

Skill Development and Productivity of the Workforce

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Introduction

Linkages between skill development, productivity and employment potential: theoretical perspective

Skill development is an important driver to address poverty reduction by improving employability, productivity and helping sustainable enterprise development and inclusive growth. It facilitates a cycle of high productivity, increased employment opportunities, income growth and development. However, this is just one factor among many affecting the productivity whose measurement differs for individuals, enterprise and economy. The increase in productivity could be due to availability of skilled & healthy manpower; technological up gradation and innovative practices; and sound macroeconomic strategies. The manifestations of improved productivity can be in the form of improvement in real gross domestic product (economy), increased profit (enterprises) and higher wages (workers). In this section, we are looking into the relationship between skill development and productivity with focus on India. However, to begin with it is necessary to understand what constitutes productivity and how it is measured at different levels.

Productivity which explains an input-output relationship is a crucial factor whose benefits can be distributed in a number of different ways such as better wages and working conditions to workforce; increased profits and dividend to shareholders; environmental protection; and increase in revenue to Governments. This helps both the enterprise and country to remain competitive in the domestic and global market respectively.

The increase in productivity can be attributed to varied reasons such as new technology, new machines, better management practices; investment in plant and equipment and technology, occupation safety improvement in the skill level of workers; macro-economic policies,

labour market conditions, business environment and public investment in infrastructure and education. Therefore, it is evident that skill development is just one factor necessary for the productivity growth and it needs to be an integral part of the development policies. The policies should address the levels of development and need and requirement of various sectors. Besides this the skill policy should focus on improving access, quality and relevance of training for different segments and sectors. The evidence from developed countries suggests that investment in education and skills helps economy to move to high growth sectors and break the low wage, low skill development syndrome.

Different countries at different levels of development face different challenges. In the context of developing economies like India the challenge is to meet the skilled manpower requirement of the high growing sectors on the one hand through better synergy between employers and the training providers, increased investment in the training infrastructure and also to ensure that the informal economy also have skilled manpower wherein the informally trained skills are recognised and certified and that entrepreneurship training is provided for moving to formal sector. The workplace training plays an important role in productivity enhancement but in the developing economies the huge informal economy poses a challenge which could be addressed by developing clusters or lead firm taking the initiative which would help achieving economies of scale in the skills development; development of competencies within and between firms and availability of lead firm facilities. This would make available skilled manpower by the lead firm as per its requirement and the small enterprise would improve their productivity. The Government can facilitate linkages among various companies and stimulate adop-

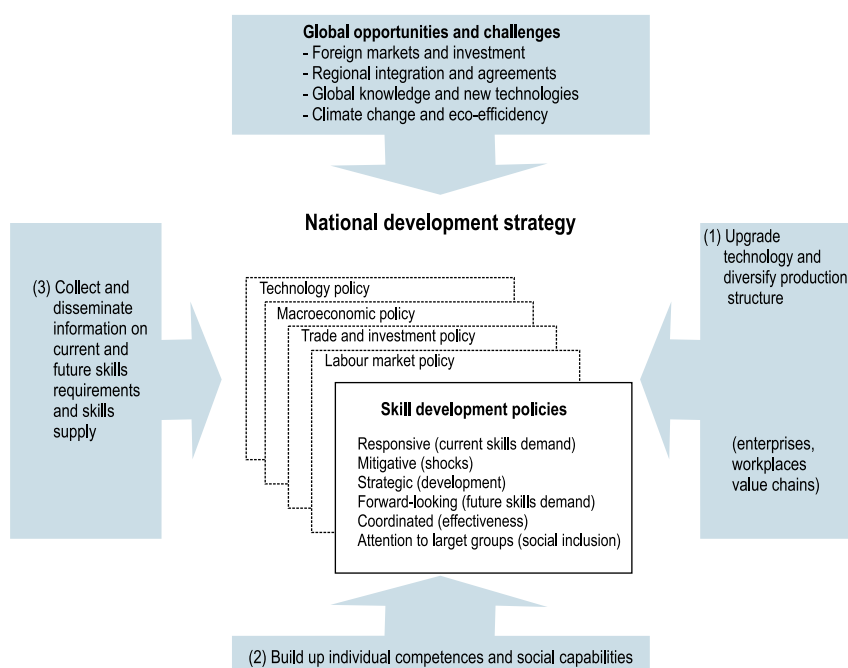
¹ The authors wish to acknowledge the contribution of Mr. Shrinivas Shirke, former Research Officer of NITI Aayog in preparation of the Tables derived from unit level data of NSSO.

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tion of technologies and skill upgrading programmes. The linking of skills and productivity would not only benefit the enterprise and economy but would also facilitate different segments of the population particularly the marginalised sections of the society to reap the benefits of the economic growth through skill development. The lack of access to education and training or the low quality or relevance of training keeps the vulnerable and marginalized sections into the vicious circle of low skills and low productive employment. The National Skill Policy provides a framework to ensure access to various target groups to realise their potential for productive work and contribute in economic and social development. However, different approaches need to be adopted which may overlap as groups are not mutually exclusive such as improving agriculture marketing extension; investing in rural infrastructure; making available quality education; on the job and targeted training for the disabled and identifying the requirement of migrant workers. The question is how one links the skill development to future challenges so as to address the demand of the growing economies. The National Skill

Development policy provides for integration of skill development into the national development polices such as developing infrastructure, reducing poverty and decent work agenda. The diagram below explains the relationship between skill development strategy for productivity, employment and sustainable development. It emerges that coordination among various stakeholders, coherence in sectoral, macro and skill policies, knowledge sharing and effective participation of trade unions and employers along with technology development is central to any development strategy. The participation by all stakeholders would strengthen move towards skilled economy. It would also ensure that small enterprises get access to training services and developing their managerial capabilities for growth. It also emerges that while coherence is necessary, it is also necessary (repetition) to ensure gender equality, upgrade technology, and diversify production structure, building up individual competencies and collecting /dissemination of information on future requirements as also available supply. This would improve availability of skilled manpower and reduce the supply mismatch.

