

## **Skill Development Initiative In India: Need And Challenges**

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### **Abstract**

In the worlds, India is a second largest populated country i.e. Indian population is more than 121 Crores. For industrial labour in the Indian economy Structural changes have hastened changes in the patterns of demand. Modern trends shows the structures of employment specify that the workforce of India is transmigrating from the agriculture sector to the industry-and-services sectors. The contemporary paper endeavours to study the current skill capacity, skill development initiatives faces a challenges in front of them beside with their solutions in India. India is one of the youngest countries. After China's Workforce of India is the second largest in the world. Demographic dividend of China is expected to start decreasing by 2015 while India will proceed to enjoy it till 2040. The study bring into being the several initiatives/ measures for the efficacious execution of the skill development scheme in the Indian economy. It also focus on unresolved various problems and challenges that faced by a policy makers and government administrative.

**Key words:** Skill development initiative, Employment, Skill-based, Skills Capacity, India

### **Introduction**

Over the last four years, the Skill developments have been come forth as a national anteriority and it has been embark on a number of skill-training initiatives. To ensure the inclusive growth of economic of the country's by up-skilling of the labour force which helps to shift a structural towards higher-productivity sectors. For industrial labour in the Indian economy Structural changes have hastened changes in the patterns of demand. Modern trends shows the structures of employment specify that the workforce of India is transmigrating from the agriculture sector to the industry-and-services sectors. Still, labour productivity of India's is less than the other Asian countries economies. In those circumstances, the international players play an important role to exploring the Indian skill domain. The Joint initiative is taken by prime minister of India Shri. Narendra Modi and the Indian Government is too decided to develop the skill of Indian youth for entrepreneurship, business development and specific job. The Ministry

of Human Resource Development and Training is to start the National Skill Development council for skilling, up-skilling and re-skilling among the Indian youth.

India is famed for population size, complexity and diversity, it may be socioeconomic, geographical, political, cultural, or developmental, all of which effect on every face of life, including education, training, employment and workforce considerations. In the world, India is one of the youngest countries. After China Workforce of India's is the second largest in the world. Demographic dividend of China is expected to start decreasing by 2015 while India will proceed to enjoy it till 2040. Still organise skilled workforce of India's is 2% approximately - which is drearily low in comparisons to South Korea (96%), Japan (80%) Germany (75%), UK (70%) or China (47%)<sup>3</sup>. In the international level, India is outstandingly positioned due to demographic dividend. It also makes a comparison to other developed nations whose population is getting old. US, China, Japan Western Europe, and several other countries are struggling with an aging population in the world. On the other hand, Demographic dividend also popularly known as demographic dynamics. Demographic dividend shows the contributions in the economic growth potential and productivity by shifting the population age structure that occurs. When the share of the non-working age (less than 14 years younger and above 65years older) populations is less than the working age

share of the (15 population to 64). It means 62 percent of India's population is in the working age group i.e. 15-59 years and more than 54 per cent of the total population is below 25 years of age. It is estimated that the average age of the population in India by 2022 will be 29 years as against 40 years in USA, 46 years in Europe and 47 years in Japan<sup>4</sup>.

-Guardian led with the headlines „every month for the next several years one million Indians will turn 18“<sup>5</sup>.

### **Review of literature**

**Saini V. (April, 2015)** studied on the topic **“SKILL DEVELOPMENT IN INDIA: NEED, CHALLENGES AND WAYS FORWARD”**. The objective of the study was to found that the skill development initiatives of the government should focus on these obstacles and develop the programs accordingly to resolve these hurdles for the complete success of the skill development initiatives. For transforming its demographic dividend, an efficient skill development system is the need of the hour.

**Aggarwal S.(2016)** has written paper which attempts to illustrate the importance on **“Central Pillar of Employability: Skill Development”**. This research paper is an effort to understand the present skill capacity and the challenges faced by skill development system in India along with their solutions. To assessed the level of skill capacity of the Indian workforce with the help of education and vocational training. The present study also found that

both the government and its partner agencies have launched various measures/initiatives for the effective implementation of the skill development system in the economy. And still it faces a number of undetermined issues/challenges that need immediate attention of the policy makers. And it also finds that these programmes are unable to create avenues for casual workers and are not of the scale needed.

