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SKILL INDIA MISSION AND YOUTH EMPLOYABILTIY: A COMPARTIVE STUDY OF SELECTED INDIAN STATES

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ABSTRACT

This study is designed to explore the relationship between the Skill India Mission and youth employability in some Indian states. Essentially, this study is intended to analyze the role of the Skill India Mission in promoting the employability of young individuals in the country by bridging the gap between theoretical knowledge and industry needs, in line with the Indian government's efforts to develop a competitive workforce in the country. In this study, the researcher presents a comparative analysis of the implementation and outcomes of the Skill India Mission in different states in India, highlighting some aspects such as training outcomes, placement trends, and policy outcomes, in order to gain deeper insight into the influence of skill development programs on youth employability.The study reveals that the Skill India Mission has developed an important structural framework in the country for skill development on a large scale, but it is also important to address some challenges in this regard to ensure the effectiveness of this mission in promoting the employability of young individuals in the country.

Introduction

India is at a critical demographic point in its history when the youth population is not only a great opportunity but also a great challenge. In fact, the country has one of the largest youth populations in the world, with nearly 371 million people in the 15- to 29-year-old age group. However, the youth unemployment issue continues to be a challenge. In fact, the unemployment rate is estimated to be around 10.2 percent during the period from 2023-24. This is a paradox because the country has one of the highest rates of economic growth but at the same time has low employment absorption. This is because the country has a complex relationship between industrial development and education.

In this chapter, the significance of Skill India Mission (2015) in enhancing youth employability in various state contexts will be discussed. The Skill India Mission was initiated with the purpose of bridging the gap between academic qualifications and industry requirements. The initiative can be seen as a strategic move by India in developing a workforce capable enough to fulfill the requirements of a globalizing economy. An analysis will be made on how this flagship initiative has successfully connected skill training with employment outcomes.

The chapter will start with the background of youth unemployment in India, focusing on the demographic, structural, and skill-related imbalances in employability. It will then provide a literature review of significant skill development policies and strategies, starting with the National Skill Development Policy (2009) and moving towards the Skill India Mission (2015). In addition, the study will provide a comparative analysis of the five states—Uttar Pradesh, Maharashtra, Karnataka, Gujarat, and Tamil Nadu—based on the economic scenario and the results of the skill development programs implemented in these states. The analysis will be based on the data collected from the Ministry of Skill Development and Entrepreneurship (MSDE), the National Skill Development Corporation (NSDC), and the Periodic Labour Force Survey (PLFS).

Thus, this study assumes importance in its empirical and comparative approach.By linking state-level performance indicators with sectoral employment data, it reveals disparities in the implementation of the programs and underscores the importance of policy reorientation to improve the quality and inclusiveness of the programs and the long-term employability of the youth. It is noteworthy that the study has filled critical knowledge gaps in the existing literature on youth employment programs. For instance, there is a lack of longitudinal tracking of the youth, little is known about the perspectives of the employers, and there is a lack of analysis of the disparities related to gender and rural/urban. Besides the statistical analysis of the data, the study has also explored the socio-economic implications of youth unemployment in the country. For example, the study has identified the negative impacts of youth unemployment on the morale and confidence of the youth. In addition, the study has identified the psychological impacts of youth unemployment on the youth. Therefore, the chapter has provided a framework for evaluating whether the Skill India Mission has been successful in converting the demographic dividend into a productive resource or whether systemic changes are still required to align policy objectives with the actual employment outcomes of the youth.

Evaluating the Influence of the Skill India Initiative on Youth Employability: A Comparative Analysis of Selected Indian States

Background and Historical Context

The demographic dividend in India, where about 65% of its population is younger than 35 years old, creates both opportunities and challenges for India’s economy. Although youth unemployment in India has decreased from 17.8% in 2017-18 to 10.2% in 2023-24, regional disparities still affect employment in India. In addition, India’s workforce is still in need of formal vocational training, as only fewer than 5% of India’s workforce has undergone such training. Furthermore, this number is lower compared to major developing countries like China and Germany.

The need for addressing these issues in India's workforce led to a series of reforms in India's skill development policies. Some of these reforms include the National Skill Development Policy in 2009, the establishment of the Ministry of Skill Development and Entrepreneurship in 2014, and the Skill India Mission in 2015.

One of its programs is the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), which sought to skill about 10 million youth through the National Skills Qualifications Framework (NSQF). The results of these programs in India's workforce showed that out of 56.89 lakh candidates who completed the Short-Term Training Program from 2015 to 2022, only about 24.3 lakh or about 43% managed to secure a placement. This gap highlights the continuing disconnect between training volumes and actual employability outcomes, raising concerns about the overall effectiveness of the program.

