



Perspective: Skilling India for the World

For Prelims: [Demographic Dividend](#), [United Nations Population Fund \(UNFPA\)](#), White Collar Workforce, Gray Collar Workforce, Blue Collar Workforce, [World Skills Competition](#), [National Skill Development Mission](#), [National Policy on Skill Development and Entrepreneurship](#), [Pradhan Mantri Kaushal Vikas Yojana](#), [Skill India Portal](#), [National Skill Qualification Framework \(NSQF\)](#), [National Education Policy \(NEP\) 2020](#), [High-Speed Internet](#), [Economic Liberalization](#), [Open market](#)

For Mains: Significance of India's skill development initiative to facilitate the availability of skilled workforce across the world.

Why in News?

Recently, the Prime Minister of India asserted India's capability to emerge as a leading supplier of **skilled workforce** across the world.

- India's journey towards becoming a **global economic powerhouse** hinges on tapping the potential of its skilled manpower.
- This will not only enable India to take advantage of its [demographic dividend](#) but will also accelerate its economic growth as it moves towards becoming the **third-largest economy in the world**.

What are Demographic Dividends?

- According to the [United Nations Population Fund \(UNFPA\)](#), demographic dividend means, "**the economic growth potential that can result from shifts in a population's age structure**, mainly when the share of the **working-age population (15 to 64)** is larger than the **non-working-age** share of the population (14 and younger, and 65 and older)".
- **Demographic Dividend in India:**
 - According to **UNFPA's** projections by **2020**, India had one of the youngest populations in an ageing world, with a **median age of just** around **28**, compared to **37** in **China** and the **US**, **45** in **Western Europe**, and **49** in **Japan**.
 - Since **2018**, India's working-age population (people between 15 and 64 years of age) has grown larger than the dependent population (children aged **14 or below** as well as people above **65 years of age**).
 - This bulge in the working-age population is going to last till **2055**, or **37 years** from its beginning.
 - This transition happens largely because of a **decrease in the total fertility rate (TFR, which is the number of births per woman)** after the increase in life expectancy gets stabilised.

Why is India Going to Become the Skill Hub of the World?

- India currently has the youngest population, necessitating the creation of jobs, entrepreneurship, or other opportunities.
- Populations in developed countries are ageing.
- The skill set of the Indian workforce is of high quality and competitive globally, as demonstrated by India's **11th rank** in the [World Skills Competition](#).
 - The **WorldSkills Competition** is a global event where skilled individuals from various countries showcase their talents and competencies in different vocational and technical skills.
- The world values the Indian workforce because of their strong language adaptability, allowing them to work effectively in any country.

What is the Possible Categorization of the Entire Workforce?

- The entire workforce can be divided into three categories: **White Collar, Gray Collar, and Blue Collar** workforce.
 - **White-Collar Workers:** The term "**white-collar workers**" was popularized, in part, by **American writer Upton Sinclair**, who associated it with administrative tasks.
 - These workers are typically **office-based**, often dressed in suits and ties with white-collared shirts.
 - Their roles commonly include desk work in **clerical, administrative, or managerial settings**, distinguishing them from **blue-collar workers** by the absence of physically demanding tasks.
 - **Gray-collar workers:** "Gray-collar workers" denotes occupations that are highly skilled and **well-compensated** but don't necessarily mandate a college degree.
 - In contemporary terms, these jobs span various industries such as **technology, healthcare, and service or hospitality**.
 - Seasoned grey-collar workers often apply skill sets acquired through real-world experience, trade or technical schools, as well as certifications and licences.
 - **Blue Collar Worker:** The term **blue-collar worker** is used to describe individuals involved in demanding **manual labour**, often in sectors like **agriculture, manufacturing, construction, mining, or maintenance**.
 - Common **blue-collar jobs** include **welders, mechanics, electricians, and construction workers**.
 - Some roles are highly specialized, such as **power plant operators, power distributors, and nuclear power plant operators**.
 - The diversity within the blue-collar workforce encompasses both skilled and unskilled workers, contributing significantly to various sectors of the economy.

What is the Gig Economy?

- Gig economy is characterised by a **flexible labour** market where **short-term positions** are frequent, and organisations hire independent workers for temporary engagements.
- According to a report by **Boston Consulting Group**, **India's gig workforce comprises 15 million workers** employed across industries such as **software, shared services and professional services**.
- According to a 2019 report by the **India Staffing Federation**, India is the **fifth largest in flexi-staffing** globally, after the **US, China, Brazil and Japan**.

What are the Growth Drivers of the Gig Economy in India?

- **Rise of the Internet and Mobile Technology:** The widespread adoption of smartphones and the availability of [high-speed internet](#) have made it easier for workers and businesses to connect through **online platforms**, facilitating the growth of the **gig economy**.
- **Economic Liberalisation:** The Indian government's [economic liberalisation](#) policies have led to increased competition and a more [open market](#), which has encouraged the growth of the gig economy.
- **Increasing Demand for Flexible Work:** The gig economy is particularly attractive for Indian workers who are looking for flexible work arrangements that allow them to balance their personal

and professional lives.

- **Demographic factors:** The gig economy is also driven by the large and growing number of young, educated and ambitious Indians who are seeking to improve their livelihoods with side income generation.

How has the Skill Ecosystem been Developed Through Various Initiatives?

