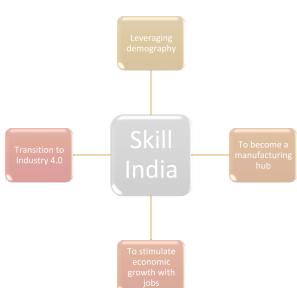




# Governance of Skill Development in India: Policy Scenario for Reaping Demographic Dividends and Economic Growth

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## Background

Across the globe, governments have devised a strong policy framework to stimulate the growth of the skill ecosystem. Post-pandemic, it has been recognised that skill development is paramount for the new world. The World Bank reveals that skill development in terms of improving proficiency and productivity contributes to the structural transformation and economic growth of nations, thereby improving their competitiveness. Investing in a high-quality workforce enables economies to attract a higher level of investment from abroad, owing to their enhanced productivity, thus creating a sustainable environment for the employability of the nation's workforce. The onset of the Industrial Revolution 4.0 is fast approaching, making skilling, reskilling, and upskilling crucial for a smooth transition to digital governance and a green economy. Meanwhile, countries across the world have developed country-specific skill policies influenced by factors such as the availability of an existing skilled workforce, the magnitude of upskilling required for the transition of the workforce to changing industry needs, existing legal framework and infrastructure, the general perception of skill development, projected skilled workforce required, quality of the skilling programmes in terms of pedagogy and placements amongst other economic and social factors. It is observed that post-pandemic, skill development is expected to be a saviour of the world, inducing structural changes in the

economy and contributing immensely to the employability and productivity of the workforce.

The skill development policies and programmes have evolved across country-based factors such as the definition and interpretation of skill, institutional support, and legal framework. An elaborate definition of 'skill' has been presented by the NSS (2019) as 'any marketable expertise, however gained, irrespective of whether it is marketed or not, and whether the purpose is to sell it or not'. This recognises that those who have learned a talent without a certificate or diploma or even through formal education will be regarded as possessing a skill, regardless of whether they have a certificate or diploma on the relevant topic. When a person has learned a skill in more than one trade, the talent in which they are most adept is regarded to be their skill. Today, developing the skills of 65 per cent of Indian youth in the working-age group is paramount to reap the demographic advantage, enhance their personal growth and thereby stimulate economic growth.

## The Stakeholders & Policy Scenario

Various autonomous and Public Private Partnership (PPP) model-based stakeholders assist the Ministry of Skill Development & Entrepreneurship in working across the themes promoted by the Skill India mission. The National Skills Qualifications Framework (NSQF) and related quality assurance mechanisms are anchored by the National Skill Development Agency (NSDA),

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an independent organisation registered as a society under the Societies Registration Act of 1860. The NSQF is a nationally-integrated education and competency-based structure assisting individuals to reach specific levels of competency. Meanwhile, the National Skills Qualifications Framework has been developed covering knowledge, talent, and aptitude levels. The National Skill Development Corporation (NSDC) operates under PPP models. The Sector Skill Councils (SSCs) are constituted by the NSDC as autonomous bodies (nearly 38 are working). The purpose is to construct competence frameworks, implement Train the Trainer programmes, carry out skill gap analyses, establish occupational standards and qualification bodies, and assess and certify trainees based on the National Occupational Standards. The SSCs have been urged to create their own mobile applications and placement portals to help with employment. At the state level, autonomous State Skill Development Corporations/Missions have been created to reinforce and direct efforts to improve the state's skill ecosystem and execute the state component in missions like PMKVY. The Indian realities and the need for the skill development of a young unskilled working population drew the attention of policymakers to focus on massive short-term training programmes that are customised to emerging industries. The Budget 2023 focused on skill development, particularly in areas of artificial intelligence (AI), information technology, and other emerging areas to ensure a smooth transition into Industry 4.0. The 'Skill India' programme has successfully stimulated vocational training and skill development; yet, it has a herculean task ahead managing the perceptual inferiority of vocational courses. The emphasis is a PPP model of SSCs and the industry leads the implementation process. Apart from job creation, Skill India has great potential in stimulating an entrepreneurial ecosystem supported by Mudra Yojana.

