Working towards Inclusive Growth
Skill Development Mission

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Abstract

Skills and knowledge are the driving forces of economic growth and social development of any country. India's position on the skill and research orientation of individuals and institutions are precariously at low level as compared to major economies of the world. Fast growth rate and poor skill index of its population has been the major challenge and obstacle of India to fulfill its cherished dream of inclusive and sustainable growth. Government of India is consistently working and making efforts through its plan policies and other major programmes to achieve these objectives. This paper tries to examine and evaluate the existing scenario of Indian education system and workforce skill index as compared to other major economies of the world. This paper will also study thoroughly the Skill Development Mission and its various dimensions and plans which will help in the generation of skillful population.

Skills and knowledge are the driving forces of economic growth and social development of any country. They have become even more important given the increasing pace of globalisation and technological changes around the world. Countries having workforce empowered with higher and better levels of skills adjust and exploit effectively to the challenges and opportunities of globalisation. Effectiveness of professional education can be gauge with the generation of skilled workforce that such education produces. Professional education is also an important factor towards the upbringing of entrepreneurial skills in an individual. Entrepreneurs and innovations, worldwide, are considered to be the engine of the nation economic

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growth. Almost every stabilised government in the world has kept the issues of entrepreneurship and skill development as one of the main agenda in its policies and plan documents. US Council on Competitiveness (1998) in its report argues that 'The nation that fosters an infrastructure of linkages among and between firms, universities and government gains competitive advantage through quicker information diffusion and products deployment'. In the green paper on entrepreneurship–EC Commission-2003 (Michie, et al., 2002), the EU Policy objectives have been to make the EU the 'leading knowledge based economy in the World' (Lisbon Council) and key issue for the EU is to build a 'climate in which entrepreneurial initiative and business activity can thrive'. Schools, colleges and universities have major responsibility to stimulate innovative and entrepreneurship led economic growth. Thus, professional education has important roles to play for the development of a nation.

Professional Education and skill development: The Obstacles

Indian professional education system encounters with many problem which inhibits the skill development in individuals:

1. Education Standard

As per the Eleventh Five Year Plan (Vol.1, p-88), the NSS 61st round survey on employment and unemployment indicates that educational institutions attendance rates (5–14 years) drop by nearly half in the age group of 15–19 years and by 86 percent after the age of 15 years. Labour force participation rates rise sharply after the age of 14 years and reach close to 100 percent at the age of 25–29 years. The said results also reflect that 38.8 percent of the Indian labour force is illiterate, 24.9 percent of the labour force has had schooling up to the primary level and the balance 36.3 percent has had schooling up to the middle and higher level. They also reveal that about 80 percent of the workforce in rural and urban areas does not possess any identifiable marketable skills.

Number of recognised educational institutions in India is given in Table 1 but the meagre state of the Indian university can be understood with the fact that none of the Indian University was able to find a place in the top 100 universities of the world. According to Times Higher-QS World University Rankings (2008), US has 37 universities in the top 100 and UK has 17 universities. China has five universities in top 100. India could open her account with IIT Delhi at 154th position while IIT-B at 174th, IIT-K at 242nd and Delhi University at 274th position.

The factors considered for ranking were-Research Quality, Teaching quality, Graduate Employability, International Outlook. India has thus performed below par on these factors. The list of the top Asian universities is dominated by Chinese and Japanese Universities both in 2008 and 2009 ranking (top Asian Universities). Other than IITs, only Delhi University and Pune University could find the place among top 100 universities of Asia (2008 and 2009).

Table 1
Total Number of Recognised Educational Institutions in India (Provisional)

Number of Schools[a] (2005-06)			Number of Higher Educational Institutions[b] (2006-07)			University/ Deemed University/ Institute of National Importance
Primary/ Junior or Basic	Middle/ Senior Or Basic	High/ Higher Second/ Intermediate/ Junior Colleges	General Education	Professional Education	Other Including Research Institutions	
772568	288493	159667	11926	5610	2746	371

Source: *Selected Educational Statistics 2005-06[a] and University Grants Commission Data[b] in respect of Higher Education pertains to 2005–06, taken from Economic Survey 2008–09: Table A-121*
Notes: 1. General Education includes Arts, Science and Commerce Colleges.
2. Professional Education includes Engineering, Technology, Architecture, Medical and Teacher Training Colleges.

2. Training and Research

The world over, it is recognised that R&D efforts are imperative for sustained economic growth and social development. However, in India there has been a low level of R&D efforts, mainly due to the inadequate number of highly trained and knowledgeable R&D personnel—particularly at the level of PhDs—relatively low investment in R&D by the corporate sector, and the lack of synergy among R&D institutions and universities (Eleventh Five Year Plan, Vol. 2, p-30).

Our education system also lacks encouragement for short-term and useful vocational training courses. Our higher education system lacks research. We take 7.5 lakh engineers on an average every year but only a handful approx 4000 opt for research. India spent 6 percent of GDP on education while China percent and Malaysia 10 percent (Agarwal, 2008). India accounts for less than 2 percent of the world publications in the areas of science and technology research (Education Times, 23 Sep. 2009, p-12).

