

Skill Development and Youth Employment in India: Evaluating the Effectiveness of Government Programs

Swati Singh

Department of Commerce, DAV College, Kanpur

Abstract

India as a country with such a large youth base is at a demographic crossroads that the future of the Indian economy is pegged on the successful use of human resources. Although the country has been experiencing one of the highest rates of economic growth, unemployment and underemployment, particularly among the youths remains a challenge. Development of skills has thus become a strategic policy agenda to ensure that there is a better linkage between education and employability. This is a critical review paper on the effectiveness of government-initiated skill development programmes including Skill India Mission, Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) among other programmes. The paper uses perspectives of official reports, scholarly research, and policy reviews to reveal accomplishments, gaps, and emerging trends in the skill ecosystem in India. It also examines the contribution that the private sector, NGOs, and international organisations have to put alongside government efforts. The results indicate that although the programmes have achieved significant improvements in widening the training infrastructure and enrolments, there have been threats regarding the nature, linkages to placements, and pertinence to the industries. The paper ends by giving policy suggestions on how to establish an integrated and inclusive and future oriented skill development framework that can effectively be translated into sustainable youth employment.

Keywords: Skill Development, Youth Employment, Skill India Mission, Vocational Training, Government Programmes, Employability, India.

Introduction

The largest young population in the world is found in India where almost three quarters of the citizens are under 35 years. This demographic bonus, also known as the demographic dividend is now a historic chance to increase the speed of economic growth and social development. But this trend in the demographic area also is a major challenge that should be taken seriously so that millions of young Indians can develop relevant skills and get positive jobs in a fast changing economy. Recent reports by the National Sample Survey Office (NSSO) and Periodic Labour Force Survey (PLFS) indicate that a large number of young people in India have not been employed or are working in the low-productivity informal sectors. The gap between the educational levels and the job market demands remains to be widening, which presents the necessity of a powerful skill development policy.

It has consequently made skill development an element of the employment and human resource policy in India. Understanding this, the Government of India introduced a number of large-scale programmes, including Skill India Mission (2015) that is focused on educating more than 400 million individuals by 2025. The creation of the Ministry of Skill Development and

Entrepreneurship (MSDE) and the National Skill Development Corporation (NSDC) was a structural change in the way the country had been addressing the issue of developing skilled workforce. Such programmes are also aimed at supplying the youth with the technical skills but also at propagating entrepreneurship, innovation, and autonomy.

General Skills Development Landscape in India.

The skill development ecosystem in India has undergone a long transformation since the last few decades which has been a result of the shift in the economy of the country towards the knowledge-driven and service based economy. The institutionalisation of skill training as a key policy agenda was brought about by the realisation that traditional education will not be sufficient to ensure that a competitive labour market is satisfied. The development of skills in India is not a social initiative but a policy economic intervention that seeks to enhance productivity, employability, and an inclusive growth.

Until independence, vocational training in India existed mainly in small scale industrial apprenticeship and craft occupations. With the post 1947, focus was given to industrial and technical education by developing Industrial Training Institutes (ITI) and Polytechnics under the Directorate General of Employment and Training (DGET). Nevertheless, these were disjointed and supply based initiatives that were more concerned with formal trades as opposed to the emerging service sector.

The period of the early 2000s has become the mark of the change with the identification of the so-called skills gap the inadequacy between the requirements of the industry and potential of the workforce. The establishment of the National Skill Development Policy (2009) was initially the first step in dealing with this with the second step being the establishment of the National Skill Development Corporation (NSDC) in 2008 as a public-private partnership model. The NSDC aim was to stimulate the involvement of the private sector in training of skills, quality assurance and formation of Sector Skill Councils (SSCs) to create industry specific curriculum outlines.

In 2015, the Government of India introduced the Skill India Mission, which is a flagship project that is expected to train more than 400 million people by 2025. This was favoured by the Ministry of Skill Development and Entrepreneurship (MSDE) that helped unite several programmes under a single umbrella facilitating coalescence and integration of different ministries and state governments.

