

Skilling India

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INTRODUCTION

The structural transformation of a traditional economy, dominated by primary activities, into a modern economy, where high-productivity activities in manufacturing assume an important role, defines the process of economic development; and high-productivity activities in manufacturing sector has been a defining feature of the 'great takeoff' - the period since the mid-eighteenth century when first Britain, then other European countries and the USA underwent a historically rapid phase of economic development. It was followed in the twentieth century by Japan, the East Asian Tigers, and most recently China (Naudé and Szirmai, 2012). The growth experienced by the East Asian Tigers, during the three decades succeeding the Human Capital Theory of 1960s was due to huge strides taken in the accumulation of physical and human capital and was faster than any of the region in the world, hence also corroborating the contribution of education in economic growth (Ray, 1998). This high growth trajectory has given an impetus to these countries to focus on the development of their human capital. Education adds value to the labour in the form of increased skills, better training and knowledge - culminating into an increased efficiency of labour force, innovations and fostering research and economic growth. Moreover, the nations without sufficient natural resources but with higher enrolment ratios in higher education became 'Leaders in Technology' (World Bank, 2000). Gradually, education was accorded priority by nations to improve or retain their competitive edge by developing and sustaining a skilled workforce which maintains a competitive research base.

In the twenty first century, skill development and up-gradation of knowledge have emerged as vital components of human capital (Kim et al., 2014). Moreover Indian economy has witnessed a transformational change from an agrarian economy to service sector dominated economy; and it has emerged as one of the fastest growing economies of the world. Presently, India accounts for meager 1.8 percent of the world manufacturing output, while its 57pc of GDP comes from the services sector and exports knowledge intensive services of bio-technology, pharmaceuticals, information technology. Make in India, Skill India, Start up India, Digital India programmes of recent years have been launched to give Indian economy global recognition through providing further boost to services sector and its exports; to revive and strengthen manufacturing/industrial sector; and to transform India into a global manufacturing hub. The pre-requisite is acquisition and creation of all types of skill – high end, middle end and low end-skills. In the twenty first century, skill development and up-gradation of knowledge have also emerged as very vital components of human capital (Kim et al., 2014).

This paper is an attempt to study the need for Skilling India; strengths and the challenges in the way of its success. The present paper is organized into following sections:

Section-I presents the relevance and appropriateness of skilling India.

Section-II highlights the non-commensurate sectoral growth and occupational growth in India

Section -III discusses the skill gap in Indian industry.

Section-IV deals with demographic dividend and challenges for policy-makers.

RATIONALE OF THE STUDY

India has emerged as the third largest economy of the world in PPP terms. The major contribution towards this growth has been that of services sector while industrial sector has relatively lagged behind. Presently, India accounts for 1.8 percent of the world manufacturing output. The post reforms period has witnessed tremendous growth on the strength of exports of knowledge intensive and high skill intensive services. But the sector has not been able to provide ample employment opportunities. There is a need to develop human resources through skill formation efforts for achieving high productivity culture in the industrial and services sectors. Parallely, it has been observed that only 10 percent of workforce is skilled and there have been skillgaps and skill mismatch. On account of skill deficiency and huge demand for skilled and competitive workforce, a constant flow of educated youth with specialized market-suitable skills is expected from higher and professional educational and vocational/technical training institutions.

METHOD OF DATA COLLECTION

The proposed study mainly is descriptive in nature. It solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. The relevant books, documents of various ministries/departments and organizations, articles, papers and web-sites are used in this study.

SECTION- I

INDIA'S GROWTH SAGA: STRENGTHS

Indian economy, basically an agricultural economy, traversed a long journey to become one of the ten fastest growing economies of the world. Following the theory of development, it has jumped from the First stage of primary sector-led development path to Third stage of tertiary sector-dominated development, bypassing the Second stage of industrial development, which is tremendously very important to sustain the high growth rate in the times of globalization.

