SKILL INDIA

1. Introduction

Skill development is an important driver to address poverty reduction by improving employability, productivity and helping sustainable enterprise development and inclusive growth. India is facing a paradoxical situation, where on the one hand, youth entering the labour market have no jobs; on the other hand, industries are complaining of unavailability of appropriately skilled manpower. The employment sector in India poses great challenge in terms of its structure which is dominated by informal workers, high levels of under employment, skill shortages and labour markets with rigid labour laws and institutions.

Vocational education and training are crucial for enhancing the employability of an individual, by facilitating the individual's transition into the labour market. The present skilled workforce in India is only 2%, much lower than the developing nations (Korea (96%), Japan (80%), Germany (75%), UK (68%) and China (40%) as reported by Labour Bureau report.

As compared to other developed and developing countries, India has a unique window of opportunity for another 20-25 years called the “demographic advantage”. If India is able to skill its people with the requisite life skills, job skills or entrepreneurial skills in the years to come, the demographic advantage can be converted into the dividend wherein those entering labour market or are already in the labour market contribute productively to economic growth both within and outside the country. Keeping in view that 93% of the total labour force is in the unorganised sector, the major challenge of skill development initiatives is to address the needs of a vast population by providing them skills which would make them employable and enable them to secure decent work leading to improvement in the quality of their life.

In the context of developing economies like India, the challenge is to meet the skilled manpower requirement of the high growing sectors in the informal sector through better synergy between employers and the training providers and increased investment in the infrastructure needed for the skilled man power in the country.

2. Pertinent Issues towards Skill gap

The lack of access to good education and training keeps the vulnerable and the marginalized sections into the vicious circle of low skills; low productive employment and poverty. The marginalized group which includes rural poor, youth, and persons with disabilities, migrant workers and women constitute the highest number of poor. There are two major problems with the existing workforce that is already supposed to be skilled:

- poor quality of labour force who have general education up to secondary level or those having vocational training and got employed
- Educated labour force who are not able to find jobs matching their qualification due to lack of technical or soft skills.
- Besides, owing to automation and technological advancements, the need for reskilling is also felt.
In order to have dynamic and inclusive economy, it is pertinent that everyone should have equal opportunities, irrespective of the gender. Unfortunately India has among the lowest female workforce participation in the world. Women workers are the most disadvantaged in the labor market as they constitute a very high proportion among the low skilled informal worker category, and are engaged in low-productivity and low paying work. Owing to this, women earn very low wages, mostly piece rates in highly insecure jobs. However, in the recent past, it has been observed that participation of women at work has a positive impact on businesses.

The above factors lead to the mismatch between the skills that are currently available in the educated or trained labour force on the one hand, and the type of skills that are actually in demand from employers on the other hand.

While skills training is being actively promoted by the government and its partners in the private sector and industry, it is not an aspirational career choice among the youth. Vocational training is perceived as a fall back option rather than mainstream career choice. This bias is observed amongst employers who pay higher salaries to entry level engineers compared to experienced workers who have done vocational training. Thus, along with issues of capacity, quality and employability, attitudinal factors about how skills training is perceived by both potential trainees and employers need to be addressed.

3. Government of India Initiatives

In order to give focussed attention and co-ordinate all skill development efforts in the country, GoI had set up Ministry for Skill Development & Entrepreneurship (MSDE) in 2014. Some of the other initiatives in this regard are:

- The National Skill Development Corporation India (NSDC) was setup as a Public Private Partnership Company with the primary mandate of catalysing the skills landscape in India. NSDC has developed district-wise gap study for 28 states, which is available at [https://www.msde.gov.in/state-reports.html](https://www.msde.gov.in/state-reports.html)
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) aims to enable a large number of Indian youth to take up industry-relevant skill training that will help them in securing a better livelihood. The National Skill Development Mission has been developed to create convergence across sectors and States in terms of skill training activities.
- Pradhan Mantri Kaushal Vikas Kendras: Skill India Mission envisages setting up of 738 Pradhan Mantri Kaushal Kendra(s) (PMKKs) in 718 districts across the country, out of which 535 have since been established, targeting to train a minimum of one lakh candidates annually.
- Deen Dayal Upadhaya Grameen Kaushalya Yojana (DDU-GKY) of the Ministry of Rural Development, Government of India aims to train rural youth who are poor and provide them with jobs having regular monthly wages or above the minimum wages. It is one of the cluster of initiatives that seeks to promote rural livelihoods. It is a part of the National Rural Livelihood Mission (NRLM) - the Mission for poverty reduction called Aajeevika.
- The first Indian Institute of Skills is being established at Kanpur by the Union Ministry of Skill Development and Entrepreneurship in partnership with Institute of Technical Education, Singapore. Inspired by the Singapore model
of training, the Indian Institute of Skills plans to adopt various best practices across the country.

