

Skill Development And Economic Growth

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Abstract

Countries have made growth models for consolidating their position in economic growth and global economy. If human resource becomes technically updated and highly qualified then it will be effective detriment in the way of success. In the quest of gaining larger global market shares, developing industries and manufacturing services the government and other stakeholder are focusing to engage skilled workforce for developing technical and scientific capabilities. Countries need to respond the economic challenges imposed by knowledge of economy to be in the robust growth economic rates. The labour cost advantages in past centuries are providing ways to the innovation intensive competition. With this aim industries will be able to generate new ideas and measures for their products, services and processes of manufacturing and production. Companies should grow a holistic approach to consider economic, social, financial and environmental aspects for the sustainable economic growth. If emerging economies maintain economic growth rates then they need to respond to the arising challenges of economic knowledge. Advancement in economic knowledge and innovation should focus on developing new products and services. For this approach the government should undertake appropriate policies to include talent pools and expand the access to market-relevant skills for the overall development. In this article, we are going to discuss about the importance of skill development with time for being in the track of sustainable economic growth

Key words: Skill, Development, Factors.

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I. Introduction

Skills development is globally considered as key for productive employment. It is an important means for increased productivity, private-sector development, inclusive economic growth and poverty reduction. Economic diversification and structural change towards high productivity sectors is necessary for combating poverty in a sustainable way. This requires a better skilled and more adaptable labour force which can spur domestic and foreign investment. Linking skills development to broader education and employment, growth and development strategies and systems is essential to ensure relevance, policy coherence, coordination and alignment.

Studies show that effective, sustainable approaches to workforce development and employment must improve a combination of skills for employability of individuals, and at the same time build a sustainable system for improved private-sector competitiveness. Especially, youth unemployment resulting from mismatch between the supply of the education system and labour market needs could in part be addressed through adequate skills development within a future-oriented, flexible and holistic education system for lifelong learning.

II. Meaning of skills development

Skills development is generally used to refer to the productive capabilities acquired through all levels of learning and training, occurring in formal, non-formal, informal and on-the-job settings. It enables individuals to become fully and productively engaged in livelihoods, and to have the opportunity to adapt these capabilities to meet the changing demands and opportunities of economy and labour market. The acquisition of such capabilities depends on many factors, including a quality lifelong learning system and a supportive learning environment. The types of skills required for employment can be divided into:

- Basic and foundation skills, which are acquired through the primary and secondary formal school system, or through non-formal and/or informal learning processes (e.g. active learning, oral expression, reading comprehension, written expression, ICT literacy, active listening). These are pre-requisites for acquiring further skills enhancing the prospect of sustainable employment.

- Transferable skills, which include the abilities to learn and adapt, solve problems, communicate ideas effectively, think critically and creatively and the ability to manage self and others. These skills enable people to adapt to different work environments as well as improving their opportunities to career-building.
- Technical and vocational skills, which are specialized skills, knowledge or know-how to perform specific duties or tasks, mainly in a professional environment. These include, but are not limited to, the traditional forms of technical and vocational education and training (TVET), skills acquired through the secondary level of the formal school system or through non-formal and/or informal learning processes.
- Professional and personal skills, including individual attributes relevant to work such as honesty, integrity, reliability, work ethic and judgment.

III. Skills development as an integral part of lifelong learning:

Lifelong learning takes on a broader approach than education. It is the organizing principle putting adequate integrated and systematic policy and practice into place for social transformation within a framework of sustainable development. In an education system that provides opportunities for lifelong learning, policy and practice provide every individual and community with a flexible and diversified range of useful learning and training options throughout his or her lifetime (context specific). A skills-development strategy, as an integral component of a national education system for lifelong learning, successfully links skills to productivity and employment creation while at the same time coping with all life situations (e.g. work, active citizenship, and family life).

To ensure leaving no one behind, lifelong learning also requires that the poor and most vulnerable groups in society fully participate in and contribute to the development process. The adoption of a human rights-based approach to skills development requires training contents and methods as well as a learning environment adapted to varied groups of people.

IV. Responsible factors for skills development

Adopting demand-led models: An active involvement of local communities, employers, unions, and other social partners is crucial for planning, carrying out and following up of responsive skills development programmes. It helps the training providers to better understand the variety of needs in the workplaces and respond appropriately. Such interaction will create win-win relationships between the world of learning and training and the world of work.