Skill Gap Reports by NSDC indicate that India has a two-fold problem in an excess supply of unskilled labour and shortage of employment oriented skilled labour force. Although 12 million and above people enter the labour market each year, a small percentage of them have formal vocational or technical training. Per the Periodic Labour Force Survey (PLFS 2023), only a small proportion of the labour force in India less than 5 percent of the population has been formally trained in skills, compared to 75 percent in Germany and 52 percent in the United States.

The sectoral analysis reveals that there are major differences in the demand of skilled labour. Some of the leading sectors where skilled workers are needed at a very fast rate include the

manufacturing, construction, logistics, tourism, healthcare and the information technology sectors. Nonetheless, the training programmes tend to be supply-led, without proper consultations with the stakeholders in the industry. Many trainees therefore end up being jobless or under employed and fail to put their skills gained to good use.

The results of developing skills differ dramatically depending on states and demographics. States in the south and west like Kerala, Maharashtra and Gujarat have developed fairly strong training ecosystems with larger placement rates and many states in the north and east are lagging behind as a result of infrastructural and administrative barriers. There is also gender imbalance where the number of women in vocational training programmes is still very low particularly in the rural regions. Moreover, most young people in the rural areas are in the informal sector whereby skills certification and recognition is poor.

Major Government Skill Development Programs in India

The Indian policy of skill development has one of the widest policies in the developing world. The government has put in place various schemes and missions aimed at creating a better deal on employability, ensuring entrepreneurship and increasing the connexions between education and employment. It has been aimed at matching skills to market demand, creating less unemployment as well as to harness the potential of Indian demographic dividend. Here, the section discusses the key government initiatives, their goals, scope, and results of implementation.

The flagship programme of the Skill India Mission is the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) which was introduced in 2015. It will empower the Indian youngsters to pursue relevant skills training in the industry to increase their employability. The programme also offers short-term training (STT), Recognition of Prior Learning (RPL) to recognise informal skills learnt through experience. The training is provided in accredited centres that are Sector Skill Councils (SSCs).

PMKVY has registered significant scale training of 1.2 crore young in the nation. Yet, multiple assessment reports, such as the ones created by NITI Aayog (2021) and MSDE (2022) show conflicting results. Although it has achieved enrolment goals, the placement rates have been low and have averaged at 35-40%. The problems are a lack of proper industry connexions, low retention, and overall focus on post-training support. The third phase, PMKVY 3.0 (2021-2026) tries to resolve these issues with a focus on skill mapping on district level, digital learning, and course design according to demand.

The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is a programme initiated in 2014 by the ministry of Rural development (MoRD) and is available to rural youth belonging to poor families, especially those of marginalised and socially disadvantaged groups. Its focus is to diversify the rural economy through the placement based skills training.

DDU-GKY uses a demand-driven strategy whereby Project Implementing Agencies (PIAs) must make sure that at the least 70 percent of the trained candidates are employed. The scheme has likewise a good element of social inclusion where 33% of participants must be women and a large percentage to be Scheduled Castes, Scheduled Tribes and minorities.

Relatively, independent evaluations point at the fact that DDU-GKY has managed to be rather effective in terms of guaranteeing sustainability of quality training and placement as compared to other programmes. Nevertheless, overseeing abnormalities, bureaucratic slackness and different performance of the states are problems. Its increased connectivity to state missions and local industry clusters is needed in order to maximise long-term effects of the programme.

The National Skill Development Mission (NSDM), which was launched in 2015, offers a framework through which all of the skill development activities can be adopted around a single national vision. The main aim of it is to organise inter-ministerial efforts and make sure that the training programmes of different spheres follow similar standards and the quality standards.

NSDM shows seven sub-missions that are institutional training, preparation of infrastructure, convergence, educators, foreign work, sustainable livelihoods, and utilising technology. This has been one of its greatest successes in terms of fostering partnership between the central government and the states and industry institutions under the umbrella of National Skill Development Corporation (NSDC) and Sector Skill Councils (SSCs).

