



# Skill development Scenario in India

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**Abstract: India has the highest number of youth population in the world. Major Proportion of this population comprises the working age group population. If India's youth population be equipped with the skill and vocational education, this major proportion of young population can fulfil not only the requirements of workforce for the Indian economy but also for the developed economies of the world those are facing the scarcity of youth labour force. Relative share of Skill, education and work participation is lower in female than males in India which is more intensive in rural area. This indicates lower 'autonomy' and 'capability' of the female in the society. Only skill development and job creation are not sufficient to absorb the female workforce into productive employment. The demand and supply gap of skilled workforce in case of female is more visible than in males.**

## **Part I**

### **Introduction**

Skill helps a person to do a task more efficiently and productively. The world is globalising at higher pace, economy is going towards more knowledge based and demand for specialisation is also increasing therefore, higher level of skills are essential to fulfil the changing phenomenon of the world. Skill increases productivity and employability of the labour force. The pace of technological development is fast in this globalised and knowledge based world order. Acquiring the skill to accommodate the change in new technology or atomisation of productive activity which is changing day by day is required. Vocational education and skill is inseparable part for the labour force to continue play its role as a productive factor in production activity. Strong and vibrant vocational education and skill development system is required for the nation to keep its labour force ready to the change in

production technology and atomisation in production activities. The average age of Indian population is low and a big share of it is the youth. This is an opportunity for India. The share of Indian young age and working age group population can serve not only the productive activity in India but also can fulfil the labour force requirement for the developed countries also, as developed countries are facing scarcity of young age population. This is termed as becoming a "skill capital of the world". This opportunity can be realised only if the young age population available in India is equipped with good education and appropriate skill development. The disappointing fact related to this hopeful and optimistic demographic picture is the poor level of skill and vocational education. Various estimates are available to draw the picture of poor skill development present in working age population in India which has been discussed in part two.

## **Part II**

### **The Current Situation of Skill Development**

Total population of India (GoI, Census 2011) was 1.21 billion in 2011 out of this 0.67 billion was in working age population (15 to 59 age) and 0.25 billion was in young age group (15 to 24 age). This young age group constitute 20 per cent of total population. Total working age group population (15 to 59 age) in India was 0.43 billion out of this 30 per cent was illiterate, 25 percent was educated up to primary education (Mehrotra, Gandhi and Sahoo, 2009-10). It means that about 50 per cent of working age group population was equipped with very low education or illiterate in 2009-10. Only 17 per cent of working age population had the education of senior



secondary or above level. Only 2.5 cent of working age group population was vocational trained, while, this percent was 60 to 70 per cent in OECD countries (Jaideep). Between the age of 15 to 29 only 2 per cent of labour force was formally trained and 8 per cent of this age group was not formally trained in vocational education in 2009-10 (NSSO, 2009-10). In age group 15 and above only 6.8 percent people could be related to vocational training from this 2.8 per cent related (received or receiving) to formal vocational training and 4 per cent related to non formal vocational training (Labour Bureau, 2013-14) The percentage of vocational trained people above the age of 15 years in Korea was 96 per cent, Germany was 75 per cent and Japan was 80 per cent. In comparison to these countries the level of vocational education and training in India was far far below. More than 50 per cent of working age group population in India was educated up to class five (Twelfth five year plan). Role of vocational education system in providing vocational education in India is very low (Planning commission, 2012). Only 5 per cent of population in the age group of 19 to 24 acquired some sort of skill through vocational education system in India. Only 5 per cent of students enrolled at secondary schooling were enrolled in vocational education (Planning commission, 2012). This poor level of skill development in India indicates the low skill development, not only in comparison to developed countries but also in comparison with the developing neighbouring countries. Sixth five year plan document expressed that India was among the top 10 manufacturing or industrialised country in the world. China is also one of the most industrialised country in the world. India and China are both developing nations. These two economies are among the fastest growing economy in the world but, the level of skill development in these two countries is not compatible. BCG CII (Boston Consulting Group), 2013 expressed that only 17 per cent of people entering the workforce in India were skilled, out of this only 5 per cent were trained from vocational education and in China 59 per cent of people entering into the workforce were skilled and out of this 39 per cent were from vocational education. This was a huge difference between the two nations about the level of skill development or the vocationally trained workforce. It is difficult to sustain the development effort without skilling or vocationally trained the workforce of the nation. Out of the 17 per cent skilled people entering into the workforce in India only 5 per cent can be distinguished as high skill level, and 65 per cent with very low skill level. All these studies and surveys indicate that the level of skill development

and vocational education in Indian workforce is very Low and the quality of their skill or vocational training is very poor.

