

**Employment- Centered Skill Development and Social Policy in Urban India:  
Policy and Institutional Change**

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**Abstract**

To the fulfilment of needs of growing Indian population, so many skill development policies and programmes has been established by the Government of India for the purpose of development of employments and providing livelihood opportunities for the urban poor people in which includes, National Urban Livelihood Mission, National Skill Development Mission, Skill India, National Policy for Skill Development and Entrepreneurship, Pradhan Mantri Kasushal Vikas Yojana, Swaena Jayanti Shahari Rozgar Yojana etc. It is very true that most of the India lives in the villages but at the beginning of 21<sup>st</sup> Century most of the urban population contributes more in popular sectors, it indicates that India also lives in cities. Till the beginning of 20<sup>th</sup> century the target of five year plans was limited to rural India but in the last few years, due to the increasing crowds in cities, the generation of new employment opportunities in urban

sector has become the main concern in front of policy makers. The main objective of this paper is to determine the effect of skill development on employment generation. Employment centered skill training process of India has been Centre oriented and it is built on the basis of top-down model.

**Key Words:** - Livelihood, entrepreneurship, policy, employment, skills, top-down model.

### **Introduction**

Over the last two decades, the entire country has experienced rapid changes in socio-economic perspectives. These socio-economic changes most affected the peripheral and isolated sectors of the country, which has created stress situation mainly for urban areas. However, the changes in socio-cultural structures are affected by the many Government of India Policies, which is also called the social policies of Government. Social policy refers to the collective intervention of directly affecting transformation in social welfare, social institutions and social relations. In developing country like India, social policy has become increasingly pertinent due to the increasing provision of social services by transnational actors including aid donors, non-governmental organizations and transnational corporations. In this changing environment, the role of the state is to provide an enabling environment for the private provision of social services, whilst reducing its own expenditure and activities in the social sector.

Social policy consists of guidelines, principles, legislation and activities that affect the living conditions conducive to human welfare, such as a person's quality of life. *The Department of Social Policy at the London School of Economics* defines social policy as "an interdisciplinary and applied subject concerned with the analysis of societies' responses to social need", which seeks to foster in its students a capacity to understand theory and evidence drawn from a wide range of social science disciplines, including economics, sociology, psychology, geography, history, law, philosophy and political science. Social

policy might also be described as actions that affect the well-being of members of a society through shaping the distribution of and access to goods and resources in that society.

Employment opportunities have increased only after the changing demands of skill development. Employment in urban areas offers the potential for alternative, individual and more authentic development experiences satisfying the needs of the experienced and highly demanded new developments. In addition there is a demand for development and skill activities in the countryside that is different from traditional developments activities. Skill development has emerged as a key strategy to realize the potential of demographic advantage of having the youngest workforce with an average age of 29 years in comparison with the advanced economies to create human resource for improving country's competitiveness and growth. The National Skill Development Mission launched by the Government of India envisions skilling at scale with speed and standards with focus on strengthening Institutional Training, Infrastructure, Convergence, Skill Training, Overseas Employment, Sustainable Livelihoods and Leveraging Public Infrastructure.

The motivation behind introducing the skill development policy is based on the fact that the development of industrial revolution during the last few decades has accelerated the pace of change in labor market, which emphasizing the needs of quality skills in human beings. Social policy works for the enabling the workers to meet the demands for income generated source.

### **Policy Framework for Skill Development**

Most of the urban development policies focuses on the urban housing, water supply, sanitation, slum development and urban infrastructure etc. But for the last few decades, arranged the employment for the urban poor people has become the most essential objective of government.

