

INTRODUCTION:

The economic prosperity and human development of any nation primarily depends on the magnitude of skills and knowledge the national bestowed with. Given the demographic dividend available with the nation, India is seriously concerned to harness their human capital in terms of knowledge and skills of world standard to address the prevailing poverty and unemployment issues. While there has been an influx of opportunities on account of globalization and digitalization, it has equally intensified competition among the workforce, both within the country and across the globe. Further, the competition among firms and industry has also been intensified, compelling them improve their work efficiency and quality of products and services offered by them. This is forcing them to hire fewer, but more skilled, workers. Thus, all economies today are looking for skilled manpower of global standards and employ advanced technology to boost their industrial output and ensure economic progress. Thus, the fruits of globalization and advanced technology are available only to those economies which are bestowed highly skilled and knowledgeable human capital.

Skill development has become a priority in India to bridge the widening skill gap between industry needs and available workforce. About 90% of the jobs in India are reportedly “skill based” and require vocational training. The current skill development initiatives of various government ministries and departments are focused on organized sector workers only. Furthermore, initiatives for the organized sector have gained momentum over the last few years due to rapid advancement in the country’s manufacturing and services sector. On the other side, there is no robust skill development framework for the unorganized sector, due to which a majority of workers employed in the sector lack any kind of formal skill development training. Around 85% of the workforce in the unorganized sector does not imbibe any form of skill development, formal or informal (FICCI 2013: 8-9). Hence, it is the pertinent time for the Indian economy to devise and implement appropriate skill development framework to accelerate the skill development process and emerge as the global hub for knowledge and skills.

THE OPPORTUNITY:

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) at present. Thus, it has the potential to fill the expected shortfall in the ageing developed world by supplying needed skilled workforce.

Reports indicate that India is expected to become one of the most populous nations by 2025, with a headcount of around 1.4 billion. The country's population pyramid is expected to "bulge" across the 15–64 age bracket over the next decade. Around 64% of India's population is expected to be in the age bracket of 15–59 years by 2026, with only 13% of the total aged above 60 years. Thus, by 2020, India is poised to become the world's youngest country, with an average age of 29 years, and account for around 28% of the world's workforce.(FICCI 2013: 7).

Other reports reveal that India shall emerge as the third largest car market by 2020 after the US and China. The solar industry is predicted to generate between 1,17,000 to 2,35,000 jobs by 2020. The most significant growth will come from the manufacturing sector, which will add 32% (27.88 million) of the new jobs. Trade will be next with 24.24 million jobs, following construction with 15.13 million. Tourism-related employment, information technology (IT) and IT-enabled services (ITeS), and financial services will also grow. In the longer term, India is aiming to create 100 million jobs in the manufacturing sector by 2020 (Kelly Services Inc. 2012).

According to the Manpower Employment Outlook Survey for the first quarter 2015, it was reported that 44% of employers anticipate an increase in staffing levels. After adjusting the data for seasonal variation, the Outlook stood at +45%. Across the globe, the hiring confidence was highest in India at +45%, followed by Taiwan with +43% and New Zealand with +28%. The US reported just +16% for the first quarter (Manpower Group Services India Pvt. Ltd. 2015).

THE CHALLENGES:

The country presently faces a dual challenge of severe paucity of highly-trained, quality labor, as well as non-employability of large sections of the educated workforce that possess little or no job skills. 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. The important challenges in skill development landscape include:

1. Gigantic Task:

The country faces a considerable skill development challenge. Around 93% of the Indian workforce is employed in the unorganized or informal sector, which lacks any kind of formal skill development system. The Government of India has set a target to impart the necessary

skills to 500 million people by 2022. The Institute of Applied Manpower Research (IAMR) (a government think-tank) has computed new skill gap figures which ranges between 249 and 290 million across differing skills requirements scenarios. Around 12 million people are expected to join the workforce every year over the next decade. In contrast, the country has a total training capacity of around 4.3 million, thereby depriving around 64% entrants of the opportunity of formal skill development every year(FICCI 2013: 8).¹

Further, the raising population is also mounting the pressure on employment. Surveys have found that joblessness is also high among the skilled workers. More than 20 per cent of young Indians are jobless. Rise in India's GDP has not resulted in a proportional rise in job creation. According to the latest Labour Bureau survey, among those who got formal training, the unemployment rate was high at 14.5 per cent. Therefore, unless new jobs are created, particularly in the manufacturing sector, imparting skills to millions is not going to solve the problem (DailyO 2015). NSDC opines that while the estimate suggests that India is likely to grow at 7.5 per cent (source: The World Bank) for the current fiscal, the unemployment rate continues to linger around 3.65 per cent. The biggest challenge is to reach out to the unemployed youth of the country and motivate them to get skilled. This will help them find gainful employment and earn a better livelihood for themselves and their families (NSDC 2015: 3).

