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**National Skill Development Initiatives & Economic Development in India**

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**ABSTRACT:**

The main aim of skill India concept introduced is to create opportunities, space and scope for self development of the talents of Indian Youth. This programme is initiated in to provide training and skill development covering youth of each and village. This paper is based on the secondary data which was collected from different researches and an attempt has been made to identify how far the skill development programmes have achieved success and what are the major problems faced by the youth in initiating the skill development programmes launched by government. The study also discusses about the skills imparted through educational programme and requirement of additional sector specific courses. Hence the paper will highlight the needs, challenges and scope of the skill development programmes. India is a country with major represent youths. As far the economic development of our country is concerned, India is still lagging behind due to various problems like poverty, unemployment, illiteracy, medical infrastructure etc. Youth plays a crucial role in achieving economic prosperity of the country. In the present scenario, it is found that most of the youth being educated are facing severe unemployment problem due to lack of skills and technical knowledge. Most of them are unaware of the developments taking place in the modern world.

**Introduction:**

India is a country with high working age population. Unemployment is a severe problem faced in India. Skill India is an initiative to improve the physical and mental development of Indian youths so that the unemployment problem in the country can be reduced. The government has recognized the need for skill development firstly with the 11<sup>th</sup> five year Plan providing a framework to address the situation. The first National Skill Development policy was framed in 2009 and subsequently a National Skill Development Mission was launched in 2010. The 12<sup>th</sup> Five Year plan observes that Skill development programmes in the past have been run mainly by the government, with insufficient connection with the market demand. It has called for an enabling framework that would attract private investment in vocational training through Public-private partnership. India has gradually progressed as a knowledge based economy due to the profusion of capable, flexible and qualified human capital. With the constantly rising influence of globalization, India has immense opportunities to establish its distinctive position in the world due to its young work force. If Youth of India given an opportunity to show their mental through educating them in some skills, it will deciding progress. Skills and knowledge are key drivers of macro economic

growth and socio-economic stability. Skill Development can be defined as proficiency that is acquired or developed through training or experience.

#### **A review for the National skill Development in India :**

- At present the capacity of skill development in India is around 3.1 million persons per year. India has capacity to 15 million annually. India has target of creating 500 million skilled workers by 2022. Thus, there is as need for increasing capacity and capability of skill development programmes.
- The skill development initiatives will harness inclusivity and reduce divisions such as male/female, rural/urban, organized/unorganized employment and traditional /contemporary workplace.
- The skill development initiatives support the supply of trained workers who are adjustable dynamically to the changing demands of employment and technologies. This policy will promote excellence and will meet the requirements of knowledge economy.
- The skill development initiative does not discriminate between private or public delivery and places importance on outcomes, users' choice and competition among training providers and their accountability.
- The skill development initiatives support employment generation, economic growth and social development processes. Skill development policy will be an integral part of comprehensive economic, labour and social policies and programmes. A framework for better coordination among various Ministries, States, industry and other stakeholders will be established.

#### **Why India needs Skill Development?**

- We need skill India, as we have maximum young population without jobs. If their potential is not harnessed, they will fall prey to drug addiction and other anti-social activities, which we as a nation cannot afford.
- The skilled workforce is crucial for the success of recently launched missions – Make in India, Digital India, and Smart Cities.
- With China gradually vacating its factories, with rising Chinese wages and an appreciating Yuan, and also with internal demographic challenge, India has an opportunity to become a factory of the world.
- To convert this vision into reality, India needs to create a skilled and productive workforce matching international standards of quality along with education.
- Skills are needed to those currently in colleges for them to be better employed.
- With most of the major economies of world having sizeable ageing population, India has huge opportunity of serving the booming market.

## **Governance of skill Development Initiative**

Prime Minister's National Council on Skill Development, under the Chairmanship of Prime Minister has been set up as an apex institution for policy direction and review. The Ministers for Human Resource Development, Finance, Industries, Rural Development, Housing and Urban Poverty Alleviation, Labour and Employment and Micro Small & Medium Enterprises are members. Deputy Chairman, Planning Commission, Chairperson of the National Manufacturing Competitiveness Council, Chairperson of the National Skill Development Corporation and 6 experts in the area of skill development are other members. Principal Secretary to the Prime Minister is the Member Secretary to the Council.

## **National Skill Development Co-ordination Board:**

A National Skill Development Co-ordination Board has been set up under the chairmanship of Deputy Chairman, Planning Commission, Secretaries of Ministers of Human Resource Development, Labour and Employment, Rural Development, Housing and Urban Poverty, Alleviation and Finance are members. Chairperson/Chief Executive Officer of the National Skill Development Corporation, Secretaries of four States by rotation for a period of two years, and three distinguished academicians/subject area specialists are other members Secretary of the Board.

