

# “Viksit Bharat: Importance of Skill Development for Youth”

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## **Abstract**

One of the priorities of the Viksit Bharat 2047 vision of India to be a developed country is the productive nature of the youth population (Government of India, 2023; NITI Aayog, 2023). More than 65 percent of the population is also under the age of 35 years, which presents India with a good demographic advantage (World Bank, 2022; UNDP, 2022). It is however the question of how this demographic dividend is turned into a viable economic growth through systematic enhancement of skills using systematic skill enhancement programs (Bloom et al., 2003; OECD, 2021). The paper will address the applicability of skills development of young people in terms of the eventualization of the objectives of Viksit Bharat depending on the relevance of the employability, entrepreneurship, economic productivity and policy effectivity (World Economic Forum, 2020; ILO, 2022)

The study is entirely based on the secondary data obtained by utilizing the research papers, the government reports, and policy analysis (Creswell, 2018; Saunders et al., 2019). Qualitative method of analysis has also been deemed to elicit an inference of the results of the empirical research and reports at the national level (Yin, 2018; Bryman, 2016). Considering the most topical literature, namely, Attanasio et al. (2017), Maitra and Mani (2017), and Mehrotra (2020), the literature review is limited to the presentation of the micro level based on the experimental results and the macro level based on the policy policy (World Bank, 2022; NITI Aayog, 2023).

It has been demonstrated that with the preparation of systematic vocation training methods, as well as, internships, and exposure to the industry, the methods would increase work (ILO, 2022; World Economic Forum, 2020). However, such universal issues as skills dissonance, the informal employment is widespread, geographic disparities, and the wastage during implementation are also relevant to the effectiveness of skill programs in India (NASSCOM, 2022; India Skills Report, 2023; World Bank, 2022). According to the research, it can be seen that the development of the skill must also be viewed as a long term investment in the economy rather than a temporary working program (OECD, 2021; Becker, 1993). The industry-academia partnership has to be strengthened, the standards of quality should be improved, and the digital and entrepreneurial capacity are to be increased, which is the key to transforming India by the year 2047 into a developed country (NITI Aayog, 2023; World Economic Forum, 2020).

**Keywords:** Viksit Bharat, Skill Development, Youth Employability, Demographic Dividend, Economic Growth, Vocational Trainin.

## Introduction

India is currently in a historic crossroad of development in its history (Economic Survey of India, 2023; NITI Aayog, 2023). With the country nearing the 100th anniversary of the independence in 2047, the Government of India has launched the vision of Viksit Bharat 2047, which will set up goals of making India a fully developed country (Government of India, 2023; PIB, 2023). This is a vision with great ambitions that is aimed at not only economic growth but also inclusive growth, technological growth, social growth, and effective human capital development (NITI Aayog, 2023; UNDP, 2022). The human capital development, especially the empowerment and skill development of the youth is among the numerous pillars supporting this national vision (Ministry of Skill Development and Entrepreneurship, 2023; World Bank, 2022).

India nowadays is regarded as one of the youngest countries in the world (UN Population Division, 2022; World Population Review, 2023). The median age in the country is about 28 years (World Population Review, 2023; UNDP, 2022), which is much less than in most of the developed economies like the United States, Japan, and a number of European nations (United Nations, 2022; OECD, 2021). India has more than 65 percent of the population belonging to the working-age bracket and hence gives India a good demographic hand (World Bank, 2022; Economic Survey, 2023). According to the economists, this is known as demographic dividend that takes place when the number of people who are working is high relative to the number of people who depend on this labor i.e. the number of children and the aged people (Bloom et al., 2003; UNFPA, 2021).

This demographic dividend forms a strong chance of the growth of the economy, higher productivity, and the national development (Bloom et al., 2003; World Bank, 2022; OECD, 2021). An enormous and efficient workforce would help in bringing in the aspects of innovation, entrepreneurship, industrial development and

elevated standards of living (OECD, 2021; World Economic Forum, 2020). Nevertheless, a demographic advantage is not always immediately turned into economic success (Bloom et al., 2003; ILO, 2022). To maximize on this demographic set-up, nations need to invest a lot in education, skill acquisition, job avenues and friendly economic policies (World Bank, 2022; UNDP, 2022). In the absence of these aspects, demographic dividend is bound to become a demographic burden that is typified by unemployment, underemployment, and social inequality (ILO, 2022; World Bank, 2022).

