
THE UPSKILLING PARADOX: EDUCATION EXPANSION, INSTITUTIONAL CAPACITY, AND EMPLOYMENT OUTCOMES IN INDIA

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Abstract

India has expanded access to schooling and higher education at an unprecedented scale, yet employment outcomes for educated youth have not improved commensurately. In response, national policy frameworks increasingly position workforce upskilling as central to employability and economic growth. Despite this emphasis, unemployment among educated young people remains high, job quality is weak, and access to effective skill development is uneven. This paper examines why India's focus on upskilling has not translated into improved employment outcomes. Drawing on labor market evidence, education research, and policy analysis, it argues that the binding constraint lies not in skill deficits or policy ambition but in limited institutional capacity for delivery. Upskilling has largely been treated as a programmatic intervention rather than as an institutional challenge, resulting in fragmented, centralized, and poorly aligned delivery systems. By reframing upskilling as a problem of institutional design and governance, the paper shifts attention from individual capability to the conditions under which skills are produced, applied, and rewarded. This perspective has implications for how upskilling initiatives are designed, evaluated, and governed.

Keywords: Upskilling, Education to employment, Institutional capacity, Youth employment, India

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I. Introduction: The Upskilling Paradox in India

India's education to employment trajectory is marked by a growing paradox. Over the past two decades, access to schooling and higher education has expanded rapidly, producing a larger and more formally educated cohort of young people. Yet employment outcomes have not improved in tandem. Unemployment among educated youth has risen, job creation in manufacturing and construction has weakened, and much of new employment remains informal and insecure. This divergence between educational attainment and labor market absorption has placed workforce upskilling at the center of national policy discourse.

This gap between policy ambition and labor market outcomes raises a central puzzle. If upskilling is widely recognized as necessary and repeatedly emphasized in national frameworks, why has it not translated into improved employment trajectories for educated youth? Much of the existing debate attributes this failure to poor education quality, inadequate preparation, or mismatches between the skills taught and those demanded by employers. While these explanations capture important elements of the problem, they risk misdiagnosing its primary constraint.

This paper argues that the binding constraint in India's upskilling ecosystem is not the absence of policy intent or knowledge about required skills, but limited institutional capacity to deliver high quality, labor relevant, and equitably accessible upskilling at scale. Upskilling has largely been approached as a programmatic intervention rather than as an institutional challenge. Schemes expand, targets multiply, and curricula evolve, yet the delivery systems through which skills are imparted, updated, and connected to employment remain fragmented, centralized, and weakly aligned with local economic contexts.

Reframing upskilling as an institutional problem shifts attention away from individual skill deficits toward the design and governance of education and training systems. Expanding years of schooling or increasing the

number of training programs is insufficient when delivery mechanisms fail to produce learning, adapt to labor market change, or support equitable access. The central research question guiding this study is: why has India's emphasis on workforce upskilling not translated into improved employment outcomes for educated youth, and what does existing research suggest about the institutional delivery models necessary to bridge this gap? Drawing on labor market evidence, education research, and policy analysis, the paper examines how employment structure, schooling systems, equity constraints, and delivery arrangements shape the effectiveness of upskilling initiatives. In doing so, it contributes to debates on education reform and workforce preparedness by shifting focus from skill deficits to the institutional conditions required for skills to generate real economic opportunity.

II. Policy Commitment to Upskilling and Employability

India's contemporary education and labor policy landscape reflects a clear and sustained commitment to workforce upskilling as a national priority. This emphasis is most clearly articulated in the National Education Policy 2020 and in national skilling discourse emerging from the Ministry of Skill Development and Entrepreneurship. Together, these frameworks establish that the challenge facing India is not a lack of policy recognition but the translation of intent into effective outcomes.

