

SKILL DEVELOPMENT FOR SELFEMPLOYMENT

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Abstract : India is second most populous and youngest country in the world with population of about 1384 million and average age of 29 years. Traditionally, India was an agro-based economy with an estimated share of agriculture at 47.6% % in year 1960-61 as against about 19.9% in the year 2020-21. Agriculture and related industry is a major source of employment. However, post liberalization and globalization of world economies, manufacturing and service sectors have improved their share in GDP significantly. One of the biggest challenges for the economy is to convert the young human force into employable force with thrust on Aatmanirbhar Bharat. The Ministry of Skill Development and Entrepreneurship was set up by Government of India in 2014 to coordinate all skill development efforts across the country. Global economies are adversely affected by Pandemic, COVID-19 and are on path of recovery. Encouraging self-employment by creating and sharpening the existing infrastructure for skill enhancement is of utmost priority to utilize its huge young human resource. National Education Policy 2020 announced in July addresses some areas such as Inter-ships and vocational education from Class 6. Education sector has crucial role to play in enhancing and setting up Skill development in all areas including agriculture sector.

Key Words : Agriculture, GDP, Skill Development and Entrepreneurship, National Education Policy 2020, Unemployment, SMEs.

Why Self Employment?

India is second most populous and youngest country in the world with population of about 1384 million and average age of 29 years. Self-employment which is predominantly in rural areas is mostly practised in Agriculture and allied sectors. Over the decades increase in Educational facilities resulted in higher literacy with higher employability of the population. To sustain and grow economically, India needs to create opportunities for Self-employment.

The fast-growing India's young population is adaptable, and future-oriented. However, only 1 out of 20 people have received any skill training as compared to 3 out of 4 people in Germany who are ready to enter the workforce. The pace of skill development has seldom matched that of technology in India. Skill training so far has not had the impact envisaged by government and policy-makers. There are around 31 million unemployed Indians seeking jobs now—the highest since October 2016, according to a report published

on 27th February by the Centre for Monitoring Indian Economy (CMIE). There are still several roadblocks to realise its potential and create a skilled global workforce.

Therefore, one of the answers lies in self-employment and entrepreneurship. Self-employment is being increasingly recognised as one of the prominent ways of income in developing countries. It reduces the burden on job creation and encourages self-sufficiency with the use of minimal resources. Self-employment and entrepreneurship can create jobs consistently and reduce the number of unemployed at a faster pace

Skill Development is base for Self Employment :

Skills development is the process of (1) identifying skill gaps, and (2) developing and honing these skills. It is important because your skills determine your ability to execute your plans with success. The Ministry of Skill Development and Entrepreneurship was set up by the Government of India in 2014 to coordinate all skill development efforts across the country.

Skill development is an important driver to address poverty reduction by improving employability, productivity and helping sustainable enterprise development and inclusive growth. It facilitates a cycle of high productivity, increased employment opportunities, income growth and development. The increase in productivity can be attributed to varied reasons such as new technology, new machines, better management practices; investment in plant and equipment and technology, occupation safety improvement in the skill level of workers; macro-economic policies, labour market conditions, business environment and public investment in infrastructure and education.

Sector-wise Changes in Contribution to Economy.

Agriculture :

Traditionally, India has been an agro based economy with an estimated share of agriculture at 47.6% % in year 1960-61 as against about 19.9% in the year 2020-21. Agriculture and related industry is a major source of employment. In 2020, employment in agriculture sector was 41.49% of total Indian work force. Factors such as lower yield of agriculture produce, higher dependency on monsoon, lack of infrastructural facilities for irrigation, storage, marketing, low level of literacy, lack of reach of government schemes for technology, finance and marketing, etc has forced the marginal employees/self-employers to shift from rural to urban for livelihood. This has created shortage of labour in agriculture sector. There are many schemes of central and state government to support and encourage agriculture. However, lack of necessary skills, farmers or agro-based employment has been facing huge challenges to remain competitive in terms of quality and competitiveness.

Structured skill enhancement programmes at early stage of education are the need of hour. Basics of agriculture should be part of mandatory secondary school curriculum and *skill development courses for farming, allied agro based industry should be started in line various trades of industry provided by Industrial Training Institutes (ITIs)*. This will provide the

employable youths in agriculture sector who can use latest technology, skills towards betterment of the sector.

Agriculture need to be considered as an industry keeping the overall socio-economic supports from all the agencies / governments. Agricultural reforms can be debated for various reasons, *but skill enhancement for self-employment in this sector is need of the hour*. During recent ongoing pandemic COVID-19, all sectors of economy witnessed contractions with an exception of agriculture sector.

