



**SKILLING THE BACKBONE OF THE INDIAN ECONOMY FOR A SELF-
RELIANT AND PROSPEROUS BHARAT: DEGREES ARE GOOD, SKILLS ARE
BETTER - BUILDING INDIA'S FUTURE!**

DR. RAJA SEKHAR KODURU

Ph.D., Lecturer,

Government Polytechnic for Women,

Kakinada – Andhra Pradesh

Abstract

India, with its burgeoning youth population, stands on the cusp of a transformative economic journey. As the nation aspires to ascend from the fourth to the second largest global economy by 2047, addressing the dichotomy between formal education and practical skills emerges as a strategic imperative. This qualitative research paper investigates the significance of skilling India's workforce—especially its rural and youth demographic—across emerging and traditional sectors. Against the backdrop of declining agricultural labor opportunities, the study explores opportunities in tourism, hospitality, allied rural industries (such as apiculture, dairy, and horticulture), technical maintenance (including E.V. and solar technology), and the financial services sector. Employing an interpretive methodology grounded in recent qualitative and empirical literature from the hospitality, vocational, and professional education domains, the research synthesizes insights into the barriers and enablers of skill acquisition. The findings highlight the necessity of shifting policy and societal attitudes from a degree-centric to a skill-focused paradigm, leveraging India's demographic dividend, and fostering sustainable, inclusive growth. The conclusion advocates for a holistic, locally contextualized skill development framework, underscoring its pivotal role in realizing the vision of a self-reliant and prosperous Bharat.

Keywords: India, Skills Development, Youth Workforce, Tourism and Hospitality, Economic Self-Reliance



Introduction

India's demographic trajectory presents both a remarkable opportunity and an urgent challenge. With over 65% of its population under the age of 35, India boasts the world's largest youth cohort—a potent human resource that could drive economic expansion for decades. However, the transition from an agrarian-dominant to a diversified, knowledge-based economy is unveiling significant gaps between formal educational qualifications and employable skills. While degrees remain valuable, increasingly, the labor market and broader economy are demanding practical, adaptable, and sector-specific skills, particularly as traditional agricultural employment contracts and new service and technical sectors expand (El-Houshy, 2018; Koto, 2025).

This research interrogates the assertion that “degrees are good, skills are better,” focusing on the qualitative dimensions of skilling India's youth as the backbone of its economy. It employs an integrative approach to examine opportunities across underutilized rural sectors, the rapidly growing tourism and hospitality industry, emerging domains in technology and energy, and the financial services sector. The research also contextualizes these themes within the national ambition to position India as the world's second-largest economy by 2047—a goal contingent upon unlocking the full potential of its human capital.

Objectives of the Study

The study is guided by the following objectives:

1. To explore the current landscape and challenges facing youth skilling in India, especially in the context of reduced agricultural labor demand.
2. To identify and analyze underutilized opportunities for rural and urban youth in tourism, hospitality, allied sectors (apiculture, dairy, horticulture, etc.), technical services (installation, repair of appliances, E.V., solar energy), and financial services.
3. To review the literature on skill development, vocational training, and employment outcomes in India and comparable economies, with a focus on local and sectoral contexts.
4. To propose actionable strategies for building a skill-centric paradigm that aligns with India's economic aspirations and demographic realities.



Methodology

This research adopts a qualitative, interpretive methodology, drawing on primary and secondary literature from academic studies, sectoral reports, and policy documents. The analysis is anchored in recent empirical research on vocational and professional training in emerging economies, as well as sector-specific studies in tourism, hospitality, and financial services (El-Houshy, 2018; Koto, 2025). The methodology privileges contextual case studies, thematic literature synthesis, and comparative insights, seeking to humanize the discourse around skilling by foregrounding local realities, youth perceptions, and stakeholder experiences. Additionally, the research integrates reflections from data-driven studies on labor market trends, user attitudes, and the impact of technology on demand for new skills (Farhangi et al., 2022; Zhao et al., 2024). The approach is deliberately interdisciplinary, acknowledging the interconnectedness of education, economic growth, and social transformation.