Ensuring quality training: Well qualified teachers are key to improving quality of training. Thus, investing in training of teachers, trainers and managers is decisive for quality. Interaction with the world of work is also crucial for improving the quality of learning and training activities. Improved quality in turn increases the attractiveness of skills training programmes. Apprenticeship training is one way to make employers more actively involved in skills development and contributing to the improvement of quality

Enhancing the capacity of delivery: In many low-income countries skill training providers, both public and private, are often small and poorly equipped to meet the required needs for adequate and quality training. Investment in infrastructure, facilities, equipment and materials to meet the ever growing and changing demands of the world of work requires incentives and support mechanisms to stimulate and improve training capacity

Ensuring broad and continued access to quality training and skills development, including quality counseling: It is essential to foster opportunities and benefits of initial and lifelong learning for all, including disadvantaged young people who have dropped out of school or are working in the informal sector under precarious conditions. The participation of women in skills training should be ensured and gender stereotyping in occupational choice should be actively discouraged.

Establishing a system for labour market forecasting and information: Up-to-date labour market information and forecasting is key to match current and future labour market needs for skills with the supply of skills. Such a system will provide necessary information for short-term and long-term planning as well as provide disaggregated data to track changes in labour market outcomes for different population groups (women, youth, the disabled and minority groups).

Mechanisms for efficient recognition, validation and accreditation of skills: Such a system is necessary to allow for multiple paths for further learning and training (formal, non-formal and/or informal) and for the mobility of the workforce. Furthermore, such mechanisms for efficient recognition, validation and accreditation need to be developed with active participation of labour market actors.

V. Developing skills in India:

If we look towards the conventional school education system then we will find out the trends and prospects of technical, vocational training and education program for all students. With the aim of achieving inclusive growth and flourishing the economy education boards have included compulsory vocation training for

all candidates. The increasing pressure of including new model for vocational and technical training program in the rapid pace of changing technological advancements we need highly skilled professionals to grow industries. Industries prefer skilled workforce in their resource team to meet the needs of manufacture, management and marketing. With the transformation method in learning skills students will be capable to enhance their engaging skills for their future career and lifelong learning. The new model of skill development fosters on the innovative approach of enhancing employability of workers and sustainability in their entire livelihood. It includes contributions of policy makers, practitioners, researchers including those professional engaged in private sector for analysing the urgent needs of skill development. The model of skill development will provide the view of seeing skill development a new source of learning opportunities where candidates will find their ultimate life goals. Professionals can find better job prospects, sustainable growth and development ideas, social engagement in their skill developing course. They will be capable to address issues as which skill is required for a particular workforce to bring diversified work culture.

VI. Better learning for better skills:

The new approach of sustainable economy and responsibility of required skills has already been addressed in inclusive skill development. Developing the view is highly appreciated in Indian learning environment to achieve sustainable growth and continue towards success in long term financial growth. It is obvious that capable working generation in the next decade can reduce the present economic burden of our nation. If educational institutes come forwards and take steps for skill development then problems of unemployment, overwork, underemployment, dissatisfaction from jobs will be reduced. When the knowledge and skills of candidates will be improved for particular work environment it will definitely increase productivity level and standard of living. If skill development has been undertaken by contributing on structural transformation of work culture it can definitely increase the level in productivity. We need both public and private investment in skill development purpose for better economic growth. As per reports of last years, productivity level and capability in Indian employees is very low. Candidates face deficit challenges in upgraded skills to continue in modern working environment with the changing pattern of technology. Inclusive skill development will focus on reducing the gap between employment opportunities and skilled workforce within India.

VII. Skill Development Context in Karnataka

India is poised to experience a demographic dividend for the next 25 years, due to an increase in the proportion of young and working age group to the total population. Such a rise in the youth population is a window of opportunity as it reduces the ratio of dependents to total workers leading to higher rates of savings, investment, and growth. This change in the age structure, if properly utilized, will result in the demographic dividend, which provides immense growth opportunities to the nation. The provision of employable skills to youth remains to be an important challenge to reap opportunities of the demographic dividend. Despite the policy focus on skill development from 11th Five-Year plan onwards, India still faces the dual challenges of the paucity of a skilled workforce as well as non-employability of large sections of youth who are educated but lacking employable skills. The data provided by the National Sample Survey Organisation (NSSO) show that only 2.4% of the Indian workforce has undergone formal skill training and another 8.6% have received non-formal vocational training. This indicates that only a few youth with vocational training will be entering into the labour force.

Employment and Economic Potential

Karnataka is a leading state in the establishment of knowledge based industries such as Information Technology, biotechnology and engineering, and also in the exports of electronics and computer software. The Gross State Domestic Product (GSDP) in Karnataka grew at the rate of 6.2% in 2015-16 and reached Rs. 780 thousand crores at constant prices. The per capita state income in 2015-16 was estimated to be Rs. 145,799. Nearly, two-thirds (64%) of GSDP came from the services sector, followed by 24% from the manufacturing and 12% from agriculture. However, as per 2011 census, 56% of the workers who are in agriculture contributed only 12% to the GSDP, thus indicating the need to provide appropriate skills to enhance their income both in the primary and secondary sectors. Movement of labour across sectors resulting in economic mobility happens only with enhanced and appropriate skill development.