**3 Gandhi M. M.(2015)** In his recent research opined on the topic “**enhancing skills and employability in India: recent initiatives, issues and challenges**”. The current study introduced that the emerging trends in, efforts made, and critical issues and challenges concerning to Skill Development in India. The present study also discussed the concepts of „graduations“ and „employability“ that have also been the subject of much recent debate. In any developing economy education is one of powerful instrument which play a significant role in economic, cultural and social development of the country. If our human resources are not fully developed and utilized, then all developmental schemes and programmes will not able to achieved the success. India at a steady rate changing to a fast tract of industrial and economic development, which leads to increasing demands on education and requirement for a highly diversified human resource

**Kapur R.(2014)** in the recent research has highlighted on “**skills development in India**”. The present studied is focused on

transmit information about the concept of skill development in India. It also formulates the various programs and policies that have been initiated for this purpose in rural and urban area. The several forms of other skills like computer skills, literacy skills, trading skills, craftsmanship, manufacturing etc. which can open ways towards development of the individuals. The kinds of skills and knowledge that acquired by individual always lead towards progress. It is not necessary that the results applicable immediately but in the long run it always ensure to be beneficial for individuals.

#### **Statement of the Problem:**

In the upcoming years India will have the maximum young population .India is fleeting through a stage of unmatched demographic change. Around 35% in the age group between 18 to 25 years of the working population is growing. Though, it is likewise imperative that this augmented labour force must be provided appropriate training which assist in fetching desirable skills and work up in their capacity. Until and unless proper prearrangement is prepared to improve skills in the young population might be position a grievous menace to the constancy of the apprehension. Therefore, in India skills development training is the fundamental problems accompanying with human resource enhancement. The research paper study the various problems/challenges which faced by them. Henceforth the “Skill development initiative in India: Need and challenges” is the title of the paper.

### **Relevance of the Study:**

Nowadays the important issue is to develop the employable quality in Indian youth. The meaningful development of Indian youths is not possible if efforts are not made to improve the abilities and skills. There is no guarantee provide having required skills if we Simple possession of certificate and degree. Therefore there is unmatched the demand and supply of human resource requirement in the industry sectors which results the deterioration of quality, productivity and efficiency. This happens due to not receive right manpower resource inputs in the Indian economy. It is very serious obstacle which restricts the growth and development of our country due to unavailability of coveted human resources.

### **Objective of the study**

The studies have been accompanied generally to:

- 1) To study the present status of skill capacity and need of skill development in India and its impact on India
- 2) To study the various initiatives and strategies of Skill development in India
- 3) To understand challenges faced by skill development system in India.

### **Research methodology**

In this research paper the study is an attempt of exploratory research and based on Secondary Data. The secondary data

was extensively used for the study and have been collected from accessing various sources of journals, emerald, magazines, articles, ProQuest, libraries, media reports and government portals of Skill India, Make in India etc. The research design of the study is based on descriptive type according to the need of objective of the study. And the research design of the research study has been accepted to have ensure that the greater accuracy and in depth analysis.

### **Need for skills development training**

For any country skills and knowledge are powerful instruments which play a pivotal role of social development and economic growth. The FICCI-KPMG Global Skills Report has noted that if properly skilled, they can contribute to economic growth. Skill development is consider as power of impelling forces to improve the contribution and efficiency of labour which directly related to the overall production. It endows the individual skills and also improves their probabilities of employability. India moving towards knowledge based economy/society in which maximum population east among in the age group of 20-25years then it required a new generation must be educated and to be concentrate on the encouragement of the skills. These skills have not to be irrelevant it means it become pertinent to the rising the environment of economic. In the world, one of the youngest populations in India but it is heterogeneous in its demand for skills. The most major economies put India at strong comparative advantages due to surplus workforce and low dependency ratio. These strong projections have

practically to do with demographic profile of the nations. India demands to convey the adequate and appropriate skills to its workforce by utilising the demographic dividend effectively. Indian people do not possess any type of skills like the industrious skills, professional skill, computing skill, communication skill, leadership skill, Managerial skill, entrepreneurial skill etc. which are essential to enjoy a better human life. This is one of the biggest challenges faced by the country is to develop skill in human being.

### **Current status of Skill capacity and Governance Of skill Development Initiative in India**

In order to capitalize the Demographic dividend, it shows the contributions in the economic growth potential and productivity so that India will requisite to endow its workers with develop the right kind of skills. Thus in the age group of 15-59 years represents the requirement of present skill levels of the workforce in Indian through their vocational training levels and general educational levels.

1. India's labour market by tradition has been pigeonholed as highly hierarchal and segmented of total employment with 86% in the informal sector, including self-employment. (World Bank 2012B). India's workforce finds large number of labour force with old-fashioned skills. The Indian economy is rising and the growth rate that is estimated to generate not less than 3/4th of fresh job openings are

predictable to be skill based. The less employment opportunities is created and wages given to the youth throughout the skill training program is turns as a discouragement to skill acquisition.

