

SKILL DEVELOPMENT – An Engine of Economic Growth.

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Abstract : Indian economy is now trillion dollar economy. After introducing significant reforms in financial sector, we have improved efficiency and stability in our economy. As per most economists we will achieve double digit growth in next 15-20 years. But at the same time we have to see whether this growth will be more sustainable and more inclusive. This paper attempts a study of skill development to facilitate higher growth in economy. Knowledge, skills and technology of our young population is the backbone of our economy. We have to recognize these three elements which have the ability to foster the economy. Our education system is inadequate to produce qualitative workforce. To enhance quality of education skill development process should be implemented simultaneously. Policy should be framed and implemented in this regard and also huge awareness campaign should be taken to implement the policy.

Keywords: Skill development, Economic Growth.

INTRODUCTION

After introducing major reforms in financial sector in 1991, Indian economy shows rapid growth. In post reform period Indian economy shows improvement in financial system. With a view to achieve higher growth rate, Indian economy has to face challenges like sustainable development, inclusive growth, financial inclusion, inadequacy of capital, etc. To cope up with these challenges we have to focus on our young population. Our workforce should be more qualitative and productive. This will enable to possess higher growth rate as well as sustainable growth.

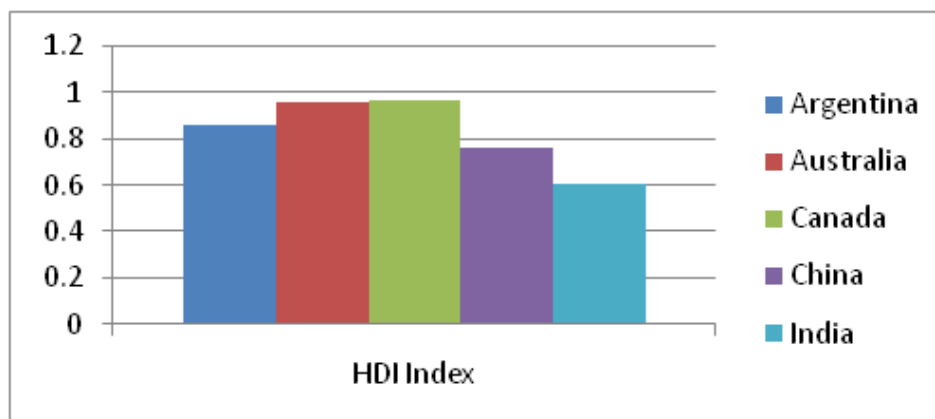
OBJECTIVES OF THE STUDY:-

1. To study the current scenario of Education System in India
2. To study the Role of Skill Development for Economic Growth.

Current Scenario of Education System in India

By the virtue of GDP though we acquired membership of G20 countries, but we are much behind in Human Value Index as compared to other countries in G20. Even our Educational Indicator is very lowest.

Table 1: UN Human Development Index of G20 Countries



To enhance Human Development Index appropriate interventions on the part of Government would be required. To maximize benefits we have to invest large amount of funds in education and skill development.

**Table 2: Expenditure on Education
Country spending on education as per cent of GDP**

Country	Share of GDP	Country	Share of GDP
Switzerland	5.3	South Africa	6.6
United States	5.4	Thailand	7.6
France	5.7	Chile	4.5
UK	6.2	Brazil	5.8
Mexico	5.2	Malaysia	5.9
India	3.4	New Zealand	7.4

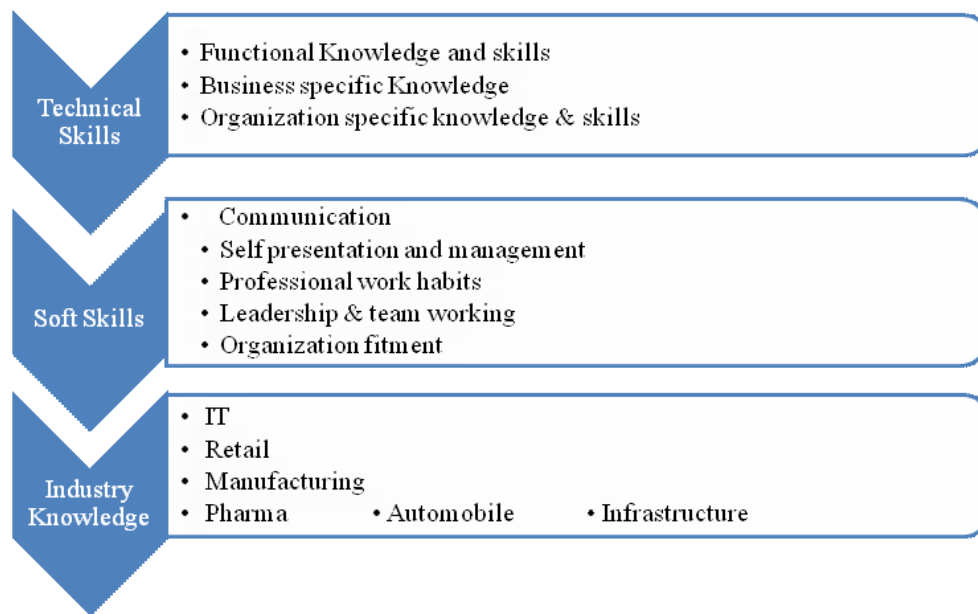
Ref.: www.data.worldbank.org.
Quantity & Quality of education

