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RESEARCH ARTICLE

CHALLENGES TO THE DREAM RUN OF 'SKILL INDIA' PROGRAMME

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ABSTRACT

The launch of 'Make in India' campaign by the PM, Mr. Narendra Modi is going to uplift the poor performance of the manufacturing sector of India. The government of India has started taking various initiatives to provide ease of doing business in India to encourage the investors for the success of the campaign. The progress of the sector will accelerate the employment in India. The government has a target to create more than 100 million jobs by the end of 2022. Also, India is one of the countries with a big percentage of young population in the age-group of 15-59 years that further provides an initiative to the investors to invest in India. But the problem that arises is regarding equipping such a huge population of India with some sort of employable skills so that they get absorbed in the jobs. Although the government of India has started the 'Skill India' programme for this purpose, but there are various obstacles that can drag the performance of the campaign. This paper intends to focus on the challenges the Government of India can face in the way of providing skills to the labour of India in the coming years.

INTRODUCTION

The programme of 'Skill India' was launched in July 2015 to equip the present working force of India with employable skills. The present working-age population of India is around 62% and more than 54% of the population of India is under the age of 25 years ("National Policy," 2015 p. 2). It is expected that the working-age population of India will rise from 749 million to 962 million in twenty years starting from 2010 to 2030, showing an increase of 28% in the total working-age population of the world ("Skilling India", 2010, p. 4). The above Table shows that from 2010 to 2030, the working-age population of India will rise by 213 million, whereas the developed countries will see a declining trend, like that in China which will decrease by 45 million and in Europe by 54 million. This makes the position of India favourable in making it an attractive destination for the investors. But only the huge number of working-age group population is not sufficient. In order to reap the rich demographic dividend, there is a need to make them skilled, otherwise their un-employability will put huge burden on the nation.

Literature Review

Economic growth and development of a country is highly dependent on the main forces of skill and knowledge.

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The countries with good level of skills always perform better than others and adjust themselves more easily to the challenges and opportunities of the world in case of employment and work. There is an urgent need on the part of India to focus on the advancement of the skills as the growth of GDP at 8-9% will demand for a well-supported skilled workforce ("The Skill Development", 2010). The challenge of imparting skills to a large portion of India's population below the age of 25 years is quite big. But, if faced boldly, it will help in transforming the young population of India into a productive work-force and achieving the Demographic Dividend. At present, a big chunk of the working-age population is not productively engaged in the economic activities due to mismatching of the requirements of the jobs. The present skills which the youth of India possesses, make working-age group people economically inactive. As a consequence, it affects the economy very badly ("Skill Development", n.d.). There is a big demand-supply skill gap in India. The skill that young people acquire through education and training is highly insufficient as per the requirements of the industry. This demand-supply gap affects the growth of an economy. The government of India is required to take new initiatives for bridging the skill gaps for ensuring inclusive growth (Sharma and Sethi, 2015). With the increasing huge proportion of working age group of 15-59 years, India has the advantage of "demographic dividend". Providing skills to such a big population will help in reaping this demographic dividend making large scale skill development highly imperative ("National Policy," n.d.).

MATERIALS AND METHODS

This paper intends to study the future demand for the skilled labour in the working-age group in India. It also studies various challenges in the way of skill impartment to the labour. Secondary datas from various sources like government websites, surveys, books and journals have been taken to endorse the points. The objective is to identify the challenging areas where the government of India needs to focus in order to make 'Skill India' a success.

Demand for Skilled Labour

GDP of India is expected to rise at a CAGR of 8-9% by the year 2022. This will increase jobs in the country. The rise in the number of jobs is expected to be around 500 million ("The Skill Development", 2010, p.11). It becomes the responsibility of the government to impart the required skills to keep this growth rate intact. The mission "Make in India" is focussing on 25 sectors of the economy including aviation, construction, cement, pharma, textiles, defence, automobiles, etc. The success of the mission will accelerate the job creation process. So equipping the youth of India with employable skills is very urgent. The above Table shows that some sectors like textiles, building and construction, auto and auto components and real estate will show remarkable increase in the human resource requirement by the year 2022. But the labour of India is ill equipped in skills. There is a deep chasm between the quality demanded and the supply offered in labour. This gap is to be bridged and for this PM of India has launched this 'Skill India' campaign.

Challenges to 'Skill India' programme

The launch of 'Skill India' is a welcome step for growth of the economy of India. If successful, it can make India a huge supplier of skilled workforce. But there are various challenges that question the effectiveness of the programme. Some of them have been mentioned as under:

Present Scenario

At present the capacity for skill development is just 3.1 million persons per annum only and there is a need to increase it to 12 million persons per annum (p.15). Presently only 4.69 % of workforce of India is undergoing formal skill training. The percentage is meagre as compared to other nations. In contrast, it is 96% in South Korea, 80% in Japan, etc. The Table below shows that India has a long way to go to achieve the success in the programme 'Skill India'.

Inaccessible Areas

Another major issue is the inaccessibility to the training. India is a vast geographical area covering around 6,40,000 villages, nearly 4400 towns, over 35 cities and 640 districts having difficult terrain and having different socio-economic backgrounds making it further difficult to access to the training. Training such labour at approachable distances will be a huge challenge to the programme ("Skill Development," n.d., p. 16).

