



THE REQUIREMENT OF SKILLS DEVELOPMENT FOR THE SUCCESS OF “MAKE IN INDIA” PROJECT

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ABSTRACT

Prime Minister Narendra Modi launched “Make in India” project, with an aim to make manufacturing a key engine for India’s economic growth. But to make this project successful, it is important to focus on the development of the skills of Indian labours to enable them in getting and doing the right job. Planning Commission report suggests only 10% of the Indian workforce get formal training and against the actual industrial training requirement of 22 million workers, only 4.3 million workers are getting trained! To overcome this, Government of India has launched various skill development initiatives, but faced various challenges while implementing the same. However, few other nations like, China, Germany, South Korea, United Kingdom and Singapore have successfully implemented their respective skill development programs. The launch of the mission assumes significance as “India currently faces a severe shortage of well-trained, skilled workers. It is estimated that only 2.3% of the workforce in India has undergone formal skill training as compared to 68% in the UK, 75% in Germany, 52% in USA, 80% in Japan and 96% in South Korea. Large sections of the educated workforce have little or no job skills, making them largely unemployable. Therefore, India must focus on scaling up skill training efforts to meet the demands of employers and drive economic growth”, the document on the framework of implementation of the National Mission for Skill Development said. So, in order to make “Make in India” project successful, various corrective measures should be taken to bridge the gap between existing and required skills and also to improve the implementation of skill development initiatives.

INTRODUCTION

“Make in India” is an international marketing campaigning slogan coined by the Prime Minister of India. With the aim to facilitate investment, foster innovation, enhance skill development and protect intellectual property, the campaign aims to build a best in class infrastructure to make India a global manufacturing hub.



The Make in India initiative has made a tremendous impact on the investment climate of the country as shown by significant growth of 46% in Foreign Direct Investment (FDI) equity inflows and highest ever FDI inflows at **US\$ 55.5 billion in 2015-16**. After the launch of Make in India initiative, India has emerged as the fastest growing major economy with GDP growth rate above 7.6% in 2015-16 and projected to grow above 7% till 2020 as per International Monetary Fund (IMF).

In the last two years, the government has drastically improved the business climate of the country, pushing it towards the trajectory for high and sustainable growth. From a call-to-action to becoming a platform for national development, 'Make in India' has made its presence felt across the globe.

Prime Minister Narendra Modi launched his pet project Skill India Campaign in New Delhi on the occasion of the first ever World Youth Skills Day which included the launch of the National Skill Development Mission and unveiling of the new National Policy for Skill Development and Entrepreneurship 2015.

Therefore, it is essential to focus on skill development for the success of "Make in India". The registered manufacturing must be expanded to take leverage of India's abundant unskilled labour. While "Make in India" occupies prominence as an important goal, the future trajectory of Indian development depends on both "Make in India" and "Skilling India", the Economic Survey says.

The Survey concluded that efforts to improve the conditions of labour-intensive manufacturing need to be complemented with rapid skill upgrade because skill-intensive sectors are dynamic sectors in India and sustaining their dynamism will require that the supply of skills keeps pace with the rising demand of these skills, otherwise even these sectors might become uncompetitive.

As new initiatives are being launched and new terms such as First develop India (FDI) are being developed, the government has its task clear that without the support of citizens nothing can be successful. Once Empowered and skilled citizen gets a job, it will increase consumption demand thereby indirectly help other industries. Hence there is a huge opportunity in making in India for corporates. But continuously upgrade of skills is important to keep the momentum of the growth and at the same time provide a stable and efficient platform for "Make in India".

INTRODUCTION OF SKILL DEVELOPMENT

“Education, vocational training and lifelong learning are central pillars of employability, employment of workers and sustainable enterprise development”

- International Labour Organisation

Skill development acts as an instrument to improve the overall effectiveness and empowers an individual to work more efficiently. The economy becomes more productive, innovative and competitive through the existence of more skilled human potential. Increasing pace of globalization and technological changes provide both challenges and growing opportunities for economic expansion and job creation. Countries with higher and better levels of skills adjust more effectively to the challenges and opportunities of globalization.