The National Education Policy 2020 explicitly reframes education as a continuum that must extend beyond academic credentialing to include vocational and employability oriented learning across the life course. The policy calls for the systematic integration of vocational education into schooling, higher education, and lifelong learning, marking a departure from earlier models that treated vocational training as a parallel or residual track. Vocational exposure is positioned not as a substitute for general education but as a complementary component intended to enhance relevance, flexibility, and workforce readiness (Government of India, 2020). A central objective of the policy is large scale exposure to vocational education. NEP 2020 envisions a substantial proportion of students gaining practical and skill based learning experiences during their formal education, beginning at the secondary level and extending through post secondary pathways. This emphasis reflects an explicit recognition that academic knowledge alone is insufficient preparation for labor market participation and that early engagement with applied skills can improve transitions from education to work (Government of India, 2020). To support this goal, the policy emphasizes partnerships between educational institutions and existing skill ecosystems. Schools and higher education institutions are encouraged to collaborate with Industrial Training Institutes, polytechnics, local industry, and other skill providers in order to deliver vocational learning that is contextually grounded and responsive to labor market demand. These partnerships are framed as a means of overcoming institutional silos and aligning education with employment opportunities at the local and regional level (Government of India, 2020). NEP 2020 also promotes flexibility in certification and credentialing. The policy supports short term courses, modular credentials, and multiple exit options that allow learners to acquire skills incrementally and re enter education at different stages of their working lives. This approach reflects an understanding of employment as increasingly dynamic and of skill acquisition as a continuous process rather than a one time investment. By endorsing flexible pathways, the policy aims to reduce barriers to participation and enable learners to adapt to changing economic conditions (Government of India, 2020).

Beyond the education system, national skilling discourse reinforces the centrality of workforce development to India's economic strategy. Policy documents associated with the Skill India mission explicitly acknowledge a dual challenge facing the labor market. On one hand, there is a shortage of highly trained workers capable of meeting the demands of modern industry. On the other, large segments of conventionally educated youth remain non employable due to the absence of job relevant skills (Chaugule, 2020). This diagnosis highlights a paradox that runs through India's skilling debate. Educational attainment has expanded rapidly, yet this expansion has not yielded commensurate improvements in employment quality or productivity. National skilling frameworks therefore emphasize the need to move beyond formal qualifications toward the acquisition of foundational, technical, social, and behavioral skills that employers value. Skilling is framed not only as a response to unemployment but as a prerequisite for formalization,

productivity growth, and sustained job creation in manufacturing and services (Chaugule, 2020). Importantly, skilling policy situates workforce development within a broader economic logic. Formal sector growth is associated with higher productivity and better working conditions, but it also requires a workforce that is adaptable and appropriately trained. National discourse therefore links skilling to labor market transitions, arguing that improved skills can facilitate movement from informal to formal employment and increase incentives for firms to invest in human capital. In this framing, upskilling is presented as both a labor supply intervention and a structural component of economic development (Chaugule, 2020).

III. Labour Market Evidence: Education–Employment Mismatch

An examination of recent labour market trends reveals that India's upskilling challenge is unfolding within a context of weak employment generation and declining job quality. While educational participation has expanded rapidly over the past two decades, employment outcomes have deteriorated across several key indicators. Evidence from national employment data shows that the education to employment pipeline is constrained not only by skill alignment issues but also by structural shifts in the labour market that limit the absorptive capacity of the economy.

Between 2011 to 2012 and 2017 to 2018, India experienced a decline in total employment, marking an unprecedented shift in its labour history. Mehrotra and Parida document that total employment fell by approximately nine million during this period, despite the continued growth of the working age population and rising participation in education. This reversal represents a departure from earlier phases of structural transformation in which declining agricultural employment was offset by growth in non farm sectors (Mehrotra & Parida, 2019). The sectoral composition of employment during this period further underscores the fragility of job creation. Employment in agriculture continued to decline, which is consistent with long term structural change. However, manufacturing employment also contracted, falling by several million jobs. This decline runs counter to expectations that manufacturing would serve as a key engine of employment growth for a lower middle income economy. At the same time, construction, which had previously absorbed large numbers of low skilled workers, exhibited a sharp slowdown in employment growth (Mehrotra & Parida, 2019). Services emerged as the only sector that sustained net employment growth. Yet the quality of service sector jobs remained uneven. Outside of modern services, much of the employment generated in services was characterized by low wages, limited security, and informality. As a result, service sector expansion did not compensate for employment losses elsewhere in terms of either job quantity or job quality. The overall pattern suggests that India's structural transformation has stalled, leaving the labour market ill equipped to absorb newly educated cohorts (Mehrotra & Parida, 2019).

