

Skill Development in India: Perception and Way Forward

Bhaswati Ghosh¹, Mandira Sikdar²

¹PhD Scholar, School of Liberal Studies & Education, Navrachana University Vadodara

² Former Associate Professor School of Liberal Studies & Education, Navrachana University Vadodara

Abstract - Skill development worldwide is undergoing rapid transformation, even in India, this is considered one of the frontrunners out of various initiatives that have taken place in recent years. But it must be agreed that even after 75 years of independence, India is far behind where it should have been as far as formal skill development is concerned. As per a renowned economic consultant of the UK, Centre for Economic and Business Research (CEBR)(2021), India aspires to become 3rd largest economy by 2030. According to a report by the World Bank(2018), with this aspiration, India needs 67 Cr of the workforce by 2030 whereas the present workforce strength of India is ~50 Cr, which means a net ~17-20 Cr workforce needs to be injected into the system within 7-8 years. Further, the sector-wise skill gap is also increasing day by day.

The main objective of this paper is to re-emphasize the importance of Skill Development against the backdrop of India's economic aspiration with an attempt to analyse the reasons for the shortfall and suggested proposals for a way forward.

Key Words: National Education Policy 2020, Skill development, Skill gap, Vocational education.

I. INTRODUCTION

Role of Skill Development against the backdrop of the larger economic framework of India

According to a report by the World Bank(2018), India has travelled a long way and is ranked as the 6th largest economy in 2022. According to the Centre for Economic and Business Research (CEBR)(2021), India is likely to become the 5th rank holder by 2025 and 3rd by 2030. This appeared to be very aspirational. But it is a well-known fact that for any strong economy, human resource is a fundamental component. Hence, until India has sufficient skilled human resources, the economy will stagnate and its aspirations will remain a dream. Vocational education and skill development play a crucial role in the Indian economy. According to a report by the World Bank(2018), India's workforce is expected to reach 1

billion by 2050, and the country needs to create 8 million jobs annually to maintain its employment rate. The report also highlights that India's workforce is largely unskilled and needs to be trained to meet the demands of the job market. Vocational education and economic development are closely linked.

According to Palve (2018), India is one of the youngest nations in the world with more than 54% of the total population below 25 years of age. India has the advantage of the "Demographic Dividend" i.e. younger population compared to the ageing population of developed countries, which can be cultivated to build a skilled workforce shortly. According to a report of NITI Aayog (2023), With this backdrop, the role of Skill development is critical to take advantage of the demographic dividend of the country.

Why India needs Skill Development?

There are various reasons why there is an urgent need for skill development. A few major points are captured here under:

- Initiatives like "Make in India", "Atmanirbhar Bharat" can succeed when accompanied by proper skill training. For example, Initiatives like "Make in India" will remain unachieved until the world gets access to plenty of skilled workers in India.
- Demographic dividends demonstrate that a large part of the population has the potential to be productive and contribute to a growing economy. On the contrary, if dependent heads per earning member keep increasing, it is a demographic disaster.
- According to Larocco (2022), China's name is slowly taking a back seat to the rest of the world. Moreover, China's internal problem also compelled them to vacate a lot of factories. India has a great opportunity to become a factory of the world if it can make available a cheap and skilled workforce.

- It is needless to mention that skilled workers increase productivity, which means, comparatively less production cost.
- To convert the vision of “Skill Capital of the World” into reality, India needs to create a skilled and productive workforce matching international standards of quality and productivity through the integration of skills and training along with education.

