

Comparative Analysis Of Skilling Progress In Developing And Underdeveloped Economies: With Special Reference To India And African Nations

Dr. Aamir Aijaz Syed* Tauffiqu Ahamad**

*Assistant Professor

Institute of Management Commerce and Economics

ShriRamswaroop Memorial University

**MBA in Human Resource Management

Abdul Kalam Technical University Lucknow

Abstract:

How many men and women are working in an economy and how they are maintaining and retaining their skill is a prime question for any nation. India is a country which is going through a transition phase from agrarian to industry now to tertiary sector. Making the people of India skilful is the precondition on an hour, as per the World Bank report it has been found that India is one of the nations where working population is and will be far in excess of dependent on them and this will continue for at least three decades till 2040.

So, this paper tries to give an overview of the current situation of skilled scenario in India. This study will also highlight the different government schemes which are working in parallel to achieve the target of skilling 500 million youth by 2020. This report will make an overview of skilled scenario prevailing in underdeveloped economy taking the data from African nations. Lastly this report will also show the skilling strategies and trend in some developed countries.

Findings from this study will depict the present condition of India vis. a vis. skilled scenario. Finding will also assist in understanding the programmes and strategies of both underdeveloped and developed economies and how we can improve ourselves based on their performances.

Keywords: Skilled workforce, underdeveloped, developing countries.

Introduction:

India is one of the largest democracies of the world and out of 1.3 billion people .8 billion people are in the working age group. This shows that India has a bright future in the coming years but this opportunity of having the highest number of working age group will not solve the purpose, the purpose can only be solved when we can provide them with skilful talent i.e. both formal and vocational training.

In this era of knowledge-based economy we need that manpower which is skill full and ready for employment. For this Government of India has already taken various steps like skill India programme which is started to provide skilled talents, Career centres is introduced which provide

employment opportunities and Make in India initiative has been started which provides entrepreneurial abilities and jobs creation.

This paper tries to show the skill scenario and other specific and for this reason this paper is being divided into 5 sections, first section gives the current scenario of skill development in India covering some variable like employment unemployment rate, unorganized organized sectors workforce, skill percentage increase etc. Second part of the paper will describe the policies and work initiated by the government towards skill advancement. Third section will show a comparison analysis of developed underdeveloped and developing economies focusing on their important variables which assisting them in becoming more skilfully advanced , fourth section will give a brief overview of African skill progress and last section will provide conclusion and findings learn from the above analysis of developing and underdeveloped economies.

Analysis of Current scenario of India's Skilled Growth:

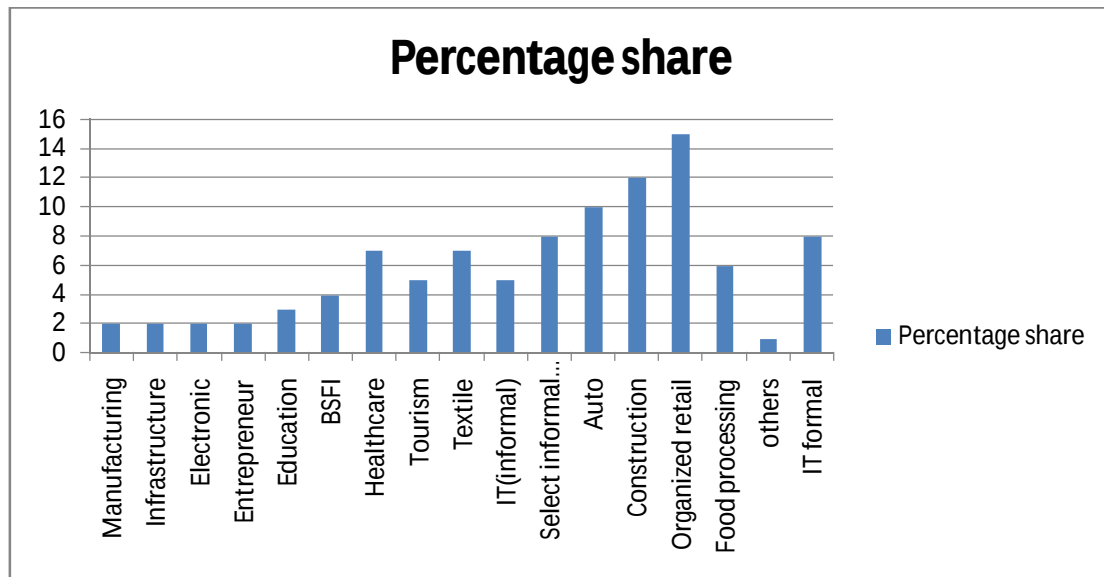
Economic development depends upon skill workforce and how they are contributing toward different sectors of the economy. Agriculture sector, Industrial sector, Manufacturing sectors, textile sector etc. each sector requires a sound skilled workforce. India rank 3rd in terms of GDP(PPP) and on the basis of 1.3 billion population it ranks 138 as by per capita GDP(PPP). It has been estimated that out of 1.3 billion population 60% of the population is employable i.e. 0.8 billion but out of this .8 billion only 25% has the required skills to get the required job (FICCI September 2016).

