



SKILL DEVELOPMENT AS A PATHWAY TO EMPLOYMENT: ADDRESSING SKILL GAP IN THE LABOUR MARKET IN BIHAR Paper

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Abstract: The present paper explores the current state of skill gaps in rural Bihar's, identify the underlying causes, and suggest policy interventions to bridge the gaps by preparing the labour supply as per the demand for labour in the market. It is found that several programmes at state as well as centre level that addresses the issue of skill development, a substantial portion of the rural workforce remains under-skilled or mismatched for available jobs due to limited access to training, out-dated curriculum, low awareness, gender disparity, limited industrial presence, inadequate vocational training etc. Therefore, continuous efforts are required to enhance educational infrastructure, expand vocational training, promote industrial development, establishing training centers, updating curriculum, awareness campaigns, promoting gender equality, public-private partnerships, integrated skill development framework, monitoring and evaluation, incentives for skill development and focus on digital skills.

Keyword: Skill Development, Skill Mismatch, Vocational Training, Labour Market.

I. INTRODUCTION

The economic development of any region is closely tied to the skills and competencies of its workforce. Higher level and better standardised skill sets enable nations to respond more successfully to opportunities in both internal and international employment markets. Skilled workforce constitutes human capital as one of important factors for a national economic growth in the modern economy (Schultz, 1961). Classical economists too believed in human capital development as a source of capital accumulation leading to economic growth. The connections between education, skills, productivity, and economic growth have been extensively researched. Therefore, investment these areas and generating human capital through investments is considered important.

As India is rapidly advancing in technology, moving from the farming to the industrial sectors, this movement has contributed significantly to the GDP. But it appears that the workforce is reluctant or unable to adjust to these developments and improve their skills in line with them. There is a mismatch between the skill level of the workforce and the demands of the job market as a result of this unwillingness to adapt to the industry's changing requirements. This can be a result of technological advancements and changes in industry practices that render certain skills obsolete or less in demand. Experiencing a painful shock to a worker who must had to modify their skill sets to get a job with the new skillset requirement. Also, a widespread usage of digital technologies is contributing to involuntary long-term unemployment as well (Acemoglu, 2011). This issue of skill mismatch arises for a variety of reasons, one of which is the use of advanced technologies as we have seen which significantly reduce employment and slow down the creation of new jobs.

India skill Report, 2018 highlighted that these is a clear, structural shift from agriculture to non-farm sector, particularly construction, trade and transport. According to report, rapid advances in automation technologies are affecting India's information technology and business process outsourcing sectors. These sectors have remained net job creators, and the industry estimates that companies could hire up to 2.5 to 3 million more workers by 2025. Thus a nation like India which is progressing towards development requires institutions, entrepreneurship and skill development, to initiate and achieve the course of change and the

changing societal structure and livelihood profiles. In order to improve the skill among the people, Government of India under “Transformation of Aspirational Districts Programme” launched in the year 2018 has focused on improving the human development outcomes though the area of financial inclusion and skill development (one out of five board thematically areas identified by GoI). It is expected that skill development will play a major role in tackling the problem of unemployment and poverty in rural areas by inculcating the desirable skills and develops entrepreneurial ability through various skill trainings.

There are many studies which give important to skill development as one of the essential factors for the economic development which can be achieved by encouraging higher vocational education and the equal development of high-tech industries in all regions along the modern industrial innovation and upgrading through higher vocational education, improve productivity, and promote the country's intensive development (Mehrotra, 2014; Anbuthambi and Chandrasekaran, 2017; Bhattacharya et al., 2020; Xia L. et al., 2022; Behera, B., & Gour, M., 2022)

Based on the above review it can be said that though many works are done on skill development and vocation education in India, but there is lack of studies that look at the employment status of trained skilled labour in India with vocational training, especially in Bihar. As Bihar one of the fastest growing States of India in recent times remained stuck in the grim of backwardness. Its agricultural workforce has significantly decreased but the non-farm sector employment has increased only to a limited extent as a result it faces significant challenges related to employment and skill development. To reduce the burden of unemployment and under employment, there is a need to understand the skill development issues in Bihar. In other words, it will explore the current state of skilling, under-skilling, skill gaps, and skill shortages in rural Bihar's, identify the underlying causes, and suggest policy interventions to bridge the gaps by preparing the labour supply as per the demand for labour in the market in Bihar.