Youth Unemployment and Employability Issues

The unemployment rates of youth in India continue to be a major concern, with a national average of 13.8% in 2025. The rates differ for urban and rural youth, where unemployment is higher for females. The unemployment rates for females in urban areas are as high as 20.1%, compared to 14.7% for males. The unemployment rates vary from state to state, where Kerala is as high as 29.9%. The unemployment rates for states such as Gujarat, Madhya Pradesh, and Karnataka are much lower.

Employability is another major concern, where only 46% of graduates are considered employable, compared to a global average of 65%. This is due to outdated syllabi, lack of exposure, poor communication skills, and poor linkage with industries. The unemployment rates for rural youth are much higher due to lack of exposure and poor communication skills.

In terms of industries, 42.2% of rural youth are still employed in the agriculture sector. However, there is a visible shift from agriculture to construction and services. The majority of youth in urban areas are employed in services and manufacturing industries, accounting for 62.5% and 23%, respectively.

Skill Building Initiatives: Progress and Accomplishments

The success of skill development programs such as PMKVY has been inconsistent over time. Placement rates vary across different phases of the program: 12.7% in 1.0, increasing to 19.46% in 2.0, but then dipping dramatically to 5.8% in 3.0 and 0.37% in 4.0. This indicates a weakening of the connection between training and actual jobs, which requires immediate focus.

There are also notable variations in the performance of different states. States such as Gujarat, Maharashtra, and Manipur showed high placement rates, while others such as Bihar and Tamil Nadu showed low performance.

While the average salary of trainees in the PMKVY program is 15% higher, there are concerns related to the quality of jobs and trainee satisfaction. RPL has been successful in terms of informal sector workers, although there are concerns related to the quality of trainers and industry partnerships.

Research Gaps and Comparative Limitations

Existing literature pertaining to the development of skills and employment indicates the presence of several areas of concern. Existing literature indicates the absence of longitudinal tracking of employment outcomes. Moreover, the absence of comparative frameworks across states is also an area of concern. Most of the literature is focused on the quantity of training programs rather than the sustainability of employment.

Moreover, the quality-quantity debate, the perspectives of employers regarding the preparedness of graduates, the cost-effectiveness of training programs, etc., are areas of concern. In addition to these areas of concern, the absence of documentation of the informal sector is also an area of concern. The informal sector is the largest employment generator. Moreover, the issue of gender inclusiveness is also an area of concern. Although women comprise nearly 40-50% of the total participants, the absence of state-level data pertaining to women is an area of concern.

Moreover, the issue of inter-state disparities in sectoral training has received little attention. Although there exists an oversupply of training in certain areas such as information technology and hospitality, there exists an undersupply of training in areas such as agriculture and retail. These disparities vary significantly across states but have received little comparative analysis. These disparities in documentation and analysis limit the potential for evidence-based policymaking and replication of best practice.

Justification for the Present Study

The research gap identified in the present study is filled by the comparative analysis of five states, namely Uttar Pradesh, Maharashtra, Karnataka, Gujarat, and Tamil Nadu. These states are chosen for their geographical and economic diversity. Systematic analysis of the trends in enrollments, certifications, and placements over a period of years is conducted. Longitudinal data is obtained from MSDE, NSDC, and PLFS for the period 2017-18 to 2023-24. Furthermore, the efficacy of skill development programs in addressing the problems in these states is assessed. Efficient mechanisms for skill development programs are identified by correlating skill development programs with youth unemployment rates and employment patterns in these states.

In addition, the research gap identified in the present study is filled by empirical research. The research gap identified is directly filled in the present study. Longitudinal impact assessment is included in the research. A comparative analysis is included in the research. A comparative analysis of states and sectors is included in the research. A comparative analysis of the quality and quantity of placements is included in the research. Important aspects such as urban-rural differences and gender differences are included in the research.

Research Methodology

Research Design

This study adopts an empirical and comparative research design to analyze the impact of the Skill India Mission on youth employability in selected Indian states. The research focuses on five states—Uttar Pradesh, Maharashtra, Karnataka, Gujarat, and Tamil Nadu—representing diverse economic structures and labour market conditions.

The empirical approach enables the study to examine the relationship between skill development initiatives and youth employment outcomes using quantitative data. By analyzing indicators such as enrolment, certification, placement rates, and unemployment levels, the study evaluates whether skill development programs have contributed to improving employability among youth.