According to the report of 2011 census it has been found that, 15-59 age group people of India constitute 62.5% of total population. According to the report of wheeler by 2020 India will be having the maximum employable workforce as compared to any other country of the world. In the 12th five year plan India has set a target 25% increase in formal skilled workforce and to create 50 to 70 million jobs over the next five years and out of these jobs around 80% of the job will be requiring formal vocational trainings. According to the report of data survey 2013 it has been found that India has the training capacity of 4.3 million whereas around 12 million people are ready each year for work thus there will be around 7 million untrained people in our workforce and that is alarming.

Indian government has set a target of training 500 million people by 2022(till 2014 only 1.45 million people are trained) but as per the IMAR it has been found that we will be short by at least by 200 to 250 million due to the lack of proper vocational and formal training capabilities.

It has been projected by the government of India that by 2022 there will be a surge in different sector of the economy in context to demand of skilled workforce.

Projected Requirement by different sector by 2022:



Projected Employment by different sector based on different growth rate scenario (million):

Year	GDP Growth	Agriculture	Industry	Service	Total
2016-2017	9%	240	126	189	555
	7%	232	116	174	523
	5%	224	108	161	493

Source: NSDC

Thus, we can see from the above table that the growth prospect and employment opportunity in the current scenario is quite high in India and we also have a good employable population what we are lacking is the platform for better formal and vocational training.

The report on the status of formal and vocational training in India provided following facts:

- 1) Among people between the age group of 15 and 29 only 2% have received formal vocational training and 8% have received No formal vocational training.
- 2) Among person of Age group 15 and above only 2.4 % have technical degree and diploma.
- 3) 57.7 % of people in the age group of 15 and above are attending any educational institutions
- 4) ITI's only institute which are providing maximum percentage of vocational training i.e. 20 %
- 5) 93% of the workforce is employed in the unorganized or the informal sector which requires any sort of formal skill development training.

- 6) Barely 2.5% of the unorganized workforce reportedly undergoes formal skill development in comparison to 11% of organized sector.

Table 1: Status of vocation training received per 1000 population:

Category of person	Received Vocational Training formal and informal	Did not receive training	Total
Rural			
Male	127	864	1000
Female	64	931	1000
Person	96	897	1000
Urban			
Male	186	794	1000
Female	76	911	1000
Person	133	850	1000
Rural+ Urban			
Male	148	843	1000
Female	68	68	1000
Person	107	107	1000

Source: NSSO

These facts and table show that in spite of so many efforts by government and by the National skill policy of 2009 there is minimum or very less increase in the vocational and formal training status between the survey periods from 2004-05 to 2011-12.

This section clears that though India has a lot of favourable opportunities both in terms of demand and supply paradigm of workforce but because of the lack of proper training and development facility India is lacking in terms of Skilled workforce.

Skill development Initiative taken by government:

Government has taken various steps toward skill development like they introduced career centres which assist in providing employment opportunities, they introduced skill India initiative which assist in providing skills in each and every sector whether organized or unorganized, government introduced the Make in India concept which assisted in building entrepreneurial capacity this initiative also boosted high investment toward skill development through FDI and FIIs. Make in India campaign boosted the FDI by 40% during the month of October when it was first introduced as well as FIIs touched the height \$40.92 billion during that fiscal year and this also resulted in the increase of industrial growth by 2.7% on year to year basis during the past seven months of announcement of make in India campaign.

