

# Politics of Skill Development in India A Review of Policy Perspectives

## Abstract

In view of the need of the hour to develop human resources owing to the growing global competition, it is essential to take steps for skill development among youth at a faster pace. What we need to consider at this point of time is an appropriate and integrated policy for the purpose specially for the youth who constitute majority of Indian population. Any policy requires addressing need of imparting training and education towards development of skills matching to the requirements of specific Indian economic activities-may it be industry oriented, agriculture oriented or service oriented. Considering these factors, the present government has taken certain steps in this regard. But it has to be seen as to how these strategies are being managed and what are the challenges before it?

**Keywords:** Politics of Policy, Skill Development, Policy Implementation.

## Introduction

The skilled human resource, in the 21<sup>st</sup> Century, has the majority share in both the world economy and economic dividends. No country can afford to ignore the development of knowledge-based society, so is the case of India. In this globalised world with fast technological changes, skill and knowledge are unarguably the key driving forces of economic growth and social development of any country. India is a fast developing economy and has the advantage of a young working population which can support its growth momentum. According to 2011 Census, India has majority of the young with a median age of 25. An UN estimate depicts that India will account for almost 26% of the increase in global working-age population over the next 10 years. India's transition to a knowledge-based economy requires a new generation of educated and skilled people. Its competitive edge will be determined by its people's ability to create, share, and use knowledge effectively. This has created a scope and necessity of skill development at faster pace on one hand and higher education in India must go for the skill development for employability on the other. It is not like EUREKA; rather it is a well established and understood assumption. What we need to consider at this point of time is to go for an appropriate and integrated policy for faster pace of skill development among the youth who constitute majority of Indian population. Any policy requires addressing need of imparting training and education towards development of skills matching to the requirements of specific Indian economic activities - may it be industry oriented, agriculture oriented or service oriented. This is why the Indian government has undertaken many new initiatives like Make in India, Smart Cities, Digital India, Start U.P. India – all focused towards reviving and scaling various aspects of economy. Skill India is the backbone of all these initiatives as it will create conducive eco-system for skill development in India. The prospects of these initiatives remain to be seen. As such the paper examines the challenges in handling the skill development in India as well as the government policies.

## Aim of the Study

Thus the paper examines the challenges being faced by the state apparatus in implementation of the government policies by reviewing the policies adopted so far.

The term 'politics of skill development'<sup>1</sup> refers to the governmental efforts and role of political actors throughout the policy process in order to achieve the goal of skilling Indian youth to match the global competition in development of human capital. There are certain questions that need to be addressed by a student of political science. The policy process passes through at least four stages - bringing the issue on political agenda, policy formulation and enactment, its implementation and finally monitoring and evaluation. The political parties are the main agent of bringing an issue on political agenda. The issue has been raised by

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both economists and social scientists from the very beginning of the economic reforms owing to globalisation. The World Bank report clearly indicated that the world economy of 21<sup>st</sup> century is dominated by knowledge evident from the fact that 64 per cent of total economy is shared by those who were engaged in cerebral nature of jobs and their share in income goes up to 80 per cent. This has made two things imminent for the developing countries - establishment of knowledge-based society and development of technical skills among the young population. Simply giving jobs or creating employment through flagship of MNREGA and various such schemes was felt insufficient as globalised world needed specific skills to cope up with the international market forces. This is why, India lagged behind. As such, the present political parties in power strived for skill development. Various strategies have been announced to achieve this goal. But it has to be seen as to how these strategies are being managed and what are the challenges before it?

### Challenges of Skilling India

Development of employability fastly among the youth is demand of the hour and it has been brought on the political agenda. India enjoys the availability of abundance of potential human resource evident from the fact that it has highest youth population in the world. It is slated to become the world's youngest nation by 2022. Now it is the politics that will carry the youth to the result by developing various skills among them. Whereas the population bulge provides for a huge reservoir of manpower, it also draws our attention towards challenges in making this talent pool employable, so that they can contribute towards the goal of transforming India<sup>2</sup>. A study finds that across domains students wish to connect with the employers for their dream jobs. Though the results do not appear to be promising, yet with such efforts being put by stakeholders like Government, Corporations and academia, we can have more of the talent been made employable.

It is quite ironical to mark that more than half of the working population are engaged in agriculture (primary sector) but have only below fifteen per cent of share in GDP as compared to twenty four per cent of working population engaged in industries (secondary sector) having over twenty five percent share in GDP and twenty three per cent of working population engaged in service sector have over sixty per cent of share in GDP. This is big challenge before we go forward for development of skill. Economists regard this neglect to manufacturing and agriculture as the main cause of mass poverty and unemployment present in India. The skill have to be oriented towards those having highest working population.