Youth employability is an issue of concern in the Indian context that has witnessed a rapid growth of higher institutions in the country (AISHE, 2022; UGC, 2022). In the last 20 years, the number of universities, colleges, and technical institutes has risen by a substantial margin in India meaning that the number of graduates joining the labour market annually has risen as well (UGC, 2022; AISHE, 2022). Although this growth has increased access to education, various studies have found out that most of the graduates are yet to acquire the practical and industry-relevant skills that would be demanded by the employers (India Skills Report, 2023; NASSCOM, 2022).

In the report on India Skills (2023), the authors state that a significant proportion of Indian graduates lack full employment potential because of the lack of technical skills, digital literacy, communication skills, analytical thinking, and problem-solving skills (India Skills Report, 2023; World Economic Forum, 2020). Another common complaint by employers is that despite graduates having a lot of theoretical knowledge, they fail to apply them in practical work settings (NASSCOM, 2022; OECD, 2021). This discrepancy between the performance in educational systems and that of the industry has helped to increase the rate of structural unemployment and underemployment among the youth (ILO, 2022; World Bank, 2022).

Moreover, global labour market has been restructured greatly under the influence of the globalisation, technological development, and digitalisation (World Economic Forum, 2020; OECD, 2021). The growing use of automation, artificial intelligence, machine learning, and new digital technologies have changed the category of skills necessary in the contemporary work environment (World Economic Forum, 2020; McKinsey Global Institute, 2021). Monotonous occupations and manual jobs are slowly being substituted by jobs that need specialized technical skills, flexibility, creativity and problem-solving (OECD, 2021; ILO, 2022).

The information technology, fintech, renewable energy, logistics, healthcare, e-commerce, and advanced manufacturing are thriving industries that are developing more jobs (World Bank, 2022; Economic Survey, 2023). Nevertheless, the investments require a labor force with the latest technical and technological skills (World Economic Forum, 2020; OECD, 2021). World Economic Forum (2020) notes that almost half of the global workforce might have to go through reskilling or upskilling so that they can be relevant in the fast

changing job market (World Economic Forum, 2020; ILO, 2022). As such, life-long learning and competencies acquisition has become imperative to the individual and economy of countries (OECD, 2021; UNDP, 2022).

Besides technological changes, India is also undergoing gradual economic transformation of its structure (Economic Survey of India, 2023; World Bank, 2022). Traditionally, agriculture has been the sector that dominates with a high number of people being employed in the sector (World Bank, 2022; FAO, 2021). Nevertheless, with the economy carrying on its expansion and modernization, the manufacturing and service-oriented industries are slowly replacing the others (Economic Survey of India, 2023; OECD, 2021). Although such structural change can create greater productivity and income rates, it makes workers have new sets of skills that cannot be considered as the ones of traditional agricultural workers (ILO, 2022; World Economic Forum, 2020).

With these prospects in place, there are still structural challenges that are associated with the inability to exploit the Indian workforce (ILO, 2022; World Bank, 2022). The rural-urban inequalities, low access to quality education and training in the remote regions and insufficient infrastructure still influence the development of skills in different regions (NITI Aayog, 2023; UNDP, 2022). Furthermore, gender inequality in the labor force participation is also a critical issue since the number of women in the workforce is quite low as compared to men (World Bank, 2022; UN Women, 2022). Many women are in many ways kept out of economic activities due to cultural barriers, lack of access to education, and safety issues (UN Women, 2022; ILO, 2022).

The next urgent issue is the digital divide that is defined as the lack of equal access to digital technologies and the internet (World Bank, 2022; ITU, 2022). Although urban areas have experienced a fast digital transformation, a number of rural and economically disadvantaged groups continue to experience challenges in obtaining access to digital resources and access to training opportunities (NITI Aayog, 2023; UNDP, 2022). This gap is critical in a world where digital skills are rapidly becoming significant in development and therefore, closing this gap is important to the facilitation of inclusive development (OECD, 2021; World Economic Forum, 2020).

