and Unemployment Situation in India (66th Rounds). Ministry of Statistics and Plan Implementation, Government of India. New Delhi
11. The nuts and bolts of skill development, Kumar Vivek, Radhika Kapoor, April 21, 2016
12. Five things that show Modi's Make in India Campaign is working, Ananth Vijay Kala, August 12th 2015
13. Skill Development in India is growing but a lot more needs to be done, Sanjeev Duggal, April 4th 2016
14. UNESCO. (2010): Reaching the marginalized: Education for All. Global Monitoring Report. Paris: Oxford University Press.
15. Skill Development Training Programmes for Reducing Gender Inequality in India, Volume : 5 | Issue : 3 | March 2016 ISSN - 2250-1991 | IF : 5.215 | IC Value : 77.65, Prof. G.Sandhya Rani