Evolution of Vocational Education and Skill Development in India

A historical review of education in India says that vocational education has been the subject of discussion and debate for more than a century. Many commissions and committees namely Wood's Despatch of 1854, Hartog Review Committee (1929), Sapru Enquiry Committee (1934), Wood-Abbot Advisory Committee (1936) and Sargent Report (1944) set up by the Government of India during the pre-independence period suggested far-reaching modifications and reforms in the education system in general and the vocational education and training system in particular. All India Council for Technical Education (AICTE) was set up in November 1945 as a national-level apex advisory body to conduct a survey on the facilities available for technical education and to promote development in the country in a coordinated and integrated manner. In independent India, the Radhakrishnan Commission (1948) underlined the need for vocational education to meet a variety of needs of our young men and women. According to the Report of the Secondary Education Commission (1953), commission recommended diversification after eight years of schooling by giving training in various crafts/vocations. The commission felt that at the end of this, a student should be in a situation if he/she wishes to enter life and can take up some vocation. “Education and National Development” a report by National Education Commission (1964-66) suggested reforming education into a uniform pattern of education called the 10+2+3 pattern all over the country indicating 10 years of general undifferentiated education for all, with diversification into academic and vocational streams at the +2 level. This became an important factor of the National Policy of Education 1968, which visualized to bring about silent transformation in the educational system. According to the Report of the

Education Commission (1964), based on the results that only 50 percent of the +2 level pass students only go for higher education and the rest go out of the education system without any productive skills, suggested that at the +2 level, 50 per cent of the students should be diverted to vocational education within 20 years.

National Skill Development Corporation (NSDC) was established as a unique Public Private Partnership (PPP) Model with the main objective of speeding up India's skills landscape. According to Patel((2021), National Skill Development Corporation (NSDC) is a not-for-profit Yojana (PMKVY), the flagship scheme of MSDE was launched in July 2015. PMKVY is being implemented through the National Skill Development Corporation (NSDC).

National Education Policy 2020 (NEP 2020) came with revolutionary changes and reforms with major recommendations for more emphasis on Vocational Education (VE). Two major targets taken in the policy are:

- 50% learner exposure to Vocational Education by 2025.
- Second, the number of students in vocational education will be considered while arriving at the GER target, which indicates easy mobility between mainstream education with Vocational Education.

According to Raman,(2020), NEP2020 also states secondary schools will also collaborate with ITIs, polytechnics, local industry, etc. Skill labs will also be set up and created in the schools in a hub and spoke model which will allow other schools to use the facility.

Thus, the evolution of skills education in India has a long history, but for the first time since India's independence, the introduction of Ministry for Skill Development & Entrepreneurship (MSDE) in 2014 and subsequent Government initiatives are in alignment with farsighted destinations with a structured roadmap in place.

Government Initiatives aligned with Economic forecast

Government's aspiration of “Make in India,” “Atmanirbhar Bharat”, “Smart City,” “Digital India,” and so on will remain unachieved until it is backed up by skilled human resources. As per the Report of the Federation of Indian Chambers of Commerce & Industry (2015) on Skill Development of India, India

needs 67 Cr of skilled workmen by 2030 to remain in the economic growth trajectory. This is a huge number, and very challenging. All programs such as, “Skill India”, “PMKVY,” and others are the result of this far-sighted vision. But ground implementation is a big question.

The current status- Where does India stand today?

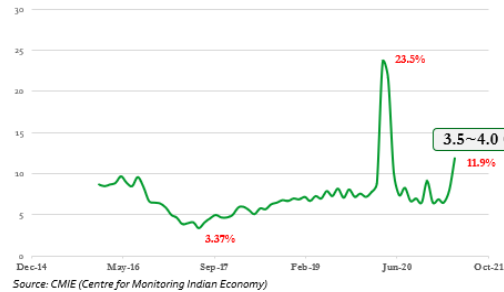


Fig. 2: Unemployment Rate in India

According to the report of the World Bank (2022), with the above initiatives, the Nation’s vision is set, but first, it is important to know where does India stands today. India’s skilled workforce touched 52 Cr in 2022. In a Manpower Talent Shortage survey by OECD (2014), it is noticed that India’s 64% of companies have skill shortages. It is obvious that the task is herculean, 47 Cr to 67 Cr i.e. 20 Cr additional workforce within 8~9 years is extremely challenging. Still, the challenge could have been accepted if it had been well conceived.