Additionally, a significant percentage of Indian workers are operating in informal sector which in most cases lacks employment security, social protection and organized opportunities to train and upgrade their skills (ILO, 2022; World Bank, 2022). As the International labour organization (ILO, 2022) reports, informal jobs take a large portion of the overall labour force in India (ILO, 2022; NSSO, 2021). Informal workers cannot usually get formal education, vocational training, and career advancement (World Bank, 2022; OECD, 2021). Consequently, the skill enhancement both in the formal and informal sectors needs to be improved to accommodate sustainable growth of the economy (ILO, 2022; NITI Aayog, 2023). In understanding the value

of enhancing human capital, the Government of India has come up with various initiatives which are meant to enhance the skill development and employability among the young people (Ministry of Skill Development and Entrepreneurship, 2023; Government of India, 2015). Among the most notable projects is the Skill India Mission that was introduced with the aim of equipping thousands of young persons with skills of all kinds, whether vocational or technical (Government of India, 2015; MSDE, 2023). On this program, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is a program that tries to offer industry-relevant training and certification to improve employment opportunities (MSDE, 2023; NITI Aayog, 2023).

Other notable national policies include Digital India, which is oriented to improve the digital infrastructure and digital literacy (Government of India, 2015; MeitY, 2022); Atmanirbhar Bharat, which is aimed at the promotion of self-reliance, entrepreneurship, and industry-academia partnership (Government of India, 2020; Economic Survey, 2023); and the National Education Policy (NEP) 2020, to focus on promoting skill-based education, multidisciplinary education

In the National Education Policy 2020, there is a special emphasis on the necessity to introduce vocational education, experiential learning, and practical training into formal education (Ministry of Education, 2020; UNESCO, 2021). The policy will help address the knowledge gap between academic learning and industry needs by introducing skills-based programs and promoting internships and apprenticeships (Ministry of Education, 2020; OECD, 2021). These reforms are needed in order to equip students to meet the requirements of the new workforce (NITI Aayog, 2023; World Economic Forum, 2020).

The skill development is not only useful in the enhancement of the employability but also in facilitating entrepreneurship and innovation among the youth (OECD, 2021; World Bank, 2022). Once people develop industry-based and practical skills, they would be in a better position to initiate their own companies, provide other people with jobs, and improve the general economic development of the country (World Bank, 2022; Startup India, 2023). Young entrepreneurs have led to the emergence of a new economic behemoth in the form of startups and small enterprises that have played a significant role in the Indian economic ecosystem (Startup India, 2023; DPIIT, 2023). The skill development in the context of the globalization also increases the competitiveness of India in the global market (World Economic Forum, 2020; OECD, 2021). Nations with well trained manpower are in a better position to lure foreign capital, increase international trade as well as take part in the global knowledge economy (OECD, 2021; World Bank, 2022). India can enhance its reputation as an international center of innovative technology and services by coming up with a highly professional workforce (World Bank, 2022; UNDP, 2022). As such, nurturing of pertinent skills in young people is not only an educational agenda or priority but a strategic country requirement to secure long-term economic wellbeing (NITI Aayog, 2023; OECD, 2021). With India on its way to becoming a developed nation by the year 2047, the success of the country in capitalizing on its demographic dividend will heavily depend on the ability of the nation to prepare its youthful population with the skills that it will need once the years have elapsed (Bloom et al., 2003; World Bank, 2022).

In this regard, the current research is designed to investigate the significance of the skill development among the youth towards the realization of Viksit Bharat 2047 objectives (Government of India, 2023; NITI Aayog, 2023). The research aims at realizing how skill improvement can be used to enhance employability, create entrepreneurship, solve labor market problems and sustainable economic development (World Bank, 2022; OECD, 2021). Through the study of the current policies, issues, and opportunities, the study aims to bring to the fore the role of strategic investments in skill development as a tool to help create a stronger, more inclusive, and globally competitive India (OECD, 2021; World Economic Forum, 2020).