India has the highest number of youth population in the world. Major Proportion of its population comprises the working age group population. Estimates explain that India's youth population be equipped with the skill and vocational education this major proportion of young population can fulfil the requirements of the of skilled workforce not only for the Indian economy but also for the developed economies of the world that is facing the scarcity of the skill and youth labour force. In 2009-10 we had 0.43 billion population in the age group 15 to 59. India has 65 per cent of its total population up to the aged of 35 years. World Bank estimate indicated that working age group population in India was 0.76 billion in 2010 and it would increase up to 0.97 billion in 2030. The census data of 2011 of India indicates that 0.67 billion populations in India were in the working age group (15 years to 59 ages). This working age group population comprised 20 per cent youth in the is age group of 15 to 24 years. This major proportion of working age group population and young population in India's total population is often referred as "demographic dividend" for India. The benefits of large proportion of working age population or young population was available to China up to 2015. It is stated that this demographic dividend or the bigger proportion of working age group population to total population in India is available up to 2040. Most of the developed countries in current world are facing the problem of big proportion of aged population. All these data expresses the fact that this major proportion of young age population in India's population is an opportunity for the country. This is an opportunity for India but, the low-level of skill and poor quality of the skill equipped in this working age population convert this opportunity into a challenge. The challenge of educating the workforce, providing the skill and vocational education to this workforce and up skilling the workforce remains present. This skill development and vocational education should be in accordance to the requirement of the economic activity of the country and the world economy. This is not an easy task to equip this workforce with skill and vocational education. Providing skill and vocational education is prerequisite for making India as in "skill capital of the world". In the globalised, knowledge based, IT enabled and services sector dominant word economic scenario the dynamics of skill development need to understand and translate it into the work



force. This requires a great will power, large investment and big effort immediately.

**Part III**

**Main Hurdles in Skill Development**

There are many objectives of education, among them one important objective is to create capability in an individual so that an individual can get employment and earn better for livelihood. If an individual get very good education, and the education fails to create the earning capability and not able to get a good job or employment to earn his livelihood, then this education becomes a burden for that person.

The most important objective of education is to make a good citizen also. An educated person expected to borne the quality of honesty, sensibility, well behaved -who respect others, dexterity, generosity and well disciplined. Is it necessary to get formal education through learning in a school and a in a university to inculcate these good qualities in a person? Is it true that all students who complete their learning from university have all these qualities, which are expected to inculcate in an educated individual? Is it necessary that an individual who completes study in a university has all the qualities which are expected to inculcate in an educated individual e.g. honesty, liberal thinking, disciplined, sensitiveness to weaker sections, and tolerance? Do terrorist, extremist, corrupt bureaucrats, corrupt politicians, and rent seeking entrepreneurs illiterate or they do not receive any formal education? Does an illiterate person have not all these qualities which are expected to be in an educated person as to be honest, truthful, laborious, and just? Does a person who gets little education not able to get any employment? Does a person who has little formal education, even illiterate, but has skill for the livelihood as carpenter, tailor, ironsmith, do not earn their livelihood properly? Do an individual who repair bicycles, engage in automobile repairing, work as a mason and as a farmer not have any skill? Is it necessary to get formal education or the education in school and university to live a livelihood with social and moral values? The relevant question here is that does our formal education equip an individual with social and moral values, and necessary skill for livelihood. Does the present education system not imparting enough training, required to make them skilled, so that they can get employment and earn their livelihood? Does our education system prepare our students according to the requirement of society and market? Obviously, the current education system is not able to produce the skilled labour force for various

sectors of our economy according to their requirement viz. agriculture, industry and service.

