

Skilling India and Employability: Issues and Opportunities

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Abstract: Skills and knowledge are key drivers of macro economic growth and socioeconomic stability. Appropriate policies for the skill development occupy a dominant place in the development of economy. According to five year plan, India has set aggressive goals for faster and sustainable economic growth of nation. With the demographic dividend, India needs to impart adequate skills to its workforce. Skill development has emerged as national priority for which a number of measures have been taken and in process for future. In this context, present paper studies and analyses the present status of skill development and the challenges India faces while implementation of different initiatives and strategies.

Key words: Skill, employment, demographic dividend, training.

1. INTRODUCTION:

India is uniquely positioned in world due to demographic dividend as compared to developed countries whose population is aging. China, US, Western Europe, Japan and many countries in the world are grappling with an aging population. On the other hand, India with an average age of around 29 years and with a median age much below China and OECD countries. India's 65% of the population is below 35 years of age and 70% of the population will be of working age by 2025. High population if employed, trained and productive can easily capitalize the advantage of demographic dividend and lead to sustainable development but same high unemployed, untrained and unproductive population can even turn demographic dividend into demographic liability.

2. LITERATURE REVIEW:

Atchoarena et.al (2003), "Skill Development" In their study findings shows that policy and donor support has given away for rural development. The rural labour market has been increased due to education and it discusses the implication of the transformation of the rural labour market for skill development. Their study also shows the higher education has a major role in rural development.

Paul Benell (2007), "Opportunities for Rural Youth" In his study, it was indicated that for the employment generation among the rural youth the multi-sector approach is very essential and the partnerships from the private and public organizations are also essential. IFAD has an important role in employment and income generation. It was also discussed that policy formulation and implementation has an important role to play.

Surendra Kumar Misra (2015), "Skill Development: A Way to Leverage the Demographic Dividend in India" the objective of the study was to understand the present skill development policy and through skill development schemes finding out the way to produce world-class skilled manpower. Paper discussed the policies of the National skill development council, National Skill Development Coordination Board, and National Skill Development Agency and concluded that existing skill development policy should be modified in accordance with the need of the industry and global market and should promote the private partnership to accomplish the skill targets.

(Goyal, Kaur, & Singh, 2015), the current ranking of India in Industrial output is 11 in the World. The total GDP contribution of manufacturing sector is 28% which engages nearly 17% of the total labour force. The basis of any manufacturing organization is governed by the quantity of money it is willing to invest and the kind of people who are going to work in it. For transforming the health of the manufacturing sector and in order to make it a most preferred destination for domestic as well as foreign investors and industrialists, it is very much important to promote both fund based and non-fund based financial services. Manufacturing firms to withstand the global competition, and to ensure

their long term sustainability, have to invest in huge quantity in setting up and developing its infrastructure, raw material, skill development of its human resource, and R & D

(Goyal, Kaur, & Singh, 2015), Data of World Bank suggested that in 2013, the contribution of manufacturing sector to Indian Economy was just 13%. The overall contribution to GDP by manufacturing sector was just 28%. India's contribution to World's manufacturing is also very low with a contribution of just 1.8%. These statistics clearly indicates that India's stand in Manufacturing is very poor

(Goyal, Kaur, & Singh, 2015), If India will be transformed in a Manufacturing destination attracting investment from global and domestic Industrialist, it will generate many employment opportunities for the Indian labour force SanjeebHazarika (2016), "Skill Development for Rural Entrepreneurship: A study on State Institute of Rural Development (SIRD), Assam" the paper attempt to find out the different skill development facilities provided by State Institute of Rural Development for rural entrepreneurship and to examine the motivational role of training provided by the institute in Assam.

Singh & Kaur (2018), conducted a study entitled "A Study on Skill Development of Paint and Coating Industry". This study aims to identify the reasons for the shortage of skills in the paint industry and to determine how to deal with the skill gap among painters. Primary data sources were used for the study.

3. OBJECTIVES OF THE STUDY:

The study has been conducted mainly to:

1. Understand the present status of skill development in India
2. To understand the challenges in skill development in India
3. Skill development initiatives and strategies in India and its impact on India

4. RESEARCH METHODOLOGY:

The research paper is an attempt of exploratory research, based on the secondary data sourced from journals, magazines, articles and media reports. Looking into requirements of the objectives of the study the research design employed for the study is of descriptive type. Keeping in view of the set objectives, this research design was adopted to have greater accuracy and in depth analysis of the research study. Available secondary data was extensively used for the study. The investigator procures the required data through secondary survey method. Different news articles, Books and Web were used which were enumerated and recorded.

