India today is unfolding a story of a billion plus people, or more precisely, one sixth of the world’s population, on a big move as India’s large and complex systems rapidly moving top-down and the country emerge as one of the fastest growing economies of the world.

Key Development Indicators

| Human Development Index (2017) | 0.640 |
| Gender Development Index (GDI) | 0.841 |
| Working poor at PPP$3.10 a day (% of total employment) | 42.9 |
| Skilled labor force (% of labor force) | 18.5 |

1. Demographic Projections

One of the India’s competitive advantages is its demographic dividend. India has already arrived at this demographic phase of a high share of working age population and will remain in this “demographic dividend” zone for over two decades. The working age population (20-59 years), which comprised 50.5 per cent of the overall population in 2011, will increase to about 60 per cent in 2041 (Economic Survey of India FY 2018-19)
3. Economic Growth and Youth Employment

One of the main reasons the Indian economy is not witnessing a sustained rate of high growth is because the manufacturing sector, which creates the maximum jobs, is growing at a slow pace. The Index of Industrial Production which details out the growth of various sectors in an economy, has shown a growth of only 3.2 percent in 2019 from previous year in manufacturing sector (Estimates of IIP (MOSPI), 2019).

The National Sample Survey Office job survey for 2017-18 revealed that the unemployment rate in India is on 45 year high. Part of it is due to the economic slowdown. Another part is aspirational. With the rise in education levels in the economy and rise in household income levels, educated youth are often resistant to join the labour force in jobs requiring low skills that offer low remuneration.

2. Education Sector Challenges

a) Economic Growth vis a vis Job Creation: While the GDP of India has grown at 75 percent, the job market does not witness a growth. Fast economic growth over the last two decades has been driven by high-skilled service sectors but unaccompanied by significant employment growth.

b) Routine Learning Content in Education: The rush in classrooms to finish and rush through all the mandated curricular material via rote memorization continues to prevent opportunities for critical thinking and discovery based discussion based and analysis-based learning for the students.

c) Low Gross Enrollment Ratio (GER) among girls: Girls are often taken out of school to share the family responsibilities. Further, there are still many schools with poor basic amenities such as drinking water, latrine and toilet facilities, and inadequate number of teachers especially female teachers.

d) Educated and unemployed youth: Unemployment has been seen higher in educated lot of youth. This is primarily due to shortage of jobs, non-availability of suitable jobs and family responsibilities. Another reason for educated unemployed is lack in quality of education, mismatch between aspirations and employment opportunities and demand for management courses.

e) No measures for out of school children: There are around 6 million out of school children (OOSC) in India. Even after the enforcement of RTE Act, there has been no progress in reduction of OOSC numbers.

3. Economic Growth and Youth Employment

India continues to rise in the rankings of the world’s largest economies, and it is growing at a faster rate than the world as a whole and it’s ASEAN comparators. However, even with the strong growth and the demographic dividend, youth unemployment and under-employment is high.
4. Youth Labour Market Projections

Gender norms, to the extent that they prevent women from working in paid employment, reduce unemployment numbers because these women remain out of the labour market.

India’s remarkably low levels of women’s work participation are well recognized. The stagnating or declining trend in young female workforce participation stems from two main sources: (1) rising household incomes and rising levels of education have allowed girls to opt out of (or be socially constrained from) working in favor of marriage; (2) changes in labour markets have pushed women out of agricultural jobs, and other opportunities have failed to materialize, reducing demands for women’s labour.

Labour Force Participation rates in the age group 15-29 years in 2011-12 and 2017-18

Labour force participation rates in the age group 15-29 years in 2011-12 and 2017-18

5. Vocational Education and Training

The technical and vocational education and training system in India is undergoing major reforms and policy interventions as India embarks on its journey to become a Knowledge Economy. The skill gap study by the National Skill Development Corporation (NSDC) for the period of 2010-2014 reports that over 109.73 million additional skilled manpower will be required by 2022 across different sectors. In the last two years, the government has taken a host of initiatives to channelize the efforts and provide impetus to the Skill Development ecosystem. To steer and coordinate the current skilling initiatives with quality deliverables, the Ministry of Skill Development and Entrepreneurship (MSDE) was created to drive the ‘Skill India’ agenda.

Taking advantage of the demographic dividend to upskill the large emerging youth population.

India’s transitioning from a traditional skill based economy to a tech, knowledge, innovation based economy.

Fast economic growth but relatively low levels of job creation.

Young India in an ageing world.

Percentage distribution of persons in the age group 15-59 years by status of vocational/technical training received

Did not receive vocational training

Non-formal

Formal

0 20 40 60 80 100

Persons in age 15 years and above

Female Male

Percentage distribution of persons in the age group 15-59 years by status of vocational/technical training received

1 Refer Figure 32
6. Challenges in the Offer of Skills Training and of Youth Awareness

<table>
<thead>
<tr>
<th>Challenges in the Offer of Skills Training</th>
<th>Awareness Challenges</th>
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<tbody>
<tr>
<td>Industry needs to invest in imparting relevant skills to new entrants as well as lateral hires during a job change</td>
<td>The lack of awareness among youth about the government-run skill development programs is one of the key obstacles.</td>
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<tr>
<td>Multiplicity of and time consuming certification processes; lack of quality trainers</td>
<td>Awareness for government run skilling programmes needs to be strengthened along with enhanced employer interaction to make the youth aware of what they are getting trained for and what they will be doing after getting trained.</td>
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<tr>
<td>Timing of training programs make it hard for students and working professionals to attend</td>
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<td>Outdated curricula are still being used in most institutions</td>
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<tr>
<td>Inadequate infrastructure and quality of faculty combined with old delivery platforms make it difficult to equip students with relevant skills</td>
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7. Recommendations

**Recommendations for key stakeholders – Government, Corporates and TVET Institutions:**

- Integrate 21st century framework for education with a blend of workforce readiness, soft skills, technical skills and entrepreneurship to help youth adapt and participate in the changing landscape of work.
- Spend on secondary education for quality and relevance, focusing on adequate availability of teachers, embedding vocational courses in secondary education and capacity development of teachers.
- Restructuring the employment exchanges as career guidance and mentorship centres for providing the right guidance to the candidates.
- Increase women participation by making provisions for subsidised child care facilities, paid leaves etc.
- Gender sensitization workshop for all to increase awareness for requirement of female workforce.
- Support the labour-intensive industries to drive job creation and competitiveness enhancing initiatives of corporates in the wake of exponential technologies.
- Collaborate with industry for skilling in exponential technologies.
- Expand and upgrade the technology tool rooms across the country to enable the MSME sector to adopt exponential technologies.
- Perform economy and sector wide skills assessment for skilling requirements of the youth in future.
- Introduction to tailored courses with flexible completion timings to enhance students’ inclination towards learning.