Review of Literature

The Degree vs. Skill Dilemma

The global discourse on employability increasingly recognizes that while degrees signal foundational knowledge, they do not guarantee job readiness or adaptability to dynamic sectors. This is particularly salient in-service industries, where practical, customer-oriented, and context-sensitive skills are paramount (El-Houshy, 2018). In India, the persistence of degree-focused cultural and institutional norms has often led to underemployment and skills mismatches, especially among rural and semi-urban youth. Koto (2025), in a comprehensive evaluation of large language models on Indonesian professional exams, underscores the critical gap between academic curricula and real-world vocational competencies. His research reveals that local context and applied skills are often lacking in formal education, a finding with direct parallels in the Indian context. The necessity of shifting to a competency-based, skill-centric educational model is echoed across the literature.

Youth Demographics and Rural Transition

India's youth bulge is both a demographic dividend and a potential crisis. As the share of the population engaged in agriculture diminishes due to mechanization, climate change, and urban migration, there is a pressing need to reorient rural youth toward productive engagement in



allied sectors and services (El-Houshy, 2018). However, research indicates that perceptions of traditional and emerging careers are shaped by factors such as job security, societal prestige, and pathways for advancement (El-Houshy, 2018). Negative stereotypes about hospitality and service roles, for instance, can deter youth participation despite significant demand.

Tourism and Hospitality: Untapped Potential

The tourism and hospitality industry is a labor-intensive sector with immense potential for rural and urban employment. In a survey of hospitality students in Egypt, El-Houshy (2018) found that while students recognized the sector's potential, they doubted its ability to meet important career expectations, such as job security, advancement, and remuneration. The literature notes similar challenges in India, where the sector suffers from image issues and a lack of skilled, enthusiastic entrants, despite government investments and growing domestic and international tourism demand. The COVID-19 pandemic further complicated this landscape, with disruptions to travel and hospitality businesses. Nevertheless, Farhangi et al. (2022) demonstrate that data-driven, adaptive skill sets—such as those involving digital literacy and service innovation—are crucial for the sector's resilience and recovery.

Allied Sectors: Bee-Keeping, Dairy, and Beyond

Allied rural sectors like apiculture, dairy, poultry, horticulture, and sericulture offer sustainable livelihood opportunities with relatively low barriers to entry. Yet, these areas remain underexploited due to limited access to training, market linkages, and financial literacy. The literature highlights the importance of integrating technical training with entrepreneurship, digital marketing, and value chain management to make these sectors attractive and viable for youth (Koto, 2025).

Technical Services: Appliances, E.V., and Solar Energy

The rapid penetration of domestic appliances, electric vehicles (E.V.), and renewable energy technologies in India's urban and rural landscapes is generating new demand for installation, servicing, and repair skills. However, vocational education in these domains often lags behind technological change. Koto's (2025) analysis of professional certification exams in related Indonesian sectors illustrates the need for localized, up-to-date training programs that reflect industry standards and consumer expectations.



Financial Product Services: Banking, Insurance, and Stock Markets

As India's economy formalizes, demand for financial services—including banking, insurance, and capital markets—is expanding rapidly. Koto (2025) identifies insurance and finance as domains requiring strong local contextual knowledge and client-facing skills. The literature suggests that targeted training in these areas, coupled with digital and regulatory literacy, can open pathways for rural and semi-urban youth, particularly women.

The Role of Technology in Skilling and Employment

The digital transformation of the hospitality and service sectors is reshaping skill requirements. Farhangi et al. (2022) and Zhao et al. (2024) emphasize the importance of data-driven decision-making, customer sentiment analysis, and adaptive service models in the post-pandemic era. Integrating digital skills with traditional vocational training is critical for future-proofing India's workforce and enhancing competitiveness.

Barriers to Skilling: Perceptions, Policy, and Practice

Despite policy initiatives such as Skill India and the National Skill Development Mission, several barriers persist. These include societal perceptions of vocational careers as “second-best,” lack of industry-academia linkages, inconsistent quality of training, and inadequate career guidance (El-Houshy, 2018). Gender disparities and rural-urban divides compound these challenges.

