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## **Skill Development in India - Present Scenario and Challenges**

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### **Abstract**

India is one of the youngest countries in the world, our biggest demographic dividend is social and economic asset, with more than 54 per cent of our population youngest than 25 years in age, to entirely comprehend the potential of our youth is vital to furnish them with skills by providing good quality of education, affordable, flexible, and appropriate to the desires of the Indian and worldwide job market. The second largest workforce of the country occupied in the world after China. While China's demographic dividend is expected to start narrowing off by 2015, but India will continue to enjoy it till 2040. The economic survey 2014-15, reveals that India's formally skilled workforce is only 2 per cent which is very low as compared to other countries like China 47 per cent, Japan 80 per cent and South Korea 96 per cent. To strengthen our demographic dividend more substantially and meaningfully, the Government launched the "Skill India" campaign along with "Make in India," Pradhan Mantri Kaushal Vikas Yojana, Deen Dayal Upadhyaya Gramin Kaushal Yojana, for the skill development of growing youth population of the country.

The main objectives of the present study are to study the need for skill development in India, to know the present scenario of skill in India and to find out recent skill development schemes, and to assess the challenges of skill development in India. This study mainly is descriptive in nature. It is based on secondary sources which are gathered from economic survey, books, documents of various ministries, departments and organizations, reports, journals, articles and websites are used in this study.

**Key words: India, Youngest, Demographic Dividend, Skilled Workforce, Challenges of Skill Development.**

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**1. Introduction:** India is one of the youngest countries in the world and registered 17.64 decadal growth rate of population as per the 2011 census. It has recognized to possess a noteworthy demographic dividend unpaid to its large and growing population in the age group expected to be between 15 and 59 year upwards of 600 million presently. The Population in 15-59 age group as compared other country like US 4.1 per cent, UK 0.8 per cent, Germany 0.9 per cent, France 0.8 per cent, China 18.9 per cent, India 18.0 per cent, Brazil 2.9 per cent, Japan 1.4 per cent and Australia 0.3 per cent by 2022. This large

working age population can make a momentous involvement to the country's growth provided it is operational to be productive. In the present day, youth across the world face serious challenges concerning skills and jobs, challenges basically unrelated from those their parents faced. The workforce participation in the country is the second largest in the world after China's. Although China's demographic dividend is anticipated to begin tightening off by 2015, India will sustain to enjoy it till 2040. However, India's formally skilled workforce is around 2 per cent according economic survey 2015 which is grimly low compared to other country followed by South Korea 96 per cent, Japan 80 per cent and China 47 per cent. To strengthen our demographic dividend more appreciably and meaningfully, the Government of India launched the "Skill India" campaign along with "Make in India". The challenges are superior for developing countries like India, which have enduring suffered from a deficiency of skilled labour. But today, developing-country firms and producers have become progressively more involved in the worldwide worth manacles, requiring them to congregate international standards of excellence and effectiveness. This, in revolve, requires advanced levels of skills in the workforce. Furthermore, numerous countries nowadays require more skilled workers to compete in attracting foreign direct investment (FDI), as it is a workable policy for bringing superior technologies to their household industries, growing their foreign trade, and in this manner boosting industrial and economic development; the availability of, and even the stock of, skilled workers in a nation is a input determinant for conglomerate firms taking into account investments. In this connection the present study is focuses on Skill Development in India - Present Scenario and Challenges is the need for the study.

**2. Review of literature:** Some of the earlier studies have been made below for getting insight of the Topic: Vandana Saini (2015) in her study on Skill Development in India: Need, Challenges and Ways forward traced out that both the Government and its partner agencies have undertaken various measures/initiatives for the effective implementation of the skill development system in the economy, but still faces a number of unresolved issues/challenges that need immediate attention of the policy makers. Some extent she identified Challenges before Skill Development Initiatives in India such are Demand & Supply Mismatch Geographical Problem, Low Educational Attainment, Skill development for women, Private sector participation, Placement-linked Challenge, Informal & Formal Sector Skill-Gap, Infrastructure Challenge.

