

EMERGENCE OF INDIA AS THE SKILL CAPITAL OF WORLD - POSSIBILITIES & PATH AHEAD

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ABSTRACT

India is blessed with a demographic dividend due to its huge young population who are about to enter the global workforce. This is at such a time when the entire world especially the developed economies are facing acute & ever growing shortage of skilled workers. If India enables this young population with the right skill, it can cater to its own domestic demand as well as cater the global skill requirement. India can emerge as the Skill Capital of the world with massive action, intense focus & mission-mode efforts in skilling the Indian youth. The researchers have made an attempt to comprehend & analyse the possibilities for India in emerging as the global skill capital or talent hub and ponder on the path ahead in this journey. The study concluded that catering to the global market calls for a mission mode focused massive action on all skill development efforts, identification of key global labour markets & key sectors as per their demand. The opportunity exists to emerge as the Global Skill Capital but to make it happen a structured approach encompassing multiple areas needs to be adopted for reaping the real benefits of the demographic dividend.

Keywords: Skill Development, Demographic Dividend, Workforce, Employability, Global Skill Capital.

Introduction

India has made its mark globally and its presence can be felt in almost every country be it the indentured labourers in Southeast Asian Countries, farmers & drivers in Canada, nurses in Europe or healthcare / finance / technology consultants in Australia, America and European Countries. The Indian emigrants are successfully contributing to their chosen countries where they have migrated. The contribution of these professionals have completely changed the Image of India from a country of snake charmers & bullock carts to a country producing the largest number of doctors & engineers. The greatest factor that has penned their success globally is their ability to leverage their skills, sheer hard work and quick adaptability. A huge growing youth population (16 million approx.) is being annually added to the workforce in India (an estimated 70% of the population would be in the working-age group by 2025); on the contrary the workforce of the most advanced economies including China is either shrinking or stagnant. If this youth population is skilled right with future focused and industry-linked skills, it would transform India into a large skill-hub. This talent pool can cater not only the domestic economy but also cater to the global market.

Objectives

The study has been conducted with an aim to:

- Understand how India is emerging as the global skill hub
- Analyse the possibilities in favour
- Ponder on the path ahead in this journey.

Research Methodology

The study is based on exploratory research based on the secondary data and information sourced from internet, relevant books, journals, magazines, articles, media reports and Government portals on Skill India, websites of various related Ministries, ILO and World Bank etc. The research design of the study is descriptive, in-depth analysis of the research study have been adopted and available secondary data have been extensively used for the study.

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Literature Review

Dr. S.C. Patil & Prof. Amaresh B Charantimath (2021), in their paper titled “*Skill Development Initiatives and Employment Opportunity in India*” aimed to appreciate the importance of employability skills and the skill gap between expected vs. acquired Skills. The study concluded that the effective involvement of the stakeholders viz. workforce /students/trainees, Governments, academia and training partners can enhance the employability rate in India. Industry-institute interface can impact the infrastructure facilities and curriculum upgradation. The Public-private partnership can fulfil the requirement of funding, controlling and reviewing of the skill development programs.

Dr. Chandra Sekhar Dash & Shilpa Dash (2020), in their paper titled “*Skill Development Initiatives and Employment Opportunity in India*” aimed to assess the skill landscape of India in the wake of technological advancements, global transformation & international mobility of labour / workers. The study concluded that despite the commendable aspects of the Skill India Mission, a lot more needs to be done w.r.t. gender inequality, sectoral imbalance in skilling, training & placements etc. for achieving the real essence of skill development.

M.K. Ganeshan & Dr. C. Vethirajan (2020), in their paper titled “*Skill Development Initiatives and Employment Opportunity in India*” aimed to analyse the current status of skill development and the challenges in implementation of various initiatives. The study concluded that global players have discovered boundless opportunity in the Indian Skill Sector which has given rise to a demand of around 500 million plus skilled workers by 2022 these issues.

DilipChenoy, Shobha Mishra Ghosh & Shiv Kumar Shukla (2019), in their paper titled “*Skill development for accelerating the manufacturing sector: the role of ‘new-age’ skills for ‘Make in India’*” tried to put light on India’s perspective in developing a unified environment for ‘new-age’ manufacturing & ‘future ready’ manpower. The study concluded that India can benefit from its demographic advantages by reskilling & upskilling its workforce with 21st century skill sets through lifelong learning initiatives. This huge task of developing a skill-based workforce can possible only with the collective efforts of government and industry partners.