Industrial/Manufacturing Sector: Low end and High end Skills

Since the beginning of economic planning, the industrial and manufacturing sector experienced high growth for three plans i.e. during the period 1951-66, the growth momentum slowed down in the second phase of 1966-76. Due to two wars in 1965 & 1971 and oil shock of 1971, there was decline in public investment and there were infrastructural bottlenecks. The next phase (1976-91) witnessed improvements in administrative procedures, implementation mechanism, opening up of external sector etc. Consequently manufacturing growth resumed its upward trend from mid-seventies onwards & reached all time high quinquennial average of 8.2 percent in 1986-91 primarily because the Industrial Policy Resolutions of 1978 & 1980 were less rigid. The IPR 1991, aimed at Liberalization, Privatization and Globalization, comprised moderation in protection rates and gradual removal of quantitative restrictions. There was slow progress initially but industrial recovery took place after 1998, followed by slow-down in 2000-01 due to internal bottlenecks like high rate of interest rate, infrastructure shortages, inherent lags of industrial restructuring, and external factors like attack on world trade centre and its ensuing effects. It picked up soon and high growth was experienced during 2004-08. The global slow-down in post- 2008 impacted the growth of industry and manufacturing, but recovered in 2011. The growth trajectory of industry including manufacturing brought improvement in its contribution

towards Gross Domestic Product as depicted in Table 3a and Table 3b that the share of industry in national income has increased from 15 percent in 1950-51 to 27 percent in 2011-12 (at 2004-05 series), and further to 29.7 percent in recent year of 2014-15 (at 2011-12 series), but services sector has grown faster. Moreover, the share of industry in employment has not commensurate with its growth. The passing over from 1st stage of development to 3rd stage of development directly highlights the need for pushing up the manufacturing and industrial sector with focused efforts. Hence, there is a need for targeted program of Make in India, which aimed at resolving all issues facing the sector in short-period.

Table 1 :Growth of Industrial & Manufacturing Sectors

Phases	Five Year Plans	Industry	Manufacturing
I Phase (1951-66) High Growth	I	7.3	5.9
	II	6.6	6.3
	III	9.0	6.6
II Phase (1966-76) Industrial Stagnation	IV	4.7	3.4
	V	5.9	3.3
III Phase (1976-91) Recovery	VI	5.9	4.9
	VII	8.5	7.0
	VIII	7.4	8.2

Source: Uma Kapila, Indian Economy: performance & policies.

Table 2 Average Annual Growth Rate of Industrial Production

Years	1981-82	1993-94 to 2009-10	1993-94 to 2004-05	2004-05 to 2011-12
General Index	7.8	7.2	7.8	9.3
Manufacturing	7.6	7.7	8.3	10.2

Source: GOI, Economic Survey, various issues

As depicted in Table 3, Indian manufacturing has by and large grown in-tune with overall economic growth rate during 20 years - share of India in the global manufacturing increased from 0.9percent in 1993 to 2.0 percent in 2009; while Indian share in World GDP rose from 1.2percent to 2.2 percent during 1993-2013. There was reversal during the past few years when the Indian share in global manufacturing GDP declined from 2.2percent to 2.0 percent between 2009 and 2013, despite increase in India's share of global GDP from 2.2 to 2.5 percent has been major concern, more so because China's share in global manufacturing rose by more than six percentage points (i.e. from 17.3 to 24.1 percent) over the same period. India has improved its performance case of export sector. The share of India in global merchandise exports has increased from 0.5 to 1.7 percent over the past twenty years. Nonetheless, this increase is modest as compared to China's performance, where manufacturing exports have increased from 2.4 to 11.5 percent of global exports.