The research uses secondary data analysis combined with statistical techniques to identify trends, patterns, and relationships between skill development programs and employment outcomes.

Data Collection

The study relies on secondary data collected from official government and institutional sources. The data covers the period 2017–2024 to capture changes in youth unemployment and skill development outcomes over time.

The primary data sources include:

·Ministry of Skill Development and Entrepreneurship (MSDE)
·National Skill Development Corporation (NSDC)
·Periodic Labour Force Survey (PLFS)
·Press Information Bureau (PIB)
·Parliamentary reports and government databases
·State Skill Development Mission reports

The collected data includes variables such as:

·Youth unemployment rate
·Skill training enrolment
·Certification rates
·Placement outcomes
·Worker Population Ratio (WPR)
·Labour Force Participation Rate (LFPR)

These indicators help evaluate the effectiveness of skill development initiatives in improving employment outcomes.

Variables Used in the Study

Independent Variable
Skill development indicators under the Skill India Mission:
·Number of trainees enrolled
·Number of candidates certified
·Number of candidates placed

Dependent Variable
Youth employability indicators:
·Youth unemployment rate
·Worker Population Ratio (WPR)
·Labour Force Participation Rate (LFPR)
The study examines how changes in skill training participation influence youth employment outcomes.

Data Analysis Techniques

To conduct empirical analysis, the study uses the following statistical techniques:

1. Trend Analysis

Trend analysis is used to examine changes in youth unemployment rates in India between 2017 and 2024. This helps identify whether employment conditions have improved alongside skill development initiatives.

2. Comparative Analysis

Comparative analysis is used to evaluate differences across the selected states in terms of:

·Skill training participation
·Certification levels
·Placement outcomes
·Youth unemployment rates

This helps identify regional disparities in the effectiveness of skill development policies.

3. Correlation Analysis

Correlation analysis is used to examine the relationship between skill training participation and youth employment outcomes. This analysis helps determine whether higher participation in skill development programs is associated with lower unemployment rates.

4. Ratio and Percentage Analysis

Ratio analysis is used to calculate:

·Certification rates
·Placement conversion rates
·Participation ratios

These indicators provide insight into the efficiency of skill development programs.

Tools Used for Analysis

The statistical analysis is conducted using:
·*Microsoft Excel* for data organization, trend analysis, and graphical representation.
·Basic statistical tools for calculating correlation coefficients, percentages, and comparative indicators.
Graphs and tables are used to visually present patterns in employment and skill development outcomes.

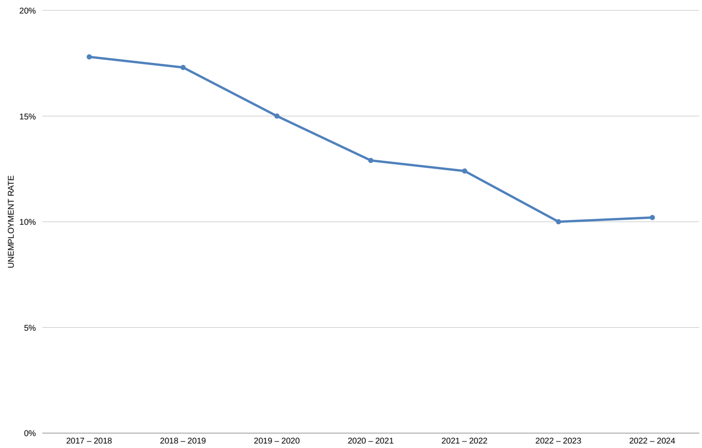
Limitations of the Study

The study has certain limitations:
·The analysis is based on secondary data, which may not fully capture ground-level implementation challenges.
·Placement data for some states is incomplete, which may affect the accuracy of comparisons.
·The study focuses on selected states and therefore may not represent the entire country.
·Qualitative aspects such as training quality, employer satisfaction, and job sustainability are difficult to measure using available data.

