

A Study on the ‘Skill India’ Mission and its Impact on Workforce Competitiveness

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Publication Date: 2025/03/04

Abstract: Skill India is an initiative, started by the Ministry of Skill Development and Entrepreneurship in July 2015, to address critical skill gaps and aim to equip the Indian workforce with the expertise required to thrive in high-demand sectors, by aligning training schemes with the needs of the industry. This campaign has allowed millions of people to gain access to more job opportunities, leading to higher income levels and economic stability. It has been a driving force in the government’s vision of creating a more adaptable and competent workforce, while simultaneously empowering the people. This paper aims to explore the role Skill India has played in driving India’s economic growth and boosting its global competitiveness, transforming the country from a ‘Fragile Five’ economy to a resilient and dynamic powerhouse. Furthermore, it explores the initiative’s impact on improving the readiness of individuals for future jobs, diversifying livelihoods, and reducing their dependence on low-income employment. This paper also assesses whether the Skill India campaign has effectively met the demands of the industry and identifies any challenges the program currently needs to overcome, while proposing recommendations to improve the same.

Keywords: Skill India Mission- Workforce Development- Economic Growth- Skill Gap- Employability- Industry Collaboration- Digital Transformation- Social Equity- Youth Empowerment- Job Creation

How to Cite: Shereen Joy, Student (2025). A Study on the ‘Skill India’ Mission and its Impact on Workforce Competitiveness. *International Journal of Innovative Science and Research Technology*, 10(2), 1361-1368.
<https://doi.org/10.5281/zenodo.14964297>

I. INTRODUCTION

In 2013, five countries— Brazil, India, Indonesia, South Africa and Turkey, were named by Morgan Stanley as the Fragile Five. These nations were said to rely too heavily on external capital inflow and thus were deemed to be sensitive to global business cycles. Current account deficits, external bond holdings, US dollar debts, inflation and real rate differentials were some of the events that underscored their economic fragility. These vulnerabilities were what rendered the Fragile Five unable to sustain financing any deficits and foreign debt management due to volatile exchange rates and capital flight.

Since then, however, India has progressed very well in dealing with all these issues. The country has cut down on its current account deficit; it has lowered its external debt ratio and it has also attracted a great amount of FDI. Other strategies such as building alliances with the global partner to guarantee stable includes so financing and integrating financial inclusion strategies have all strengthened India’s hand. Infrastructure development, increased access to public health services and the embedding of social safety nets have also been factors that have enhanced economic resilience.

Today, India stands as the fastest-growing economy in the world, with the International Monetary Fund projecting a growth rate of 7.5 per cent. As of 2023, India is the fifth-largest economy globally, with forecasts suggesting it could ascend to third place by 2027. This meteoric rise is underpinned by its youthful and dynamic workforce. Boasting the largest population under the age of 30 globally, India’s demographic dividend is a key driver of its economic transformation. Recognizing this potential, the government has prioritized initiatives to harness this human capital through programs that promote innovation, entrepreneurship, and skills development.

Among these initiatives, the Skill India Mission launched in 2015 is considered to be one of the key initiatives where the target population is guided by the Ministry of Skill Development and Entrepreneurship (MSDE). The campaign primarily aims at preparing the workforce sustaining within the challenges posed the globalized economy. It functions through more than twenty of the central ministries, providing short and long-term programmes, which are aimed at increasing employability, promoting technology transfer and development of disadvantaged groups such as women.

In enhancing the level of employment, tackling the youth within the new emerging sectors and encouraging the growth of Specific Skillsets, Skill India makes exponential contribution in pivoting India in the map, from the 'Fragile Five' cluster to, the 'Fabulous Few' cluster, in terms of Economies. The mission maintains that employment issues are critical to its implementation but elevates India case as one of the leading countries in human resource development and employment creation.

➤ Objectives of Research

- To explore how Skill India has improved workforce skills and job readiness
- To analyse the impact of Skill India on job opportunities and income growth
- To understand how Skill India supports economic stability and social mobility
- To identify challenges Skill India faces and suggest improvements

II. REVIEW OF LITERATURE

➤ Arora, R., & Chhadwani, M. (2019). *Analysing the impact of Skill India as a tool for reshaping the Indian economy. International Journal of Research and Analytical Reviews*, 6(1), 392–396

- This paper examines the Skill India initiative, emphasizing its role in transforming the Indian economy by addressing skill gaps and boosting employability. The authors highlight challenges such as inadequate policy coordination and slow implementation, suggesting stronger public-private partnerships and improved vocational training. Despite ambitious targets, the initiative's training-to-job placement ratio remains below expectations, underscoring the need for more effective strategies to achieve economic competitiveness.