2. Age-old courses with outdated equipment and absence of practical sessions:

Many of the Engineering Institutions, ITIs, Polytechnics and Vocational Skill Providers lack needed infrastructure in terms of tools, equipment, machinery, and other training facilities. Practical sessions are almost absent in many of the institutions offering technical skill trainings. Multiple pointers indicate serious gaps between the output of skill development institutions and industry requirements. Less than 20% engineers are employable for software jobs, 7.49% are employable for core engineering jobs, even though more than 90% aspire for such jobs. Lack of adequate domain knowledge is the key reason for low employability in core job roles in both software and non-software domains (Aspiring Minds 2014)². In another report by Aspiring Minds, around 47 per cent graduates in India are unemployable for any job (Business Line 2013).

UN estimates further suggest that India will have an additional 30 crore people in the working age group (15-64 years) between 2010 and 2040. Yet, India's workforce is among the least skilled – only 3.5 per cent of country's workforce possesses some or the other skills. Industrial Training Institutes (ITIs) are not equipped, in terms of resource, infrastructure and

manpower, to meet the requirements of the industry and market. We need to upgrade the ITIs and polytechnics to fill the skill gaps in the long run, but for the present the industry will have to help itself primarily by way of apprenticeship (DailyO 2015). Further, the courses like hospitality, health-sciences, logistics, animation, banking and insurance, data analysts, etc. are yet to find their place in the present ITI or Polytechnic institutions.

3. Poor soft skills:

In the existing scenario, 83% of the job opportunities in India are in the service sector and only 17 percent of the jobs are in the manufacturing sector, thus necessitating good blend of soft skills along with domain skills for the job seekers. The communication, interpersonal and other such soft skills are very poor among the trainees.

According to a recent survey by the Rajiv Education and Employment Mission (REEM) and Telangana State Skill Mission (TSSM) revealed that despite being strong in core subjects, many students are lagging behind in grabbing job opportunities owing to their poor communication skills and practical knowledge in their respective fields. The students in higher education, especially technical education, are very poor in communicating in English, which is very essential in campus placements and job interviews (The New Indian Express Daily 2015).

4. Poor connect between institutions and industry:

The Industry and Institute interface is very poor among all the skill training institutions like ITIs, Polytechnics, and other Vocational Training Institutes. The situation is no better with many of the engineering institutions. This has resulted in poor industry readiness of the students passing out the courses.

Acquiring new skills can boost income by 21 per cent and training programmes boost the employment rate for women more than men although they end up earning 20 per cent less than their male counterparts, according to a World Bank study on India's skill development. However, found that not all government-backed training schemes have a positive impact on incomes or even employment prospects (World Bank Study Report 2014).³

5. Presence of inadequate and inferior staff:

Many of the Polytechnic and ITI institutions, including the engineering colleges are marked by insufficient, inadequately qualified and experienced staff that is at the helm of affairs. Presence of contract staff, low salaries, high attrition, etc. are some of the other reasons adversely impacting the training quality among the skill training institutions. Further, there is

no minimum benchmark laid in respect of industry work experience to be the trainers for skill development programs.

6. Aspiration mismatch:

There is a huge aspiration mismatch between the aspirations of the trainees and employment opportunities available. Expectations among the youth are high whereas matching skills as demanded by the industry are very low. According to the study conducted by NSDC it was found that there is a complete mismatch between industry requirements and aspirations of the youth. The incremental manpower requirement was found very high in respect of sectors like transportation, logistics and construction, whereas the aspirations by the youth for these sectors were very low. On the contrary, the youth aspiration for education and other services was high, whereas the incremental manpower requirement was very low. The sectors like IT/ITES and BFSI reported high in terms of aspirations of the youth and incremental manpower requirement, but the sector demands good amount of domain and soft skills (NSDC 2012).

7. Low wage rates and relocation issues:

Low entry wages and insecurity are other important factors deterring the youth to acquire employment opportunities. It is reported that more than 75% of the trainees in skill domain are from rural areas, where as more than 75% employment opportunities are in urban areas. Many of the trainees hesitant to migrate from their families and also find it difficult to survive low wages at entry point.

