### A Study of Skill Development Program in India with Special Reference to Rural India

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DOI: https://doi.org/10.52403/ijrr.20240743

#### **ABSTRACT**

With a population size of over 1.2 billion, India is considered one of the fastestgrowing countries in the world. Its workingage population is expected to grow significantly by 2030. This demographic dividend could provide India with an advantage over affluent countries in the future, but "this should not be taken for granted because" the majority of the working populations are still unemployed. If the majority of the working-age population continues to be unemployed due to a lack of skills, the demographic dividend may quickly turn into a disaster. Therefore, considering the unemployment scenario in the country and the need for a skilled workforce as required by the different industries, it is imperative to work to create a method to produce a skilled workforce so that it can be absorbed by the industry. This method to produce a skilled workforce is termed a skill development program **National** launched through Skill Development Policy in 2009. In this study we have investigated the implementation of skill development program in the Indian with special reference to rural India by analyzing secondary data, which has been collected from the different government reports and literature review. Saran district of Bihar is taken as a case study which acts as a proxy for the rural India. The study

revealed that Skill development training center in rural India are skewed towards a particular industry. The majority of the Skill development training centers in the district are oriented to IT education. There is a mismatch between the industrial requirement and the outcome of the training center in the country. In order to meet the industrial need for trained labor, district needs to expand its training infrastructure as per their actual requirement.

**KEYWORDS:** Skill Development, Rural India, Domain Skill

#### INTRODUCTION

Skills and knowledge are the forces that shape the country's development. They play a critical role in the country's economy and social development. As India advances closer to becoming a knowledge-based economy, it becomes more critical for the country to enhance its skills base. To achieve the twin goals of inclusive development and economic growth, India's gross domestic product needs to grow at an annual rate of 8% to 9%. This requires a balanced and resilient growth strategy skilled workforce. supported by a [1] Considering the need for skill development programs in the country, National Skill Development Policy was started in 2009. The major objective of the policy was to create opportunities for all to

acquire skills throughout their lives. This strategy aims to create a skilled workforce that is capable of meeting the needs of the current and emerging employment market. "Skill is the ability to complete a particular

"Skill is the ability to complete a particular task efficiently and effectively". <sup>[2]</sup> If a worker lacks specific skills, they will be unable to do the job to the specified specifications. Lack of skills leads to low productivity, wastage of raw materials, and low quality of products at the workplace. <sup>[3]</sup> Therefore, skills development is very important to improve the industry's performance. The development of skills refers to the capacity that individuals have acquired through various levels of education and training, which enables them to become highly productive in the economy. <sup>[4]</sup>

According to the 12th Five Year Plan, skill development initiatives of 2009 were mostly operated by the government, with little link to market demand. It has recommended for the creation of an enabling framework to encourage private investment in vocational training through Public-Private Partnerships. In 2009, the National Skill Development Policy was created in response to the critical demand for skill development. Given the country's massive paradigm change in the skilling and entrepreneurial environment and the experience obtained through the implementation of numerous development programs, a review of the existing policy is urgently required. Furthermore, the 2009 Policy calls for a review every five years to keep the policy framework up to date with changing national and worldwide trends. Therefore, in July 2014, the Ministry of Youth Affairs and Sports established a department of skill development and entrepreneurship, which was then promoted to a full-fledged ministry The November 2014. ministry's responsibilities include coordinating and evolving skill development frameworks, mapping existing skills and certification, and establishing industry-institute links, among other things.

2015, "National Policy for Skill Development and Entrepreneurship" replaced the 2009 policy. Its goal is to offer a unified framework for all skilling operations in the country, aligning them to common criteria and connecting skilling to demand centers. The fundamental goal of this approach is to address the difficulty of skilling at scale while maintaining speed, consistency, and long-term viability. The policy identifies the general institutional framework that will operate as a vehicle to achieve the desired outcomes in addition to spelling out the aims and expected outcomes.

#### LITERATURE REVIEW

According to a World Bank <sup>[5]</sup> research, a worldwide scarcity of trained personnel and a skills gap are among the challenges endangering labor market stability and growth. Despite tremendous gains in education access in numerous nations, the global learning crisis persists. The scarcity of skilled employees and the high unemployment rate have prompted a reorientation of the education and skill development system to supply the essential skills for the labor market.

Gooptu <sup>[6]</sup>, in their study on "skill development in India," argues that theories of skill development, which are human-centric, can be used to inform policymaking. They can be learned from an understanding of the social construction of skills, which can be applied to the political economy. Skill development is a process that involves the development of technical skills and attitudes, and behaviors that are necessary for a successful career.