Skill development programmes being implemented by various Ministries/Departments/Agencies of the central government have different norms as

regards the eligibility criteria, duration of training, maximum amount for training, outcomes, monitoring and tracking mechanism etc. This multiplicity of norms and parameters results in avoidable in implementation and makes it difficult to evaluate the performance of skill development programmes across the Central Government in an objective manner.<sup>1</sup>

Skill development can be defined as proficiency that is required or developed through training experience. It strengthens the ability of individual to adapt to changing market demands and help benefit from innovation and entrepreneurial activities. At national level, the future prosperity of any country depends ultimately on the number of persons in employment and how productive they are at work.<sup>2</sup>

In order to provide adequate training to the youth the Government formulated the National skill development policy that laid on outline for skill development, ensuring that the youth of country get better access to skill and knowledge.<sup>3</sup>

The Ministry of Housing and Poverty Alleviation and Ministry of Housing and Urban Affairs is the main tool of Government of India to create, implement and monitor the policies at the National level, which focuses on the problems related to the urban poverty and employment issues in India.

### **Social Policy for Resolving the India's employment Challenges**

So many social policies have been made for the resolving urban employment issues such as the Swarna Jayanti Shahari Rozgar Yojana established in 1997 for the improvement of the condition of the urban poor people. This policy was set up to reduce the dilemmas of urban poor families to provides them beneficial self-employment ventures and also provide opportunities for skilled wages employment. The National Urban Livelihood Mission was also started during the 12<sup>th</sup> five year plan with the objective of pay attention to the issues related to the urban poor, providing them to skill training and placement. Apart from that, Make in India, Digital India, Skill India and Kaushal Vikas Yojana, has been created as a social policy by the Government of India.

As one of the world's fastest growing economies, India's requirement of skilled people is unparalleled. With 12 million joining the workforce annually, this youthful population can contribute to industrial productivity and fuel our economic growth. If India fails, this large dissatisfied population could pose an economic and social challenge. Hence, skilling youths and linking them to a livelihood is a national imperative.<sup>4</sup>

With the rapid urbanization in India, there is a high rate of unskilled and semi-skilled labor migrated from rural areas. This migration has led to a boom in low paid job and creation of a huge unorganized sectors.

### **Major Organizations for Skill Development & Gainful Employment**

1. Deendayal Antyodaya Yojana- National Urban Livelihood Mission, DAY-NULM
2. Director General of Training- Modular Employable Skills- DGT-MES
3. Ministry of Labor and Employment-MoLE
4. Ministry of Skill Development and Entrepreneurship- MSDE
5. National Skill Development Corporation- NSDC
6. National Skill Development Agency- NSDA
7. Pradhan Mantri Kaushal Vikas Yojana- PMKVY.<sup>5</sup>

### **Make in India as a Social change policy**

The skill development policy plays a very important role in the concept of Make in India. The main objective of make in India is to providing the skill training according to the increasing and changing demands of the market by providing the informal education and technical knowledge to the youths, who are unable to complete the school and college level of education.

India focusing on creating 100 million new employment opportunities in manufacturing industry lowering down the growing problems of unemployment. In India only about 14% labor force is employed in formal jobs.<sup>6</sup>

Other than initiatives like smart city development, Skill India, Digital India, Startup India, FDI Enhancement, National Investment and Manufacturing zone, creation of

Industrial Corridor will not only make India a global manufacturing pivot but it will also create a vast number of employment opportunities with increasing industrial demand.<sup>7</sup>

### **Vision of India for the Employment Generation through the Skill Development**

Tracing the history of skilling in India, the 2009 announcement of National Skill Policy has been a turning point. Apart from being manufacturing-centric, vocational education has remained a government agenda with Industrial Training Institutes (ITIs) and Industrial Training Centers (ITCs) leading the space. The gap was significant in quality and quantity with most industries only complying with hiring only ITI diploma holders. There was a consensus on how industry and training institutions were not aligned and no efforts were made by either side to bridge the gap.<sup>8</sup>

At present the limit of aptitude improvement in India is around 3.1 million people for each year. India has focus of making 500 million talented specialist by 2022.<sup>9</sup>

To improve the capacity of urban poor and generate the employment opportunities, it is important to more focus on skill development programmes. The skill development policy was set up to meet the growing needs of skill manpowered in urban or rural areas both and to reduce the existing gap between the demand and supply for skill training. It also develop the suitable models for the promotion, support and coordination for private sectors initiatives.

