

# INDIA'S SKILL DEVELOPMENT INITIATIVES AND OPPORTUNITIES FOR EMPLOYMENT

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## Abstract

*Internationalization, knowledge, and rivalry have increased demand for talented individuals both in emerging and developed nations, helping them to achieve better development rates. Skill development is critical for India's socioeconomic and demographic development. India must guarantee that its workforce has the required skills to take advantage of the demographic dividend. Talent development has become a primary concern, resulting in a plethora of initiatives, some of which are still in the works. The purpose of this article is to explore and analyse India's present skill development situation, as well as the challenges it has in executing different programmes and policies. It also discusses current measures aimed at facilitating the transfer of young people into the workforce.*

Because the majority of young people lack access to formal education and training, they must rely on the informal sector to survive. Although India's educational institutions and enrolments have risen dramatically in recent years, dropout rates and educational outcomes remain high. Despite the fact that India has a well-established vocational training system, its students are not fully equipped for the skills that today's employers want. As a result, the government has lately begun on significant policy reforms to expedite skills development in order to boost economic growth and capitalise on the "demographic dividend." Significant changes in the economy have come from these measures.

**Skill development:**

Skill refers to the capacity to do something exceptionally well or correctly, while development refers to the process of adding something new. This skill growth entails adding to our existing abilities and taking a step forward in order to continue to grow. In other words, skill development refers to the time taken improving one's competence and keeping future-ready, as well as any hobbies or agilities pursued, and the ability to do a task with better levels of effectiveness at the proper time. It's critical since one's talents determine their capacity to successfully carry out their goals.

## Paper Identification



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## INTRODUCTION

The majority of India's demographic structure consists of young people who will soon enter the labour market.

## LITERATURE REVIEW

"Skill Development," Atchoarena et al., 2003. The outcomes of their analysis demonstrate that policy and donor support for rural development has dwindled. The rural labour market has grown as a result of schooling, and this paper explores the implications of this transition for skill development. Their research also reveals that higher education plays a significant impact in rural development. "Opportunities for Rural Youth," by Paul Benell, 2007. According to his research, a multi-sector strategy is critical for creating jobs for rural children, as are partnerships between commercial and public institutions. The International Fund for Agricultural Development (IFAD) plays a critical role in job creation and revenue generating. It was also mentioned that policy formulation and implementation are crucial.

The goal of Surendra Kumar Misra's paper, "Skill Development: Understanding the present skill development strategy and finding a means to generate world-class skilled employees through skill development programmes was the goal of "A Way to Leverage India's Demographic Dividend." This paper discussed the policies of the National Skill Development Agency, National Skill Development Council, National Skill Development Coordination Board, and concluding that current skill enhancement policies must be altered to meet the needs of business and the international economy, and that private partnerships should have been encouraged to meet skill goals.

SanjeebHazarika (2016), "Skill Development for Rural Entrepreneurship: A Study on the State Institute of Rural Development (SIRD), Assam" seeks to evaluate the numerous skill enhancement possibilities supplied by the State Institute of Regional Development for rural entrepreneurship, as well as the motivational function of the institute's training in Assam.

A study called "A Study on Skill Development of the Paint and Coating Industry" was done by Singh and

Kaur (2018). The goal of this research is to figure out what's causing the paint industry's skills deficit and how to address it. The study relied on primary sources of data.

## OBJECTIVES OF THE STUDY

The study was primarily performed to:

1. Awareness of India's current skill development situation
2. To have a better understanding of India's skill development concerns.
3. The influence of skill development efforts and job possibilities on India

## METHODOLOGY

Secondary data was acquired from journals, magazines, and publications for this exploratory investigation. The study's research design is descriptive, which fits the objectives of the study. Due to the conformity in the analysis of the specified objectives, this research design was chosen to have a greater accuracy and in-depth evaluation of the research study. For the purposes of the study, the supplied secondary data was extensively exploited. Various news pieces, books, and the internet were used and enumerated and recorded.