According to the Rural Skills India (2023) report, the Rural Skills Development Program employment aims to create opportunities in rural The program aims to reduce unemployment migration and prevent mass already crowded urban centers by providing rural workers with the necessary skills. The objective of rural development programs in rural India is not only income but also employment.

Singh et al. [7] conducted "A Study on Skill Development of Paint and Coating Industry." The goal of this research is to figure out what is causing the shortages of skilled workers in the paint and coating industry. According to the survey, there is a skilled worker shortage in the paint industry. This problem could be caused by a lack of formal education. According to the study, Inadequate training and formal training are also major contributors to the skilled worker shortage, Even the unskilled youth that pursues this industry have no formal education. This is due to a deficiency in training. Painters' abilities are outdated regarding the latest equipment procedures. This skill gap may impact the quality of work and the industry's profitability.

Rincon-Aznar et al. [8] conducted a study on "UK Skills and Productivity in an International Context." This paper looks at how skills have influenced recent productivity growth in the United Kingdom. The author evaluated the importance of various sorts of recognized skills, both academic and vocational, while also

considering the impact of other factors like capital investment and technological advancement. The study found that education and skills have a positive and significant effect on the productivity of a country.

# Ministry of Skill Development and Entrepreneurship

The "Government of India" announced the creation of the first-ever distinct "Ministry of Skill Development and Entrepreneurship" in June 2014. It is intended to bring all other ministries together to work in a united manner, establish common standards, and coordinate and streamline the operations of various skill development organizations. The "Ministry of Skill Development and Entrepreneurship" responsible is formulating policies related skill to development and entrepreneurship. coordinates all aspects of skill development initiatives of other ministries and agencies. The ministry is responsible for fulfilling the industrial demand of the skilled labor force in the country.

Figure-1.0: Ecosystem of Skill Development in India

#### **Key bodies** •State Skill Development •ITIs Marginalised Societies Ministry of Skill Mission (SSDM) Develoment & Training Providers Unemployed Youth Enterpreneurship •NSDC Captive Training by •Low Income Group •MHRD NSDA **Employers** School and Collage Ministry of Rural •SSCs Schools Students Development NCVT Universities Other Central Ministries SCVT Assesment Companies •Labour Laws Minimum Wage Acts Financial Institutions Apprenticeship Acts

Source: FICCI. KPMG Report "Skilling India"

The Ministry of Finance established NSDC as a public-private partnership (PPP) under Section 25 of the Companies Act 1956. It collaborates closely with India's Ministry of Skill Development and Entrepreneurship (MSDE). Govt. Of India established National Skill Development Fund (NSDF)

to raise funds to operate the Skill Development Scheme in 2009. The funds are collected from several government sources and non-government sources with the help of NSDF to realize the objectives of the skill development schemes in India.

Figure- 1.1: Governing Ecosystem of the Skill Development Program in India



Source: Compiled from MSDE, 2015; BSDM, 2016

#### **National Skill Development Mission**

On "World Youth Skills Day" on July 15, 2015, the Hon'ble Prime Minister inaugurated "National Skill the Development Mission" (NSDM). The "National Skill Development Mission" intends to provide a solid institutional framework for skilling efforts in the country, both at the national and state level. The mission's decision-making system is three-tiered and high-powered. Governing Council of the Mission, chaired by the Prime Minister, aims to give comprehensive guidance and policy direction. "Steering Committee." The chaired by the "Minister in Charge of Skill Development," intends to review mission's actions in accordance with the Governing Council's directive. The Mission Directorate, led by the Secretary of State for Skill Development, ensures that skilling programmes are implemented, coordinated, converged across all Central and Ministries/Departments and State Governments. In addition, the mission includes a number of submissions in highpriority sectors.<sup>[9]</sup>

## **National Skill Development Corporation** (NSDC)

The "National Development Skill Corporation of India," founded in 2009, is a non-profit one-of-a-kind organization established by the "Ministry of Finance." The NSDC was established as part of a national skill development mission to meet India's growing demand for skilled workers across sectors. The organization helps to reduce the skill gap that exists in the industry. It works as a Public-Private-Partnership (PPP) in India. The NSDC plays a pivotal role in financing selected private training initiatives. / Schemes to develop an ecosystem to train the youth of the nation. These schemes include the "Pradhan Mantri Kaushal Vikas Yojana" (PMKVY), Pradhan Mantri Kaushal Kendra (PMKK), and the National Apprenticeship Promotion Scheme (NAPS). Further, a skills development institute needs various inputs or support services to function properly. These include curriculum, faculty training, quality assurance procedures, technology platforms, advocacy support, and so on. Therefore, NSDC also supports improving the quality of skill training through establishing standards and accrediting systems in partnership with various industry associations. [9]

