

SKILL DEVELOPMENT IN INDIA: A STUDY OF KEY SUCCESS FACTORS AND CHALLENGES

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ABSTRACT

India is one of the fastest growing countries in the world, blessed with huge percentage of youth that constitute India's population; India is bound to achieve endless possibilities. But, most of youth of India are not fully skilled as per the requirements of the industry; and this is a major hurdle in India's growth. Skills and knowledge are the key factors in order to overcome such hurdle and helping India to embark on road of endless growth. For this skill development is a necessity, as it not only helps in youth of the country to acquire necessary skills but also helps in economic development of a country. Initiatives like Skill India Make in India by our government boost the necessity of acquiring new skills and polishing existing skills and help youth of the country in acquiring skills and developing them. Skill development would also help in reducing the unemployment level in the country, as it would help youth to acquire the necessary skills for employment they seek for. In this research paper, we aim to do an in-depth study of skill development in India along with various challenges faced by it; also focusing on the key factors for successful skill development. The Study is Primary and secondary based with the help of Questionnaire and various journals and articles. Questionnaire was created for this research paper with which the required data was collected, analyzed and in-depth study was done.

Key words: Skill Development, Youth, Economic Development, Questionnaire.

INTRODUCTION

India is 7th largest economy in the world with unique geographical location to its advantage. It is one the fastest growing economy of the world which is bound to reach greater heights. In terms of population, India ranks 2nd in the world with an estimated population of

1.37 billion (as per latest UN survey). More than 50% and 65% of India's population lies below the age of 25 and 35 respectively; with an average age of 27. Having greater proportion of youth in country as compared to others, Hence India is believed to have endless potential to grow into an unparalleled economy. But India faces a huge problem in accomplishing this goal and that is underemployment and lack of required skills. Not having appropriate skills lead to unemployment and reduces the scope of growth of country as the youth of that country doesn't have required skills set.

To resolve this, Government has launched various programs to develop such skills in youth. one of such program is 'Skill India' launched in March 2015 by our Prime Minister Narendra Modi with an objective of creating opportunities, providing area and scope for skill development of the youth of India. This program provides guidance, training and necessary support to all, in order to boost their confidence and improve their productivity

as well as skill levels which would make them apt for the required jobs and as a result, In the economy almost 0% of youth would remain idle and acting as a burden on the economy.

Figure 1: Skill Development Eco-System in India

Key Bodies	Enablers	Implementing Bodies	Beneficiaries
<ul style="list-style-type: none"> • Ministry of Skill Development & Entrepreneurship • MHRD • Ministry of Rural Development (MoRD) • Other Central Ministries 	<ul style="list-style-type: none"> • State Skill Development Mission (SSDM) • NSDC • NSDA • SSCs • NCVT • SCVT • Labour Laws • Minimum Wages Act • Financial Institutions • Apprenticeships Act 	<ul style="list-style-type: none"> • ITIs • Training Providers • Captive Training by Employers • Schools • Universities • Assessment Companies 	<ul style="list-style-type: none"> • Marginalized societies • Unemployed youth • Low income Group • School & College Students

Source: FICCI-KPMG report "Skilling India"

OBJECTIVES

- To study about skill development India.
- To learn about initiatives by government and challenges faced by it.
- Analyzing the awareness about skill development concept among people.

SCOPE OF STUDY

For India to grow to greater heights its necessary for the workforce to be skilled enough to undertake challenges and cope up with rapid globalization and industrialization. Hence, it's necessary to spread awareness about all the initiatives and program undertaken by government. Only then would such programs and initiatives be successful. Also, what's required is to spread awareness about the challenges in way of skill development and making government understood the requirement of creating more job opportunities to be accompanied with skill development.