## Review of Literature

The importance of developing the skill is a key aspect in improving productivity of the economy and increasing the competitiveness of a country in the world market (Becker, 1993; OECD, 2019; World Bank, 2022). The trained and competent workforce can be able to work more effectively, enhance quality of production, and lead to increased industrial performance (ILO, 2022; World Economic Forum, 2020). The productivity in the modern day knowledge-based economy is not directly dependent on the availability of resources or capital but rather on the capabilities, knowledge and technical competencies of the available workforce (Becker, 1993; OECD, 2019; UNDP, 2022). By enabling workers to have the right skills and training, they can efficiently use technology in their work, minimize errors in their operations, enhance efficiency and help in innovation within organizations (World Economic Forum, 2020; OECD, 2021).

Investments in vocational education and technical training are frequently accompanied by an increase in the productivity and economic development of the countries in the long-run (ILO, 2022; UNESCO, 2020; World Bank, 2022). The International Labour Organization argues that countries prioritizing skill development initiatives and training of their workforce have a better economic outcome and enhanced industrial competitiveness (ILO, 2022; OECD, 2019). Skilled labour is more flexible to technological advancements and this gives industries a chance to embrace the contemporary mode of production and be competitive in the global market (World Economic Forum, 2020; OECD, 2021). In the case of a fast growing economy such as India, improvement of the skill base of the labor force is the key to ensuring that the economic growth and competitiveness in the global market (Economic Survey, 2023; World Bank, 2022). Due to the ongoing globalization, economies within the world are linked and countries are forced to compete not just in regard to the cost of production but also in regards to the aspect of innovations, efficiency and quality (OECD, 2021; World Economic Forum, 2020). Consequently, the acquisition of the corresponding skills within the working population will be a strategic need regarding the enhancement of productivity in industries and the attraction of investment on the international level (World Economic Forum, 2020; UNDP, 2022).

In addition to this, skill development would lead to effective use of resources and organizational output (OECD, 2019; World Bank, 2022). There are skilled employees who can optimize production processes and reduce waste and also enhance overall operational efficiency (ILO, 2022; OECD, 2021). This leads to a reduction of cost to businesses and high profitability to industries (World Economic Forum, 2020; OECD, 2019). Moreover, a high level of worker performance, job satisfaction, and workplace productivity are also likely to be improved when organizations invest in training and skills development (OECD, 2019; ILO, 2022). Consequently, there is a more effective and productive workforce in the entire economic system (World Bank, 2022; UNDP, 2022).

The other significant aspect of the skill development is that it is closely related to the development of the Micro, Small, and Medium Enterprises (MSME) sector that is closely related to the Indian economy (Government of India, 2022; Ministry of MSME, 2022). MSME is commonly described as the backbone of the Indian industrial setup because it plays an important role in the employment sector, industrial output, and export market (Government of India, 2022; World Bank, 2022). Millions of small and medium-sized enterprises in different industries like manufacturing, services, handcraft and trade offer employment opportunities to a big part of the population (Ministry of MSME, 2022; Economic Survey, 2023).

MSMEs provide an excellent contribution to the economic development in India in terms of entrepreneurship, regional development and innovation (OECD, 2021; World Bank, 2022). Such businesses are often run within towns and cities as well as in rural regions thus resulting in mitigation of economic inequality within the regions and inclusive development (UNDP, 2022; NITI Aayog, 2023). Moreover, MSMEs play the prominent role of providing jobs to young people, semi-skilled labor, and those who might not have the chance of getting the large corporate jobs (Ministry of MSME, 2022; ILO, 2022). Yet, even though they are important, most MSMEs encounter serious issues in the process of gaining access to skilled and trained employees (World Bank, 2022; OECD, 2019). Many small enterprises have difficulty in locating an employee with the technical, operational, and managerial proficiency needed in the contemporary production systems (NASSCOM, 2022; NSDC, 2022). The shortage of skilled labor usually leads to a decrease in productivity, low effectiveness of operations, and the inability to embrace new technologies (ILO, 2022; World Economic Forum, 2020). The demand of skilled workers has been increasing with the sophistication and technology-based production systems (OECD, 2021; World Bank, 2022).

