Skills for the Future: Transforming India's Workforce Landscape

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Introduction

This is a comprehensive, data-driven report examining India's skills ecosystem, with special focus on educational attainment, occupational distribution, and Technical & Vocational Education and Training (TVET). It uses unit-level data from the Periodic Labour Force Survey (PLFS) (2017-18 to 2023-24) to analyse how workforce skills, education and training map onto actual jobs, and what gaps or mismatches exist. The goal is to provide a roadmap for aligning India's workforce readiness with future economic and industry needs toward 2047.

Key Findings

Composition of Workforce & Skills Levels

- In 2023-24, ~88% of India's workforce is in low-competency occupations, only ~10-12% are in high competency roles.
- Educational attainment remains low: only about 9.8% of the population has education beyond secondary level; over 52% are at or below primary level.

Mismatch between Education and Occupation

- Many workers are overqualified or underqualified for the roles they occupy. Education-occupation alignment is weak.
- Skill Level 3 has the lowest match between required competency and education; Skill Level 2 shows the highest match.

Trends in TVET / Vocational Training

- There has been growth in enrollments in certain sectors, but many sectors are underrepresented.
- Training duration, dropout rates, and certification rates vary significantly across sectors and regions.

Sectoral Insights

- The report focuses on five key sectors (these account for ~66-63% of TVET enrollments): Electronics; IT-ITeS; Textiles & Apparel; Healthcare & Life Sciences; Beauty & Wellness.
- In electronics and IT-ITeS, wages are rising, especially at higher skill levels.

- Some sectors see concentrated course enrolments, with a few courses dominating. Dropout is a challenge in many sectors.
- Beauty & Wellness has seen big growth in the number trained, but wage growth has been modest.

State & Regional Variations

- Disparities exist: many states have over 90% of their workforce at low skill levels.

States vary widely in training infrastructure, course availability, and sectoral performance.

Future workforce requirements & Projections toward 2047

- Skills required are increasing, especially technical, specialised, transferable skills.
- Upgrading classification systems (like the National Classification of Occupations) and better data are required

Case Studies

While the report is mostly quantitative, some sector-level and state-level examples act like case studies:

- **Electronics sector**: Large increase in TVET enrolments, wage increases in higher skill levels; certain states (Maharashtra, Tamil Nadu, etc.) perform better using a framework of human capital, infrastructure, market demand, and cluster support.
- **IT-ITeS sector:** Despite many courses, the majority of enrolment is concentrated in only the top few courses; dropout rates vary (e.g. high in some “application developer” courses).
- **Beauty & Wellness sector:** Rapid enrolment growth (from ~354,000 in 2017-18 to over 1.1 million in 2023-24). But many trainees do not complete or are not certified.

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