The problems of small size and low quality of skill development in India need to understand comprehensively and deeply so that we can draw some conclusion or solution. Three major challenges in skill development in India can be seen . The level of skill development and quality of skill development of the workforce, live and engage in rural area is very low. This constitutes a large proportion of un skilled workforce in the country. The second problem is related to the low level of skill development and labour participation of female work force. The prevalence of vast illiteracy among working age population is also a big problem. These three challenges are not mutually exclusive in nature. These three challenges can be seen simultaneously. The vicious cycle of low skill, low employment and low income needs to avert. Big share of Population lives in rural area that has higher proportion of illiteracy has very low level of skill development. This labour force need to draw from agriculture to manufacturing and service sector. Education and training facilities available to rural population is low. This rural pollution is engaged in agricultural with low income. Major part of disabled population also lives in the rural area that also has low income, poor health and limited education access. Major part of workforce lives in rural area and engaged in agricultural with low productivity. In our country presently 48 per cent population engaged in agricultural and contributes only 16 percent of GDP. Lowest proportion of skilled workforce is engaged in agricultural and highest proportion is engaged in service sector. Agriculture sector in India is suffering from low level of institutional credit or formal credit. Most of the vocationally trained people in agriculture science are not involved in agriculture. This doesn't have the meaning that Indian farmers are not skilled in agriculture activity. These vocationally trained in agricultural are working in service sector and not in agriculture sector. Planning commission states that even with high growth rate the occupational shifting of workforce from agricultural sector to industry and service sector is not happening in India. Employment elasticity in agriculture is low (Kapsos, 2013). It indicates that the employment elasticity in agriculture in India is nearly one- third of employment elasticity in service sector. Low employment elasticity in agriculture has an implication that output growth in agricultural was not due to increase in employment but due to increase in productivity. With the increasing in education level it is necessary to create job out of



agriculture, in industrial and/or in service sector to absorb the workforce released from agriculture sector.

Skill, education and labour participation is lower in female than males in India. This is especially true in the rural area. Low education, skill and labour participation among females indicates lower “autonomy” and ‘capacity deprivation’ of female in the society. The increase in skill development and job creation is not sufficient to absorb the female workforce into productive employment. The demand-supply gap of skilled workforce in case of female is more than the demand-supply gap in males in India. The benefits of “demographic dividend” aren’t possible to reap without involving females in the productive employment and for this to happen it is necessary to increase the skill structure larger than the increase in the number of male work participation.

Half of the working age population is illiterate or educated up to primary level in India. The skill level of this illiterate population is very low. Major portion of illiterate population belongs to the group of higher years age group. Twelve five year plan document indicates that the dropout rate is higher in India. After primary education dropout rate is 20 percent, addition to this dropout, the dropout rate after the completion of elementary education is 16 per cent and after class tenth or the secondary level of education the dropout rate is 11 per cent. This dropout rate indicates that before starting class senior secondary education 45 per cent students do not stay in the education system. These dropout students do not enter into the formal skill development or vocational educational system. It is necessary to bring under formal skill development and vocational education to these students. Skill development and vocational education is assumed most suited to these dropout students. Without bringing these dropouts under skill development and vocational education, it is not possible to achieve the targets of skill development in the country. Vocational education and skill development is assumed as best alternate to these dropout students. Adult education programme must be synchronize with skill development and vocational educational.

Level of skill development and quality of skill development are both poor in India. The twin challenges related to skill development in India are to expand the size of the skill development and to improve the quality of skill development and vocational education. BCG CII study indicates that only 15 to 20 per cent “vocationally graduates are employable at the end of their academic programme”. Except some IITs, AIIMS and technical institutes most of the engineering college

in India are with poor quality of vocational education. Big amount of young population is engage in academic courses or general education (some time referred as liberal education). Increasing employability is one of the important factors to draw students towards skill development. On the one side large amount of students are not finding jobs and on the other side firms are facing lack of skilled workforce. Our academic (general) higher education system doesn’t produce even the soft skill among the students. Degrees are inflated (without better quality students are given degrees). The employability rate is very low among these students. The enrolment rate in higher education in India is 25 per cent in 2016-17, it increased from 11 per cent in 2005-06, but in comparison to developed country it is still low. In this total enrolment 80 percent students are perusing graduate level and 1.21 percent are perusing research. In this total enrolment 70 per cent students are studying in liberal or general education. 14.7 percent are registered under engineering education and only 16.39 percent are registered under law education and other profession courses. This indicates that our higher education system is skewed towards liberal or general education and the proportion of vocational education is very low. The dual challenge of unemployment in educated simultaneously with lack of quality in skilled workforce is the contradiction of our education system especially vocational education system. The large gap between demand and supply is visible. There can be certain reasons for this gap as irrelevant skill mix, poor infrastructure, low quality of skill and training, inadequate links with industry and inappropriate curriculum.

Another challenge for skill development and vocational education in India is the lack of employment availability in industry and service sector. Employment in manufacturing sector is nearly stagnation. The growth in manufacturing sector is nearly jobless. Without increasing employment in manufacturing sector it is not possible to make employable to the workforce. Occupational structure is not changing according to change in output among different sectors as primary, secondary and service sector. New employment opportunity needs to generate in manufacturing and service sector in India to engage the workforce in productive employment.