Data Analysis

1. Trend Analysis of Youth Unemployment (2017–2024)

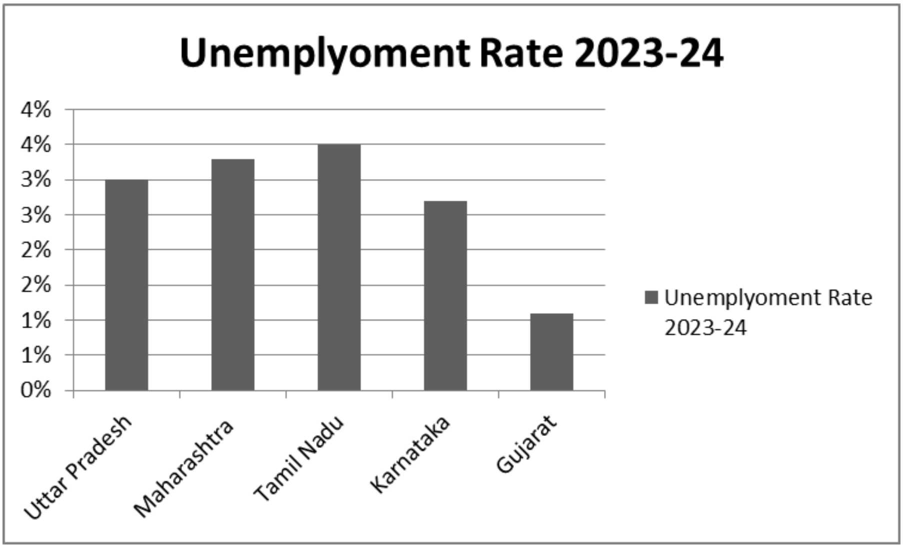
PLFS reference year	Youth Unemployment Rate (UR)
2017-18	17.8% (reported for baseline year). ([Press Information Bureau] [1])
2018-19	17.3%. ([Press Information Bureau] [1])
2019-2020	15.0%. ([Press Information Bureau] [1])
2020-2021	12.9%. (COVID year — sharp movements visible). ([Directorate General of Employment] [2]
2021- 2022	12.4%. ([Directorate General of Employment] [2])
2022-2023	10.0%. ([Press Information Bureau][1])
2023-2024	10.2% (latest annual PLFS figure published for 2023–24). ([Press Information Bureau][3])



Analysis:
Overall decline = 17.8% → 10.2% (↓7.6 percentage points)
Highest drop observed after COVID period recovery
Interpretation:
This declining trend indicates improvement in labour market conditions and suggests that government initiatives such as the Skill India Mission have contributed to enhancing employability. However, the slow pace of decline indicates persistent structural challenges.

2. State-wise Unemployment Analysis (2023–24)
Table 2: Youth Unemployment Rate by State

states	Unemployment Rate (%)
Uttar Pradesh	3
Maharashtra	3.3
Tamil Nadu	3.5
Karnataka	2.7
Gujarat	1.1



FeThis section provides a comparative snapshot of youth unemployment rates in major Indian states, highlighting regional disparities. Gujarat recorded the lowest rate at 1.1%, while Tamil Nadu, Maharashtra, and Uttar Pradesh posted rates between 3.1% and 3.5%. Karnataka stands out with a slightly lower rate of 2.7%. These variations underscore different economic structures, policies, and market opportunities that influence youth outcomes across states.

Findings

·Gujarat reported a notably low youth unemployment rate of 1.1%, reflecting robust economic performance and effective skill deployment. Uttar Pradesh, Tamil Nadu, and Maharashtra experienced moderate unemployment rates around 3% to 3.5%, suggesting room for improvement in these states' youth workforce integration.

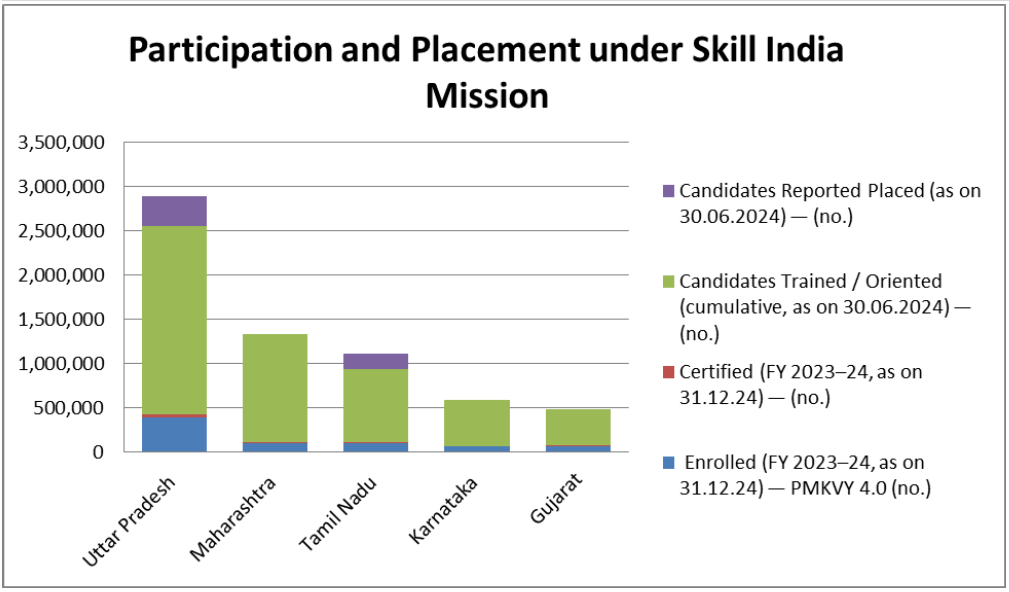
·Karnataka displayed a distinctive pattern with a lower rate of 2.7%, highlighting successful local strategies.