Government formed an altogether new Ministry on Skill and Entrepreneurship on 2014, with sole objective of entrepreneurship development and skill advancement. In order to fill the gap of sector skills, a study was conducted on 24 sectors regarding their skill requirement. For further convergence of vocational training system through ITIs and fresh skill initiatives, two vertical from Directorate General of Employment and Training and Apprenticeship Training have also been transferred to the Ministry of Skill Development and Entrepreneurship. This is done to increase the ambit of ministry so that work can be done more smoothly and accountability can be increased.

Government of India also signed various agreements with different nations like U.K, Australia, France, Germany, U.S regarding technological transfer regarding vocational training, training of trainees, Establishing centre of excellence, international mapping through job mobility. Apart from this multi skill institute were also planned on PPP model who can assist training providers with industry as well as state representative. National skill universities are being proposed with vocational training curriculum. Toward the development of vocational education GOI proposed expansion of IITs, ITI, IIMs, for promoting online learning SWAYAM project introduced and for promoting research IMPRINT and UchhatarAvishakarYojana- are being undertaken. For skill advancement Skills Assessment Matrix for Vocational Advancement of Youth (SAMVAY) introduced which provides seamless movement from education to skill. For skilling the unemployed youth in engineering skills PM KaushalVikasYojana (PMKVY) is introduced. This initiative is expected to impart skills for about 10 lakh youth in the next three years. Seeing the importance of skill development the allocation of fund toward skill development have been also increased from Rs 1129.62 crores in 2012-13 to Rs 2549.29 crores in 2015-16(Business Standard 2015). In the new skill and entrepreneurship scheme 25% of schools will integrate skilling with formal education from class 9th onwards.

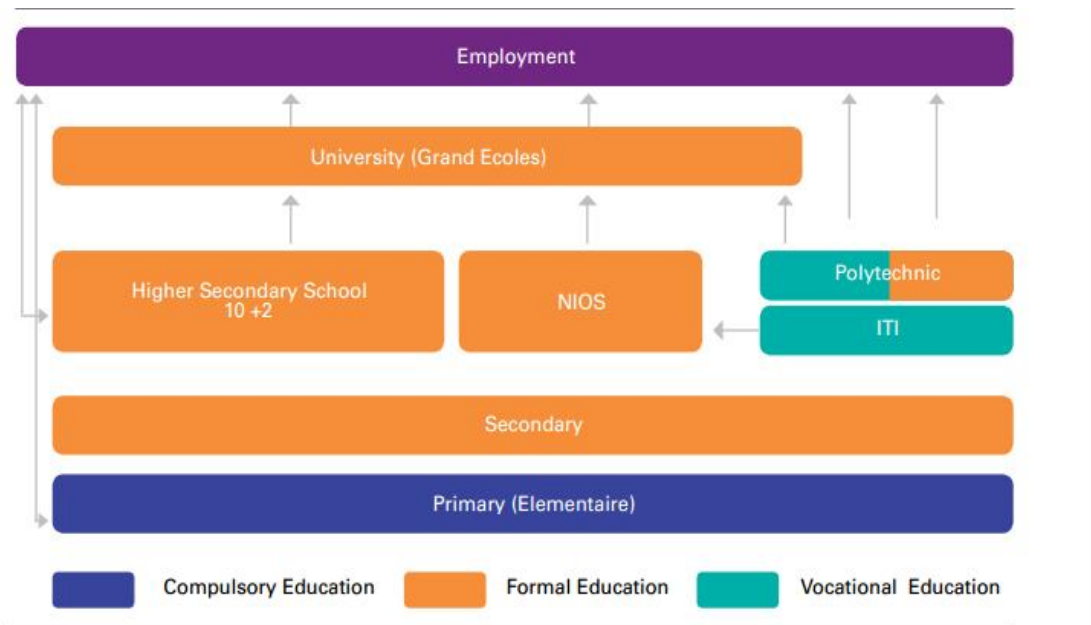
Thus, we can see that government has taken a lot many steps in convergence with the objective of making India a skilled nation and to increase the skill manpower with the objective of achieving the distant dream of having 500 million skill man powers by 2022.