Manufacturing Sector :

Manufacturing Industry in India has gone through various phases of development over the period of time. Since independence in 1947, the domestic manufacturing sector has travelled from building the industrial foundation in 1950's and early 1960's, to the license-permit Raj between 1965 to 1980. Then it underwent a phase of liberalization of 1990's and finally to the present phase of global competitiveness. The Indian Manufacturing sector currently contributes 16-17% to GDP and gives employment to around 12% (2014) of the country's workforce.

The 'Make in India' initiative which is to increase contribution of manufacturing to GDP to 25%, Aatmanirbhar Bharat initiatives for making India self-reliant post COVID-19 scenario, developed economies looking towards India as an alternate investment destination for manufacturing to China and reduction in taxes for new manufacturing set ups /start-ups, all these factors have created a huge opportunity for self-employment. In view of this, the existing infrastructure for skill development need to be overhauled to match the expectations of investors in manufacturing sector.

Service Sector :

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment. It has also contributed significantly to export and has provided large-scale employment. India's services sector covers a wide variety of activities such as transport, storage and communication, trade, hotel and restaurants, health services, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction. The National Skill Development Corporation (NSDC) is focusing more on the services sector — like tourism, hospitality and healthcare — to train millions of the country's unemployed youth. Services sector provides huge employment opportunities to the employable youths.

Education and Skill Development :

Educational and skill policies are integral parts of broad economic strategies to develop economies and promote employment opportunities appropriate to changing needs of the economy. Skill-mismatch, formal skill training and re-training is seen as a significant issue for employability. Information Technology(IT), automation, the growing importance of digital ecosystems and independent work are challenging labour markets in India while

also creating new and better opportunities. The National Employment Policy ensures that the education, training and skill development system is aligned with the changing requirements of the labour market. The National Education Policy 2020 announced in July 20, addresses some areas such as inter-ships and vocational education from Class 6. Education sector has crucial role to play in enhancing and setting up Skill development in all areas including agriculture sector.

Micro & Small and Medium Enterprise (MSME) :

MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural and backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

Self-employment leads to micro & small enterprise and entrepreneurship, which is a significant part of economy. It employs about 120 million people and accounts for 48.10% of total exports of India contributes 6.11% of the manufacturing GDP and 24.63% of the Service GDP and shares 33.4% of India's manufacturing output. Overall skill development of all the sectors will create many successful and sustainable stories of MSMEs.

Innovation in skills development provides new ways of talent development for small and medium-sized enterprises (SMEs). While SMEs are crucial for economic development, employment and job creation they face continuing barriers to developing their human resources. Training & skills development is significantly lower in SMEs than in large enterprises with SMEs involved in up to 50% less training than larger firms. The pool of SME workers requiring further education and training is significant. However, SMEs often find it difficult to support formal learning activities due to their small size.

As per the survey of Organisation for Economic Co-operation and Development (OECD) the skill strategy for SMEs includes following key issues:

- SMEs use both formal and informal training but they get better outcomes from informal training through use of knowledge intensive service activities (KISA). Significant variations exist across regions and employee skill levels.
- Training for highly skilled employees focused on productivity-enhancing skills (e.g. technical and management skills, entrepreneurship), and, to the extent that they are undertaken at all, green skills. This applies to both manufacturing and service firms.
- Market forces are the main drivers for skills development in firms, particularly informal skills development. They result from in-house demands arising from product development or production needs, or as the result of financial adjustments.
- “Growth potential” SMEs are most likely to take up opportunities in the green economy. Highly innovative firms are more likely to participate in innovative activity for the “green” economy, and also have a stronger focus on entrepreneurial skills.

Conclusion :**Skill Development for Self Employment – An innovative approach**

Self-employment is now recognised as critical link in economic development of an economy. Self-employment can be a natural process of evolution in a given socio-economic milieu. The need and relevance of entrepreneurship development activities is high in India, which is characterised by low level of entrepreneurial activity and high level of mass unemployment coupled with the traditional preference for paid job as the preferred career option among the people. Skill development training is now increasingly accepted as an instrument of promoting self-employment in a country. Skill development can kindle entrepreneurship spirit, develop entrepreneurship skills and build entrepreneurship personalities, equipped with mental orientations, practical skills and strategic visions required for success in entrepreneurial endeavours.

1. Educational / Vocational courses/training at secondary school levels for all sectors specially the Agriculture and allied services.
2. Use and intervention of Information Technology in skill development to reach out the most remote places in rural areas.
3. Public- Private participation in skill development programme and incentivising the stakeholders.
4. Financial institutions and Banks who are lenders to MSME, Self-employment to be stakeholder in all skill development programmes.
5. Educational Institutions / Universities/ Secondary schools to set curriculum for skill development based on market expectations. The curriculum to be dynamic and need to aligned to changes in industry.

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