Demographic Dividend

With 55% of the population in the working age group of 20 to 59 years, Karnataka has an opportunity of achieving faster economic growth through favourable demographic dividend, provided that appropriate skills are imparted to the working population in general and youth in particular. Skilled persons will then be able to find employment in the state as well as outside (including other countries) where there is a demand for them.

Size of labour force in Karnataka

Out of 6.11 crore population, 2.44 crore have registered as workers in the state¹. Agriculture and allied sectors account for nearly 56% of the total workers in the state, while the rest are in the non-agricultural sector. Key sub-sectors of the non-agricultural sector are manufacturing and mining (11%), shops, establishments and trade (9%) and construction (7%). Services account for the remaining 17%.

Three-fourths of 2.44 crore workers in Karnataka are estimated to be in the unorganised sector. Workers in the unorganized sector consist of agricultural labourers and those in the sub-sectors of non-manufacturing such as shops, establishments & trade, construction, real estate & business activities and hotels & restaurants. Most of the workers in the organised sector are found in manufacturing & mining and information technology & biotechnology.

Size and labour force participation among Youth (16-35 years) in Karnataka

It is estimated that 2.12 crore persons are in this age group. Over 45% of 2.12 crores youth population is not in the labour force. About 52% of the youth population is male, while the rest are female. Over 76% males are in the labour force; but, the corresponding proportion of females is only 31%, thus indicating a huge gap in the participation of male and female in the labour force.

About 54% of the youth in the age group of 16-35 years belong to Other Backward Castes (OBC), 23% to general category, 17% to Scheduled Caste (SC) and 6% to Scheduled Tribe (ST). The work force participation was low among youth from general castes and higher among those belonging to SC and ST categories.

Occupational distribution of youth (16 to 35 years) in Karnataka

There are significant differences in the occupational distribution of youth by gender and social groups. Over 53% of females are engaged in domestic (unpaid) work in their households as against 0.1% of males (Table 1). Again, the proportion of females taking up self and salaried employment is low as compared to males due to, among others, low enrolment in vocational educational institutions.

About 3% of the total youth are not in the work force because of reasons such as disability.

A significant proportion of youth from SC and ST categories, especially from rural areas, are employed as wage labourers. On the other hand, a relatively larger proportion of youth from general and OBC categories are engaged in salaried employment and attending educational institutions.

Formal and informal employment among youth in Karnataka

Nearly three-fourths of the youth in Karnataka are employed in the informal sector which is characterized by insecure employment, low wages, lack of decent work conditions and inadequate access to social security benefits. The employment of females in the informal sector employment is marginally higher than that among males.

Formal sector employment is relatively high among workers belonging to general category, while informal sector employment is prominent among those belonging to ST and SC categories.

Formal sector employment increases along with general education of youth. Up to the level of higher secondary education, the proportion of youth taking up informal employment is substantially higher than those taking up formal employment.

Skill levels among youth

The distribution of youth (16 to 35 years) by educational level shows that illiterate and those completing primary and middle education account for 54%, and those completing secondary and higher secondary education for 29%. The proportion of youth completing diploma and graduation & above is 17%.

The possession of skills is even better among youth (16-35 years) in the labour force, with 13.2% of them having formal and non-formal vocational training. Percentage of women receiving vocational training is significantly lower than men. Similarly, the proportion of youth receiving vocational training is low among those belonging to ST and SC castes as compared to other cases. The proportion of youth receiving vocational training is close to 17% in the case of those belong to the general category.

Demand and supply of skilled workforce by 2022

The National Skill Development Corporation (NSDC) estimated that the incremental demand for the workforce in Karnataka during the period 2012 to 2022 is 84.76 lakhs²; of them, 27% are minimally skilled, 43% are semi-skilled, 25% are skilled and 5% are highly skilled.

NSDC estimates show that there is a mismatch between the demand and supply of skilled and highly skilled workers in Karnataka. If efforts to provide skills are not taken up in the coming years, there will be shortage of 7.12 lakh skilled and 3.88 lakh highly skilled people in the state by 2022.

Institutional infrastructure for skill provision in Karnataka

Karnataka has a considerably good educational infrastructure in the country. The number of students enrolling per year in secondary and higher secondary education is 8.87 lakhs and 5.17 lakh, respectively. The gap between enrolment capacity and actual enrolment is not significant in the courses at the graduation level. However, the gap is considerable in the case of BE/B.Tech/ B. Architecture courses. The same is the case with para-medical and health related courses. On the other hand, there are no gap between the actual capacity and enrolment in the Arts, Sciences, and Commerce degree courses.

