



Skill Development

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1. Introduction

Skill Development can be defined as proficiency that is acquired or developed through training or experience. It strengthens the ability of individuals to adapt to changing market demands and help benefit from innovation and entrepreneurial activities. Skill building could also be seen as an instrument to empower the individual and improve his/her social acceptance or value. At national level, the future prosperity of any country depends ultimately on the number of persons in employment and how productive they are at work. Skilled human resource is essential for inclusive growth. Hence, skill development can be connected to a broader growth, employment and development mandating government interventions.

2. Skill in India: Current Scenario

As per Labour Bureau Report, 2014, the current size of India's formally skilled workforce is only 2 percent. This apart, there is also the challenge of employability of large sections of conventionally educated youth. The Indian education system has been churning out brilliant minds but lacking in the skill set required for specific job. There is huge gap between the talent that is coming out of colleges and universities and its suitability in terms of scope and standards of employable skills.

The available NSSO data shows that 15 – 24-year-old cohorts face higher risk of working poverty as they enter the labour market opting for low paid jobs and withdraw from the market when they fail to get suitable employment. This high level of unemployment can be due to failure to find job or lack of competency or training opportunity or low demands for skill acquired leading to skill mismatch.

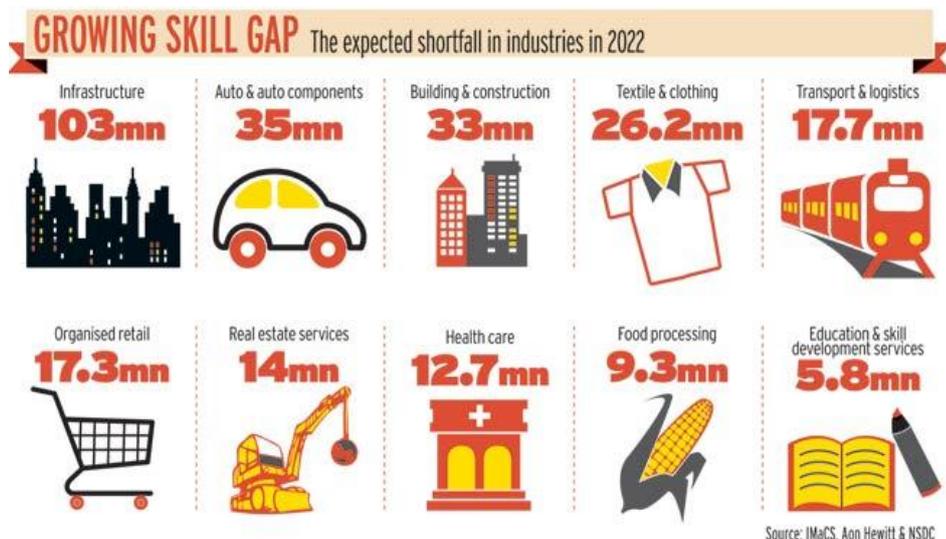
3. Why India needs Skill Development?

- The skilled workforce is crucial for the success of recently launched missions - Make in India, Digital India, and Smart Cities.
- **Demographic Dividend:** With most of the major economies of world having sizeable ageing population, India has huge opportunity of serving the booming market. The 'demographic window' is only a span of few decades. The skilled youth is required to save demographic dividend from becoming demographic disaster.
- **Slowdown in China - an opportunity:** With China gradually vacating its factories, with rising Chinese wages and an appreciating Yuan, and also with internal demographic challenge of too few young people, India has an opportunity to become a **factory of the world**.
- **Sectoral mobilization:** Less number of people will be required to work in farming as productivity improves. This would result in sectoral mobilization of workforce from agriculture to secondary and tertiary activities.
- **Better Employment:** Skills are needed to those currently in colleges for them to be better employed.
- **Skill Capital of World:** To convert this vision into reality, 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.



4. Why India lacks skilled workforce? – Challenges and Issues

- The focus in India has always been on education but unfortunately not on overall skill development.
- **Sheer magnitude** of the people who needs to be skilled. The study by national Skill Development Council (NSDC) indicates that a net requirement of about 12 crore skilled manpower would be required in 24 key sectors by 2022.