The Kothari Commission on Educational Reforms, 1964–66, had visualised that 25 percent of the students at the secondary stage would go for the vocational stream. The Kulandaiswamy Committee Report had targeted this figure at 15 percent to be achieved by 2000. According to the recent National Sample Survey Organization (NSSO) data, only 5 percent of the population of 19–24 age groups in India have acquired some sort of skills through Vocational Education. The corresponding figure for Korea is 96 percent. (Eleventh Five Year Plan - Vol. 2, p-20)

The NSS sixty first round results (Eleventh Five Year Plan, Vol. 1, p-87) also show that among persons of age group 15–29 years, only about two percent are reported to have received formal vocational training and another 8% reported to have received non-formal vocational training indicating

that very few young population actually enter the world of work with any kind of formal vocational training. This proportion of trained youth is one of the lowest in the world. The corresponding figures for industrialised countries are much higher, varying between 60% and 96% of the youth in the age group of 20–24 years. One reason for this poor performance is the near exclusive reliance upon a few training courses with long duration (2 to 3 years) covering around 100 skills. In China, for example, there exist about 4000 short duration modular courses which provide skills more closely tailored to employment requirement. Another factor that is missing in our education system is the integration of pedagogical research within classroom transactions. The number of people involved in research education and cognition are very low (Ramdorai, 2009).

3. Course Curriculum

At secondary level there is little emphasis on the topic which enhances skill building. Children in India are unaware of the career opportunities which are non-traditional. The higher education system in India has also, by and large, ignored the paradigm shift brought about by NCF-2005 (Kumar, 2009). The admission procedures for the first year at college have remained as rigid as they were, further reinforcing the rigidity of the Class XII examination. This situation is going to discourage children from utilising the wider range of subject options available in Class XI and XII. NCERT has introduced new subjects like heritage crafts, creative writing and translation, computer and communication technology, human ecology and family studies, but there are few takers of these courses. Such education style produces students who are focused on a targeted path. Average Indian students are generally hard-working but they lack research orientation. On the other hand education at the average American University relies heavily on self-discovery, reflection, open-ended questions and analysis (Niketa, 2009). These concerns have also been raised by the *National Curriculum Framework* (NCF-2005) (Kumar, 2009). It poses three key challenges: Linking the child's life at home with learning at school, Discouraging rote learning and moving beyond the textbook.

4. Faculty, Infrastructure and Society

Availability of good teachers is very important to make professional education a successful process. There is shortage of quality teachers in India. Faculty are generally not available in the universities and they lack research orientation. The student teacher ratio is too high which hinders the personal monitoring and guidance from faculty.

A basic problem with the skill development system is that the system is non-responsive to labour market, due to a demand-supply mismatch on several counts: numbers, quality and skill types. It is also seen that the inflexibilities in the course/curriculum set-up, lead to oversupply in some trades and shortages in others. Of the trained candidates, the labour market outcomes as seen from placement/ absorption rates are reportedly very

low. The quality of the training system is also a matter of concern, as the infrastructural facilities, tool/kits, faculty, curriculum are reportedly substandard. The existing institutions also lack financial and administrative autonomy. The testing, certification and accreditation system is reportedly weak, and since the deliverables are not precisely defined, there is no effort at evaluating outcomes and tracking placements. The problem is further complicated with lack of industry and faculty interaction on course curricula and other factors.

Eleventh Plan Strategies

In the Eleventh Five Year Plan, the thrust is on creating a pool of personnel in appropriate numbers with adequate skills, in line with the requirements of the ultimate users such as the industry, trade, and service sectors. Such an effort is necessary to support the employment expansion envisaged as a result of inclusive growth, including in particular the shift of surplus labour from agriculture to non-agriculture. This can only take place if this part of the labour force is sufficiently skilled. During the Eleventh Plan, it is proposed to launch a major Skill Development Mission (SDM) with an outlay of Rs. 22800 crores (Eleventh Five Year Plan, Vol. 2, p.87).

Skill Development Mission

Skill Development Mission (SDM) as described in Eleventh Five Year Plan (Vol.2, p.87–97) says, "in order to create a pool of skilled personnel in appropriate numbers with adequate skills in line with the employment requirements across the entire economy with particular emphasis on the twenty high growth high employment sectors, the government will set up an SDM consisting of an agglomeration of programmes and appropriate structures aimed at enhancing training opportunities of new entrants to the labour force from the existing 2.5 million in the non-agricultural sector to 10 million per year".

1. Mission Goal

The goal of the Skill Development Mission will be to provide within a five- to eight-year timeframe, a pool of trained and skilled workforce, sufficient to meet the domestic requirements of a rapidly growing economy, with surpluses to cater to the skill deficits in other ageing economies, thereby effectively leveraging India's competitive advantage and harnessing India's demographic dividend.

The Skill Development Mission (SDM) will involve both public and private sectors to ensure that our supply-side responses are perpetually in synchronisation with the demand side impulses both from domestic as well as global economies. Public sector will try to expand and establish the requisite infrastructure and private sector will run and manage the Skill Development Programmes, ending with placement of candidates. Private Sector Initiatives will also need to be supplemented by government by one-time capital grants to private institutions and by stipends providing fee supplementation to SC/ST/OBC/ Minorities/other BPL candidates.

