

Status of Skill Development in India

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What is Skill Development and its importance?

- Skill Development refers to the process of acquiring new or enhancing existing skills, knowledge, and attitudes to improve the performance and productivity of an individual or a workforce.
- It involves various **training programs, courses**, and **on-the-job learning** that aim to develop **technical, vocational**, and **soft skills** in individuals.
- **Importance of Skill Development for India:**
 - **India** is one of the **youngest** nations in the world, with more than **62%** of its population in the **working age group (15-59 years)** and more than **54%** of its total population **below 25 years** of age.
 - To reap this **demographic dividend** which is expected to last for the next 25 years, India needs to equip its workforce with employable skills and knowledge so that they can contribute substantially to the economic growth of the country.
 - As India moves progressively towards becoming a **global knowledge economy**, it must meet the rising aspirations of its youth. This can be partially achieved through a focus on the advancement of skills that are relevant to the emerging economic environment.

What is the status of Skill Development in India?

- According to the **India Skills Report 2015**, it was established that India lacks in the development of skills. Of all the students applying for roles in the labour market, a mere **33%** had the **appropriate skills** to match the requirement of the employers.
- According to the Ministry **for Skill Development and Entrepreneurship (MSDE)**, Among persons aged **15-29**, only about **2%** have received **formal vocational training**, and **8% have received non-formal vocational training**. This suggests that very few new entrants to the workforce in this age group have any marketable skills.
 - Comparative data for developed economies show that in **Korea**, **96%** of the population has received formal vocational training. In **Germany**, the figure is **75%**. In **Japan**, it is **80%**, and in the **United Kingdom**, it is **68%**.

What is the institutional setup for Skill Development in India?

- The **Ministry for Skill Development and Entrepreneurship** (earlier the Department of Skill Development and Entrepreneurship notified in 2014) was set up in 2014. The Ministry is responsible for
 - **Coordination** of all Skill Development efforts across the country.
 - **Removal of the disconnect** between demand and supply of skilled manpower.
 - Building the **vocational and technical training framework**.
 - **Skill up-gradation** building of new skills.
 - Innovative thinking not only for existing jobs but also for jobs that are to be created.
- **MSDE's Vision 2025** adopts an ecosystem-enabling lens to transition India to a high-skills equilibrium and help create positive outcomes for individuals, enterprises, and the economy. The **three outcomes** to be achieved through vision are:
 - Enable **individual economic gains** and **social mobility**.
 - Create a **skills market** that is **learner-centric** and **demand-driven** and
 - Facilitate aspirational employment and entrepreneurship generation, improve overall productivity for enterprises, and catalyze economic growth.
- It is aided by the following **functional arms**:

Body	Function
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Directorate General of Training (DGT)	• It is the apex organization for development and coordination at the National level for the programmes relating to vocational training, including Women's Vocational Training. • Major functions of the DGT are: ◦ To frame overall policies, norms, and standards for vocational training. ◦ To diversify, update and expand training facilities in terms of craftsmen and crafts instructor training. ◦ To implement, regulate and increase the scope of training of apprentices under the Apprentices Act 1961. ◦ To provide vocational guidance and employment counseling.
National Skill Training Institutes (NSTIs)	• Premier institutes run by the Directorate General of Training (DGT). • Main objective is to impart training to the instructor of ITIs in the country.
Industrial Training Institutes (ITIs)	• Government-run training institute in India that offers technical education and vocational training to students after they have completed their secondary education. • The objective of ITIs is to provide a skilled workforce to various industries and promote employment opportunities for students. • Governed by the Directorate General of Training (DGT).
National Council for Vocational Education and Training (NCVET)	• NCVET subsumed the existing skill regulatory bodies- National Skill Development Agency (NSDA) & National Council for Vocational Training (NCVT). • It is an overarching skills regulator to regulate the functioning of entities engaged in vocational education and training, both long & short-term, and establish minimum standards for the functioning of such entities. • The major functions of NCVET would be recognition and regulation of ◦ Awarding Bodies ◦ Assessment Agencies. ◦ Skill-related Information Providers. ◦ Monitoring and supervision of recognized entities and grievance redressal.