The mismatch between education expansion and employment outcomes is most visible among young people. Mehrotra and Parida show that unemployment rates among educated youth have risen sharply over the same period in which educational participation increased. Youth unemployment reached historically high levels by 2017 to 2018, particularly among those with secondary education and above, including individuals with technical and vocational training (Mehrotra & Parida, 2019). This trend challenges the assumption that education and training alone are sufficient to improve labour market outcomes. Despite rising enrollment at secondary and higher education levels, job creation did not keep pace with the growing supply of educated labour. As a result, increasing numbers of young people entered the labour force only to face unemployment or withdrawal from active job search. Mehrotra and Parida identify a growing category of disheartened youth who are neither employed nor engaged in education or training, reflecting declining confidence in the returns to education (Mehrotra & Parida, 2019). The persistence of educated youth unemployment indicates that the education to employment mismatch cannot be explained solely by skill deficits. Instead, it points to demand side constraints and limited opportunities for productive employment, even for individuals who have invested in formal education and training.

Underlying these trends is the continued dominance of informality in the Indian labour market. Mehrotra and Parida report that more than ninety percent of total employment remains informal, with high levels of

informality persisting even within non farm sectors. This includes informal employment within enterprises that are otherwise classified as organized, indicating that formalization has been partial and uneven (Mehrotra & Parida, 2019). In addition to high informality, the nature of employment has become increasingly insecure. The share of contract based employment has risen in both public and private sectors, often involving short term arrangements with limited social protection. Even where employment growth has occurred, it has frequently taken the form of casual or contractual work rather than stable regular jobs. Real wages stagnated during this period, further undermining the quality of employment outcomes (Mehrotra & Parida, 2019). These patterns suggest that labour market conditions constrain the potential impact of upskilling initiatives. When job creation is weak and employment is predominantly informal and insecure, the returns to skill acquisition are uncertain. Upskilling efforts are therefore operating within a labour market environment characterized by limited demand, persistent informality, and declining job quality.

The evidence indicates that upskilling in India is embedded in a labour market marked by weak employment growth, high educated youth unemployment, and pervasive informality. Under these conditions, education and training alone cannot guarantee improved employment outcomes. Any assessment of upskilling impact must therefore account for the broader structural constraints shaping labour demand and job quality.

IV. The “Skills Gap” Debate and Its Limits

Public and policy debates on employability frequently attribute weak labor market outcomes to deficiencies in worker skills or failures within the education system. This framing has gained traction in India as well, where rising educated unemployment is often explained through references to skill gaps or inadequate training. However, research on skills and labor markets suggests that such explanations are incomplete and at times misleading. A closer examination of the skills gap discourse reveals important conceptual distinctions and highlights the need to reconsider where responsibility for skill formation is located.

Cappelli distinguishes among three related but analytically distinct concepts that are often conflated in policy discussions: skill gaps, skill shortages, and skill mismatches. A skill gap refers to a broad shortfall in worker capabilities that is typically attributed to failures in the education system. A skill shortage denotes a lack of workers with specific occupational skills required for particular jobs. Skill mismatch describes a more dynamic condition in which the skills possessed by workers and those demanded by employers are misaligned in either direction, resulting in over qualification or under qualification (Cappelli, 2014). Empirical evidence from the United States challenges the assumption that widespread skill shortages are the dominant labor market problem. Cappelli finds little evidence to support claims of generalized skill deficits or persistent shortages driven by education failure. Instead, the data point to a condition of over education in which workers possess higher levels of formal qualification than their jobs require. This pattern has remained persistent and in some cases has intensified, suggesting that labor market outcomes are shaped less by an absolute lack of skills and more by how jobs are structured and allocated (Cappelli, 2014). These findings complicate narratives that place primary responsibility for employability on individuals or educational institutions. If workers are frequently over educated rather than under skilled, then expanding training or increasing educational attainment alone is unlikely to resolve employment challenges. The distinction between shortages and mismatches is therefore critical for understanding why skills focused interventions often fail to deliver expected results.