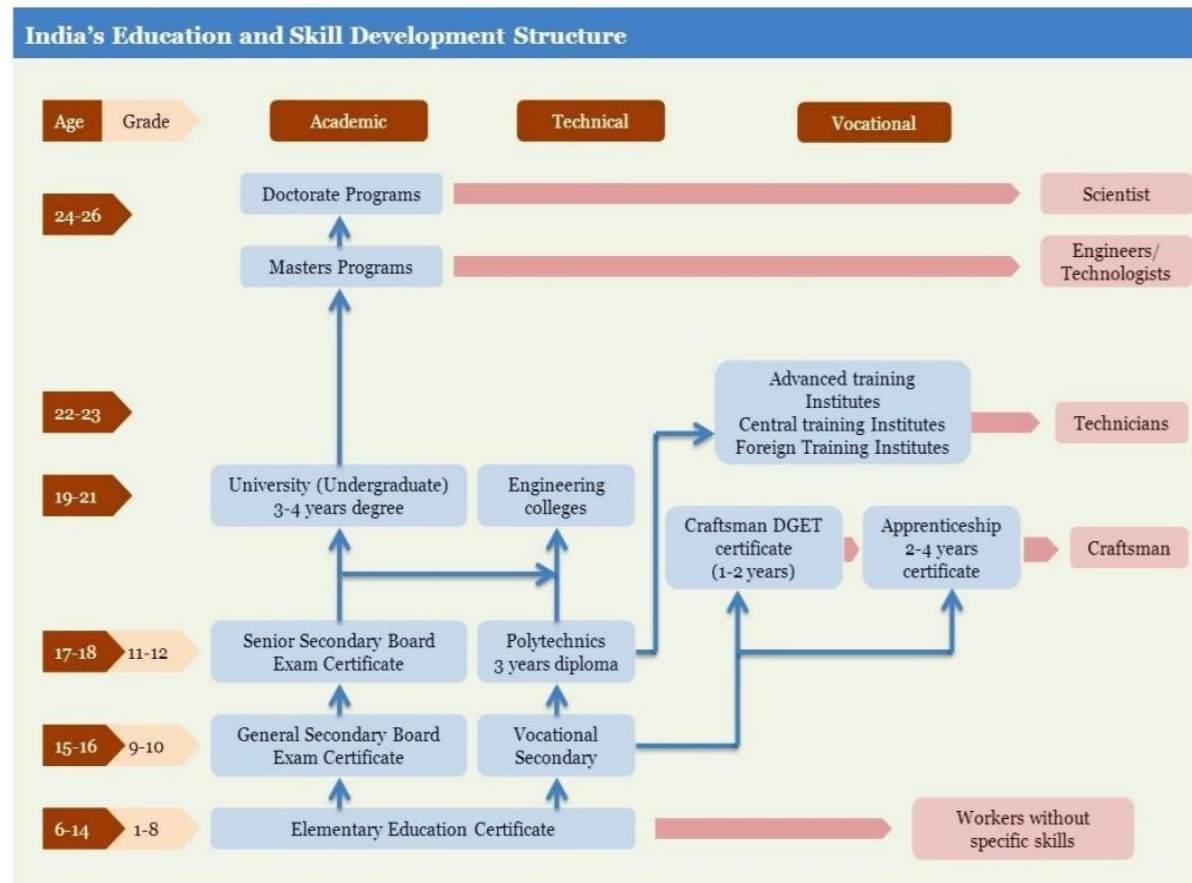
RESEARCH METHODOLOGY

the study is based majorly on the analysis of primary data which included people in between the age of 15 to 30. Questionnaire was developed to undertake study in sampled regions to collect relevant information for research. Detailed discussions were made with certain people with the help of questionnaire to understand their views & thinking. The questionnaire is processed and analyzed with the help of statistical tools like tables,

averages, graphs etc. The questionnaire was mainly used to analyze viewpoint of people and checking level of awareness among them.

SKILL DEVELOPMENT IN INDIA

Figure 2: India's Education and Skill Development Structure



Source: World Bank

India is blessed with having a huge juvenile workforce, which implies that it has ample amount of youth to be allotted in labor market for countries growth. Taking into consideration high requirement of skilled workforce, In June 2014 the Ministry of Skill Development and Entrepreneurship (MSDE) was established. Shri Narendra Modi, The Prime Minister of India felt the necessity of focusing on skill development taking into consideration the frequent changes happening in the labor market and hence the ministry was established. It aims at bringing together all ministries to collaborate and function together in order to meet the high demand of skilled workforce. It also lays down guidelines, strategies and policies to be taken and adopted for effective working of industries.

NSDC (National Skill Development Corporation) is a unique model created by our government which is based on 3 pillars i.e. Create, Fund, Enable. The main objective of government through this type of model is to create large, quality vocational training institutes and creation & sustainability of support system required for skill development.

NSDC also aims at developing necessary framework to upgrade skills to international standards; enhancing, supporting and coordinating with private sectors for skill development initiatives through appropriate PPP models.

