



## Skill Development in India

**For Prelims:** 13<sup>th</sup> FICCI Global Skills Summit 2022, New Education Policy (NEP), UN Sustainable Development Goal 4, National Skill Development Corporation (NSDC), Pradhan Mantri Kaushal Vikas Yojana, SANKALP programme, STRIVE project.

**For Mains:** Impacts of Skill Development in India.

### Why in News?

Recently, the Union Skill Development and Entrepreneurship Minister inaugurated the **13<sup>th</sup> Federation of Indian Chambers of Commerce & Industry (FICCI) Global Skills Summit 2022.**

- **Theme:** Education to Employability - Making It Happen.

### What is FICCI?

- It's a non-government, not-for-profit organisation,
- **Established in 1927**, it is the **largest and oldest apex business organisation in India.**
- It provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policymakers and the international business community.

### What is the Status of Skill Development in India?

- **About:**
  - The 2015 Report on **National Policy on Skill Development and Entrepreneurship** estimated that only **4.7%** of the total workforce in India had undergone formal skill training compared with **52% in the US, 80% in Japan, and 96% in South Korea.**
  - A skill gap study conducted by the [National Skill Development Corporation \(NSDC\)](#) over 2010-2014 indicated an additional net incremental requirement of 10.97 crores of skilled manpower in 24 key sectors by 2022.
    - In addition, the 29.82 crore farm and nonfarm sector workforce needed to be skilled, reskilled, and upskilled.
- **Issues:**
  - **Overburdened Responsibility:** [Phase III of Pradhan Mantri Kaushal Vikas Yojana](#), launched to impart skills development to over 8 lakh persons in 2020-21.
    - However, it suffers from excessive reliance on the District Skills Development Committees, chaired by District Collectors, who would not be able to prioritise this role, given their other assignments.
  - **Discontinuity in Policy Process:** The [National Skill Development Agency \(NSDA\)](#), was created in 2013 for resolving the inter-ministerial and inter-departmental issues and eliminating duplicates of efforts of the Centre.

- However, it has been now subsumed as part of the National Council for Vocational Training (NCVT).
- This reflects not only a discontinuity in the policy process, but also some obfuscation among policymakers.
- **Enormous Number of New Entrants:** According to a 2019 study by the **National Skills Development Corporation (NSDC)**, 7 crore additional people in the working age of 15-59 years are expected to enter the labor force by 2023.
  - Given the sheer magnitude of youth to be skilled, it is paramount that the policy efforts are adequate in all respects.
- **Employers' Unwillingness:** India's joblessness issue is not only a skills problem; it is representative of the lack of appetite of industrialists and SMEs for recruiting.
  - Due to limited access to credit because of Banks' NPAs, the investment rate has declined and thus has a negative impact on job creation.

## Why is there a Need for Skill Development of Workforce?

- **Supply and Demand Issues:** On the supply side, India is failing to create enough job opportunities; and on the demand side, professionals entering the job market are lacking in skill sets. This is resulting in a scenario of **rising unemployment rates along with low employability.**
- **Rising Unemployment:** As per the **Centre for Monitoring Indian Economy (CMIE)**, the **unemployment rate in India has been around 7% or 8% in 2022**, up from about 5% five years ago.
  - Further, the workforce shrank as millions of people dejected over weak job prospects pulled out, a situation that was exacerbated by Covid-19 lockdowns.
  - The labor force participation rate, meaning people who are working or looking for work, has **dropped to just 40% of the 900 million Indians of legal age**, from 46% six years ago.
- **Lack of Skills in Workforce:** While keeping pace with the employment generation is one issue, the **employability and productivity of those entering the labour market is another issue.**
  - As per the India Skills report 2015, **only 37.22% of surveyed people were found employable** - 34.26% among males and 37.88% among females.
  - According to [Periodic Labour Force Survey \(PLFS\) data 2019-20](#), 86.1% of those between 15 and 59 years had not received any vocational training. The remaining 13.9% had received training through diverse formal and informal channels.
- **Demand for Skilled Workforce:** The **Confederation of Indian Industry (CII)** had projected Incremental Human Resource Requirements till 2022 at 201 million, making the total requirement of the skilled workforce by 2023 at 300 million.
  - A major share of these jobs was to be added in the manufacturing sector, with the National Manufacturing Policy (2011) targeting 100 million new jobs in manufacturing by 2022.

