



## Mains Practice Question

**Q.** Skill acquisition for the youth of India is a prerequisite if it wants to tap into the demographic potential. In this context discuss the various initiatives taken for Skill Development. (250 Words)

12 Oct, 2022 GS Paper 3 Economy

### Approach

- Start your answer by quoting some data or reports about skill training status in India.
- Discuss the need for skill development of the workforce.
- Discuss the Various steps taken for Skill Development.
- Conclude your answer by giving a way forward.

### Introduction

The **2015 Report on National Policy on Skill Development and Entrepreneurship** estimated that **only 4.7% of the total workforce in India had undergone formal skill training** compared with 52% in the US, 80% in Japan, and 96% in South Korea.

### Body

#### Need for Skill Development of Workforce

- **Supply and Demand Issues:** On the supply side, India is failing to create enough job opportunities; and on the demand side, professionals entering the job market are lacking in skill sets. This is resulting in a scenario of rising unemployment rates along with low employability.
- **Rising Unemployment:** As per the Centre for Monitoring Indian Economy (CMIE), the unemployment rate in India has been around 7% or 8% in 2022, up from about 5% five years ago. Further, the workforce shrank as millions of people dejected over weak job prospects pulled out, a situation that was exacerbated by Covid-19 lockdowns. The labor force participation rate, meaning people who are working or looking for work, has dropped to just 40% of the 900 million Indians of legal age, from 46% six years ago.
- **Lack of Skills in the Workforce:** While keeping pace with the employment generation is one issue, the employability and productivity of those entering the labour market is another issue.
  - According to Periodic Labour Force Survey (PLFS) data 2019-20, 86.1% of those between 15 and 59 years had not received any vocational training. The remaining 13.9% had received training through diverse formal and informal channels.
- **Demand for Skilled Workforce:** The Confederation of Indian Industry (CII) had projected Incremental Human Resource Requirements till 2022 at 201 million, making the total requirement of the skilled workforce by 2023 at 300 million. A major share of these jobs was to be added in the manufacturing sector, with the National Manufacturing Policy (2011) targeting 100 million new jobs in manufacturing by 2022.

#### Various Initiatives taken for Skill Development

- **Pradhan Mantri Kaushal Vikas Yojana:** The flagship Pradhan Mantri Kaushal Vikas Yojana (PMKVY) scheme was launched in 2015 to provide short-term training, skilling through ITIs and

under the apprenticeship scheme. Since 2015, the government has trained over 10 million youth under this scheme.

- **SANKALP and STRIVE:** The SANKALP programme which focuses on the district-level skilling ecosystem, and the STRIVE project which aims to improve the performance of ITIs are other significant skilling interventions.
- **Initiatives from Several Ministries:** Nearly 40 skill development programmes are implemented by 20 central ministries/departments. The Ministry of Skill Development and Entrepreneurship contributes about 55% of the skilling achieved. Initiatives by all ministries have resulted in nearly four crore people being trained through various traditional skills programmes since 2015.
- **Mandatory CSR Expenditure in Skilling:** Since the implementation of mandatory CSR spending under the Companies Act, 2013, corporations in India have invested over ₹100,000 crores in diverse social projects.
  - Of these, about ₹6,877 crores were spent on skilling and livelihood enhancement projects. Maharashtra, Tamil Nadu, Odisha, Karnataka, and Gujarat were the top five recipient States.
- **TEJAS Initiative for Skilling:** Recently, TEJAS (Training for Emirates Jobs and Skills), a Skill India International Project to train overseas India was launched at the Dubai Expo, 2020. The project aims at skilling, certification, and overseas employment of Indians and creating pathways to enable the Indian workforce to get equipped for skill and market requirements in the UAE.

## Way Forward

Skill development is the most essential aspect of the development of our country. India has a huge 'demographic dividend' which means that it has a very high scope of providing skilled manpower to the labour market. This needs a coordinated effort from all stakeholders including Government agencies Industries, Educational and training institutes and Students, trainees and job seekers.