The need of the hour is to deploy multipronged approach to solve the problem, with our political commitment and limited understanding. There is urgent need of strong political will to implement it. We have also the strength of communication media like post offices, televisions and broadband round the clock for aspirants, but the most path breaking idea to excite millions of candidates to join vocational education will be a gigantic task for the political actors. They would have to make them avail technical

and vocational education through enabling all ITI and Polytechnic colleges to provide a bachelors degree that will give candidates the much required honour to switch careers for IAS, Banks, Government jobs and millions of candidates will aspire for joining ITI and Polytechnic study so as to have great opportunities from both sides of Vocational study along with Bachelors degree.

Our former President A.P.J. Abdul Kalam once said, "A developed India by 2020 or even earlier, is not a dream. It need not be a mere vision in the minds of many Indians. It is a mission we can all take up-and succeed." This shows the hope if challenges are properly handled. India has gradually evolved as a knowledge-based economy due to the abundance of capable, flexible and qualified human capital. However, there is a need to further develop and empower the human capital to ensure the country's global competitiveness.

Despite the emphatic stress laid on education and training in this country, there is still a shortage of skilled manpower to address the mounting needs and demands of the economy. Currently it is estimated that only 2.3% of the workforce in India has undergone formal skill training as compared to 68% in the UK, 75% in Germany, 52% in USA, 80% in Japan and 96% in South Korea. Large sections of the educated workforce have little or no job skills, making them largely unemployable. Therefore, the governments must focus on scaling up skill training efforts to meet the demands of employers and drive economic growth. Of course India has the advantage of the "demographic dividend" (younger population compared to the ageing population of developed countries), it needs to be cultivated to build a skilled workforce in the near future with strong political will.

The mission is clear- To take advantage of the demographic dividend, which is both-the biggest opportunity and the biggest concern- as the public perception of skills goes against the goal. Even today, skilling is perceived as the last resort meant for those who have not been able to progress in the formal academic system. This mental block has only increased the gap between what the industry requires and what is currently available.

An important aspect that has remained untouched till now is that of internship/apprenticeship. Data shows that countries which have a well-defined internship/ apprenticeship plan have better employment percentages. If we want to derive maximum benefits of the demographic dividend, it is necessary to encourage internship/apprenticeship related initiative that students from across domain can get benefited from.

To cap it all, despite the abundance of human and natural capital, the skilling faces several challenges like lack of skill-based educational infrastructure, reluctant corporate sector, people's perception not conducive to skilling, inadequate internship in vocational courses, lack of people's voluntary efforts and hurdles in optimum utilization of available public resources. If we look at the current stock of the Skill landscape in India, the situation is alarming. As per India Skills Report 2015, we found out that of all the students entering the job market

across the country, hardly 1/3<sup>rd</sup> meet the criteria of the employment set by the employers.

#### **The Policies for Skill Development: A Review**

The severity of the situation is accentuated by many levels when the economy is looking up, new jobs are getting generated in ecommerce, energy, core engineering, retail, hospitality and banking; but there are not enough “skilled” people available. It is this gravity of the situation that has started various initiatives to combat this problem. In fact, the Government of India has adopted skill development as a national priority in coming decade. The Eleventh Five-Year Plan has a detailed road- map for skill development in India and favours the formation of Skill Development Missions, both at the State and National levels, to create such an institutional base for skill development in India at the national level, a “Coordinated Action on Skill Development” with three-tier institutional structure consisting of the PM’s National Council on Skill Development, the National Skill Development Coordination Board (NSDCB) and the National Skill Development Corporation (NSDC) was created. The most important initiative in recent years was to create a stand alone “Skills Ministry” headed by energetic and forward looking minister. It is important to have framework to measure if our efforts are resulting in a “skilled” workforce. Online assessment is one such tool that has been adapted by corporations to gauge talent or skills in their prospective employees. As the aim of India Skills Report is to bring supply and demand side of the skill landscape together, it made sense to deploy the same tool to evaluate the talent pool (that is used by corporations to judge their employees).

Digital India initiative to transform the nation into digital empowered society and knowledge economy envisions intensified impetus for further momentum and progress for e-Governance and would promote inclusive growth that covers electronic services, products, devices, manufacturing and job opportunities. Digital infrastructure will focus on providing high speed secure Internet. Governance and services on demand will stress on integrating services across departments and jurisdictions and making services available in real time for both online and mobile platform. Digital empowerment of citizens will lay emphasis on universal digital literacy and availability of digital resources/services in Indian languages. Today, we notice subtle changes. The Construction, Retail, Education, Hospitality and all other industrial sectors including Government segments have slowly and surely becoming hitech and paperless. Information has become more accessible and transparent. On top of it all, creation of this level of digital infrastructure would create jobs, which will contribute to overall growth of the economy.