II. ISSUES AND CONSTRAINTS TOWARDS SKILL DEVELOPMENT

The issue of skill development is critical for the socio-economic growth of rural areas, especially in aspirational districts of Bihar. These districts face unique challenges related to over-skilling (occurs when individuals possess higher skills than required for their job roles. This can lead to job dissatisfaction and underutilization of talent and reduced productivity), under-skilling (refers to the lack of necessary skills required for specific job roles. This can result in low productivity, inefficiency, and higher training costs for employers), skill gaps (difference between the skills required by employers and the skills possessed by the workforce), and skill shortages (occurs when there is a lack of skilled workers available to fill job vacancies. This can lead to unfilled positions and slow down business operations). These challenges include low literacy rates, inadequate vocational training infrastructure, and limited employment opportunities. Low literacy rates in rural Bihar are a fundamental barrier to skill development. The lack of basic education restricts individuals' ability to acquire new skills and adapt to evolving job markets. This educational deficit is particularly pronounced among women, further exacerbating gender disparities in employment opportunities. The region suffers from a shortage of quality vocational training centers. Existing facilities often lack modern equipment, trained instructors, and industry-relevant curricula, leading to a workforce that is ill-prepared for current job demands. This inadequacy contributes to the skill mismatch observed in the local labour market. Economic underdevelopment in these districts results in scarce employment opportunities. The limited presence of industries and enterprises means that even individuals with relevant skills struggle to find suitable employment, leading to underemployment and migration to urban areas in search of work.

Despite several initiative at state as well as centre level that addresses the issue of skill development such as Bihar Skill Development Mission, Pradhan Mantri Kaushal Vikas Yojana, Mukhya Mantri Shram Shakti Yojna, a substantial portion of the rural workforce remains under-skilled or mismatched for available jobs. Such as:

Limited Access to Training: Rural areas often lack adequate training centers and infrastructure, making it difficult for individuals to acquire new skills.

Out-dated Curriculum: The training programs often have outdated curricula that do not align with the current industry requirements, leading to a mismatch between skills and job opportunities.

Low Awareness: There is a lack of awareness among the rural population about the importance of skill development and available training programs.

Gender Disparity: Women in rural areas face additional barriers to skill development, including social norms, lack of mobility, and limited access to resources.

Limited Industrial Presence: The sparse industrial base in these districts offers few employment opportunities, discouraging skill acquisition among the youth.

Inadequate Vocational Training: The region suffers from a shortage of quality vocational training centres, resulting in a mismatch between the skills imparted and those demanded by industries.

III. INITIATIVES ADDRESSING SKILL SHORTAGES

Recognizing the importance of skill development, the Bihar government has undertaken efforts to equip the rural workforce with industry-relevant skills. Programs under the Bihar Skill Development Mission (BSDM) aim to enhance employability through training and certification, thereby bridging the skill gap and aligning the workforce with market needs. These initiatives collectively aim to address the employment challenges in rural Bihar by providing immediate job opportunities, developing infrastructure, and enhancing the skill sets of the rural populace, thereby fostering sustainable economic growth in the region. Bihar has undertaken several skill development initiatives to enhance the employability of its youth and address the challenges of under-skilling and unemployment. These programs aim to provide industry-relevant skills, promote entrepreneurship, and create a robust support system for skill development.

Bihar Skill Development Mission (BSDM)- The Bihar Skill Development Mission (BSDM) was established by the Government of Bihar to empower youth with the necessary skills to fuel the state's growth. BSDM's primary roles include establishing a wide network of training centers and providing employment opportunities to the youth. The mission offers various programs such as domain-based fresh skilling, Recruit-Train-Deploy (RTD), Recognition of Prior Learning (RPL), and collaborates with national initiatives like the Pradhan Mantri Kaushal Vikas Yojana (PMKVY).

Kushal Yuva Program (KYP)- A significant component of BSDM is the Kushal Yuva Program, targeting individuals aged 15-28 who have passed at least the 10th grade. This program focuses on enhancing soft skills, communication skills in English and Hindi, and basic computer literacy. The training spans three months and is designed to improve the employability of youth who have dropped out of formal education or are seeking jobs.