Krishna K, P and Divya Nambiar(2017) In their study on Skill India: Challenges, Achievements and the way forward found that, skills are a key driver of the modern economy. Vocational education and training is aimed at enhancing the employability of an individual's transition into the labour market.

Mahi Pal (2017) in his study Skilling Initiatives in rural India: An analysis opined that, Skilling manpower is very important in the development of the country. Considering the importance of skill various programmes have been initiated in the country. Adopting skill as a way of life of the people because without skill, one finds it difficult to sustain and survive in present context. Further he analyzed that, fasten the venture of skilling India, proper

convergence, adequate infrastructure with able faculty and spatial justice in terms of location of facilities may be focused in the strategy of empowering India through skilling.

Another study made by Nandini Sahay (2017) topic entitled Role of NGOs and Private Sector in Skilling found that, last three decades, the Government has been endeavoring at creation of self-employment by providing credit in subsidies from in programs such as Integrated Rural Development Programme, Swarna Jayanti Shahari Rozgar Yojana, Swarnajayanti Gram Swarozgar Yojana, and National Rural Livelihoods Mission etc. Mahatma Gandhi National Rural Employment Guarantee Act is also one of the programme which ensure employment of rural people for minimum 100 days. However, people residing in rural sector society are insufficiently equipped to absorb credit and to start their own enterprise, because of their lack of business skills, illiteracy, their inability to take risks and absence of motivation. Upgrading their skills and making them employable in the newly emerging industries and traders is the need of the hour.

### **3. Objectives of the Study:**

For the purpose of the study has set the following objectives:

1. To study the need for skill development in India
2. To know the present scenario of Skill in India
3. To find out recent skill development schemes in India
4. To identify the challenges of present skill development in India

**4. Methodology:** This study mainly based on secondary sources data which are gathered from various books, documents of various ministries/ departments and organizations, reports, journals, articles and web-sites are used for the study.

### **Findings/ Results:**

**5. Need for Skill Development in India:** In present day in India there is increasing trend of labour force in the market, by providing skilling and re skilling the persons who entering the labour force to harness the demographic dividend that India enjoys. Despite the fact that the enrolment in technical higher education has grown, the employment challenges as reflected above needs to be addressed so as to meet the faster and inclusive growth agenda for the Twelfth Plan. Hence skill development should, occupy main stage in any employment strategy for the Twelfth Plan. According to the Economic survey report 2014-15 stated that as per the labour bureau report 2014, the present skilled workforce in India is only 2 per cent which is much lower than compared to the developing nations that the number persons aged 15 years who have received or be receiving skills is merely 6.8 per cent. There by there is need for skill development in India.

India is a fastest growing country in the world. As per the census report 2011 it has registered 17.64 decadal growth rate of population. Though majority of the population in the country found younger. There are several problems to fulfill the dreams and aspirations of the people such are lack of education and access, poverty, hunger, etc. a large part of our population languishes in unemployment in the country. To make dreams and aspirations of

the youngest people in the country of our total population 1.3 billion, about 61 per cent people fall in the working age, According to India skill Report 2016 launched by the CII. Despite the fact that, a large part of the population falling in this category remains unemployed owing to various reasons, lack of skill training being a foremost reason. The report also reveals that between now and next 2025 more than 250 million young people are estimated to enter the Indian work force, even though only 5 per cent of youth 20-24 have obtained vocational skills through a formal training system. As compare to other country presently it is estimated that only 2.3 per cent of the total work force in India has undergone formal Skill training. It was UK in 68 per cent and 75 per cent in Germany, 52 per cent in USA, 80 per cent in Japan and 96 per cent in South Korea. This clearly indicates that large sections of the educated workforce in India have small or no jobs skills, making them largely unemployable. From the above information clearly states that there is need for increased emphasis on Skill Training in India for reducing unemployment and enhancing economic growth in the country.

