# Executive Summary

India is passing through a phase of unprecedented demographic change [[1]](#footnote-2)where the proportion of workforce in the age group of 15-59 years is likely to rise from around 58 percent in 2001 to over 64 percent by 2021.

In 2020 ,the average Indian will be only 29 years old ,compared with 37 in China and the US,45 in West Europe and 48 in Japan, making India one of the youngest nations in the world. The age advantage as per a World Bank study, will continue for at least three decades till 2040. We would probably never get a chance like this to leverage our human resources to help grow our country economically. India has a great opportunity to meet the future demands of the world. But this increased labour force will benefit India only if the population is appropriately is skilled. Today ,we are operating at half our capacity and half our productivity levels. Of India’s 1.2 billion people , 60 percent is in the working age group. However only 5 percent of India’s labour force is in the age group 19-24 years is estimated to have acquired any formal training. Yet ,our economy had until recently clocked an impressive growth. Imagine what is possible if we could leverage our demographic dividend fully ! Quite clearly ,India’s potential is yet to be fully exploited.

Human resource is the single and most invaluable asset of any nation to propel itself in the paths of progress and prosperity. Despite limited natural resources ,countries like Singapore and Israel leveraged their manpower to develop their economies. For instance, Singapore could manage to bring huge foreign direct investments in the manufacturing sector between 1960s to the 1980s ,leveraged its skilled manpower and achieved a high growth trajectory. Today , we see Singapore as one of the world’s largest business hubs. Skill development can be perceived as an instrument to improve efficiency ,and aims to substantially enhance labour contribution to the overall production. Here skilling plays an important role in pushing the economic growth rate to a higher trajectory . It is not just for the economic benefit that India must skill its people-we must do it because peace and prosperity is a natural outcome when people have jobs ,food on their table and lead a life of dignity. Our educated youths are averse to blue collar jobs that involve manual labour under a false influence of ‘lack of dignity’. Dignity does not come from the type of work we do, rather it comes from how well it is done and the level of professionalism that is brought in. The housekeeper who keeps the office premises cleans all day is capable of as much professionalism as the officer whose desk he’s cleaning and deserves as much respect .All of us ,irrespective of the nature of the jobs, are equal partners in the growth of the economy. We must go back to advocating Gandhian principles of dignity of labour.

When it comes to skill development, our effort is to drive an outcome based approach where skilling must result in either self employment or a job. National Skill Development Corporation (NSDC) has mapped skill gaps in 20 high growth sectors and the unorganised sector till the year 2022. Labour intensive manufacturing sectors such as textiles and garments ,leather and footwear have been given due weight age.

Employment in public sector services has stagnated and there is a severe shortage of doctors,nurses,teachers and policemen. A rapidly growing economy cannot function without simultaneous expansion of such services. More than 90 percent of our workforce is unorganised sectors with no ‘formal’ training. Designing skill development policies and implementation strategies to successfully reach and include the informal sector is the biggest challenge.

The aspiration of India’s youth for white collar jobs had led to a huge rush towards mainstream education. This herd mentality is not necessarily the best use of our talent. Combined with the fact that the vocational education system provides little opportunity for lateral and upward mobility, those who opt for vocations are perceived as ‘failures’. India needs a large skill resource pool for blue collar jobs for critical areas of our economy. The government is considering a credit based skill and vocational education framework that will provide equivalence between two streams. This will enable horizontal and vertical mobility to youth in their career path.

To meet this ambitious target and fro creating a vibrant skilling ecosystem, partnerships and a large scale engagement among various stakeholders is the need of the hour. Various stakeholders include students, government ,industries ,academia, training providers and nongovernmental organisations.(NGOs). Public Private Partnership(PPP) model that engage all stakeholders in a coordinated manner and leverage each other’s strengths are the end of the day. Government’s reach and scale partnered with private sector’s knowledge base and efficiency and the strength of NGOs of working in specific niche sectors or remote locations can yield optimal results.

Government has come up with several skill development programs ,frameworks and policies n order to achieve the target of skilling 500 million people by 2022.

The skill and vocational education framework will not only enable a vocational education element into mainstream education but it will recognise prior learning providing a mechanism to allow workforce in the informal sector enter into the formal education system.

Over the years ,especially after the National Skills Policy ,2009,the interest in skill development has certainly increased exponentially. The urgency of this national task must be felt equally amongst government officials at the grass-root level, among industry which must shoulder a large responsibility of training people it will employ ,among NGOs which must aim to scale up their operations and be wary of comprising on quality and finally among youth and parents who must be made aware of the immense opportunities for exciting careers in various sectors.

**KEY FINDINGS :**

* For the economy to grow at 8% to 9%, it is required that the tertiary and secondary sectors grow at 10 % to 11%. Implying a large workforce migration from agriculture to secondary and tertiary sectors. However the skills set under tertiary sector is quite different from that of agriculture.--> SKILL GAP with this migration.--> Necessitates skill development in the workforce
* The question of why do we need skill development is pertinent here. A country with skilled workforce is able to adjust more effectively to the challenges and opportunity at that point in time. In order to achieve the twin targets of economic growth and inclusive development .
* It is an important ingredient to push the production possibility frontier outward and to take the growth rate of the economy to a higher trajectory
* Skill building can be seen as an instrument to empower the individual and improve his/her social acceptance and value
* There is significant dropouts at each level . Where do these people go? Do they really get jobs. The key finding to this over here is that these people are unemployed for majority of their lives and then are counted as discouraged labour due to shortage of opportunities. The fact is that there are plenty jobs available , but the people lack the specific skills. This result is due to the high dropouts at each level of attainment of skills, whether it is from mainstream education or through any vocational centre.
* Value chain development in skill development: A complete understanding of the development of values at each level .Whenever there is a break anywhere, there lies the problem of skill deficiency due to which people are unemployed. Thus , it becomes very essential that this value chain does not break down . The idea of vocational centres comes from this value chain breaking, where these centres make up for the skills missed out at school

level.

* The most important key finding is the challenges that the models under skill development face. The challenges are elaborated more in the problems and the impact section.

1. <http://www.ficci.com/SEdocument/20217/FICCI_Final_inputs_forXIIPlan.pdf> [↑](#footnote-ref-2)