➤ NITI Aayog. (2019). *Skill development and productivity of the workforce. Government of India. <https://www.niti.gov.in/>*

- This report discusses India's approach to enhancing workforce productivity through skill development initiatives like PM Kaushal Vikas Yojana (PMKVY) and the National Skill Development Corporation (NSDC). It highlights the importance of vocational training, public-private partnerships, and industry collaboration to align training with job market demands. Despite progress, challenges such as outdated curricula and low awareness remain, requiring innovative mobilization strategies and better aspirational alignment to meet skilling targets.

➤ Navallimath, G., & Gangshetty, R. V. (2023). *Skill India initiative: A catalyst for economic growth and sustainable development. 8th International Conference on Economic Growth and Sustainable Development*.

- The paper highlights the transformative role of the Skill India initiative in addressing skill gaps and enhancing

employability, thereby contributing to economic growth and sustainable development in India. It emphasizes inclusivity, particularly in empowering women and marginalized communities, and fosters entrepreneurship. The initiative also adapts to global challenges by incorporating environmental sustainability and digital literacy, positioning India as a competitive global player.

➤ Harishkumar, R., & Tulasimala, B. K. (2024). *Impact of Skill India on skill development and employability with special reference to Karnataka. International Journal of Innovative Research in Technology*, 11(4), 866-876

- The Skill India initiative, launched in 2015, aims to train over 400 million individuals by 2023, with a particular focus on enhancing employability in Karnataka. While the program has improved vocational training access and certification, challenges persist in ensuring quality, industry alignment, and post-training employment. Recommendations include infrastructure upgrades, industry partnerships, and targeted rural initiatives.

➤ Katole, H. (2015). *Skill development and economic growth of India. Journal of Applied Economics and Business*, 3(4), 5-12

- Skill development is essential for economic growth and personal career advancement, guided by models like the 70-20-10 framework (on-the-job training, interactions, and formal learning). The study emphasizes the importance of entrepreneurial skills, knowledge of laws and finances, and effective training methods tailored for micro-entrepreneurs. Addressing skill gaps can mitigate unemployment and support self-employment initiatives.

➤ Dakore, B. V., & Anantwar, P. S. (n.d.). *Contribution of skill development in India. Tactful Management Research Journal*

- India's skill development ecosystem consists of both formal and informal streams, aiming to enhance employability and adapt to globalization challenges. The National Skill Development Policy focuses on inclusive growth, targeting 500 million people by 2022 through diverse training initiatives such as ITIs, modular employable skills, and public-private partnerships. Challenges include uncoordinated efforts among ministries, quality gaps, and limited rural outreach.

III. ROLE OF SKILL DEVELOPMENT IN INDIA'S ECONOMIC GROWTH AND WORKFORCE COMPETITIVENESS

India's economic transformation is linked to its ability to bridge the skill gap within its workforce. By fostering higher education and targeted skills training, the nation can sustain its growth momentum while reducing the risk of workforce redundancy. Instead of focusing on just automation, India should also work on developing the human element with social security policies and provisions that allow for inclusive growth.

It is paramount to have a healthy talent pipeline with industry relevant skills if a nation is to meet burgeoning demands on capacity, productivity and innovation. With the onset of what is known as the Fourth Industrial Revolution, the workforce needs to undergo change management due to rapid technological advancements. As a result of the merging of education and training with industry sectors, there is now increasing focus and importance on industry driven pathways which promote quality education, practical applications of the skills and higher level qualifications.

Due to development of the global economy, are chances of success increasing, but the economy itself is changing and becoming more responsive, in other words, successful economies rely on a skilled and flexible workforce. Programs such as the Skill India Mission are proving to be game changers in the Indian economy by filling skill gaps and increasing employability. Terrell Long defines workforce development as a multi-faceted approach aimed at improving knowledge, skills, and abilities, and assures that residents stay well positioned, effective, and inventive in the labour market. These initiatives also help in addressing the skill gap in the detail and in turn promote economic development and foreign investment and create more employment opportunities. In order to accomplish these goals, educational institutions, State authorities, and trade associations have to work together to set priorities and achieve the best possible results.