**6. Present Scenario of Skill in India:** In an attempt to make the most of the demographic dividend, India will require to make powerful its workers with the accurate form of skills. The present scenario of skills levels of in Indian workforce in the age group of 15-59 years in the form of their general educational levels and vocational training levels depicts as under.

The drop-out rates of at different stages of school education was found that a total 44.73 per cent dropout rate in the I-X Classes in the primary, middle indicating that the drop out at primary level is at par for both the genders but the gap increases in higher classes at the third stages Secondary stages were 29 and adult literacy rate in the age 15 years and above was 69.3 per cent as per 2011 census. A total of 21.1 per cent of general population enrolled in higher education of which 15.1 per cent of SC and 11 per cent of STs. The biggest population of adults in the country i.e., 287 million found illiterate, which was in the global level 37 per cent, according to the United Nations report reveals that, there is huge disparities existing in education levels of the country's rich and poor. The report further said that, the richest young women in India have already achieved universal literacy but the poorest are projected to only do so around 2080, noting that huge disparities within India point to failure to target support adequately towards those who need it the most. Institution was estimated to be 28.5 per cent in the age group of 0-14 years and 18.1 per cent between 15-24 and 40.6 per cent in the age group 25-54 and 7 per cent in the age group 55-64 and 5.8 per cent 65 years and above the age structure of a population affects a nation's key socio economic issues. Countries with young population high per cent age under age 15, 86 per cent after 15 years of age and in contrast to this the participation rate of the workforce rises rapidly after 14 years of age and it results in a semi-literate workforce which finds it difficult to absorb higher form of skills.

According to the data reveals that 38 per cent of Indian workforce is illiterate, 25 per cent has education below primary or up to primary level and remaining 36 per cent has an education level of middle and higher level and 80 per cent of Indian workforce does not

possess any marketable skills. Only about 2 per cent have received formal vocational training and 8 per cent non-formal vocational training, thereby implying that very few new entrants to the work force have any marketable skills as compared to developed economies such as Korea 96 per cent, Germany 75 per cent, Japan 80 per cent and United Kingdom 68 per cent. The above facts are a stark reminder that India's demographic dividend can rapidly convert into a demographic nightmare if skills are not provided to both new and existing workforce. Thus, there is a need for increasing capacity and capability of skill development programs. In this way, together the Central and State Governments and its associate agencies have undertaken several initiatives for the effective implementation of the skill development system in the country. But even today India faces several of unsettled issues and challenges that need immediate attention of the policy makers.

**7. Recent Schemes for Skill Development in India:** The Government of India recently initiated new schemes for skill development in the country. Some of the more imperative schemes are elucidated as under:

**Pradhan Mantri Kaushal Vikas Yojana (PMKVY):** This scheme is a flagship outcome based scheme initiated by the Government of India launched in 15 July 2015 with the target to provide to one crore, with the out lay of Rs.12,000 crore to provides skill training youth population in the country. A financial reward is provided to trainees on evaluation of the documentation. For instructions accountable for execution is given by the steering Committee for PMKVY. It has two components as Centrally sponsored Centrally Managed (CSCM) being implemented by National Skill Development Corporation (NSDC) and Centrally Sponsored State Managed (CSCM) being implemented by State Skill Development Missions of the States/UTs popularly known as State Engagement Component. Under CSCM Component, 75 per cent of the total funds are provided to NSDC for imparting Fresh Short Term Training (STT) as well as Recognition of Prior Learning (RPL) with the purpose to get better opportunities in terms of placement and self-employment. Industry relevant courses with high employment potential for prospective candidates are being run under the scheme by the Government. Under the Scheme, more than 32 lakh candidates undergoing training and trained so far.

**Deen Dayal Upadhyaya Gramin Kaushal Yojana (DDU-GKY):** This scheme mainly focuses on providing high quality skill training opportunities through Project Implementing Agencies (PIAs) to rural poor youth, specially focused on women, administered by this scheme under the Ministry of Rural Development. This scheme provides the skill training and placement programme carried out as part of the National Rural Livelihoods Mission. The program provides funding support for placement linked skilling projects ranging from INR 25,696 per person to over INR 1 lakh. Under this scheme special emphasis has been given to women by reserving 1/3<sup>rd</sup> of the seats for women, migration support centers are set up to monitor the needs of the vulnerable population, specially women. Special attention is focused on establishing training centers with focus on women trainers in line with the National Policy of Skill Development.