Skills development strategy for productivity, employment and sustainable development



Source: *Skills for Improved Productivity, employment growth and development ILO 2008*

In this back drop an attempt has been made to see where India stands and how its skill polices can be inte-

grated with macro and the sectoral policies to achieve increase employability.

Where does India Stand

Labour Market

As compared to other developed and developing countries, India has a unique window of opportunity for another 20-25 years called the “demographic advantage”. If India is able to skill its people with the requisite life skills, job skills or entrepreneurial skills in the years to come the demographic advantage can be converted into the dividend wherein those entering labour market or are already in the labour market contribute productively to economic growth both within and outside the country.

But meeting this objective is a daunting task as India faces the challenge of skilling large labour force that is largely illiterate or below primary and unskilled. The structural transition from the agricultural to the non-agricultural sector has seen rapid decline in the contribu-

tion of farm sector to the GDP to 16 per cent but a very slow decline in the workforce participation level to 48 per cent resulting in the low level of productivity in the agricultural sector. The nature of jobs created is informal (91 per cent of the workforce) and the status of employment is self-employed. Further, there is the high degree of unemployment among the youth due to aspirational mismatch or skill mismatch, declining participation of females in the labour force and an economic environment wherein jobs are not created commensurate with the economic growth. The distribution of the workforce by sector and status of employment shows that in agriculture sector where almost 32 per cent is self-employed majority is operating as own-account worker or unpaid helper (Table-1). After agriculture the proportion of those working as self-employed is Trade (7 per cent) and manufacturing (6 per cent). In these two sectors also the proportion of workforce working as own account workers are more than those working as employers.

Table-1: Proportion of Workforce employed by Status (2011-12)

Sector	Self Employed			Regular salaried/ wage	Casual worker	Casual worker
	Own Account Worker	Employer	unpaid helper			
Agriculture	17.03	0.71	14.11	0.41	16.64	48.90
Manufacturing	4.36	0.19	1.64	4.33	2.09	12.60
Mining	0.02	0.00	0.01	0.20	0.31	0.54
Electricity & water supply	0.04	0.00	0.02	0.43	0.03	0.52
Construction	0.96	0.08	0.07	0.49	9.00	10.60
Trade	5.42	0.25	1.43	1.73	0.48	9.32
Hotel restaurant	0.64	0.07	0.27	0.48	0.18	1.64
Transportation, storage & communication	1.74	0.06	0.06	2.35	0.63	4.83
Banking & insurance	0.22	0.01	0.01	0.67	0.01	0.91
Real estate, renting & business related activities	0.50	0.04	0.06	0.72	0.09	1.41
Public administration & defence	-	-	-	1.66	0.01	1.67
Education	0.30	0.01	0.02	2.63	0.02	2.98
Health	0.23	0.01	0.01	0.64	0.02	0.92
Other services	1.34	0.02	0.28	1.13	0.41	3.17
Total	32.79	1.45	17.99	17.85	29.92	100.00

Source: Extracted from NSSO unit level data

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The proportion of those working as casual labour is higher in agriculture (17 per cent) followed by construction (9 per cent) and manufacturing (2 per cent). On the whole, about 52 per cent of the total workforce was self-employed, of which own-account workers accounted for 33 per cent and the unpaid helper 18 per cent. The proportion of workforce with regular wage or salary was just 18 per cent and 30 per cent were casually employed. When we talk about productivity it only covers those who are in the regular wage or salaried employment. The self-employed operating as own account workers are mostly household enterprises assisted by unpaid helpers. In this type of employment the productivity levels are low, working conditions poor, wage employment is totally absent. On the other hand if the own account workers can be upgraded to becoming an employer by providing skill development and other

logistic support, it leads to creation of further wage employment and enhancement of their productivity.

Relationship between literacy and poverty reduction

The preponderance of self-employment mainly in agriculture is mostly due to their low education and skill levels stimulated by their poor economic background. The proportion of population upto the poverty line i.e. the extremely poor and poor increased from 21.8 per cent in 2004-05 to 25.3 per cent in 2011-12. But the proportion of the marginally poor and the vulnerable decreased from 19.0 per cent to 16.5 per cent and from 36.0 per cent to 30.7 per cent between 2004-05 and 2011-12. On the whole 72.5 per cent of the population fall in the category of poor and vulnerable in 2011-12 as compared to 76.7 per cent in 2004-05, a decrease of 4.2 points. (Table-2)