Need for Trainers

As said earlier, around 62% of the population of India is in the working-age group of 15-59 years. Equipping such a huge working-age population of India requires a huge number of trainers also. As per the report of NSDC on Education Sector, India needs around 8,664,000 teachers and trainers between 2008-2022 (p. 16). It is quite a challenging task to arrange for the required number of staff and to train them for the purpose.

Huge Skill Gaps

There is a significant gap in the present skill of the workforce and the requirement of the industry. In a report published by Ernst and Young for FICCI, 75% of IT graduates, 55% of manufacturing, 55% of healthcare and 50% of Banking and Insurance graduates are considered unemployable (Bhagowaty, n.d., p. 7). Also, the skill training provided is outdated. Like, car mechanics under ITI are given significant training on carburettors, which were almost phased out of cars in the 1990s (Nam and Vishnoi, 2014, para.5). According to Wheebox Employability Skill Assessment Test conducted on the basis of various parameters like Communication Skills, behavioural traits, numerical and logical ability, etc. in 34 States and Union Territories and about 1800 educational campuses across India, 63% of about 3 lac students assessed lacked employability ("India Skills Report," 2015, p.12). The Table shows that the students after B. Pharma are more employable as compared to others whereas, the polytechnic students are least employable. Around 56% of ITI students and 90% of the Polytechnic students are also unemployable.

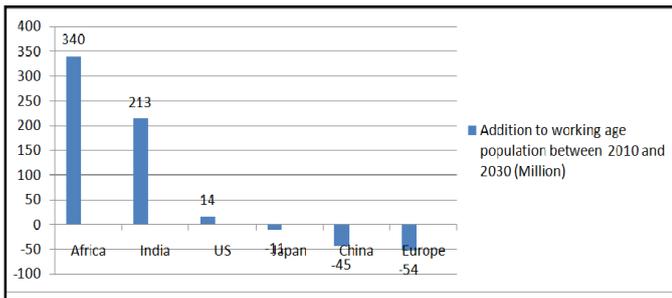
Informal Sector

Another major challenge is that around 93% of the workforce of India is in the informal sector, making it all the more difficult to map the current and the future required skills in the sector ("National Policy," 2015, p. 9). The unorganised sector lacks structured skill development and training system for providing and upgrading skills. Various informal skill formation channels like family occupations, on the job training are followed in this sector thus lacking formal skill training ("Knowledge Paper," 2012, p. 4).

Non-affordability

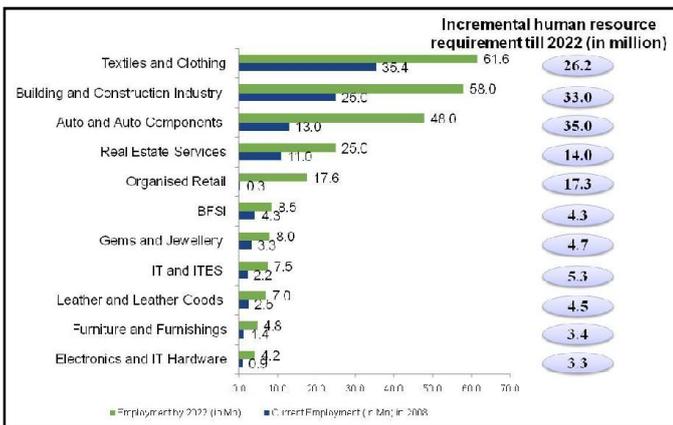
The states that will account for more than 50% increase in India's working-age population over 2011 to 2021 are Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan. These are the poorest states based on per capita income and will contribute 54 million to India's workforce ("Skilling India", 2010, p. 6). So, the workforce in the poorest states will increase the most. These people are unable to afford education and training. Also, nearly 37% of the population of India lives below poverty line. These people cannot afford the training as it is very hard for them to even earn a living ("Skill Development," n.d., p. 16). The free training where given, lacks quality and thereby promotes un-employability. The Table shows that the states that will supply more working-age workforce are Uttar Pradesh followed by Bihar and Maharashtra, Madhya Pradesh, etc. The states like Jammu and Kashmir, Kerala, Uttarakhand and Himachal Pradesh will contribute very less to the supply of working-age population.

