



From Scale to Skill: Powering *Viksit Bharat's* Workforce

India's path to becoming a developed economy will be shaped as much by its people as by its policies. The foundations of a skilling ecosystem are being laid. The next phase will determine how effectively these efforts translate into outcomes. The demographic dividend that India enjoys today is time-bound. Converting it into a sustained economic advantage will require coordinated action across government, industry, and academia.

Step out into any Indian city today and the signs are easy to spot. A delivery partner is navigating traffic with three apps open on his phone. A young graduate preparing for competitive exams while taking up freelance work on the side. A small business owner is putting in hard work to find workers who can operate new machines or manage digital systems.

India is working. And now, it is sharpening its skills to match its ambition.

This is the reality beneath the headlines of growth. On one hand, millions are entering the workforce every year, willing to work, adapt, and move. On the other hand, employers across sectors continue to report a shortage of job-ready talent. The gap is no longer about opportunity alone. It is about preparedness.

What makes this moment more complex is the speed at which the nature of work itself is changing. Skills that were relevant a decade ago are already losing value, and new ones are emerging just as quickly.

As American futurist and author of *Future Shock*, Alvin Toffler, famously observed, "The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn." His warning was not about education in the traditional sense, but about adaptability. In a world defined by constant change, the ability to continuously acquire and update skills becomes the single most important form of literacy.

That insight is particularly relevant for India today, where the challenge is no longer access to work, but readiness for it.



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Entire categories of jobs that once absorbed large sections of the workforce have either disappeared or shrunk dramatically. The neighbourhood PCO (Public Call Office) booth operator, once a common sight across India, has been rendered obsolete by mobile connectivity. Typists in offices have been replaced by digital workflows. Travel agents have given way to online booking platforms. In banking, many clerical functions have been automated, shifting demand toward customer advisory and digital roles.

Even in manufacturing, repetitive assembly-line tasks are increasingly handled by machines, requiring workers to operate, manage, and maintain automated systems instead. What is disappearing is not work itself, but low-skill, repetitive work.

What is emerging in its place is more demanding. Jobs now require digital familiarity, problem-solving ability, and continuous learning. The shift is

structural, and it is accelerating.

India adds close to a crore people to its workforce every year. A strong skilling ecosystem is essential to ensure this scale translates into productivity and shared prosperity.

The Rise of the Gig and Platform Economy

One of the most visible responses to this changing landscape has been the rapid expansion of the gig and platform economy.

From ride-hailing and food delivery to logistics, home services, and digital freelancing, millions of Indians are now part of a workforce that operates outside traditional employment structures. For many, gig work offers flexibility and immediate income.

But the gig economy also highlights the evolving nature of skills. A delivery partner today is not just navigating roads but also digital platforms, customer interfaces, and performance metrics. A freelance professional competes not just locally, but globally.

This shift brings both opportunity and responsibility. While gig work expands access to livelihoods, it also makes skill progression critical. Workers must move from low-value tasks to higher-value roles over time. With the right skilling pathways,

As India moves toward its ambition of becoming a developed economy by 2047, this gap will define the pace and quality of that journey. A multi-trillion-economy cannot be built on scale alone. It will require a workforce that is skilled, adaptable, and aligned with the needs of a rapidly changing economy.

The Skill Gap Beneath the Employment Story

As India's formal education system has expanded significantly, the next frontier is strengthening the bridge between academic outcomes and industry readiness.

Only a small share of India's workforce has undergone formal skill training. Even with recent improvements, the proportion has room for significant growth. According to the Periodic Labour Force Survey, formally vocationally trained individuals accounted for 3.7 per cent of the workforce in 2022-23.

This statistical gap reflects a deeper structural issue. A large number of young Indians are entering the workforce without the specific skills that modern industries demand. The India Skills Report 2024 places youth employability at just over 51 per cent. This reflects the significant opportunity that remains as skilling efforts continue to scale.

the gig economy can become a powerful engine for upward mobility and long-term career growth.

For India, the challenge is not to resist this shift, but to strengthen it. Skilling systems must recognise gig workers as a core part of the workforce and design programmes that enable mobility, stability, and growth within this segment.

Building a Skilling Ecosystem at Scale

Over the past decade, India has taken significant steps to address the skilling challenge. The launch of the Skill India Mission in 2015 marked a clear shift in approach, placing skill development at the centre of economic planning.

Since then, millions of individuals have been trained, upskilled, or reskilled across sectors. Large-scale programmes have expanded access, while investments in infrastructure have strengthened delivery. Thousands of Industrial Training Institutes have been established or upgraded, creating a broader network of training centres across the country.

Flagship initiatives such as the *Pradhan Mantri Kaushal Vikas Yojana* have played an important role in scaling training efforts. More recent iterations have begun to focus on emerging sectors, including artificial intelligence, robotics, and advanced manufacturing. Apprenticeship programmes have also gained traction, offering practical exposure that bridges the gap between training and employment.

Budgetary support has increased in line with these ambitions, reflecting a recognition that skilling requires sustained investment. Equally important has been the effort to align training with industry needs through frameworks such as the National Skills Qualification Framework and digital platforms that enable monitoring and feedback.

India has also started to position its workforce globally, entering into agreements with multiple countries for the deployment of skilled workers. This reflects a broader shift in thinking, from viewing labour as a domestic resource to recognising it as a global asset. These efforts have laid a strong foundation for India's skilling ecosystem.

Preparing for a Changing Economy

The urgency of skilling is amplified by the pace at which industries are evolving.

Manufacturing sectors such as automotive are undergoing a fundamental transition, driven by

automation, electric mobility, and digital production systems. The skills required in these industries are changing accordingly, with greater emphasis on electronics, diagnostics, and systems integration.

In parallel, digital technologies are reshaping the services sector. Artificial intelligence, data analytics, and cloud computing are creating new roles while rendering others obsolete.

The transition to a green economy adds another layer of complexity. As India expands its renewable energy capacity and invests in emerging areas such as green hydrogen, new categories of jobs are being created.

What connects these shifts is the need for a workforce that can learn continuously. Skilling can no longer be treated as a one-time intervention. It must evolve into a lifelong process.

Inclusion as a Growth Imperative

The success of India's skilling efforts will depend not only on scale and quality, but also on inclusion.

Efforts to bring more women into the workforce are gaining momentum, though significant potential remains to be unlocked. Continued focus on accessible training, childcare support, and flexible work arrangements will be key to accelerating this progress.

Rural India presents a different set of challenges. Limited access to training centres, infrastructure gaps, and lower awareness of opportunities can restrict participation.

Inclusion is not just a social objective. It is an economic necessity.

The Road Ahead

India's path to becoming a developed economy will be shaped as much by its people as by its policies. The foundations of a skilling ecosystem are being laid. The next phase will determine how effectively these efforts translate into outcomes.

The demographic dividend that India enjoys today is time-bound. Converting it into a sustained economic advantage will require coordinated action across government, industry, and academia.

Above all, there must be a shift in mindset. Skills are no longer static assets. They are dynamic capabilities that must be continuously built and renewed.

India has the scale. It has the ambition. With the right focus on skills, India is well-positioned to translate its scale into sustained economic leadership. □