In a globalized economy, a region's workforce also has to be competitive. Therefore, policymakers have to come up with measures that would enhance collaboration between stakeholders but also resolve some of the core inefficiencies. Firms often cannot find the appropriate workforce while skilled workers cannot find appropriate opportunities. Resolving these mismatches require continuous feedback, defining processes, and a wide range of skills. Furthermore, many people have unrealized or not fully developed abilities, particularly from disadvantaged or minority groups. Providing opportunities for these communities not only widens the talent base but helps develop communities and encourages growth. Understanding the different demands and realities of people, in particular their aspirations, is crucial to the balanced representations that the Skill India Mission embodies where all individuals are able to benefit from opportunities designed to integrate them into the workforce.

➤ *Objectives of the Skill India Mission and its Programs*

The objectives of Skill India include finding ways for our youth to hone their abilities, recognizing and developing new domains for skills acquisition, increasing competitiveness of Indian entrepreneurs, and improving and establishing standards for training. Unlike classical models which put a lot of accent on gaining qualification, Skill India aims at acquiring practical competencies while leveraging investment opportunities in sustainable skill development. With a large portion of the population (over 65 per cent) being of working age, the country is best suited to meet both domestic and international demand for manpower resources.

➤ *Some of the Key Programs Forming the Skill India Umbrella are:*

- Pradhan Mantri Kaushal Vikas Yojana (PMKVY): YP has sponsored this university to stress the importance of hands-on and up-to-date courses which employ Industry 4.0 technologies involving AI, mechatronics, programming, IoT etc. currently, more than fourteen million people have benefitted from this program.
- Jan Shikshan Sansthan (JSS): Through Non-Government organizations, this program is intended to reach out non-literate and school dropouts from impasse areas by initiating skill development programmes which are targeted to be market oriented. It has special focus on vulnerable sections such as minorities, SC, ST, and OBC and has made at least 2100000 people to obtain skills.
- National Apprenticeship Promotion Scheme (NAPS): To enhance the employability of individuals, NAPS supports workplace training by providing partial stipends and encouraging employers.
- Craftsman Training Scheme: This scheme aims at Vocational and Technical Skill Development in the focus of self-employment and entrepreneurship promotion.

It is also important to note that the Skill India Mission is envisioning going beyond the borders. The Skill India Mission positions India as a high-quality workforce provider through the Skill India International Project, which promotes overseas employment opportunities. In this regard, overseas employers, particularly in the UAE and Japan, are used to meet the global needs for human resources.

The mission of skill India aims to cover around 40 sectors and focuses on the National Skill Qualification Framework (NSQF) for developing standards acceptable to both public and private stakeholders in the country. For instance, flagship schemes such as the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) have established approximately 2640 training centers and invested more than 10000 crores. More than 2822700 individuals have been trained within the scheme during the period of its operation with almost 50000 companies participating in training activities. In a similar way, the Jan Shikshan Sansthan (JSS) concept has provided training to 22.58 lakh people, while Craft Instructor Training (CIT) has trained 15,000 centres since 2018, and provided specialized training to approximately 65 lakh students.

➤ *Skill India's Industry Collaboration*

The Skills India Mission integrates with the various industries through appropriate models to enhance the training of prospective workers. The industries have the option of meeting their corporate social responsibility (CSR) obligations or actively participating in skill development through directly funding programs or sponsoring her or him for specific training programs. In addition, they can offer some hands-on, on-the-job training or short-term courses for the participants. In some areas, however, industries can fund a training centre, which may be established with a foreign partner. The most extensive participation, denoting "Model 7" of engagement level, is when industry partners develop

stand-alone skill development organizations, which are new business units, trusts, societies or operate as non-funding training partners.

➤ *Driving Employment Across Sectors*

Skill India's focus is currently on addressing skill gap challenges in key sectors such as, digital skills, soft skills, and technical skills. Other emerging sectors that require a skilled workforce include semiconductor manufacturing, green jobs particularly waste management, and healthcare. The initiative also broadens its scope to include targeted sectors, such as the aerospace and aviation industries, hydrocarbon exploration, and strategic defence equipment manufacturing. Such efforts are aimed at equipping the workforce for high demand and future sectors.

The outcome of Skill India resonates in different sectors. It was recorded a growth of almost 15% employment in the manufacturing sector, the services sector has recorded an increase of 20%, whereas the workforce participation in the construction industry rose by 25%. Aside from employment opportunities in urban areas, Skill India has also promoted secure employment in agriculture and agriculture related industries in the rural areas. Young people have picked up such trades as plumbing and electrical work, and this has led to a wider skill set for the workforce in the country.