Skill India Mission is the umbrella policy vision that was introduced by Government of India in 2015. It has a goal of making India the skill capital of the world. Through the mission, more than 20 central programmes in the area of skill training, vocational education, and entrepreneurship are brought together under a policy umbrella.

Evaluation of the Effectiveness of Government Programs

To assess the success of the skill development programmes in India, it is important to establish whether the programmes are able to convert training into long term jobs. Although the government has been spending much on large-scale schemes like PMKVY, DDU-GKY, NSDM and NAPS, the results have been unevenly dispersed in terms of regions, sectors and demographics. This part provides a critical analysis of the performance of these programmes based on key indicators that include reach, quality, employability, placement rate and inclusiveness.

A significant success in the skill development programmes in India has been the increased coverage of training within a very short period. During 2015-3, over 150 million people were reportedly provided with some type of skills training in multiple central and state initiatives. PMKVY alone has already trained more than 1.2 crore youth, whereas DDU-GKY and NAPS have already reached out to millions of rural and industrial clusters.

Nonetheless, even with these overall large figures, the percentage of formally skilled labour force in the total labour force of India is low less than 5 per cent in comparison with 96 per cent of South Korea, 75 per cent of Germany, and 52 per cent of United States (ILO, 2023). This means that the quantitative improvement has been registered but the qualitative contribution to the composition of the workforce has been minimal. It is also observed that many trainees end up in precarious jobs or cease to be in the job market shortly after training since there are no long-term prospects.

One of the determinants of the success of the programme is the relevance of the skill training to the demand of labour market. A number of reports, such as NITI Aayog (2021) and NSDC

(2022), indicate that there is a consistent discrepancy in training curriculum and industry demands. A lot of the training facilities are providing obsolete training materials that are not in line with new technologies or current ways of working.

More so, the supply of qualified trainers is a significant limitation. The MSDE Annual Report (202223) has indicated bad results, with less than 60 percent of training centres boasting fully certified trainers, and the trainer-trainee ratio was lower compared to international levels. The absence of standard assessment mechanisms and variation in quality across states also reduces the credibility of the programmes.

The stakeholders in the industry have repeatedly highlighted that the trainees are not given a working experience or any marketable skills, like teamwork, communication, and adaptability, despite having gone through certified programmes. This discrepancy between the certification and competence minimises the employer confidence and influences the job placement results.

The ultimate measure of success is employment generation. According to the information provided by MSDE and NSDC (2023), the average placement rate among such large schemes as PMKVY and DDU-GKY is between 35 and 45 percent. Although other sectors like retail, hospitality and beauty and wellness show high placement rates, manufacturing and construction have performed poorly because of low formal job opportunity openings as well as cyclical business demands.

Placement-linked training in DDU-GKY has performed well with a few states recording a high of 60 percent rates in placements. Retention has been enhanced by the introduction of post-placement assistance and monitoring devices. On the other hand, short-term training programmes of PMKVY do not bring long-term employment since benefits as graduates fail to secure long-lasting jobs.

The main problem is that the labour market in India is informal with more than 80 percent of the population involved in unorganised or semi-skilled jobs. Most of the young people end in informal jobs that pay low wages, offer little job security and have low career advancement opportunities even after training. Thus, although programmes are effective in terms of creating so-called trained people, their effectiveness in terms of creating quality jobs is low.

Inclusiveness is an essential part of any skill development policy, in particular, in a country as diverse as India. Provisions on women, Scheduled Castes, Scheduled Tribes, minorities and differently-abled people have been incorporated in most of the programmes especially in DDU-GKY and SANKALP.

Challenges and Gaps in Skill Development Initiatives in India

Although the skill development ecosystem of India is well-institutionalised and has numerous programmes led by the government, there are deep-rooted challenges that reduce the overall effectiveness of the system. These obstacles cut across planning, implementation, quality control and post-training results. These gaps are important to understand in order to redesign policies that would not only impart some training to the youth, but help them to sustain their employment in a meaningful manner.