Table-2: Population in Different Expenditure Class

Expenditure class	Percentage Distribution		Absolute (in millions)	
	2004-05	2011-12	2004-05	2011-12
1. Extremely Poor (up to 0.75PL)	6.4	9.4	66	114
2. Poor (0.75PL to PL)	15.4	15.8	158	192
3. Marginally Poor (PL to 1.25PL)	19.0	16.5	195	200
4. Vulnerable (1.25PL to 2PL)	36.0	30.7	370	372
5. Middle Income (2PL to 4 PL)	19.3	21.0	199	255
6. High Income (>4PL)	4.0	6.4	41	78
7. Extremely Poor & Poor (1+2)	21.8	25.3	224	306
8. Marginal & Vulnerable (3 +4)	55.0	47.2	566	572
9. Poor & Vulnerable (7 + 8)	76.7	72.5	789	878
10. Middle & High Income (5+6)	23.3	27.5	240	333
11. Total	100.0	100.0	1,029	1,211

Source: Calculated from NSSO unit level data

Table-3 shows the distribution of the unorganized workers across different expenditure class. It may be seen that 76.28 per cent belong to the poor & vulnerable category in 2011-12 as compared to 78.70 per cent in 2004-05, a de-

cline of 2.42 points. This relatively low level of living of the workforce brings out the quality of employment which calls for a look at their educational and skill qualification.

Table-3: Percentage Distribution of Unorganised Workers across Expenditure Classes

Status	Total	Self Employed	Regular	Casual 2004-05
Poor+ Vulnerable	78.70	74.70	66.70	90.00
Higher income group	21.30	25.30	33.30	10.00
2011-12				
Poor+ Vulnerable	76.28	73.00	56.75	88.28
Higher income group	23.72	27.00	43.25	11.72

Source: Calculated from NSSO unit level data

Linkages between skill development, productivity and employment potential

Skill development is the focus area of the government policy. It is central to accessing employment in the formal sector and enhancing productivity in the informal economy for reducing poverty and risk of underemployment. The National Policy on Skill Development aims to train about 104.62 million people afresh and additional 460 million are to be reskilled, up-skilled and skilled by 2022². Considering that majority of these labour force would be self or casual employed, the challenge is to how to improve the skill levels of these workforce. These categories cut across various target groups or vulnerable sections of the society. The groups are not mutually exclusive and there are overlaps because the workers in the self-employed category are a heterogeneous lot while the casual employed may be intermittently employed and in different unskilled works.

The lack of access to good education and training keeps the vulnerable and the marginalized sections into the vicious circle of low skills; low productive employment and poverty. The marginalized group which includes rural poor, youth, persons with disabilities, migrant workers and women constitute the highest number of poor. In India 70 per cent of the labour force reside in rural areas and depend on low productive agricultural activity where there is huge underemployment leading to low level of productivity. The high proportion living in poverty among women in India is due to their concentration in low productivity work.

The skill strategy needs to focus on strategy of skill de-

velopment should be aimed at addressing the skill needs of the self-employed as well as the casual employed. To quote Economic Survey 2013-14, "India can increase its long-term trend growth by unleashing the entrepreneurial spirit of millions across the country by strengthening the economic freedom of the people." In accordance, the National Policy on Skill Development & Entrepreneurship 2015 emphasises on entrepreneurship development as the pathway for creating more wage employment and in turn growth of the economy. The policy has identified following policy strategy for promoting entrepreneurship viz; (i) educate and equip potential and early stage entrepreneurs across India (ii) connect entrepreneurs to peers, mentors and incubators (iii) support entrepreneurs through Entrepreneurship Hubs (E-Hubs) (iv) catalyse a culture shift to encourage entrepreneurship (v) encourage entrepreneurship among the under-represented groups (vi) promote entrepreneurship amongst women (vii) improve ease of doing business (viii) improve access to finance and (ix) foster social entrepreneurship and grassroots innovations.

Skill development of the self-employed is essential to make the transition from own account workers to employers or entrepreneurs. The success of the major programmes of the current Government viz; Make in India, Digital India, Smart City, Namami Gange, Swachh Bharat depends on the success of the Skill India Mission in skilling and reskilling 460 million by 2022. The skill development programmes to promote entrepreneurship are also equally important namely-(i) SETU- the Self-Employment and Talent Utilization scheme which is a Techno-Financial, Incubation and Facilitation Programme to support all aspects of start-up businesses, and other

² National Policy for Skill Development and Entrepreneurship, 2015.

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self-employment activities, particularly in technology-driven areas, (ii) Atal Innovation Mission AIM an innovation promotion platform involving academics, entrepreneurs, and researchers drawing upon national and

international experiences to foster a culture of innovation, R&D in India and (iii) Start Up India to promote bank financing for start-ups and offer incentives to boost entrepreneurship and job creation in the country.