IV. DATA ANALYSIS AND INTERPRETATION

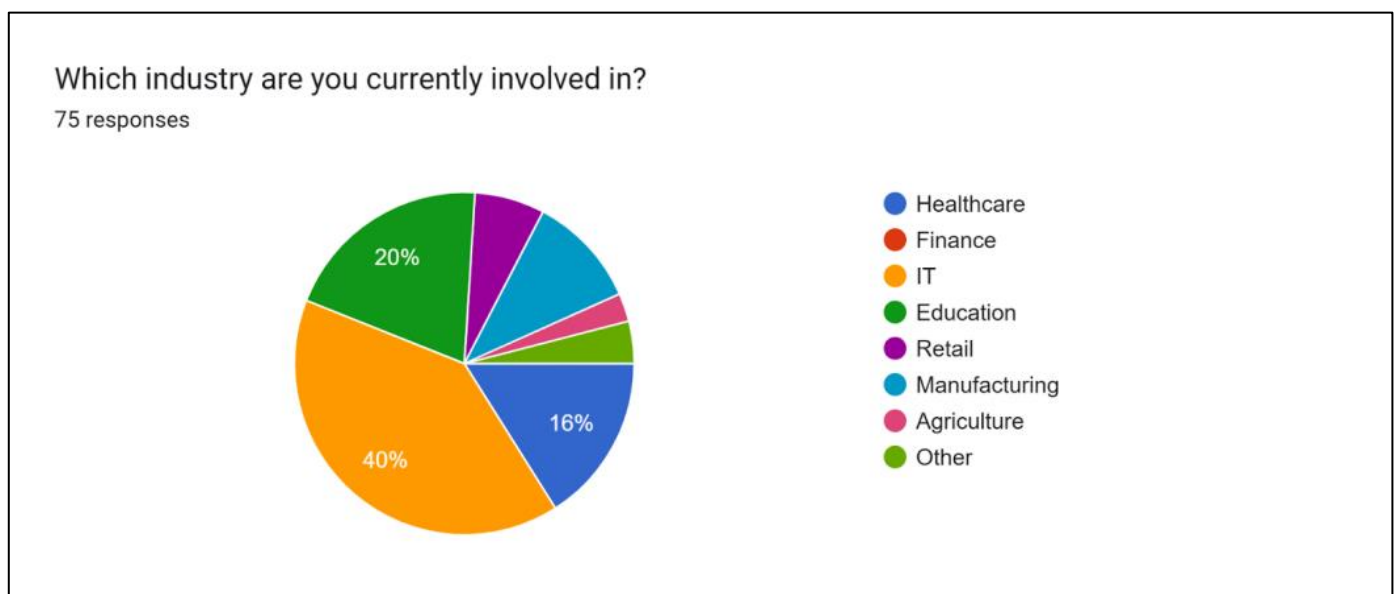


Fig 1 40% of respondents are currently involved in the IT industry, followed by 20% in "Other" industries, and 16% in healthcare.