PMKVY (Pradhan mantri Kaushal Vikas yojna) is the flagship scheme under NSDC with an objective of allowing huge number of youths to take up i.e. learn industry-relevant skills training which would help them getting job and securing their livelihood. Key components of this schemes include: Short-Term Training, RPL, Rozgar Mela, Special Projects etc.

CHALLENGES TO SKILL DEVELOPMENT IN INDIA

India being a fastest growing economy understands the requirement of having skill workforce. Skill workforce is an integral part of a growing economy, as they are necessary for growth and development of a country. various initiatives like Make in India, skill India and programs under MSDE are launched in order to develop a competent, skilled workforce and to encourage youth to undertake skill development programs. But having all the programs, developing skills is a waste if there are not appropriate employment afterwards.

Firstly, one of the major challenges faced by skill development in India is lack of required job opportunities. Having appropriate skills but not having corresponding jobs to use it for lead to situation of unemployment and underemployment.

Secondly, in this globalized era the competition among various firms and institutes is ever rising. In order to be always a step higher than other, the firms demand for limited but skilled workforce. Thus, the requirements for job becomes much higher and tougher.

Also due to technological changes, the requirement of the skills by industries has also drastically changed. More and more complex and cognitive skills are required by some firms. Level of awareness among youth also plays a key role in effectiveness of a scheme or program, as majority of people are not up to date with government schemes and programs.

Figure 3: Population in Different Expenditure Class

Expenditure class	Percentage Distribution		Absolute (in millions)	
	2004-05	2011-12	2004-05	2011-12
1. Extremely Poor (up to 0.75PL)	6.4	9.4	66	114
2. Poor (0.75PL to PL)	15.4	15.8	158	192
3. Marginally Poor (PL to 1.25PL)	19.0	16.5	195	200
4. Vulnerable (1.25PL to 2PL)	36.0	30.7	370	372
5. Middle Income (2PL to 4 PL)	19.3	21.0	199	255
6. High Income (>4PL)	4.0	6.4	41	78
7. Extremely Poor & Poor (1+2)	21.8	25.3	224	306
8. Marginal & Vulnerable (3 +4)	55.0	47.2	566	572
9. Poor & Vulnerable (7 + 8)	76.7	72.5	789	878
10. Middle & High Income (5+6)	23.3	27.5	240	333
11. Total	100.0	100.0	1,029	1,211

LINKAGE BETWEEN POVERTY AND SKILL DEVELOPMENT

Skill development is key focus area of the government through which government aims to develop skills and increase employability to reduce poverty and unemployment. by 2022, The National Policies of the government including policy like —Skill Development with an aim to train & reskilled, upskilled and skilled about 104.62 million people afresh and additional 460 million respectively. Taking into Consideration that majority of work force is self or casual employed, it becomes a challenge as how to improve skills of them. These types of people exist throughout the society and are not had to identify. the main reason for them having low skills, low rate of employment & poverty is the lack of access to good education and training. 70% of total India's work force resides in rural area depending upon low productive agricultural activities where exists huge underemployment leading to low level of productivity. Quoting Economic Survey 2013-14,

—India can increase its long-term trend growth by unleashing the entrepreneurial spirit of millions across the country by strengthening the economic freedom of the people. —

KEY FACTORS FOR GROWTH OF INDIA

It is being projected that by 2020 India's average age of population would be— around 29 years as compared to 37 yrs. in USA and china, 45 yrs. & 48yrs in Japan and West Europe respectively. By 2020 it is estimated that, India will be the sole country with a youth surplus amounting to around 47 million While the global economy is expected to witness a shortage of young population of that around 56 million. India's geographical positioning and demographic constitution gives an overall advantage to it.

Day by day growing population of India results in overall increase in people looking for jobs, which eventually creates situation like that of unemployment. Developing 'skills' should not be only concern of India, but also should be problems like that unemployment

and underemployment. Even if there are a huge number of skilled workforces, as long as there aren't any jobs for them, it all becomes meaningless. The magnitude of such problems can be seen in following stats:

Extremely low level of literacy rate in India As per the data of government, 55% of people are educated up to only primary level; with school dropout rate being very high. 19.8 student's dropout in between 1-5class, while 36.3% & 47.4% dropout in between 1-8 & 1-10 class respectively.