## **National Skill Development Corporation:**

The National Skill Development Corporation is a non-profit company under the Companies Act 1956 with an appropriate governance structure. The head of the Corporation is a person of eminence/reputed professional in the field of Skill Development. The Corporation would constitute sector Skills Councils with following functions:

- ✓ Identification of skill development needs including preparing a catalogue of types of skills, range and depth of skills to facilitate individuals to choose from them.
- ✓ Development of a sector skill development plan and maintain skill inventory.
- ✓ Determining skills/competency standards and qualifications.
- ✓ Standardization of affiliation and accreditation process.
- ✓ Participation in affiliation, accreditation, examination and certification.
- ✓ Plan and execute Training of Trainers.
- ✓ Promotion of academies of excellence.
- ✓ Establishment of a well-structured sector specific Labour Market information system (LMIS) to assist Planning and delivery of training.

### **National Council for Vocational Training: (NCVT)**

NCVT will be strengthened and re-engineered with a broader mandate and representation. The main functions include:

- ❖ Design, development and maintenance of National Vocational qualification Framework (NVQF) which inter alia includes:
  - Setting up a framework for competency standards, structure of courses, credit structure, accumulation and certification.
  - Setting up a framework for affiliation and accreditation of institutions.
  - Quality control mechanism.
- ❖ Labour market information system and dissemination of information at the national level.
- ❖ Monitoring and evaluation on the effectiveness and efficiency of national skill development efforts through appropriate reporting and communication mechanism.

Partnerships will be consciously promoted between Government, industry, local governments, civil society institutions and all skill providers. It will also include, training providers, professional societies, self help groups, cooperatives and NGOs/civil society institutions. Creation of an institutional mechanism and regular consultation with stake holders will form the corner stone of Skill Development Initiative.

Equal access to skill development is essential for all social groups particularly women and disadvantaged section of society, to help them in securing employment and moving out of poverty. Removing barriers of access and addressing their specific needs are key elements in achieving inclusive growth. Entry barriers such as educational qualification, transportation, language etc., will be addressed. While enhancing the opportunity of skill development for all, entry assessments will be deployed to channelize people with different profiles and needs into appropriate skill development programmes. The effort will be combined with a major initiative in raising awareness among the target groups about the benefit of skill development, employment and learning opportunities and also about support schemes that enable them to participate in training.

Quality and relevance of skill development are key to India's global competitiveness as well as improving an individual's access to employment. For enterprises to compete in the global economy, the quality of training must reach world international markets. To increase the relevance with future employment market including promotion of self-employment, soft skills and entrepreneurship skills will be made integral part of skill development. The demographic advance that the country enjoys, coupled with prospects of global shortages in skills as the world population ages, means that the country could be supplying skills to the world.

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 National Skill Development Agency (NSDA) and National Skill Development Corporation (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 Corporate and Public Sector Undertaking (PSUs) who are coming forward and investing in country's youth by supporting skill development through their Corporate Social Responsibility (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.

### **Literature Review:**

A review of literature enables the researcher to go into greater details and wider applicability of the problem in hand, so as to provide new ideas, explanations and hypotheses. The final and specific reason for reviewing related literature is to know the recommendations of the previous researchers for further research which they have listed in their studies. The length of the review will depend upon the number of relevant articles and the purpose for which the research report is being written. Review of the related literature helps the researchers to acquaint himself with current knowledge in the field or area in which researcher is going to conduct his research. The review of the related literature enables the researcher to define the limits of his fields and accordingly delimits or defines his problem. The present investigators have reviewed the literature with reference to skill development programmes in India which will give and understanding about the research conducted in the field and research gaps to be filled by further research.

**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 shortage of skills in paint industry and to determine how to deal with skill gap among painters. Primary data sources were use for the study. A self-administered questionnaire was used to collect data from 130 painters working in Kurukshetra district. The findings of the study indicated that lack of formal training and inadequate provisions for the training of painters are the main reasons behind the shortage of skills in paint industry. The results of the present study indicate that there is shortage of skilled workforce in paint industry. Skills are always shown in the quality of work. Poor quality of works could be the results of the lack of skilled painters. Unskilled painters produce poor quality of works. Training has a positive and significant effect on performance of workforce. The result shows that painters lack formal training. They do not have formal certificate or diploma through formal training. Even the youth entering this occupation do not acquire formal training for their work. Painters lack sufficient knowledge and skills. They used to get informal training from their family and friends. Due to these reasons their performance are not satisfactory. Furthermore, the present level of knowledge

and skills are inadequate to use the new equipment's and techniques in painting work. There is a skill gap in paint industry. There are various problems faced by the painters. Painters face difficulty in getting work. They do not get timely payment for their work. The painters work on heights and there is no provision for their safety against risk. To reduce the risk there should be the insurance of painters.

