

A STUDY OF SKILL GAP FOR TWO STATES – MAHARASHTRA AND GUJARAT

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Abstract :Basic skill means the ability to read, write and use numbers, to handle information, express ideas and opinions, make decisions and solve problems, as family members, workers, citizens and lifelong learners. Skill Development is to create a workforce empowered with the necessary and continuously upgraded skills, knowledge and internationally recognized qualifications to gain access to decent employment and ensure India's competitiveness in the dynamic global market. It aims at increasing the productivity and employability of workforce (wage and self-employed) both in the organized and the unorganized sectors. It seeks increased participation of youth, women, disabled and other disadvantaged sections and to synergize efforts of various sectors and reform the present system with the enhanced capability to adapt to changing technologies and labour market demands.

Key words:Skill Development , geographical area , development of economy.

INTRODUCTION

In terms of population and geographical area, Maharashtra is a second largest state in India. It is better urbanized state, 45 percent of population residing in urban area, as compare to India's average of 32.2 percent. Maharashtra's Gross State Domestic Produce (GSDP) at current prices for 2011-12 is estimated at Rs.11.99 lakh core, contributing to 14.4 percent of India's Gross Domestic product (GDP). Presently, industrial and services sector together contribute about 87 percent of GSDP, while agriculture and allied sector's contribution is about 13 percent. The per capital income of the state at current prices is estimated at Rs.95,339 in the year 2011-12 higher than the all India average of Rs.60,972 per annum. State has 19 universities, 3,227 general colleges, 1,004 engineering colleges, 508 MBA colleges and many other educational institutions for higher studies in different streams. At school level, the state has 75,695 primary school and 21,357 secondary and higher secondary school. For vocational education, the state has a total 796 Industrial Training Institutes (ITI).

Gujarat is the state of western part of India. It was established on 1st May, 1960. Gandhinagar is a capital of Gujarat state including 33 districts. Total population is 6,04,39,692. HDI rank is 11th and Literacy rate is 80.12%.

The skill development of human being is a core element of development of economy.

Maharashtra and Gujarat are most developed states in India. Maharashtra state is most industrialized state in the country. Gujarat is most advance state in India. Therefore study of study of skill gap of both the states essential. Both the states are backbone of Indian economy.

ii.OBJECTIVES OF STUDY :

The present study "A study of skill gap for two states – Maharashtra and Gujarat", has been designed to achieve the following objectives:-

- (1) To understand Skill development gap of Maharashtra and Gujarat
- (2) To analyses and evaluate the overall economic performance of Maharashtra and Gujarat

iii.SCOPE OF THE STUDY :

The study is based on only two states i.e. Maharashtra and Gujarat. It includes key demographic indicators, economic performance, contribution of various sectors, Key skill gap in specific sectors and incremental demand of human resources. Indian education system provides skill oriented human power. In this paper, there is comparison between two states. This paper is not show greatness of any state. It shows real condition of Indian economy.

iv.METHODOLOGY:

SECONDARY DATA:

Data Collection:-

For completion of my study only secondary data has been used. The main sources are annual reports. Besides for framing conceptual framework, various books and published material in standard books and newspapers, Journals and websites has been made use of.

v.Analysis and interpretation of study

1.KEY DEMOGRAPHIC INDICATORS

Indicator		Year	Maharashtra	Gujarat	India
Population	No.	2011	11,23,72,972	6.03 crores	1,210,193,422
Decadal growth rate of Populations	%	2001-2011	16%	19.17%	17.64%
Urban population as a percentage of total population	%	2011	45.2%	42.50%	31.2%
SC Population	%	2001	10.2%	7.09%	16.2%
ST Populati on	%	2001	8.8%	14.76%	8.2%
Sex ratio, No. of females	Per 1000 Male	2011	925	918	940
Population density	Per sq.km.	2011	365	308	382
Literacy rate	%	2011	83%	79.31%	74%
Work Participation rate*	%	2001	44%		39%
Working age population^ as a % of total population	%	2001	59%		57%

*Work participation rate is defined as the percentage of total workers (main and marginal workers) to total population.

^Working age population is the population in the age-group of 15-59 years.