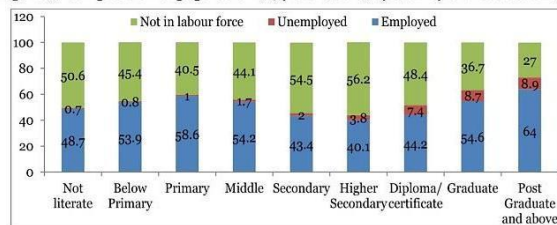
Figure 4: School dropout rate in India

Class	Dropout rate
I-V	19.8
I-VIII	36.3
I-X	47.4

Source: Ministry of HRD

High Unemployment amongst higher educated

Figure 5: Composition of population (15 yrs & above) by activity and education (%)



Source: Labour Bureau, Ministry of Labour and Employment

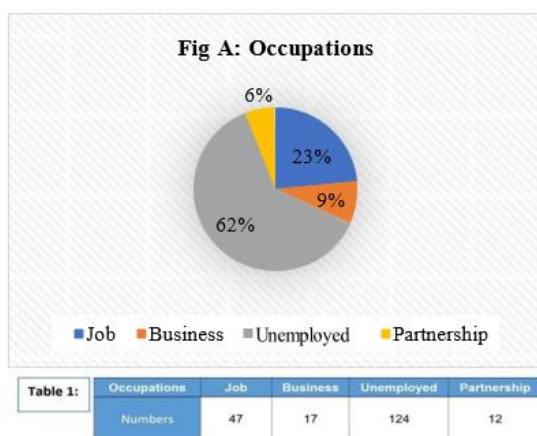
As per the Labor Bureau's survey report (2013-14) the unemployment ratio with higher education is also very high. Less than 1% are unemployed in case of illiterates and semi-literate labor force as against almost 9% being unemployed in case of both graduate and post-graduate. Other than depicting the issue of unemployment, this data also points towards

LITERATURE REVIEW

the issue of employability due to mismatch of skills with the work requirements

Skill Development in India: Challenges and Opportunities by Lavina Sharma and Asha Nagendra	Skill Development in India: Challenges and Opportunities by Lavina Sharma and Asha Nagendra talks about skill development model forms in India. The objectives of their study are to study the present system of regulation of the Vocational Education, Training and Skill Development sector in India. They also study, analyze and review the training system adopted by various countries. Additionally, they also try to find out the challenges and opportunity of skill development in India. Their paper aids in analyzing the current skill gaps in the country and the areas where there is a huge scope of supply of skilled workforce. It aims to identify the challenges faced in development of skills in the country and highlighting the employment opportunities arising in the different sectors with emphasis on the Make in India campaign. They conclude with finding that there is a huge scope of generating skilled workforce in the country and utilize the 'demographic dividend'. The branding activities and active involvement of Public Private Partnership ensure a better supply of skilled workforce.
Skill development initiatives and strategies by Sonali Kanchan, Sakshi Varshney	Skill development initiatives and strategies by Sonali Kanchan, Sakshi Varshney studies and analyses the present status of skill development and the challenges India faces while implementation of different initiatives and strategies. The objectives of their study are to understand the present status of skill development in India, challenges faced by it; along with studying various initiatives and strategies and their impact. They conclude with finding that 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).

Fig A Analysis: Data shows that out of 200 Respondents only 76 people had a job or was engaged in some kind of business. Whereas, remaining 124 people unemployed i.e. 38% were engaged in some kind of work while remaining 62% were unemployed. These stats depict the today's image of India where majority of people are either unemployed or are underemployed.



8.1 SOURCES OF DATA COLLECTION:

Questionnaire Was Developed.
Reports and Research Papers Were Referred
Thus, Combination of Data Collected from Primary and Secondary Sources.
Total No. Of Questions: 13
To No. Of Respondents: 200
Total Number of Male Respondents: 83
Total Number of Female Respondents: 117

Fig B Analysis: As we all say that major cause of unemployment in India is because of the lack of job opportunities; due to which it acts as a hurdle in India growth. More than

50% i.e. 64% people agree to this statement i.e. they believe that YES, less number of job opportunities are the major cause of unemployment in India. While 15% denies it.