India's Current Skill Analysis: -

## PRESENT STATUS OF SKILLS IN INDIA

Due to the quantity and quality imbalance in India's trained workforce, reaping the benefits of the demographic profile appears to be more of a fiction than a reality. By 2022, India is expected to have a demand for 500 million skilled professionals. However, India continues to have a shortage of trained workers, with only 2% of the country's overall workforce having received training. According to government estimates, 93 percent of employees and labourers in India work in the disorganized or unstructured sector. It isn't supported by a system of structured skills training. According to the existing educational system, young people receive little instruction in employable skills that would help them

find work. Workers in the unorganised sector typically get on-the-job training. Information flows and skill development techniques are not well understood or transparent. There are many people in India's labour sector that have obsolete skills. The endeavour will only get more challenging as the present and projected rates of development continue. More than three-quarters of future employment are likely to be skill-based. Throughout the skill training programme, the loss of money and employment acts as a barrier to acquiring new abilities. The talent development environment in India is quite complex. In India, unrestricted vocational training has dominated the field. The private sector's presence and impact in the field of skill development, notably in the services industry, has begun to grow.

Only 2.3 percent of India's workforce has gotten professional skill training, compared with 68 percent in the UK, 75 percent in Germany, 52 percent in the US, 80 percent in Japan, and 96 percent in South Korea, according to current figures. India's workforce has few or no employment skills, making them generally unemployed. It's a warning sign for India, which boasts the world's youngest population. India has a lot of potential in terms of providing proper skills to its workers. According to the Planning Commission's 12th Plan paper, India's labour force is under-educated. 85 percent of the labour force has finished at least a secondary level of education. . Approximately 55 percent Only 2% have completed formal occupational training, despite having completed basic school education. Increases in the number of students enrolling in higher education and vocational training are being made. Examples of such efforts are Digital india Initiative, “ Make in india ”, start-up programmes, and financing programmes focused to Skilled India. India's existing skill landscape is not encouraging. According to the India Skills Report 2015, India lags behind the curve in terms of skill development. Only a third of all students searching for

jobs in the labour market possessed the necessary skills to meet the employers' requirements. Even though we have enough people, none of them are qualified to work. New employment possibilities are opening up in core technology, retail, hospitality, ecommerce, and finance, but competent workers are in short supply in the country. Based on labour market features, the government has taken initiatives to fight this major concern. In truth, the government has prioritised skill development and will continue to do so for the next 10 years. Figure 3 depicts the Skills Gap, which predicts a skills shortage in the industries by 2022. Infrastructure will have strong growth, following by Automobile and Automotive Parts. Significant efforts to impart skills in India are necessary to focus on the Make in India initiative.

According to the Figure, by 2022, competent personnel would be in short supply in many industries.



Table 1. Incremental Human Resource Requirements across Sectors by 2022.

Segment	Employment base in million		
	2013	2017	2022
Building, construction and real Estate	45.42	59.40	76.55
Automobile and auto component	10.98	12.18	14.88
Banking, Financial	2.55	3.20	4.21

Services Insurance			
Textile and Clothing	15.23	18.06	21.54
Pharmaceuticals	1.86	2.60	3.58
Electronics – IT hardware	4.33	6.24	8.94
Retail Sector	38.6	45.11	55.95
IT and ITES	2.96	3.86	5.24
Food Processing	1.75	2.65	4.40
Beauty and wellness	4.21	14.27	10.06
Electronic and IT Hardware	4.33	8.94	4.61
Transportation and Logistics	16.74	28.4	11.66
Healthcare	3.59	7.39	3.8
Handlooms and Handicrafts	11.65	17.79	6.14
Telecommunication	2.08	4.16	2.08
Pharma and Lifesciences	1.86	3.58	1.72
Education / Skill development	13.02	17.31	4.29
Leather and Leather goods	3.09	6.81	3.72
Security	7	11.83	4.83
Furniture and Furnishing	4.11	11.29	7.18
Tourism, Hospitality and Travel	6.96	13.44	6.48
Gems and Jewellery	4.64	8.23	3.59
Domestic Help	6	10.88	4.88

Source: Ministry of Skill Development and Entrepreneurship.