Dr. Rajni Arora & Manoj Chhadwani (2019), in their paper titled “*Analysing the impact of skill India as a tool for reshaping Indian economy*” aimed to create opportunities, space and scope for the development of Indian youth’s ability and to expand existing sectors as well as identify new sectors for skill development. The study concluded that an effective implementation of Skill India Mission, starting from training to job transmission rate, proper skill acquisition, is required for ensuring growth in Indian economy and competing with other developed countries.

A Krishnamoorthy, H Srimathi (2019), in their paper titled “*Skill Development - The Future of India*” aimed to analyse the initiatives, policies, plans and practices w.r.t skill development and compare it with the international practices. They concluded that if India want to be the global skill capital, it would require to carefully study & analyse the global requirements of work force and take adequate steps for imparting industry-linked skills. A mixed strategy of all the global best practices on need-based analysis, periodic introspections & revisions and cohesive contribution of all stake holders would be required.

Dr. Anand Prakash (2017), in their paper titled “*Skill Development in India: Challenges and Opportunities*” aimed to study the present system of regulation of Skill Development in India. They concluded that for success of skill development initiatives it calls for a coordinated effort from all the stakeholders, agencies and students/trainees.

Dr. Jagdish Prasad & Dr. D.G.M. Purohit (2017) in their paper titled “*Skill Development, Employability and Entrepreneurship Through Make in India: A Study*” made an effort to analyse the possibility of bridging the skill gaps through Skill Development measures, comprehend the impact of “Make in India” on employability and evaluate its scope. The finding indicated that a gigantic skill gap exists in India which call for effective implementation of various skill development initiatives of Government of India.

Skills Gaps Across the World

Shortage of skill is being experienced in almost each and every country in the world. As per a survey done by The Organisation for Economic Co-operation and Development (OECD), the shortage of skilled workers is being faced by most of the nations, the shortage in Japan is around 81%, in Brazil and Turkey around 63%, in Australia, Germany and USA around 40%. It is estimated that globally the shortage is around 45 million skilled and around 40 million highly skilled workers. As per the European Centre for the Development of Vocational Training (CEDEFOP), finding the workers with the right skills is

a challenge in Europe which has an adverse impact on productivity and overall competitiveness. A report highlighted, the increasing skills mismatch of unemployment & job vacancies in United States. Companies are battling for workers with right skill sets. Another survey indicates that Middle East is experiencing a similar challenge as the job seekers lack technical skills as well as soft skills. In near future, acute shortage of skilled workforce would be experienced in Europe, North America, Australia, New Zealand, Japan and Middle East. China is also facing the same issue but it has to locally address it in view of the domestic employability, language & political factors. As per United Nations Population Division, the shortage in demand of skilled workers is around 15 % and the major additions in global labour force would be made by India, Africa & South Asia. Hence, India has the opportunity to meet the growing global requirement of skilled workforce.

Factors for the Global Skill-Shortage

There is a demographic change and slowing trend of population globally due to declining fertility and rising life expectancy rates. Due to economic transformation the skill requirements are changing inter-sectors and intra-sectors. Movement is being experienced from labour-intensive manufacturing to higher value-added manufacturing which calls for a continuous adjustment of the skills by the workforce to match the pace of change. There is an increasing demand for workers with integrated skill sets and not a single skill. Currently, there is a global skill gap and mismatch between the desired skills as per demand of industry and the available actual skills of workforce / students / trainees as equipped by the academia / training institutes. The situation is worsened with the fact that along with the shortage of skilled workers there is oversupply of un-skilled / ill-skilled / inadequate-skilled workers.

Challenges in Meeting the Global Skill Requirements

Industries across the globe viz. Australia, Europe, United States, Canada Middle East etc are finding it difficult to grow at the desired pace due to the challenge of skill shortage in skilled workforce and hence eye on developing countries like India, Pakistan, Bangladesh, Nepal, Sri Lanka, Thailand, Vietnam, Philippines, Jordan, Egypt, Mexico, Poland and Algeria. The largest suppliers of labour / workers / manpower in the world is India; but, it is yet to emerge as the skill capital. There are structural challenges as a huge chunk of Indian population that seek jobs in other countries are currently in the lowest level of skills (unskilled or semiskilled) and earning brackets; with poor preparedness to migrate for jobs. There is informal worker-job match which makes the situation very chancy & risky. The cost to migrate is prohibitive and even the landing in the host country is very hard. The facilitation for international mobility is also very limited. This calls for a systemic approach at a larger scale, greater efficiency and effectiveness to transform India into the world's skill capital.

