



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.