

# Rethinking India's skilling outcomes | Explained

What prevents skilling from becoming a first-choice pathway for youth? Why has formal vocational training reached only a small share of the workforce? What limits industry participation in public skilling programmes? Why do Sector Skill Councils lack credibility with employers?

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For representative purposes | Photo Credit: Getty Images

## The story so far:

Over the last decade, India has built one of the largest skilling ecosystems in the world. Between 2015 and 2025, India's flagship skilling programme, Pradhan Mantri Kaushal Vikas Yojana, has trained and certified around 1.40 crore candidates. Yet skilling has not become a first-choice pathway for most young Indians. Employability outcomes remain uneven, and Periodic Labour Force Survey (PLFS) data show that wage gains from

vocational training are modest and inconsistent, particularly in informal employment, where most workers are absorbed, offering limited recognition for certified skills and little visible improvement in quality of life.

## Why does skilling still fail to inspire aspiration?

India's Gross Enrolment Ratio (GER) stands at 28%, but the National Education Policy 2020 aims to raise it to 50% by 2035. This cannot be done just by expanding traditional education; it must be integrated into higher education pathways in a way that makes it easier for people to learn new skills.

Despite years of investment, only about 4.1% of India's workforce has received formal vocational training, barely improving from about 2% a decade ago (PLFS; World Bank). In contrast, across OECD countries, about 44% of upper-secondary learners are enrolled in vocational programmes, rising to around 70% in countries such as Austria, the Czech Republic, Finland, the Netherlands, the Slovak Republic and Slovenia.

The India Skills Report 2025 shows that post-degree skilling by graduates is not a mainstream or high-participation behaviour in India. If skilling is to scale meaningfully, it must travel through and alongside formal education.

## How can industry contribute meaningfully?

Industry is the single largest beneficiary of effective skilling and trained manpower. According to various industry reports, high attrition, long onboarding cycles, and productivity losses impose real costs, with attrition rates of 30-40% common across retail, logistics, hospitality, and manufacturing alone.

Yet, there is still not much participation from the industry. Most employers do not use public skilling certifications as hiring benchmarks; instead, they use internal training, referrals, or private platforms (NITI Aayog; World Bank). The National Apprenticeship Promotion Scheme (NAPS) has increased participation, but its effects are still unequal, particularly among bigger companies.

Industry is neither incentivised nor obligated to meaningfully contribute to relevant curriculum development, certification standards, or assessment rigour at scale. As long as skilling remains something industry consumes rather than co-designs, it will lag labour-market reality.

## Why do Sector Skill Councils fail?

The most serious structural failure in India's skilling ecosystem lies with the Sector Skill Councils (SSCs).

SSCs were created with a clear mandate: to act as industry-facing institutions that define standards, ensure relevance, and anchor employability. In effect, they were meant to own the skilling value chain — from identifying industry demand to certifying job readiness. That mandate has not been fulfilled.

Today, responsibility is fragmented: training is delivered by one entity, assessment by another, certification by SSCs, and placement by someone else — if at all. Unlike higher education or technical institutions such as polytechnic diploma colleges, where reputational risk enforces accountability, the skilling system diffuses responsibility without consequence.

This fragmentation has eroded trust. Employer surveys frequently indicate that SSC credentials have limited signalling value compared to degrees or prior work experience. Standards exist, but employers do not reliably hire against them. Industry-led certification models illustrate what is missing. Certifications from AWS, Google Cloud, or Microsoft work because the certifier's credibility is at stake. Assessments are fair and graded, not binary, and employers know what a certified candidate can do.

SSCs were meant to play this role at a national scale. Instead, they have largely limited themselves to standards creation, without owning outcomes. Until SSCs are held accountable for employability, certification will remain symbolic rather than economic.

The ongoing overhaul of standard-setting bodies must confront this directly.

## How can skilling drive sustained economic growth?

India's skilling challenge is a failure of accountability, not of intent or government funding.

Expanding NAPS and deepening industry integration can become one of the fastest levers to improve job readiness at scale by pushing skilling into the workplace. Initiatives like PM-SETU, the central scheme for modernisation of ITIs, point towards stronger execution models where industry ownership and accountability are built into programme design.

When skills are embedded in degrees, when industry is treated as a co-owner, and when SSCs are made answerable for placement outcomes, skilling move from fragmented welfare intervention to a pillar of national economic empowerment.

That shift is not just about jobs. It is about the dignity of labour, productivity, and India's ability to convert its demographic strength into sustained national growth.

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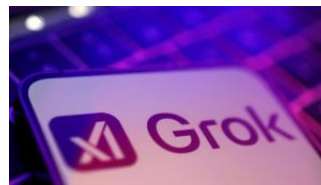
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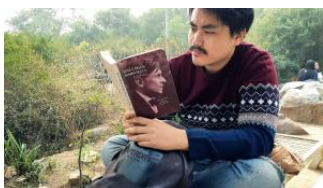
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