Historically, skill development was treated as a shared responsibility between workers and firms. Traditional models of internal labor markets emphasized employer investment in training, skill upgrading, and career progression within organizations. Firms recruited workers with general capabilities and developed job specific skills internally over time, aligning workforce competencies with organizational needs (Cappelli, 2014). Cappelli argues that this model has eroded substantially. Contemporary labor markets increasingly expect job candidates to arrive fully trained, transferring responsibility for skill acquisition from employers to schools and individuals. Employer complaints about skill shortages often coexist with reduced investments in training and a reluctance to adjust job requirements or wages in response to labor supply

conditions. As a result, perceived skill problems may reflect changes in employer behavior rather than objective deficits in worker capability (Cappelli, 2014). This shift has significant implications for education and training policy. When employers disengage from skill formation, education systems are pressured to anticipate and supply highly specific job skills in advance. Such expectations are difficult to meet, particularly in rapidly changing labor markets where skill demands evolve faster than formal curricula.

The limitations of the skills gap narrative are particularly salient in India's labor market. National skilling discourse acknowledges that educated youth face non employability despite rising qualifications, but it also identifies broader structural constraints shaping employment outcomes. Chaugule emphasizes that weak job creation, rigid labor regulations, and the substitution of capital for labor have reduced the demand for workers even as the supply of educated labor has increased (Chaugule, 2020). In this context, skill focused explanations risk obscuring demand side factors. Employers may respond to regulatory and cost pressures by adopting capital intensive production methods or by relying on informal and contractual labor rather than investing in workforce training. At the same time, firm level incentives to provide on the job training have declined, further weakening pathways from education to stable employment (Chaugule, 2020). When labor demand is constrained and employer investment in training is limited, upskilling initiatives face structural limits regardless of their design or scale.

The skills gap discourse offers an incomplete explanation for weak employment outcomes. Evidence indicates that labor market mismatches, employer behavior, and demand side constraints play a central role in shaping employability. Upskilling failures therefore cannot be understood solely as deficits in education or youth capability, but must be situated within broader labor market and institutional contexts.

V. Institutional Delivery Failures in Education and Skilling

Efforts to improve employability through expanded schooling and training often assume that increasing years of education or adding skill programs will naturally translate into learning and usable capabilities. However, evidence from education research challenges this assumption. Pritchett's analysis demonstrates that large scale expansion of schooling has not ensured learning outcomes or the acquisition of practical skills. Enrollment gains have been substantial across developing countries, including India, but learning levels have remained low, uneven, and in many cases stagnant. This distinction between schooling and learning is central to understanding why skill development initiatives frequently fail to achieve their intended impact (Pritchett, 2013).

Pritchett argues that schooling and education are not synonymous. While schooling refers to years spent in formal institutions, education entails the development of skills, competencies, and capabilities that enable individuals to function productively in society and the economy. Empirical evidence shows that many students complete multiple years of schooling without mastering basic literacy or numeracy, let alone higher order skills. As a result, expanding access to schooling alone produces limited returns in terms of learning and employability (Pritchett, 2013). A central explanation for this disconnect lies in the organizational structure of education systems. Pritchett characterizes many public education systems as highly centralized and top down, using the metaphor of spider organizations. These systems are effective at tasks that require scale and standardization, such as expanding enrollment, constructing schools, and administering uniform curricula. However, they perform poorly when tasks require local judgment, adaptation, and responsiveness, such as teaching diverse learners and fostering meaningful learning (Pritchett, 2013). In contrast, learning is inherently context dependent. It requires responsiveness to local conditions, variation in student needs, and continuous feedback between educators and learners. Centralized systems that prioritize compliance and control over experimentation and accountability struggle to support these processes. When authority and information are concentrated at the center, frontline educators have limited incentives or capacity to adapt practices to local realities. As a result, schooling expands while learning remains weak (Pritchett, 2013).