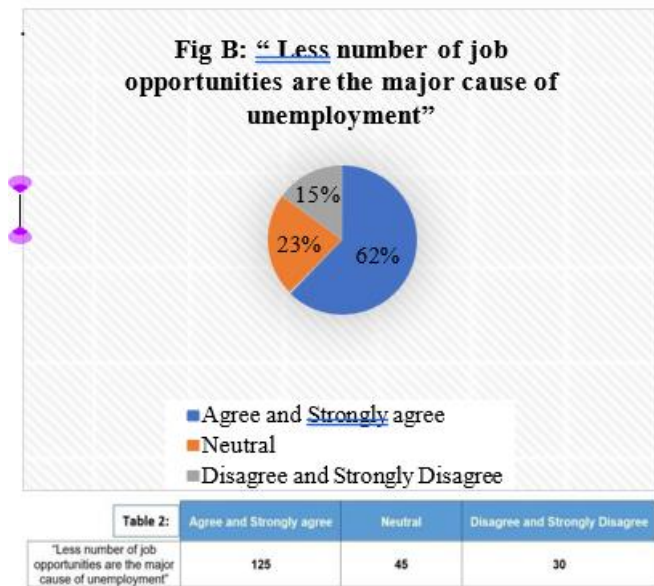
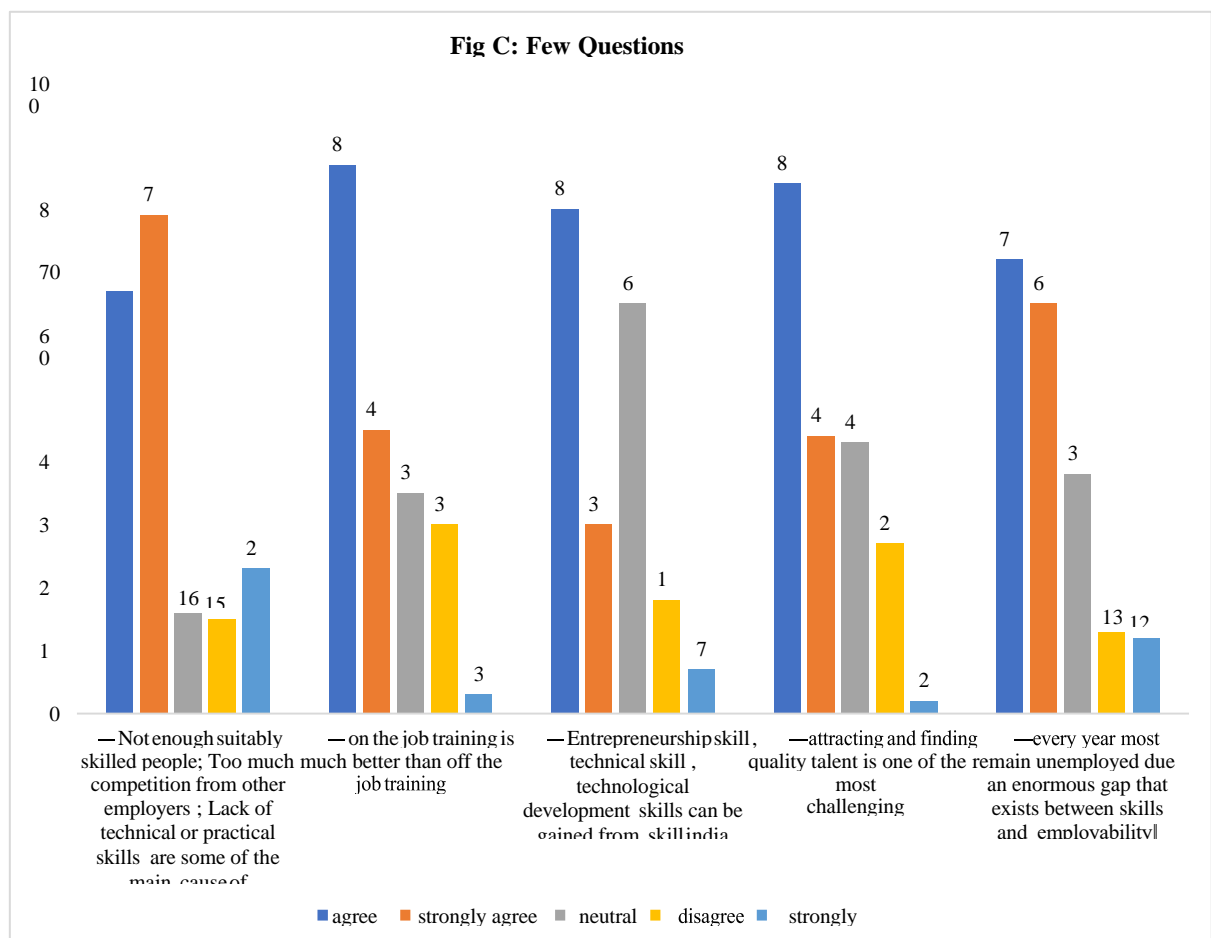