Comparative analysis of Developed, Developing and Underdeveloped Economies:

This section of the paper will highlight basic differences among key variables of few nations:

Skill Ecosystem: This describes the framework i.e. how people are getting their formal and vocational trainings. This inculcates the full formal education system. When we see the Skill ecosystem of India in comparison to other developed countries we will find Indian ecosystem if more inclined toward formal education and have very less scope of vocational training which is the need of current situation.

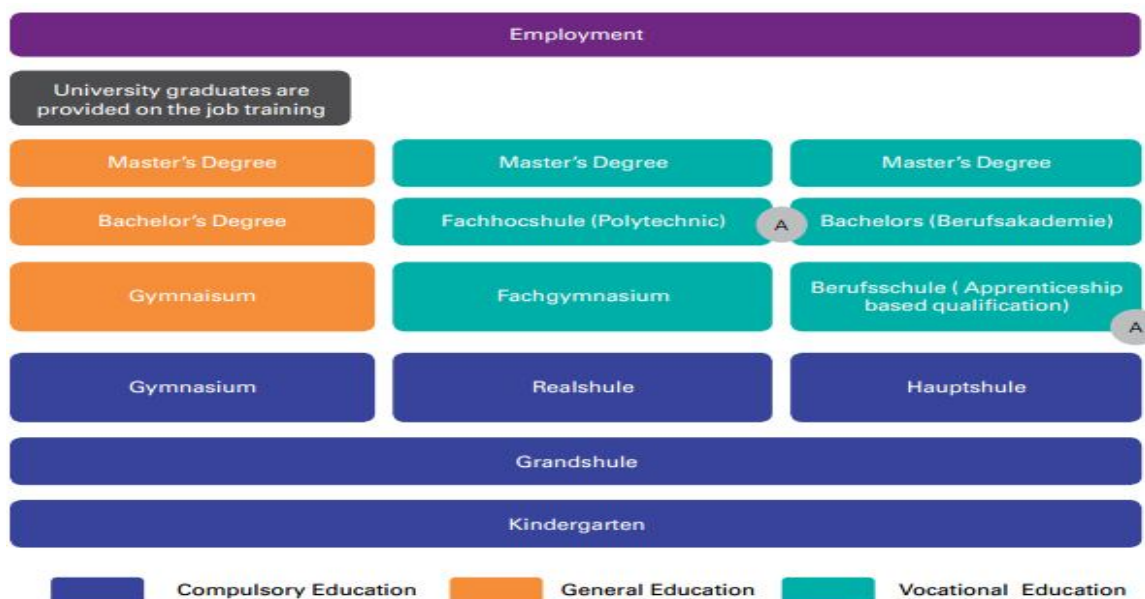
Table 1: Indian education and skill ecosystem



Source: Data taken from KPMG report FICCI September 2016.

Thus, we can see that the skills ecosystem which we follow has more of formal training and very less vocational training which is quite contrary to the ecosystem followed in Developed country like Germany which invest more in vocational training rather than in formal education.

Table 2: Germany Education and skill ecosystem



Source: Data taken from KPMG report FICCI September 2016.

We can see that the classical dual model of Germany is sounder as compared to the skill ecosystem of our country because in Germany model the contribution of Vocational training is high in comparison to our model of education. German dual model is more industry specific and require more of apprenticeship skill if opting for vocational training during schooling days.

Policy framework:

This variable shows the way government make ministry and subdivisions and how they distribute and make the curriculum for assisting the economy toward skill enhancement objective.