Table-1.0: Schemes and initiative run by the NSDC

Sr. Nos.	Schemes/Initiatives		
1	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)		
2	Pradhan Mantri Kaushal Kendras (PMKK)		
3	Rozgar Mela		
4	Capacity Building Scheme		
5	School Initiatives		
6	Higher Education		
7	NSDC Collaborations		
8	India International Skill Centres (IISCs)		
9	Pre-Departure Orientation Training (PDOT)		

Source: Govt. of India, MSDE, 2020-21

#### **Sector Skill Councils (SSC)**

The National Skill Development Corporation establishes Sector Skill Councils not-for-profit (SSCs) organisations. The expert in that sector individually directs the sector. responsibilities of the SSC are to develop standards. implement occupational

develop and implement competency frameworks, and train the trainer programmes and certify the trainees on the curriculum that is aligned to the national occupational standards. As per the Skill India Policy, the major functions of the SSC are given in table-1.1.

**Table-1.1: Function of Sector Skills Council** 

Function of Sector Skills Councils		
•	Identification of skill development needs includes creating a catalogue of different sorts of talents, as well as their breadth and depth, to make it easier for people to choose from.	
•	Maintaining a skill inventory and developing a sector skill development plan.	
•	Identifying and notifying skills/competency standards and qualifications in accordance with the NSQF.	
•	As decided by NSQC, standardisation of affiliation, accreditation, examination, and certification processes in conformity with the NSQF. For QP/NOS aligned training programmes, may also conduct skill-based evaluation and certification.	
•	Participation in the development of affiliation, accreditation, examination, and certification standards in their respective industries etc.	

Source: Govt. of India; MSDE, 2020-21

#### **National Skill Development Fund (NSDF)**

The Government of India established the National Skill Development Fund in 2009 to raise funds for skill development in the country from both the public and private sectors. Various government agencies and others donate to the fund in order to help Indians improve, stimulate, and develop their skills. The funds meet their objective through the NSDC. Further, this fund is managed by a public trust established by the Indian government. The Board of Trustees oversees and manages the fund.

#### **OBJECTIVE OF THE STUDY**

The major objective of this study is to explore the skill development program in India and its implementation in rural India.

#### RESEARCH METHEDOLOGY

In this study skill development program is explored from the national and rural India perspective. Secondary data has been collected from the different government websites, reports, articles etc. for the analysis purpose.

### DATA ANALYSIS AND DISCUSSION Human Resource Requirement from 2017 to 2022 across 24 Sectors

The NSDC, which is part of the "Ministry of Skill Development and Entrepreneurship," published a report on the Human Resource Requirement for the period of 2013-17 and 2017-22. The NSDC has prepared this report to understand the sectoral and geographic spread of incremental skill requirements across 24 high-priority sectors. As per the report, these sectors will require an additional 103 million skilled workforce for the period of 2017 to 2022. However, data received from the NSDC annual report, 2019-20, around 25 million people have been trained since the inception of the skill development schemes (FY 2009 to 2020).

Table-1,2: Human Resource Requirement from 2017 to 2022 across 24 Sectors

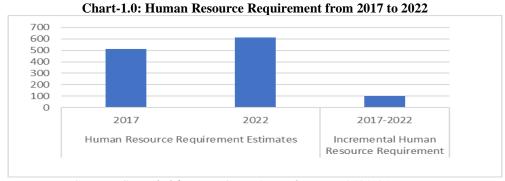
Sr. No	Sector	Human Resource Requirement Estimates		Incremental Human Resource Requirement	
		2017	2022	2017-2022	
1	Agriculture	229	215.5	-13.5	
2	Building Construction & Real	60.4	91	30.6	