Fig C Analysis: This Figure represents 5 out of 13 questions that were asked to which 200 people responded by either agreeing / disagreeing to it or being neutral about it.



to develop the requires skills and polish the existing skills of the youth. More than 50% i.e. 71% believes that YES skill campaign would be a successful program in achieving its objective. While 14% people denies it.

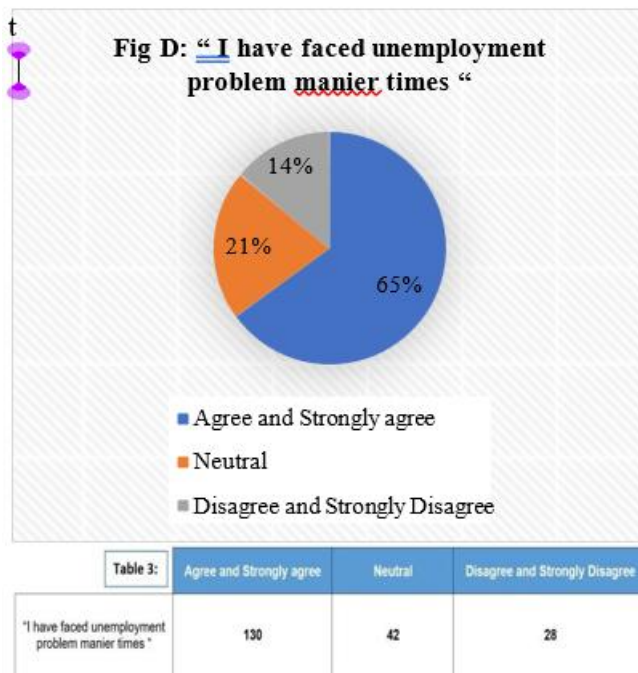


Fig D Analysis: To verify that whether the people of India face unemployment problem, they were asked a similar question about it. More than 50% i.e. 65%people agreed that YES, they have faced unemployment problem manier times. While 14% people denies it.

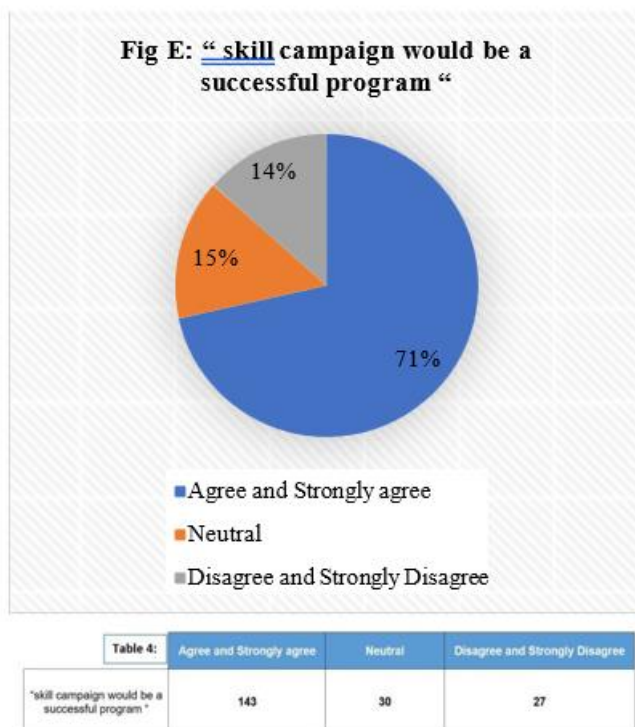


Fig E Analysis: Skill India campaign is said to be a great initiative by our government with an objective

9. CONCLUSION AND SUGGESTIONS

India being 2nd largest populated country having an endless potential for its growth and development doesn't lack any resources in terms of human capital to grow in future. However, India is facing two major problems aside poverty which acts as a hurdle in its path of endless growth i.e. Unemployment and Underemployment. From the research done, it was found that the Government of India has done and is doing a lot to overcome these hurdles but due to various factors it is unable to do so. These factors include High rate of Poverty, Low level of literacy rate, High rate of unemployment among educated people, Lack of awareness among people and low level of job opportunities available for the skilled people. Also, it was found that due to ever-rising competition the demand for more skilled workforce increased and as a result unemployed also increased. And it's not that people don't agree with these stated problems, From the survey that was conducted it was found that Majority of people believed that these problems are the root cause of unemployment. Majority of people agreed to that —In order to make skill development successful in India, creating more job opportunities is necessary. It was also found that, majority of people believe that skill India campaign would be successful and beneficial for them as well for the growth of country.