Chief Minister's Self-Employment Scheme- This scheme provides financial assistance and skill training to promote entrepreneurship among Bihar's youth. It offers guidance in business planning, financial management, and marketing strategies, along with loans and subsidies to encourage startups and small businesses. The focus is on fostering rural entrepreneurship, enabling individuals to establish enterprises within their communities.

Mega Skill Centers and Training Institutes- To provide technical and vocational education, Bihar has established Mega Skill Centers equipped with modern infrastructure and industry-standard training facilities. These centers offer courses in fields like automobile engineering, electrical work, tailoring, and computer applications. Collaborations with industries ensure that training programs align with current job market demands, thereby enhancing the employability of trainees.

Bihar Industries Association (BIA)- Skill Development Program The Bihar Industries Association offers a free-of-cost skill development program aimed at economically disadvantaged individuals lacking access to computers. This initiative focuses on imparting computer skills to financially constrained students, enabling them to explore opportunities in the digital field.

Bihar Water Development Society (BWDS)- Initiatives As part of BSDM, the Bihar Water Development Society operates Skill Development Centers that provide structured training and certifications in language skills, information technology, and soft skills. These programs aim to enhance the employability of youth aged 15-28, particularly those who have passed the 10th grade and are seeking job opportunities. These initiatives collectively aim to bridge the skill gap, promote self-employment, and create a skilled workforce aligned with industry requirements, thereby contributing to the socio economic development of Bihar.

Deen Dayal Upadhyaya-Grameen Kaushalya Yojana (DDU-GKY): This scheme aims to make skill acquisition aspirational among the rural poor, creating a skilled and productive workforce.

Resource Envelope for Aspirational Districts: This initiative supports skill development and creates employment opportunities for rural youth in horticulture and post-harvest management, especially in the cold chain sector.

Bihar State Rural Livelihoods Mission (JEEViKA): Launched by the Government of Bihar, JEEViKA focuses on social and economic empowerment of the rural poor. The program aims to reduce rural poverty by providing support for livelihood activities, promoting self-employment, and empowering women through the formation of self-help groups. JEEViKA has been pivotal in enhancing income and employment opportunities in rural areas.

IV. CONCLUSION AND RECOMMENDATION:

The presence of skill gaps and shortages not only limits employment prospects for the youth but also hampers industrial growth and economic development in the region. While several programs have initiated positive changes, continuous efforts are required to:

Enhance Educational Infrastructure: Improving schools and colleges to provide quality education.

Expand Vocational Training: Establishing more training centers with updated curricula aligned to industry needs.

Promote Industrial Development: Encouraging industries to set up operations in these districts to provide employment opportunities.

Establishing Training Centres: Setting up more training centres in rural areas with modern infrastructure and facilities to provide accessible skill development opportunities.

Updating Curriculum: Regularly updating the training curriculum to match the evolving industry demands and incorporating practical, hands-on training.

Awareness Campaigns: Conducting awareness campaigns to educate the rural population about the benefits of skill development and available government programs.

Promoting Gender Equality: Implementing policies and programs that encourage women's participation in skill development activities and providing them with necessary support and resources.

Public-Private Partnerships: Encouraging collaboration between the government, private sector, and non-governmental organizations to create comprehensive skill development programs and employment opportunities.

Success Stories from Aspirational Districts: Documenting successful skill development initiatives in aspirational districts of Bihar and analysing the factors contributing to their success.

Integrated Skill Development Framework: Developing an integrated framework that aligns skill development initiatives with the specific needs of rural Bihar's economy

Monitoring and Evaluation: Establishing a robust monitoring and evaluation system to track the progress and impact of skill development programs.

Incentives for Skill Development: Providing incentives for individuals and organizations to participate in skill development activities, such as scholarships, grants, and tax benefits.

Focus on Digital Skills: Emphasizing the importance of digital skills and incorporating them into the training curriculum to prepare the workforce for the digital economy.

By implementing these targeted solutions and leveraging government initiatives, it is possible to enhance the employability and productivity of the rural workforce, ultimately contributing to the overall growth and prosperity of the region.

V. ACKNOWLEDGMENT

This article is part of ICSSR sponsored project. This is to acknowledge the Indian Council of Social Science Research (ICSR), New Delhi for providing financial support to undertake the research..

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