Among the most acute problems that the skill development strategy of India faces is the notorious dissimilarity between developed skills and the labour market needs. Training programmes are mostly supply-based programmes based on government objectives as opposed to the real demand by industries.

As an example, as the need to acquire technical and digital skills in business fields such as renewable energy, robotics, logistics, and healthcare expands, most training facilities still have traditional programmes, including tailoring or retail sales that provide fewer job opportunities. This discrepancy translates into under-employment and disappointments among the trained youths, lowering the reputation of the government efforts.

In addition, the changing dynamic aspect of the technology and industry demands implies that the skill curricula should be updated on a regular basis. The problem is that, unfortunately, revision of training modules by most schemes is slow and bureaucratized, leading to a delay between training and market applicability.

Considerably, different centres and states differ in quality training delivery. Though the introduction of the National Skill Qualification Framework (NSQF) has tried to standardise the certification and align qualification with the industry level, it is not well implemented.

Various external reviews (NITI Aayog, 2022; MSDE, 2023) show that a high percentage of training centres do not have the necessary infrastructure, qualified trainers, and the latest learning content. The ratio of the trainers to the trainees is usually higher than the recommended ones, which diminishes one-on-one learning and acquisition of skills.

Moreover, the assessment and certification procedures are often criticised to be mechanical and outcome-based paying attention to completion certificates and not to the actual cheques of the competency. The quality monitoring is further complicated by the fact that there is no standard accreditation process by all the training providers.

It should have close liaison with the industry so that training should be made in line with actual job needs. But, there is a limited involvement of employers in the skill ecosystem of India. The concern of training workers is that most of the companies like to hire trained workers instead of spending money on training of workers due to the cost and administrative barriers.

In spite of the programmes like NAPS and STRIVE that advance the apprenticeships, they have had a small scope. India has one of the lowest formal apprenticeship programmes with only approximately 0.1 of its workforce being enrolled in the programmes compared to an average of 3 percent in other nations such as Germany or Japan (ILO, 2023). There is also a shortage of incentives to involve the small and medium enterprises (SMEs) in the skill development activities, which further minimises the participation of the private sector.

The lack of active involvement of industry also implies the weak feedback loops which are important in the course design, assessment, and placement. Most of the skill training programmes without a lasting employer association do not translate to actual employment opportunities.

The institutional fragmentation is the feature of the skill development situation in India. Some of the skills schemes have more than 20 ministries and departments, each has its own guidelines, databases, and funding mechanisms. This results in overlapping of work, ineffective distribution of resources and policy inconsistency.

As an example, there is a high tendency to conduct parallel similar trainings by the Ministry of Labour, MSDE, Ministry of Rural development, and Ministry of Education without proper coordination and data exchange. The lack of a centralised online system that could allow real time monitoring and integration of all schemes causes overlapping lists of beneficiaries and inaccurate outcomes reporting.

The training should not be the end of the development of skills, the development should offer an option of becoming a stable employee or becoming an entrepreneur. Sadly, majority of the programmes do not provide structured post training support in form of job placement services, career counselling, or credit access to assist them in self-employment.

The MSDE 2023 Evaluation Report indicated that it is less than 20 percent of trainees who get any kind of post-placement assistance. A good number of the youth that are trained either under PMKVY or DDU-GKY are left to find their own way in the job market. Without the career progression schemes or mentorship opportunities, it is unclear whether such individuals will be employable in the long term.

Moreover, there are no connexions between vocational training and higher education which limits the upward mobility. Vocational courses in most instances have no academic credits or entry points to degree programmes, which further support the social interpretation of vocational training as low-end education compared to the formal education.

The socio-economic diversity of India has a huge impact on the coverage and the success of skill programmes. The rural and remote areas especially in the northern and eastern states are still lagging behind as the infrastructure is inadequate and there is no awareness with regards to the available training opportunities.