Table-3 India's Position in Global Manufacturing GDP and Exports(in percent)

Shares	Countries	1993	2009	2013
Share of global GDP (%)	India	1.2	2.2	2.5
	China	2.3	6.8	8.5
	United States	26.5	25.5	24.9
	Japan	12.2	8.5	8.2
Share of global manufacturing	India	0.9	2.2	2.0
	China	3.1	17.3	24.1

GDP (%)	United States	24.4	19.2	17.8
	Japan	20.2	9.6	7.3
Share of global merchandising exports (%)	India	0.5	1.3	1.7
	China	2.4	9.7	11.5
	United States	12.5	8.6	8.6
	Japan	9.5	4.7	4.5

Source: World Bank

Services Sector: High end Skill -intensive

Growth of industries & services sectors is inter-dependent hence both must move together and not at the cost of each other. Unlike other developing economies, the India has experienced services-sector-led growth which is often in double digits. India’s growth has accelerated since 1980s (as it was 5.6 pc 1981-91) due to impressive performance of the service sector - 72.4 per cent contribution towards the growth of India’s GDP in 2014-15 comes from this sector. Even during the global economic crisis, the services sector’s share in real GDP increased from 63 percent in 2007–08 to 64.5 percent in 2008–09, while that of the agricultural and industrial sectors decreased. Moreover, the services sector experienced the smallest decline in growth rate compared to the other two sectors- 10.8 percent in 2007–08 to 9.3 percent in 2008–09, a decline of 1.5 percentage points against 3.3 and 4.7 percentage points respective decline in the agricultural and industrial sectors. India has emerged as the world leader in giving IT/ITES support to various Multinational Corporations. The net services exports from India reached US\$ 77.89 billion in 2017-18.



Notes: E – Estimate, CAGR - Compound Annual Growth Rate, Exchange Rate used is average for the year

Source: Indiabudget, MOSPI (Second Advance Estimates of National Income 2017-18 and First Revised Estimates of National Income 2016-17)c.f. India Brand Equity Foundation www.ibef.org downloaded on 21.9.18

The contribution of services and industrial sector in GDP has been around 70-75 percent in India but they provide employment to only 50 percent of workforce or so. This non-commensurate growth of sector and employment indicates towards skill mismatch.

SECTION II

EMPLOYMENT SCENARIO AND SKILL MISMATCH

As per the ILO's estimates, among the top 15 economies, the services sector accounted for more than two thirds of total employment in 2016 in most of them except India and China, with India's share of 30.6 per cent being the lowest(Economic Survey,2017-18).

Table 4. Share in GDP at Factor Cost at Current Prices

Sectors/Years	2004-05 series				
	1950-51	1980-81	1990-91	2008-09	2011-12
Agriculture & allied activities	55.4	38.0	81.4	16.9	14.2
Industry	15.0	24.0	25.9	25.8	27
Services	29.6	38.0	42.7	57.3	59

Source: GOI, Economic Survey, various issues

Table 5. Share in GVA at Factor Cost at Current Prices

Sectors/Years	2011-12 series			
	2011-12	2012-13	2013-14	2014-15
Agriculture & allied activities	18.9	18.7	18.6	17.6
Industry	32.9	31.7	30.5	29.7
Services	48.2	49.6	50.9	52.7

Source: GOI, Economic Survey, 2014-15

Table 6: Share in Employment: Occupational Distribution

Sectors/Decades	1950-51	1990-91	2011-12
Agriculture	72.1	66.9	48.9
Industry	10.6	12.7	24.4
Services	17.3	20.4	26.7

Source: GOI, Economic Survey,2013 and various issues

Agriculture sector provides employment to 48.9 percent of country's workforce and is single largest private sector occupation. This indicates towards inherent weakness of our growth performance, as depicted in Tables 4,5 and6. China pulls 1% of its population out of agriculture and puts them in construction & manufacturing.

For the manufacturing and services sectors to grow rapidly on the strength of the improved business environment and physical infrastructure, a strong and large human capital reservoir must be built in tune with the market-demand. As there are huge skill gaps, there is need to identify these gaps.. Skill gap refers to a mismatch between the demand and supply side of the workforce in the market. The Government and its several other partner agencies have been implementing various skill development initiatives to cater to the requirements of various sectors of the economy. Some of the key initiatives are National Skill Development Policy (2009), Modular Employable Skills (MES), Up-gradation of Government ITIs through World Bank, Public Private Partnership and by DGET etc.