Government needs to take necessary measures in order to overcome above stated hurdles, for which certain suggestions are made below:

Table 5: Way Forward for Skill Development in India

Addressing Issues: What is required?	Proposals under National Skills Policy and recent Govt. initiatives	Policy suggestions: What (more) needs to be done and how?	How can other countries assist?
Creating awareness and mobilisation			
<p>Spreading awareness on the need for skilling is critical. Awareness is required for all stakeholders including students, parents, industry, teachers as well as trainers.</p> <ul style="list-style-type: none"> – A perception change with respect to skilling is required in society. Parents and students need to look beyond traditionally preferred jobs and traditional delivery mechanisms of education and training. – Industry, especially SMEs, need to be informed about the benefits of engaging skilled vis-à-vis unskilled people. They also need to be informed about various institutes/ centers that supply skilled students for particular trade. – Industry should recognise the training/skill development offered as per national occupational standards and offer skilled workers premium in pay. 	<ul style="list-style-type: none"> – National campaign to be launched to create awareness and promote skilling. The delivery mechanisms will include dedicated television channel, community radio as well as social media. – A National Portal for skilling will be created, which will also include a Labour Market Information System (LMIS). This system will provide information on sectors, modules, training opportunities, etc. to enable students to make informed choices. It will also aggregate data on all persons mobilized and seeking skill development training. – Skill India Logo to be used to promote value of skilled workforce and encourage certified skilling. Industry will be encouraged to move towards employing certified skilled people and to rationalize compensation by awarding skill premium for increased productivity due to higher skills. – Prime Minister's Skill Development Fellow Scheme to be introduced wherein selected candidates will work with State and District administration to spread awareness related to skill development. – IT and Mobile technology to be utilized to develop platforms for connecting demand and supply of skilled workers. – Special mechanisms in delivery of training such as mobile training units, flexible afternoon batches, 	<ul style="list-style-type: none"> – Awareness on need for skilling should be taken up in mission mode and activated at the local level, including states, districts and villages. – Different communication mechanisms should be adopted for each level. For example, SSDMs can organize advertisement campaigns in vernacular language through electronic as well as print medium. – Schools can be engaged effectively for counselling students at early stages (e.g. class 5) about vocational education, apprenticeship and associated career paths. – School staff and teachers to be sensitized about vocational training and apprenticeships as potential career paths for students. – Encourage students to opt for vocational stream in schools by providing incentives like stipend for rural students for boarding and lodging, lowering or making tuition fee free for students from economically weaker sections (Such incentives 	<ul style="list-style-type: none"> – International agencies can participate in awareness campaigns and workshops and make presentations on international case studies. They can highlight the contribution of vocational training in improving livelihoods and providing alternate career opportunities.

SOURCE "ddugkyv.info/dms/documents/1529234478_12-06-skill%20dev.%20in%20India.pdf"

