

Need and challenges: Skill development in India

Dr. Jag Prasad Verma

HOD, Dept. of Education, Shri Sai Mahavidyalaya, Vindhyanagar, Dist. Singrauli, Madhya Pradesh, India

Abstract

The present paper attempts to study the present skill capacity, challenges in front of skill development initiatives in India along with their solutions. The skill capacity has been assessed in the form of general education and vocational training level of the Indian workforce in the age group of 15-59 and which was found to extremely low i.e. around 38% of the workforce are not even literate, 25% are having below primary or up-to primary level of education and remaining 36% has an education level of middle and higher level whereas only 10% of the workforce is vocationally trained (with 2% formal and 8% informal training). The study also found that both the Government and its partner agencies have undertaken various measures/initiatives for the effective implementation of the skill development system in the economy, but still faces a number of unresolved issues/challenges that need immediate attention of the policy makers.

Keywords: Challenges; Skills Capacity; India

1. Introduction

India has gradually evolved as a knowledge-based economy due to the abundance of capable, flexible and qualified human capital. With the constantly rising influence of globalization, India has immense opportunities to establish its distinctive position in the world. However, there is a need to further develop and empower the human capital to ensure the nation's global competitiveness.

Despite the emphatic stress laid on education and training in this country, there is still a shortage of skilled manpower to address the mounting needs and demands of the economy. As an immediate necessity that has urgently arisen from 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.

The skill development of the working population is a priority for the government. This is evident by the exceptional progress India has witnessed under the National Policy on Skills (2009) over the years. The objective of the policy is to expand on outreach, equity and access of education and training, which it has aimed to fulfil 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. The government therefore provides holistic sustenance through all its initiatives in the form of necessary financial support, infrastructure support and policy support.

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 as against the average age of 37 years in China and the US and 45 years in Western Europe (FICCI, 2014).

The increasing globalization and digital presence provide India a unique position to increase its share further in global market from current share of around 37% in the global outsourcing market. Hence such a scenario necessitates skill development for the workforce. But before going in for any sort of skill development program, it is important to determine the current skill capacity, the major obstacles in the way of the skill development programs along with their possible solutions. Thus, the broad objectives of the present paper are to study the present skill capacity, the various challenges in the development of effective skill system along with their ways forward for the success of skill development initiatives in Indian context.

1.1 Objectives of the study

- To study the challenges faced by skill development system in India.
- To study the present skill capacity of India.
- To suggest possible solutions or ways forward.

1.2 Data and Methodology

The proposed study mainly is descriptive in nature. It solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. The relevant books, documents of various ministries/departments and organizations, articles, papers and web-sites are used in this study

2. Findings/Results

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.

2.1 Present Scenario of Skill Capacity of India

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.

- 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.
- 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.
- 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%).

In-nutshell, it can be said that despite making considerable progress in terms of literacy, high incidence of illiteracy cripples the Indian workforce even today. The above facts are a stark reminder that India's demographic dividend can rapidly convert into a demographic nightmare if skills are not provided to both new and existing workforce. Thus, there is a need for increasing capacity and capability of skill development programs.

In this direction, both the Government and its partner agencies have undertaken various measures/ initiatives for the effective implementation of the skill development system in the economy. But still India faces a number of unresolved issues and challenges that need immediate attention of the policy makers. Hence, the next section deals with some of these bottlenecks along with their way outs.

2.2 Challenges before Skill Development Initiatives in India

Despite various concentrated efforts, there is still a long way to bring the skill development mission to completion due to the presence of certain serious key challenges in the path of the mission. Some of these hindrances along with their possible solutions are outlined below:

2.3 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 as:

- The number of people formally trained in a year is only 1,100,000 by Ministry of Labour and Employment and approximately 3,200,000 trained by 17 other central government ministries.

- According to the Manpower Group (USA), in Germany, USA, France, and Japan, the percentage of employers who find it difficult to fill jobs is 40%, 57%, 20% and 80% respectively as compared to Indian employers (67%).

2.4 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. Thus laggard states need to rely on migrant workers so as to cope with this challenge.
- 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. Hence, large proportions of rural population do not have any formal vocational training institutions.
- 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. Therefore, these types of skills are often not formally assessed and as a result are not recognized for employment by industrial sectors.
- There is lack of block level mapping of employment demand, local economy activities, youth population profile, social demographic profile etc. This leads to sub-optimal planning of skill development initiatives resulting in a gap between skill development and local employment demand.