2.Comparison of Economic performance

Indictor	Maharashtra	Gujarat	India
GDP INR Cr (At Current Prices-2012)	13,23,768	6,11,767	83,53,495
Per Capita income in INR (at current Prices- 2011)	1,03,991	89,668	61,564

3.Contribution of various sectors to GSDP

	Maharashtra		Gujarat	
	2004-05	2011-12	2006-07	2011-12
Primary	11%	13%	20.6%	21.8%
Secondary	30%	28%	37.3%	36.8%
Tertiary	60%	605	42.2%	42.1%

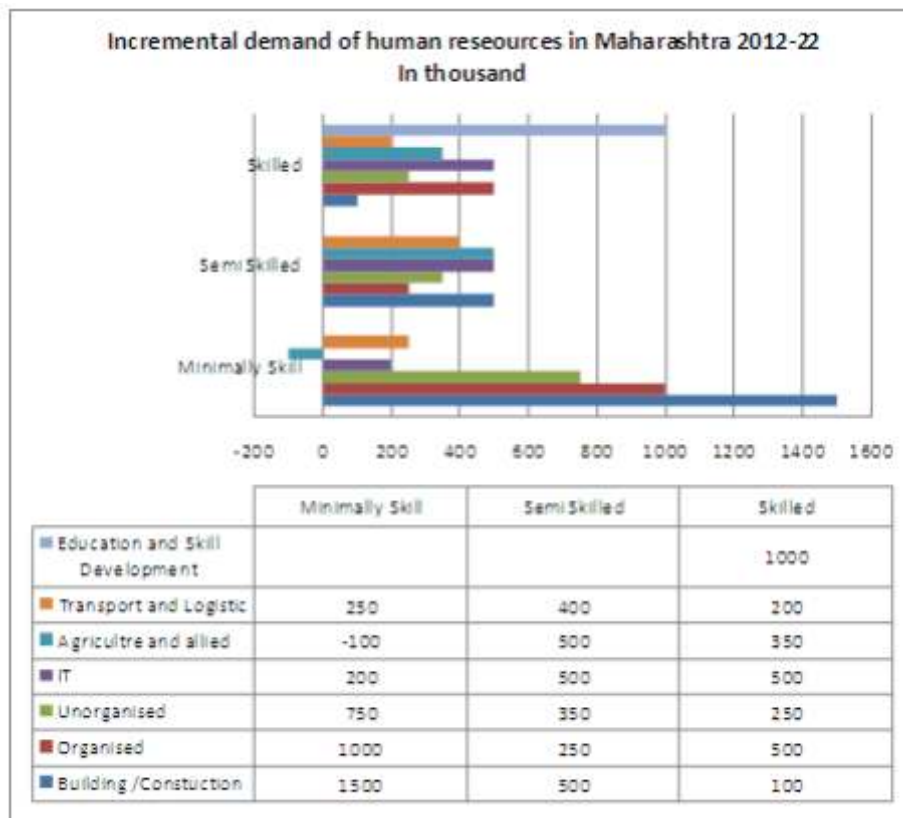
Source : Economic survey of Maharashtra 2012-2013,
Directorate of Economics and Statistics, Government of Gujarat

4.Key skill gaps – by sector

Sector	Maharashtra and Gujarat
Auto and auto components	<ul style="list-style-type: none"> Inadequate awareness of modern production techniques Inadequate in softer aspects of management like leadership and team guiding skills High rate of absenteeism, attrition and lack of discipline Shortage of personnel with knowledge on instrumentation Inadequate customer handling skills
Banking, financial services and insurance	<ul style="list-style-type: none"> Since qualified graduates are recruited thus skill gaps are not observed to be very high. Shortage of good quality sales staff/ executives, with acute gaps in communication and soft skills.
Building , construction and real estate	<ul style="list-style-type: none"> Key skill gaps and shortage of quality workers are observed at the minimally skilled and semi skilled levels. Inadequate number of local willing to work in the sector, thus high reliance on workers coming from states like Bihar, UP etc.
Chemical and pharmaceuticals	<ul style="list-style-type: none"> Insufficient knowledge of quality management Lack of quality observed in people hired from trades Skills in shorage
IT/ITES	<ul style="list-style-type: none"> Very high skill gaps observed in graduates/ diploma holders hired from educational institutions. Thus, most of them have to be re-trained on the job. Shortage of technical skills as well as soft skills and communication skills has been reported Lack of practical knowledge and use of latest machinery and equipment.
Orgnised retail	<ul style="list-style-type: none"> There is abundance of youth wanting to work in the sector. However, most of them are untrained and have to be trained on the job on all the skill sets required. Major gaps observed in soft and communication skills; English speaking skills are also reported to be lacking, especially in youth coming from the interiors of Maharashtra.
Textiles and clothing	<ul style="list-style-type: none"> Most of the work is mechanized On the job training is provided as youth coming out of institutes are reported to be short on practical exposure due to lack of latest machinery and equipment available in the educational / training institutes.