Current and future skill requirements for India

Nearly 56 per cent of the workforce in 2011-12 had basic education upto primary and the proportion of low lit-

eracy levels was high among the female workforce (75 per cent below primary) as compared to the males. The proportion of total workforce with educational qualification secondary was just 11.5 per cent while for the female workforce it was still lower at 5.4 per cent. (Table-4)

Table-4: Education level wise distribution of Work Force

Education	Rural +Urban		
	Male	Female	Total
Not literate	234	529	317
Below primary	98	93	97
Primary	154	128	146
Middle	192	110	169
Secondary	138	54	115
Higher secondary	75	27	61
Diploma/certificate course	14	7	12
Graduate	68	31	58
Postgraduate & above	21	15	19
Total	1,000	1,000	1,000

Source: NSSO EUS 2011-12

As regards skill training, 75.8 per cent of the workforce did not have any skill training during 2011-12 while the proportion of workforce with formal training was only 3.05 per

cent. The proportion of workforce that received training through informal modes was 12.46 per cent. (Table-5)

Table-5: Vocational Training Profile of the Work force

Vocational Training	Agriculture	Manufacturing	Non-manufacturing	Services	Total
Receiving formal training	0.08	0.13	0.05	0.39	0.64
Received formal training	0.22	0.51	0.20	1.48	2.41
Non-formal hereditary	3.05	0.77	0.15	0.47	4.44
Non-formal self-learning	0.60	0.61	0.23	0.79	2.23
Non-formal learning on job	0.86	2.02	0.98	1.49	5.35
Non-formal others	0.07	0.15	0.04	0.18	0.44
Did not received any training	38.22	7.56	9.45	20.56	75.80
nr	5.81	0.85	0.55	1.48	8.69
Total	48.90	12.60	11.65	26.84	100.00

Source: Calculated from NSSO unit level data

From Table-4 and Table-5 the education and vocational profile of the workforce throws light on the challenge that India faces if the labour force consisting of existing and new entrants are to be provided age appropriate skill training which might include skilling, reskilling and upskilling.

With such low skill levels the profile of our enterprise is such that nearly 95 per cent of the units are micro in size engaging less than 5 workers. The challenge therefore lies in expanding the size of the enterprises to beyond 5 in number so that the progression of growth of the enterprises from being a single employer to that of being a partnership or private corporate entity takes place. Unless this transition is in place the productivity levels will not improve and neither will employment. (Table-6)

Table-6: Establishments by size class of employment

Size by class of employment	Item	Year		
		1990	1998	2005
1-5	Establishments	93.4%	94.0%	95.1%
	Persons usually working		54.5%	58.6%
64.2%				
6-9	Establishments	3.5%	3.3%	3.4%
	Persons usually working		8.4%	8.3%
10.2%				
10 & above	Establishments	3.1%	2.8%	1.5%
	Persons usually working	37.1%	33.1%	25.5%

Source: Table 5.12, Chapter V, Fifth Economic Census 2005-All India Report, Gol

Some estimates of skill gaps in different sectors

In analysing the skill gap, there exist two types of low educated labour force entering the labour market due to their poor economic conditions and remaining unskilled. One is the educated labour force who are not able to find jobs matching their qualification due to lack of technical or soft skills. This is the reason for the high rate of educated unemployment among the youth. To reduce the skill gap among the educated there is the need for better quality education, knowledge of english language, on the job training as well as better job information.

Aashish Mehta argues that ‘India’s skill gaps rests on weak conceptual foundations. While some industries do suffer from real skill gaps, others are constrained by com-

mercial difficulties that maybe better addressed through policies other than skill development programmes³.

The India Skills report 2015 quotes Dr. Rajendra Kumar Pandey⁴ as saying that India has to achieve the target of skilling/upskilling 150 million people by 2022. He further explains skill gap as ‘the phrase skill gap refers to redefining the relationship between education, industry and business.’ In simple terms a skill gap can be defined as the difference between the skills needed for a job versus those skills possessed by a prospective worker⁵.

The Ministry of Skill Development & Entrepreneurship has estimated the estimated incremental human resource requirement across 24 sectors as 109.73 million by 2022. The Institute of Applied Manpower Research in their Occasional Paper ‘Estimating Skill Gap on a Re-

²How serious are India’s manufacturing skill gaps? Column by Aashish Mehta, University of California, 13th October,2015, http://www.ideasforindia.in/article.aspx?article_id=1437

³President, NIIT University Neemrana

⁴A Better Measure of Skills Gaps: Utilizing Act Skill Profile and Data for Strategic Skill Research

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alistic Basis for 2022' arrive at an incremental skilled manpower requirement of 291 million by 2022. But they point out two major problems for those already in the workforce. First, is the poor quality of those who have general education up to secondary level or those having vocational training (including post-secondary level technical education), and hence employability. The second problem that employers are known to complain about is the mismatch between the skills that are currently available in the educated or trained labour force on the one hand, and the type of skills that are actually in demand from employers, on the other. This supply-demand mismatch and the quality problem will have to be addressed over the course of the next decade simultaneously with a very sharp quantitative expansion in capacity of those to be educated or vocationally trained.

Countries that have succeeded in linking skill development to gains in productivity, employment and development have targeted skill development policy towards three main objectives: (i) matching supply to current demand for skills (ii) helping workers and enterprises adjust to change; and (iii) building and sustaining competencies for future labour market needs⁶.

The first objective is about the relevance and quality of training. Matching the provision of skills with labour market demand requires labour market information systems to generate, analyse and disseminate reliable sectoral and occupational information, and institutions that connect employers with training providers. It is also about equality of opportunity in access to education, training, employment services and employment, in order that the demand for training from all sectors of society is met.

The second objective is about easing the movement of workers and enterprises from declining or low-productivity activities and sectors into expanding and higher productivity activities and sectors. Learning new skills, upgrading existing ones and lifelong learning can help workers to maintain their employability and enterprises to adapt and remain competitive.