As a part of the 'Make in India' programme, the government of India launched Skill India Mission (2015). The 'Skill India Mission' has paid greater emphasis on employability of workforce to reap the benefits of demographic dividend. The goal here is to equip the nation's youth with skill sets to contribute to productivity and employability. Under the National Skill Qualification Framework, the Skill India programme offers courses covering 40 different industries. These courses are designed to help employees by emphasising the actual execution of the work, enhancing technical skills, and preparing them for their employment. To

raise youth employability via skill development, the Ministry for Skill Development & Entrepreneurship (MSDE) introduced the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) on 16 July, 2015 for a prosperous new India. To date, more than 720 Pradhan Mantri Kaushal Kendra (PMKK) cutting-edge centres have been established to strengthen the nation's infrastructure for skill development. The ministry certifies skills that fall within the purview of PMKVY. To achieve better results in vocational education and training, the ITI ecosystem has also been incorporated into the Skill India programme.

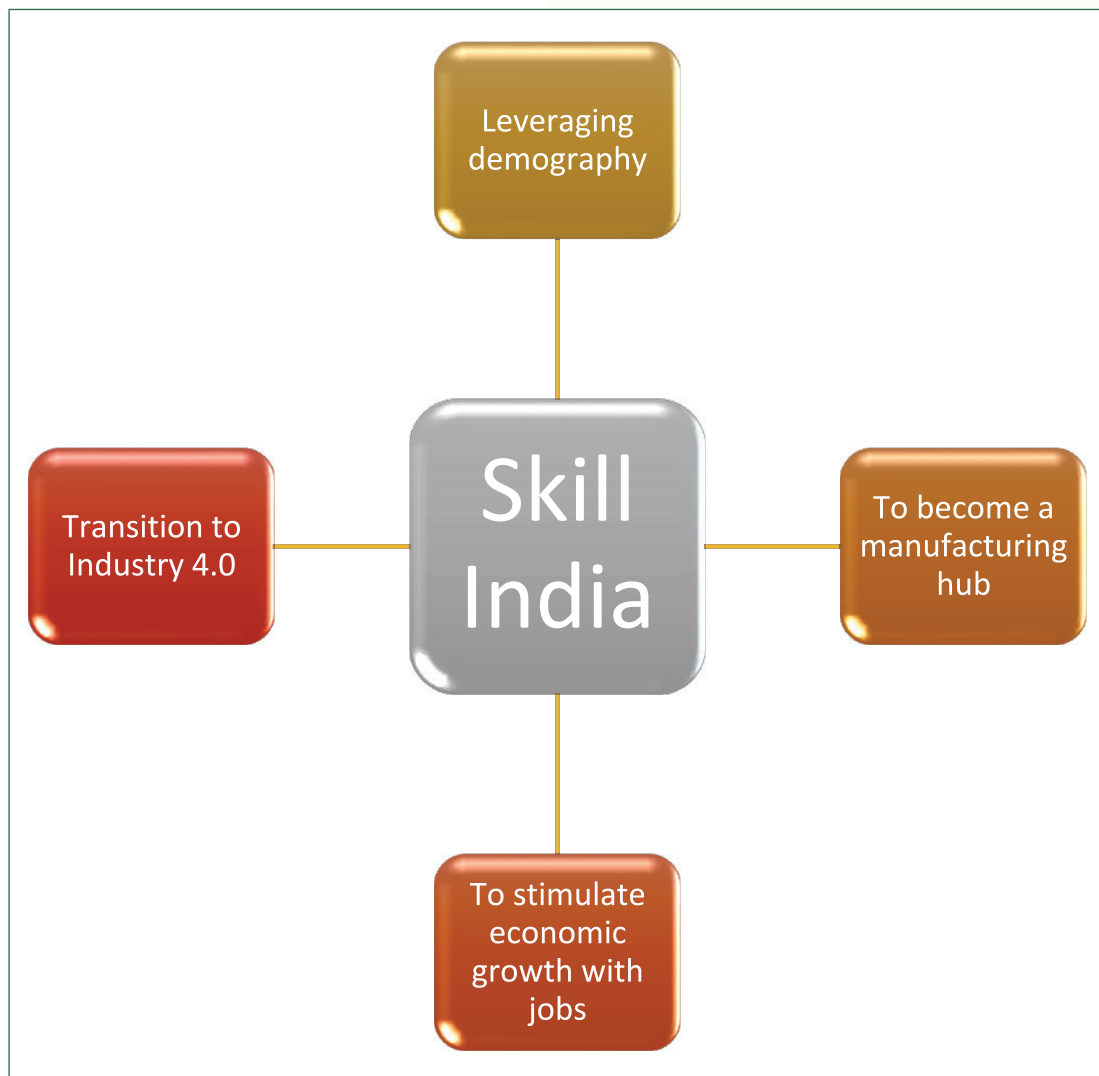
Meanwhile, the apprenticeship rules of 1992 govern and mandate employers to install training infrastructure aiming to optimise access to a real work environment. While the Ministry of Labour oversees trade apprentices, the scope of HRD was to monitor graduate, technician, and vocational apprentice programmes. However, sectoral coverage has been poor due to inflexible regulations such as penalties for non-compliance, low compensation, and a narrow base. However, the amendment in December 2014 and the launch of the Apprenticeship Protsahan Yojana for MSMEs eventually addressed the issues of work hours and leave benefits on par with regular employees. So far, under the National Apprenticeship Promotion Scheme (NAPS) (2016) along with financial incentives, over 7 lakh apprenticeship training sessions have been held.