A major criticism of India's existing skill development system has been its inability to provide adequate jobs to trained people due to poor placement linkages. Majority of the current government schemes such as Swarnjayanti Gram Swarozgar Yojana (SGSY), Roshini and Himayat target 75% assured placement above minimum wages; however, a significant number of trainees are still not able to get jobs and are dropping out because of inadequate wages, poor working conditions, lack of jobs near home and even "low status" of available jobs (FICCI 2013: 29)

8. Other challenges:

Absence of structured and industry ready syllabi, training methodology, assessment of the trainees, casual nature of the trainees in acquiring skills, inadequate duration of training period, lack of minimum knowledge and skills like reading, spelling, writing, etc. are also

some of the important challenges to be addressed seriously to plug the gap in skill development landscape.

NEW VISTAS:

The three important flagship programs of the Union Government viz. “Skill India”, “Make in India”, and “Digital India” clearly evidences the importance laid by the union government for skill development and employment promotion in India. Provision of adequate skill sets to the workforce in unorganized sector is likely to increase the competitiveness, productivity, and gainful employment to these workers.

Several ministries/departments such as Textiles, Woman and Child Development, Agriculture and MSME have initiated programs to address the training requirement of their respective sectors and groups. The Modular Employable Skill Program of the Ministry of Labor; STEP of Women and Child Development; Community Polytechnic Development Program of Human Resource Development are some of the programs that are benefitting this segment of the workforce. However, given the scale of the problem, much more needs to be done in terms of scaling up training capacities, recognition of prior learning and functional literacy for the unorganized sector.

Ministry for Skill Development and Entrepreneurship (earlier Department of Skill Development and Entrepreneurship created in July 2014) has been set up in November 2014 to give fresh impetus to the Skill India agenda and impart employable skills to its growing workforce over the next few decades. On the eve of World Youth Skills Day (15 July 2015) the Hon’ble Prime Minister has launched “National Skill Development Mission” unveiling of the new National Policy for Skill Development and Entrepreneurship 2015. The objective of this policy is to meet the challenge of skilling the youth at scale with speed, standard (quality) and sustainability. 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 skilling with demand centers. Mission Directorate will be supported by three other institutions: National Skill Development Agency (NSDA), National Skill Development Corporation (NSDC), and Directorate General of Training (DGT). At State level, States will be encouraged to create State Skill Development Missions(SSDM).

Standardization of vocational education has been a major lacuna in the skilling curriculum till of late. In light of the above, the NSDA has initiated the development and operationalization of the National Skills Qualification Framework (NSQF) – a centralized model responsible for

regularizing the skill development agenda on a pan-India basis. NSQF intends to be an all-encompassing framework, with a strong focus on vocationalization of school education.

Sector Skill Councils (SSCs) are set up as autonomous industry-led bodies for steering skill development and training. They create Occupational Standards, develop competency framework, conduct Train the Trainer Programs, affiliate Vocational Training Institutes, conduct skill gap studies in their sector leading to a Labor Market Information System and most importantly Assess and Certify trainees on the curriculum aligned to National Occupational Standards developed by them.

During FY 2014-15, the NSDC Board approved 76 Training Partners (TPs) and eight new Sector Skill Councils (SSCs). The NSDC has more than 3,000 centres in 33 states and union territories, taking forward the mandate of the Ministry of Skill Development & Entrepreneurship (MSDE) and NSDC. At the district level, nearly 75 per cent of all districts across the country have a NSDC training centre today. At the end of FY 2014-15, the 28 SSCs have standardized 1,319 job roles through 6,625 National Occupational Standards. The SSCs have a strong industry involvement, with nearly 450 industry representatives being part of the governing councils of different SSCs. We aim to standardize all entry level job roles across different sectors in the current year. (NSDC 2015: 3)

Standard Training Assessment and Reward, a scheme branded as STAR (unveiled in 2013), aimed to provide financial aid to those who wished to acquire anew skill or upgrade their existing one. The scheme has 719 training partners, 17250 training centers, standardized 297 job roles and trained 13,99,152 people till now (NSDC 2015: 26). Recently, it is replaced by Pradhan Mantri Kaushal Vikas Yojana (PMKVY) with certain modifications and improvements.

Deen Dayal Upadhyaya Grameen Koushalya Yojana (DDU-GKY), a recently launched unique skill training program for the downtrodden, aims to skill rural youth who are poor and provide them jobs having regular monthly wages at or above minimum wages. The programs emphasizes on career progression rather than on training. At least 75% of the trainees need to be placed under the program. It takes standards-led delivery approach and ensures inclusion of SC/ST to the tune of 50 %, minorities 15 % and women 33 % of the total.

