

The Need for Skill Development in India and Contribution of Public-Private Partnership: The Case of National Skill Development Corporation (NSDC)

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Abstract

India is growing as a prominent destination for almost every market among the developing nations world over. Increasing manufacturing capacity and export of commodities; incline towards the substantial growth of the country. The changing composition of the Indian economy in terms of its structure has affected the demand pattern of the industrial labor. In the past, Indian labor was chiefly engaged in agriculture sector but in recent decades the shift has been towards the industry and service sectors. As a matter of fact, the Indian workforce lags far behind the required expertise and skills to perform the jobs in an efficient mode. This skill gap not only leads to the loss of productivity but also adds to huge financial losses of the nation. To ensure a comprehensive economic growth of the country, skill development has emerged as a matter of immediate concern. The present study is an attempt to document the initiatives of National Skill Development Corporation (NSDC) for improving the skills of the Indian workforce. The NSDC is a unique example of the Public-Private Partnership in this field. An intensive review of NSDC publications, impact studies of NSDC activities and direct interaction with skill development centre members assisted by NSDC has helped to unravel the changes that NSDC has brought for skill development in India.

Key Words: Skill Development, Skill Gap, Indian Workers, National Skill Development Corporation, NSDC, Public-Private Partnership, PPP, Vocational Training, ITI, ITC.

Introduction

Few decades earlier India was a country where most of its workforce was engaged in agricultural activities. This changed drastically after the liberalization policy of the 1990s. Slowly and gradually the scenario of the workforce mix in different sectors began changing and people started shifting to industry and service sectors. The wave of globalization is at its all time high and increasing number of people wish to join high-productivity sectors.

India today is home to approximately 1.3 billion people second only to China. The country boasts of having one of the youngest populations in the world. The economists are perhaps more interested in the fact that the workforce in the working age group exceeds to those dependent on them. This trend is expected to continue for many years more years to come. India has a massive work force, which if utilized in a proper and efficient manner can speed up the national economic growth rate.