5.An incremental demand (cumulative for 10 years) for 1.55 crore persons will be generated in the State of Maharashtra. Maximum demand will be generated from sector such as Building, construction and real estate, organised retail and banking, financial services and insurance. In the next ten years, maximum demand is expected to be for skilled workers at 37% of the total incremental demand. This is expected to be followed by semi skilled workers at 35% and minimally skilled workers at 28%.

Supply of local labour force is split across different skill levels as : 37% at minimally skilled, 40% at semi-skilled and 23% at skilled. Looking at the skilled profile of migrant workers, we see that most of the migrants are minimally skilled only at 61% and the remaining are semi-skilled and above.

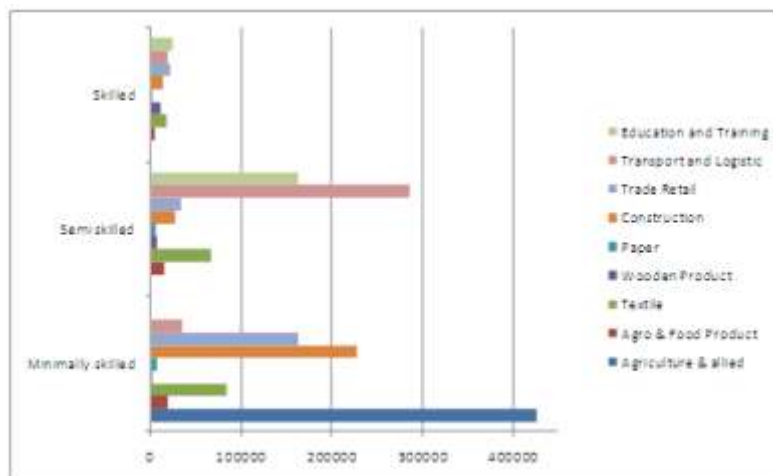


Source : IMAcS analysis

It is estimated that between 2012 and 2022 (cumulative/ incremental), about 1.06 crore persons will join labour force and will be available in the job markets looking for jobs. These are the locals only. However, Maharashtra being a net employment generator, it attracts and will continue to attract migrants from other states as well. When supply of net migrants from other states is also added, we see that the supply swell up to 1.99 crore persons.

6. Incremental manpower requirement in Gujarat has been estimated based on several parameters such as investment trends, national level benchmarks on industrial growth across sector, state manufacturing policy targets, performance of state against economy targets, national level inclusion targets for certain sectors, employment generation potential various sector based on labour elasticity.

Incremental demand of Human resources in Gujarat 2012-2017



7. Education system to create a skilled economy

Higher and Technical education in infrastructure				
Stream	Maharashtra		Gujarat	
	No. of institutes	Enrolment	No. of institutes	Enrolment
MBA	508	51,735	132	13,365
Engineering Degree and Diploma	1004	6,37,061	216	1,10,691
ITI/ ITC	796	1,36,468	263	1,01,973
Universities, Research institutes, Institutes of National importance	20+	3277	18,29,167	62
Private Training Institutes	2,860		69	
Medical	257	15,573		
Agriculture	185	12,290		
Government Colleges	71			
Grant in Aid Colleges			356	
Degree Pharmacy			428	1,29,061
Other technical education*	705	81,588		
Veterinary and Fishery	10	1,769		

*Other technical education includes architecture, hotel management and catering technology, pharmaceutical science and Master in Computer application

Source : Directorate of Labour and Training Gujarat
Economic survey of Maharashtra 2011-12

VI. FINDINGS AND SUGGESTIONS:

Gujarat and Maharashtra are most successful and developing states in India. Both are developing as per the conditions and economy of the states. Skill development programme should be run in both the states. Some finding and suggestions

- ▲ Give high potential value sectors of Building/construction, retail, banking and education training IT etc.
- ▲ Apply PPP model in every sector.
- ▲ Compulsory CSR programs for university and colleges.
- ▲ Focus on training in English as well as local languages.
- ▲ Communication and soft skills
- ▲ Industry exposure in form of industry visit/ internship with the industry needs to become compulsory part of every training program
- ▲ Give computer laptop and table to every college students. It will help to develop computer skill.
- ▲ Compulsory industrial visit to commerce, arts and science students.
- ▲ Developed and established aided skill development centres to each college.

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