

## INSTALLATION OF SKILL & SUSTAINABLE ECONOMIC DEVELOPMENT IN INDIA

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**Abstract :** Today's era is knowledge based economy driven by IT revolution and scientific development in every economic sector. Globalization, Liberalization, and Privatization has shaped several job opportunities at the same time created several challenges for the traditional occupations due to skill gap. Country's prosperity depends on how many of its people are in work and how productive they are, which in turn rests on the skills they have and how effectively those skills are used. Skills are a foundation of decent work and productivity.

**Keywords:** Skill Development, Skill Development Policy, Human Talent, Employment, Higher Education, Informal Economy.

### 1. INTRODUCTION

Globalization, Liberalization, and Privatization has resulted in massive transformation in social, economic, political, and cultural development across the globe. It has shaped several job opportunities at the same time created several challenges for the traditional occupations due to skill gap. Equipping the workforce with the skills required for the jobs of today and those of tomorrow is a strategic concern in the national growth. The globalization of markets is accelerating the diffusion of technology and the pace of innovation. New occupations are emerging and replacing others. Within each occupation, required skills and competencies are evolving, as the knowledge content of production processes and services is rising. Country's prosperity depends on how many of its people are in work and how productive they are, which in turn rests on the skills they have and how effectively those skills are used. Skills are a foundation of decent work and productivity.

Today's era is knowledge based economy driven by IT revolution and scientific development in every economic sector. Hence quality of workforce is of great importance and significance than quantity of workforce.

Indian population is around 1.23 billion and it is expected to be 1.3 billion by 2020 of which 0.8 billion would be of working age (15 years-59 year). According to Boston Consulting Group by 2020 India will have surplus of active population about 47 million and will be leading supplier of human talent of world. This demographic dividend (Active population in age of 15-59) has to be nurtured well with necessary and advance skills in earlier stage so as to fill current skill gap and utilise such potential human talent in most productive way in development of nation and economy and securing peace and harmony. 75 % of Indian population lives in rural area and most of them are significant part of informal economy.

### Objectives of study:

- 1) To study background of skill development policies and their effectiveness in current scenario and in future by 2020.
- 2) To study and understand opportunities and challenges ahead in implementing skill development policies in India.
- 3) To provide effective measure to curtail skill gap and utilise human talent effectively in order to improve productivity of nation.

### METHODOLOGY

This study is based on secondary data. it includes various research articles ,reports of national survey ,census ,world bank etc.

#### **Background of skill development and employment in India:**

Training and skills development is understood in broad terms, covering the full sequence of life stages. Basic education gives each individual a basis for the development of their potential, laying the foundation for employability. Initial training provides the core work skills, general knowledge, and industry based and professional competencies that facilitate the transition from education into the world of work. Lifelong learning maintains individuals' skills and competencies as work, technology and skill requirements change. Worldwide, the rate of population growth is declining, India is having population near about 1.25 billion and would be leading population and source of human talent by 2020. Out of these existing population 70 % population lives in rural area .However only 2% of current workforce in India has undergone skill training. Research conducted by various eminent research scholars and institute shows that currently there is large skill gap in various industrial sector from agriculture to information technology. According to the report of World Bank India has only marginally improved its performance in education since 1995, whereas countries such as China, Mexico, South Africa, and Russia have made much larger gains in strengthening their education pillar – not only in terms of quantity but also in terms of quality. India does not participate in standardized international examinations; there are no good comparative measures of quality. Providing more education and skills cannot, by itself, be enough – quality and labour market relevance is crucial. The education and skills provided must be relevant to the labour market. Acquiring skills is essential, provided those skills are not out-dated or do not meet industry requirements.

In India there are 700 universities and more than 35,000 affiliated colleges enrolling more than 20 million students. Indian higher education is a large and complex system. The structure of degree-granting institutions is cumbersome primarily due to "affiliation" and funding sources. More than 85% of students are enrolled in bachelor's degree programs with majority enrolling in three-year B.A., B.Com. or B.Sc. degrees. One-sixth of all Indian students are enrolled in Engineering/Technology degrees. Research studies show that not more than 50% of this students able to get right job at right time. Others either accept any available job or become frustrates and directionless. Study conducted by two sociologist Diego Gambetta and Steffen Hertton on about 400 radical Islamic terrorist from more than 30 nations shows that 20% terrorist were engineers and economic frustration was one of the push that made them to go for terrorism. No country in world could afford largest pool of angry disillusioned unemployed workers which could easily be converted to dangerous ticking bomb. Such situation could result in social unrest.

