

## Integrating skill development & employment in India

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### Abstract

Most successful education systems concentrate on building a hierarchy of skills. Testing and certification available at each level facilitates upgrading and enhancement of the existing set of skills. Getting rid of poverty is about the abilities of people to make use of the economic opportunities available to them. Education is not just about teaching people a mysterious subject but equipping them with meta-skills — of language, record keeping, data entry and analysis that can be translated into many other skills. For, in a growing economy like India, such opportunities are definitely there: the issue is how to help people use these to increase their incomes. Whether it is wage employment or self-employment, improving incomes is about skills that people have. Fortunately, the present government is seized of the matter and its Skill Development Mission could be effectively leveraged to teach students skills that might help them earn a decent livelihood. Indian education system in general and higher education in particular has not been proved too efficient to make youths of our country employable according to the need of job market. Despite the increase in number of institutions at primary, secondary and tertiary level our young educated people are not capable of being employed and getting better job opportunities. Reason being they have not acquired specified skills essential for requirement of the job market. India is one of the youngest nation in the world with more than 62% of the population of the people is in the working age group (15-59 years) and more than 54% of the total population is below 25 years of age. This poses the challenges and opportunity. To reap the demographic dividend which is expected to last next 25 years. For this, India needs to equip its workforce with employable skills and knowledge. So that youth can participate productively to make India a developed country. The biggest challenges confronting us is low employability of our graduate passing out higher education state institutions. The argues on the supply side a huge skill gap has to be bridged while on the demand side, there is need for skill matching and the creation of opportunities. It also makes an attempt to critically examine the efforts being made by Govt. of India in this direction. This paper tries to address that like education skill development is also an important driver to address poverty reduction by improving employability and The lack of access to education and training or the low quality or relevance of training keeps the vulnerable and marginalized sections into the vicious circle of low skills and low productive employment.

**Keywords:** skill development, integration, employable education, awareness, literacy etc

### Introduction

Education is the single most important instrument for social and economic transformation. A well educated population, adequately equipped with knowledge and skills is not only essential for support the economic growth, but it is also a precondition for growth to be inclusive since it is the educated and skilled person who can stand to benefit most from the employment opportunities which growth will provide. In this connection, Honourable Prime Ministry States that today, the world and India need a skilled workforce. If we have to promote the development of our country then our mission has to be “Skill Development and Skilled India.” Millions and Millions of Indian youth should acquire the skills which could contribute towards making India a modern country. India is a Country with the 2nd largest population. It is renowned for its size, diversity and complexity, whether it is geographical, socioeconomic, cultural, political or developmental. All these factors impact on every aspect of life including employment, labour force considerations, education and training. If nation is a system, education is the heart of it. Education empowers the nation. Education is an important input for the growth of the Nation. Properly planned educational can increase national

gross products, cultural richness, build positive attitude towards technology, increase efficiency and effectiveness of the governance. Education opens new horizons for an individual, provides new hopes and develops new values. It strengthens competencies and develops commitment. So, every govt. is now committed to provide the facilities that are required for educating a child right from the beginning. As compared to western economies where there is a burden of an ageing population, India has a unique 20–25 years window of opportunity called the “demographic dividend.”, means India has a higher proportion of working age population India has seen rapid growth in recent years, due to the growth in new-age industries. The demand for a new level of quality of service has increased with the increase in purchasing power. However, there is a large shortage of skilled manpower in the country. In the wake of the changing economic environment, it is necessary to focus on the skill development of the young population of the country. India lags far behind in imparting skill training as compared to other countries. As compared to western economies where there is a burden of an ageing population, India has a unique 20–25 years window of opportunity called the “demographic dividend.” This

“demographic dividend” means that as compared to other large developing and developed countries, India has a higher proportion of working age population about its entire population. The rapid economic growth has increased the demand for skilled manpower that has highlighted the shortage of skilled manpower in the country. India is among the top countries in which employers are facing difficulty in filling up the jobs. The key reasons in finding a suitable candidate for available jobs in the country are lack of available applicants, shortage of hard skills and shortage of suitable employability, including soft skills India has a demographic advantage of the largest youth population in the world. Integrating skills within the higher education holds the key to reaping the demographic dividend <sup>[1]</sup>.