2. In India the skill development atmosphere is quiet multifarious. The public sector in India landscape has been conquered the vocational training. Yet, the skill development galaxy has in progress to rise due to the private sector's contribution and eminence predominantly in services sector training. In the 15-59 of age group of the Indian workforce was found to very low that is around 38% are illiterate, 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 10% only is vocationally trained of the workforce with 8% informal training and 2% formal training
3. It is assessed that in India only 2% of the total workforce has go through organise-formal skill trainings which is drearily low in comparisons to South Korea (96%), Japan (80%) Germany (75%), UK (70%) or China (47%) , so indicating that very few new players have any marketable skills to the work force The main aims of the 2009
4. National Policy on Skill Development by 2022 is to train 500 million people by endowing all individualists through with enhanced skills, knowledge

extending throughout an entire nationwide and globally recognized qualifications to gain/increase the accession to respectable employment and ascertain India's competitiveness in international market. It also objectives to escalate produce workforce in unorganised and organised sectors particularly surrounded by youth, women, disables, disadvantage sections. Out of this 500 million, National Skill Development Corporation (NSDC) will train 150 million; while the Directorate General of Employment and Training (DGET), under the Ministry of Labour and employment will train 100 million, MHRD will train 50 million and the rest 230 million shall be trained by 21 central ministries, departments and various other organisations through 70 skill development schemes crossways numerous areas are being implemented.

years	person trained by NSDC(IN LAKHS)
2010-11	0.02
2011-12	1.82
2012-13	4.03
2013-14	10.05
2014-15	34.42

**Sources: [www.swaniti.in](http://www.swaniti.in)**

The government of India having intellectualized the requirement of Skill Development have been synchronized Action mechanism on Skill Development with a Three – Tier institutional structure containing of:

#### **A) Institutional Arrangements**

**(1) P.M.'s National Council on skill development:** It is an apex institution which is set up under the Chairmanship of Prime Minister for policy review and direction. The Ministers for Human Resource Development, Labour and Employment, Finance, Micro Small & Medium Enterprises, heavy Industries and public enterprises, Rural Development, and Housing and Urban Poverty Alleviation are members, Deputy Chairman, Planning Commission, Chairperson of the National Manufacturing Competitiveness Council, Chairperson of the National Skill Development Corporation and 6 experts in the area of skill development are other members. Principal Secretary to the Prime Minister is the Member Secretary to the Council. It aims to setting and laying down core strategies.

**(2) National Skill Development Coordination Board (NSDCB):** Under the

#### **Schemes implemented by various ministries**

year	Target (in lakhs)	Persons skilled (in lakhs)	achievement
2011-12	46.53	45.58	98%
2012-13	72.51	51.88	72%
2013-14	73.42	76.37	104%
2014-15	105.07	51.50*	49%

**Sources: Lok Sabha questions,\*up to February, 2015**

Chairmanship of Deputy Chairman and Planning Commission NSDCB is formed. The members of NSDCB are Secretaries of Labour and Employment, Ministries of Human Resource Development, Finance, Housing and Urban Poverty Alleviation, Rural Development. Chief Executive / Chairperson Officer of the NSDC, Secretaries of four States by rotation, for a time period of two years, and three illustrious experts in the area of skill development are other members. Member Secretary of the Board is Secretary and Planning Commission. Its main purposes to fulfil the demands of skill development in Indian economy by reckon the strategies by instigating the decisions of the P.M.'s National Council on skill development and develop the suitable guiding principle.

(3) **National Skill Development Corporation:** Under the Companies Act 1956, a non-profit company is set up with an appropriate governance structure. is a person of The renown professional in the field of Skill Development is the head of the NSDC .it is command is to fund skill development training initiatives by catering practicability gap funding to private skill development institutes. It has ideas to establish a Sector Skill Councils (SSC) an autonomous body enumerated as Section 25 companies or public companies. It set up Sector Skills Councils with ensuing purposes:

a) It identifies the skill development requirements by formulating a list of several categories of skills and to help persons to select range and depth of skills by them.

- b). It develop the skill development plan according to sector wise and sustain skill catalogue.
- c) It ascertaining competency/ skills qualifications and standards.
- d) it Calibration of accreditation and affiliation process.
- e) it Design and implement Training of Trainers.
- f) it doesn't demotion of academies of brilliance.

g) To help proper planning and delivery of training to setting up a Labour Market Information System (LMIS).