Gender inequalities are still high. Although the participation rates are on the rise, women take up a smaller percentage of total trainees in some schemes, which is not more than 35–40%. The social norms, the restrictions of movement, and the family aspects restrict women involvement in the training and the employment after training. Furthermore, most of the skills still remain gender-stereotyped, providing women with skills in low earning trades like tailoring, beauty and handicrafts over other areas of high demand which have a technical background.

Scheduled Castes, Scheduled Tribes and persons with disabilities are also marginalised groups that have impediments to access good training because of poor infrastructure, language and social discrimination. Though initiatives such as SANKALP and DDU-GKY have tried to enhance inclusiveness, gaps in their execution still exist.

Although the skill development system in India is experiencing a variety of challenges, a number of innovative models and best practises have been observed in states, industries, and institutions that indicate how efficient design, governance, and collaboration can substantially

increase the level of employability. These best practises that are government-led and industry-driven are useful models that can be imitated and used in policy learning in the whole country.

One of the most well-known models of introducing vocational training into the formal education system at the state level is Kerala Additional Skill Acquisition Programme (ASAP) which was introduced in 2012. The programme is aimed at high school and undergraduate students and provides skill courses that are relevant in the industry in addition to the normal academic programmes.

Policy Implications and Recommendations.

The experience of India due to the large-scale skill development programmes makes it clear that change of an input-based orientation of a policy framework to outcome-oriented one is required. Although projects like Skill India Mission, PMKVY, and DDU-GKY have increased access to training, the overall effect on their employability and productivity is not significant because of disjointed governance, lack of quality control and industry connectivity. Hence, the creation of a single and combined national skill framework that will guarantee central-state government, economic spheres, and educational institutions coordination is the primary policy implication. A national skill repository needs to be established, where all training information in all ministries can be merged using one digital system that allows real-time monitoring and accountability.

The other area that is very important with regard to policy is the aspect of alignment of training programmes with the industry demand. India should shift towards the demand responsive model where the design of the course, certification and assessment is directly influenced by employer reactions and labour market analytics. This necessitates institutionalisation of industry involvement by ensuring that sectoral associations and chambers of commerce are compulsory members of policy councils, curriculum committees and placement systems. Moreover, the skill gap mapping in the region should be periodically done to make sure that the training programmes are aligned with the local population needs especially in the new areas like green energy, tourism, logistics, and digital technology.

The new generation of skill development reforms must be based on quality assurance. One way in which the standardisation of certification, tracking the results, and avoiding duplication can be achieved is by establishing an independent national accreditation and quality body over vocational education. The current National Skill Qualification Framework (NSQF) must be strictly followed to make all institutions and programmes to have the same standards. The quality of training delivery can be greatly enhanced under the conditions of constant updating of the trainer competencies in digital-based pedagogy, global exposure, and performance-based rewards.

India should also aim at enhancing the connexion between education and skill training. Vocational courses need to be introduced more quickly into school and higher educational systems as stated in the National Education Policy (NEP) 2020. Vocational programmes in schools and universities must be done in blocks with credits of mobility between the academic and the technical streams. It does not only make them more employable but also alters the social aspect of the vocational education, making more young people seek skill-oriented jobs.

Conclusion

India is at a pivotal stage in its developmental process, and there is both the problem of unemployment and underemployment, and on the other hand, there is an unprecedented opportunity of a huge number of youth. The ability of the country to transform this population into economic power is based on the quality of its skills development system. In a decade, the government efforts have established a robust institutional framework to empower the youth through the use of employability-based training in the form of the Skill India Mission, PMKVY, DDU-GKY, and NAPS. Yet, based on the experience of programme evaluations and policy analysis, it has shown that the results have been skewed and in many cases underwhelming. Although millions of people have been trained, the number of those that have been placed in sustainable and quality jobs is small. The system still struggles with structural inefficiencies, lack of coordination in the ministries, lack of involvement of industries, and lack of consistency between training and the real market demand.