#### **Part IV**

#### **The major problems in vocational education and skill development**

Major part of the enrolment in higher education made by general education, which is not able to create employable



skills among the students according to the market requirements. These students have little skills or no skills, which are necessary to bring them in the employable youth pool. They are graduates, but do not have the employable skill, because their academic qualification has no practical utility in the present labour market. Out of this some students are getting government jobs, some are working in the education system, but this fraction is very low out of total. Most of these graduates do not have education according to the labour market and their education has not any direct contribution or utility in the current production system in the country. Most of these students, which are graduates in liberal education in social sciences, have not the skill required for the market, so they remain unemployed. Their education becomes burden on their life; their knowledge has no use for job seeking. Millions of students studied from prestigious universities completed their PhD and research till the age of 30 or 35, but most of them did not get employment in this production system of the nation, so their academic education and the time spent during this academic education become redundant.

Technically educated and vocational educated students are also unemployed but, unemployment among them is lower than the graduate in the academic education. There are certain problems in the technical and vocational education system, currently present in India. These technical and vocational educated people do not have the good quality training education and training according to the market requirements. These graduates lack the skills according to the market or the production structure of the economy. Most of the graduates of general education have to be unemployed because they do not possess any marketable skills, which can directly translate in any productive activity of any employer or industry. Thus, the general education is not helpful to get employment. At both levels (secondary and higher than secondary) education the general education has lost its significance in the mass, but there is no other opportunities is available to the most of the aspirants and they have to get only general education.

The professional and technical education can provide more possibility to get employment but opportunity for students to get admission in professional and technical education is very less than the general education. Similarly, at the secondary level the vocational education is available but the total numbers of the seats are very less than the general education. The vocational education is not very popular because the people do not aware about its importance. At the same time vocational education is considered a little bit inferior than the

general education. Generally, anybody who is above the average level in the merit always prefer to get admission in general education than the vocational education such trade certificate in ITI etc. Even in the technical education, middle level of technical education i.e. diploma from polytechnic colleges is also considered inferior than senior secondary level general education. One who wants to do graduation in engineering, prefer to get admission in plus-two level general education rather than diploma from polytechnic colleges.

Though the technical and professional education have higher probability to get employment but, the quality of education is not same in all the institutions. More than 80 per cent of enrolment in professional and technical education comes under the private institutions. Very few private institutions have good quality education otherwise most of the private institution's quality of education is mediocre or below average. Though the public sector institutions have better quality education than the private ones, but all these institutions do not have same quality of education. Very few institutions of technical education such as NITs, IITs and few other state level colleges have good quality education. Even in the public sector institutions, majority of them are mediocre. All the graduates from the technical institutions are not employable. Many of them are not well trained. They do not have the practical training required by the industries. Industries are starving for the well trained and skill graduate but they are not getting them in the labour market. On the other and many of technical education degree holders are unemployed because they do not have required skills.

In the field of professional education such as management, pharmacy, education, law, computer application, information technology, architecture etc. the condition is same as in the technical education. Only in medical education the numbers of graduates are extremely less than the requirement of the society and the market, therefore, all the graduates are getting employment. In the medical education more than 60 per cent enrolment comes under private sector institutions which are extremely costly and cannot be afforded by even the higher middle class family. The accessibility in medical education is extremely limited. Only this is the only field where the numbers of graduates are less than the requirement because the establishment cost of medical college is very high and at the same time medical council of India (MCI) hold very rigid norms to recognize the new medical colleges. The quality of medical education is deteriorating because the admission in these private medical colleges is determined by high fee rather



than high merit. Current education system is not able to impart the required skills in the students, even the professional and technical education so, they can't get a meaningful employment in the labour market and can't contribute in the GDP of the nation. The unemployed youth pool has extreme level of dissatisfaction due to unemployment.

The vocational education has very low prestige in to the masses. It also has the problem of low quality of training and skill. The vocational education is assumed as closed ended education. After the vocational education at secondary level i.e. certificate from ITI can't continue further in general education or vocational education. It should be open for further education. After completion of the vocational education the candidate should be allowed to get higher education in the same stream as well as in general education, which is not the case at present in many states in India.

Now the vocational education is considered inferior education which, is only for those who are not able to pass or very weak in general education. General education has higher prestige than the vocational one. In the higher education, vocational stream should be started so that one can get graduation and post graduation level education in this stream. The vocational stream should be given reorganization at par with the general education for all public sector employment so that, it can also earn the prestige in the masses.