- The **diverse nature of skill sets** required varies across the geography of country depending on industrial demand in cluster which further makes need to have location specific strategies for skilling.
- The **focus of vocational training** offered in India is **badly mismatched with the needs of casual workers** who constitute 90% of the labour force, resulting in a shortage of skilled workers at the national level. Casual workers, such as construction workers, often comprise workers from rural areas with little or no education and need support and training. Even the Central government's findings estimate that the construction sector is likely to create over six times more jobs than the information technology and related services sectors by 2022. Yet the policy focus —particularly at the state level—has generally prioritized information technology, which is perverse in the extreme.
- The **target demography** for the skilling initiative is also **diverse** with people from various education backgrounds who aspire to be skilled.
- **Perception** about vocational skilling vis-à-vis higher education needs to be changed.
- **Social Acceptability:** Vocational courses and skill development courses are looked down upon and such students do not have acceptability in the society as compared to other courses
- **Pending Labour reforms:** The multiplicity and complexity of labour laws is an inhibiting factor. The employers generally prefer automation and contract labour over permanent to save themselves from labour laws. This growing practice impedes skill development in India.
- **Rapidly changing technology:** In the era of rapidly changing technology, it is difficult to estimate the quantity and areas in which skilled workforce is required. It also raises requirement of **higher order skill sets**.
- The vocational courses are terminal in nature – there is lack of vertical mobility from certificate to diploma to degree courses in vocational education. As a result parents who feel that their child has an inherent skill do not influence him/her to take up a vocational career.
- **Lack of infrastructure and poor quality of courses:** The infrastructure in most skill training centres is of poor quality and not upgraded. Hence the gap between what the industry desires and the machinery being used for training is wide.
- **Poor quality of trainers:** The trainers who impart the skill training are not up-to-date with the skills required by the industry and hence the outcome of training is not as per desired quality. As such, students who complete these courses also do not find ready employment in the Industry.
- **Lack of Initiatives from industry:** The industry especially the small and medium enterprises do not emphasize on vocational certification or formal training as this sometimes increases the cost of manpower. At times, it is observed that SMEs prefer to hire an untrained or semi-trained worker at a cheaper pay-out than a formally trained or skilled worker. The 12th Five Year Plan observes that Skill development programmes in the past have been run mainly by the government, with insufficient connection with market demand. It has called for an enabling framework that would attract private investment in Vocational Training through Public–Private Partnership (PPP).

- **Lack of standardization:** Several ministries offer skill courses increasing the confusion amongst students also resulting in lack of standardization. Furthermore, there is no single comprehensive model addressing all the concerns of this sector
- **Gender disparities:** The skill programmes are biased towards trades which are more favourable to men reinforcing the exclusion of girls. There is challenge of providing facilities like female teachers, hostels and transport along with introducing flexible courses in terms of time for their better participation.
- **Recognition of Prior Learning:** Although the workers like Diamond cutters in Pune may have requisite skills passed on from generations, but in absence of any certificate they are not able to take decent job or start a venture.

5. Major Skill Development Institutions

5.1. Ministry of Skill Development

The Ministry is responsible for co-ordination of all skill development efforts across the country, bridge demand and supply gap of skilled manpower, building the vocational and technical training framework, skill up-gradation, building of new skills, and innovative thinking not only for existing jobs but also jobs that are to be created.

The Ministry aims to Skill on a large Scale with Speed and high Standards in order to achieve its vision of a 'Skilled India'.

It is aided by its functional arms – National Skill Development Agency (NSDA), National Skill Development Corporation (NSDC), National Skill Development Fund (NSDF) and 33 Sector Skill Councils (SSCs) as well as 187 training partners registered with NSDC.



5.2. National Skill Development Corporation

The National Skill Development Corporation, (NSDC) is a Public Private Partnership in India, under the Ministry of Skill Development & Entrepreneurship. The overall objective of NSDC is to create training capacity in the country; fund vocational training initiatives and create a market ecosystem for skill development. The mandate of NSDC was to train 150 million people by 2022.

6. Recent Steps taken by government

6.1 Skill India

Skill India is an initiative of the Government of India. It was launched by Prime Minister Narendra Modi on 16 July 2015 with an aim to train over 40 crore people in India in different skills by 2022. The initiatives include National Skill Development Mission, National Policy for Skill Development and Entrepreneurship 2015, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) scheme and the Skill Loan scheme.