#### **Opportunities and challenges for skill development in India:**

In developing countries like India, informal labour force is primarily comprised of self-employed people working from home or street-vending ,workers in micro enterprises, unpaid family members, casual labourers , migrant labourers, out of school youth, domestic workers, etc. As per the 66th round of NSS survey (2009-10), approximately 92.8 per cent of the total work force in 2009-10 constituted of informal workers. The sector is heterogeneous covering all economic activities both in organised and unorganised sector covering both the rural and urban areas. In India the level of education is low and there is lack of vocational skills in the workers entering the labour force. The low level of education and skills are the most important cause for the weakness of the workforce in the rapidly developing economy. The diverse character of informal sector together with inconsistent nature and condition of work necessitates different kinds of training. At present there is no means to authenticate and estimate the training needs of different units in the unorganised sector. The workers are either not aware or deliberately avoid training for loss of income. Another very critical observations has been made by various research scholars is that youth in rural economy a whether qualified or not is less knee to work in farming sector or establish himself as an agriculturist entrepreneur. Financing skill development for the informal sector is another challenge. In order to improve productivity and reduce poverty current vocational education system need to incorporate necessary structural changes in policies as well as execution. Vocational education should be updated from time to time and it should be relevant to market need. According to a recent study conducted on 5,000 students from across 15 city colleges, 75% students rated the education system of the country either three or below on a scale of one to five. Course curriculum is not progressive and course delivery methods are poor and outdated. Our school education system does not ensure that the chosen stream matches the aptitude of students. No time is spent on assessing one's interest for a particular filed and check

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if it matches well with the aptitude one has and the chosen field of study. Instead most students take decisions based on incorrect factors like most sought after course, job opportunities, parental and peer pressure.

Survey conducted by private organisation shows that pharmaceutical companies are growing consistently and it will be continue in future also. Most of large companies are in expansion mode and developing their own research and development centre. At present there is remarkable skill gap and that need to be address within short period of span as other developing economies are also working seriously on skill development. The difference between the “Qualified” and “skilled” talent pool is a common. While every year lakhs of “qualified” candidates get added to the talent pool, the one’s with required skills is very low. This is one of the major factors that is precipitating the “Great Indian Talent Conundrum”. While the growth opportunities for various sectors are very lucrative, the inability to meet the talent needs is a major hurdle.

“Global challenges have given India an opportunity to raise the bar and exceed global standards. Only competitive advantage for India to be ahead is through bridging the skill gap. Education factories match demand & supply by producing qualified people, though skills have taken a back seat. Corporate needs Skills of Quality, Productivity and Sustainability. Only aspirants without skills are creating a huge talent shortage especially in niche markets like Pharma & Bio tech”.

### **CONCLUSION:**

Globalisation and trade liberalisation in India have led to a series of changes in the Indian labour market. It has shaped several job opportunities at the same time created several challenges for the traditional occupations due to skill gap. Skills are a method of improving human capital, which ensure income security to the workers.

Education system and educational institute plays significant role in skill development and ensuring availability of required human talent with necessitate skills rather than qualification unfortunately till date Indian education system and educational institutes are failed to produce sufficient quality of human talent. There is urgent need to design curriculum as per changing business and social environment. There should active participation of industry in course designing and practical skill development programmes. Educational institutes should be made accountable for progressive skill development of their enrolled students. Continuous and effective performance analysis of course curriculum and educational institutes must be carried by third party probably NGO in collaboration with industry.

Government should also come with motivational schemes in rural economy ensuring certain assurance and developing confidence and skills in field of agriculture to ensure sustainable growth of agricultural sector.

India could be world largest skilled human talent supplier by 2020 if serious efforts are made by every stakeholder in right manner. It will also ensure sustainable economic development and social peace and harmony in India.

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