5. PRESENT STATUS OF SKILLS IN INDIA:

Reaping the benefits of demographic profile looks more of a fantasy than reality due to quantity and quality gap in terms of skilled workforce in India. It is estimated that India will face a demand of 500 million skilled workers by 2022. But India is still struggling with the supply of skilled workforce as presently only 2% of the total workforce in India have undergone skills training. According to the Government of India estimates, 93% of workforce employment is in the unorganized or informal sector, which is not supported by a structured skill development system. No training on employable skills is being given to young people who can provide them with employment opportunities as per current education system. Workers in the unorganized sector are often skilled informally or on-the-job. The information channels and skill development process are not understood or not clear. India's labour force constitutes high number of labour force with outdated skills. The pace at which economy is growing and the rate of growth that is expected, the challenge will only increase further as more than 3/4th of new job opportunities are expected to be skill based. The loss of employment and wages during the skill training program also acts as a disincentive to skill acquisition. The skill development environment in India is quiet complex. The vocational training landscape in India has been dominated by the public sector. However, the private sector's participation and prominence in the skill development space has started to grow, particularly in services sector training.

5.1 CHALLENGES WITH RESPECT TO SKILL DEVELOPMENT INITIATIVES:

The current capacity of Government/private training institutes are quiet low in number. It is only million per annum. The eligibility criteria under the current vocational training structure requires secondary education-class 8th as mandatory which restricts a significant number of less educated or illiterate workers to enter the formal training system. The course pattern is not as per industry requirement and latest developments of market are not covered in the curriculum which effects employability as Companies have to re-train the apprentices at the time of hiring. The under quality of training program is also one of the issues. Apprenticeship training where students are trained at the company premises

is also a failure in India because of inadequate private sector participation and administrative challenges arising from the distribution of power across various levels of governments (Government of India 2009:23).

The number of entrants in the non-farm sector is only increasing every year because of movement of labour from farm to non-farm sector. There has been no change in farm based jobs. The growth in skill training provided in sectors such as retail, customer services etc have been uneven. Meeting the training requirement of such large workforce has remained a challenge. The under quality of training program offered and lack of interest by the private partners is a major disadvantage. The World Bank (2006:6) has stated that vocational training is considered as stigma in India. It is considered to have a low status due to its linkage with manual work requirement. All these factors are affecting employability.

A. CHALLENGES IN EMPLOYMENT GENERATION:

- **Corruption:** Corruption in employment generation agencies as well as in government system, affect badly the employment possibilities, especially in rural areas. Although this factor can't be reduce automatically by a common man, but it can be reduce by implementing the transparency in the system and automation in the system such as schemes like *e-district*, *e-Governance*, *RTI* etc. There is a huge gap between policy making (planning) and implementation phase of the employment generation scheme.
- **Political rivalry:** Every government make new and better policy still every new scheme become fail due to political rivalry in political system. Every new Govt. either close the employment program launched by previous Govt. or manipulate the program's guidelines or sometimes stop the fund for the program, which makes it difficult for unemployed to get the job availability easily. This is a great factor influencing the employment programs.
- **Illiteracy:** Illiteracy is playing a vital role in unemployment specially in under-developed countries like India. People even now after 60 years of independence, unaware about the schemes the Govt. is running for the employment generation. This factor can be reduced by running awareness camp and programs parallel to the employment programs.
- **Reservation / Quota (Castism):** India is a democratic country so here every Govt. provide the benefits like employment and other employment related benefits to his *caste* person.
- **Role of Private Companies:** Private companies play a vital role in the employment generation in any country, but in India private companies are not functioning properly because of Govt. policies specially State Govt. Companies are not investing according to his efficiency in any of the state, especially in *BIMARU States* (Bihar, Maharashtra, Rajasthan, Utter Pradesh) because the State Govt. is not making policies which can attract the private companies, even States like West Bengal creating problems to private players (TATA – Singapore Plant) which distract the private players from the States, ultimately affect the employment generation.