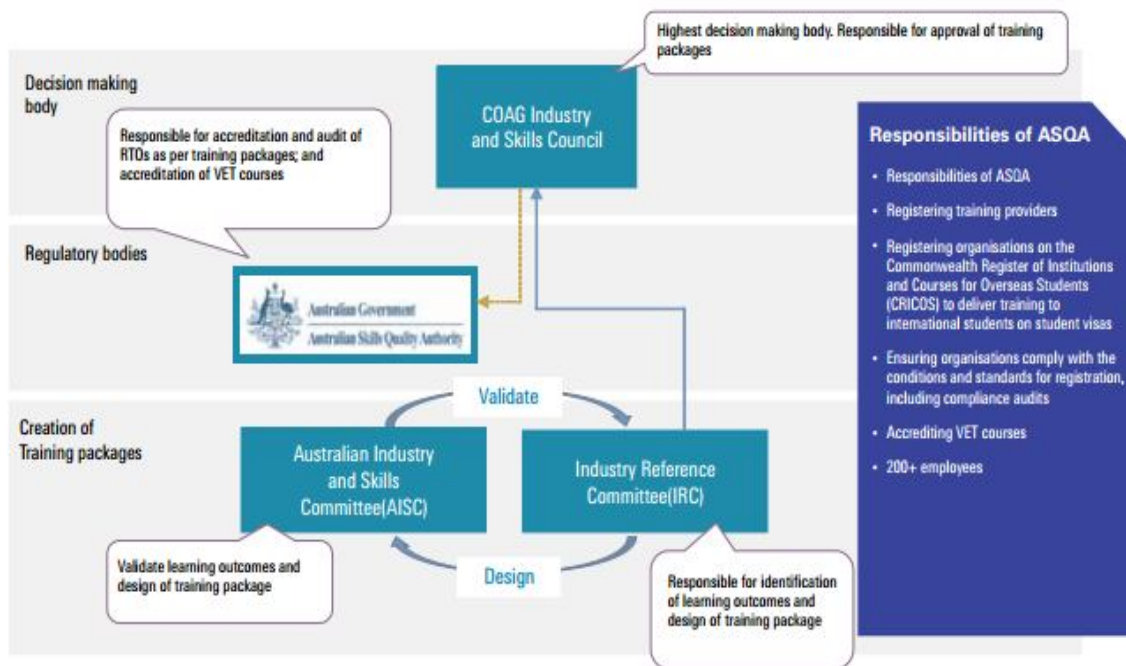
India policy framework (Skilling ecosystem framework):



Source: KPMG report 2016

Here from the chart we can see that In India the structure is quite hierarchal with one ministry and three divisions covering specific areas and there is also separate rules with state and central government whereas in other developed nations it has been found that they follow a more industry specific framework, majority of the work which ministry do is being formulated is in conjunction to industry advice and referendum.

Australian policy framework:



Source: KPMG 2016 report

From the above chart we can see that the framework of skill ecosystem in Australia is more industry specific and this helps in lowering the gap between the demand and supply of skill requirement.

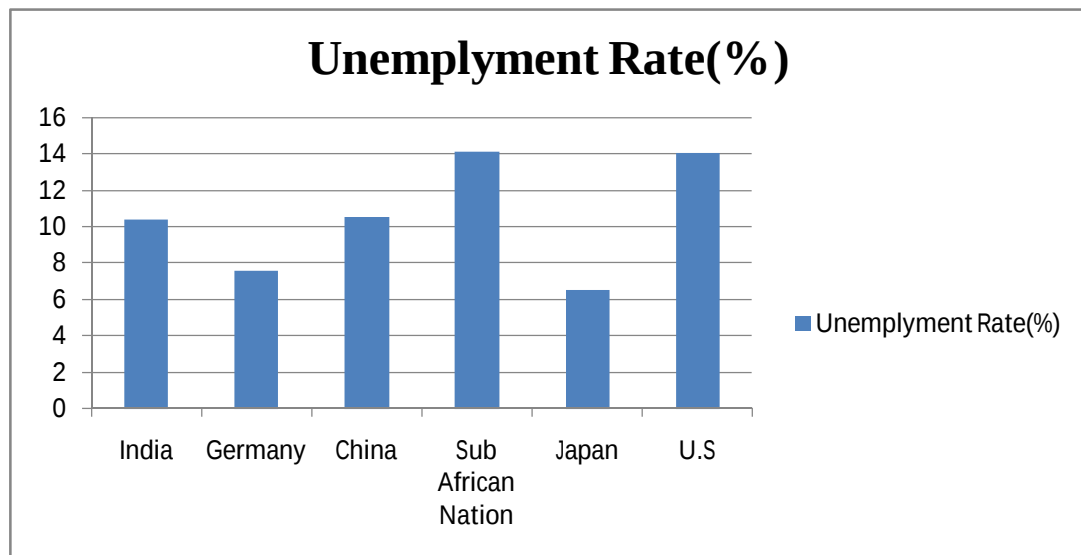
Comparison on the basis of skill workforce based on the percentage of formal workforce:

Country	Percentage
China	74%
Germany	75%
Japan	80%
South Korea	96%
India	4.69%
US	52%
UK	68%

Source: World Bank report, NSDE

This shows that when we compare ourselves with different developed countries we can see that India share of skill workforce is comparatively very less as compared to other nations.