6.1.1 National Skill Development Mission

The National Skill Development Mission was launched to provide strong institutional framework at the Centre and States for implementation of skilling activities in the country.

The Mission has a three-tiered, high powered decision making structure. At its apex, the Mission's Governing Council, chaired by the Prime Minister, provide overall guidance and policy direction.

The Steering Committee, chaired by Minister in Charge of Skill Development, review the Mission's activities in line with the direction set by the Governing Council.

The Mission Directorate, with Secretary, Skill Development as Mission Director, ensures implementation, coordination and convergence of skilling activities across Central Ministries/Departments and State Governments.

The Ministry of Skill Development and Entrepreneurship (MSDE) provides a natural home for the Mission, organically linking all three decision-making levels and facilitating linkages to all Central Ministries/Departments and State Governments.

6.1.2 Pradhan Mantri Kaushal Vikas Yojana

It is a flagship scheme for imparting skill training to youth, focussing on improved curricula, better pedagogy and trained instructors. The training includes soft skills, personal grooming, behavioral change et al.

The scheme is being implemented by the newly created Ministry of Skill Development and Entrepreneurship through the National Skill Development Corporation (NSDC). It will cover 24 lakh youths. The Skill training would be based on the National Skill Qualification Framework (NSQF) and industry led standards.

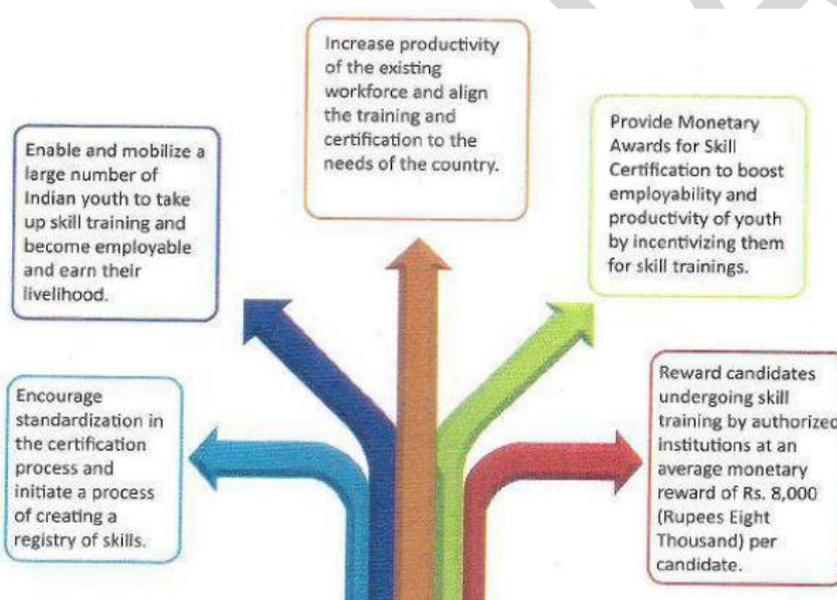


Figure 1: Objectives of PMKVY

6.1.3 Skill Loan Scheme

A 'Skill Loan' initiative is launched in which loans from Rs 5,000-1.5 lakhs will be available to whom who seek to attend skill development programmes, over the next five years. The idea is to remove financial constraints as a hindrance to accessing skill training programmes.

6.1.4 National Policy for Skill Development and Entrepreneurship, 2015

The Policy acknowledges the need for an effective roadmap for promotion of entrepreneurship as the key to a successful skills strategy.

The Vision of the Policy is "to create an ecosystem of empowerment by Skilling on a large Scale at Speed with high Standards and to promote a culture of innovation based entrepreneurship which can generate wealth and employment so as to ensure Sustainable livelihoods for all citizens in the country".