B. OPPORTUNITIES IN EMPLOYMENT GENERATION:

- **Huge work force:** India is second largest country in the world in population after China, it means we have a ample of work force and if this work force can be utilized accordingly, India can be top of the world. This huge work force is attracting the developed countries for the hiring, outsourcing and for third party work. Only the Indian Govt. have to do to train this work force according to the demand of the technology and advancement of the third world countries.
- **Transparency in the system:** In India now Govt understand that the people are now become technology savvy and they adopt the new technology very soon and efficiently, so Govt is implementing the e-Governance programs with every of the program through *RTI Act*.
- **Liberalization in Exchange Policies:** The Govt has liberalized the exchange and regulation act which makes it easy to enter in the Indian market for investment up to 100% in many sectors. This is a indirect factor which will affect the employment factor in development point of view. Entry of new player like Wal-Mart will not only develop the infrastructure but also create job opportunities for the educated persons in large prospective, although it is a political issue.

5.2 MEASURES TAKEN BY GOVERNMENT OF INDIA:

The Government and industry are well aware of this reality and trying to figure out solutions for the challenges. National Skills Policy was formulated in 2009 by Government of India and special budget was also allocated in the FY 2011-12, 2012-13 with an ambitious target of imparting skills training to 500 million by 2022. A National Skill Development

Corporation Board (NSDCB) and Prime Minister's National Skill Development Council was established. NSDCB is based on Public Private Partnership (PPP) under the chairmanship of the Deputy Chairman of the Planning Commission. It formulates strategies based on the decisions of Prime Minister's Council on National Skill Development. The setting up of autonomous body National Skill Development Agency (NSDA) was approved on 9th May 2013. The NSDA is mandated to work towards coordination and harmonization of skill development efforts of the central and state governments as well as the public and private sector industries. It looks after policy changes, scheme reviews, new scheme strategies and engagement with PSUs and NGOs. The Government is constantly working to bring the required machinery and infrastructure for training. Initiatives needs a considerable amount of innovative delivery approaches such as decentralized delivery, mobile training, distance learning/e-learning and web-based learning and capacity expansion. Special courses offering multiple skills have been initiated at ITIs under the Modular Employability Scheme. People who had informally-acquired skills can get certification by taking examinations at ITIs. Public Private Partnership is also used quite extensively where training programs are sponsored by private funding. Apprenticeship Act has also been implemented by the Government under which every company has to compulsorily hire a fix number of apprentices from ITI's every year to work and train at the company. The apprentice learns theory at the college and gets hand on experience at the company. This approach helps in alignment of industry's requirement for skilled talent as company's hire the candidate and then train him as per industry's requirement. Public training institutes are trying to promote expansion of public training institutes in difficult areas where private sector is not accessible. NSDC has set a target of at least 70% placement among students on completion of training program so that the relevance of training imparted by its partners can be understood by the students. To improve the dignity of labour, media campaigns have also been initiated by NSDC at the national level.

MAJOR EMPLOYMENT PROGRAMMES:

In this part, we shall study the following major employment generation programmes –

- National Rural Employment Programme (NREP)
- Food for Work Programme (FWP)
- Rural Employment Generation Programme (REGP)
- Jawahar Rozgar Yojana (JRY)
- Jawahar Gram Samridhi Yojana (JGSY)
- Integrated Rural Development Programme (IRDP)
- Swarana Jayanti Shahari Rozgar Yojana (SJSRY)
- Sampoorna Grameen Rozgar Yojana (SGRY).
- Swarnajayanti Gram Sworozgar Yojana (SGSY).
- Employment Assistance to Special Categories.
- Prime Minister's Rozgar Yojana (PMRY).

5.3 MEASURES TAKEN BY PRIVATE COMPANIES:

Ground reality is known by the Industry and is working to find out solutions to these challenges. Non-profit organizations in large numbers are being engaged in providing skill training to enhance employability among the weaker sections of society. Companies like Tata motors, Bosch India, Toyota etc. at their level are also trying to develop the workforce and have built up their own training infrastructure to re-train entry-level candidates. As part of a national mission, Bosch India along with National Skill Development Corporation (NSDC) is working to achieve its objective of fulfilling the growing need for skilled manpower across sectors in India. Funding from NSDC and skill development competence has join hands to develop and deploy a vocation training model for making underprivileged children employable. It will help in providing a pool of high quality skilled manpower to the industry. It will help the trained youth find employment (including in the Bosch automotive sales and service dealer network). From January to April 2013, the pilot program under this model was conducted in Bangalore. A second batch for girls was inaugurated exclusively with the aim of empowering them financially. Soon, the scope of the program will be extended to Nashik, Jaipur and Pune. Some companies have adopted various trades at ITIs in a Public Private Partnership (PPP) model to make the students industry ready. Bharti –Walmart, a joint venture between Bharti Enterprises and Walmart, has established skill centres to train youth, free-of-cost, in retail skills to make them employable in a sector short of skilled manpower. Similarly Tata motors training institutes keep upgrading existing technical training institutes and establishing new technical training institutes. NSDC signed MOU with Tata Motors for skill development programs in automotive sector. Automotive skills will be taught to students in class 11 and 12 as a vocal subject in a few government schools for schools identified by Tata Motors. This pilot program will be introduced in 5 schools, teaching 50 students each. A