Another way through which this gap between the demand of skilled labor and the available workforce can be addressed is by industry-oriented training programs (NSDC, 2022; ILO, 2022). Preparation of the people in terms of MSMEs and other industry specific skills can be done through skill development

programs that emphasize on practical training, technical training, and industry specific skills (World Bank, 2022; OECD, 2021). The National Skill Development Corporation argues that skill development programs can be enhanced, which can increase the productivity, efficiency, and sustainability of MSMEs (NSDC, 2022; NITI Aayog, 2023). Provided that workers possess the required technical skills, the businesses may work more efficiently, develop their operations, and compete better at the domestic and the foreign markets (World Economic Forum, 2020; OECD, 2021).

Along with the traditional industries, the appearance of the gig-economy and digital platforms has brought the creation of new types of jobs, which demand flexible and constantly changing skills (World Bank, 2021; ILO, 2022). The gig economy is the type of labor market where the short-term contracts, freelance jobs, and platform-based services are the main features, as opposed to the long-term employment (Kassi & Lehdonvirta, 2018; OECD, 2021). Online marketplaces, freelancing websites, and e-commerce platforms have brought people an opportunity to provide services and products directly to their customers throughout the globe (World Bank, 2021; World Economic Forum, 2020).

The gig economy trend has offered the youths new opportunities in the employment sector particularly in online freelancing, electronic marketing, content development, graphic designing, application development, e-commerce management, and platform services (World Bank, 2021; OECD, 2021). A different trend observed in a number of young professionals is a shift towards freelance employment or remote working instead of the office employment (Kassi & Lehdonvirta, 2018; ILO, 2022). The fact that the internet connection, digital technologies, and online platforms are rapidly growing and offer service providers and clients access to global connectivity has enhanced it (ITU, 2022; World Bank, 2021). However, the gig economy requires the people possessing digital skills, technological literacy, entrepreneurial skills, and self-management skills (World Economic Forum, 2020; OECD, 2021). Employees must be able to adapt to the quickly evolving technological tools and ensure effective communication with the clients, regulate their working time and continue training their skills to become competitive (ILO, 2022; World Bank, 2021). According to the World Bank, it is vital to train digital and entrepreneurial skills that will enable young people to participate in the whole process to enable them to join the modern digital economy (World Bank, 2021; UNDP, 2022).

The skills development programs will allow the youth to find other sources of income and narrow the income distribution gap since they will have acquired digital skills and entrepreneurial knowledge (OECD, 2021; World Bank, 2022). The issue of unemployment among the young people is also reduced by the digital skill building programs which enable them to get access to work on the internet and jobs remotely (ILO, 2022; World Economic Forum, 2020). This is particularly true of developing countries, the

conventional employment opportunities of which may be limited (World Bank, 2021; UNDP, 2022).

The next valuable point and skill development criterion is an idea of lifelong learning and continuous skill upgrading (UNESCO, 2020; OECD, 2021). The modern world lives in the technological era, which makes knowledge and skills obsolete very rapidly due to the rapid technological advancement and automation, as well as innovations (World Economic Forum, 2020; McKinsey Global Institute, 2021). The skills that used to be relevant a decade ago may be inadequate in the modern dynamic labor market (ILO, 2022; OECD, 2021). The employees have to continuously update their knowledge and skills to remain employable as new technologies and processes are introduced in the industries (UNESCO, 2020; World Bank, 2022).

Lifelong learning is defined as a continuous process of acquiring new things and skills throughout the life of the individuals (UNESCO, 2020; OECD, 2021). It further highlights the necessity to possess a continuous education requirement, professional training, and growth on areas of expertise that are not taught in school or within university programs (UNDP, 2022; World Bank, 2022). This is what UNESCO considers, saying that the systems of life-long learning are needed to help workers to adapt to changes in technology and remain employable, not mentioning their career prospects (UNESCO, 2020; OECD, 2021).