	Estate			
3	Retail	45.3	56	10.7
4	Logistics, Transportation & Warehousing	23	31.2	8.2
5	Textile & Clothing	18.3	25	6.7
6	Education & Skill Development	14.8	18.1	3.3
7	Handloom & Handicraft	14.1	18.8	4.7
8	Auto & Auto Components	12.8	15	2.2
9	Construction Material & Building Hardware	9.7	12.4	2.7
10	Private Security Services	8.9	12	3.1
11	Food Processing	8.8	11.6	2.8
12	Tourism, Hospitality & Travel	9.7	14.6	4.9
13	Domestic Help	7.8	11.1	3.3
14	Gems & Jewellery	6.1	9.4	3.3
15	Electronics & IT Hardware	6.2	9.6	3.4
16	Beauty and Wellness	7.4	15.6	8.2
17	Furniture & Furnishing	6.5	12.2	5.7
18	Healthcare	4.6	7.4	2.8
19	Leather & Leather Goods	4.4	7.1	2.7
20	IT &ITeS	3.8	5.3	1.5
21	Banking, Financial Services & Insurance	3.2	4.4	1.2
22	Telecommunication	2.9	5.7	2.8
23	Pharmaceuticals	2.6	4	1.4
24	Media and Entertainment	0.7	1.3	0.6
	Total	510.8	614.2	103.4

Source: Environment Scan Report, 2016 (NSDC). MoSDE, Annual Report, 2020-21

According to table-1.2, it is interpreted that the skilled human resource required was 510.8 million in the year of 2017, which has been rising to 614.2 million for the year

2022. The incremental human resource in the food processing industry has been estimated to be 2.8 million for the year 2022.



Source: Compiled from MoSDE, Annual Report, 2020-21

#### Skill Development Program in Bihar

The Skill Development initiative is a must for the state's development. It is a step towards creating a comprehensive ecosystem for skill development, which can be accessed by all the stakeholder groups. This process involves working with various government agencies and various private organizations to create a comprehensive skill ecosystem. This can be achieved through an integrated approach, which involves schools, training centers, and employers. Considering the importance of the Skill development program in the state, the Bihar Skill Development Mission (BSDM) was established in 2010. The

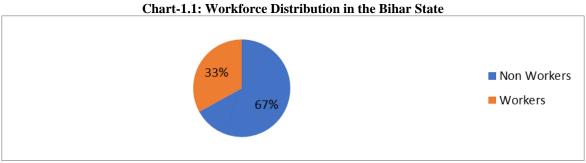
mission's purpose was to boost the system's capacity and competence to deliver high-quality skill training to youngsters in enhancing their employability and close the skill gap in order to fulfill the state's rising demand for skilled labor. [10]

The governing body of the Bihar Skill Development Mission was reconstituted in June 2016. It is headed by a Development Commissioner and has been entrusted with the mission of skill development in the state. The objective of this plan is to establish a standardized process for skill development across all the Departments of the State. This ecosystem should have a comprehensive set of processes and norms. The broad framework of the Skill Development of the State vision aims to capture the various components necessary to realize the full potential of the state.

#### **Human Resources in Bihar**

Bihar is India's 12th largest state by area and 3rd by population (2011 census). The population is almost 58 percent under the age of 25. Bihar has a 63.82 percent literacy rate, with male literacy at 73.39 percent and

female literacy at 53.33 percent. From 1999-00 to 2005-06, the state's income increased at a pace of 5.7 percent per year at constant prices. Following that, the economy began to recover and increased at a rate of 12% per year. It has put on such a magnificent show that the economy's rate of development from 2006 to 2013 was not only substantially higher than the preceding period but also one of the highest among all Indian states. Despite the magnificent growth rate, the growth rate of human capital formation is not encouraging. The skilled manpower in the state is very low compared to other states in India. In addition, since many of the young people in Bihar rely on farming for their living, the unemployment rate among highly educated people is greater. According to the last Census of India, roughly 31% of Bihar's population is under the age of 15, while 61 percent of the population is in the working-age bracket of 15-59 years. The working-age group population is large in the state and needs to be engaged in the workforce to maintain a well-balanced and productive society.



Source: Compiled from BSDM, 2016

According to the 2011 census, it is noted that around 67% population comprises of 67% non-workers and 33% in the workers category. Further, 74% of workers are engaged in agricultural activity, and their lives depend on this sector only. It is imperative that the dependence on agriculture be reduced and that a skilled workforce is created in order to take advantage of the opportunities that the state has to offer. [11]

#### **Kushal Yuva Program**

The Bihar Skill Development Mission (BSDM) has created a one-of-a-kind skill training program called "Kushal Yuva," which aims to improve people's employability. All applicants in the age bracket of 15-28 years (Age limit for SC/ST, OBC, and PwD: SC/ST - 33 years, OBC - 31 years, PwD - 33 years) who have passed at least 10th Class, irrespective of whether they have completed or are currently pursuing higher education are

eligible to join the program. Life skills, communication skills (English and Hindi), and basic computer literacy are covered in this program, which can improve their employability.