#### **KEY GOVERNMENT SKILL DEVELOPMENT INITIATIVES:**

Other important government skill development initiatives include:

- Through the DGET, 1,500 new ITIs will be established, as well as 50,000 new Skill Development Centres.

- Establishment of the Prime Minister's National Council on Skill Development (which is currently operating) and the National Skill Development Coordination Board (already operational).

#### **SKILL DEVELOPMENT INITIATIVES OF OTHER MINISTRIES/DEPARTMENTS:**

In addition to the obvious initiatives, the Ministry of Labour and Employment and the DGET are two of the Indian government's 17 ministries participating in skill development. Among them are the ministries and departments listed below.

- Ministry of Textiles
- Ministry of Rural Development
- Ministry of Human Resource Development (for Higher and Technical Education), including the establishment and upgrading of polytechnics
- Ministry of Urban Development and Poverty Alleviation

#### **CORPORATION FOR NATIONAL SKILL DEVELOPMENT:**

The National Skill Development Corporation (NSDC) is a unique Public-Private Partnership in India. Its purpose is to support the establishment of big, high-quality, for-profit vocational schools to promote skill development. It offers funds to help for-profit vocational training programmes stay afloat. Its mandate also includes, either direct or via partnerships, allowing support systems such as quality assurance, data management, and training academies. Its purpose is to contribute significantly (about 30%) to India's overall goal of having skilled 500 million users by 2022, especially through supporting private enterprise skills training programmes and providing feasibility shortfall funding. The NSDC was founded as a non profit organisation by the Ministry of Finance under Section 25 of the Companies Act. It has a Rs. 10 crore

equity basis, with the government owning 49% and the corporate sector owning remaining 51%.

#### **EDUCATION, SKILLS AND JOB CREATION:**

- Sarva Shiksha Abhiyan to raise awareness about the importance of education
- Regulatory building to be offered to new ten private and public institutions to develop as world-class Teaching and Research Education Institutions
- A new Higher Education Financing Agency will be established with a primary investment base of 1000 crores.
- A digital depository will be established for School Leaving Certificates, Education Degrees, Academic Awards, and Mark Sheets.

#### **EMPLOYMENT OPPORTUNITIES FROM MAKE IN INDIA:**

India's economy has grown at a rapid pace over the previous decade, but it has failed to provide enough job opportunities to meet the country's growing workforce. Make in India intends to create 100 million new jobs in manufacturing, contributing to India's rising unemployment problem. Only approximately 14% of the Indian workforce is employed in official positions (Green, December 15, 2014). India will become a global manufacturing powerhouse, producing a great number of employment possibilities, thanks to programmes such as Smart City development, Skill India, Digital India, Startup India, FDI improvement, National Investment & Manufacturing Zone, and the building of an Industrial Corridor. 2015 (Sharma, Kaul, Goel, and Narang, respectively)

The Ministry of Skill Development and Entrepreneurship (MSDE) in India is in charge of skill development coordination. It has backed organisations like the National Skill Development Corporation (NSDC), which seeks to promote skill development of a country by having established organisations all across

country, and the National Skill Development Agency (NSDA), that also aims to synchronise government and non - government efforts to aid in skill development

Under the Ministry of Skill Development and Entrepreneurship, Hon'ble Prime Minister Shri Narendra Modi announced the Skill India Mission on July 15, 2015, with the goal of teaching over 40 crore people in India varied skills by 2022. The mission's goal is to give Indian kids with technical certificates in order to better their economic and social status. This campaign includes the National Skill Development Mission, 2015 National Policy for Skill Development and Entrepreneurship, Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Skill Savings Plan, Rural Bharat Skill, and other initiatives.

Under the government's NEEM Scheme, private organisations such as the CLR Skill Training Foundation provide skills training, technical knowledge job placement, earn and study, non-technical abilities, and soft skills to young people.

#### **Challenges:**

In light of current infrastructure and policy framework, India has numerous issues. The following are some of the difficulties encountered in skill development:

**Inadequate capacity:** Given the strong demand for educated labour, educational institutions across the country now lack the necessary infrastructure. There are just a few highly qualified and experienced teachers available. The teachers must be motivated and skilled in order to take on more responsibilities.