Youth unemployment rates among different world countries between the age group of 15-24 data of 2014



Source: World Bank (Author Calculation)

Above graph shows that Germany, Japan and China are the least on unemployment rates when compared to India, U.S. and African Nations this is because of their exceptional framework of skill ecosystem and government plan for skill development taken in conjunction to industry specific.

Thus, on the basis of above comparison we can conclude that different world nation whether Germany, United Kingdom or china they all are more inclined toward vocational training rather than focusing on formal education. They have devised their curriculum in such a way that from the very early stage itself they are focusing toward vocational training for their students.

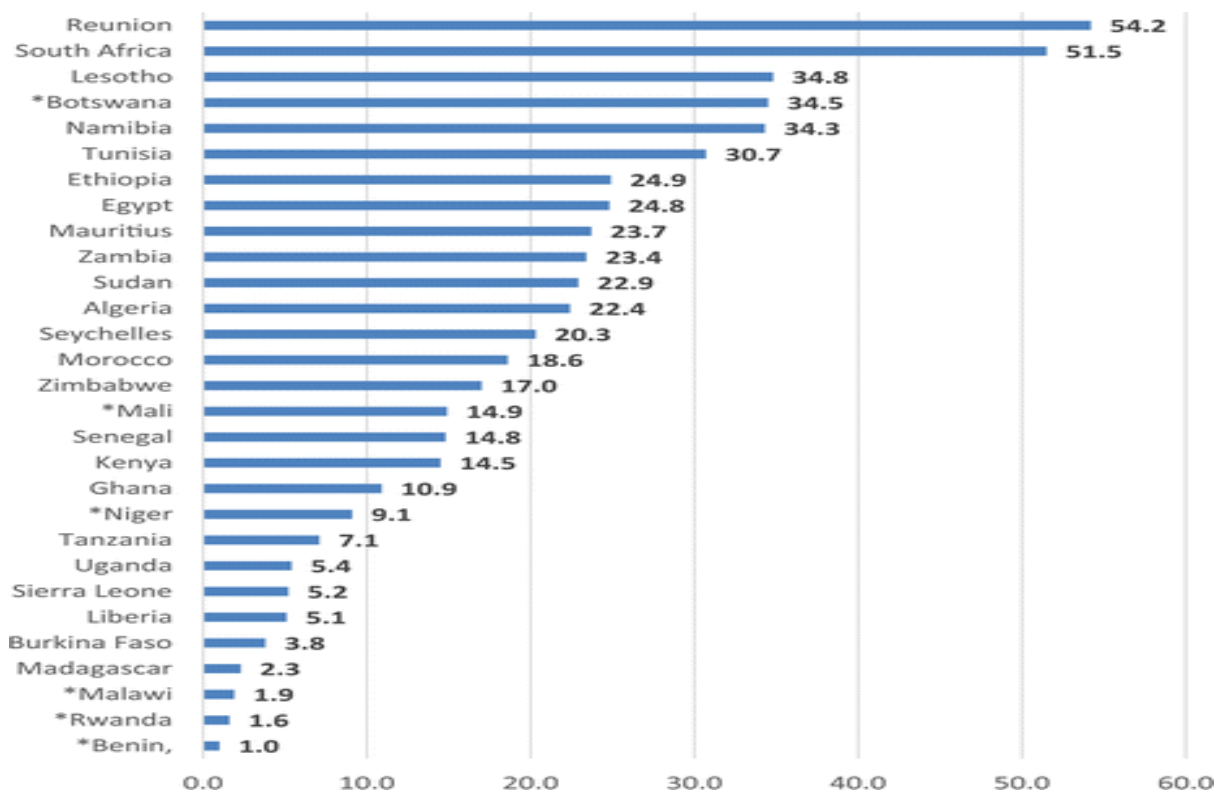
When we see their framework of policy formulation we can see that the policy framework of Australia, Philippines and United Kingdom is best in the world the reason behind is that they take into account their industrial base for both as advisory and as implementer and thus they make policy which are more suitable in context to demand and supply skill gap and that is the reason why we can see that their skill percentage as well as employment rate is quite high as compared to India.

