



DAILY EDITORIAL ANALYSIS

TOPIC

**INDIA'S YOUTH: POWERING WORLD'S
AGEING ECONOMIES**

www.nextias.com

INDIA'S YOUTH: POWERING WORLD'S AGEING ECONOMIES

Context

- The global economy is witnessing demographic ageing and labour shortages, creating an opportunity for India to convert its young population into a strategic asset through **global skills mobility**.

Youth in India and Its Demography

- According to **UN population estimates**, around **450 million Indians are currently aged between 18 and 35 years**.
 - ♦ A significant proportion is English-speaking, digitally literate, culturally adaptable and globally connected.
- However, **several advanced economies** face **declining fertility, ageing populations and shrinking workforces**, generating structural shortages in healthcare, infrastructure, technology and specialised services.
 - ♦ Nurses, caregivers, technicians, engineers, coders and other skilled professionals are increasingly in demand.
- Thus, India's demographic advantage can complement the demographic constraints of ageing economies.

Youth in India as a Strategic Resource

- Historically, countries have leveraged natural resources for economic and geopolitical influence i.e. **Gulf economies through oil, Australia through coal, iron ore and uranium, and China through rare-earth minerals**.
- **For India**, its greatest strategic resource may increasingly be **human capital**.
- India's advantage, however, is not merely the size of its youth population. To become globally employable, youth require:
 - ♦ Foreign-language proficiency and communication skills;
 - ♦ Technical and vocational training;
 - ♦ Internationally recognised certification;
 - ♦ Cultural and workplace preparedness; and
 - ♦ Professional discipline and adaptability.
- The challenge is therefore to transform **raw demographic potential into productive human capital**.

Key Contribution: Global and Indian 'Brain Circulation'

- **International mobility** can generate benefits both abroad and at home.
- Indian workers can address labour shortages in ageing societies while contributing to India through **remittances, skills, networks, entrepreneurship and knowledge transfer**.
- India received **over \$110.47 billion in worker remittances in FY 2025–26**, representing a **26% increase over the previous year**.
 - ♦ It demonstrates the scale of India's overseas workforce economy.
- Consequently, the conventional '**brain drain**' narrative is increasingly giving way to '**brain circulation**', where migration facilitates two-way flows of skills, capital, technology and knowledge.

Global Skills Mobility as Economic Diplomacy

- Global skills mobility should therefore be treated not merely as migration policy but as a pillar of **economic diplomacy, workforce development and international cooperation**.
 - ♦ However, political resistance to migration is increasing in several developed economies.
- Anti-immigration political forces, including **Germany's AfD and Austria's Freedom Party**, have gained influence, while the term '**remigration**' has entered political discourse.
- **Circular mobility** i.e. temporary, regulated and economically beneficial migration can provide a politically sustainable alternative.

- ◆ Experiences of **Singapore's work-permit system, Hong Kong's helper and skilled-worker arrangements, and Gulf labour-mobility systems** demonstrate how temporary mobility can coexist with large-scale labour demand.

Concerns and Issues with India's Youth

- India's opportunity is constrained by:
 - ◆ **Skill mismatch** between domestic training and international demand;
 - ◆ Uneven quality of vocational education;
 - ◆ Limited foreign-language and soft skills;
 - ◆ Non-recognition of Indian qualifications abroad;
 - ◆ Exploitative intermediaries and recruitment malpractices;
 - ◆ Vulnerability of migrant workers to poor working conditions;
 - ◆ High migration costs and information asymmetry; and
 - ◆ Risk of excessive outward migration of highly skilled professionals.
- Therefore, mobility without worker protection could reproduce vulnerabilities rather than create a demographic dividend.

Related Efforts and Initiatives

- India has undertaken measures through **Skill India and the PMKVY ecosystem**, alongside overseas-employment and migrant-support mechanisms.
- The **Ministry of External Affairs' eMigrate platform** seeks to make overseas employment safer and more transparent, while initiatives such as **Pravasi Kaushal Vikas Yojana** focus on improving the international employability of Indian workers.
- India has increasingly pursued **migration and mobility partnerships** with foreign countries to facilitate regulated movement of skilled workers and strengthen mutual recognition of qualifications.

Way Forward: Strengthening the Institutional Ecosystem

- India should aspire to become the **global hub for trusted talent mobility**. It requires:
 - ◆ **Demand-linked skilling:** Map foreign labour shortages and align Indian training accordingly.
 - ◆ **Global certification:** Establish internationally benchmarked curricula and mutual recognition agreements.
 - ◆ **Ethical recruitment:** Regulate intermediaries, ensure transparent contracts and reduce migration costs.
 - ◆ **Worker protection:** Strengthen pre-departure orientation, grievance redressal and consular support.
 - ◆ **Circular mobility:** Promote temporary and repeat migration pathways that enable skills and capital to return to India.
 - ◆ **Public-private partnerships:** Make industry responsible for long-term workforce development rather than short-term placement.
 - ◆ **Talent diplomacy:** Integrate diaspora networks, mobility agreements and skilling partnerships into India's economic diplomacy.

Conclusion

- India's demographic dividend is **time-bound** and its youth can become a strategic resource comparable in importance to natural resources if supported by quality education, skills, institutional capacity and safe mobility pathways.

- The transition from **'brain drain' to 'brain circulation'** can simultaneously address global labour shortages, raise Indian incomes, deepen economic diplomacy and enhance India's soft power.
- The decisive question is no longer whether India has talent, but **whether it can systematically make that talent globally employable and trusted**.

Daily Mains Practice Question

[Q] Discuss the opportunities and challenges associated with global skills mobility of Indian youth. Suggest measures to ensure that such mobility promotes India's economic growth while protecting the interests of migrant workers.

Source: IE

■■■■