Reskilling and upskilling are among such programs that are essential in this process (World Economic Forum, 2020; OECD, 2021). Reskilling involves learning new skills that can enable people to change in new sectors or occupations, and upskilling is focused on modernizing already existing skills so that they can be useful in the current employment (ILO, 2022; World Bank, 2022). They can refresh and make themselves competitive on the job market through short-term certification courses, online learning programs and professional training workshops (World Economic Forum, 2020; UNESCO, 2020). The governments, education institutions, and the correction of the privatized organizations must work together to promote the opportunities of life-long learning to every individual in their professional life (OECD, 2021; UNDP, 2022). The policymakers can ensure that the employees have constant opportunities to enhance their capacities and keep in pace with the changes in the economy through the opportunities of affordable training (World Bank, 2022; ILO, 2022). Besides the lifelong learning initiatives, it is also essential to improve the process of prevalence of vocational education in the formal education system (OECD, 2019; UNESCO, 2020). Traditionally, the majority of the education systems were characterized by a greater emphasis on the theoretical study of the scholars rather than the practical training of their competencies (OECD, 2019; World Bank, 2022). In this way, the students tend to graduate with a lot of theoretical knowledge and little experience (ILO, 2022; NASSCOM, 2022). To address this issue, the school and higher education education ought to encompass vocation training and skills-oriented training (UNESCO, 2020; OECD, 2021). According to the National Education Policy, the introduction of

vocational education at different levels of educational system is required (Ministry of Education, 2020; NITI Aayog, 2023). According to the policy, at a tender age, students have to be exposed to vocational training and practical skills to be in a position to acquire practical skills and seek through the various career opportunities (Ministry of Education, 2020; UNESCO, 2021).

Through the introduction of vocational education, mainstream education may help resolve the overrepresentation of traditional academic programs and would impact students to think about skill-based employment (OECD, 2021; World Bank, 2022). It can also be such strategy to make the students aware of the practical applicability of their knowledge and to train them to operate in the real professional environment (ILO, 2022; UNESCO, 2020). It is also possible to expose the students to internships, apprenticeships, and training programs that are based in the industry to make them even more employment and career ready (NSDC, 2022; World Economic Forum, 2020). Moreover, vocational education can change the attitude of the society regarding the skills based jobs (OECD, 2021; ILO, 2022). In the majority of societies, vocational careers do not enjoy as high prestige as academic careers (UNESCO, 2020; World Bank, 2022). In comparison, the modern world economy requires a workforce of high-quality experts in the field of manufacturing, construction, medical care, logistics, and technology (ILO, 2022; OECD, 2021).

Finally, skill development programs should also be implemented effectively, which means that these programs should be monitored and evaluated, and the policies should be implemented (World Bank, 2021; OECD, 2021). In many of the training programs, poor monitoring, poor industry engagement, and underestimation of employment outcomes are some of the issues experienced (ILO, 2022; NITI Aayog, 2023). Without effective evaluation systems, one cannot tell whether the training programs are effectively improving employability and meeting industry needs or not (World Bank, 2021; UNESCO, 2020).

Instead of this, the impact of a skill development program can be quantified enabling policymakers to assess the efficiency of this program with the help of proper evaluation systems and see which areas should be enhanced (OECD, 2021; World Bank, 2022). The regular review of the training schemes, feedback of the industry members, and a record of the employment outcomes may offer wise data on the impact of the company on the adoption of the skills development policies (ILO, 2022; NITI Aayog, 2023). These evidence-based interventions may help to ensure that the training interventions are applicable, efficient, and pertinent to the labour market requirements (UNESCO, 2020; World Economic Forum, 2020).

In conclusion, the development of skills is one of the determinants of enhancing the rates of economic productivity, competitiveness in the industry, and long-term development of the economy (OECD, 2021; World Bank, 2022). The countries can invest in vocational education, industry-oriented training, digital skills, and lifelong learning systems to have the workforce that is able to keep changing with changes in technology and assist the country in developing (ILO, 2022; UNESCO, 2020). With the example of the developing economy like India, there is a need to enhance skill development activities to exploit the potential of the large youth population and achieve sustainable economic growth (ILO, 2022; NITI Aayog, 2023).