Unfortunately, still majority of the country’s population has not realised the importance of Skilling India.

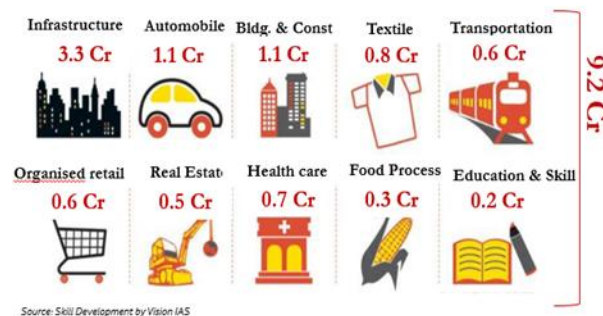


Fig.1: Expected Skillgap in industries by 2022

Growing Skill Gap

India’s skill gap is going to be almost 9.2 Cr by 2022 [Fig.1]. Here is the sector-wise skill gap illustrated based on the Report of Skill Development by Vision IAS(2016).The focus in India has always been on education but unfortunately, not on overall skill

development, this attitude is responsible for this gap. It is needless to mention that this gap will keep on increasing until some action is taken today.

Reasons of shortfall

The graph represents the unemployment rate of India for the last 5 years. As per Centre for Monitoring Indian Economy (CMIE) data unemployment rate was lowest at 3.37% in July '17 and highest in April '20 [Fig.2], currently at almost 12%. This 12% in absolute number is almost 3.5 to 4.0 Cr population (It varies). Based on the Report of Statista (2019), if a closer view is taken of the educational qualification of this ~4 cr population, it is found that more than 60% are above secondary. Even 30% are above graduates and post-graduates and more than 20% are Diploma and other certificates courses. Why they are unemployed? Because industries don’t need Graduates or Postgraduates, they need skilled people with relevant educational backgrounds. It is not always feasible for the industry to absorb them and then provide them with paid training, which is very unrealistic. Now if this 60% is given proper skill development training depending upon their interest and capacity then certainly employability will be enhanced.

Major Skill Development Challenges in India

Through the study of the skill development system in India, the following challenges have been identified.

- Inadequate infrastructure and limited capacity
According to the FICCI Report on Skill Development of India, (2015), the existing infrastructure is insufficient taking cognizance of the projected demand for a skilled workforce.

Training infrastructures are suffering from the severe crisis of quality faculties. For example, approximately, 85,000 trainers are required to achieve 1 faculty for every 20 students.

- Awareness, mindset, and perception issues

Skill deficiency in India is predominantly due to perception and absence of awareness about prospects and opportunities regarding skill training. This led to the vacillated acceptance of skill education as a sustainable alternative to conventional education. Skill education is always viewed as the last resort in case of failure in the conventional academic streams.

- Cost concerns

Mainly government funds or public-private ventures run skill development initiatives in India. Skill training

requires high capital expenditure. Looking at the family background of prospective students return on investment is likely to be very low. Hence, unless any government subsidy is arranged, this is not a viable business investment for any private investor.

▪ Quality concerns

Undoubtedly some improvements are noticed in the quality of training by incorporating training for trainers regularly. However, still significant gaps exist between the market requirements and the skills imparted in institutes. This is more significant when it is the operation of particular machinery, as continuous upgradation taking place whereas an institute carrying decade-old machinery.

▪ Mobility concerns

As already discussed, perception on Vocational Education is the major challenge in India. Society has more acceptance of qualifications in general education rather than qualifications in vocational courses, in terms of pay as well as dignity of work. Over and above restricted movement between conventional education and vocational education due to the absence of equivalent recognition making challenge harder. However, ongoing National Skills Qualification Framework (NSQF) and post-NEP 2020 efforts are being made to resolve the mobility issue.