**B) National Council for Vocational Training (NCVT) :** It was dictate and depiction of NCVT by strengthening and re-engineering. The foremost purposes contain:

- a) It Plan, development and maintenance of NVQF which among other things includes:
  - i) It planning a outline for proficiency standards, course structures, structure of credit, accretion and certification.
  - ii) It introducing a agenda for affiliation and authorisation of institutions.
  - iii) Mechanism of Quality control.
- b) At the national level it set up a specific Labour market information system and dissemination of information.
- c) The efficiency and proficiency of national skill development determinations are Monitored and

evaluated with proper reporting and communication appliance.

- C) Social Partners in Skill Development:** Partnerships will be deliberately encouraged between Government, local governments, trade unions, civil society institutions, industry, and all skill providers. It will also comprise: professional societies, training providers, Cooperatives, NGOs/civil society institutions and Self Help Groups. An institutional mechanism is formed and consulted in steady way through stake holders will make the stepping-stone corner of Skill Development Initiative.

**D. Modular Employable Skills (MES) development Scheme/ initiative:**

The Skill Development Initiative Scheme (SDIS) is offered the Modular Employable Skills (MES) scheme. The Ministry of Labour and Employment started the development of new strategic framework i.e. MES, through skill development for early school leavers and existing workers in the unorganised sector in close discussion with State Governments, industry, academia, experts and micro enterprises in the unorganised sector. The concept of MES has been the potentiality to go an elongated style in fostering skill development. it has also providing a alleyway for numerous entry and exits along with transmuting skill development from skill acquisition of long term (1 to 2 years) period to short term (about 3 months) period. The

foremost aim of the structure is to offer employable skills to school dropouts, existing workers, and graduates of ITI/ITC etc. The persons already employed can be verified their Skill levels and certified under experiential learning/ certification of prior. In every phase of design and execution of the outline, the Public Private Partnership (PPP) envisioned in the practice of active participation of the private sector/ industry.

- E) Directorate general of Employment & training (DGET) Skills development Scheme/ initiative:** in the ministry of labour the Directorate general of Employment & training is a head of organisation for skill development and coordination level for the programmes relating to vocational training and employment services.

1. Establishment of 1,500 new ITIs through the DGET
2. Establishment of 50,000 Skill Development Centres through the DGET

**Skill Development Strategies:**

1. There is a requisite to develop the quality of education and modify the curriculum.
2. All NGOs and Rural Development Institutions also design strategies to offer training in skills like electric, electronics, computers, plumbing, etc.
3. To promote the Young entrepreneurs by avoiding the Delays and Red tapism.



4. All trades correlated training programmes essential to be regulated and conduct for IITs/ITCs.
5. Advancement and support the State Council of Vocational Training.
6. To be enhanced the Seats for women candidates in skills centres/other places and motivates them to go skill training.
7. To open a career counseling centre's for transmuted employment exchanges.
8. Young people must be fortified and enthused to join the IITs and Polytechnics
9. Refurbishment the Management Institute Committee and make sure the implementation is genuine.
10. To design the strategy for establishment prevailing infrastructure facilities.
11. To finance and improving the efficiency of on – running programmes like Reform the prevailing ITIs, polytechnics etc.

### **Challenges to Skill Development in India**

In The current scenario the country currently faces a double challenge of unembellished scarcity of quality labour, highly-trained, and also unemployability of enormous sectors of the educated workforce that retain fiddling or no skills for job. In the world, our country will have the large number of working-age population by 2022. The FICCI-KPMG

Global Skills Report has been reported that the appropriately skilled individuals can make a contribution in economic development and growth. There are several challenges faced to skilling individuals under the skill development in India.

They are:

**1. Gargantuan Task:** The Indian economy face challenges a skill development of significant. The Indian workforce is engaged near by 93% in the informal or unorganized sector due to lacks several type of formal skill development system. The Indian Government has established a target to achieve the essential skills to 500 million persons by 2022. The Institute of Applied Manpower Research (IAMR) (a government think-tank) has been calculated new skill gap information which ranges from 249 to 290 million across different skills demands premises. About 12 million individuals are anticipated to juncture the workforce every year concluded the next decade. In contrast, the our nations has been capacity of total training is 4.3 million, thus grudging about 64% players of the chance of formal skill development each year(FICCI 2013: 8).

