

# Job Creation Through Skill Development in India: An Overview

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**Abstract – A Skilled workforce is an indispensable weapon in the hand of an industrial country to combat the evils of underdevelopment and poverty. Countries like China, Japan, Korea, Germany etc. have registered historical successes mainly due to the presence of highly competitive and Skilled workforce. But India in spite of having a huge population of young workers fails to gain the momentum of growth, although uncountable jobs are looming ahead. The problem lies in skill deficient workforce of India. The present paper is an attempt to bring out the needs of skill enhancement program and steps taken by the government and other agencies to combat the problems related to the skill shortages.**

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The Indian economy has always been a rich source of labour to the various enterprises involved in the production process. In spite of such easy availability of labour, unemployment remains a grave problem in India. The main reason for this crisis lies in the skill deficiency of the Indian workers. Skill development has for long been neglected and still over 90% of our labour force at present are devoid of any formal training prior to employment and skills are typically acquired only on the job<sup>(1)</sup>. Skilled labour force remains a pre requisite for a country like India to tread on the path of development and progress.

By 2021-22 nearly 138 million people will be added to working population<sup>(2)</sup>. What it mean is that more employment opportunities need to be created to absorb this growing number of job seekers. But it is worth cautioning that growing workforce is an advantage only if a sufficient investment is taking place to generate the GDP growth needed to absorb labour productivity, and if the education and skill level imparted to the new entrants is consistent with employability<sup>(3)</sup>. If these conditions are absent, the young entrants will become deadwood. Although ensuring employability skills to the labour force is a challenging task, but it yields tremendous results. In India's huge workforce is imparted proper training and skills, the problems of unemployment can be reduced to a substantial extent. A recent World Bank report said that "The skill shortage has forced India's exporting IT sector to raise wages by 15% from 2003-06"<sup>(4)</sup>. A McKinsey study also noted that within a decade, India could face a shortage of 13 million medium skilled workers<sup>(5)</sup>.

There is an urgent need to upgrade existing employee skills and knowledge. In the coming time there will be growing demand for workers with more

sophisticated training and skills, especially in emerging sectors like telecommunications, hospitality, retailing, banking, insurance, biotechnology and financial services<sup>(6)</sup>. With India's manufacturing sector becoming labour intensive, there will be an acute shortage of welders and electrician, engineer, mechanics and IT specialists. But the skill development system in the country has been deficient for a long time. The reasons cited may include<sup>(7)</sup>.

- 1). Over supply in some trades and shortages in others due to inflexibility in the course/ curriculum set up.
- 2) Low placement/ absorption rate observed through labour market outcome.
- 3) Regional disparity with over half of the ITIs/ ITCs located in the southern states, both in terms of number of institutions as well as number of seats.
- 4) Sub-standard infrastructural facilities, tool/kits, faculty, curriculum.
- 5) Lack of Industry -faculty interaction on course curriculum and other factors.

In recent years the government has recognizes the significance of skill development in employment and started focusing on the aspect so that the youth of India are better prepared to grab the opportunities when appropriate time comes. With the coming in concept of retailing and FDI in India, plethora of jobs will be created. Even the far flung areas will not remain untouched by the retailing agencies. They will need skilled workforce to carry on their business

transactions. The 11th five year plan (2007-2012) focused on advancement of those skill which were considered relevant in the emerging economic context. The 11th plan had set a target of having 500 million individuals in the labour force with some formal training by 2020<sup>(8)</sup>. India has got the lowest proportion of trained youth in the world. An NSSO Survey revealed that, among the person of age 15-29 years, only 2 percent are reported to have received formal vocational training and other 8% have non-formal vocational training<sup>(9)</sup>. This presents the dismal proportion of formal training in India. The 12th Five Year lan focuses on introducing formal training from class 10 onward. A system of funding poor people for skill development through direct financial aid or loan and Apprentice training or another mode for on-job training has also emphasized.

There is also an urgent need to overhaul the Industrial Training Institutes (ITIs) and Industrial training centers has to be reoriented on a continuous basis and need to be in alignment with the requirement of the employers and industries. The 12th five year plan, which aims at imparting skills to about 70 million people, favors Public -Private partnership in financing, service delivery, and provision of work spaces. It also focuses on opening up of skill development centers in all states so that the skills required in the unorganized sector can also be indentified and plugged. By engaging the private players in skill development initiatives, the chances of marketability of the skilled workers increases and also the important skills needed in the current economic context can be identified. The need of the hour is to match the demand and supply side of the skills required and skill available through proper training and development initiatives. The provision of setting up of National Vocational Education qualification framework (NVEQF) aims at establishing flexible learning pathways integrated to schooling on one end and higher education on the other. The government is also focusing on encouraging the private participation to help the young entrants in to the workforce in skill development. The aim is also to place an effective regulatory framework for coordinating the network of private players, as also for monitoring, evaluating and analyzing outcomes of various programmers. Many organization have also taken up the cause of imparting skills as a part of their corporate social responsibility initiative. They have started skill development programs to train their works who are deficient in skills. For example, Coca-cola Beverages in Ghaziabad in collaboration with NIIT Foundation help in skill development and personality enhancement of the workers. To minimize the skill deficiency among the workers in the organized sector, the skill development personality enhancement of the workers. To minimize the skill deficiency among the workers in the organized

sector, the course curriculum is formulated as per the need of the current industrial requirements. There are many other organization which are taking the help of NGOs in the pursuit of skill development. This is a welcome gesture toward skill development of the working masses.

A country deficient in skilled workforce will find itself lagging behind in this immensely competitive world. India is an economy which has immense potentialities still unexplored. with the introduction of Exclusive economic zones (EEZs), Special Economic Zone (SEZs), and National manufacturing policy, creation of new job is quite eminent. With the revival of Micro, small and medium enterprises, more jobs can be created. The states which succeed in providing skilled labour to these units will see the movement o enterprises towards these areas. Therefore, the state government should take up the issue of skill development with deep thinking and seriousness. The agricultural sector also needs a serious overhauling. In India and the developing countries, there may be as many as 68 million low-skilled workers "trapped in subsistence agriculture or in urban poverty"<sup>(10)</sup>. Therefore, it must be the top priority of the policy makers to treat agricultural sector as labour intensive and bring the sector in to the mainstream of Indian economy. Agrecultural development will it self-give rise to new demands for non-agricultural service and generate employment in agricultural related sectors such as modernized marketing and agro processig activity.<sup>(11)</sup> The agricultural sector also needs deep training of the masses involved in it to gain maximum productivity and get rid of the problems of disguised employment. Generally, men and women are the two components involved in the agricultural production where women play as a disguised worker. If women can be trained to venture in to agro based industry, it will not only help her earn livelihood but will also help in generating more jobs. The Gandhian model of "Swalamban" or Self Dependence" can be adopted to make this dream come true.

A Skill workforce serves as a stepping stone towards becoming an industrialized nation with maximum number of self reliant working masses. A skill workforce has the following advantages<sup>(12)</sup>.

1. Help in transforming the lifeless factors of production in to useful products.
2. Capable of producing an output that is greater than the sum of inputs.
3. Help in achieving results quickly, efficiently and effectively.

But these are only superficial benefits. A skilled workforce is Human capital which helps in generating income not only for individual but also for nation. Therefore, proper skill training is must for the working

masses. With the downturn in the world economy and devaluation of Indian Rupee, The price of industrial operations in western countries has gone up many folds, while the same has declined in India. More and more firms will be looking toward India as creation of more jobs in country. Also the decline of Chinese economy has given an opportunity to India to once again stand on its feet and gain its supremacy on the Asian sub-continent.

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