Grassroots of the Problem

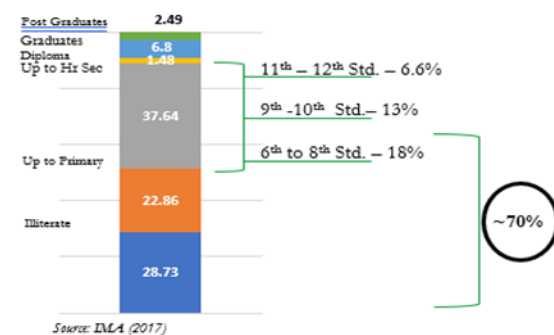


Fig.3: Educational Qualification of Workforce of India (2011-12)

Now let's try to look into the grassroots of the problem. The left-hand side chart [Fig.3] depicted the qualification-wise category of the Indian workforce. According to the Report of International Market Assessment India Private Limited (IMA) (2017), almost 70% of the population has education up to 8th grade, without any formal vocational education or any skill development training. So, this 70% population is earning without completing elementary education.

The problem is that most of the skill development programs do not allow people under 8th grade.

According to the Vision IAS Report(2016), in countries like Korea, China, and Germany, around 85% of the workforce in the age group of 18-25 have received some form of vocational training and the same figure in the case of India drops down to 5-10%.

DISCUSSION

Global lessons in Skill Development.

Challenges with skill development vary with regions and their economies and need to be aligned with the context, function, and culture of the external environment. Key strategies focused by countries such as USA, Germany, Australia, and UK include governance, fostering private sector partnerships, market-led models, industry-relevant curriculum, outcome-focused skills qualification standards and quality assurance framework. Many developed countries and a few developing countries have established unique vocational programs to ensure the efficient delivery of vocational education. Some of the key learnings from the global best practices include: Germany's dual training system in which part of the study is at school and part at the company (strong employer involvement) giving beneficiary hands on experience; UK's focus on trailblazer apprenticeship model wherein practical trainings are conducted at employer workplace whereas, technical training is provided by other training providers or colleges with world-class assessment and certification practices; USA's inter-twined network of employers and training providers whose operating model is to simultaneously provide training to students in Industry relevant skills while preparing them for post-secondary vocational education; Australia's credits for movement between formal and technical education and national quality assurance framework, that provide multiple conduits to undertake a qualification either at school, workplace or training organizations. According to the report of Best Global Practices in Technical and Vocational Education and Training by KPMG Advisory Services Private Limited for NSDC, (2019) learnings would also benefit India to enhance the capacity of government and private institutions in the skill development sector to meet the current and future demand of industries and to bring in standardization

which is deemed to inculcate growth in the Indian skills ecosystem.

Way forward for skill development in India

- The first challenge is Creating capacities & infrastructure. Initiatives and proposals under national skill policies are adding training capacities in existing infrastructure, establishing new ITIs in PPP Mode, and online courses are already under implementation. Further, in policy suggestions innovative initiatives like the introduction of movable training (mobile vans or buses) for rural areas as done in Rajasthan can be thought of.
- The second challenge is Creating awareness and mobilisation, Government's initiatives and policies are a National campaign, National Portal for skilling including a labour market information system has already taken place. According to Mahajan (2020), It can be done if awareness is geared up to mission mode, schools can be utilized for counselling, encouraging students for vocational stream at school level.
- In fact, various skills exist in every corner of India, but those are mostly informal. Hence, if India institutionalizes these skills, then substantial progress can be achieved. New National Education Policy 2020 (NEP) attempted to bring a complete overhaul to India's education system. The NEP 2020 plans to integrate vocational courses into mainstream education step by step creating the National Higher Education Qualification Framework (NHEQF).
- The next challenge is enhanced industry linkage. As per NEP 2020, higher education institutions will offer vocational education in partnership with industry. According to Sharma (2017), the higher education policy needs to be in line with present and projected employment opportunities, Incentives can be devised to encourage firms (including MSMEs) to undertake regular apprenticeship programs.
- Financing mechanism is one of the most critical challenges. A proposal is made to earmark at least 2% of the company's payroll bill for spending under skill development in their respective sector. This type of Innovative funding mechanism needs to be evolved. I have some proposals for innovative funding which shall be shared in the end.
- Last but not least is Quality improvement, apart from national skill policies, ITIs need to be upgraded. Foreign companies can make

agreements with training providers in India. International expertise can be utilized and invited for the training of trainers in India.