Skill development is an important driver to address poverty reduction by improving employability, productivity and helping sustainable enterprise development and inclusive growth. It facilitates a cycle of high productivity, increased employment opportunities, income growth and development. However, this is just one factor among many affecting the productivity whose measurement differs for individuals, enterprise and economy. The increase in productivity could be due to availability of skilled & healthy manpower; technological up gradation and innovative practices; and sound macroeconomic strategies. The manifestations of improved productivity can be in the form of improvement in real gross domestic product (economy), increased profit (enterprises) and higher wages (workers). In this section, we are looking into the relationship between skill development and productivity with focus on India. However, to begin with it is necessary to understand what constitutes productivity and how it is measured at different levels. Productivity which explains an input-output relationship is a crucial factor whose benefits can be distributed in a number of different ways such as better wages and working conditions to workforce; increased profits and dividend to shareholders; environmental protection; and increase in revenue to Governments. This helps both the enterprise and country to remain competitive in the domestic and global market respectively. The increase in productivity can be attributed to varied reasons such as new technology, new machines, better management practices; investment in plant and equipment and technology, occupation safety improvement in the skill level of workers macro-economic policies, labour market conditions, business environment and public investment in infrastructure and education. Therefore, it is evident that skill development is just one factor necessary for the productivity growth and it needs to be an integral part of the development policies. The policies should address the levels of development and need and requirement of various sectors. Besides this the skill policy should focus on improving access, quality and relevance of training for different segments and sectors. The evidence from developed countries suggests that investment in education and skills helps economy to move to high growth sectors and break the low wage, low skill development syndrome. Different countries at different levels of development face different challenges. In the context of developing economies like India the challenge is to meet the skilled manpower requirement of the high growing sectors on the one hand through better synergy between employers and

the training providers, increased investment in the training infrastructure and also to ensure that the informal economy also have skilled manpower wherein the informally trained skills are recognised and certified and that entrepreneurship training is provided for moving to formal sector. The workplace training plays an important role in productivity enhancement but in the developing economies the huge informal economy poses a challenge which could be addressed by developing clusters or lead firm taking the initiative which would help achieving economies of scale in the skills development; development of competencies within and between firms and availability of lead firm facilities. This would make available skilled manpower by the lead firm as per its requirement and the small enterprise would improve their productivity. The Government can facilitate linkages among various companies and stimulate adoption of technologies and skill upgrading programmes. The linking of skills and productivity would not only benefit the enterprise and economy but would also facilitate different segments of the population particularly the marginalised sections of the society to reap the benefits of the economic growth through skill development. The lack of access to education and training or the low quality or relevance of training keeps the vulnerable and marginalized sections into the vicious circle of low skills and low productive employment <sup>[2]</sup>. The National Skill Policy provides a framework to ensure access to various target groups to realise their potential for productive work and contribute in economic and social development. However, different approaches need to be adopted which may overlap as groups are not mutually exclusive such as improving agriculture marketing extension; investing in rural infrastructure; making available quality education; on the job and targeted training for the disabled and identifying the requirement of migrant workers. The question is how one links the skill development to future challenges so as to address the demand of the growing economies. The need for skill development is being emphasized with renewed vigour in recent times by government policy makers based on the embedded rationale that an educated and appropriately skilled workforce is instrumental in increasing national productivity. In 2014 the Prime Minister of India has emphasized the imperative of achieving the goal of skilling 150 million people by 2022 to achieve the vision of making India the ‘skills capital of the world’. Recent government initiatives in India strongly underscore the need for skill development also referred to as ‘skilling’, at different educational levels as a strategy for employment-generation for the nation’s human capital. India’s 1.21 billion people have a median age of 32 which is ten years lower than most other nations in the world. As the largest contributor to the global workforce, the age of its working population surpasses 950 million. This unique demographic advantage has contributed to India emerging as the world’s third largest economy. The Report by CRISIL Centre for Economic Research 2010 points out the demographic advantage of India as a young nation over the next few decades as compared to the rapidly ageing population of China due to the latter’s one-child policy. According to the United Nations report 2008 on World Population Prospects, India’s population is likely to increase at the rate of 1% per year to 1.48 billion by 2030 making it the