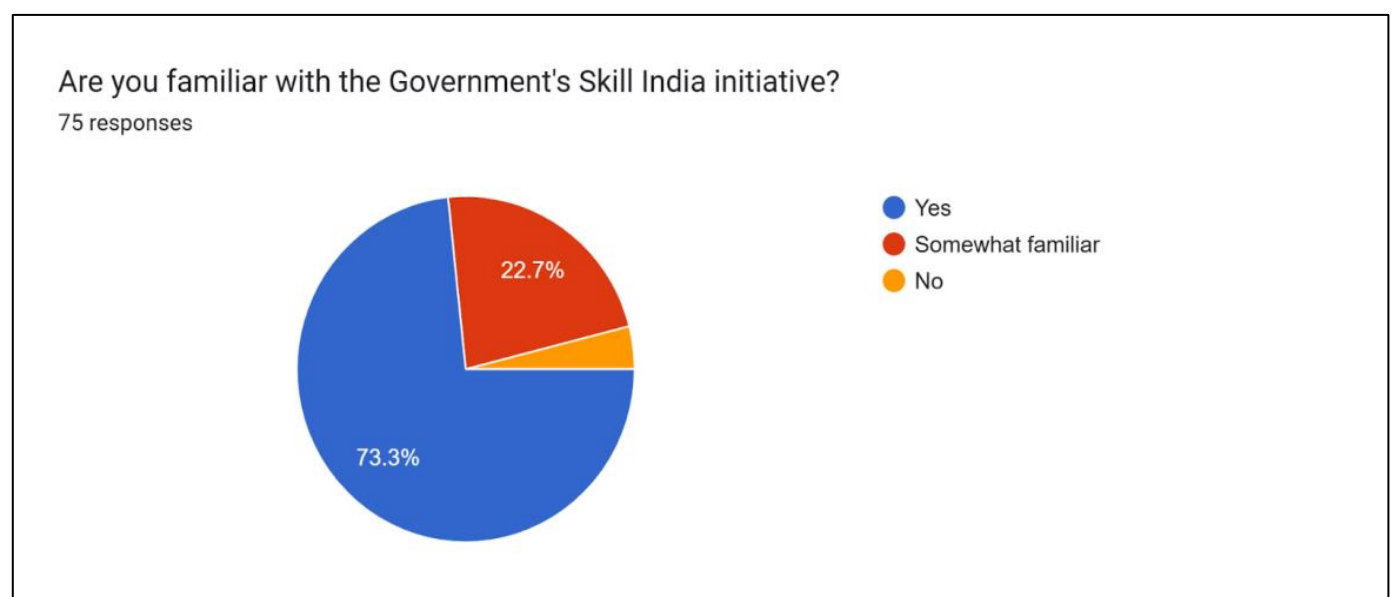


Fig 2 73.3% of respondents are familiar with the Government's Skill India initiative, while 22.7% are somewhat familiar.

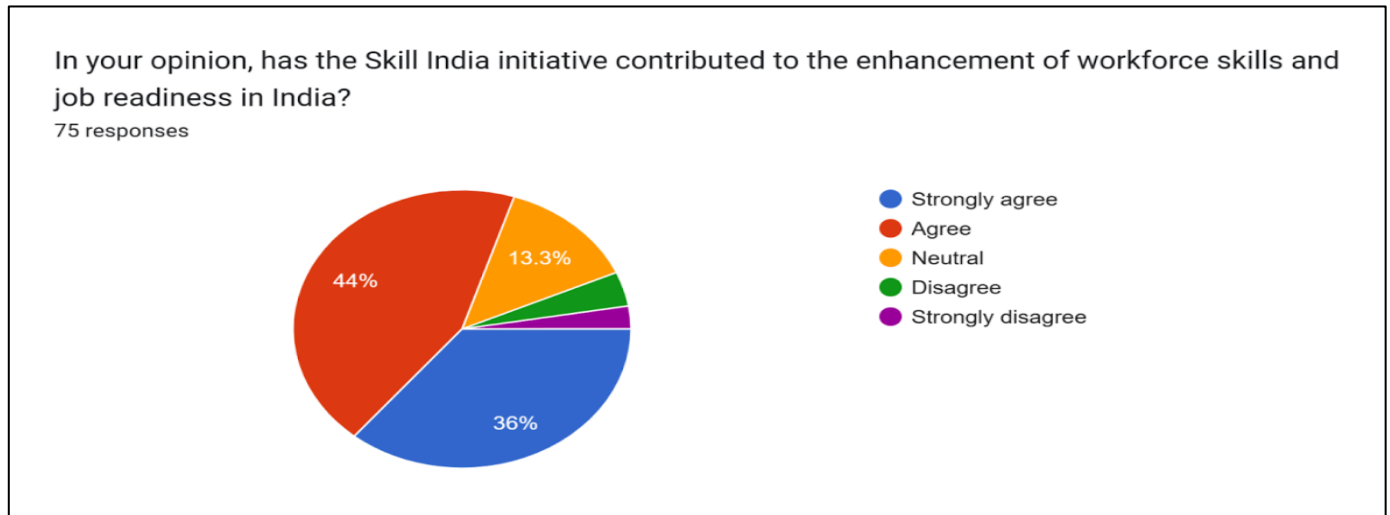


Fig 3 A majority (44%) agree that the Skill India initiative has enhanced workforce skills and job readiness, with 36% strongly agreeing.