**Mobilization:** People who work in the field of skill development still have a fairly conventional mindset. Enrolling students in vocational education and training has become extremely challenging.

**Scalability:** Any model must have widespread support from a range of stakeholders in order to be successful. Such projects are proceeding slowly due to a lack of corporate buy-in.

**Misalignment of skills:** There are several issues pertaining to the skills that businesses demand and the

capabilities that training and education institutions provide. The skill sets provided by educational and training institutes may not always fulfil the demands of employers due to a lack of industry-faculty engagement. As a result, despite their skills, the individuals are unable to find job. Involvement of industry specialists in the formulation of the skill development programme becomes crucial.

At the moment, 80 percent of India's workforce (both rural and urban) lacks employable skills. Addressing this imbalance, for example, via different skill development programmes, might turn India into a global centre for talented people, resulting in a skilled manpower surplus of almost 47 million by 2020. (FICCI).

Suggestions:

The system has major problems, despite many efforts and expenditures in moulding the talents of a big workforce. Creating a strong workforce for the business remains a pipe dream, and after the administration has invested a lot of money on retraining and facilities. There are a few suggestions to think about:

Apart from white and blue collar workers, India is expected grey collar skilled professionals with ICT tools, real concern, intellectual, and clear communication skills, as well as rust collar talented workers in presently unorganised and un-benchmarked sectors like construction, agricultural production, and industry in which it operates.

The government and corporate leaders are continuously introducing new skill development efforts, but they are not reaching the casual employees who make up the majority of the Indian workforce. Stakeholders (industry executives, government officials, and so on) have understood that no one can work alone. They'll have to work together because the stakes are so high.

Mandatory monitoring and quality certifications should be in place to ensure that high-quality training

programmes are delivered with a primary focus on improving employability. At the national and state levels, a sector-specific Labor Market Information System (LMIS) will be built in order to reduce skill mismatches, which will aid in the accurate and realistic assessment of economic trends and labour markets.

Area specific LMIS at local levels will conduct labour market analysis with the assistance of Sector Skill Councils (under National Skill Development Corporation).

Human Resource Planning (HRP), which is also an important component, can be used to map the supply and demand for trained labour. These exercises can help predict skill gaps over time at various levels, sectors, and geographic locations.

Information should be disseminated to government employers, national, state, and local training providers, trainees, and prospective trainees so that they can use it in their skill development plans.

NCVT can communicate information at the national level by accepting input from state and local levels. Strengthening and updating the Employment Exchanges can provide counselling, placement, and guidance.

Due to social, economic, and cultural restraints, women and girls in rural areas have long had limited opportunities to develop their abilities in a male-dominated culture. Rural women can achieve socioeconomic empowerment by investing in their skill development. Basic education, technical training, and other women's extension services might be provided to them.

Support from self-help groups and non-governmental organisations (NGOs) can help them improve their situation by educating them about the need of basic education and changing society's attitude toward women.

Change should come from the educational system, which has to be modernised and reorganised. Due to a lack of knowledge, even with a degree, the youthful

population is unable to compete in the business. A authorised agency should build the courses and offer them at various levels based on expanding potential for skill development and employment generation. High school should be the start of vocational education.

Students should be prepared for the workforce by incorporating considerable on-the-job training into professional courses such as engineering and MBA.

The training standard and quality must be improved. Soft skills training combined with technical skills training will yield the required outcomes.

### CONCLUSIONS:

Skill development is a critical tool for empowering people, securing their future, and advancing an individual's overall growth. In today's globalised world, it is an important factor that improves employability. Skills are just as important as intellectual achievement. Skills and education should now go hand in hand. They are the foundations of a country's economic growth and community development.

The government and its partner organisations has taken a couple of steps/initiatives to guarantee that the skills training system is properly implemented in the economy, even though there are a range of problems that policymakers must address right now. As a result, in order for skill development programmes to be completely effective, government skill development initiatives should focus on these hurdles and establish solutions to overcome them."

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