most populous in the world. The proportion of the working age population in India between 14 and 59 years is likely to increase from approximately 58% in 2001 to more than 67% by 2021. While a young population is India's demographic dividend, this advantage optimized only if the people are healthy, educated and adequately skilled for employability. This requires a greater emphasis on skills-related vocational education leading to employment as the key to the transformation of the country one way of imparting skill-training to the disadvantaged population segment is through non-formal education. The majority in developing countries is often deprived of basic facilities and services such as literacy, numeracy, health education, and community improvement. The objective of strategic intervention for poverty alleviation leads to the varied manifestations of non-formal education across countries. Non-formal education refers to a sequential structure of learning experience, which take places outside the formal system but is generally part of some other organization or programme. It is difficult for formal educational systems alone to respond to the societal challenges and therefore needs reinforcement by non-formal educational practices. The understanding of the need and genesis of non-formal education in India is inextricably associated with the socio-economically rooted problems of those sharing multiple handicaps of economic deprivation and marginalization. It hinges on the underlying twin issues of urbanization and unemployment. Two factors are considered to be primarily responsible for urbanization<sup>[3]</sup>. The first is the rapid industrial development in and around metros and cities. The second reason is the large scale migration from rural to urban areas for employment attributed to poor employment in villages due to underdevelopment and dwindling livelihood options. Cities appear to hold a promise of employment and opportunities of socio-economic mobility. The combined effect of the two factors has encouraged migration to cities and thereby increased the urban population resulting in critical socio-economic problems particularly for first generation migrants and deprived communities. Similar conditions affect people at the periphery of cities who are employed in the neighbouring urban areas. The precipitation of rural to urban migration increases the quantum of a large transient group of workers along with micro-traders in the informal sector of the urban economy which provides cheap labour primarily for manual labour. This group of workers and their families can benefit from non-formal education. By developing and upgrading their employable skills and thus increasing their capability for income generation. While non-formal education can be imparted to minors as well as grown-ups, in the post-Independence period in India, it has been closely associated with adult education. Adult education itself has been interpreted and envisaged in different ways ranging from citizen training to its redefinition as an alternative to formal education with a three-pronged objective: To focus on the target segment of young adults in the 15-25 year age group belonging to the underprivileged social segment ii. To link formal education and non-formal education for optimal utilization of available resources iii. To focus on inculcating functional skills as an imperative for development<sup>[4]</sup>.

Globalization and the Knowledge Economy pose numerous challenges as well as opportunities for developing countries

like India. Indian labor force numbers around 500 million. Over 90% of them work in unincorporated, unorganized enterprises gaining traditional knowledge on the job. Lack of formal vocational education for large segments of this population leads to poor working conditions, low income levels and workforce inertia hindering economic evolution. on economies to restructure, as some industries decline and new opportunities arise in others; these forces, in turn, create demand for re-skilling of those made redundant and for skills up gradation and training in new skills for others employed in new industries. However with large segments of population working in the unorganized sector, formalizing mechanisms for re-skilling and skill-up gradation is challenging and onerous. India is expected to become one of the most populous nations by 2025, with a headcount of around 1.4 billion<sup>[5]</sup>. The country's population pyramid is expected to "bulge" across the 15–64 age bracket over the next decade, increasing the working age population from approximately 761 million<sup>2</sup> to 869 million during 2011–2020<sup>3</sup>. Consequently, until 2020, India will be experiencing a period of "demographic bonus," where the growth rate of the working age population would exceed that of the total population India is poised to become the world's youngest country by 2020, with an average age of 29.5 years, and account for around 28% of the world's workforce. In comparison, during the same period, the average age is expected to be 37 years in China and the US and 45 years in Western Europe<sup>6</sup>. While China's demographic dividend would start tapering off. An increasing proportion of working population will provide a window of opportunity to improve labour productivity, increase domestic production, enhance revenue from services, increase savings and reduce the burden of old residents on the working population. Empowered with unique demographic advantages and guided efforts, India is poised to position itself among developed economies within the next 10–15 years<sup>[6]</sup>.