These institutional weaknesses have direct implications for workforce upskilling. Skill development programs are often layered onto existing education and training institutions without addressing underlying delivery constraints. When vocational or skill based initiatives operate within systems that already struggle to produce learning, they risk reproducing the same low outcomes under a different label. The addition of new curricula or training modules does not automatically overcome systemic failures in implementation (Pritchett, 2013). Pritchett identifies several features of centralized education systems that undermine effective delivery. Bureaucratic rigidity limits the ability of institutions to adapt content and pedagogy to local labor market needs. Weak accountability mechanisms reduce incentives for performance and improvement at the point of delivery. Limited local autonomy constrains experimentation and learning from context specific successes and failures. Together, these features result in systems that are better suited to administering programs than to producing learning (Pritchett, 2013). When upskilling initiatives are implemented through such structures, their potential impact is constrained from the outset. Programs may meet enrollment or certification targets while failing to improve actual skill acquisition or employability. This pattern mirrors earlier phases of schooling expansion, where quantitative indicators masked poor learning outcomes.

The evidence indicates that upskilling failures cannot be addressed through expanded schooling, additional training programs, or increased funding alone. The core constraint lies in institutional delivery capacity. Without reforms that address how education and training are organized, governed, and adapted to local contexts, upskilling efforts risk replicating the same gap between participation and outcomes. Upskilling is therefore fundamentally an institutional problem rather than a narrow issue of curriculum design or resource allocation.

VI. Equity, Capability, and Access in Upskilling

Differences in upskilling outcomes across social groups cannot be explained solely by variation in individual effort or motivation. Research on education and development emphasizes that the benefits of learning and training depend critically on the contexts in which individuals are embedded. Unequal institutional conditions, social structures, and access to foundational resources shape who is able to convert skills into meaningful economic and social outcomes. An equity centered analysis is therefore essential to understanding the limits of upskilling initiatives.

The capability approach developed by Amartya Sen provides a framework for evaluating education beyond formal attainment or credential accumulation. Sen argues that development should be assessed in terms of the real freedoms and opportunities individuals have to achieve valued ways of living. From this perspective, education matters not because it produces certificates but because it expands people's capabilities to pursue goals they have reason to value (Sen, 1999). A central insight of the capability approach is that possessing a resource or skill does not guarantee the ability to use it effectively. Capabilities are shaped by a range of conversion factors, including institutional arrangements, social norms, and economic conditions. Two individuals with similar educational qualifications may experience very different outcomes depending on their access to supportive institutions, labor market opportunities, and enabling environments. Education outcomes must therefore be evaluated in relation to the contexts in which learning is applied rather than in isolation from them (Sen, 1999). Applied to upskilling, this framework highlights the limitations of interventions that focus narrowly on skill acquisition. Training programs that increase technical knowledge without addressing barriers to participation, mobility, or labor market entry may expand credentials without expanding capabilities. As a result, upskilling efforts can fail to improve agency or economic security for those facing structural constraints.

Evidence from India's employment data underscores the relevance of this perspective. The India Employment Report documents substantial disparities in access to basic digital capabilities, which increasingly condition the returns to education and training. Large gaps persist between rural and urban populations in the ability to perform foundational ICT tasks such as using computers, managing files, and

accessing digital information. Gender disparities further compound these differences, with women facing systematically lower levels of digital access and skill acquisition (International Labour Organization, 2024). These inequalities have direct implications for upskilling initiatives. Many contemporary training programs assume baseline digital literacy and access to technology, yet significant segments of the population lack these prerequisites. As a result, individuals from rural areas, women, and socially disadvantaged groups are less able to participate fully in skill development programs or to translate acquired skills into employment opportunities. Without complementary investments in foundational capabilities and access, upskilling initiatives risk disproportionately benefiting those who are already better positioned to succeed (International Labour Organization, 2024). The persistence of these gaps illustrates that skill development cannot be separated from broader questions of access and equity. When institutional and infrastructural conditions vary sharply across groups, uniform training interventions are unlikely to produce uniform outcomes.

The capability approach and employment evidence together demonstrate that upskilling outcomes are shaped by more than individual skill possession. Real benefits depend on institutional, social, and economic contexts that enable individuals to convert learning into opportunity. Without explicit attention to equity and access, upskilling initiatives may reinforce existing inequalities rather than reduce them.