The third objective calls for a long-term perspective, anticipating the skills that will be needed in the future and engendering a virtuous circle in which more and better education and training fuels innovation, investment, technological change, economic diversification and competitiveness, and thus job growth.

To achieve the above-mentioned objectives convergence across policies is essential. Skill development and employment policy should be inter-linked. The full value of one policy can be realised only if it supports the objectives of the other policy. For investments in skill development to yield maximum benefit to workers, enterprises and for the economy, the country's capacity for coordination is most important in three areas:

- Connecting basic education to technical training, technical training to labour market entry, and labour market entry to workplace and lifelong learning;
- Ensuring continuous communication between employers and training providers so that training meets the needs and aspirations of workers and enterprises; and
- Integrating skill development policies with other policy areas – not only labour market and social protection policies, but also industrial, investment, trade and technology policies, and regional or local development policies⁷.

Policies to promote skill development and support formalisation of economic activity

On the education front, the Right to Education Act, 2009 has been introduced which legislates compulsory education up to the age of 14 years. Thereafter to prevent drop outs the government is promoting the dual system of education from Class IX (secondary level) onwards. Credit facility is now being made available for students who want to pursue vocational education after completing Senior Secondary. The National Skill

⁶ A Skilled Workforce for Strong Sustainable and Balanced Growth- A G 20 Training Strategy, ILO, November 2010.

⁷ ibid

Qualification Framework has been introduced to facilitate the smooth transition from general education to vocational education and vice versa at all levels from 2014 onwards.

For the labour force already in market with lack of education and any training, Recognition of Prior Learning introduced in 2014 to get accreditation for the skills they already possess based on which they can go for up-skilling or re-skilling. The amendment to the Apprentices Act 1961 encourages even the micro and small entrepreneurs to engage apprentices which would improve the availability of skilled manpower.

Under the National Skill Development Mission introduced in 2014, the skill training of the heterogeneous labour force consisting of youth, women, school drop outs, disabled, minorities, tribal groups is mandated. The details of the major skill development schemes for various target groups are listed in the Annexure.

Since employment opportunities are limited and not everyone would get the jobs, the MUDRA scheme introduced in 2015-16 Budget would help in entrepreneurship development through availability of refinance facilities which would enable the MSME units access to cheap credit. Besides there is the NABARD which provides refinance facilities to the cooperative lending institutions which provide credit to the farmers.

To bring in financial inclusion the Pradhan Mantri Jan Dhan Yojana introduced in 2015 to facilitate opening of accounts by all citizens with zero balance. The Government cash transfers would be made through these accounts, which would check on leakage at various levels of implementation. Besides holding the account also gives the benefits of accident insurance and life insurance.

The launch of DIGITAL India would make information technology available even in the rural inaccessible areas which in turn would facilitate in providing business services such as availability of markets, cheap raw materials, skilled labour through services such as email, SMS, Facebook, whats up etc.,

The social protection floor as per definition does not exist in India. But at any time there are schemes open to the entire population covering both the formal and informal sector. Though there are legislation based and

programme based social security schemes the nature of coverage is based on voluntary participation.

Under legislation based social security schemes there is the Employees' Provident Fund, Employees' Deposit Linked Insurance Scheme, Employees' Pension scheme, Employees' Health Scheme under ESIC. All these being contributory schemes employees and employers in the micro & small sector seem to evade them. The programme schemes open to the general population include IGNOs, Atal Pension Yojana, Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Jeevan Jyoti Bima Yojana, Rashtriya Swasthya Bima Yojana etc. But their coverage is not cent percent due to lack of awareness, disinterest or illiteracy. The National Health Mission (Rural & Urban), Indira Gandhi Matritva Sahyog Yojana, Integrated Child Development Scheme, Rajiv Gandhi Scheme for Empowerment of Adolescent Girl etc. are schemes open to the general population for betterment of their health and nutrition.

India has the Minimum Wages Act 1948 in implementation immediately after independence. Right now it is not uniformly applicable to all occupations but only to certain occupations where there are 1000 or more workers in a State. The low skilled informal jobs done as own account workers are not covered by minimum wages right now. Through the Mahatma Gandhi National Rural Employment Guarantee Act 2005, the issue of distress employment in rural areas has been addressed to a large extent.

The above analysis indicates that skill ecosystem has been created and policies are put in place for linkages and achieving high employment potential. But for this strategy to work something more needs to be done to plug the gaps.

What more needs to be done?

1. Improving the Education level of the Labour Force:

The current labour market data as given in Table 4 clearly indicates the low level of education of labour force wherein about 80 per cent has education upto secondary with about 29 per cent as illiterates. The universalisation of elementary education has improved the enrolment and the retention up to the upper primary level. However, there is sharp dropout after that. There is need to universalize the secondary education so that

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young boys and girls are prepared for working productively in agriculture or to access alternative employment opportunities. The school dropouts need to be provided the second chance to acquire basic numeracy and literacy skills to move them out of low paid unskilled work in the informal economy. There are examples in India such as Pratham which initiated the Second Chance programme in 2011 to give dropout students, especially girls, a chance to complete their Secondary School education and acquire the skills necessary for employment. It is a 15 month programme that targets young girls and women between the age of 16-25 years who have dropped out of school and helps them pass their Secondary School Examination. Apart from that it also aims to raise awareness about educating girls and women so that they can break the regressive barriers of caste and religion. This would not only remove the barriers that girls face in going to schools but would also improve the employability of women.