total of 250 students will undergo this program and if it is a success, a full scale program will be launched. Volkswagen India also keeps investing on employment and education for locals. Buhler India has implemented this approach at their plant in Bangalore. Every year apprentices are hired from ITIs. They are then enrolled under the vocational courses provided by Skill Sonics. Theoretical training is provided by government ITI teachers where as practical training at Buhler which has world-class training facilities where students and other entry-level employees are trained practically. The apprentices become multi-skilled professionals after two year vocational course, with dual certification and get the opportunity to work as employees in Buhler.

6. CONCLUSIONS AND SUGGESTIONS:

Presently 80% of the workforce in India (rural and urban) doesn't possess any identifiable and marketable skills. Therefore, bridging this gap through various skill development initiatives could make India the global hub for skilled manpower, and also result in a surplus of skilled manpower of approximately 47 million 2020 (FICCI). Despite various efforts and investments in shaping the skills of a huge labour force there are grave drawbacks in the As a fast growing developing economy, besides white and blue collar, India also needs Grey collar- knowledge workers which include ICT skills, problem solving, analytical and effective communication skills and rust collar-skilled workers at the grass root level in currently unorganized sector and un-benchmarked sectors like construction, agriculture and related trade. Government, industry leaders are constantly from time to time launching new skill development initiatives but somehow it is not reaching the casual workers who dominate the

Indian work-force. Stakeholders (Industry leaders, Government etc) have realized that none of them can work in isolation. They will need to collaborate as the stake involved is huge. Mandatory Monitoring and Quality Certifications should be in place which will ensure high standards training programs with prime focus on enhancing the employability. Sector specific Labour Market Information System (LMIS) at national and state level is to be established for reducing the skill mismatch which can help in the reliable and realistic assessment of economic trends and labour market. Labour market analysis to be undertaken by Area specific LMIS at local levels with the help of Sector Skill Councils (under National Skill Development Corporation). Supply and demand of skilled manpower can be mapped with the help of Human Resource Planning (HRP) which is also one of the important components. These exercises can help to anticipate skill gap over a period of time at different levels, sectors and geographical areas.

A designated agency should work on generating information from the LMIS and HRP exercises. Government employers, national, state and local level training providers, trainees and prospective trainees should be disseminated with information so collated so that they can use it in their skill development plans. The information at National level can be disseminated by NCVT by receiving inputs from state and local levels. Counselling, placement and guidance can be provided by strengthening and upgrading the Employment Exchanges. In a male dominated society, there has always been a limited scope to develop their skills for women and girls in rural areas due to social, economic and cultural constraints. The payment of wages is also on lower side. Socio-economic empowerment of rural women can be attained by investing in their skill development. They can be provided with basic education, technical training and other women extension services. Support by self help groups and NGOs can help in improving their conditions by making them understand the importance of basic education and also by making the change in attitude of society towards women. A designated agency should design the courses and introduce them at various levels on the basis of emerging opportunities for skill development and employment generation. The change should be brought from education system which needs to be renovated and restructured. Young population even after having degree is not able to fit in the industry due to lack of expertise to compete. The vocational training should start from High School. Students should be made industry ready by making the curriculum for professional courses such as Engineering and MBA in a way that provides complete on the job training. The standard and quality of training needs to be upgraded. Soft skills training along with technical skills will bring desired results. International players find a great opportunity in the Indian skill sector to enter a growing market whilst ensuring service to the society. Also considering the demand of 500 million skilled labourers by 2022 these issues need to be addressed. Moreover, with the passage of the Companies Act 2013, the mandate for Corporate Social Responsibility has been formally introduced and it is likely that the total CSR spends will increase for employability linked programs to promote skill development. Prime Minister in his maiden speech said, "Skill development should be accompanied by a spirit of 'Shram-ev Jayate' – giving dignity to labour." Skill development and entrepreneurship is one of the topmost priorities of the new Government due to which first time an independent ministry has been created to take the mandate forward. Finally, it is important that the intended beneficiaries of the skill development program join training programs with an inspiration to learn and make them self-reliant to live a better life.

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