Overview of Skill advancement in African Nation:

African nations are also bestowed with a large young population like that of India and they can also take the benefit of demographic dividend but they too are suffering from various issues like each year annually they around 7 to 10 million new entrants for employment but they don't have the required

skill to serve as an asset to society. In Kenya alone 500000 new entrants enter into market each year and around 700000 as in Tanzania and 250000 in Zimbabwe. Huge turnout for employment with no specific skill, make them shift toward informal sector around 85% of the population in African countries are engaged in informal sector with stagnant wages structure.

Sub-Sahara Africa's human stock are characterised by low literacy, low enrolment and low education attainment ratios and with regional wars, diseases this condition becomes more devastating. The vocational training scenario of Sub African countries is also getting worsened in the report of Johnson 2002 it has been found that the investment by world bank toward vocational training is constantly decreasing from 1970 to 1990 this is because of the low performance of public sector toward Vocational training.



Source: Key Indicators of the Labour Market 8th edition, International Labour Organisation.

In the study on youth unemployment covering major countries of sub African nations during the period from 2000 to 2013 it has found in few of the countries unemployment rate is quite high whereas in few countries it is in decent percentages. Youth unemployment rates are higher among the educated than the less educated or uneducated in Africa, and similar observations have been made in Indonesia (Chowdhury et al., 2012). According to data from the International Labour Organisation (ILO) in sub-Saharan Africa, the youth unemployment rate hovers around 12 percent. While this is slightly lower than the global youth unemployment rate of 12.4 percent, the African region has the world's highest rate of working poverty — people who are employed but earning less than US\$2 a day.

Seeing these worsening conditions and understanding the importance of skilled work force these sub-Saharan African's nations have also started moving toward the concept of improvised vocational training programme, they have joined hand with private players and investors for providing and investing in skill related ventures. As the resources are less, government have resorted to training levies and exchange programmes for skill advancement. Government has also resorted to decentralization and Public private partnership mode. Sub African nations also received assistance from France, Germany and Danish International Development agency in the tune of \$30 million ,120\$ million and \$50 million that too covering diversified investment in countries promoting skill advancement.

Key findings from African Analysis:

- 1) High unemployment present in few of the sub African countries
- 2) 85 % of the labour belongs to informal sector
- 3) 55% of informal sector contributes Sub African nation GDP
- 4) Youth in the age of working group is maximum
- 5) Informal sector is characterized by weak working conditions and wages rates
- 6) Inadequate supply of Vocational trainings
- 7) The skill ecosystem is not so well planned and policy driven
- 8) Government funding for skill advancement is also not sufficient
- 9) Teacher per student ratio is quite low in such countries (UNESCO Report 2012)
- 10) There is inequality in the distribution of resources and wealth (UNESCO Report 2012)
- 11) Unemployment rate shown a slight improvement over the years from 15.7 percent in 1991 to 14.1 percent in 2014 between the age group 15-24 by International labour organization.

But against all odds government had made host of initiatives to fight against the odds like increased budget for education sector, foreign collaboration, PPP models, and awareness for skill advancement and urge for knowledge growth.

Conclusion:

Finding from this study show that majority of developing and underdeveloped country depends on the informal sector. Major portion of their GDP comes from the informal sector and this informal sector is lacking the adequate provision of formal and vocational trainings. This study also show that developing and underdeveloped countries are also lacking in terms of their policy formulation as they are not taking industry professional into consideration as developed countries are doing. Another positive finding which emerges from the study is that both India and Sub African nation is bestowed with a large chunk of working population what they lacking is adequate skills.

So from this study this can be suggested that first more emphasis has to be given on vocational training along with formal education seconds industry professionals are required during policy formulation and implementation and lastly student industry interface need to be implemented so that demand supply skills can be matched. Thus, if we implement these moves in our skill development

plans than we can hope that in the coming year we can reach the distant dream of having the 500 million skilled work force by 2050.

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