
1. Skill Development: A Way Forward

Context:

- The National Policy for Skill Development states that 54% of India's population is below 25 years of age and 62% is aged between 15 and 59 years. This demographic dividend is expected to last for the next 25 years.

Importance of Skill Development for India:

- Labour force in the industrialized world is expected to decline by 4% while in **India it will increase by 32%**.
- In India 49% of workforce are employed in agriculture, however, their contributions is only 15% of the GVA. In China only 21% of workforce is employed in agriculture.
- The Indian Economy will **need to generate nearly 70 Lakh Jobs Annually** to absorb the net addition to the workforce.
- Globalization, growing domestic market, automation and adoption of new technologies like AI, Robotics and Internet of Things by various segments of the economy have significantly impacted skills in demand.

Challenges in Skill Development:

- The Employability of Skilled manpower has remained a big challenge. As per India Skills Report 2019, the employability of final year students of it is and polytechnic has declined in recent years.
- **Lack of focus on Industry linkages and core Employable Skills** were the main reasons for the downturn in employability.
- Labour Force Participation Rate (LFPR) is defined as the percentage of persons in the labour force among the persons in the population. LFPR for the persons 15 years or above was nearly 49%.
- Unemployed Rate, defined as the percentage of unemployed person in the labour force, was 6.1% in 2017-18. Unemployment Rate was higher among the educated than among those whose educational level was lower than secondary.
- On the skill development front, the mismatch between demand and supply of skilled labour is one of the causes for increasing unemployment Rates among youth.
- Given that 83% of the workforce is engaged in the unorganized sector with limited training facilities, up-gradation of skills, both in manufacturing and services sectors, remains a challenge.

Way Forward:

- Skill development plans and strategies **should be developed by geography and sector by mapping the availability of infrastructure** and on the basis of assessing skill requirements both at the national and state level.
- Panchayat should be a geographical entity to mobilize rural youth for skill development and training programmes in a formal manner and panchayat office should maintain a data base on skill requirements after counseling rural youth.
- **Employment and skill counseling centers should be established in each panchayat.** Government should establish skill training centers at the panchayat level in PPP mode on long-term basis.
- It should be made compulsory for Industry stakeholders to publish their vacancy details through the National Career Centres with some incentives given to industries.
- Training capacities of trainer in training institutes need to be upgraded to ensure the availability of qualified trainers. The training centres in addition to providing training should conduct trainings to upgrade the training skills of trainers.
- **MSDE should have a single regulatory body with branches in all states** to lay down minimum standards for all players in the skilling system like training providers, assessors, etc.
- Centralized MIS should be there to provide information on skill development on all types of short-term training programmes.
- To address the requirement of skilled workers in the unorganized sector, **scaling up Recognition of Prior Learning Scheme is required under the PMKVY**, using bridge training, apprenticeship, dual training, work-based learning and advanced courses.
- Overseas Employment Promotion Agency should be set up at the national level under Ministry of External Affairs, to train and certify Indian workers keen on overseas employment, in line with international standards.
- Internship in industries is quite important as both the employer and trainee understand each other's requirements. So, more emphasis should be given on increasing interactions between industry and trainees.