**Support to Training and Employment Programme for Women (STEP):** Support to Training and Employment Programme for Women is another one sort of Central sponsored Scheme running under Ministry of Women and Child Development under this scheme, training is provided to poor and marginalized women in traditional trades to improve employability. The main intention of this scheme is to benefit the women who are in the age group 16 and above. The grants-in-aid are provided by the central government under this programme to societies, voluntary organizations, and cooperatives providing skills in sectors ranging from agriculture to hospitality.

**Pradhan Mantri MUDRA Yojana(PMMY):** The MUDRA loan has the objective of funding the unfunded that twin purposes of seeding new enterprises and expanding existing units, with special focus on providing financial support to women entrepreneurs, for both financial inclusion and empowerment. Out of a total 3.49 crore enterprises supported under PMMY during 2015-16 nearly 36 per cent, i.e., 1.25 crore accounts were for first time borrowers.

**Stand Up India:** Stand Up India scheme has special provisions for women. In this scheme, each bank branch will provide loans of up to Rs 1 crore to at least two such projects per bank branch on an average, one for each category of entrepreneur (SC/ST and Women), in case of firm 51 per cent of shareholding and controlling stake held either by SC/ST or women entrepreneur to ensure financial availability to set up big industries and turn into big entrepreneur.

**8. Challenges of Skill Development in India:** Skill development is grave challenge for achieving faster, sustainable and inclusive growth on the one hand and for providing well-mannered employment opportunities to the growing young population on the other. The demographic casement of chance existing to India would make India the skill capital of world. India would be in position to meet the requirement of technically trained manpower not only for its growing economy but also of the aging advanced economies of the world.

The skill strategy for the Twelfth Plan would have to accordingly model for these skill challenges in terms of outreach, quality, systemic/institutional setups, current status of skill development efforts and various economic policies proposed in the Twelfth Plan. Notwithstanding diverse concerned efforts, there is still a long way to bring the skill development mission to completion due to the presence of certain serious key challenges as mentioned below.

- Increasing capacity and capability of the existing system to ensure equitable access for all
- Maintaining quality and relevance
- Creating effective convergence between school education and the government's skill development efforts
- Creating institutional mechanism for research development quality assurance, examinations and certification, affiliations and accreditation
- Mobilizing adequate investment for financing skill development

**The problem of Geographical set-up:** The main challenges of the skill development in India is Geographical set-up of the people the problem of plagued the company the labour market it has more serious impact of the larger part of the economies of the country for skills in are bumpy and in gloomy share. The states which is larger amount of advanced growth rates have more opportunity in new jobs with lower rate of labour-force on the one hand on the other hand the states with slower economic growth rates have higher population growth rates with smaller amount new jobs. As a result laggard states need to, rely on migrant workers so as to cope with this challenge. Most of the formal institutions are located in urban areas as compared to rural areas and even private sector institutions are also not willing to work in the rural areas. According to the 2011 census report data reveals majority of the people living in the rural parts of the country. Hence big proportions of rural population do not have any formal vocational training institutions. Majority of the skill development institutions located in the isolated areas mainly focused only basic skills provided by the NGOs and other part of the agencies as regard social development programs. Thereby Backward districts notified that series insufficiency of formal skill training. Therefore these sorts of skills are often not officially assessed and accordingly are not recognizable for employment by industrial sectors. There is lack of block level mapping of employment demand, such as local economy activities, youth population profile, social demographic profile etc. This leads to sub-optimal planning of skill development initiatives resulting in a gap between skill development and local employment demand.