One of the major lessons that can be drawn after going through the review is that the Indian skill development policy should be geared towards achieving a shift of quantity to quality, training delivery to employment results, and disjointed schemes to an ecosystem. Skilling in India does not have a future in proliferating short course programmes but in developing robust, flexible, and industry relevant learning opportunities that prepare young individuals to become lifelong employable. The nation requires an integrated, need-based model that is well-integrated in the formal education system and sensitive to both the technological and economic changes. It is necessary to integrate with general education, enhance apprenticeships and encourage entrepreneurship as a career option to make sure the training is converted to worthwhile livelihoods as opposed to short term placements.

References

1. Asian Development Bank. (2021). *Skilling India: No Time to Lose*. Manila: ADB Publications.
2. Bosch, M., & Chandra, V. (2020). *Skills, employability, and job creation in South Asia: Building a foundation for future growth*. World Bank Group.
3. Government of India. (2015). *National Policy for Skill Development and Entrepreneurship 2015*. Ministry of Skill Development and Entrepreneurship (MSDE). New Delhi.
4. Government of India. (2023). *Annual Report 2022–23*. Ministry of Skill Development and Entrepreneurship (MSDE). Retrieved from <https://www.msde.gov.in>
5. International Labour Organization. (2023). *World Employment and Social Outlook: Trends 2023*. Geneva: ILO Publications.
6. Kaushik, K., & Khan, S. (2020). Effectiveness of skill development programs in India: A critical review. *Indian Journal of Labour Economics*, 63(4), 789–805. <https://doi.org/10.1007/s41027-020-00261-5>
7. National Skill Development Corporation (NSDC). (2022). *Skill India Report 2022: Demand and Supply Analysis of Skills in India*. New Delhi: NSDC Publications.

8. National Skill Development Corporation (NSDC). (2023). *Skill India Digital Ecosystem: Empowering Youth for Employment and Entrepreneurship*. New Delhi: NSDC.
9. NITI Aayog. (2021). *Evaluation Study on Skill Development Schemes*. Development Monitoring and Evaluation Office (DMEO). New Delhi.
10. NITI Aayog. (2022). *Transforming India's Workforce: Policy Priorities for the Next Decade*. New Delhi: Government of India.
11. OECD. (2020). *OECD Skills Strategy 2020: Skills to Shape a Better Future*. Paris: OECD Publishing.
12. Pratham Institute. (2021). *Annual Impact Report on Vocational Training and Livelihood Programs 2021–22*. Mumbai: Pratham Education Foundation.
13. Sharma, R., & Srivastava, S. (2019). Assessing the role of PMKVY in enhancing youth employability: An empirical analysis. *Journal of Public Policy and Governance*, 5(2), 55–70.
14. Singh, A. (2021). Vocational education and training reforms in India: Learning from international experience. *Comparative Education Review*, 65(3), 347–367. <https://doi.org/10.1086/714785>
15. UNDP. (2022). *Human Development Report 2022: Uncertain Times, Unsettled Lives – Shaping Our Future in a Transforming World*. New York: United Nations Development Programme.
16. World Bank. (2020). *Skilling India: Policy Priorities for a Competitive Workforce*. Washington, DC: World Bank Publications.
17. World Economic Forum. (2023). *Future of Jobs Report 2023*. Geneva: WEF.
18. CAG (Comptroller and Auditor General of India). (2022). *Performance Audit on Implementation of Skill Development Schemes*. New Delhi: Government of India.
19. Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY). (2022). *Annual Progress Report 2021–22*. Ministry of Rural Development.
20. National Sample Survey Office (NSSO). (2022). *Periodic Labour Force Survey (PLFS) 2021–22*. Ministry of Statistics and Programme Implementation (MoSPI).
21. Skill India Mission. (2024). *Skill India Vision Document 2025*. Ministry of Skill Development and Entrepreneurship.