Out of 15 mn youth entering workforce annually more than 75 percent are not jobready while India needs 700 million skilled workers by 2022.This glaring imbalance is due to lack of technical and soft skills- highlights the need to augment the employability of educated youth (The Hindu, Aug 7, 2017).Unfortunately, despite the gravity of this situation, various ministries have failed to achieve their skilling targets as depicted in Table7.

Table-7 :Gaps in Achievement by various Ministries/ departments and organization

S. No.	Ministry/ Department/ Organization	Target for 2012-13 (in 000)	Achieved till Jan 2013 (in 000)	Gaps in Achievement (in 000)
1	Labour & Employment	2,500	800	1700
2	Micro, Small & Medium Enterprises	600	333	267
3	Agriculture	1184	1000	184
4	Rural Development	800	422	378
5	Deptt. of Higher Education	310	143	167
6	Women & Child Development	150	67	83
7	Housing & Urban Poverty Alleviation	500	242	258
8	Tourism	50	35	15
9	Social Justice & Empowerment	40	28	12
10	Textiles	250	40	210
11	Heavy Industries	20	18	02
12	Department of IT	440	263	177
13	National Skill Development Corporation	400	204	196
14	Chemical & Fertilizers	30	18	12
15	Development of NER	3	0	3
16	Food Processing Industries	10	0	10
17	Road Transport and Highways	100	0	100
18	Tribal Affairs	10	0	10
19	Commerce and Industry	30	9	21
	Total	7243	3806	3437

Source: Ministry of Labour & Employment

As evident from the Table-7, Ministries like Labor and Employment and Textiles could not achieve even half of their annual target. Furthermore, all stakeholders cumulatively achieved a meager 53 percent of the overall target in the year 2012-13. Consequently, Skill India Programme was launched. It has been estimated that by the year 2022, 24 key sectors will need an additional 109 mn skilled workers and National Skill Development Mission aims to train 400 mn people across the country (World Bank, 2017). If proper skills are not provided to the prospective workforce then it would result in less employment opportunities and more unemployment rates as the workforce does not possess the requisite skills as demanded by manufacturing and non-manufacturing sectors.

Skill Development strategy should be based on a demand-led education and training system which is flexible and responsive to the economic and social needs of the country at the same time as it stimulates new skills demands.

SECTION III

SKILL MISMATCH: CHALLENGES AHEAD

Historically, three modes have contributed towards getting out of under-development: geology, geography, and “jeans” (or low-skilled manufacturing). Earlier Australia and Canada and more recently West Asia, Botswana and Chile improved their standard of living by exploiting their natural resources endowed by geology. Some of the island successes (Barbados, Mauritius, and others in the Caribbean) originated from exploitation of their geography by developing tourism to achieve high rates of growth. Whereas East Asian countries (China, Thailand, Indonesia, and Malaysia etc) relied on relatively low-skilled manufacturing, typically textiles and clothing in the early stages of their success to accelerate their economic growth. Though they shifted to more sophisticated manufacturing sectors gradually, the “low-skilled manufacturing” offered them the vehicle for prosperity in their early stages. No country has grown from underdevelopment using relatively skill-intensive activities as the launching pad for sustained growth as has been the Indian experience..

Put differently, India’s ‘natural’ comparative advantage lies in the ‘agriculture sector and low-skilled manufacturing (jeans)’ activities because of its natural resources and easy availability of unskilled and low-skilled labor. Instead, it has created advantage in relatively high skilled activities such as information technologies, business process outsourcing and knowledge-intensive services like bio-technology, pharmaceuticals while skipping the natural advantage of abundant supplies. Globalisation has further intensified the need for highly skilled workforce and knowledge based resources. Hence, India has directly entered the service-led third stage of development too much extent, bypassing the industry-led second stage of development mainly due to historical policy choices and technological accidents (Kochhar et. al., 2007). Today, India presents a mix picture of- comparative advantage in low skilled and high skilled activities both.