The policy identified four thrust areas:

- **Inhibiting factors:** It addresses key obstacles to skilling, including low aspirational value, lack of integration with formal education, lack of focus on outcomes, low quality of training infrastructure and trainers, etc.
- **Demand and Supply gap:** The Policy seeks to align supply and demand for skills by bridging existing skill gaps, promoting industry engagement, operationalising a quality assurance framework, leverage technology and promoting greater opportunities for apprenticeship training.
- **Equity:** The Policy targets skilling opportunities for socially/geographically marginalised and disadvantaged groups and especially women.
- **Entrepreneurship:** The Policy seeks to educate and equip potential entrepreneurs, both within and outside the formal education system. It also seeks to connect entrepreneurs to mentors, incubators and credit markets, foster innovation and entrepreneurial culture, improve ease of doing business and promote a focus on social entrepreneurship.



6.2. Apprenticeship Protsahan Yojana

It is a major initiative to revamp the Apprenticeship Scheme in India. The major components of this initiative are:

- Amendment to the Apprentices Act, 1961 to making the legal framework friendly to both, industry and youth
- Enhancing the rate of stipend and indexing it to minimum wages of semi-skilled workers
- Government of India shares fifty percent of stipend for the first two years of training engaged by eligible establishments particularly in manufacturing
- Basic training curricula being restructured on scientific principles to make it more effective
- The Apprentice Protsahan Yojana will support one lakh apprentices during the period up to March 2017

6.3. Creation of Union Ministry

The government notified the creation of the first dedicated Department of Skill Development and Entrepreneurship in 2014, which later became a full-fledged Ministry with NSDA, NSDC and NSDF under its purview.

6.4. Creation of India Skill Development Service

The Union Cabinet has approved the formation of a Group 'A' service for skill development. It will be called the Indian Skill Development Service

- It is a dedicated skill development cadre under Ministry of Skill Development & Entrepreneurship
- The officers will be recruited by UPSC possibly by next year (2016 - 17)
- The new cadre of officers will run the skill development and entrepreneurship ministry, help implement various skill and apprenticeship schemes conducted by the ministry as well as those by the Directorate General of Training
- The new service will help formulate skill policies, devise a road map for improving the apprenticeship system, revamping ITIs and also help revamp course work for various schemes
- The new service cadre will enhance the capacity and efficiency of the organization
- It will attract the best talent to the skill development administration

However, the officers need to be posted in rural India for a couple of years which will enable them to take decisions with enough subject knowledge.

6.5. Deen Dayal Upadhyaya – Grameen Kaushal Yojana

The Ministry of Rural Development implements DDU-GKY to drive the national agenda for inclusive growth, by developing skills and productive capacity of the rural youth from poor families.

Features of Deen Dayal Upadhyaya Grameen Kaushal Yojana:

- **Enable Poor and Marginalized to Access Benefits:** Demand-led skill training at no cost to the rural poor
- Mandatory coverage of socially disadvantaged groups (SC/ST 50%; Minority 15%; Women 33%)
- **Shifting Emphasis from Training to Career Progression:** Providing incentives for job retention, career progression and placements
- Post-placement support, migration support and alumni network
- **Regional Focus:** Greater emphasis on projects for poor rural youth in Jammu and Kashmir (HIMAYAT), the North-East region and 27 Left-Wing Extremist (LWE) districts (ROSHINI)
- **Standards-led Delivery:** All program activities are subject to Standard Operating Procedures that are not open to interpretation by local inspectors. All inspections are supported by geo-tagged, time stamped videos/photographs

Recognition of Prior Learning of Construction Workers

It is a national Scheme launched by the Ministry of Labour & Employment which includes:

- Providing National Council of Vocational Training (NCVT) Certificate
- Construction sites to be designated as Testing Centres
- Providing skill gap training of about 15 days
- Wage compensation for attending training classes and assessment

6.6. Other Schemes:

- Under the Deen Dayal Upadhyaya Antyodaya Yojana (DAY) scheme, Ministry of Housing and Urban Poverty Alleviation will undertake skill development of 5 lakh urban poor per year. The first phase of DAY in urban areas is to be implemented from 2016-17. The Ministry has signed a Memorandum of Undertaking (MoU) with NSDC to assist in training.
- Other new programmes include Nai Manzil for education and skill development of dropouts;
- USTTAD (Upgrading Skills and Training in Traditional Arts/Crafts for Development) to conserve traditional arts/crafts and build capacity of traditional artisans and craftsmen belonging to minority communities;
- Nai Roshni, a leadership training programme for minority women; and MANAS for upgrading entrepreneurial skills of minority youth.