CONCLUSION

According to Chakrabarty (2020), NEP 2020 is a step in the right direction. however, it needs to be strengthened by stout structural reorganizations in the present learning ecosystem to ensure the comprehensive development of learners. The policy aims to expose at least 50% of students from schools and higher education institutions to vocational education by 2025. Our emphasis on vocational education should be selected based on skills gap analysis and mapping of local actual demands.

Being the second largest population in the world, India would never be able to upskill all of its young populations through the conventional education framework. It is well understood that no Government alone can achieve this extraordinary task. It calls for a joint effort of government, private companies, and NGOs to address the issue holistically. According to Shivashankar (2020), if India is to gain its rightful place in the world, reap equal benefits and opportunities for all, and rise from the debris of poverty and several other pressing issues, skills development will be required to be given a place right on top of national priorities.

According to Zahid (2014), the student has to be cautious on a few points before deciding to go for skill training; the first and foremost is the employment history of a particular skill centre, as the majority of the skill centres do not have a dedicated placement cell. Secondly, the reputation of the training centre is due to the easy availability of government funds or grants few below-standard institutes also exist in the system resulting in unsuitable trainees for students.

In short, the building blocks of skill development prepare the stronger connections between the ecosystems of education and work. Skill development not only improves people's capabilities to work and their opportunities at work, but at the same time, it also offers more scope for creativity and job satisfaction. The future prosperity and economic growth of any country depend totally on country's demographic dividend. Skill development enables people to develop their full capacities and seize employment and social opportunities. According to the Report of the

International Labour Office (2010), Skill Development and Training raise productivity, both for workers and enterprises and contribute to boosting future innovation and development. It encourages both domestic and foreign investment and lowers the rate of unemployment and underemployment. Thus, Skill development leads to expanded labour market opportunities and reduces social inequalities.

Good quality elementary education is the fundamental requirement; subsequently, it remains updated on changes in demand for skills education and training systems that are responsive and in alignment with structural changes in the economy and society to ensure recognition of skills and competencies and their more incredible application in the workplace. Thus, to be effective in skill education, policy initiatives in these areas require to be paid special attention.