### **Problem Statement**

India has one of the largest youth populated in the world and this means that it has a huge demographic base in terms of economic growth and development (UNDP, 2021; World Bank, 2020). Nevertheless, with this demographic differentiation, the nation has remained characterized by high rates of skilled unemployment and also a prolonged lack of fit between the talents that the graduates hold and the abilities the industries expect (ILO, 2022; World Economic Forum, 2020; OECD, 2019). Most employers complain that they cannot find job-ready graduates who possess practical knowledge, technical skills and problem-solving skills whereas a high number of graduates cannot find stable and meaningful job opportunities (Mehrotra, 2020; NASSCOM, 2021; India Skills Report, 2023).

Among the methods of overcoming this obstacle is that learning institutions tend to focus on acquisition of theoretical knowledge, as opposed to practical, industry-specific skills and professional training (India Skills Report, 2023; AICTE, 2022; World Bank, 2019). Consequently, they often leave the labour market without sufficient exposure to the actual working conditions, the digital skills and the entrepreneurial abilities (NSDC, 2022; UNESCO, 2021). Such discrepancy between education and employment has led to structural unemployment and underemployment among the young people (ILO, 2022; McGuinness, 2006; OECD, 2019). Even though there were multiple initiatives of the government in recent years that intend to close these skill gaps, including Skill India Mission, Pradhan Mantri Kaushal Vikas Yojana (PMKVY), and National Education Policy 2020, their effectiveness has been rather low because of the problems with implementation, irregularity of quality training programs, as well as wide own regional differences in access to skill development (World Bank, 2018; Ministry of Skill Development and Entrepreneurship, 2022; NSDC, 2022; NITI Aayog, 2021).

## Analysis & Discussion

Secondary sources have revealed that such a demographic advantage that India possesses will contribute to the economic growth greatly in case they are supported by the appropriate skill formation and employment (Bloom et al., 2003; World Bank, 2020; UNDP, 2021). Since a significant portion of the population is entering the working age group, then such demographic dividend can be used to increase the productivity and kick-start the national development (Bloom et al., 2003; NITI Aayog, 2021). However, the unemployment rate of the young population remains significantly higher than the unemployment rate of adults, which is why the necessity to move towards employment is among the primary issues (ILO, 2022; CMIE, 2023). This lack of connection demonstrates the fact that there should be an increased alignment between the outputs of the education system and the demand in the labour market (OECD, 2019; World Bank, 2019). The India Skills Report (2023) indicates that the share of the skills industry-ready of graduates in India does not exceed 50 percent, which indicates that there is actually a significant skill gap in the labour market (McGuinness, 2006; India Skills Report, 2023; Wheebox, 2023). The graduates have not received a realistic exposure, technological, and soft skills such as the skill to communicate, collaborate, and think critically that are valued more by the employers (NASSCOM, 2021; LinkedIn Workforce Report, 2022). Millions of people have become the beneficiaries of vocational and skills development schemes by the PMKVY and the other government programs (Ministry of Skill Development and Entrepreneurship, 2022; NSDC, 2022; Government of India, 2023). Nevertheless, the equality of the systems of placement is also lacking, the quality of training is also imbalanced in the regions and the institutions (World Bank, 2018; NSDC, 2022; NITI Aayog, 2021).

The necessity to go digital has also achieved a higher level of skills in the field of technology and a lifelong acquisition of skills (World Economic Forum, 2020; OECD, 2021). The artificial intelligence and automation blistering, as well as the development of digital platforms, are changing the labour markets of every industry (World Economic Forum, 2020; McKinsey Global Institute, 2021). This implies that the employees should be at liberty to adapt to the emergent technologies and acquire cross-functional skills to be competitive in the changing labor market (ILO, 2022; OECD, 2021). It was also found out that the number of jobs may not necessarily decrease in case of technological change but can vary in type and the workers ought to learn flexible, and advanced skills (Bessen, 2019; Autor, 2015). The training programs that are based on entrepreneurship also positively influence persuading the youth to enter the self-employment and earn money (Maitra and Mani, 2017; World Bank, 2020). According to the studies, the probability of youth becoming a business person with the help of the skill development program along with business development support and financial literacy would be significantly impacted by the program (Maitra and Mani, 2017; OECD, 2020). Their accomplishments are mainly relevant in the developing economies like India as the self-employed and small enterprises are much applicable in the employment creation (NITI Aayog, 2021; World Bank, 2020).

