

**Q1: The Ministry of Skill Development and Entrepreneurship (MSDE) has delinked its target of training 500 million people with new skills by 2022. What is the reason for this?**

**The figure of 500 million was a part of the National Skill Development Policy of 2009** which provided for a review after five years. The policy was duly reviewed and a New Policy for Skill Development and Entrepreneurship was launched in 2015 post the formation of Ministry of Skill Development and Entrepreneurship. **The 2015 policy clearly identifies the challenge** with clear break up for the newly formed Ministry of Skill Development and Entrepreneurship.

**Please note the following points:**

**Section 2.2 under the National Skill Development and Entrepreneurship Policy clearly states the challenge**

“The country, however, has a big challenge ahead as it is estimated that only 4.69% of the total workforce in India has undergone formal skill training as compared to 68% in UK, 75% in Germany, 52% in USA, 80% in Japan and 96% in South Korea. While the debate on the exact quantum of the challenge continues, there is no disputing the fact that it is indeed a challenge of formidable proportion.

On demand side, a skill gap study has been conducted by NSDC over 2010-2014, which indicates that there is an additional net incremental requirement of 109.73 million skilled manpower by 2022 in twenty-four key sectors. The sector-wise and state-wise details are at Appendix-I. On supply side, analysis based on results of 66th and 68th round of NSSO can be seen at Appendix-II.

It is observed that today the **total workforce in the country is estimated at 487 million**, of which approximately 57% is in the non-farm sector. If the workforce with higher education without formal skill training is excluded, the balance workforce is estimated to be 450.4 million. Of these 256.72 million non-farm workers, a maximum of 5.4% would be formally trained and skilled (3.61% is based on 2011-12 NSSO survey and includes both farm & nonfarm). **Approximately 241.86 million would either be unskilled or skilled through non formal channels.** Out of these, it is estimated that approximately 170 million would be in the age group 15-45 years. This workforce will need to be mapped through recognition of existing skills and then provided with necessary skilling, re-skilling and up-skilling to increase productivity and provide a livelihood pathway. Similarly, in farm sector, this figure works out to be 128.25 million. In addition, **the number of people who enter the work force age group every year is estimated to be 26.14 million. Assuming an average labour participation rate of 90% (male) and 30%(female), at least 16.16 million persons will enter workforce and they all, except those opting for higher education, need to acquire skills. This will add another 104.62 million persons to be skilled in the next 7 years. Thus, it can be seen that 104.62**

**million fresh entrants to the workforce over next seven years (by 2022) will need to be skilled. In addition, 298.25 million of existing farm and nonfarm sector workforce will need to be skilled, reskilled and upskilled.** Thus, appropriate infrastructure needs to be created keeping in view sheer numbers, sectoral division and spatial dispersal not only across the country but possible requirement in other parts of the world.”

### **Demand driven Vs. Supply Driven**

Keeping in line with the identified challenge, the endeavours of the Ministry of Skill Development and Entrepreneurship (MSDE) has been to move away from a supply driven skill development to a demand driven ecosystem. One of the major challenges of skill development has been the quality and its relevance to the market, and relevance will only come if you drive skills which are demanded by the industry. So when one does a demand driven exercise, one does not fix numbers as targets, rather the assessment is on the quantum of challenge before the nation. Hence the 2015 Policy of Skill Development and Entrepreneurship states the challenge of skilling 104.62 million people entering the workforce in the country during 2015-22. Further, it also identifies the challenge of re-skilling and up-skilling 298.25 million of existing workforce in the same period. All the entities under MSDE are working towards that challenge.

MSDE, while ensuring that skill development is happening in demand driven areas and sectors with industry defined standards, is also driving the growth trajectory defined for organisations like NSDC which promote both fee based and grant based courses. Last year National Skill Development Corporation (NSDC) had trained more than 16 lakh candidates under fee based training while this year the number has gone up to 21 lakhs.

### **Accounting of skilled workforce**

Also, it is to be noted that while the challenge is clearly stated, the accounting for the skilled workforce is still underway since the convergence is still ongoing with other Ministries and scheme. There is a lot of unaccounted data in the unorganized sector like in agriculture and those who are entrepreneurs and have their own business.

In the quest of collating the right data, MSDE is also in conversation with organisation like NSSO, to come up with a clear definition of skills that is aligned with international standards and fulfils the purpose of getting data to give us the actual number of skilled personnel in the country. Only people trained for vocational education from ITIs under the erstwhile Skills Development Initiative are accounted for under the existing rules for measuring skills in the country.