2. Improving access to quality training for employment opportunities

There is need to improve the access of quality and relevant training by all including marginalised section particularly in the rural areas to raise productivity and income and also to link opportunities for better livelihood and employment. In the India context this is very important as the large pool of the demographic advantage resides in the rural areas. This may require increase in the training capacities for relevant and high-quality skills, and also require responding to rapidly changing skills needs; upgrading informal apprenticeship systems i.e. Apprenticeship Protsahan Yojana so as to deliver skills and knowledge for value added activities and more advanced technologies. The Recognition of Prior Learning needs to be speeded up for the effective and efficient matching of workers' skills with skills required in the jobs to reduce the skill gap. This way equal opportunities can be created both for women and men to access relevant /quality education, vocational training and workplace learning, and to productive and decent work So that they can realize their potential and contribute to economic and social development and maintain not only their employability but also sustainability of enterprises. However, improving access also necessitates creating system to collect and communicate reliable and up to date information on skills needs in current

labour markets for better informed choices and career guidance.

In the rural setting efforts are made through MGNREGA to coordinate training provision with priorities set for rural development and to promote such non-farm rural activities which help in generating rural income and manage distress arising out of the seasonal fluctuations in the agricultural sector. Also the improved production practices using new technologies, alternative crops, labour intensive crops can have positive income and employment effect in the small land holdings.

The provision of safe transportation, female instructors, child care facilities, market and finance would encourage women participation. Last but not the least the skill needs to be made appurtenant by engaging with local bodies/NDGO and using all kinds of media.

3. Coordination among Various Stakeholders

Today there is disconnect among various stakeholders leading to skill mismatch. Though efforts are made through Sector Skill councils to address the gaps, but still there is a long way to go. The coordination between Ministries and Agencies responsible for policy design and implementation in the areas for education and skills development would help in equipping young women and men with the skills required by emerging industries and jobs and help in adjustments during periods of change. This would achieve not only the objective of policy coherence but also address issues of skill gaps, boost productivity, improve employment growth etc. However, this also requires good macro-economic policies that support employment opportunities. In the Indian case, the programmes like Make in India, Digital India, Housing for All and Swachh Bharat together with favourable policies for infrastructural development, lower interest rates would offer huge employment opportunities supported by National Skill Mission.

4. Strengthening Skill Delivery Framework

Most training is implemented at the State level. However, the implementation varies across States with many demographically advantageous States facing not only shortage of physical infrastructure but also quality training. The State Skill Development Missions (SSDMs) in the States should evolve into a coordinating body to

harmonize the skilling efforts across line departments/private agencies/voluntary organizations etc., and also ensure that funds received under various programmes are optimally utilised. The common norms for course cost durations etc as announced at the central level needs to be adopted by the States and State-specific guidelines for skill development programmes should be made accordingly.

Further for effective outreach and access by different segments of the population it is necessary to have decentralized implementation at State, district and block level and also to ensure effective coordination and monitoring of skill development initiatives. The existing pattern of DRDA to coordinate skill efforts at district level may be considered for adoption for effective coordination and interaction with local self-government, civil society, training provider, industry and other stakeholders. Given that State conditions and requirements vary, it is necessary to determine sectoral priorities at State level based on sectoral assessment and the formulation of appropriate policies to enhance the qualitative and quantitative skill availability for the sector based on conduct of regular skill surveys. The inter-linkage of the SSDMs with the industry, training providers, Sector Skill Councils, NSDA should be maintained at the policy formulation and implementation level. The Sector Skill Councils should to assist the States to align training program with NSQF. If required a working group could be constituted with SSCs representatives in this regard.

5 Focus on Outcome and determining key performance indicators

Today focus is on number metrics with minimal or no tracking of the students trained and placed. The Union Government initiatives in strengthening the National Career Guidance Centre at the district and block level and integrating it with the Labour Market Information System would facilitate in tracking the youth receiving skill training who may work either as wage employed or self employed. The success stories can be shared through LMIS/National Career Service Centres so that it provides a medium for the youth to explore the possibilities of its up-scaling/replication.

6. Strengthening Private sector participation

Given that target to be achieved is huge and resources

with the government are limited, there is urgent need to incentivise industry to be to either set up training institutions in PPP mode in industry clusters to facilitate availability of trained manpower for big and MSME units or to adopt existing government ITIs and Polytechnics. The industry may also be encouraged to provide their work benches for training their staff as teacher. The teachers and students can be given exposure on the shop floor. Industry can also enter into flexi MOUs based on sector, trade or institutions and offer work benches for practical training. Further the local industry can be actively involved for curriculum development, provision of equipments, training of trainers, opening incubation centres particularly in the rural areas.

7. Availability of financial resources and systemic reforms

The scale of the problem is too big requiring huge resources. The need of the hour is to consolidate resources at all levels and create a national training fund to be accessed by all but operated by Ministry of skill development on priority basis. The funds could be bilateral/multilateral donations, CSR funds, welfare funds etc. Together with finances it is also necessary to speed up implementation of National Skill Qualification Framework; Putting in place robust Labour Market information System for effective dynamic interventions and creation a pool of trainers assessors for quality and reliable outcome based training.