### Skill Development in the Saran District of Bihar

"The Skill Development initiative is a must for the state's development. It needs to be carried out in a manner that transformative and goes beyond the traditional approach of providing skills training. The objectives of this BSDM is to create a comprehensive skill development ecosystem in the state that will help to the development of the local economy and the society at large." [12] Considering the need

for the specific skill as per the demographic scenario, the Government of Bihar has started domain skilling in each district of the Bihar state.

#### **Domain Skilling**

Skills in a particular profession or discipline are referred to as domain skills. It refers to skills that are unique to a particular industry or activity. Domain skills are abilities that are focused on a single activity and can only be used for that activity. In line with the state's skill development program, the government has begun a Domain skill development program based on the demographic and industrial needs of the district's industry. Approved courses under domain Skilling are given in table-1.3.

Table-1.3: Courses in Domain Skilling approved by Govt. of Bihar

Courses in Domain Skill							
Automotive	MEP	Iron & Steel					
Capital Goods	Tourism & Hospitality	Life science					
Electronics	Agriculture	Retail					
Gems & Jewellery	Beauty & Wellness	Telecom					
Instrumentation Automation Surveillance &	Construction	Apparel					
Communication Sector Skill Council (IASC)							
Leather	Food Processing	BFSI					
Plumbing	Greens Jobs	Domestic Workers					
Furniture & Fittings	Healthcare	IT-ITES					
Logistics	Security	Textile					

Sources: Compiled from Government of Bihar, https://skillmissionbihar.org/domain-skilling

According to the Bihar Industrial Policy-2016, the Food processing sector has been identified as a major sector with a high potential to grow in the district. However, the number of skill development training centers in the district relating to the food processing sector is extremely low. The majority of the centers are providing training related to IT and computer education. As per the report, in the Domain Skill category, only one skill development training center is available in the district, which provides the training related to food packaging technicians. Baking Technician, Craft Baker, Jam, Jelly, Ketchup Processing Technician, and Pickle Making Technician are the primary job roles in the Food Processing Sector within PMKVY. Despite the fact that Saran District has excellent

potential for this industry, no adequate training center for food processing is available. As a result, the researcher discovered that skill development in the field of food processing is at a very nascent stage in the Saran district of Bihar.

# Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

The first edition of the "Pradhan Mantri Kaushal Vikas Yojana" (PMKVY) initiative was introduced in 2015 with the goal of boosting and promoting skill development in the country by offering free short-term skill training and motivating it by paying youth for skill certification. The ultimate goal was to increase youth employability by matching it to industry demand. After 1st version of PMKVY, the second version of

scheme PMKVY-2.0 launched for the year 2016-2020. In the second version of the schemes, the government tried to integrate different schemes such as Make in India, Digital India, and Swachh Bharat Mission to achieve the schemes' objectives in a more aligned way. After the successful implementation of PMKVY 2.0, the scheme was reoriented to be in sync with the market trends and in different sectors. The PMKVY 3.0 scheme has been implemented in two phases, with the first one being on a pilot basis, which is for the period of 2020-21. The second phase will be implemented after the successful implementation of 1st phase scheme. Under the PMKVY, short-term skill training is being given in each district and state of the nation. The government has established training centers across the state and the district to successfully implement the schemes.

#### **CONCLUSION**

The skill development program has been explored in this study, including its present status at the national, state, and district levels. The study also discussed the current state of skill development programs in the Saran district of Bihar. The main aims of this study was to explore the skill development program in India, namely in Bihar and its Saran district. The study found that despite the government's efforts to produce a skilled workforce in the country, implementing skill development in the micro-level sector and among the rural population remains unsatisfactory. Several national initiatives are in place, but poor like Bihar have difficulty states implementing skill development programs in their districts. The district has a large number of trainings centers; however, they are skewed towards a particular industry. The majority of the Skill development training centers in the district are oriented to IT education. In order to meet the industrial need for trained labor, this district needs to expand its training infrastructure. The government has significant potential to expand its skill development program for the informal sector of the economy.

**Declaration by Authors Acknowledgement:** None **Source of Funding:** None

**Conflict of Interest:** The authors declare no conflict of interest.

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How to cite this article: Anupma Kumari. A study of skill development program in India with special reference to rural India. *International Journal of Research and Review*. 2024; 11(7): 406-415.

DOI: https://doi.org/10.52403/ijrr.20240743

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