#### **Part V**

##### **The policy of Government of India**

The central government launched recently the skill development program for whole India. This is a very big, ambitious and flagship program of the government. To implement this program government has established a separate ministry for skill development. National Skill Development Corporation (NSDC) is under the ministry of employment and skill development. The ministry started many programs of skill development with the help of NSDC and state governments to impart skill to unemployed youth. In this program these youth are being given training of various trades of different industries of their local areas through public private partnership. These youths are given monetary incentives with the training. An apprentice program for skill development in different industries is also being run. For this purpose the private industries would be subsidies by the government to pay the stipend of the apprentice. This time the program of skill development is large scale ambitious program, but the success is not as it was envisaged in the program. Though the plan and programs were well thought,

and sufficient deliberation was done by the experts, sufficient fund were allotted, and government machineries was employed to implement these programs but at the ground level it has the implementation problems. The fund was misused and diverted to get benefits to the industries and entrepreneurs, who were given the responsibility to give the training and skill. At the ground level the programs were not monitored properly, the trade and industry were not chosen according to the local requirement. In such way industry should give them on job skill training then after completion of training they would be given a certificate of successful training those who were successful to get sufficient skill. Out of them those who are successful should be absorbed by the industries. Those who were not absorbed by the training industries but have the certificate of successful training and skill would get job in other industries. Many private skill providing training institutions mushroomed to get the benefit of the government programs of skill development and siphoned-out the money. Many of the industries and entrepreneurs hired the unemployed youth in the name of skill development, but in reality the stipend were reimbursed by the government to the industries and industrialist. These industries and industrialists used all the unemployed youth as their labour force at any other work where there was no skill is required till the program end.

The recent program of the government was well designed and sufficient fund was allotted but even than it is not successful to achieve the target. The education system should be addressed to solve the problem of skill, training, and quality. The problem of quality can be addressed through the better regulation. Problems of skill and training can be addressed by increasing of the number of professional and training institutions. The number of seats or number of institution of general education should be decrease or converted into the vocational, professional, and technical one. The quality of vocational, professional, and technical institutions can be improved through sufficient funding and monitoring. Targets set for skill development are unmet.

#### **Part VI**

##### **Conclusions**

The current education system is divided in two main streams i.e. general education (Liberal Education) and professional/technical. More than 50 per cent of the total enrolment in higher education is comes under the liberal education. At the level of elementary education, we cannot



expect any vocational education but, at the level of secondary education a small fraction of the total enrolment comes under the vocational education. Although, those who are trained in general education have skill in their specific subjects, and this skill has immense importance for the society and individual too. The skill acquired in general education does not have employability in the market because it cannot be directly useful for any marketable productive activity. Some time their skill may be helpful in life skill, nation building, and many other aspects of their life but, does not have any direct marketability. Nonetheless, the objective of education is not only to get employment and serve to the market for productive activities but, has a greater role in society. In the same line of the argument, for an individual to get the employment and earn a decent livelihood is also has a great importance. For a person of the poor background or lower middle class the employment is more important than any other objective of getting education. If these persons do not get employment after getting education, rather it becomes a curse for their life. The other objectives (other than the employment those are considered very important for the society and nation building) of education are becomes luxury for these unemployed youth belong to poor and middle class family. To get general education such as master degree and Ph.D. for the poor or lower middle class is still a luxury, because it does not give them equivalent returns in terms of employment. Therefore, after getting the general education, most of the candidates do not able to get any employment in the labour market. Very few of them get employment in public sector or in organize sector otherwise they have to be underemployed.

The current education system has to be overhauled completely; small correction in the system will not work. In past, the new education policy 1986, had stressed on the requirement of vocational education at school level. Thereafter, in many states vocational education was started but, that was not successful experiment and had to be closed because that was implemented without sufficient infrastructure, market requirement and due diligence, and deliberation. At the secondary levels, vocational education stream was started but, the same teachers those who were teaching in general education started teaching vocational education also without any training and exposure of the relevant trade or industry. After plus-two the students did not get admission in general higher education and at the same time

they did not get skill of the relevant trade or industry, therefore, they could not get any job in the market. Thus, very soon that vocationalisation of education became unpopular. Therefore, ultimately this attempt of vocationalisation of education has to be closed. The interaction of vocational education with industry is need of the hour. The general education should also be accomplished with new skill stream that can increase the employability of students. Without incorporating skill in general education, it is difficult to maintain and continue the growth of economic development in India a well the world.

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