**Shrivastav and Jatav (2017)**, conducted a study entitled "An Analysis of Benefits and Challenges of Skilling India" The main aim of this paper was to study the prospects and challenges for skilling in India. The specific objectives of the study were to study and analyze the Indian experience of skill development in India and analyze the challenges faced for skill development in India in terms of financial resources. Data has been gathered from the secondary sources for the study. The data mainly collected from the Ministry of Micro, Small & Medium Enterprises (MSME), websites of the respective start-ups companies, websites of the various Government agencies and their annual reports. the study revealed how the different types of programmes launched by Government of India can generate job opportunities in India with new Industrial skill requirement. The study finds out the overall status of skill capacity available, skill requirement, skill gap and initiatives taken by Government of India for skill development. The existing skill development policy in India needs an urgent treatment. The institutional structure needs simplification with greater investment in training infrastructure and an emphasis on supporting a casual labour force that needs to be accompanied with incentives for private sector participation too.

**Deka and Batra (2016)**, conducted a study entitled "The Scope of skill development, Employability of Indian Workforce in Context of Make in India: A Study" To understand through the review of literature the effect of "Make In India" initiative on employability, to analyze through the review of literature if the skill development measures will help to bridge the gap of existing skills and required skills of workforce and Labour force in India. The study is based on review of secondary data. The data has been collected by accessing various libraries, emerald and government portals of "Make in India", Skill India etc. The study revealed how "Make in India" can generate job opportunities in India with new Industrial skill requirement. The study find out the overall status of skill capacity available, skill requirement, skill gap and initiatives taken by Government of India for skill development. To make "Make in India" project successful, youth of the nation should be empowered with formal education, technical and vocational training to meet the Industrial requirement as per global standards.

**Chavda and Trivedi (2015)**, conducted a study on "Impact of Age on Skills Development in Different Groups of Students" To study the effect of gender on the development of skills, to make aware the students about their skills to aware the students about the key role of life skills in personality development. In the present study, Walker's Life skills test (2009) was



used. This test measures four types of life skills (1) Social etiquettes (2) Communication (3) Self-esteem and (4) Hygiene. 150 Students were selected randomly from schools and colleges of Ahmedabad city. Age wise students were divided in three groups namely A, B, and C Group “A” consisting of students having age of 11 to 13 years, in group “B” age of 14 to 17 years and in group “C” age of 18 to 20 years. Group A1, B1 and C1 is for boys and group A2, B2, and C2 is for girls. Each group is of 50 students (25 boys and 25 Girls in each group). “t” test was used to analyze the data statistically. The study concluded that Group A (11-13 years), B(14-17 years) and C(18-20 years) are different age groups. The result shows that B group has better skills development than group A and C group is better than B. It means C group is better than group A and B. This difference is only due to age and maturity. Age is a major affecting factor for skills development. There is no significant difference found between boys and Girls considering all age groups together. Thus the main object of our research work is proved. Age and maturity are the only important factors for skills development.

**India Skill Report (2014)**, revealed the underachieved status of skilled labours in India it judge that if we continue in the current pace in skill training, we would have a skill gap of 75-80% across Industrial sectors in India. There will be huge human resource in the country but without sharpen hand and head which corporate do not require, and jobs for which the right fit is not available. The economic impact of this brutal cycle is something one can estimate, but the social impact of having a powerhouse of educated yet frustrated youth who are directionless with no jobs in hand is unimaginable.

**Raina (2013)**, conducted a study on “Skilling Initiative for Undergraduate students at the Entry Level: A Case study” A primary study was conducted through feedback analysis to study about skilling attempts in an undergraduate college to bridge skill gaps. The study discussed about how education and skill development are integral part of the growth process and highlights the importance of skilling initiatives at the undergraduate level as an attempt to bridge skill gaps and shaping the mindset of demographic dividend at the entry level. The six parameters soft skills, wellness, dance, general awareness, orientation day 1 and orientation day 2 was analyzed on relevance, enjoyment and information. The study conducted that efforts need to be made on transforming the system from present model of education to developmental education integrating it with the market need and opportunities.