Besides, a good interaction between the industry, educational establishments, and government agencies is required to overcome the gap between theoretical training and workforce requirements (World Economic Forum, 2020; OECD, 2019). The active cooperation within the industry will be involved in the enhancement of the necessary curriculum, the appearance of new internships, and the structure of training programs regarding new sectors of the economy, such as fintech, renewable energy, digital services, and high-tech production (NASSCOM, 2021; Ministry of Education, 2020).

Generally, the outcomes can be explained by the Human Capital Theory that states that education and skills acquisition results in the development and high productivity (Becker, 1964; Schultz, 1961). Similarly, the Demographic Dividend Theory emphasizes that other demographic characteristics like high number of working age population would facilitate economic development when supported by appropriate policies and education and employment (Bloom et al., 2003; UNDP, 2021). The remedy hence is the alignment in the skill gap through facilitating better vocational training and providing life-long learning to improve the degree of workforce preparedness and achievement of long-term development goals Viksit Bharat 2047 (McGuinness, 2006; NITI Aayog, 2021; World Bank, 2020).

## **Conclusion**

This report comes to the conclusion that the skills should be mastered to be the primary means of the process in meeting the vision Viksit Bharat 2047 (NITI Aayog, 2021; World Bank, 2020). This phenomenon is the demographic dividend in India, which is a good opportunity of economic development and growth in the country (Bloom et al., 2003; UNDP, 2021). Such population advantage can, nevertheless, be successfully utilized in the event, that the youth population is duly equipped with the desirable skills, knowledge and competences that are aligned with the new demands of the labour market (ILO, 2022; World Economic Forum, 2020).

Skill development is very important in increasing the level of employability, entrepreneurship, high productivity as well as improving the global competitiveness of India (Becker, 1964; OECD, 2019; World Bank, 2020). India economy can only be shaped to a developed economy with the assistance of a skilled workforce which will probably drive innovation, industrial growth and technological advancement (Schultz, 1961; World Economic Forum, 2020). In the meantime, the effectiveness of the contemporary skill development programs remains limited by such factors as the discrepancy in skills, the geographical gap, the digital divide, and the imbalance of the implementation of the training programs (NSDC, 2022; NITI Aayog, 2021; World Bank, 2018). On the managerial level, it is necessary to increase the closer interaction between the schools and the industries to ensure that

training programs are based on the real labour market requirements (OECD, 2019; World Economic Forum, 2020). Combined learning, which is practiced in the industry, can serve as a tremendous difference in job readiness among graduates when exposed to it (NASSCOM, 2021; India Skills Report, 2023). Under the policy approach, the issue must evolve to not only add more people to the training list but also to increase the quality of the training and make it meaningful in terms of the resultant employment (Ministry of Skill Development and Entrepreneurship, 2022; NSDC, 2022). The possible areas to explore in future research are the use of longitudinal evaluation of acquired skills programmes, the effectiveness of government programmes in different states and the impact of new technologies on future distribution of skills (World Bank, 2020; OECD, 2021). The comparison of regions with different performance in initiatives of skill development can also be a valuable insight data that can be employed to enhance policy (NITI Aayog, 2021; UNDP, 2021).

Lastly, the sovereignty of skill development as an economic investment ought to be taken into the long term and financial assistance program in the short term (Becker, 1964; Schultz, 1961). The strategic investments in education, professional training, the development of digital skills and entrepreneurships formation are aimed to form a competent workforce (World Economic Forum, 2020; OECD, 2020). India can leverage its demographic dividend to its benefit of becoming a developed country by 2047, by enriching its ecosystem capabilities (Bloom et al., 2003; NITI Aayog, 2021; World Bank, 2020).

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