A Research published by the Observer Research Foundation (2010), India recorded 10.4 per cent increase in the number of graduate engineers in 2008 compared with 9.9 per cent in China, 5.9 per cent in South Korea, 3.9 per cent in UK and –1.0 per cent in the US. However, despite the increasingly higher numbers of engineering graduates produced by the technical institutes in India, almost 30 per cent of fresh graduates remain unemployed even one year after graduation.

Role of Skill Development for Economic Growth.

According to UN World Population Prospect 2010, India’s share in world population is 17.6% next to China. With India’s Population Forecast the growth rate is 1% as compared to China’s 0.4%, India will be most populous country in the world by 2030. More significantly, India will have the largest number of people in the working age group of 15-59 years. As the proportion of working age group of 15-59 years will be increasing steadily, India has the advantage of ‘demographic dividend’. Harnessing the demographic dividend through appropriate skill development efforts would provide an opportunity to achieve inclusion and productivity within the country.

Following skills need to be imparted to youth while schooling or at the time of college education:



Vocational training and certification programs should be undertaken for producing skillful workforce. Tie up with industries should be undertaken to design and develop curriculum. Classroom training as well as internship (on the job training) will be helpful to students to get complete knowledge about the industry. Assessment and certification by industry will help to industry to recruit a suitable candidate. This will enable to recruit skillful employees which increase efficiency and productivity. Implementation of such programs in rural areas will cater benefits of economic growth into lower strata of the economy, which will result into inclusive growth.

Government Initiative for Skill Development

Government of India has providing lot of skill development programs in number of sectors. It includes various certifications and training programs in the field of Agriculture, IT, manufacturing, service sectors, etc.

National Skill Development Corporation

It aims to promote skill development by catalyzing creation of large, quality, for profit vocational institutes. To fulfill the challenge of skilling 150 million people by 2022 is the main objective of NSDC. It focuses primarily on supplementary skill development and strives to create seamless tracks within the education system. More than 150 training partners are affiliated with NSDC.

National Knowledge Commission

NKC was formed in 2005 by Government of India. Knowledge is recognized as a driving force in the 21st century. The main aim of NKC is enhancing access to knowledge, improving education systems and their delivery, reshaping the research and harnessing knowledge applications for generating better services. Major steps taken by NKC are as follows:

- Promote creation of knowledge in Science & Technology Laboratories.
- Promote knowledge application in Agriculture & Industry.
- Promote use of knowledge capabilities in making government an effective, transparent and accountable service provider to the citizen.

Security Exchange Board of India

SEBI is trying to impart financial skills among different age group throughout the country.

Investor awareness program implemented by SEBI is providing financial knowledge to people by which they can take correct investing decision which increases capital formation in the country.

SUGGESTIONS:

Following measures should be taken to impart knowledge and skill to youth generation:

1. Government has to take initiative for framing and overall implementation of skill development program.
2. Reframing the policies like Education, Labour etc.
3. Wide awareness campaign should be undertaken to aware people about existing policies, so as to get best result.
4. Developing good schooling infrastructure.
5. Vocational training and certification programs should be provided in rural areas.
6. University - Industry interface should be created to develop industry oriented courses and creation of employment opportunities.
7. In addition to government initiatives, corporate investment in employee education and training would continue to play a critical role to meet the rising demand for high-skilled workers.

CONCLUSION:-

To conclude, in the 21st century knowledge, skills and technology are major driving forces for the economy. These are the new emerging factors of productivity, without which we cannot attain efficiency and effectiveness in our economy. Knowledge and skill enhancement will match the requirements by the industry which will help in higher productivity and to reduce hidden unemployment. Skill development programs throughout the nation in all sectors will facilitate more sustainable growth. Efforts should be taken to reach each and every strata of the society for inclusive growth. Not only Indian government but private units should have to invest in educational field to develop a strong infrastructure.

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