General Studies-2; Topic: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

The challenge of skilling India

Introduction

- In today’s world, only those individuals and countries would grow which are skilled.
- Skilled workforce is important for achieving the goal of becoming Atmanirbhar Bharat.
- With schemes such as Skill India Mission and the ‘Going Online As Leaders’ (Goal) etc, India has laid the foundation for improving the level of skill among the youth.

Present Status

- At over 19% unemployment rate, one in every five Indian who graduate is unemployed.
- According to most estimates, India continues to be a country that faces one of the highest shortages of skilled workforce.
- Over 90% of India’s workforce is in the informal sector.
- According to the 2018 report by NCAER, only about 2% of the workforce had formal vocational training, and only 9% had non-formal, vocational training.
- The report had also estimated that almost 1.25 million new workers (aged 15–29) were projected to join India’s workforce “every month” through 2022.
- On the one hand, companies in India face an acute shortage of skilled manpower and, on the other, India has millions of educated unemployed.
What do we mean by “skilling”

- First, the cognitive skills, which are the basic skills of literacy and numeracy, applied knowledge and problem-solving aptitudes.
- Technical and vocational skills, which refer to the physical and mental ability to perform specific tasks using tools and methods in any occupation.
- Lastly, there are social and behavioural skills, which include working, communicating, and listening to others.
- These three types of skills can be combined to further classify skills into foundational, employability, and entrepreneurial skills.

Opportunity for India

- India’s working-age population is growing faster than its population of young and old dependents.
- There is great opportunity for India to improve both its social and economic outcomes if the higher number of workers are productively employed.

Concerns / Challenges

- If the skilling issue is not resolved, India risks forfeiting its so-called “demographic dividend”.
- If the working age population are not in well-paying jobs, the economy would not have the resources to take care of itself since with each passing year, the proportion of dependents will continue to rise after 2040.
- India is trapped in a vicious cycle:
  - Greater workforce informality leads to lower incentives to acquire new skills.
  - Faced with inadequately skilled workers, businesses often choose replacing labour with machinery.
  - This, in turn, leads to still fewer formal jobs.
- Millions of Indians who work in agriculture continue to subsist because they do not have the skills to take up industrial or services sector jobs.
- A distinct disadvantage with India’s approach towards skilling has been to ignore the demands of the market.
- For the most part, skills have been provided in a top down fashion.
- Most skilling efforts focus almost solely on providing certain skills but fail to “match” them with the needs of the market.

Way Forward

- Given the way market demands fluctuate — for instance, look at how Covid pandemic has upended supply chains — skilling efforts must try to anticipate the needs of the market.
- To attain its rightful place and realise its aspirations, India must become rich before it gets old.