- National Apprentice Promotion Schemes and Drivers’ Training Institutes helps in apprenticeship training as it is an important tool for addressing skill mismatches.
- UDAAN is a Special Industry Initiative for Jammu & Kashmir in the nature of partnership between the corporates of India and Ministry of Home Affairs and implemented by National Skill Development Corporation (NSDC). The Scheme aims to cover 40,000 youth of J&K over a period of five years.
- Sector Skill Councils have been set up as autonomous industry-led bodies by NSDC. They create Occupational Standards and Qualification bodies, develop competency framework, conduct Training the Trainer Programs, conduct skill gap studies and Assess and Certify trainees on the curriculum aligned to National Occupational Standards developed by them. NSDC has 38 Sector Skill Councils (SSC) approved in services, manufacturing, agriculture & allied services and informal sectors.
- To meet the aspirations of ITI qualified candidates for attaining higher academic qualification Directorate General of Training (DGT), MSDE and National Institute of Open Schooling (NIOS) have signed an agreement and launched Dual System of Training and Space based Distance Learning Programme (SDLP) for MSDE. Through these programmes, a large number of students located at various ITIs including remote locations across the country can access the lectures of resource persons, thus creating a virtual classroom.
- SANKALP (Skills Acquisition and Knowledge Awareness for Livelihood Promotion launched by MSDE): The main objectives of the project include strengthening institutional mechanisms at both national and state levels, building a pool of quality trainers and assessors, creating convergence among all skill training activities at the state level, establishing robust monitoring and evaluation system for skill training programs.
- The Government has in December 2017 approved the scheme for Capacity Building in Textile Sector (SCBTS). The scheme will be applicable from 2017-2018 to 2019-2020 with an outlay of Rs.1,300 crore. It shall have the National Skill Qualification Framework (NSQF) compliant training courses, with funding as per the common norms notified by Ministry of Skill Development and Entrepreneurship (MSDE). (SOURCE: Economic Survey 2017 – 18)
- Another scheme for promotion of employment in the leather and footwear sector has been approved similar to that of the textile sector, with an outlay of Rs.2600 crore over three financial years from 2017-18 to 2019-2020. The scheme would lead to development of infrastructure for the leather sector, address environment concerns specific to the sector, facilitate additional investments, employment generation and increase in production. Enhanced tax incentive would attract large scale investments in the sector. The special package has the potential to generate 3.24 lakh new jobs in 3 years and assist in formalization of 2 lakh jobs, as cumulative impact in Footwear, Leather & Accessories Sector. The scheme proposes to provide assistance for Placement Linked Skill Development Training to unemployed persons.

<details of Skill GoI schemes can be seen at https://www.msde.gov.in/links.html>
4. **Efforts taken by NABARD towards Skill Development**

NABARD supports Skill Development Programmes (SDPs) for facilitating generation of wage employment opportunities as well as self-employment for the rural youth. As on 31 March 2019, 33812 SDPs were supported with grant assistance of Rs.135.45 crore, imparting training to around 8.71 lakh unemployed rural youth. The recent initiatives taken by NABARD towards skill development are indicated below:

- **NABSKILL:** To give further impetus for rural entrepreneurship, on 29th November 2017, NABARD had launched a digital interface initiative - NABSKILL (www.nabskillnabard.org) to capture the details of all stakeholders (training seeker, training provider, placement agencies and NABARD) involved in skill development initiatives of NABARD. The portal now enables all training providers to seek support from NABARD by applying online. The data available is on real time basis. This has done away with the need for obtaining such data from ROs at different intervals. During 2018-19, an amount of Rs. 1402.56 lakh was sanctioned towards 292 capacity building programs of 34,178 rural youths pan India.