National Skill Development Corporation (NSDC)	• It is set up as a Public Private Partnership Company with the primary mandate of catalyzing the skills landscape in India. • The main objectives of the NSDC are to ◦ Upgrade skills to international standards through significant industry involvement. ◦ Enhance, support, and coordinate private sector initiatives for Skill Development through appropriate Public-Private Partnership (PPP) models. ◦ Play the role of a "market-maker" by bringing financing, particularly in sectors where market mechanisms are ineffective or missing.
National Skill Development Fund (NSDF)	• It is a Trust set up for raising funds from Government and Non-Government sectors for Skill Development in the country. • The Fund meets its objectives through National Skill Development Corporation (NSDC). • Accounts of the Trust are subject to CAG Audit.
Sector Skill Councils (SSCs)	• Sector Skill Councils are set up as autonomous industry-led bodies by NSDC. • They create Occupational Standards and Qualification bodies, develop competency framework, conduct Train the Trainer Programs, conduct skill gap studies. • There are currently 37 Sector Skill Councils operational.

What are the challenges of the Skill Development ecosystem in India?

India presently faces a dual problem of paucity of highly trained workforce, as well as non-employability of large sections of the conventionally educated youth, who possess little or no job skills. Some major challenges are

- **Low participation:** Despite various initiatives taken by the government and private players, the participation rate in Skill Development programs is low in India.
- **Poor quality of training:** The quality of training offered by many Skill Development programs in India is poor, which fails to meet the industry's requirements.
 - A study conducted by the **National Institute of Labour Economics Research and Development (NILERD)** found that a significant proportion of trainees in the **Industrial Training Institutes (ITIs)** were not satisfied with the **quality** of training provided.
- **Mismatch between training and job market:** Another challenge is the mismatch between the skills acquired through training and the demands of the job market.
 - A report by the **Confederation of Indian Industry (CII)** estimated that **75% of the workforce in India** does not possess the necessary skills required for the job market.

- **Limited access to training:** Many people in India, especially those in rural areas, have limited access to training and Skill Development programs.
 - According to a report by the **World Economic Forum**, only **10%** of the rural workforce in India has received formal skills training.
- **Lack of industry linkages:** The Skill Development ecosystem in India lacks adequate industry linkages, which results in inadequate feedback on skill requirements and inadequate design of training programs.
 - According to the **National Sample Survey Office (NSSO)**, only **5% of the enterprises** in India have participated in Skill Development programs.
- **Funding and sustainability:** The funding for Skill Development programs is limited, and many programs face sustainability issues.
- **Insufficient capacity:** Current infrastructure facilities available in the educational institutions throughout the country are inadequate considering the huge demand for skilled labour. There are not many trained and highly skilled trainers available.

What measures can help India become better skilled?

- **Coordinating Skill Development initiatives:** Coordination between demand and supply scenarios can be achieved through regular surveys and assessments of labour market needs which enables a better understanding of the skill gap and allows for the development of appropriate training programs.
- **Industry and educational stakeholders collaboration:** This can help ensure that the curriculum is up-to-date and relevant.
- **Linking vocational training and mainstream education:** This ensures students have the necessary practical skills to succeed in the workplace.
- **Women-specific Skill Development policies:** This can be achieved through targeted training programs, mentorship opportunities, and other initiatives that promote gender equality in the workplace.
- **Coordination and governance of Skill Development initiatives:** This can be achieved through the establishment of nodal authorities or bodies that can oversee and coordinate these initiatives.
- **Provision of infrastructure and qualified instructors:** The necessary infrastructure and equipment, including computers, software, tools, machines, and qualified instructors, should be provided to ensure high-quality skills are taught in training programs.

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