7. Role of Industry in Skill Development

The skill development in India is imperative but the government cannot accomplish this task alone. The World Bank Enterprise Surveys 2014 reveal that the percentage of firms offering formal training programmes for its permanent, full-time employees in India is just 36 percent, compared to 80 percent in China's. The Chairman of NSDA and NSDC, describes the situation as a "market failure" where the employers are not investing to skill employees, and employees do not have the ability and willingness to pay for skilling.

However, the industry is gradually witnessing increased participation from Corporates and PSUs who are coming forward and investing in country's youth by supporting skill development through their CSR initiatives. They are getting involved in range of activities such as financing, providing infrastructure, recognition of prior learning, adoption of national qualification framework and occupational standards etc.

The organizations like PowerGrid, NTPC, Coal India, Ambuja Cements, Essar and Coca-Cola are some of the leading examples.

It is necessary to catalyse investments from the industry and support candidates in raising resources for training. This would need a functioning credit market with collateral guarantees for students, as well as planned

coordination with the private sector. For any skill development effort to succeed, markets and industry need to play a large role in determining courses, curriculum and relevance. For this, employers need to be put in the driving seat, with the government acting as a regulator and not the implementer.

8. What measures are required

- **Online learning system** could be utilised to impart skill/craft along with using fixed infrastructure. An open platform for e-content on skill development should be created where content can be crowd source.
- **Skills on Wheel** type initiatives could be used to address infrastructure and transport constraints. There are shining examples of **Skill Trucks** operated in Brazil that take skills training to the rural, remote parts of the country
- **Vertical Mobility:** Creating a vertical mobility from certificate to diploma to degree courses in the vocational education. Providing options right from school level up to PG level.
- Establishing a **Skill Development University** to offer specialized degree programs which will provide advance skills.
- **Lateral Mobility:** Providing lateral mobility by giving equivalence to vocational students especially at +2 level so they can pursue graduate programs
- **Role of Industry:** Increasing role of industry in all aspects of vocational training – providing latest machinery for training, governance, providing trainers from industry and doing assessment to ensure quality at each stage.
- Industry should emphasize on formal vocational training and certification at the time of hiring and for career advancement.
- Creating standard curricula and assessment across various agencies offering vocational courses.
- Formal training programs for vocational faculty and trainers so that they understand this pedagogy.
- It is important to vocationalize the current education system by developing curricula in the lines with industry needs, creating infrastructure for skill training, involving the industry in all aspects of curricula development, training delivery, student assessments and creating a model where students can obtain skills and at the same time get a degree.
- **Job Opportunities:** Skill development alone is not sufficient to address the unemployment problem; there is need for availability of job opportunities for those skills.
- **Rural India:** Given that in India around 70 percent of population reside in rural setting, there is need to skill them in agriculture and related activities with appropriate linkages with product, finance and labour market. This would facilitate increase in women participation and restrict distress migration from rural to urban areas.
- **Child Labour:** To provide quality education and counselling to children and parents about advantages of education and training in accessing good jobs.
- **Recognition of Prior Learning:** There is need to restructure the informal training so as to certify the skills level of workers who have inherited those skills from their ancestors. It will enable them to take up decent jobs, receive financial services and provide livelihood security.
- **Targeted intervention in Difficult Areas:** The targeted interventions such as UDAAN, HIMAYAT etc. need to be scaled up which would improve the outreach and access in LWE affected areas, hilly terrain and terrorist affected areas.

The other sections of society viz. women, marginalized, tribals etc. need tailor made training programmes to suit their diverse and specific needs. While being illiterate may be an issue in providing skill training to most marginalized sections, one may have to deal with family issues and social restrictions in case of providing skill training to women.

9. Conclusion

Education opens the door to lead a life of liberty but skills make that liberty meaningful by allowing one to achieve prosperity. In case of India, the country's population pyramid is expected to bulge across the 15–59 age groups over the next decade. This demographic advantage is predicted to last only until 2040. India therefore has a very narrow time frame to harness its demographic dividend and to overcome its skill shortages. So, it is imperative to take coordinated efforts to skill its population and made India Skill Capital of World.

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