Skill development in higher education:
Government and private initiatives

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Abstract

This paper reviews the current state of education, skills development, and employment for Indian youth, and considers the challenges facing India’s skills development system. In India, young people who will soon be entering the labor market constitute the largest segment of the demographic structure. The majority of young people have limited access to education and training, and most find work in the informal sector. In recent years India has rapidly expanded the capacity of educational institutions and enrollments, but dropout rates remain high, and educational accomplishment remains low. While India has a well-institutionalized system of vocational training, it has not sufficiently prepared its youth with the skills that today’s industries require. Thus, to speed its economic growth and take advantage of its “demographic dividend,” the country has recently embarked on drastic policy reforms to speed up skills development. These reforms have led to important changes, both in the national institutional structure and at the institutional level.

Introduction

Skill development acts as an instrument to improve the overall efficiency and empowers an individual to work more efficiently. The economy becomes more productive, inventive and competitive through the existence of more skilled human potential. Increasing pace of globalization and technological changes provide both challenges and growing opportunities for economic expansion and job creation. Countries with higher and better levels of skills adjust more effectively to the challenges and opportunities of globalization.

Today, youth across the world face serious challenges regarding skills and jobs, challenges fundamentally different from those their parents faced. In the globalized economy, competition has become intensified among firms and industries in developing and developed countries alike, requiring their workers to have higher levels of skills to enable them to engage in innovation, improve the quality of products/services, and increase efficiency in their production processes or even to the point of improving the whole value chain process. Rapid technological change demands a greater intensity of knowledge and skills in producing, applying and diffusing technologies. In turn, all these have changed the nature, contents, and types of skills that industry demands. As a result, most countries recently moved to reform their education systems, to upgrade the skills of their workforces.

The challenges are greater for developing countries like India, which have long suffered from a shortage of skilled labor. But today, developing-country firms and producers have become increasingly involved in the global value chains, requiring them to meet global standards of quality and efficiency. This, in turn, requires higher levels of skills in the workforce. Moreover, though basic education has expanded considerably in recent decades, graduates of basic
education who are entering the labor market have increasingly found themselves inadequately equipped with the skills that industry demands. Thus, developing countries, and all major international organizations concerned with education, have recently shifted their focus, away from basic education and back to technical and vocational education and training (TVET) and higher education (Asian Development Bank 2008; World Bank 2012a; UNESCO 2012).

Moreover around five months back, Prime Minister Narendra Modi launched “Make in India” project, with an aim to make manufacturing a key engine for India’s economic growth. But to make this project successful, it is important to focus on the development of the skills of Indian labours to enable them in getting and doing the right job. Planning Commission report suggests only10% of the Indian workforce get formal training and against the actual industrial training requirement of 22 million workers, only 4.3 million workers are getting trained! To overcome this, Government of India has launched various skill development initiatives, but faced various challenges while implementing the same.

![Pie chart showing Indian workforce with formal training](chart.png)

(Source: Planning Commission India - 11th five year plan)

**KEY SKILL DEVELOPMENT INITIATIVES OF THE GOVERNMENT:**

- Establishment of 1,500 new ITIs through the DGET
- Establishment of 50,000 Skill Development Centers through the DGET
- Setting up of PM National Council on Skill Development (operational)
- Setting up of National Skill Development Coordination Board (operational)

Apart from these, several ministries of the Government of India are also engaged in skill development, which are as follows:

- Ministry of Textiles
- Ministry of Rural Development
- Ministry of Human Resource Development (for Higher and Technical Education) including the setting up and upgradation of polytechnics
- Ministry of Urban Development and Poverty Alleviation
- Ministry of MSME
- Ministry of Food Processing Industries
CHALLENGES OF EXISTING STRUCTURE OF SKILL DEVELOPMENT:

- The existing institutional structure for skill development includes various agencies with overlapping and conflicting priorities. The government’s own estimates reveal that currently, skill development efforts are spread across approximately 20 separate ministries, and 35 state governments and union territories.

- The training infrastructure for imparting technical and vocational skills is inadequate. In terms of current capacity, it is estimated that various publicly funded organizations produce 3.5 million trained personnel per annum against the 12.8 million new entrants into the workforce each year.

- The infrastructure in the skill development sector today is largely government-owned then also private sector investment hasn’t been incentivized.

- The focus of vocational training offered in India is not matching with the needs of casual workers who constitute 90% of the labour force, resulting in a shortage of skilled workers at the national level.

SUGGESTIONS

- Sector-specific skill councils should be established by the State Governments for such industry sectors which have major share in State Gross Domestic Product or have high potential for growth. It should have participation from the regulatory body, industry leaders/ associations, external professional consultants.

- There should be a regularly evaluation of the course content and pedagogy and if needed, should do modifications in design/delivery to meet industry’s requirements.

- VET (Vocational Education & Training) should be made compulsory and should start in every secondary school.

- There should be certain amount of stipend to be paid for vocational students, which will encourage the students to opt for vocational training.

- To encourage participation from local industries, the local governments should help local enterprises by incentives such as allotment of land at subsidized prices, or preferential treatment in case of award of government projects. Such measures can prove to be influential in encouraging industry to actively participate in vocational education and training.

Conclusion

This paper has identified an enormous skills gap in India between what industries demand based on recent rapid economic growth and the skills that young people acquire through vocational training. For more than a half century, well-institutionalized public vocational education and training systems have been in place both within and outside the formal education system. But they are not large enough to accommodate many school graduates, and they have not been able to provide young people with the vocational skills that industries need. Thus, youths’ access to vocational training continues to be limited.
However, the Indian government has recently embarked on a drastic reform of its training policy, intensifying its efforts to increase the number of skilled workers. It has formulated National Skills Development Policy and National Manufacturing Policy; setup a new institutional framework to accelerate and coordinate skills development efforts, and developed the National Vocational Education Qualification Framework (NCEQF). Training institutes now have more autonomy and private-sector involvement, and have improved their governance and curriculum. These changes are too recent to examine the effects on training outcomes. But it will be interesting to see how these reforms improve access to and demand for vocational training among youths as well as the outcomes of training.

REFERENCES


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