Current Skill Status of India

There is definitely a lot of advantage of having a demographic dividend due to such a growing young population in India. But, reaping the real benefits of this demographic dividend is still a distant dream considering the current skill gap of the existing workforce in India.

Amammoth demand of 500 million plus skilled workers by 2022 has been estimated, but currently the supply of skilled workforce in India is very meagre as only 2% of the workforce has been skilled. A vast majority (around 93%) of workforce is in the unorganized / informal sector and yet to be connected to a structured system of skill development. They are often skilled on-the-job but are not backed with any matching education /training.

The current education & training ecosystem is not aligned to the dynamic & evolving industry needs. As per a study only 7 % of engineering & MBA graduates are employable. As a result, there is a large pool of educated but industry unfit job seekers who are not employable.

A high percentage of the workforce possess outdated skills. The advancement in technology, rate of growth in economy and disruptions in the market calls for new job opportunities predominantly skill-based. Also, to match the disruptions due to technological advancements, India needs to make generational transformation in its academia & skill development ecosystem to deliver the required 21st century skills. The current and the prospective workforce need to match with this growing demand by being up-skilled with future required skills.

A dramatic structural shift is being experienced in the labour market. The Labour Force Participation Rate (LFPR) for women in India is around 31 % and they contribute only around 17 % to India's GDP. These factors are beneficial for India's demographic dividend, but only when it succeeds in enabling & equipping the workforce with useful, right and future focused skills. For preparing a future-ready workforce, India needs to follow a demand-driven approach for forecasting skill requirements.

Government's Commitment towards Skill Development

The government of India has acknowledged the importance of Skill Development and launched an ambitious Skill India Mission in 2014. A separate Ministry i.e. Ministry for Skill Development & Entrepreneurship (MSDE) has been formed to co-ordinate all Skill Development efforts and also responsible for bridging the demand & supply of skilled manpower, building the required framework for vocational & technical trainings, up-gradation of existing skills, building of new skills and innovative thinking on existing & future jobs in India. It aims for a large scale skilling to meet the objectives of Skill India Mission of Government of India.

Directorate General of Training (DGT), National Skill Development Agency (NSDA), National Council for Vocational Education and Training (NCVET), National Skill Development Corporation (NSDC), National Skill Development Fund (NSDF), Sector Skill Councils (SSCs) (38 Nos.) National Skill Training Institutes (NSTIs/NSTI(w)) (33 nos.), Industrial Training Institutes (ITIs) under DGT (15, 000 approx.) and training partners registered with NSDC (200 approx.) assist MSDE in the implementation of Skill India mission.

MSDE also coordinates with existing network of Skill Development centres, universities and other alliances in the field and collaborates with related Central Ministries, State governments, international organizations, industry and NGOs for a multi-level engagement and impactful implementation of Skill Development in India.

Various Schemes & initiatives on Skill Development being implemented under MSDE are detailed in Table -1 below:

Table 1

Sl. No.	Schemes & Initiatives	
1	Schemes & Initiatives through NSDC	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
		Rozgar Mela
		Pradhan Mantri Kaushal Kendras (PMKK)
		Capacity Building Scheme
		Udaan
		School Initiatives and Higher Education
		India International Skill Centres (IISCs)
		Pre Departure Orientation Training (PDOT)
2	Schemes & Initiatives through DGT	Craftsmen Training Scheme (CTS)
		Crafts Instructor Training Scheme (CITS)
		Apprenticeship Training under the Apprentices Act, 1961
		Advanced Vocational Training Scheme (AVTS)
		Vocational Training Programme For Women
		Schemes for Up gradation of IITs
		STRIVE
		Initiatives in the North East and LWE Regions
		Trade Testing
		Dual System of Training (DST)
		Polytechnics
3	Other Schemes and Initiatives	Skill Loan Scheme
		Indian Institute of Skills (IISs)
		SANKALP
		Academic Equivalence to Vocational Qualifications
		Aspirational Districts
		Swachh Bharat Abhiyan
		Technology Initiatives

Source: Ministry of Skill Development & Entrepreneurship

With initiatives under Skill India mission, India would definitely evolve into a skilled society and would bring prosperity and dignity for all. Skill India is now not restricted to domestic market but is aggressively engaging for promoting cross geographical exposure and opportunities in the international market. The demographic dividend of India transforming into a large pool of skilled workforce would certainly cater to domestic market demands and also the global market demands. The National Policy on Skill Development and Entrepreneurship, 2015 has been instrumental in streamlining skill development efforts at scale with speed and standard (quality).