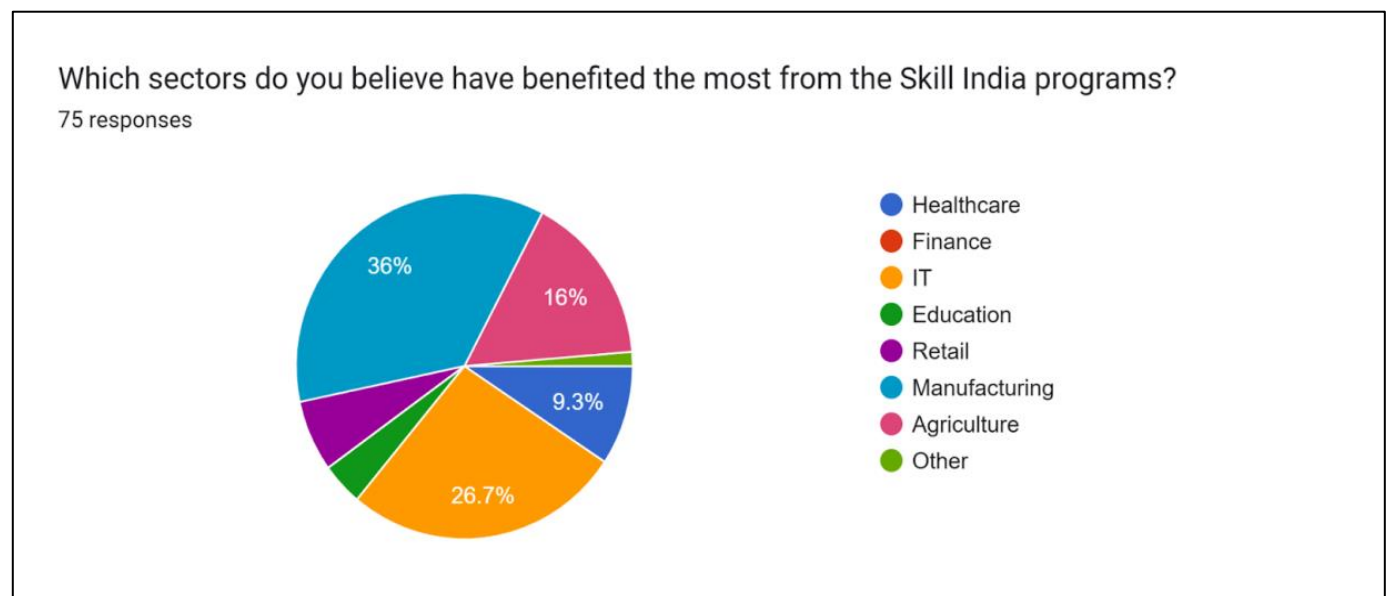


Fig 4 The Manufacturing Sector (36%) is Perceived as the Most Benefited from the Skill India Programs, Followed by IT (26.7%) And Agriculture (16%).

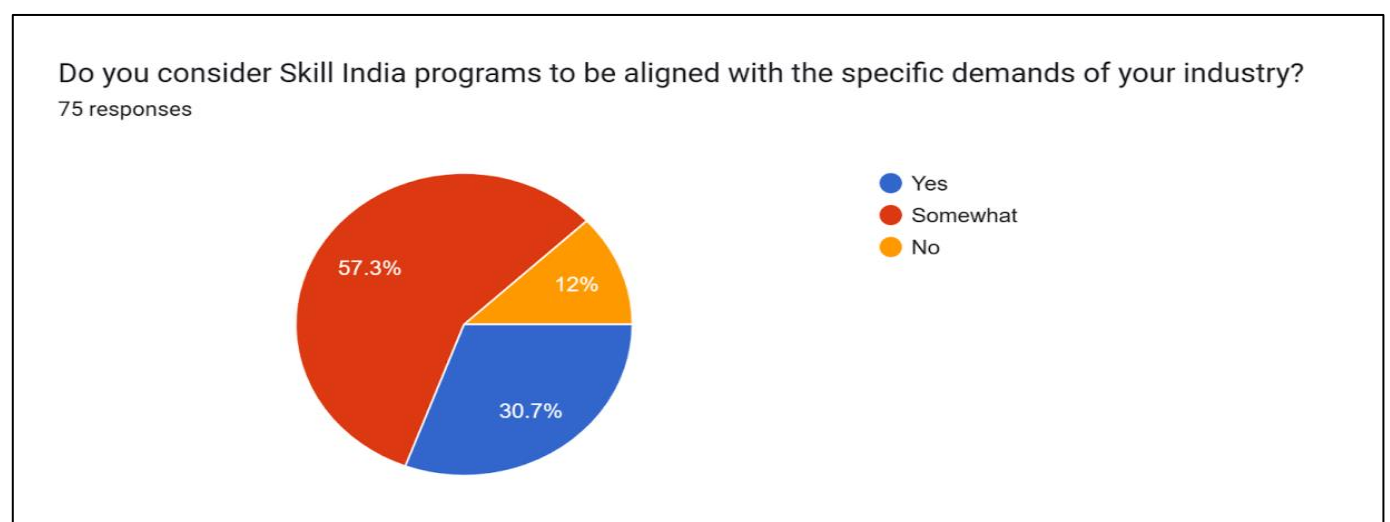


Fig 5 Over Half (57.3%) Believe That Skill India Programs are Somewhat Aligned with Industry Demands, While 30.7% Think they are Fully Aligned

Do you believe that Skill India has had a positive impact on income growth and expanding job opportunities for its participants?