The Indian experience, still a work-in-progress, raises the question -does structural transformation necessarily requires manufacturing to be the engine of growth and if so which type of skills are more important (Economic Survey, 2014).

There may be concerns that a country’s pattern of specialization (in high skilled or low-skilled activities) may in turn effect the skill endowment of the country. In particular, Blanchard and Olney (2013) show that increasing exports of low-skill products tend to lower average levels of human capital attainment. Thus a balance of low-skill and skill-intensive activities is must.

Only 15 percent of the 30 million of our annual pass-out graduates are job ready and the challenge lies- how this pool of 85 percent job seekers be made more employable (Paul, 2014).

Last year, India bypassed Japan to emerge as the world's third largest internet user after China and the United States, reported digital measurement and analytics firm ComScore in a study. India has nearly 74 million Internet users, 012. Three-fourths of India's population is under 35 years as against half worldwide, technology can pave along way in this direction (ibid).

Since the skill deficit of labour-force is high as only 10 percent (formal and informal both) of labour-force of India is skilled, it needs to be adequately addressed .

Table 8: General Education Level of Workforce (in the age group 15-59)

Levels of Education	Numbers (in millions)	Share in workforce
Not Literate	125.7	29.1
Literate without formal schooling	2.1	0.5

Below Primary+ Primary	102.4	23.7
Middle	76.1	17.6
Secondary	52.4	12.2
Higher Secondary	29.2	6.8
Diploma/Certificate Courses	6.0	1.4
Graduate	28.0	6.5
Graduate & above	9.4	2.2
Total	431.2	100

Source: NSS (66th Round), 2009-10.

It is evident that the employment rate in terms of usual status employment is the highest among illiterate people or people having education up to primary level, while it is the lowest among people with higher secondary level of education both in rural and urban sectors of the country irrespective of gender in India (Statement 5.5, NSS Report No. 537: Employment and Unemployment Situation in India, 2009-10). This finding clearly indicates the dominance of informal activities and lack of availability of formal education.

According to the Team Lease Signalling Value of Skill Education and Hands on-job Report (2017), only 2% of the Indian workforce has opted for formal skill training making it one of the least preferred streams of education while in Austria and Germany more than 40% of the workforce comes through the vocational skilling route. In case of vocational training, 0.4 percent received formal training and 2.1 percent undertook informal training, see Table-6. While an additional (32.7 million or nearly) 7.6 percent of workforce have also received informal vocational training. Thus, the total number in the age group of 15-59 with vocational training is 43 million or 10.1 percent of the workforce (NSSO round 2009-10).

Table 9: Vocational Training in Workforce (in the age group of 15-59)

Level of Education	Numbers (in 000)	Share in the Workforce (i.e. 431million)
Receiving formal Vocational training	1892	0.4
Received vocational training :formal	9006	2.1
Received vocational training :informal	32719	7.6
Total	43617	10.1

Source: NSS (66th Round), 2009-10.

Table-9 depicts the share of the workforce in the age group of 15-59 years who have received technical education. Their total number is 11758 million. The share of those with technical degree in agriculture, engineering, technology, medicine etc. comprises 0.5 percent, with under-graduate level diploma and certificate constitute 1.5 percent and the same at graduate and above level consist of 0.7 percent. Thus it is observed that only about 2.7 percent people in the workforce are receiving or have received technical education.

Table10: Technical Education Level of Workforce (in the age group 15-59)

Levels of Technical Education	Numbers (in 000)	Share in workforce
Technical degree in agriculture, engineering, technology, medicine etc.	2176	0.5

Diploma and certificate (below graduate level)	6436	1.5
Diploma and certificate (Graduate and above level)	3145	0.7
Total	11758	2.7

Source: NSS (66th Round), 2009-10.