2. Mision Objectives and Functions

- Articulate a vision and framework to meet India's Vocational Education and Training (VET) needs.
- Assess skill deficits sector wise and region wise and meet the gaps by planned action in a finite time frame.
- Orchestrate Public Sector/Private Sector Initiatives in a framework of a collaborative action.
- Realign and reposition existing public sector infrastructure, ITIs, polytechnics and VET in school to get into PPP mode and to smoothen their transition into institutions managed and run by private enterprise or industry associations. Give them functional and governance autonomy.
- Establish a 'credible accreditation system' and a 'guidance framework' for all accrediting agencies set up by various ministries and or by industry associations. Get them to move progressively away from regulation to performance measurement and rating/ranking of institutions. Rate institutions on standardised outcomes, for example, percentage graduates placed pre and posts course wage differentials, dropout rates, etc.
- Encourage and support industry associations and other specialised bodies/councils and private enterprise to create their own sectoral skill development plans in 20 High Growth Sectors.
- Establish a 'National Skill Inventory' and another 'National Database for Skill Deficiency Mapping' on a national Web portal—for exchange of information between employers and employment seekers.
- Establish a Trainee Placement and Tracking System for effective evaluation and future policy planning.
- Reposition 'Employment Exchanges as Outreach Points of the Mission' for storing and providing information on employment and skill development. Enable employment exchanges to function as career counselling centres.
- Enlarge the 50000 Skill Development Centres (SDCs) programme eventually into a 'Virtual Skill Development Resource Network' for web-based learning.

3. Mission Strategies

The strategies of the Mission will be to bring about a paradigm change in the architecture of the existing VET system, by doing things differently.

- Encourage ministries to expand existing Public Sector Skill Development infrastructure and its utilisation by a factor of five. This will take the VET capacity from 3.1 million to 15 million. This will be sufficient to meet the annual workforce accretion or accreditation, which is of the order of 12.8 million. In fact, the surplus capacity could be used to train those in the existing labour force as only 2 percent thereof are skilled. This infrastructure should be shifted to private management over the next 2–3 years. States must be guided as incentiviser to manage this transition.
- Enlarge the coverage of skill spectrum from the existing level. Skill Development programmes should be delivered in modules of 6–12 weeks; with an end of module examination/ certification. For calibrating manual

skills, a 4–6 level certification system must be established based on increasing order of dexterity of the craftsman.

- Make a distinction between structural, interventional and last mile un-employability and correspondingly set-up programmes for 24 months, 12 months and 6 months duration. Encourage 'Finishing Schools' to take care of last mile un-employability.
- Establish a National Qualification Framework, which establishes equivalence and provision for horizontal mobility between various VET, technical and academic streams at more than one career points. Expand VET to cover more classes and move progressively from post matric to cover IX class dropouts and then VII class dropouts.
- Encourage 'Accreditation Agencies' in different domains to move away from regulation to performance measurement and rating and ranking of institutions.
- Encourage institutional autonomy coupled with self regulation and stake holder accountability. Institutions must have freedom of action in governance, as also on the financial management.
- For standard setting and curriculum setting, establish or notify at least one 'standard setting/quality audit institution' in each vertical domain.
- Move from a system of funding training institutes to funding the candidates. Institutional funding could be limited to an upfront capital grant. Recurring funding requirement could be met by appropriate disbursement to the institute at the end of successful certification. Candidates from SC/ST/ OBC/ Minorities/ BPL, etc. could be funded in two parts—

(i) Stipend (monthly) to be paid to trainee

(ii) Fee subsidisation at the end of the programme to be given to the institute after placement.

Thus, the mission will encompass the efforts of several ministries of the central government, state governments and the activity of the private arm, supported by the following institutions: (i) Prime Minister's National Council on Skill Development, (ii) National Skill Development Coordination Board, and (iii) National Skill Development Corporation/Trust. The central ministries which have skill development programmes will continue to be funded as at present. However the spectrum of skill development efforts will be reviewed periodically for policy directions by the Prime Minister's Council on Skill Development. The council will be supported by a National Skill Development Coordination Board, which will be charged with the coordination and harmonisation of the governments' initiatives for skill development spread across the seventeen Central ministries and State Governments with the initiatives of the National Skill Development Corporation/Trust. State governments will be encouraged to set up State-level Skill Development Missions. A non-profit National Skill Development Corporation may-be set up as a company under Section 25 of the Companies Act, and/or a National Skill Development Trust may be set up under the Societies Act to encourage private sector arm of the Mission.

Conclusion

The initiatives described above involving both the states and the centre, often with private partnership will lead to the establishment of a credible, trustworthy and reliable training, testing and certification edifice linked to global standards and responsive to the needs of the ultimate consumers of skill. With an estimated 58.6 million new jobs in the domestic economy and about 45 million jobs in the international economy inviting skilled personnel for quality jobs beckoning the Indian youth, the government and private sector will act in a concerted manner so that these opportunities materialise and operate as an employability guarantee.

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