

**12. Critically discuss the role of private sector in skill development in India in recent years. In this context, what are the measures required to improve oversight as well as financing in the skill development sector? (250 Words)** **15**

**Approach:**

- In the introduction, show the current state and the need of overhauling the skill development sector and the role private sector.
- Divide the question into two parts – role of private sector and improvement in that. Divide the second part further into two – improvement in oversight and financing.

**Approach:**

1.1 million young people join the workforce in India every year. According to a McKinsey report, only a quarter of them are employable. It shows the poor state of skill development in India.

Private sector off late has started playing a major role in skill development in India as can be observed through:

- Increase in number of private ITIs from 2000 in 2007 to 11000 today.
- The National Skill Development Corporation (NSDC) today has more than 6,000 private training centres.
- Private training partners with government support have mushroomed at the rate of five a day, especially under Skill India Mission and PM Kaushal Vikas Yojana.

Role of private sector was recognised keeping in mind two aspects- the inability of government alone to cater to the massive skill deficit in the labour force, and making skilling more industry led for it to be more industry relevant.

However, their increasing role is also associated with various issues such as

- **Disregard of norms and standards** for skill development while scaling up. For e.g. no Aadhaar checks, attendance requirements and batch size limitations are put in place.
- **Lack of proper regulation** - Due to poor organizational strength Quality Council of India (QCI) does not follow accreditation norms created by the National Council for Vocational Training (NCVT).
- **Inadequate powers with NCVT** - The NCVT performs majorly an advisory role. One example of lack of authority is examination process — where the question paper is prepared by the NCVT, but administered and evaluated by instructors of the State Councils for VT. Thus, no role in actually assessing the quality
- **Inadequate result orientation** as the private centers of skill development are not demand driven
- **Lack diversity and applicability** - Private ITIs offer training in less than five trades, have fewer classrooms and workshops for practice; and their teachers also are very poorly paid.
- **No follow-up** in the post training period to assess the skills set acquired by way of training module.

To systematically solve these problems, following steps should be taken for

- **Improving Oversight**
  - Like every other educational board, there must be a board for skill development sector which will look after accreditation, assessment, certification and course standards.
  - There must be rating and ranking system which should be frequently published.
  - There must be unified national vocational education and training system. For this purpose, a legal framework should be put in place.
  - There must be mechanisms to assess the impact of skill training program, during skill development and in the post training period.
- **Financing**
  - The source of finance should be government, multi-lateral agencies and corporate social responsibility.
  - For resource mobilization the role of employers is pivotal. It should be promoted through tax benefits and reimbursable industry contribution.

In the rapidly changing job market, India needs to revamp its skill development sector with adequate role of private sector.