Table 1. Addition to working age population between 2010-2030 (Million)



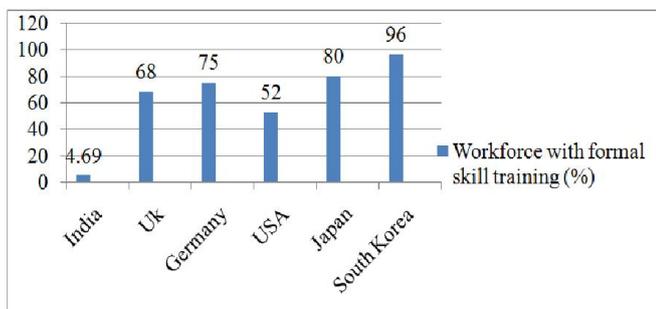
Source: ("Skilling India", 2010)

Table 2. Illustrative human resource requirements across select sectors till 2022



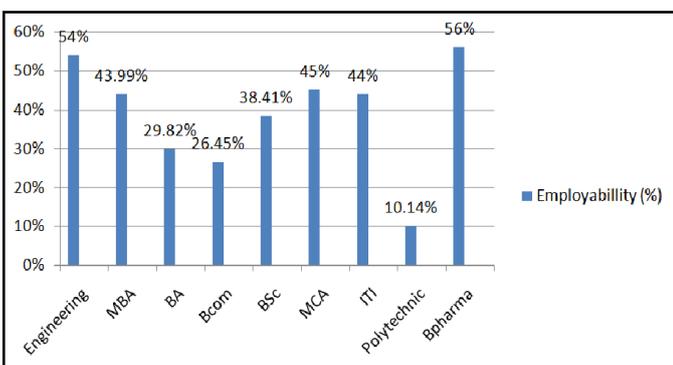
Source: ("The Skill Development", 2010, p.13)

Table 3. Workforces undergoing formal skill training in different countries (%)



Source: ("National Policy," 2015, p. 6)

Table 4. A comparison in employability in 2014 (%)



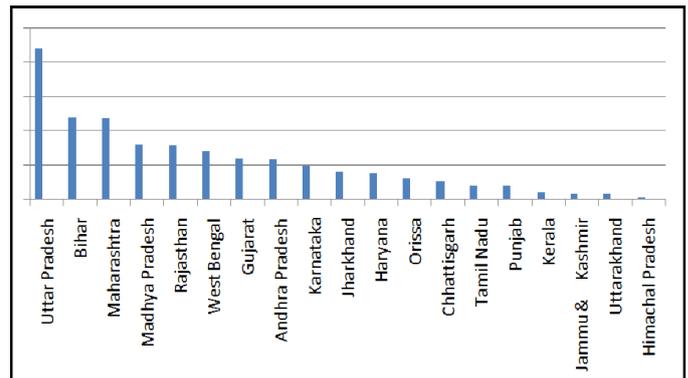
Source: ("India Skills Report," 2015, p.14)

Table 5. Projected share of informal employment (in %)

Year	GDP growth rate	Formal Employment (% share)	Informal Employment (% share)	Total
2011-12	9%	7.08	92.92	100
	7%	7.18	92.82	100
	5%	7.27	92.73	100
2016-17	9%	6.10	93.90	100
	7%	6.32	93.68	100
	5%	6.54	93.46	100
2021-22	7-9%	6-7%	94-95%	100

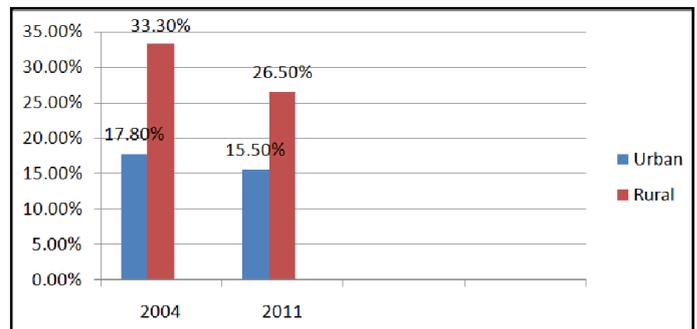
Source: ("The Skill Development", n.d., p. 12)

Table 6. State-wise incremental working-age population over 2011 to 2021(million)



Source: ("Skilling India," 2010, p.16)

Table 7. Female Labour-force participation rate 2004-11 (%)



Source: ("National Policy," 2015, p. 9)

Lack of Women Participation

The participation of Women in labour force is one-third i.e. only 125 million of about 380 million working-age females are working or seeking jobs (Das, Chandra, Kochhar, and Kumar, 2015, p. 5). There is a need to increase their participation in the workforce as there is a need for their contribution to the economic growth of India. As shown in the Table, there is a continuous fall in the female labour participation in both urban and rural areas with 33.3% to 26.5% in rural areas and 17.8% to 15.5% in urban areas during the period 2004 to 2011.

Lack of Innovation

Innovative entrepreneurs not only create a source of income for themselves but also generate employment for others. Innovative entrepreneurs are lacking in India. According to the Global Innovation Index, India stands at 76th place out of 143 countries of the world. As innovation has a huge potential for

growth, so increasing the rate of innovative entrepreneurship is essential for generating employment on large scale ("National Policy," 2015, p. 9).

Conclusion

India has got a huge population of around 62% in the age group of 15-59 years old. The more the working-age population, the lesser is the dependency ratio. Such a whopping percentage of population can lead to significant growth of an economy if efficiently channelized. So the government is having a huge responsibility to equip its young labour force with requisite skills to make them employable. The various obstacles discussed above needs a deep thought for taking the true advantage of the youngest pool of India. There is a need to improve the quality of its labour to improve their efficiency and their contribution towards the economic growth. Only then can we see a positive outcome out of such ambitious programmes like 'Skill India' and only then can India see itself as a Global Leader in the coming years.

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