



## Skill development in India an opportunity to be grasped

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### Abstract

Skill development programmes in India must work in synchronization with the other departments of the government of India. India is consistently performing poorly on the parameters laid down by the World Economic Forum for the Global Human Development Index. Therefore assessment of these parameters along with the available opportunities in India is must.

Current exploratory research paper tries to find out the opportunities possessed by India which could be explored to get good ranking on Global Human Development Index.

Paper suggests long term changes in the education system along with the opportunities to invest in the same. It identifies areas where manpower is required to be trained more to bring economic development and ensure employment.

**Keywords:** skill, education, agriculture, human development index, training

### Introduction

India is at the rank of 103 out of 130 countries on the Global Human Capital Index – 2017. India has shown an improvement in its ranking with a meek jump of two ranks. But still, a long journey is to be covered. In the report of Global Human Capital Index Norway, Finland and Switzerland are at top three positions. India is not even better than its neighbours in Asia like Shrilanka and Nepal. We are at the worst position among the BRICS countries but are better than Bangladesh and Pakistan.

The parameters of the list issued by the World Economic Forum are based upon the knowledge and skills of the human capital. The selected criteria are based upon human ability and skill, which make human useful at the global and economic level. India has large population but that much of population is not considered as Human Capital. As per the world economic forum India suffers from the low education standard where most of the employable population in between age group of 25 to 54 years is undereducated. Not only this, available human capital has less option to showcase their talent. Therefore India has performed poorly on the parameters laid down by the Global Human Capital Index.

Investments made in current education system, availability of skilled manpower, training facility to the manpower and availability of work are some important parameters to measure Human Capital Index of the country.

Objective of this paper is to measure status of these parameters in India and finding challenges in nurturing skills of the Indian people. Another objective is to identify and explore the opportunities available in India for the skill development of its people.

### Investments required in current education system

Investments made by the Indian government in education have been very less as compared to developed countries investments in education. Table I shows the investments in education done as percentage of GDP, by the Indian government and governments of other developed countries.

**Table 1:** Investment in education as percentage of GDP

Years	India	Australia	USA	Sweden	Denmark	Norway
2010	3.424	5.535	5.427	6.622	8.612	6.75
2011	3.839	5.098	5.212	6.485	8.563	6.461
2012	3.866	4.9	5.201	7.666	7.296	7.36
2013	3.842	5.286	4.93	7.718	8.627	7.323
2014	4.57	5.225	5.38	7.675	-	-

*Source:* data world bank.org

From Table I, we can easily see that difference in the investment in education is quite less in India as compared to developed nations. Imparting education is the responsibility of every democratic government but government is not solely responsible to impart the same. Public private partnership is the way through which government can impart education. Government is already working on it and has given subsidies and rebate to private people who have invested in the Indian education system. Government has permitted foreign investors to come in India and invest in education. Today 100% foreign direct investment is allowed in the Indian education sector. In spite of these efforts our education system is of substandard quality and acceptances of trained engineers and other technocrats are low at world level. Reasons are written in the Table II.

Table 2

Explicit	Implicit
Poor infrastructure specially in the rural areas	Monotonous and repetitive curriculum
Less number of qualified trainers and teachers	Social acceptance of skill oriented programs
Unavailability of skill development program at grass root level	Lack of entrepreneurship ability in the trained and skilled manpower
Lack of association of academic institutes with industry	Not identifying core competencies in the area of skill development
Poor funding and investment in education system	Unnoticed areas where skill development can be done
Poor monitoring by authorities to ensure quality in education system	Lack of coordination between school education system and higher education system
	Contradictions in the policies of various regulating bodies working to improve education system

Source: Self Compiled

India has immense ability to achieve competitive advantage in unlimited areas. Service sector is one of those areas where India is already doing well. The sector contributed around 66.1 per cent of its Gross Value Added growth in 2015-16, thereby becoming an important net foreign exchange earner and the most attractive sector for FDI (Foreign Direct Investment) inflows. The Central Statistics Office's (CSO) provisional estimates of Gross Value Added (GVA) in FY 2016-17 (PE) indicate that the service sector grew 7.74 per cent year-on-year to Rs 21.43 trillion (US\$ 332.74 billion).

Deloitte Touche Tohmatsu India has predicted that with increased digital adoption, the Indian healthcare market, which is worth around US\$ 100 billion, will likely grow at a CAGR of 23 per cent to US\$ 280 billion by 2020.

Indian doctors are respected all over the world. Unfortunately in India availability of doctors per patient is very low as compared to the norms of the World Health Organization (WHO) which is 1:1000. Point is how this data is relevant to skill development? In India numbers of medical colleges are very less as compared to the number of eligible applicants. Available human capital in medical science is less because of less number of medical colleges. If government and private investment are made in developing medical colleges than number of medical practitioners would increase. This would improve doctor patient ratio in India and also talented lot of doctors would become expatriate and serve in foreign country and send valuable foreign currency in our country. India is a country where medical facilities are cheaper as compared to most of the foreign countries. Therefore we can earn more foreign currency by promoting medical tourism.

Similarly availability of qualified Chartered Accounts (CA) is very less in India; Chartered Account Association of India should find means and measures to increase number of selection in the qualifying examination of CA. Substitute examination must be organized to increase number of qualified CAs in India.

These are only few examples we have more segments where opportunities can be enhances to increase number of jobs.