75 responses

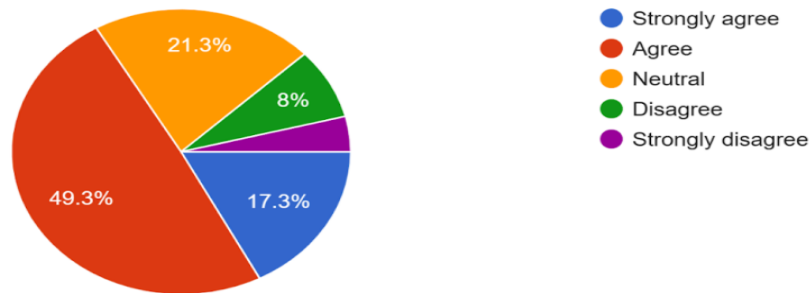


Fig 6 Nearly half (49.3%) Agree that Skill India has had a Positive Impact on income Growth and job Opportunities, while 17.3% Strongly Agree.

Which demographic or group do you think has benefited the most from the Skill India programs?

75 responses

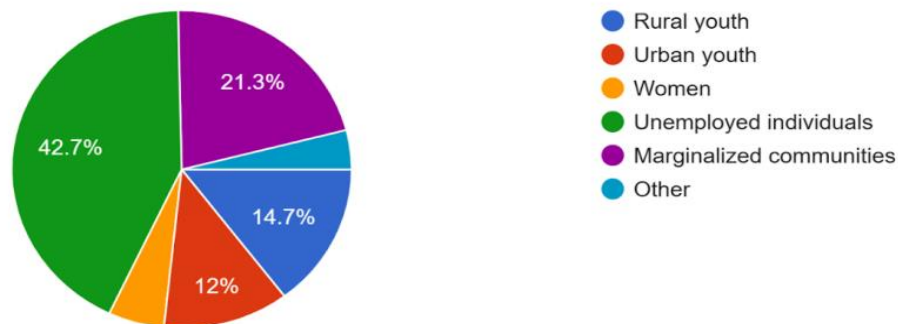


Fig 7 The Survey reveals that Unemployed Individuals (42.7%) have Benefited the most from Skill India Programs, followed by Marginalized Communities (21.3%), while rural youth and Women show lower Impact.

Do you believe that Skill India plays a significant role in promoting social mobility for individuals?

75 responses

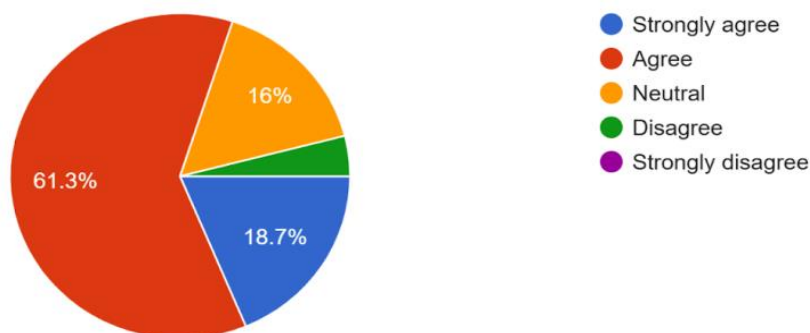


Fig 8 A majority (61.3%) Agree that Skill India plays a Significant role in Promoting Social mobility, while 18.7% strongly agree.

In your view, has the impact of Skill India on workforce competitiveness been instrumental in strengthening the Indian economy, attracting investment, and reducing economic vulnerabilities?

75 responses

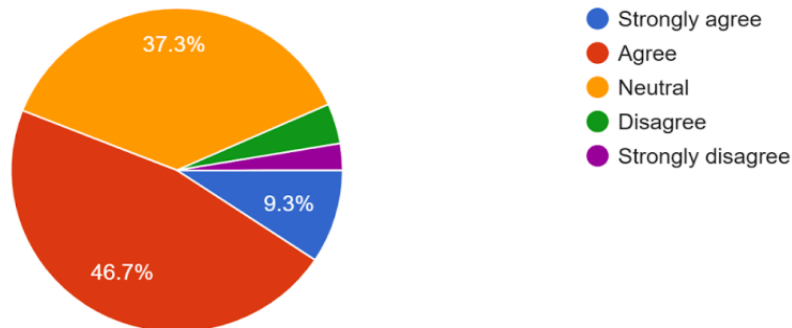


Fig 9 Most Respondents agree (46.7%) or Strongly agree (37.3%) that Skill India has Positively impacted Workforce Competitiveness and the Economy by attracting Investment and Reducing Vulnerabilities.