To conclude for skill development to be a driver of productivity requires improvement in quality, relevance and accessibility of training by all the sections of population particularly marginalised and poor with poor education level. The key question that requires immediate answers are how to measurer contribution of skill development to productivity and employment growth; what policies support enterprise development; what is the role of various stakeholders; skill mapping for a country of India size on local levels and how to strengthen the coordination between different institutions for better results. There is need for robust data base on different parameters such as wages in the farm and non -farm sector, data for computing GVA for informal economy as defined by the National Commission for Unorganised Sector Enterprises.

(Views expressed are personal and not of the institution they represent)

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Annexure

KEY SKILL DEVELOPMENT SCHEMES FOR VARIOUS TARGET GROUPS

S. No.	Name of Scheme	Particulars/Objectives of the Scheme	Duration of the Training Program (hours/days/months)	Any specific group scheme caters to
1	Horticulture Mission for North East and Himalayan States (HMNEH)	HMNEH is being implemented for overall development of Horticulture in NE and Himalayan states. The mission addresses entire spectrum of horticulture from production to consumption through backward and forward linkages.	3 months-1 year (Farmers- 2 to 5 days)	Entrepreneurs, Gardeners, Farmers, Supervisors, Field Staff
2	Support to Artisans scheme. Sub- scheme of Integrated Leather Development Programme.	For providing employment opportunity & to fill the demand of operators in the footwear sector & improving the quality.	Short duration training programs (2 week to 1 month)	Artisans in rural clusters
3	Capacity Building and Technical Assistance (CBTA) scheme	Provide funding for skill development, enhancing of employability and competencies and promotion of self-employment and entrepreneurship amongst youth.	Varies (6 months- 1 year)	Youth from the North East Region, special focus on girls, women, disabled persons and youth from BPL background and from remote and backward districts or unreached areas,
4	Entrepreneurship Development Programme (EDP) by various govt. and pvt. organizations, industries or NGOs	To enable trainees to establish commercially viable enterprises in food and agri- processing		SC/ST/Minority Community/Women At least 35%
5	National Urban Livelihoods Mission (NULM)	Skill training to be provided for both Wage Employment (job placement) and Enterprise Development.	Minimum 3 Months (with 400 hrs of technical training & 30 hours soft skills training).	Urban poor
6	Jan Shikshan Sansthan (JSS) as a component of "Scheme of Support to Voluntary Agencies for Adult Education and Skill Development"	Jan Shikshan Sansthans (JSSs) are established to provide vocational training to non-literate, neo-literate, as well as school drop outs by identifying skills as would have a market in the region of their establishment.		Socio-economically backward and educationally disadvantaged groups in both Rural and Urban areas.
7	Vocationalisation of Secondary and Higher Secondary Education	To enhance the employability of youth through demand driven competency based modular vocational courses, to maintain their competitiveness through provisions of multi-entry multi-exit learning opportunities and vertical mobility/ interchangeability in qualifications, and to reduce dropout rates.		Children from Class IX onwards i.e. at the secondary stage.
8	Integrating Differently Abled persons in the mainstream of Technical and Vocational Education.	To train the differently abled students in technical institutions by Ministry of Human Resource and Development (MHRD). The differently abled students were given both formal and non-formal training in the Polytechnics Colleges in India.	Few weeks to 6 Months (part time non formal)	Differently Abled

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S. No.	Name of Scheme	Particulars/Objectives of the Scheme	Duration of the Training Program (hours/days/months)	Any specific group scheme caters to
9	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	24 lakh Trainees to be offered monetary incentives and a government certification on successful completion of training and assessment, which will help them in securing a job for a better future.	Trainees with more than 3 months training	Target to aligned to the demand from the flagship programmes,
10	Craftsmen Training Scheme	Provide semi-skilled/skilled workers to industry by systematic training to school leavers; and Reduce unemployment among educated youth by equipping them with suitable skills for industrial employment. The scheme is implemented through government run ITIs and private ITCs. Under the scheme focus is on creating centres of excellence as also focus on difficult areas.	6 months - 3 years	School Leavers with 8th, 10th, and 12th pass, maximum of 50% reservation depending on State SC/ST %, 25% women, 3% physically handicapped.
11	Skill Development Initiative	Provide for skills up gradation/formation, vertical and horizontal mobility including recognition of prior learning for school drop-outs, unorganised sector workers etc.; and Facilitating multi entry and exit and allowing recognition of prior learning.	1 month to 1 Year (Modular courses from 60 hours to 1000 hours)	Class 5th onwards as well as people with uncertified prior learning, at least 30% women.
12	Apprenticeship Training Scheme	To utilize fully the facilities available in industry for imparting practical training with a view to meeting the requirements of skilled manpower for industry and thereby reducing mismatch. Apprentice Protsahan Yojana (APY) would facilitate MSME also to engage the trainees	6 months to 4 years	School leavers with 8th, 10th and 12th pass or NCVT holder. The Apprenticeship scheme to cover all categories of apprentices except the Graduate, Technician and Technician.
13	Women Training Institutes	Enhancing women training to increase women participation in the labour market. Training facilities are being offered to women through 11 institutes spread across the country.	Short and long term	Girls 8th, 10th, 12th Pass
14	Entrepreneurship Development Programs through MSME-	Entrepreneurship Development Programmes are being organized regularly to nurture the talent of youth by enlightening them on various aspects of industrial activity required for setting up MSEs.	EDP- 2 Week, ESDP - 6 Week, MDP - 1 Week (FT)/ 2 Week (PT)	Workers, Educated unemployed youth, Entrepreneurs and their executives
15	Skill Development activities through Tool Rooms	Upgrade skills of prospective entrepreneurs, existing workforce and also develop skills of new workers and technicians of MSEs	Short term and long term programmes on High End Technology	Workers, Educated unemployed youth, Entrepreneurs and their executives
16	Multi-Disciplinary Training Centers (MTDC) and other training Centers of KVIC	To setup own units of cottage and small industry. The Multi-Disciplinary Training Centre of KVIC implement the programme.	Flexible, usually short term	Artisans, unemployed youth, supervisors etc.