REFERENCES

- [1] Centre for Economic and Business Research (2021). World Economic League Table. Retrieved from <https://cebr.com/wp-content/uploads/2020/12/WELT-2021-final-23.12.pdf>
- [2] Centre for Monitoring Indian Economy. (n.d). Unemployment rate data. Retrieved from <https://unemploymentinindia.cmie.com/>
- [3] Chakrabarty, S. (2020). Skill Development & Education: Key to India's growth story. Times of India. <https://timesofindia.indiatimes.com/blogs/voices>
- [4] FICCI Report on Skill Development of India. (2015) Retrieved from https://www.kas.de/c/document_library/get_file?uuid=74834418-2293-25d4-3d30-eab638a48e0b&groupId=252038.
- [5] GOI. (1964). Education Commission, 1964 Report, Ministry of Education, Government of India, New Delhi.
- [6] GOI. (1953). Report of the Secondary Education Commission: Mudaliar Commission Report, Ministry of Education, Government of India, New Delhi.
- [7] International Labour Office. (2010). A Skilled Workforce for Strong, Sustainable and Balanced Growth: A G20 Training Strategy. Retrieved from <https://www.oecd.org/g20/summits/toronto/G20-Skills-Strategy>
- [8] International Market Assessment India Private Limited. (2017). The India Employment Report. Retrieved from <http://www.ima-india.com/pdfs/the-india-employment-report-sample-slides.pdf>.
- [9] KPMG Advisory Services Private Limited. (2019). Best Global Practices in Technical and Vocational Education and Training. Retrieved from https://skillsip.nsdcindia.org/sites/default/files/kps-document/NSDC_Global_TVET_Systems%20and%20Practices_26May2020_Final%20%281%29_0.pdf
- [10] Larocco, L. (2022). China, Factory of the World, is losing more of its Manufacturing and Export Dominance, Latest Data shows. Retrieved from <https://www.cnbc.com/2022/>
- [11] Mahajan, A. (2020). Skill Development: Key to Inclusive Growth. Retrieved from <http://bweducation.businessworld.in/article/Skill-Development-Key-To-Inclusive-Growth/29-03-2020-187485/>
- [12] Manpower Talent Shortage survey by OECD. (2014). Retrieved from <https://www.manpowergroup.com/wcm/connect/b91b5a0e-f22c-4286-8fb6-83eb8da3ff0a/2014%2BTalent%2BShortage%2BInfographic-Final.pdf?MOD=AJPERES&CACHEID=RO-OTWORKSPACE-b91b5a0e-f22c-4286-8fb6-83eb8da3ff0a-n35QeVA>
- [13] Palve, U., & Khaire, R.J. (2018). Impact of Industrial Training Institute on Skill Development And Employment & Self Employment Generation Specially With Reference To Ahmednagar District. *IOSR Journal of Business and Management*, 20(7), 1-6, e-ISSN: 2278-487X, p-ISSN: 2319-7668. <http://www.iosrjournals.org/iosr.jbm/papers/Vol20-issue7/Version4/A2007040106.pdf>.
- [14] Patel, V. (2021). Measurement of employability skills of trainees from various ITI in Bharuch district. <http://hdl.handle.net/10603/389774>
- [15] Raman, S.(2020). Vocational Education in the NEP 2020: Opportunities and challenges. Retrieved from <https://sprf.in/vocational-education-in-the-nep-2020-opportunities-and-challenges/>
- [16] Report of NITI Aayog. (2023). Transforming Industrial Training Institutes. Retrieved from https://www.niti.gov.in/ITI_Report_02022023.pdf (niti.gov.in).

- [17] Report of World Bank. (2018). Retrieved from <https://documents.worldbank.org/en/publication/documents/reports/document-detail/798621468041438738/>.
- [18] Report of World Bank. (2022). Retrieved from [https:// data. world bank. org/indicator/SL.TLF.TOTL](https://data.worldbank.org/indicator/SL.TLF.TOTL)
- [19] Sharma, H. (2017). Skill Development Policies in India Implications and Challenges. *Journal of Education and Vocational Research*, 8(4), 4397-50.
- [20] Shivashankar, S. (2020). Why Skills Training is the Need of the Hour. Retrieved from <http://bweducation.businessworld.in/article/Why-Skills-Training-Is-The-Need-Of-The-Hour-/24-12-2020-357687/>
- [21] Statista Report on Unemployment across India. (2019). Retrieved from <https://www.statista.com/statistics/1001039/india-unemployment-rate-by-education-level/>
- [22] Vision IAS. (2016). Report of Skill Development. Retrieved from [http://visionias.in/beta/sites/all/themes/momentum/files/interview_issues2016/ Skilldevelopment.pdf](http://visionias.in/beta/sites/all/themes/momentum/files/interview_issues2016/Skilldevelopment.pdf)
- [23] Zahid, T. (2014). Skill Development: Need of the Hour, Will be the Defining Element in India's Growth Story. Retrieved from <https://economictimes.indiatimes.com/opinion/et-commentary/skill-development-need-of-the-hour-will-be-the-defining-element-in-indias-growth-story/articleshow/34366712.cms?from=mdr>