- **NABARD supports skill development in an end-to-end model on selective basis through NGOs/VA Skill development/entrepreneurship development through rural self-employment, training institutes to ensure participation of bankers in the entrepreneurship development ecosystem.**

- **Broad basing of Clientele base:** Apart from supporting conventional Skill Development Programmes being conducted by RSETI/RUDSETI type of Institutions, NABARD has partnered with corporates like Ambuja Cement Foundation (ACF), Ashok Leyland Institute for Driving, Training and Research (ALIDTR), Lupin Human Welfare and Research Foundation, JSW Foundation and Dalmia Cement Foundation for developing various skill development activities for rural youth during the financial year 2017-18 and 2018-19.

- **Pilot projects towards setting up of ABICs (Agri Business Incubation Centre):** NABARD has supported setting up of ‘new’ Agri Business Incubation Centers (ABICs) in Government Agriculture Universities/Government Agriculture Colleges across India. On a pilot basis grant support has been sanctioned to three Agri Business Incubation Centres. These incubators serve as a platform for development of ideas into start-ups by providing budding entrepreneurs skill and technical know-how.

- **NABARD has also sanctioned Mentorship program for Eye Mitra Opticians. Sambhav Foundation (an initiative of LabourNet), mentors the candidates towards entrepreneurship in eye care by the rural youth for the rural folk leading to successful ventures.**

5. **Need of the hour**

The employment landscape is rapidly changing and new jobs are emerging with fast disruption in business models around the globe. Skills required today as well as job markets are markedly different from those a few years ago. The speed with which these changes are taking place is bound to accelerate. Therefore, the need of the hour is to build a skilling system which would enable the workforce to adapt and match the new requirements, a system that responds well to business needs and also provides new opportunities for all.
In order to address the above mentioned gaps and to reap benefit of demographic dividend resulting in increased productivity, employment and development of economy, the following measures are required to be taken care:

- Connecting basic education to technical training, technical training to labour market entry and labour market entry to workplace and continuous learning in the domain
- Ensuring continuous communication between Industries and Training providers so that training meets the needs and aspirations of workers and enterprises.
- Information dissemination towards placement of skilled labour force
- Thrust for entrepreneurship development among rural youths
- Integrating skill development policies with other policy areas – not only labour market and social protection policies, but also industrial, investment, trade and technology policies, and regional or local development policies.
- Building and sustaining competencies for future rural labour market needs

6. **Way forward**

- It is estimated that Indian workforce will increase by about 27% till 2022 and the overall composition of unorganized sector and organized sector is likely to change from 92% and 8% today to 90% and 10% in 2022. Globalization, expanding Indian market, adoption of new technologies like AI, robotics, IoT, etc., will be the major impetus for this shift. Apparently, a structural shift from agriculture to non-farm sector like construction, trade transport, etc., is also anticipated. Skill development initiative need to match the demand of the area and the aspiration of the rural youth. There is also a need for more women centric initiatives by designing suitable inclusive programs with appropriate infrastructure and other faculties in place.
- Skill empowerment of traditional sectors: India has families who have inherited traditional skills in Handicrafts and Handloom sectors from their previous generation and they further extend these to new generations. These skills are dying because they are not cost effective and hence cannot survive in the competitive market, unless marketed properly. If these skills can be linked with the livelihood option then with proper training, packaging and marketing, it can survive and provide these people financial independence in addition to meeting the target of skilling 400 million people by 2022 envisaged by Govt. of India.
- Skill initiatives for entrepreneurship development in demanding sectors: There is a huge scope for innovative entrepreneurship development in the areas of heath care, drinking water, education, sanitation, transportation, rural tourism, etc. Improvising existing schemes so as to develop potential candidates to become entrepreneurs in rural areas through specialised health centres like cardiac care centres, eye mitras, distribution of potable water will help overall rural development.

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