2.5 Low Educational Attainment: Though the country has made progress on educational attainment as reflected below:

- 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% of the total students.
- Vocational training in India is primarily imparted through the government and private industrial training institutes (ITIs). There are total 9,447 (in 2012), with a total seating capacity of 1.3 million. The total number of ITIs has increased at a CAGR (2007–2012) of 11.5%, while the total number of seats has increased at a CAGR (2007–2012) of 12.2%.
- Current annual training capacity of India is 4.3 million, which is 20% less than the industrial requirement of 22 million skilled workers a year.
- But the reality is that some regions are still lags behind as compared to other regions in terms of accessibility of education and skills in India are:

- Higher drop-out rates of educational institutions mostly after the age of 15 years and above and especially in female students.
- Accessibility for the disadvantaged and rural section of the society is difficult due to high costs and other social impediments like transportation problems especially for a girl student travelling away from home.
- Poor quality of education which result in lack of literacy and numeracy skills on the part of students. These students find it extremely difficult to absorb even basic skills.
- Many skills taught in curriculum are obsolete and their end result is that workers are unable to find jobs according to their aspirations.
- Increase in educational institutions further lead to multiplicity of curriculums for the same skill resulting in uneven competency levels.
- There is lack of platforms where industrial and governmental agencies can meet regularly for systematic up-gradation of curriculum for new skills. Ultimately it results in lack of coordination between the job aspirants and employers.
- Inflexibility in curriculum framework of vocational training and education made it difficult for the individual to imbibe the proper skills as who enters the vocational training will find it extremely difficult to enter general education field due to lack of equality between the two.
- Hence, a low proportion of the workforce has higher education or any form of skills training. In spite of massive effort to expand the capacity of providing high-quality formal education or skills training, the workforce is still unable to gain any kind of benefit from the high economic growth.

2.6 Vocational Training

India is progressively moving towards knowledge economy, where skills are widely recognized as the important lever of economic growth, but the perception about vocational education is still doubtful i.e. it is generally meant for those who fail to get admission in the formal system. Thus, it still need time to be considered as a viable alternative to formal education.

- As it was observed in India, around 90% of the jobs are skill-based i.e. they require some sort of vocational training whereas in reality only 2% of the population (in 15-25 years age group) enrolled for vocational training in India as compared to 80% in Europe and 60% in East Asian countries.
- The current capacity of vocational training is 31 lakh against an estimated annual capacity of 128 lakh workers whereas the overall national target of skilling is 50 corer of workers by 2022 i.e. India needs to impart vocational training to at least 300–350 million people by 2022 which is significantly lower than the government target of 500 million.
- Moreover, the private sector provide skill training as required by service sector mainly to educated youth (especially 12th pass) and largely in urban regions. Ultimately, hundreds of workers in unorganized sector do not get any kind of skill training which results in low productivity levels and employability gaps among majority of workforce.

- Due to lack of awareness about industrial requirements and the availability of matching vocational courses, most of the prospective students in the country do not go for vocational education.
- Despite of various efforts on the part of Government and its partner agencies, the credibility of vocational courses in India is still questionable. Moreover, the low reputation linked with vocational courses (or blue collar jobs) and also low compensation levels among people with such skills, prevents the students from taking vocational education as they are not aware on how vocational courses can improve their career prospects.

2.7 Skill development for 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% in 2010 as against 39% in 2000, which is quite below as compared to 82% in China and 72% in Brazil. All it depict the under-representation of women in the workforce and results in the wastage of the demographic dividend to India.
- Moreover, women in India are mainly concentrated in the informal sector and are engaged in low paid jobs with no security benefits. This represents lack of employment opportunities and skills for women workforce.
- Currently, a majority of the female workforce in India is unskilled, i.e. a very low percentage of women have any kind of formal education. In India, around 65% of women in rural areas and over 30% of women in urban areas lacked basic primary school education

2.8 Private sector participation: The current situation in respect to the participation of the private sector is as follows:

- 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. Furthermore, due to high cost of these institutes the weaker or disadvantaged section also unable to get proper skill training.

3. 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.

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