- India's approach to skill development has shifted from a scattered model involving multiple government bodies to a more integrated and unified framework led by the **Ministry of Skill Development and Entrepreneurship (MSDE)**.
 - **MSDE** has introduced several initiatives, including the [National Skill Development Mission](#), [National Policy on Skill Development and Entrepreneurship](#), [Pradhan Mantri Kaushal Vikas Yojana](#), [Skill India Portal](#), among others, aimed at harmonising and optimising skill development endeavours throughout the nation.
 - The **National Policy on Skill Development and Entrepreneurship** outlines **eleven major paradigms and enablers to achieve the objectives of skilling India**, such as **aspiration and advocacy, capacity, quality, synergy, mobilisation and engagement, global partnerships**, etc.
- The policy also proposes a framework called the [National Skill Qualification Framework \(NSQF\)](#) to align the skill standards with the formal education system and the industry requirements.
- The [National Education Policy \(NEP\) 2020](#) emphasizes a **credit system, with 40% of credits dedicated to skills development**.
- Collaboration between **academia, industry, and training providers** is crucial for dynamic skill development.

What is the National Skill Development Corporation (NSDC)?

- **About:**
 - The [National Skill Development Corporation \(NSDC\)](#) is tasked with creating an ecosystem for the migration of the Indian workforce to the international market.
 - NSDC is a **not-for-profit** public limited company and set up by the **Ministry of Finance** as a [Public Private Partnership \(PPP\)](#) model.
 - The Government of India through the **Ministry of Skill Development & Entrepreneurship (MSDE)** holds **49%** of the share capital of NSDC, while the private sector has the balance **51%** of the share capital.
- **Aim:**
 - NSDC aims to promote **skill development** by catalysing creation of **large, quality** and **for-profit** vocational institutions.
 - The organisation provides **funding to build scalable** and **profitable** vocational training initiatives.

What are the Challenges in the Skilling Ecosystem in India?

- **Quality of Training Programs:**
 - Many skill development programs in India were criticised for their lack of alignment with industry requirements.
 - Outdated curriculum and inadequate practical training often led to a gap between the skills acquired and the skills demanded by employers.
- **Infrastructure Access:**
 - Uneven distribution of training infrastructure across regions posed a challenge, with rural areas often having limited access to skill development opportunities.
 - Lack of proper facilities and technology in training institutes impacted the overall quality of skilling programs.
- **Technology Integration:**
 - The integration of technology in skill development programs is not uniform. Lack of access to digital resources and inadequate technological infrastructure hindered the adoption of online learning and e-skilling initiatives.

▪ **Policy and Regulatory Challenges:**

- The regulatory framework for skill development needed refinement to adapt to changing industry needs and technological advancements.
- Streamlining and simplifying the accreditation and certification processes were areas that required attention.

▪ **Monitoring and Evaluation:**

- Effective monitoring and evaluation mechanisms were often lacking, making it challenging to assess the impact of skilling programs and identify areas for improvement.

Way Forward

▪ **Quality Assurance and Standardisation:**

- Implement quality assurance mechanisms to ensure that skill development programs adhere to industry standards. Establish accreditation bodies to certify the quality of training institutes.

▪ **Industry-Academia Collaboration:**

- Strengthen collaboration between educational institutions and industries to ensure that curriculum align with current industry needs. **Establish industry advisory boards to guide the development of skill programs.**

▪ **Flexible and Modular Programs:**

- Develop flexible and modular skill programs that allow learners to acquire skills in a phased manner. This approach can cater to the needs of individuals with different educational backgrounds and career aspirations.

▪ **Financial Inclusion:**

- Ensure that financial constraints do not hinder access to skill development. Explore models for financial assistance, scholarships, or low-interest loans to support individuals in pursuing skilling programs.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. With reference to Pradhan Mantri Kaushal Vikas Yojana, consider the following statements: (2018)

1. It is the flagship scheme of the Ministry of Labour and Employment.
2. It, among other things, will also impart training in soft skills, entrepreneurship, and financial and digital literacy.
3. It aims to align the competencies of the unregulated workforce of the country to the National Skill Qualification Framework.

Which of the statements given above is/are correct?

- (a) 1 and 3 only
(b) 2 only
(c) 2 and 3 only
(d) 1, 2 and 3

Ans: (c)

Exp:

- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is a flagship scheme for skill training of youth implemented by the Ministry of Skill Development and Entrepreneurship through the National Skill Development Corporation (NSDC). Hence, statement 1 is not correct.
- The individuals with prior learning experience or skills shall be assessed and certified under the Recognition of Prior Learning (RPL) component of the Scheme. RPL aims to align the competencies of the unregulated workforce of the country to the NSQF.
- Skill training would be based on the National Skill Qualification Framework (NSQF) and industry-led

standards. Hence, statement 3 is correct.

- Apart from providing training according to the NSQF, training centres shall also impart training in soft skills, entrepreneurship, and financial and digital literacy. Hence, statement 2 is correct. Therefore, option (c) is the correct answer.

Mains:

Q: Examine the role of 'Gig Economy' in the process of empowerment of women in India. **(2021)**

Q: Can the strategy of regional-resource based manufacturing help in promoting employment in India? **(2019)**

Q: "Earn while you learn scheme needs to be strengthened to make vocational education and skill training meaningful." Comment **(2021)**

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