Udaan, the Special Industry Initiative (SII) for Jammu & Kashmir (J&K) is primarily focused on the J&K youth who are graduates, post graduates and three-year diploma engineers. It aims to reach out to 40,000 youth in J&K over a period of five years. It is designed to

encourage corporate to travel to J&K, interact with the local youth and recruit those who aspire to work with them.

WorldSkills India is an initiative of the National Skill Development (NSDC), under the Ministry of Skill Development & Entrepreneurship. NSDC, through its WorldSkills India initiative, has been leading India's participation at the WorldSkills International Competition since 2011. WorldSkills International Competition occurs once every two years and is the biggest vocational education and skills excellence event in the world. The competitors represent the best of their peers and are selected from skills competitions in WorldSkills member countries and regions, across the world. WorldSkills Competition was held at Sao Paulo, Brazil in 2015 and in 2017 it shall be held at Abhu Dhabi during 14-19 October 2017.

Several State Governments initiated setting up state level Skill Development Corporations, one of which is Andhra Pradesh State Skill Development Corporation started in this year only. Recently, the Andhra Pradesh State Skill Development Corporation and the National Institute of Electronics and Information Technology have entered into a Memorandum of Understanding (MoU) for offering training to students of polytechnics and industrial training institutes to suit the requirements of the electronic industry. Training will be offered on electronic systems and design management. More than 15,000 students will be trained in five years (The Hindu Daily 2015).

The Skill Development and Management System (SDMS), launched in 2013, is now emerging as one of the most robust skill management tools in the country. We now have more than 5 million skilled people registered on SDMS (NSDC 2015: 4).

CONCLUSION:

In spite of the gigantic task ahead with many inherent lacunae in skill development landscape in India at present, it is believed that the Government of India has been adequate attention on skilling the youth as per world standards. The introduction of separate ministry for “Skill Development and Entrepreneurship” and other agencies and schemes clearly evidences the priority given for skill development in India. The missions “Skill India” and “Make in India” shall come to fruition only when all the stakeholders concerned viz. government, training institutions, industry and more importantly, the youth work hand-in-hand under a structured format of design – develop – train – assess – certify – and place the skilled workforce as per the industry standards and aspirations of the youth concerned. Further, accelerating entrepreneurship and self-employment is also crucial for large-scale employment generation

in India. Skill development initiatives focusing on specific needs and challenges faced by budding entrepreneurs is the key to promote self-employment among the Indian youth.

Notes:

1. Around 93% of the Indian workforce is employed in the unorganized or informal sector, which lacks any kind of formal skill development system. Barely 2.5% of the unorganized workforce reportedly undergoes formal skill development, vis-à-vis 11% in the organized sector. Furthermore, only around 12.5% and 10.4% of the workforce in the unorganized and organized sectors, respectively, undergoes informal skill development. This indicates that around 85% of the workforce in the unorganized sector does not imbibe any form of skill development — formal or informal.
2. Of the six hundred thousand engineers that graduate annually, only 18.43% of them are employable for the Software Engineer-IT services role, while a dismal 3.95% are appropriately trained to be directly deployed on projects. For core jobs in mechanical, electronics/electrical and civil engineering only a mere 7.49% are employable. In contrast, 53% engineers have software role as the most preferred job, whereas 44% prefer core engineering jobs. This means 97% engineers want jobs either in software or core engineering. Firstly, an economy with a large percent of unemployable qualified candidates is not only inefficient, but socially unstable. Secondly, there is a large mismatch in the aspirations of graduating engineers and their job readiness, which can create large-scale dissatisfaction and disillusionment.
3. Acquiring new skills can boost income by 21 per cent and training programmes boost the employment rate for women more than men although they end up earning 20 per cent less than their male counterparts, according to a World Bank study on India's skill development programmes conducted across five states viz. Assam, Andhra Pradesh, Madhya Pradesh, Odisha and Rajasthan by talking to nearly 5,700 trainees, employers and training providers between April and October 2014. The study found that not all government-backed training schemes have a positive impact on incomes or even employment prospects. The employment rate of female trainees post completion of a skill development programme rose by 12 per cent, compared to 4.5 per cent increase recorded among male trainees. But this was only seen in the skill development initiatives steered by the ministries of labour, housing and urban poverty alleviation ministry and the training network funded by the National Skill Development Corporation. Two schemes run by the rural development ministry — Aajeevika skills and self-employment training — had no impact on employability, income or quality of work, as per the study.

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