The objective of the National Policy on Skill Development and Entrepreneurship, 2015 is to meet the challenge of skilling at scale with speed and standard (quality). It aims to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link the skilling with demand centers. Between now and 2025 over 250 million young people are estimated to enter the Indian workforce, while only 5% of youth aged 20-24 have obtained vocational skills

through a formal training system<sup>3</sup>. Many students drop out of the formal educational system unaware of the alternative educational and employment opportunities available. These students often settle in rural areas and engage in daily wage work, and are not privy to the industry growth evident in urban areas. The national policy is expected to provide clarity and coherence on how skill development efforts across the country can be aligned within the existing institutional arrangements. This policy will link skills development to improved employability and productivity. The National Skill Development Corporation provides skill development funding either as loans or equity, and supports financial incentives to select private sector initiatives to improve financial viability through tax breaks etc.

Policies in Action: National Career Service, a model initiative which focuses on connecting all existing employment centers as well as in creating one of a kind of an online employment exchange board has been launched as yet another such project to help India in its progress. With a budget allocation of INR 100 Cr., NCS is expected act as a one-stop platform for both employees and employers and the registration can be done online. Govt. has already initiated talks to include 900,000 privately registered companies into the portal. Applicants would be required to link their Aadhaar Card with the account to filter out genuine applicants and companies who are registering as employers need to submit their registration papers for authentication. Currently, 2 Cr. job seekers are already on-board and as the database increases, NCS will directly benefit 4.48 crore job seekers who are already registered across 959 employment exchanges nationwide.

There exist 84 different skill development schemes across 22 central ministries and departments. These are tasked with skilling 10.4 million people during 2014-15. In addition each state has many state level schemes. The skills ministry has been tasked with creating synergy, removing duplications and simplifying these 84 schemes, to increase the impact multi-fold for each rupee spent on skills development. NSDA and NSDC has also been shifted to the skills ministry from the finance ministry. Similarly many States are integrating the implementation of various skill development schemes under state level skill development missions. Industry has also come forward by collaborating with NSDC by forming 30 Sector Skill Councils (SSCs) in different sectors. Industry standards for about 750 job roles have already been developed by SSCs. These standards along with the direction provided by the National Skills Qualifications Framework (NSQF) are envisaged to provide standardisation, mobility, lifelong learning and outcome-based skill assessments

To help in the smooth functioning of these initiatives, the government has tried to increase ease of business. By removing the minimum capital requirement to start a new business and eliminating the need for a certificate to start a new business which applies both to Delhi and Mumbai, the government has given a new lease of life to businesses. Now Companies need not go through a series of paperwork to start a new business in India, only a single application form is enough. The process

of streamlining operations to start a new business in the country has been made more user-friendly and easy. All this has led to a new set of development. India moved 12 points up to rank 130 from 142<sup>nd</sup> position which was later revised to 134 after data corrections among 189 countries in World Bank's ease of doing business sector. In every progressive economy, there has been a steady shift of employment and investment from the essential- the agricultural stage to manufacturing stage and then to service industry or in other words, from Primary activities to secondary activities of all kinds and to a still greater extent into tertiary production. However, in case of the Indian economy it has not passed through these stages linearly instead Indian economy bypassed manufacturing stage and jumped to service stage directly.

### Conclusion

While Skilling India churns out Skilled workers, empowering them to build upon their capabilities for jobs as well as sharpening their entrepreneurial acumen, other initiatives like Make in India, Digital India, start-ups, career models etc all pave way to building a Skilled and powerful India. These initiatives are co related and knotted to form the larger game plan. The need of the hour thus is to synergize the efforts and resources to provide a feasible platform for vocational education and skill development. The ideal way forward will be to seek partnerships that will strengthen the process of quality and inclusive education. To sum it up, an impressive start has been made by introducing these initiatives, keeping skilling and job on center stage; but the goal can only be achieved by staying on the track and making sure that all these plans are executed successfully to the minutest detail.

Skill development must start from the education process. We must remember the ethos of the Buniyadi Siksha that aimed at skill development

from the school level. We need to skill the existing and projected school and higher education drop-outs for employment, simultaneously we need to rapidly restructure our schools and higher education system to reduce the drop-out rate, improve learning outcomes and mainstream skill development. The four key foundations<sup>4</sup> for enabling this to happen are: bridging the gap between industry and formal education system; secondly industry-based standards should be introduced; steps for rationalisation of multiple governmental schemes for skills development; and leveraging technology for skilling. Fortunately, the green shoots of the first three enablers are already emerging and the seed for the fourth has been sowed by forming the ministry for skills and entrepreneurship.

### References

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