## What are the Various Initiatives taken for Skill Development?

- **Pradhan Mantri Kaushal Vikas Yojana:** The flagship [Pradhan Mantri Kaushal Vikas Yojana \(PMKVY\)](#) scheme was launched in 2015 to provide short-term training, skilling through ITIs and under the apprenticeship scheme.
  - Since 2015, the government has trained over 10 million youth under this scheme.
- **SANKALP and STRIVE:** The [SANKALP programme](#) which focuses on the district-level skilling ecosystem and the [STRIVE project](#) which aims to improve the performance of ITIs are other significant skilling interventions.
- **Initiatives from Several Ministries:** Nearly 40 skill development programmes are implemented by 20 central ministries/departments. The [Ministry of Skill Development and Entrepreneurship](#) contributes about 55% of the skilling achieved.
  - Initiatives by all ministries have resulted in nearly four crore people being trained through various traditional skills programmes since 2015.
- **Mandatory CSR Expenditure in Skilling:** Since the implementation of [mandatory CSR spending under the Companies Act, 2013](#), corporations in India have invested over ₹100,000 crores in diverse social projects.
  - Of these, about ₹6,877 crores were spent on skilling and livelihood enhancement projects. Maharashtra, Tamil Nadu, Odisha, Karnataka, and Gujarat were the top five recipient

States.

- **TEJAS Initiative for Skilling:** Recently, TEJAS (Training for Emirates Jobs and Skills), a Skill India International Project to train overseas Indians was launched at the Dubai Expo, 2020.
  - The project aims at skilling, certification and overseas employment of Indians and creating pathways to enable the Indian workforce to get equipped for skill and market requirements in the UAE.

## Way Forward

Skill development is the most essential aspect of the development of our country. India has a **huge 'demographic dividend'** which means that it has a very high scope of providing skilled manpower to the labour market. This **needs a coordinated effort from all stakeholders** including Government agencies Industries, Educational and training institutes and Students, trainees and job seekers.

## UPSC Civil Services Examination Previous Year Question (PYQ)

### Prelims

**Q. With reference to Pradhan Mantri Kaushal Vikas Yojana, consider the following statements: (2018)**

1. It is the flagship scheme of the Ministry of Labour and Employment.
2. It, among other things, will also impart training in soft skills, entrepreneurship, and financial and digital literacy.
3. It aims to align the competencies of the unregulated workforce of the country to the National Skill Qualification Framework.

**Which of the statements given above is/are correct?**

- (a) 1 and 3 only
- (b) 2 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

**Ans: (c)**

**Exp:**

- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is a flagship scheme for skill training of youth implemented by the Ministry of Skill Development and Entrepreneurship through the National Skill Development Corporation (NSDC). **Hence, statement 1 is not correct.**
- The individuals with prior learning experience or skills shall be assessed and certified under the Recognition of Prior Learning (RPL) component of the Scheme. RPL aims to align the competencies of the unregulated workforce of the country to the NSQF.
- **Skill training would be based on the National Skill Qualification Framework (NSQF) and industry-led standards. Hence, statement 3 is correct.**
- Apart from providing training according to the NSQF, training centres shall also impart training in soft skills, entrepreneurship, and financial and digital literacy. **Hence, statement 2 is correct. Therefore, option (c) is the correct answer.**

### Mains

**Q. "Demographic Dividend in India will remain only theoretical unless our manpower becomes more educated, aware, skilled and creative." What measures have been taken by the government to enhance the capacity of our population to be more productive and employable? (2016)**

[Source: PIB](#)

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