S. No.	Name of Scheme	Particulars/Objectives of the Scheme	Duration of the Training Program (hours/days/months)	Any specific group scheme caters to
17	Training by Coir Board on spinning of coir and production of value added products	Provide intensive training in advanced method of coir manufacture including extraction of fibre, spinning, bleaching, dyeing, weaving and designing etc.	Long term and short term	Rural Women
18	Multi Sectoral Development Programme	Improving socio-economic conditions of minorities and providing basic amenities to them for improving the quality of life of the people and reducing imbalances in the identified minority concentration areas	Varies	Minority youth
19	Seekho aur Kamao	To bring down unemployment rate of minorities; Conserve and update traditional skills of minorities and establish their linkages with the market and improve employability of existing workers, school dropouts etc. and ensure their placement.	Modern Trades- Minimum 3 months	Minority youth
20	Pandit Deen Dayal Upadhyaya Grameen Kaushalya Yojana (earlier known as Aajeevika)	Training 10 lakh (1 million) rural youths for jobs in three years, that is, by 2017 and benchmarking training against international standards This would also address the needs of differently abled, marginalized youth and women in LWE districts.	3-12 months	Rural poor youth (18-35 years), 33% women, 50% SC/ST, 15% minorities, 3% differently abled.
21	Rural Self Employment and Training Scheme (RSETI)	Rural Self Employment Training Institutes (RSETIs) across the country as institution to mitigate the unemployment and underemployment problem among youth in the country. This institute generate self employment in rural areas through training for capacity building and by facilitating in settlement in vocations.	1-6 weeks	Rural BPL youth
22	Hunar Se Rozgar Tak under Capacity Building for Service Providers (CBSP) scheme	To create employable skills in the interested youth who are in the age group of 18-25 years and who are minimum 8th pass.	6-8 weeks	8th pass, 18-28 yrs
23	Special Central Assistance to SC and Tribal Sub Plan	10 percent allocation of assistance is fixed for skill development of tribal youth	Varies	Scheduled Castes and Tribe youth
24	TRIFED- Skill development/ upgradation and capacity building for Handicrafts/ Handlooms	TRIFED - a National level Cooperative Body under the Ministry of Tribal Affairs, Government of India, is engaged in the skill development/ up-gradation & capacity building trainings of tribal handicraft artisans and tribal people along with marketing of their products. Skill Development & Capacity Building training of Minor Forest Produce gatherers and Training of Tribal Handicraft Artisans engaged in making Handlooms, Handicrafts, Tribal Paintings etc.	45 days (30 days training and rest 15 days in mass production)	Women and educated unemployed school drop out youths

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S. No.	Name of Scheme	Particulars/Objectives of the Scheme	Duration of the Training Program (hours/days/months)	Any specific group scheme caters to
25	Support to Training and Employment Programme for Women (STEP)	To provide skills that give employability to women. And to provide competencies and skills that enable women to become self-employed/entrepreneurs.	Less than 3 weeks	Poor and asset less women in traditional sectors
26	Priyadarshini scheme to organize women into effective self help group	The "Women Empowerment and Livelihood Programme in Mid Gangetic Plains" also called Priyadarshini Programme envisages holistic empowerment of 1,08,000 poor women and adolescent girls through formation of 7200 SHGs. The programme originally being implemented in six districts including four districts in Uttar Pradesh	Less than 3 weeks	Women
27	SABLA – Rajiv Gandhi Scheme for Empowerment of Adolescent Girls	The objective is to improve the nutritional and health status of adolescent girls in the age group of 11-18 years and empower them by providing education in life-skills, health and nutrition, the Government of India introduced the SABLA in November, 2010. The Scheme also aims at equipping girls with information on family welfare, health and hygiene, existing public services, etc., and to draw out-of-school girls into the formal or non-formal education systems.	MES modules	Adolescent girls (in the age group of 11 to 18 years)
28	Skill Up-gradation Training Programme for Women in 200 Border/ Tribal/Backward Districts (SUTP)	The programme is aimed at enhancing the vocational skills of women in the border or tribal or backward districts and also at helping them to acquire self-employment. The programme enables women participants to supplement their income in existing occupation, improve productivity and learn new skills for which there is a good demand in the market.	Maximum duration of Skill Training Programmes should not exceed three months	Women from SC/ST, OBC, Minority, Widow, Economically Backward and Destitute/Homeless categories.
29	Udaan	The Special Industry Initiative, known as "Udaan", targets the youth of J&K, specifically graduates and postgraduates, who are seeking global and local opportunities. It aims at providing corporate India with exposure to the rich talent pool available in the State.	Varies by sector	J&K Youth