Possibilities for Meeting the Global Skill Demand

The demographic dividend of India position it with the potential to cater to the global skill requirements and also its domestic demand for skilled workforce. The United Nations Development Programme (UNDP) in a report has projected that by 2050, in the Asia Pacific, India would dominate the growth in the working-age population, as over a billion people would be entering the workforce. In next 20 years, it is expected that the labour force in the industrialized world would decline by 4%, but, in India it would increase by 32%. There is a huge opportunity to invest in education and skilling. If the workforce & the people to enter the workforce are trained well with effective skill development programs, there would be a surplus of around 47 million skilled workforces. Over 2 crore people have been trained with required skills in 5 years out of them around 60 % have either been employed. With this India has the opportunity for meeting the global skill demand and become the skill capital of the world.

Path Ahead

- **Collaboration of Stakeholders:** It requires collaboration of academia, training providers/agencies, government agencies /bodies, Sector Skill Councils, industry/companies etc. for designing, developing & delivering proper contents for students / trainees & potential job seekers. Also, academia needs to partner with employers for understanding industry requirement and updating curriculums accordingly.
- **Partnership of Private Sector:** An increased participation of the private sector and their prominence in the space of skill development is required, particularly in services sector trainings.
- **Leveraging of Digital Technology:** Lack of mobility is a big impediment for accessing skill trainings and also for gaining employment. Through mobile and web-based training applications, the workforce can access at-home & self-paced skills which can result in a whipping growth of productivity in India. Proper implementation of digital-based initiatives can generate better-educated and -trained job seekers with better employment possibilities and reduce the risk of losing jobs. Furthermore, digital technology can provide a unique opportunity to expand access to basic skills. More concentrated efforts are required to reap the benefit of digital technology in skill development of workforce and students.
- **Learning from Global Best Practices:** It is required to learn from some global best practices like Germany's Dual Training System (a part as school study and part as on-the-job industry experience), United Kingdom's Trailblazer Apprenticeship Model (Practical trainings at employer's workplace, technical trainings by training providers or institutes with world class assessment & certification practices), United States of America's Inter-twined network of employers and training providers (provide training in industry relevant skills), Australia's movement between formal, technical education and national quality assurance framework (provide multiple conduits to undertake qualification either at school, workplace or training organisations), Malaysia's PPP model (focus on latest technology and emerging skills), Canada's wide range of course offering to match age-group wise labour market needs and China's performance matrix for service providers and fund distribution process. The learnings from these models embedded into the skill eco-system can help in improving its accessibility & effectiveness, impact livelihood, create skilled youth ready for transactional employment opportunities, transform policies & standards at par with global standards.
- **G2G Arrangement:** India require to make efforts in breaking down barriers in international labour supply to ensure hassle-free movement of talent globally by leveraging its image as a non-threatening power with a strong democratic tradition and tolerant society for creating partnerships with other countries and establishing Government to Government (G2G) arrangement for securing better terms for workers migrating to those countries and ensuring protection of their rights. Government need to formulate policies for addressing the vital aspects of international mobility of workers by imagining new paradigms of digital skilling by augmenting the adoption of digital technologies.

Conclusion

Learning from global best practices on skill development & vocational training can help in enhancing the capacity of government & private institutions in skill development sector for meeting the current & future demands of industries and inculcate growth of skill ecosystem in India. To cater the global market, the skill development is required to be undertaken on mission mode by incorporating all key components. It is required to identify the key global labour markets and the key sectors which are of demand in these labour markets. The opportunity exists to become the Global Skill Capital but India is not ready, at present, for the role. A structured approach encompassing multiple areas is required to be adopted for unleashing the potential of the demographic dividend and reaping its real benefits.

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