Despite making considerable progress in terms of literacy, high incidence of illiteracy cripples the workforce. The above facts are a stark reminder that India's demographic dividend can rapidly convert into a demographic nightmare if skills are not provided to both new and existing workforce. Thus, there is a need for increasing capacity and capability of skill development programs.

The Government has identified 25 key sectors in which Indian industries have the potential to compete with the best in the world. These sectors are automobiles, aviation, chemicals, IT, leather, pharmaceuticals, ports, textiles, tourism and hospitality, wellness and railways among others will provide details of growth drivers, investment opportunities, FDI and other policies specific to that sector and details of relevant agencies.

SECTION IV

DEMOGRAPHIC DIVIDEND : LESSONS TO BE LEARNT

Each demographic boom creates a cycle of investment, saving and exports and ends as the society aged. Many nations have gone through a demographic boom; Japan went through it from the 1950s to 1980s, the NICs in the 1970s to 2000s and China entered it in the late 1980s and now it is petering out and has begun to age. Its labour supply is shrinking and the overall population will start to fall in 5-7 years. By 2020, India will have the largest working age population :325mn people, by 2020, while USA will be short by 17 mn people ,China short by 10 mn, and Russia will be short by 7 mn of working age..China's average age is 13 years while India's median age is 29 yrs, and 65 pc of India's population is below the age of 35 years(Goldman Sachs Report)Such a large scale job creation has not happened in India..

As today, India faces a different global landscape .India will bypass it as the world's largest labour pool in 10 years. This is the opportune time to make best of it as India enjoys a large "demographic dividend" with the distinct advantage of the youngest nation in the world- 65 percent of India's 1.25 billion population is under the age of 35. The average age of an Indian in 2020 will be 29, as compared with 37 in China and the United States and 45 in Western Europe. In the next decade, India is expected to have the largest available workforce in the world. But if the country cannot create jobs for its youth, then its demographic dividend can easily be converted into demographic disaster/challenge. Vocational education and training (VET) plays important role in developing skilled manpower in a country.

Neo-classical or human capital version of the theories of labor market simply assumes that individuals can make a selection among a wide range of jobs freely on the basis of their own individual tastes and preferences, capabilities and skills, and consequently get rewards based on their human capital endowments (Mincer, 1974; Leontaridi, 1998cf Banerjee). Based on this theory, it can be assumed that VET will have positive impact on the probability of getting job and wages as it enhances their skills and improves their human capital endowments.

According to India Skills Report (ISR) 2018 around 20 to 26 million people got some form of employment during the period of 2014 to 2017 due to factors like increased Government spending, increased hiring, entrepreneurship generation and the rise of independent work.

The findings of Wheebox Employability Skill Test (WEST) based on online survey administered to 5,10,000 students across 5,200 institutions in 29 States and 7 universities indicates towards an increase of 5.16 per cent in the employability score from 2014 i.e. 45.6 percent and finds: a) engineers to be the most employable, b) rising employability of BPharma student over the years, c) a drop of three per cent in the employability of MBAs, d) ITI and Polytechnic students not able to meet standards of the industry, and d) efforts being made by the National Council on Vocational Training are yet to show the result.

There is a dire need for a complete syllabus overhaul of these courses to be in tune with industry demand of IT and CSC. As per ISR 2018 rankings of the State/UTs on the basis of employability score, Delhi tops the list. As per the survey findings, most organisations are sentient of gender diversity and are targeting to improve the gender diversity ratio from 77:23 (male to female) to 65:35 (male to female).

The India Hiring Intent Survey conducted under ISR 2018, assesses the hiring requirements by 1,000 organisations across 15 different sectors. Nearly 50 per cent of the employers surveyed expected an increase in hiring in next year, 2018, across major sectors namely banking and financial services, BPO, insurance, travel, hospitality and IT. The key skill sets identified by employers are- data analytics, research and development, artificial intelligence, robotics, concept design etc. Also acquiring 'soft skills/ transferable skills' along with attributes like positive attitude and adaptability, have been identified.