OBJECTIVES OF THE STUDY :

- To know about the existing level of Skill Development in India
- To analyze the requirement of Skill Development
- To find out the suitable ways to fulfil the requirement of Skill Development

SIGNIFICANCE OF THE STUDY:

This paper helps to understand the requirement of skill development in India, to make our manpower employable for the international investors who start their business under “Make in India” project. It is an attempt to know the gap between existing and required level skill development in India.

RESEARCH METHODOLOGY:

Research Design selected for this research is descriptive design. In order to collect desired data, Secondary data method of data collection is adopted in this study. The data were collected from journals, magazines, publications, articles, research papers and websites.

LIMITATION :

The study is based on published data and information. Secondary data may be lacking in accuracy, or they may not be completely current or dependable.

FINDINGS:

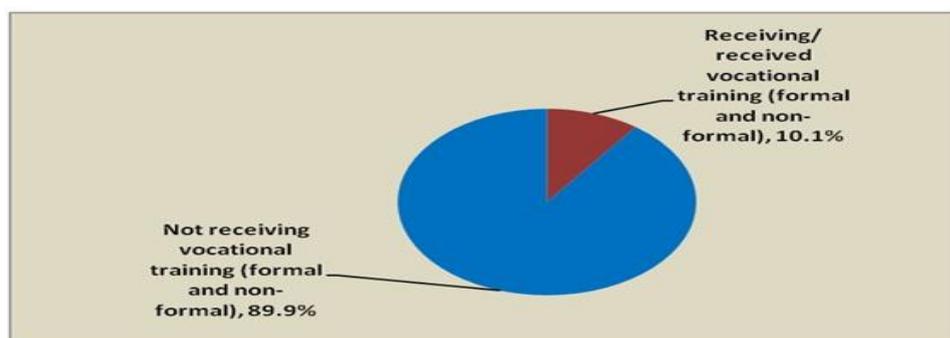


Chart 1: As shown in the above chart, only 10% of the Indian workforce has formal training in the form of higher education, technical education or vocational training.

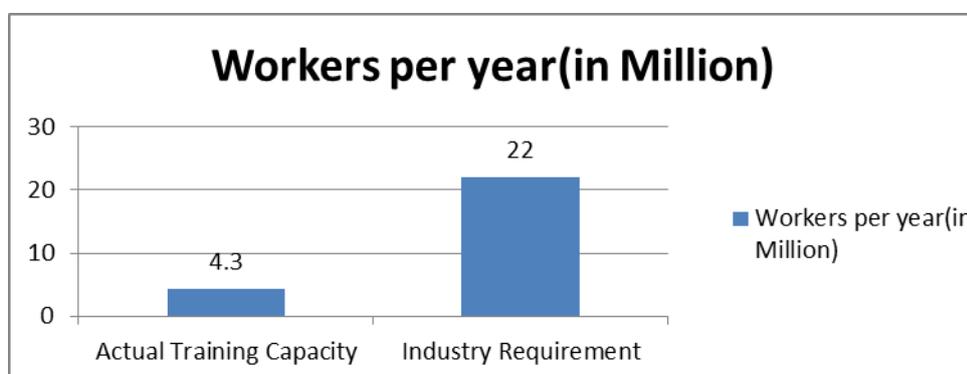


Chart 2 : As shown in the above chart, India currently has an annual training capacity of 4.3 million, which is less than 20% of the industry requirement of 22 million skilled workers a year.

KEY SKILL DEVELOPMENT INITIATIVES OF THE GOVERNMENT:

- National Skill Development Mission
- National Policy for Skill Development and Entrepreneurship, 2015
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
- Skill Loan scheme
- Rural India Skill
- Standard Training Assessment and Reward (STAR) Scheme

Apart from these, several ministries of the Government of India are also engaged in skill development, which are as follows:

- Ministry of Textiles
- Ministry of Rural Development

- Ministry of Human Resource Development (for Higher and Technical Education) including the setting up and up gradation of polytechnics
- Ministry of Urban Development and Poverty Alleviation
- Ministry of MSME
- Ministry of Food Processing Industries.