### **The Challenges Facing Rural Communities**

Development of rural communities is increasingly a priority both at national level and within international development efforts. The reasons for this increasing prominence of the rural sector on the political agenda include the persistence of poverty in rural areas, urbanization, globalization and climate change – and, most recently, the food crisis, with shortages and rapidly increasing prices. The Millennium Development Goal on the eradication of extreme poverty and hunger, and the global goal of achieving decent work for all, will not be achieved unless rural poverty is reduced. Historically, agriculture has been an engine of economic development, providing the food, fibre and fuel with which to create more diversified products and services in other sectors. In many countries, agriculture continues to be the mainstay of rural livelihoods, a major contributor to GDP and an important source of export earnings. Agriculture cannot play this dynamic, wealth-creating role without an enabling policy environment which ensures adequate institutions, decent work, and sufficient, well-targeted public and private investment<sup>[7]</sup>. Three-quarters of the world's poor live in rural areas, where decent work deficits are typically severe. Rural labour markets are often dysfunctional. Labour market

institutions, and labour organization and representation, tend to be weak. Underemployment is widespread and incomes are generally low. Access to social protection is extremely limited. Rural workers are often vulnerable: in many places they are not fully covered by national labour law, and their rights more broadly are often not recognized or enforced. As in urban areas, a large share of economic activity in rural areas tends to be informal. Rural economies face a wide range of challenges that urban areas are more likely to overcome, in matters such as transport links, access to sanitation and health services, and a consumer base in close proximity to support small and medium enterprise development. Those working in rural areas also face all the difficulties associated with a paucity of economic opportunities, underinvestment, poor infrastructure and public services, including education, and, in many cases, weak governance and underdeveloped markets <sup>[8]</sup>.

### Why Skill Development is needed?

Flourishing rural areas are vital to regional and national development. Education, entrepreneurship, and physical and social infrastructure all play an important role in developing rural regions. Skills are central to improving employability and livelihood opportunities, reducing poverty, enhancing productivity and promoting environmentally sustainable development. Migration from rural to urban areas has placed enormous pressure on many cities to accommodate newcomers, greatly increasing demand for infrastructure and services and often leading to increased levels of pollution and other forms of environmental degradation. Providing employment and decent incomes in rural areas is a principal means of both stemming this tide of migration and reducing poverty. The need to increase agricultural production and ensure food security has focused attention on the difficulties that rural communities face in promoting livelihoods in both farm and non-farm activities. Education, training and skills development in rural areas face particular challenges:

- Access to education and training is often limited by both financial barriers (e.g. training and transport costs) and non-financial barriers (e.g. scarce education and training infrastructure, inflexible training timetables).
- Especially for poor rural children and adults, the opportunity costs of education and training may be too high to justify their giving up income-generating activities and/or unpaid work that helps to sustain their families.
- Many rural people do not have access even to basic education <sup>[9]</sup>. This hampers their access to technical and vocational training.
- Unequal gender relations and traditional gender roles entail specific difficulties for rural girls and women in accessing education and training.
- What education and training is available is often of inadequate quality. Teachers and trainers may be unqualified, equipment and technology outdated, and teaching and training methods ill-suited to rural contexts.
- In many developing countries, training systems tend to operate in isolation from the labour market and employers' needs, so that training does not always match demand for skills.
- Environmental degradation and climate change present

particular risks to rural livelihoods that need to be managed. This requires developing new, innovative strategies and skills to enable rural women and men to learn about and use new environmentally friendly technologies. Governments and rural communities need to address these challenges in a comprehensive way that gives priority to promoting better access to relevant and quality skills development <sup>[10]</sup>.