## Challenges and Path Ahead

Skill development in India faces many challenges categorised as supply-side and demand-side based on governance and institutional issues. The supply-side challenges are scale, skill set quality, and sustainability and the demand-side challenges include public participation and perception.

The policymakers must scale up promoting skilling, reskilling, or upskilling their population promptly and install the infrastructure needed. Apart from expanding the skill programme, one of the key challenges has been curriculum development and imparting training for industry. Being relevant to industry requires continuous evolution mandating policymakers to be dynamic to the needs of the skill ecosystem. For the long-term success of the skill mission, key stakeholders implementing the skill policy along with their training partners must aim towards sustainability, both financially and effectively, to address skill targets. Public participation and perception are some of the greatest

## A Framework for Skill India Policy



challenges faced by policymakers. Despite the focus on skilling, skilled workers are perceived to be less educated in comparison to those holding a degree. These perceptual issues give rise to the challenge of public participation.

Across states, policymakers have realised the need and significance of skill development for the prosperity of their regions. India is in the process of implementing the National Education Policy, 2020 with an adequate focus on skill development in addition to academic excellence. Hence, skill development policies and schemes have been altered to fit the new world reality ready to transition to Industry 4.0 with an allegiance to the digital and green path. However, the perceptual inferiority of vocational education as compared to academic-based education is an issue. Arguably, the long-term solution is to incorporate skill-based learning

into academia and initiate schemes like those in the USA by prioritising skilled workers over workers with degrees in selection. The trainee access to the Mudhra Scheme under the PMKVY is expected to ensure the birth of a new breed of skilled entrepreneurs. The list of schemes promoted only by PMKVY has an entrepreneurial angle, while the schemes of other regions prioritise employment. It has been agreed across sectors that MSMEs are the prosperity creators and policy focus must ensure that a highly-skilled workforce is available to these organisations. Despite the focus on skill development across states with the help of stakeholder interventions, an increased allocation is recommended to integrate soft skills with academic education overlapping with vocational content—a key for transforming the workforce and reaping the benefits of the demographic dividends.

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