Conclusion

Significant inter-state differences in youth unemployment highlight the importance of regional strategies and tailored interventions. States with higher rates need targeted programs, better skill alignment, and economic diversification. Sharing best practices from low-unemployment states like Gujarat may further aid nationwide youth workforce integration.

Participation and Placement under Skill India Mission

State	Enrolled (FY 2023–24, as on 31.12.24) — PMKVY 4.0 (no.)	Certified (FY 2023–24, as on 31.12.24) — (no.)	Candidates Trained / Oriented (cumulative, as	Candidates Reported Placed (as on 30.06.2024) —
Uttar Pradesh	394,194([Digital Sansad][1])	35,187. ([Digital Sansad][1])	2,116,689. ([Press Information Bureau][2])	338,882.([Press Information Bureau][2]) I
Maharashtra	93,149. ([Digital Sansad][1])	16,702([Digital Sansad][1])	1,217,288([Press Information Bureau][2])	(placed number not clearly tabulated in the same Annexure
Tamil Nadu	93,817. ([Digital Sansad][1])	18,865. ([Digital Sansad][1])	824,589. ([Press Information Bureau][2])	172,336. ([Press Information Bureau][2]) I
Karnataka	57,557. ([Digital Sansad][1])	6,581. ([Digital Sansad][1])	517,238. ([Press Information Bureau][2])	(placed number not clearly tabulated in the particular
Gujarat	60,568. ([Digital Sansad][1])	8,905. ([Digital Sansad][1])	411,395. ([Press Information Bureau][2])	(placed number not clearly tabulated in the particular



This segment tracks participation, certification, and placement outcomes for youth under the Skill India Mission (SIM) during 2023–24. Uttar Pradesh leads in SIM enrollment with 394,194 youth enlisted, followed by Tamil Nadu and Maharashtra with about 93,000 each. Certification and job placement figures reveal conversion gaps, as placed numbers trail enrolled and certified figures in several states, suggesting areas for program improvement. Notably, the placement data is not fully clear for some states, reflecting gaps in monitoring.

Findings

·Uttar Pradesh registered the highest SIM enrollment for 2023–24, but a significant gap exists between trained/certified individuals and those placed in jobs.
·Tamil Nadu and Maharashtra also reported high participation but must boost placement to maximize SIM's impact.
· Placement data for certain states remains unclear, indicating a need for better data tracking and transparency.

Conclusion

While SIM has expanded youth participation in skill programs, placement rates lag behind enrolment and certification, highlighting the need for stronger market linkages and post-training support. Transparent monitoring and state-level adaptive measures are crucial for closing these gaps and realizing SIM's full potential in addressing youth unemployment.

Placement Rate Calculation

To evaluate the effectiveness of skill development initiatives in generating employment, placement rates were calculated using the following formula:
Placement Rate = (Number of Candidates Placed ÷ Number of Candidates Trained) × 100

Based on the available data, the placement rate for
Uttar Pradesh is calculated as:
(338,882 ÷ 2,116,689) × 100 ≈ 16.0%

Similarly, for Tamil Nadu:(172,336 ÷ 824,589) × 100 ≈ 20.9%

These calculations provide a clearer picture of how effectively training programs are translating into actual employment opportunities.

Table 4: Placement Efficiency (%)

Uttar Pradesh- 16.0%
Tamil Nadu -20.9%

Analysis

The placement rates across the selected states remain significantly low, with both states recording rates below 25%. Despite large-scale participation in skill development programs, only a small proportion of trained individuals are successfully placed in jobs.

This indicates a substantial gap between training and employment outcomes, suggesting that training alone is not sufficient to ensure employability.