**2. Demand-Supply Mismatch:** There is a misalliance between the demand and supply of labour at several skill levels like the registration in skill institutes like ITIs, ITCs and polytechnics, has been continued comparatively low. The student's attractiveness and the whole performance of skill institutes are largely depend on industry links. It means it checks that the

capability of skill institutes through their placements is provided on completion of the training program or not. Practical sessions are not presented in numerous of the institutions contribution in technical training of skills. Manifold indicators direct serious gaps is observed in the outcome/supply of skill development institutions and industry demands. Not more 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 acceptable dominion knowledge is the main cause for less employability in central job roles in both software and non-software dominions (Aspiring Minds 2014)<sup>2</sup>. In another report by Aspiring Minds, around 47 per cent graduates in India are unemployable for any job (Business Line 2013).

**3. Under-Investment in Skill Acquisition:** the under-investment by all stakeholders in the skill acquisition procedure is the major problematic issues. The assistances of skill acquisition cannot mount up completely to the trainees. The under-provision of training is view for public good and articulates the reluctance to make an investment in skill acquisition by way of the free rider problem. The Students are not in position to understand the profits of attaining training so that they are unenthusiastic to invest.

**4. Poor Availability Of Information:** The skill development institutes do not

recognize the skill wants of the industry. There is need of faculty-industry partnership which guarantees that the courses of skill development aid the students to soak up skills that are imperative for accomplishing the offered jobs. The poor availability of information on the nature and location of the job pointers to unapprised skill acquisition adoptions. Students are inattentive of the prevailing courses and they also do not know how to ameliorate career forecasts.

**5. Poor Quality of Training:** the one more problem is that there is poor delivery of training at skill institutes of the small frequency of aptitude tests or pre-assessment before admission of students. Randomly selecting courses indicates that the unsuitable match between a student's intrinsic capabilities and interests and the skill training divulged. For the skill development the targeted population is choosing, it must check the economic status because many students are not able to afford the training cost. According to Planning Commission estimates, 80% of new entrants to workforce have no opportunity for skill training. There is mismatch of course content, delivery systems of training or curriculum. It is very difficult due to the nonexistence of specific definitions for deliverables and the lack of accreditation systems.

**5. Lack of Branding:** Skill development is yet to gain acceptance as a viable alternative to formal education. Most of the forthcoming students are grudging to

supernumerary the two subsequently. They do not have information on demand of industry and also do not have satisfactory proof of individuals getting jobs after skill development courses are finalizing. Although it can be grasped as skill training, career prospects enrichment, self-employment is not considered sufficient for employment. There is no coordination between vocation education and formal systems which results the low salaries received by workers.

**6. Low Wage Rates and Relocation Issues:** the one the important factors are less entry wages and insecurity are discouraging the individuals to attain employment prospects. In approximate 75% of the trainees belong to rural zones in skill domain while approximate 75% employment opportunities are available in urban zones. Most of the trainees undecided to transfer from their families and also found the difficulty to stay alive in low wages at starting point. A major criticism of India's existing the skill development system in India is exists, it has been not ability to offer acceptable jobs to trained individuals due to not proper placement facilities.

**7. Suggestions:**

- 1) The industry can be impose it by certifying that ancillary service suppliers like housekeeping, security staff, and drivers ensure skill certification at a local level.
- 2) Approximately 2% of the country's labour force have undergone to formal

skill certification. There is need that the government and industry must approach pull aspects to draw the interest of workers to acquire vocational training. It can be possible only when the Indian government formed the micro and macro policies to boost the workers.

- 3) The National Skills Qualification Framework well defined the Minimum wages prerequisite to be re-formed and associated to the levels.
- 4) In the proposing process there is requirement that the government should include a small percentage of trained skilled work forces of every human power demanding project and every year upsurge the small percentage.

**Conclusion**

The comparison of other Asian countries with India's in respect of labour productivity is much lower. . To ensure the inclusive growth of economic of the country's by up-skilling of the labour force which help to shift a structural towards higher-productivity sectors. It requires to more focusing on the development of human resources to make them more productive. It can be done through with the help of increase the knowledge of the people, modernization of their attitudes and improvement of the skills. So that skill development programme has been arisen as a national primacy. Government and prime minister of India Shri. Narendra Modi has been introduced a number of skill-training initiatives for the Indian youth. Its

objective to develop the skills of Indian youth which helps to grab the job opportunities and self-employment. Now it is important time for our educational institutions have to come frontward and play a vital part in several skill development programmes. It is essential for economic and industrial development and also for social steadiness.

The mounting unemployment indications to turbulence which automatically distress the drapery of stability and growth unpleasant. Consequently academic institution must understand their responsibility and accept skill development programme as their elementary aims. It must turn into their mission whom they have to do with enthusiasm and keenness.

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