Rural economies are becoming more diversified. While agriculture is still the main source of livelihood, an increasing share of rural households' incomes comes from non-farm activities. The structure of rural employment varies across developing regions. Off-farm work employs approximately 48 per cent of adult rural males in Latin America, the Caribbean, South Asia, and the Middle East and North Africa, and 38 per cent in East Asia and the Pacific, but only 20 per cent in sub-Saharan Africa. For women, the proportions tend to be lower, but vary less from region to region: for example, approximately 25 per cent of adult rural women are engaged in off-farm activities in East Asia and the Pacific, Europe and Central Asia, and Latin America and the Caribbean <sup>[11]</sup>.

The employment landscape can be changed only by integrating skills with regular mainstream education in schools: The resume reflected a master's degree, but the professional status still read the same — educated but unemployed. This is a story common to a number of students in the country. With an overarching bent towards theoretical education with little or no exposure to practical know-how, this scenario has long been in the making <sup>[12]</sup>.

With 15 million youngsters entering the workforce each year, more than 75 per cent are not job-ready. India will need 700 million skilled workers by 2022 to meet the demands of a growing economy. This glaring imbalance, due to lack of technical and soft skills, points towards the urgent and growing need to make young Indians job-ready, focusing on young graduates to augment their employability <sup>[13]</sup>. The young nation that we are with 62 per cent of our population in the working age group and more than 54 per cent of the total population below 25 years, there is a need to make drastic amends to solve the great Indian talent conundrum. To make the most of this demographic dividend that we, as a country possess, the maiden step towards this is to celebrate skills and accept their need and importance with an open mind, just like China. For instance, the country currently faces a huge shortage of sales associates, computer operators, beauticians, hair stylists, medical sales representatives, mobile repair engineers, plumbers, electricians, sewing machine operators, masons, bartenders, painter-decorators <sup>[14]</sup>. Yet, the scant regard we have for vocational training and skill development has led to decades of neglect of these skills. Once this due regard to skills is given, there is a need to support the tech growth with investment in skills and knowledge to prepare for the future. Revamping the education system can help bridge the talent gap staring at us, especially at the college level, as it forms the first step into the professional world. Colleges need to collaborate with industries to chalk out a curriculum that entails and integrates technological education and advancements <sup>[16]</sup>. Technical education plays a vital role in the development of the country's human resource by creating skilled manpower, enhancing industrial productivity and



improving the quality of life. This will help increase the availability of better talent in the job market to be absorbed, as, in the current scenario, of the seven lakh engineering students that graduate annually, merely seven per cent are fit for core engineering jobs. What would also help is providing training in not just technical skills but also soft skills or communication skills, preparing them to transform into workers from students. Most institutions do not prepare candidates for the new working world, making them struggle while facing the competencies of the professional realm. There is a pertinent need to equip graduates with interpersonal communication, basic computer knowledge, the ability to speak English and work as a team. Recognising the need, efforts are being made with positive steps such as National Vocational Qualifications Framework (NVEQF) and National Skills Qualification Framework (NSQF). This will also lead to a paradigm shift in employment from being 'qualification-based' to 'skill-based', making educational institutions focus on imparting skills that lead to employability, rather than merely doling out certificates and degrees. Integrating skills with regular main stream education in schools, will truly change the employment landscape at the most fundamental level in the country. A reinvention will need a vast paradigm shift to develop the tools of change needed to survive in the algorithm age. The demographic dividend if not given the treatment of skills may simply turn into a demographic disaster. The imbalance between the too few skilled workers and fewer jobs for the medium and low-skilled workforce is pointing towards impending disaster<sup>[17]</sup>.

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