Interpretation

The findings clearly point towards a conversion challenge within the Skill India framework. While the initiative has been successful in expanding training coverage, it has not been equally effective in ensuring employment generation.

This gap can be attributed to several factors:

A mismatch between the skills provided and industry requirements
Weak linkages between training institutions and employers
Limited job creation in relevant sectors

Thus, although training is being delivered at scale, its impact on employment remains constrained.

5. Labour Market Indicators Analysis

To further understand employment dynamics, key labour market indicators such as the Worker Population Ratio (WPR) and Labour Force Participation Rate (LFPR) are analyzed.

Table 5: WPR and LFPR (2023–24)

State	WPR (%)	LFPR (%)
Uttar Pradesh	44.2	50.1
Maharashtra	50.9	59.3
Tamil Nadu	48.1	59.2
Gujarat	49.2	58.8
Karnataka	53.6	61.7

Analysis

Among the selected states, Karnataka records the highest Worker Population Ratio (53.6%) as well as the highest Labour Force Participation Rate (61.7%), indicating stronger labour market engagement.
On the other hand, Uttar Pradesh shows the lowest participation levels, reflecting relatively weaker employment absorption capacity.

Interpretation
Higher values of WPR and LFPR indicate better utilization of the working-age population and stronger employment opportunities. In contrast, lower values suggest labour market inefficiencies and limited job availability.
The observed pattern suggests that skill development initiatives tend to perform more effectively in states with stronger economic and industrial bases. In such states, trained individuals are more likely to find employment due to better demand for skilled labour.

6.Correlation Insight

From combined data:
• High training + low placement → weak impact
• High LFPR + low unemployment → strong labour market

Observed Relationship:

Variable Relationship Nature
Skill Training vs Employability - Positive
Skill Training vs Unemployment- Negative (Moderate)

Interpretation

The analysis suggests the existence of a moderate negative relationship between skill development and unemployment. This means that while skill development initiatives contribute to improving employability, their impact on reducing unemployment is not proportionate.

In other words Skill programs enhance job readiness.However, they do not guarantee employment

This highlights the need for a more integrated approach that combines skill development with job creation, industry alignment, and stronger placement mechanisms.

Conclusion

The Skill India Mission has been one of the most ambitious policy initiatives undertaken by the Indian government to tackle the twin challenges of leveraging the country's demographic dividend while also seeking to address the phenomenon of youth unemployment. The results and findings emanating from the study indicate a positive outcome in the form of the mission's success in creating a large-scale institutional framework for the development of skills and the expansion of access to training opportunities for diverse sections of the population.

The declining rates of unemployment amongst the youth over the study period also indicate a partial positive impact of such initiatives on the employability and labor participation of the youth. However, the study also finds evidence to indicate a largely quantitive impact in the form of the mission's success in providing training opportunities, which has not necessarily been reflected in the form of positive and sustainable employment. A major concern and observation throughout the study has been the consistently low levels of placement in the context of the mission's success in providing training opportunities.

The Skill India Mission has proved to be one of the most ambitious policy initiatives taken by the Indian government in addressing the challenges of leveraging the demographic dividend while attempting to solve the issue of youth unemployment. The results and findings emanating from the study have indicated a positive outcome in terms of the success of the mission in developing a large-scale institutional framework for skills development and providing training opportunities to diverse sections of society. The decline in unemployment rates amongst the youth over the years has indicated a partial positive impact on the employment and labor participation of youth. However, the study has found evidence to suggest a quantitive impact on the success of the mission in providing training opportunities to youth, which has not necessarily resulted in positive employment outcomes.

One of the most important observations and concerns emanating from the course of the study has been the low levels of placement in terms of the success of the mission in providing training opportunities. Another significant issue that is being highlighted in the study is the quality-quantity paradox in the current policies of skill development in the country. The mission was able to achieve the scale required in the successful implementation of the program; however, the quality of the programs is being compromised in the process. The quality-quantity paradox is affecting the overall effectiveness of the program.

In the end, it can be stated that the Skill India Mission was able to lay the foundation for the development of the workforce in the country; however, the overall potential of the program is still far from being realized .

The overall effectiveness of the program in the coming years will be determined by the strategic reorientation of the program towards quality-based, demand-based, and inclusive skill development in the country. The overall potential of the program can be realized by shifting the focus of the program from the quantitative approach towards the qualitative approach. The overall effectiveness of the program will enable the country to utilize the demographic advantage in the country in the best possible way.

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