**Infrastructure Challenge:** The main challenges of skill development in India are the availability of Proper basic infrastructure is one of the most important necessities for the appropriate execution of the skill and training development programs. But it has been noticed that many skill development institutions suffer from lack of proper infrastructure facilities. In majority of the institutions inflexible infrastructure such are equipments, machines and tools etc. are not available properly. Hence, the workers get trained on outdated machines and find themselves deficient in skills when employed. In addition to these lack of industry linkages which would otherwise provide some help in addressing numerous infrastructure-related challenges including trainers, machines etc. also woefully insufficient.

**Mobilization:** Another tremendous challenging task of skill development is the enrollment of the students for vocational education and training. Still most attitudes of the people related with the skill development are very traditional. The students who move on to managerial roles as the technical trade's positions are concerned with lack of recognition and low salaries. There are many students those who are not able to pay for the fee they may not aware about the government ongoing scheme for skill development which also leads to a low mobility towards such programs. Skilling is considered as a blue collar job, which is some extent low pay scales, limited growth and a smaller amount challenging roles. Like Singapore, the government of India needs to focus a lot on the branding strategies for skill development which may ensure a high mobility towards such programs.

**Private sector participation:** The private sector is not involved adequately in curriculum development and policy formulation related to educational and vocational training. Mostly private sector institutes are located in urban areas therefore rural population remains lags behind. Furthermore, due to high cost of these institutes the weaker or disadvantaged section also unable to get proper skill training.

**Employer's buy-in:** The industry doesn't differentiate whether the person has acquired the skills through on the job training or has gone through a formal training. Most of the companies make their own skill centers through which they develop the people. However the Skill Development also focuses on the Public Private Partnership Model but it needs a lot of effort from both the players in development of skills.

**Skills Mismatch:** There is a lot of issue related to the skills needed by the industry and the skills imparted through the educational and training institute. There is a lack of industry-faculty interaction because of which the skill set doesn't suit the employer. Though the people may be skilled but they are not employable. It becomes extremely important that the industry professionals are also included during the design of the curriculum.

**No focus on Non-Technical Skills:** The Vocational Training Centre's in India is focusing on developing technical skills only whereas the employers feel the need of having Behavioral Skills also. According to the India Hiring Intent Survey, the employers also focus on Skills like Domain Expertise, Communication, a culturally fit person, values on Honesty and Integrity, Adaptability, focused on Result, Interpersonal skill and Learning attitude. These skills are not covered as an integral part of the skill development. This is a major challenge as it results to a lot of unemployed skilled workforce.

As per the census 1991 there were 111 million cultivators and 75 million agricultural labourers registered in India which was a total of 185 million people working on the land. It was 119 million cultivators and 144 million agricultural labours that mean 263 million people working on land in the 2011 Census. During the last 20 years the Population increased by 43 per cent, but the number of land less agricultural shot up by a surprising 93 per cent. The main cause for this can be ascribed to the truth that with increasing army of underemployed finding no work, they are forced to crowd into agriculture or related rural work where opportunities are few. On the agricultural front, there are plenty of opportunities in setting up grain storage facilities through cold chains and advanced logistics for vegetables and fruits. As a consequence, the wastage of grains, fruits and vegetables is one of the highest in the world. Massive investment in this area has the potential to create huge number of new skilled and unskilled jobs. This would benefit women to a great extent and help the process of their empowerment.

**9. Conclusion:** India is one of the youngest populations in the world, noteworthy demographic dividend unpaid to its large and growing population in the age group expected to be in the age between 15 and 59 year upwards of 600 million presently. Skilling manpower is very essential in the present development of the country. Considering the significance of skill development various programmes initiated in India. Adopting skill as a

way of life of the people because without skill, one who finds it difficult to sustain and survive in the present context. To some extent fasten the venture of skilling India, proper convergence, efficient infrastructure with able faculty and spatial justice in the form of location of facilities may be focused in the strategy of empowering India through skilling. Thereby, there is an urgent need to strengthen and increasing capacity and capability of the skill development schemes effectively, efficiently implementing by involvement of growing youth in the future.

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