**Okada (2012)**, conducted a study on “Skill Development for Youth in India: Challenges and Opportunities” the paper discussed about the education and employment of Indian youth. It also discussed about challenges in skill development. It describes about the ample of educational opportunities but the problem of drop out leads to unskilled youth. Paper concluded that to avail the benefit of demographic dividend government of India should ensure that skill development mission should be success and identified and enormous skills

gap in India between what industries demand based on recent rapid economic growth and the skills that young people acquire through vocational training. For more than a half century, well- institutionalized public vocational education and training education system. But they are not large enough to accommodate many school graduates, and they have not been able to provide young people with the vocational skills that industries need. Thus youth access to vocational training continues to be limited. However the Indian government has recently embarked on a drastic reform of its training policy and National Manufacturing Policy; set up a new institutional framework to accelerate and coordinate skills development efforts, and developed the National Vocational Education Qualification Framework (NCEQF). Training institutes now have more autonomy and private-sector involvement, and have improved their governance and curriculum. These changes are too recent to examine the effects on training outcomes. But it will be interesting to see how these reforms improve access to and demand for vocational training among youths as well as the outcomes of training.

**Saleem and Shahid (2011)**, conducted a study on “Degree of influence of training and development on employee’s behavior”. The result revealed that the purpose on training and development is pervasive. Training and development builds a team of highly effective and efficient way. Employees who are trained regularly are well motivated. Well- mannered and have enhanced confidence and self-esteem. Training and development prepare and enhance employee’s knowledge and skills to enable them so that they adapt to new technology, the changes that happened inside the organization and the working environment. Training and development also creates a pool of employees and chances for promotion or to replace employees who have left the organization. This study highlights that training and development of an employee, plays an important role and higher authorities of these different sectors give feedback that all employees should be given opportunities of training and development that lead to organizational efficiency and growth.

**Brown (2001)**, conducted a study on “Return on investment in Training”. The result reveals that training and development efforts are big business in the United States, with the amount of money spent increasing every year. However, changes in the economy and declining profit margins are prompting many businesses benefit from their expenditures on employee training or are they merely preparing their workers for jobs elsewhere? When workers bear the costs of such training, do they realize personal benefits or does the employer reap the only rewards? This study examines myths and misconceptions about who pays and who reaps the Return on Investment (ROI) in training. Investments in training are assumed to have positive returns.

From the literature it is very clear that there is urgent requirement of focusing on the education enhancement and skill development youth to make them employable. It is a high time to get benefitted from our demographic quotient, a crucial time to invest in the training and development opportunities in every sector and level. Employment generation is the one



issue other than that employability and productivity is another issue. As per the India skill report 2015 only, 37.22% of surveyed people were found employable. India ranked last among 60 countries on labour productivity (World Competitiveness Yearbook, 2012). CII (2009) has projected Incremental Human Resource Requirement till 2022 at 201 million. Currently about 26 million people enter the working age group every year with about 65% of them looking for jobs. Age is a major affecting factor for skills development. There is no significant difference found between Boys and Girls considering all age groups together. Age and maturity are the only important factors for skills development. To make “Make in India” project successful, youth of the nation should be empowered with formal education, technical and vocational training to meet the industrial requirement as per global standards.

### **Challenges to skill development in India**

From the review of literature it is obvious that the challenges to skill development in India are rampant and some need immediate actions. The skill development programmes have noted that if youth are properly skilled they can contribute to economic growth. However, there are many challenges to get the objectives of skill India fulfilled. Some of them are as under:

- Student’s mobilization to get trained has been a major concern due to traditional mindset, low willingness to migrate, low salaries at entry level.
- The employer does not distinguish whether an employee has picked up skills on the job or he/she has acquired them through formal training.
- Scaling up aspirations to current jobs as well as getting the right kind of training partners and effective stakeholder’s management is to be taken into consideration.
- Wages are linked with categorization of skilled, semi-skilled or unskilled, but these have to be aligned with skill levels defined as per National Skill Qualification Framework. (NSQF)

### **Conclusion:**

There is more need of government intervention and policies to encourage these kind of courses in various sectors and raise the employability through various short term, long term and vocational courses. Although the need for skill development initiative is understood and realized by many sectors still there are few sectors where awareness needs to be created. Also ministry of skill development council and sector skill councils are formulated still more work is to be done on identification of employability attributes, design and modify curricular course to cater the demand of the sector. The age group available to Indian economy is more influenced toward the learning traditional concept, if skilled can contribute to make the

economy stronger instead of becoming the liability. The skill development will raise the efficiency level of the work force and raise the employability of youth, who otherwise feel alienated after being educated but not getting a job to earn. Skill development will also help the country to raise Gross enrolment Ratio (GER) at various levels of education from elementary to higher education because the parents and their children would find a meaning in education due to employability. It has been seen in the Indian context that when a child remains at his home without a job despite being educated formally, the parents feel education as a meaningless entity. Due to skill development the parents will decidedly want their wards in educational institutions because finally what matters for a parent is to earn a living and live life with dignity and honor.

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