The enrolment capacity for formal vocational education in Karnataka is 215,667 persons. The actual enrolment is, however, only 160,901. The percentage of actual enrolment to capacity is about 75%. Polytechnics and ITIs account for the major component of formal vocational education. In Karnataka, 1,777 public and private ITIs (258 Government, 196 aided and 1323 private) provide skill training to 106,000 youth. However, the percentage of actual enrolment to total capacity is low at 68.9%. Around 290 Polytechnics, having a capacity of accommodating 75,000 students, have achieved enrolment of 80%. It is, therefore, imperative to fully utilise the existing capacity in ITIs and Polytechnics and other formal vocational training institutions to reduce the skill gap in the state. The capacity of these institutions will be built to assess the demand for skills in the local area and design courses as per the industry demand aligning with the NSQF. Also, coverage of this institution needs to be expanded to reach out to at least 60% of the trainee cohort annually who are unable to enroll in higher education in the due course of time.

The Department of Employment and Training (DET) implements the Apprenticeship Training Scheme. Currently, over 4,232 establishments in the state have been covered under this scheme and over 39,610 seats [currently revised upwards to 43,000] have been identified for trade apprentices, out of which 24,992 seats have been utilized. Under Modular Employability Scheme, about 800 Vocational Training Providers are active in Karnataka implementing 500 courses under 68 various sectors. DET figures show that about two lakh persons have been trained since 2012 in the State.

There is a shortage of the institutional infrastructure providing skill training for the agriculture and allied sectors, building, construction and real estate, Tourism, travel, hospitality and trade, Transportation, logistics, warehousing and packaging, and health care services that are projected to employ the bulk of the workers in the coming years.

VIII. Initiatives for skill development:

The government of India announced the implementation of new education policy in government schools of India. The NEP is mainly focused in developing children's skills along with their basic academic learning. Effective skills like creativity, critical thinking, communication, time management, team work, innovation, problem solving etc. are key objectives within NEP of India. Students can learn in their regional language to some point then they have to continue learning multiple languages together. Other imperative fields like business management, healthcare, nutrition, psychology and humanities will be focused in skill development course. In this new approach literacy will not be shortened but the idea of education will be broadened with the concept of skill development. Students will grow their technical knowledge, vocational skills, digital skills, transferrable skills and other employment needs that will be helpful to maintain their entire livelihood. If we see deeply we can analyse that students cannot access alternative options of education in remote areas due to lack of resources, internet, smartphones etc. India is moving towards the steady development of skilled workforce and increased employment space to create better opportunities for capable individuals. The national apprenticeship promotion scheme has been made to offer suitable internship prospects for the employment of skilled young people. With the short-term training initiative the government has started to train people within industry based learning. The government and policymakers should also take initiatives for spreading awareness about the domain of entrepreneurship in remote areas. If young individuals feel encouraged and confident to establish their ideas in the global market and digital platforms then they will definitely reach the path of success and reduce unemployment. Eligible candidates will not require to migrate other cities, countries in search of better opportunities which can meet their working goals and ethics.

IX. Conclusion

Skill provision is urgently needed to promote employment among youth and bring them into the labour force. Policy needs to be gender sensitive and priority given to women in skill provision and promotion of employment. Focus on provision of employable skills among younger women, especially to young homemakers, and enabling them to take up gainful employment, focus should be shifted gradually from short term to long term courses in order to integrate skill development with the education activities Vocational training institutions should be sensitive to the needs of women candidates. Provide appropriate skills to the persons with disability so that they are empowered to take up employment. Target on workers in the unorganized sector, especially those belonging to SC and ST categories, religious minorities and women, to address social and gender disparities in

the access to employable skills and, thereby, to decent work. As threshold for formal employment is vocational and higher education; generic broad based skills are to be introduced from the eighth standard as this will ensure that dropouts will have some relevant skill for getting employed. Bring changes in the curricula of higher secondary education in favour of vocational skills to improve employment prospects in the formal sector. Use of existing capacity of formal vocational system should be optimal. There should be a system to orient and channelize candidates to join the vocational courses. It is imperative to cover all the youth by short term skill training who are not able to go to formal vocational system or higher education. Aggressive expansion of capacity of vocational system in eight years to cover all youth not able to reach higher education should be ensured. Institutional capacity should be enhanced for providing career guidance and placement services for all from secondary education level. Inclusive skill development is crucial step for enabling Indian candidates skilled to work in specific workforce. Educational institutes take the step to spread awareness of being skilled in their desired job profiles. If candidates can realise the importance of skilled individual they will surely give importance to enhance their skills lifelong. Learning has no limit, one should have the eagerness to learn more and growth more for being in the sustainable growth

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