### **Current Scenario**

The current size of India's formally skilled workforce is only 2 percent. This apart, there is also the challenge of employability of large section of conventionally educated youth. The Indian education system has been churning our brilliant minds but lacking in the skill set required for specific jobs. There is huge gap between the talent that is coming out of colleges and universities and its suitability in terms of scope and standards of employable skills.<sup>10</sup>

In section 4 on 'Indian Employment Scenario', it was seen that during 2009-2010, 72% of the workforce had educational level of 8<sup>th</sup> standard or below, while 84% were 10<sup>th</sup>

standard or below. Significant dropout %age at the school education level was cited as the reason. Nearly 60% of the workforce in 2011-2012 was engaged in agriculture and construction, major part of which account for low income levels and informality of employment.<sup>11</sup>

The skill development environment in India is quite complex. The vocational training landscape in India has been dominated by the private sector. However the private sector's participation and prominence in the skill development space has started to grow, particularly in service training.<sup>12</sup>

The Skill Development Indicator (SDI) is a tool that collects available data from different sources in one place- as a single resource- for the purpose of evaluating skill development initiatives across the country. SDI urges to states to evaluate their own past performances and enable them to compete. It insists on comparing changes in indicators from time to time, which makes it possible to track the improvements made by the states and the progress of various skill development programs. These indicators also facilitate sharing of best practices in different regions and state/UTs.

### **Using Public Private Partnership (PPP) in Skill Training**

Private sectors have provide the more importance in the skill training programme and also have tried to provide convenience to the consumers through some of the key elements including non-profit initiatives and profitable enterprise. At recent times, the government of India is looking for such skilled opportunities in which private sectors and public sectors can be brought together with the help of public private partnership (PPP).

A unique experiment in the skill arena, National Skill Development Corporation (NSDC) was officially launched in October 2009 with a mandate to skill 150 million people by 2022 in high growth sectors and unorganized sectors identified by the government and informal segment through a three-pronged approach revolving around creating, funding and enabling sustainable skills training initiatives in the private space.<sup>13</sup>

The Skill Development Initiative under the Ministry of Skill Development and Entrepreneurship focused on the increasing the number of Public-Private Partnerships. The scheme is 5 years project schemes aiming at training of one million persons. The scheme aims at providing people with the skills to perform the job effectively. It not only focused on the existing employees and students, but also focused on the providing skills to school leavers and young graduates.<sup>14</sup>

### **Observation and Analysis**

Increasing the problem of unemployment among the educated youths has been the matter of deep concern of society. One of the main reason for these kinds of problem is that providing skill training is one of the main need of present society where the situation is most of the people who employed in industrial sectors have the less skilled so that they have facing so many problems during their work. So the solution of such kind of problem is that quality of skills should be provided to the unskilled or unemployed people which can help them for enhancing their job opportunities. For the fulfilment of these goals so many skill training centers should open for the needy people.

India has an impress economic growth rate but still it is not able to generate employment opportunities to meet the growing employable population. To achieve this India needs skilled, educated and healthy workforce. *According to World Bank Report 201*, India literacy rate measured to be only 73% in 2011 in comparison to the literacy rate of other countries. Indian workforce is immensely talented and adaptable. In order to develop an organization and ensure its sustained growth, it is very much important to develop its human resource working in it.<sup>15</sup>

To make the most of the demographic dividend, it is critical to improve the employability of the youth. The government's flagship skilling scheme, the Pradhan Mantri kaushal Vikas Yojana (PMKVY), is struggling to achieve end results. Data for the PMKVY scheme until the first week of July 2017 reveals that out of the total 30.67 lakh candidates who



had been trained or were undergoing training across the country, less than a tenth- 2-9 lakh candidates- had received placement offers. <sup>16</sup>