Opportunities for Building India's Future

1. Leveraging the Youth Demographic Dividend

India's unique demographic advantage can only be realized if youth are equipped with market-relevant skills. This requires a strategic, multi-stakeholder approach:

- **Localized Skill Mapping:** Identifying sectoral opportunities at the district and block levels to align training programs with local economic needs.
- **Youth Engagement:** Designing curricula and outreach programs that reflect youth aspirations and the realities of labor market demand.



2. Reimagining Vocational and Technical Training

- **Modernizing ITIs and Vocational Institutions:** Updating curricula to include new technologies (E.V., solar, domestic automation) and soft skills (customer service, digital literacy).
- **Industry Partnerships:** Facilitating apprenticeships and on-the-job training with leading companies in hospitality, finance, and technical services.
- **Certification and Upskilling:** Establishing modular, stackable credentials that allow lifelong learning and mobility across sectors (Koto, 2025).

3. Unlocking Allied and Subsidiary Rural Sectors

- **Integrated Rural Livelihoods:** Promoting bee-keeping, dairy, poultry, horticulture, and sericulture as part of diversified rural economies.
- **Entrepreneurship Training:** Embedding business development, financial planning, and digital marketing in allied sector training.
- **Cluster Development:** Fostering rural clusters and cooperatives for economies of scale, market access, and collective bargaining.

4. Expanding Tourism and Hospitality Skill Sets

- **Community-Based Tourism:** Empowering rural youth to participate in homestays, eco-tourism, and heritage tourism, leveraging local culture and natural assets.
- **Quality Standards and Career Pathways:** Addressing negative perceptions by establishing clear career ladders, fair remuneration, and professional recognition in hospitality (El-Houshy, 2018).
- **Digital and Language Skills:** Training in digital booking platforms, customer sentiment analysis, and foreign languages to enhance service quality (Zhao et al., 2024).

5. Building Capacity in Financial Services

- **Financial Literacy and Inclusion:** Integrating training on banking, insurance, and stock market operations with digital tools for outreach in rural areas.
- **Women's Participation:** Targeted programs to increase female representation in financial services, leveraging mobile banking and fintech innovations (Koto, 2025).



- **Customer-Centric Service Models:** Training in client relationship management, regulatory compliance, and ethical standards.

6. Harnessing Technology for Skilling

- **E-Learning Platforms:** Scaling digital training modules, simulations, and remote mentoring, especially in post-pandemic contexts (Farhangi et al., 2022).
- **Data-Driven Employment Matching:** Using AI and sentiment analysis to align youth skills with employer needs and market trends (Zhao et al., 2024).
- **Feedback Loops:** Incorporating real-time feedback from employers and trainees to continuously improve curricula and delivery.

7. Policy and Societal Shifts

- **Destigmatizing Vocational Careers:** National campaigns to valorize skilled trades and service roles as engines of prosperity, not fallback options.
- **Incentivizing Skill Acquisition:** Scholarships, stipends, and job guarantees for those completing high-demand skill programs.
- **Public-Private Collaboration:** Aligning government, industry, and civil society to co-create scalable, sustainable skill ecosystems.

Conclusion

The road to a self-reliant and prosperous Bharat depends on equipping India's young, diverse, and dynamic population with the right skills. As traditional agricultural jobs decline and new industries emerge, a shift from a degree-focused approach to a skill-centered model of education and employment is essential. Research and literature reviewed indicate that effective skilling is not just an economic or technical challenge but a deeply human one, influenced by perceptions, aspirations, and real-life experiences.

There are vast opportunities to tap into, such as revitalizing rural economies through allied sectors, exploring the potential of tourism and hospitality, and meeting the needs of a modern, digitized financial services industry. However, seizing these opportunities requires coordinated efforts-updating curricula, expanding the capacity of trainers, strengthening industry connections, and, most importantly, changing public attitudes toward skills.



By prioritizing skills over formal qualifications and adapting education to local, cultural, and technological realities, India can fully unlock its demographic potential, foster inclusive growth, and progress toward the goal of becoming the world's second-largest economy by 2047. The path to a self-reliant Bharat is not only about empowering individuals but also about building strong institutions. At its heart, this journey recognizes that while degrees hold value, practical skills can be even more transformative.

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