This is high time to learn from other nations namely UK, Germany, Japan and China who have experienced impressive industrial growth through their Vocational and Technical Training system. The Dual Training system (Apprentices Training) of Germany in Human Resources Development based on public private Co-operation and partnership has been playing a major role. Japan creates a workforce of 1.5 million annually and through its Skill Councils makes them multi-skilled, innovative and trains to possess numerical and communicative skills so as to cater to the rapid technological developments and to facilitate a significant shift from labour intensive industries to knowledge and skilled based industries (Hussain, 2005).

However, disruptive new technologies, like artificial intelligence, 3D printing, robotics and machine learning are potential threats to the existing business models. According to a latest research by McKinsey Global Institute, 52 per cent of the activities in India can be automated in future times by using currently available technologies. This indicates that the skilling ecosystem must undergo a paradigm shift to cater to the 'skills of future' i.e. high end skills as well as to ensure that enough jobs exist for that chunk of young population who is below in the skills ladder i.e. low-end skills.

Having observed the existing skill gaps, it becomes important to study the future employment opportunities as projected in the Twelfth Five Year Plan to have the complete picture of upcoming employment opportunities in India, in order to develop skills as per market demand.

Projected Employment Opportunities and Skill Formation

Table-11 depicts the projected employment as 502.4 million by 2016-17 with declining share of employment in agricultural sector and increasing share of manufacturing and non-manufacturing sectors.

Table 11: Employment Projections (in millions)

Year	Agriculture	Mining and Quarrying	Manufacturing	Utilities	Construction	Trade, Transport, Hotels, and so on	Finance, Banking, Real Estate, and so on	Community, Personal and Social Services	Total
2011-12	242.4	2.8	51.0	1.4	51.1	71.2	10.9	37.7	468.6
2011-12	Farm 242.4	Non Farm 226.1							
2016-17	226.0	3.1	63.5	1.4	75.8	78.2	15.4	39.0	502.4
2016-17	Farm 226.0	Non Farm 276.4							
Projected Share of Employment (in per cent)									
2011-12	51.74	0.60	10.88	0.29	10.90	15.20	2.33	8.06	100.00
2016-17	44.99	0.61	12.65	0.28	15.09	15.57	3.06	7.77	100.00

Source: Twelfth Plan Draft

In nut-shell, the projected employment opportunities (Table 7) focus on the need of market aligned skill development initiatives and types of skills to be developed so as to enable labour-force fit for easy absorption in the market. Levels of education and professional and vocational skills of the workforce are extremely low. Less than 30 per cent of the workforce has completed secondary education or higher, and less than one-tenth have had vocational training, either formal or informal.

In addition, at the All India level, 58.3 per cent of unemployed graduates and 62.4 per cent of unemployed post graduates cited non availability of jobs matching with education/skill and experience as the main reason for unemployment followed by non availability of adequate remuneration cited by 22.8 per cent of graduates and 21.5 per cent of post graduates (NSSO, 2017).

CONCLUSION

India has the capability to maintain and accelerate its growth momentum by reaping the fruits of demographic dividend, strong knowledge base, high end and low end skill profile of workforce, thus giving adequate push to manufacturing and services sectors. The demographic dividend faces the challenges of low levels of educational, professional and vocational skills of the workforce, the non availability of jobs matching with the education/skill and experience of youth, and non availability of adequate remuneration to workers. . Therefore, there is need for retuning and refining the education system and strengthening the vocational education training for skill building so as to rectify skill mismatch. . Skill Development strategy should be based on a demand-led education and training system which is flexible and responsive to the economic and social needs of the country at the same time as it stimulates new skills demands. Accordingly, Government has to act as the central pivot for bringing together industries, private companies, public sectors and all stakeholders for public-private cooperation.

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