What do you consider to be the primary challenge Skill India is currently facing?

75 responses



Fig 10 The Primary Challenge facing Skill India is Identified as Insufficient Participation from the Private Sector (37.3%), Followed by a Mismatch Between Skills Taught and Industry Needs (24%).

➤ Key Findings

- **Strengthened Workforce Skills:** Skill India has proven effective in developing workforce skills and job preparedness in areas such as manufacturing and IT thereby enhancing the global competitiveness of India.
- **Favourable Economic Effect:** The initiative led to employment generation, an enhancement in income level and investment which helped to grow the economy of India.
- **Employment Opportunities and Equity:** It has supported the unemployed and the economically weaker sections minimizing economic volatility and vulnerabilities.
- **Responding to Labour Market Challenges:** The enhancement of skills was central to the purpose of the Skill India programme, however issues like skills gaps remain and need focus.

➤ Long-Term Evolution of Skill India and its Broader Implications for India's Workforce Competitiveness and Economic Development

While Skill India has a good chance of evolving in the long run, success will hinge on the program responding to the needs of global economy that has been increasingly embracing technology, automation, and innovation as means to achieve objectives. In the next ten years though, the initiative may pivot to embedding advanced forms of digitech in the form of AI and ML into skills development for the workforce to be ready for new industries. Whereas, the development of gig and freelance economy presents good chance for Skill India to provide training in specific areas and enhance agile based entrepreneurial practices.

In addition to that, the contributions of Skill India will likewise depend on the engagement of the public and local authorities, as well as on international collaborations in

order for India to remain relevant in the globalized market. As the sectors of renewable energy, bio technology or finance technology will develop further, the initiative would also have to create programs tailored accordingly to accommodate these shifts.

In the long run, Skill India can not only increase the earnings potential of the individual, but also help in promoting social justice. Including vulnerable and marginalized groups in skill training programs such as rural youth and women can be a way of addressing the existing socio-economic divides. As workers get the opportunities for better jobs, the life standard for many sections of the population will also increase. This empowerment will ensure that the workforce will be more diversified, which will be more conducive to innovations and entrepreneurship in the neglected areas. Furthermore, as many people would be trained to work in high productive sectors, Skill India can also tackle the geographic imbalances in development.

V. SUGGESTIONS

- **Skill Certification for Informal Sector Workers:** There are many workers in this sector who do not hold any certification for their skills. Need to implement a certification program which identifies skill sets acquired on-the-job training and assists informal workers in attaining a formal employment or engaging themselves in formal business opportunities.
- **Skill Mobility Across Sectors:** Create a distributed skill certification that will enhance cross-sector mobility of workers. Striving for workers' migration among three nested sectors like IT, manufacturing and services will increase the elasticity of employment, decrease the unemployment level, and will make the pool of labour's qualifications more versatile and more productive.
- **Strengthen Private Sector Collaboration:** Foster more private sector participation in the planning and execution of the skill development initiatives. Association with the people in their business more effectively can make training relevant to the market and close the skills deficit.

VI. CONCLUSION

In conclusion, the Skill India Initiative has significantly contributed to preparing India's labour force with crucial capabilities essential for economic expansion, international rivalry, and overarching advancement. Through a variety of initiatives, the campaign has generated prospects for numerous individuals to boost their job-related skills and significantly benefit the economy. The favourable effects are apparent in various fields, with notable employment expansion and an increase in job prospects in both metropolitan and countryside locations.

As India progresses and adjusts to the prerequisites of Industry 4.0, Skill India remains an essential component in equipping the labour force for nascent sectors. However, the journey ahead presents its fair share of hurdles - the long-term prosperity of Skill India will hinge on deepening the collaboration between public and private sectors, aligning

more closely with the evolving demands of the workforce, and bolstering the ability to swiftly adjust to the ever-shifting job landscape.

Looking at the future, Skill India presents significant opportunity for bridging societal and economic gaps and cultivating a more encompassing community. Teach people the right skills, India can build a strong team ready for work now and in the future, helping the country grow and come up with new ideas.

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