#### Training facility to the manpower and availability of work

Poorly skilled people in India are hindrance in the growth of manufacturing sector. Cause behind poor skilled workforce especially at the lower level and the middle level of the work place are more societal than technical. No parent or school want to develop specific skill in their children. Skills like – Carpentering, Electrician, Plumber, Lab technicians, Nurses etc. are considered low grade jobs by the Indian society. We

fail to realise that these jobs are low graded because of lack of selling, marketing, financial and entrepreneurial capabilities of the skilled person. Our society is suffering from the myopic vision and don't believe in capacity building of the small jobs or venture. A trained carpenter can build a company like IKEA and a trained electrician can make a venture like Phillips. For this a blend of marketing and entrepreneurial ability is required which could be nurture at the childhood only. Our current education system is unable to do this therefore we are producing English speaking service providers or engineers who are doing masters in Business. A requirement to produce hard core entrepreneur is inevitable and to train them at their childhood is the need of the hour.

Industrial Training Institutes (ITIs) in India are maintaining poor quality. Enrolment rate in ITIs is quite poor. In countries like South Korea vocational training is the part of curriculum since childhood of the workforce. India is still facing severe dearth of trained staff to run its ITIs. Government has decided that the students pursuing ITIs would be given the status of class 12<sup>th</sup>. This would improve enrolment rate in our ITIs.

#### Skilled manpower and availability of work

Agriculture is an important sector which needs skilled manpower. Availability of the land is in abundance in India but its contribution in the export of agricultural goods as compared to the other developed nation is negligible. Our 70% population depends upon agricultural and allied industries. Poor education status of the farmers, lack of training in production techniques along with poor facilities in the areas of food processing and distributing are some factors which seek attention.

Farmers in India mostly grow traditional food grains and cereals. Lack of trained manpower in horticulture, food processing and agribusiness activities has resulted into poor growth rate of agriculture in India. Horticulture contributes 30% of the GDP contribution made by Agriculture. But this sector too suffers from the following drawbacks –

- Post harvest loss is very high in most of the horticultural products. Establishment of cold chain and food processing units is required in India.
- Science and technological expertise is less due to less availability of the expert and skilled human capital.
- Knowledge of export is less therefore most of horticultural product don't get enough price of their yield.
- Very few horticultural fields have proximity from the market.

However government is making efforts towards skilling

manpower in our country. Exclusive department of skill development and entrepreneurship has been created under the ministry of skill development. Government started DDU-GYK which is a placement linked skill development for the poor rural youth. There are 587 rural self-employment training institutes across the country. Pradhan Mantri Kaushal Vikas Yagna has a target to provide skill to one crore youth. But execution and result of these schemes are still awaited. Regional art and craftsmanship should be promoted at the international level. To do it local export offices or online portals should be created. In fact state trading organizations

should help local craftsman to promote and sell their products at the international level. Export bundling can be adopted for this purpose, the way seller bundle a poorly sold good with his highly sold good in the same manner we can identify few areas where we can bundle poorly exported items from India with the highly exported items. For example roasted nuts sellers of India can promote/sell their product with already identified tea exporters and take advantage of established market of the tea sellers. We need to explore set of complimentary products which could be sold in the foreign market.

**Table 3:** Skill based classification of workforce

Professional Level	Sectors where available	Remarks
Experts	Doctors, Software Engineers, Scientist, Professors, Legal Advisors, Chartered Accountants, Business Executives and others	Working as expatriates, Sending foreign currency in India
Highly Skilled Professionals	Working at senior positions in public and private sectors in India	Mostly working in service sector
Professionals	Working at middle level management	Working in service and manufacturing sector
Skilled Labour	Supervisors and mechanics	Working in manufacturing sectors
Unskilled Labour in organised sector	Public and private sector	Working as labourer
Unskilled Labour in unorganised sector	Domestic and other local institutions	Working as labourer
Farmers	Traditional farming, Horticulture, Dairy, Poultry etc.	Working farm owners
Entrepreneurs at various levels	Large scale industry, Medium enterprise, Small industries and cottage industries	Working as owners

Source: Self Compiled

As per a report on fifth annual employment – unemployment survey (2015-2016) sector wise distribution of employed person is given in Table IV.

**Table 4:** Sector wise distribution of employed persons based on NIC 2008 Classification (in % All India)

Approach	Primary Sector	Secondary Sector	Tertiary Sector
Rural			
UPS	58.5	19.5	22
Urban			
UPS	7.8	28.9	63.1

Source: Report on fifth annual employment – unemployment survey (2015-2016)

From the above table it could be interpreted that secondary sector in rural area is not performing well although there is availability of non-irrigated and barrel lands in the rural areas which could be developed as industrial hubs. Punjab has done an exemplary work by establishing food processing units nearby farms and agricultural fields. Rural areas can improve in the tertiary sector if enough investments are done to develop cold chains. Better storage arrangements and transportation facilities will directly increase employment but also improve earnings of the farmers.

Those who are employed in India their distribution in different categories of work is not even. 32.8 percent of casual labour is the part of the total employed people which is quite large. This workforce needs training to become skilled worker to improve their life and living standard.

Finally we can say that skilled manpower and availability of work for them is quite less and it needs to be improved. As per a report on fifth annual employment – unemployment survey (2015-2016) 59.5 and 64 percent graduate people in rural and

urban areas respectively are unemployed because of non-availability of the jobs matching with their education, skills and experience while 62.4 percent of post graduate people of combined rural and urban areas don't get jobs because of the same problem.

This paper has limitations as this is based upon various reports and individual thoughts of the author. Ideas and thoughts presented in the paper needs to be tested empirically to get more concrete and generalized information.

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