**NSDC's Performance (2017-2018)**

<u>Item</u>	<u>Details</u>
Proposals Approved	390
Sector Skill Council Approved	39
Candidates trained this year (data includes loan model TPs PMKVY- 2 Udaan, Innovation Partners, SSC Non-PMKVY Certificates till 30 <sup>th</sup> December, 2017)	23.71 lakhs
Centers Active (break-up) (this includes 80% fixes and 56% self-owned centers) *as per SDMS report dated 7 <sup>th</sup> December, 2017	6, 004
States Covered	29
UT Covered	4
Placement Percentage*	47%
Placement Percentage PMKVY 2	15%
District Covered	567
Total Qualification Packs Created (as on 31 <sup>st</sup> December, 2017)	2, 147

**Source-** Annual Report (2017-18), Progressing Towards an Employment India (Table-6)

<sup>17</sup>

**Issues in the Skill**

**Development process**

The biggest problem in the process of acquiring skill is that of the investment made by the beneficiaries, because the cost of skill acquisition exceeds the capacity of the candidates. So the problem is that students are not ready to invest in training process,

because they do not understand the benefits of training. Trainers are not given any job assurance after completing the skill training course. It is also seen that many times employers and private sectors are unwilling to invest in trainees or contributing in training to unemployed workers due to the possibility of the trainees decide to choose to do work for another firm after completing their training program.

On the other hand, it is also a fact that training provided by the training institutes are not sufficient according to the demand of industries and we can also say that they are not providing quality training to the trainees

Due to which, the trainees are not able to get the good jobs even after completing the skill training course. However, none of the training curriculum cater to people who have not completed school education. The existing infrastructure are totally insufficient considering the quality of workforce demanded by the companies.

Private skill Institutes often face very high drop-out rates, at excess of 50% at some institutes. One of the major challenge faced by skill institutes is that lack of good trainers. Student-teacher ratios vary from 9 to 50 at different ITIs depending on capacity utilization. Other issue is that the current formal education system provides limited options for vocational training, while vocational training system have limited option involving mathematics and language learning.<sup>18</sup>

### **Conclusion**

Skills and knowledge are the key elements of economic growth and social development for any country. As we all know that providing the skills to the urban poor people requires the huge amount of investment. It is important to analyze the real data related to constraints in skill development in different district and states, so that those areas can be identified in which skill development is more require. The benefit of these kind of analysis will be that the Government will focus more on the needy areas and people also. Today the situation of the country has become such that people migrate to the cities after getting skill training course from their villages in the hope that they will get job easily in

cities related to their skills. However, to handle the situation of these kinds of migration, there is a need to establish a large amount of employment in villages so that the people of the villages can get a chance to earn livelihood in staying their home.

Human capital and sustainable resources are two major challenges for India. Education and skills are pivotal things that helps in increase the human capital. While educational qualification is necessary for entry into the labor market, skills are the only tool that ultimately determines one's employability. The youth are looking for entry level jobs, while the irony of industries is that they unable to find people with right skills.

There is need to develop quality of skills provided to the respondents to improve the Unemployment situation in India. Being proficient in one skill cannot fulfil the qualification of another skill, so today's scenario is such that applicants who are doing multi-tasking can get employment easily. So the process of learning should be start from the education and end with the acquiring better skills.

Learning is the contentious process that cannot be achieved by just completing a course. Therefore, it can be said that there is a need to adopt an individual centered approach in context of skill development. Today, India's education system is such that, it need a lot of reforms in which motive of education should not only complete the syllabus but also make the capable students, so that the problem of unemployment does not arise. Apart from this, schools and colleges should make every effort to impart employment related skills in during the teaching process, so that the students can save the time and able to get employment after completing their education.

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