Addressing Issues: What is required?	Proposals under National Skills Policy and recent Govt. initiatives	Policy suggestions: What (more) needs to be done and how?	How can other countries assist?
	training based on local area needs, etc. will be introduced to ensure participation and mobilization of women.	are provided in China due to which enrolment in vocational education is very high there) – Counselling sessions should also be organized for parents, highlighting some national and international case studies. – Introduce financial incentives for employers for employing apprentices, retaining apprentices as permanent employees and for employing the disadvantaged. Such financial incentives may be linked to performance.	
Creating capacities/ infrastructure			
<ul style="list-style-type: none"> – Significant new capacities need to be created for training for different trades across the country. Hence, novel ideas would have to be developed to utilize the existing infrastructure with government for skill development purpose. – To address the issue of migration, training infrastructure needs to be created close to the catchment areas including sourcing cluster. 	<ul style="list-style-type: none"> – Government plans to incentivise use of existing infrastructure for adding training capacity; the infrastructure that can be made available includes 1.55 million schools, 25,000 colleges, 3,500 polytechnics, 1,50,000 post offices, 100,000 kiosks, and 65000 km of railway network with 8000 stations. – New ITIs in PPP mode to be set up as Multi Skilling Institutes (MSIs). – Massive Open Online Courses (MOOC) and virtual classrooms to be developed for delivery of vocational education. 	<ul style="list-style-type: none"> – The Rajasthan SLDC has been implementing an innovative model of movable training institutions (mobile vans/ buses) for some of its remote geographical pockets. A similar model can be used across India to provide training at village levels and thereby encourage rural population, especially women, to take up training for specific skills and earn a living. – Use of information technology through e-education and training should be widely adopted to create virtual 	<ul style="list-style-type: none"> – Foreign governments, corporates and multilateral agencies can make significant investments in skill development initiatives in India. They can also participate in setting up skill centres and Universities. – Exchange and Twinning programmes can be introduced at schools and colleges to

SOURCE "ddugkv.info/dms/documents/1529234478_12-06-skill%20dev.%20in%20India.pdf"

Addressing Issues: What is required?	Proposals under National Skills Policy and recent Govt. initiatives	Policy suggestions: What (more) needs to be done and how?	How can other countries assist?
		capacities.	facilitate exchange and capacity building programmes for students, administrators as well as teachers.
Integration, Mobility and Transition			
<ul style="list-style-type: none"> - Vocational education needs to be integrated with general education in schools and colleges. - Additionally, the course curriculum should be made practical, in line with industry's requirements, and constantly upgraded through feedback from the industry - There has to be a seamless facilitation from secondary to higher education if a student chooses to study vocational courses. This would also encourage more students to opt for vocational training as the fear of not being able to pursue higher education in the future will not be there. The Australian VET system allows easy movement in and out of vocational 	<ul style="list-style-type: none"> - National Universities for Skill Development will be institutionalized which will include a network of state level institutions affiliated to it. - Vocational training to be integrated into formal education by introducing vocational education for four years from class 9, in at least 25% of schools. Skill courses will be independent subjects that will also carry qualifying marks for admission to higher levels. Pilot projects have already been running in a few states (e.g. Haryana, Karnataka). - Special focus will be laid on youth who do not wish to continue with school or higher education. Special programmes will be initiated for providing skill training to those who have eight years or more of schooling. NSQF as a means to integrate and provide multiple pathways between general and vocational education will help school drop-outs make choices about vocational courses. - The National Skills Qualification Framework (NSQF) includes recognition of prior learning and establishing a credit system for skills, knowledge, and experience 	<ul style="list-style-type: none"> - NSQF is a step in the right direction and it has to be ensured that all institutions make a collective effort in aligning their qualifications as per the set standards. 	<ul style="list-style-type: none"> - Foreign countries can assist India in aligning various standards to internationally acceptable standards. This will enable recognition of India's skilled workforce and provide international opportunities for Indian workforce.

SOURCE "ddugky.info/dms/documents/1529234478_12-06-skill%20dev.%20in%20India.pdf"

Addressing Issues: What is required?	Proposals under National Skills Policy and recent Govt. initiatives	Policy suggestions: What (more) needs to be done and how?	How can other countries assist?
training, which offers flexibility to students.	<p>gained by an individual either formally or informally. NSQF is expected to enable multiple entry and exit between vocational education, skill training, general education, technical education and job markets.</p> <ul style="list-style-type: none"> – All formal and vocational education including skills training will have to be aligned with the NSQF by December 2018. – Multi Skilling Institutes (MSIs) will be affiliated to Skill Universities, and provide a bridge into general higher education through diplomas/ certificates based on a credit framework aligned to the appropriate NSQF level. – Polytechnics will be converted into community colleges, which will provide NSQF-aligned vocational courses along with Bachelor's degrees in vocational studies. – At least 25% of all existing higher education institutions would offer additional career oriented courses with specialized skills at an appropriate level of NSQF. – Kaushal Vardhan Kendras (KVKs) to be set up at village level to mobilise and impart skills to school drop-outs, adolescent girls, housewives and rural youth to enable them to secure a sustainable livelihood. 		

SOURCE "ddugky.info/dms/documents/1529234478_12-06-skill%20dev.%20in%20India.pdf"

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