CHALLENGES OF EXISTING STRUCTURE OF SKILL DEVELOPMENT:

- 1.) The existing institutional structure for skill development includes various agencies with overlapping and conflicting priorities. The government's own estimates reveal that currently, skill development efforts are spread across approximately 20 separate ministries, and 35 state governments and union territories. Given this complex institutional setup, the National Skill Development Agency was created to consolidate efforts in this domain. But it mainly has a coordination role, lacks any effective powers and remains significantly under-resourced.
- 2.) The training infrastructure for imparting technical and vocational skills is inadequate. In terms of current capacity, it is estimated that various publicly funded organizations produce 3.5 million trained personnel per annum against the 12.8 million new entrants into the workforce each year.
- 3.) The infrastructure in the skill development sector today is largely government-owned then also, private sector investment hasn't been incentivized.
- 4.) The focus of vocational training offered in India is not matching with the needs of casual workers who constitute 90% of the labour force, resulting in a shortage of skilled workers at the national level. Casual workers, such as construction workers, from rural areas with little or no education and need support and training.

HOW OTHER COUNTRIES ARE IMPLEMENTING SKILL DEVELOPMENT:

Germany:

Germany's dual system of vocational education integrates work-based and school-based learning to prepare apprentices for a successful transition to full-time employment. The aim of training in the dual system is to provide a broad-based basic to advanced vocational training and impart the skills and knowledge necessary to practice a skilled occupation within a structured course of training. The key success factor for the German system is the added focus on apprenticeship.

China

China's VET (Vocational Education & Training) includes pre-employment training, apprenticeship training, on-the-job training and re-training for laid-off workers. Chinese government has also launched specific initiatives at the local government-level to train unskilled and uneducated migrant labour for sectors like construction.

United Kingdom

The National Vocational Qualifications (NVQs) were created in response for the felt need for qualifications to be made flexible but rigorous and nationally recognized. NVQs are also part of 'Modern Apprenticeships' which are funded through work-based learning. At the industry level, Sector Skills Councils (SSCs) have been licensed and social partners are also engaged. The Government expects each SSC to draw up a Sector Skills Agreement, in which employers and unions identify skills and productivity needs in their sector and the necessary actions to meet those needs.

Singapore

The National Skills Recognition System (NSRS) is Singapore's national framework for establishing work performance standards, identifying job competencies and certifying skills acquisition. This has helped the industry train skills-standards consultants and assessors, as well as to develop On Job Training (OJT) blueprints for the skills-standards established. To assess the workers, assessment centres were set up. NSRS is promoted at four levels, i.e., national, industry, company and workforce, in collaboration with employer groups, industry associations, economic agencies and unions.

SUGGESTIONS:

Skill development initiatives that are need of the hour can be given as follows:

- Growing ability and proficiency of present Education/Training system to ensure rightful admission to all.
- Encouraging life-long education, upholding superiority and significance, according to changing obligations mainly of developing knowledge economy.
- Producing operational union between school education, different skill improvement efforts of government and between government and Private Sector initiative.
- Capacity constructing of institutions for design, quality assurance and participation of stakeholders.
- Creating institutional machinery for research growth, quality declaration, examinations certification, memberships and certification.

- Increasing contribution of stakeholders, rallying adequate investment for financing skill development, attaining sustainability by firming physical and intellectual resources.
- Sector-specific skill councils should be established by the State Governments for such industry sectors which have major share in State Gross Domestic Product or have high potential for growth. It should have participation from the regulatory body, industry leaders/ associations, external professional consultants.
- There should be a regularly evaluation of the course content and pedagogy and if needed, should do modifications in design/delivery to meet industry's requirements.
- VET (Vocational Education & Training) should be made compulsory and should start in every secondary school.
- To encourage participation from local industries, the local governments should help local enterprises by incentives such as allotment of land at subsidized prices, or preferential treatment in case of award of government projects. Such measures can prove to be influential in encouraging industry to actively participate in vocational education and training

CONCLUSION:

The existing skill development policy in India needs an urgent treatment. The institutional structure needs simplification with greater investment in training infrastructure and an emphasis on supporting a casual labour force that needs to be accompanied with incentives for private sector participation too. Put simply, for the success of “Make in India” project it is important to equip India’s youthful millions with the right skills to compete in a global race for jobs.

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