VII. Public-Private Partnerships (PPPs) as a Delivery Mechanism

Given the institutional constraints shaping education and skilling delivery, existing research has examined public private partnerships as a potential mechanism for improving capacity, responsiveness, and alignment with labor market demand. The literature does not present PPPs as a universal solution. Instead, it treats them as one possible institutional arrangement whose effectiveness depends on design, governance, and context. Understanding both their potential and their limits is essential for assessing their relevance to India's upskilling ecosystem.

The World Bank defines public private partnerships as long term contractual arrangements between public authorities and private providers in which responsibilities and risks are allocated across parties for the provision of education or related services. Under these arrangements, the public sector retains a stewardship role while private actors assume responsibility for specific functions such as service delivery, management, or curriculum implementation, depending on the contract structure (Patrinos et al., 2009). Research reviewed by the World Bank suggests that PPPs can improve efficiency and responsiveness under certain conditions. In particular, partnerships may enable faster adaptation to local needs, greater managerial flexibility, and closer alignment between service provision and user demand. When contracts clearly specify performance expectations and accountability mechanisms, PPPs can reduce bureaucratic rigidity and improve service quality relative to traditional public provision (Patrinos et al., 2009). In the context of skills development, these features are especially relevant. Training programs must respond to changing labor market requirements, update curricula regularly, and maintain links with employers. The literature suggests that private participation can support these functions by introducing operational flexibility and industry engagement that centralized public systems often struggle to sustain (Patrinos et al., 2009).

At the same time, the evidence makes clear that PPPs are not inherently effective or equitable. Outcomes vary widely across contexts and depend heavily on institutional capacity. The World Bank emphasizes that weak regulatory frameworks, limited state oversight, or poorly designed contracts can undermine partnership performance and exacerbate inequalities (Patrinos et al., 2009). Three conditions are particularly salient. First, regulatory capacity is essential to ensure that private providers meet agreed standards and do not prioritize cost reduction over learning outcomes. Second, incentive alignment matters. Contracts must balance financial sustainability with public objectives such as access, quality, and equity. Third, effective monitoring of learning and employment outcomes is necessary to assess whether partnerships are delivering substantive benefits rather than merely expanding enrollment or certification (Patrinos et al., 2009). Where these conditions are absent, PPPs risk reproducing the same delivery failures observed in public systems or

creating new forms of exclusion. The literature therefore cautions against treating private participation as a substitute for strong public governance.

Within India's policy framework, PPPs are positioned as complementary to public provision rather than as a replacement. NEP 2020 explicitly calls for collaboration between educational institutions and industry, including partnerships with training institutes, employers, and other non state actors. This emphasis reflects recognition of the limits of centralized delivery and the need for closer integration between education and employment systems. Existing PPP research suggests that such arrangements may address several constraints facing India's upskilling ecosystem. Partnerships can potentially mitigate state capacity limits by distributing delivery responsibilities across multiple actors. They may help reduce curriculum industry disconnect by embedding employer engagement within training provision. Decentralized delivery through local partnerships can also improve contextual relevance and access, particularly where centralized systems struggle to adapt to diverse regional labor markets.

The literature indicates that public private partnerships are not a panacea for upskilling challenges. Their effectiveness depends on governance quality, regulatory capacity, and outcome monitoring. However, when carefully designed and aligned with public objectives, PPPs represent a plausible institutional response to persistent delivery failures in education and skills development.

VIII. Implications for Upskilling Policy and Research

The preceding analysis has important implications for both upskilling policy and future research. Evidence from labor market trends, institutional critiques, and equity focused frameworks suggests that incremental expansion of training programs or curricular reforms alone is unlikely to resolve persistent education to employment mismatches. Instead, meaningful progress requires a reorientation of policy priorities and a more rigorous research agenda focused on delivery systems and long term outcomes.

For policymakers, the central implication is the need to shift focus from the proliferation of programs to the strengthening of delivery institutions. National frameworks such as NEP 2020 and Skill India articulate ambitious goals for vocational integration and employability. However, as the evidence demonstrates, the effectiveness of these initiatives depends less on the number of schemes introduced and more on the institutional arrangements through which they are implemented. Strengthening governance, accountability, and local adaptability within education and skilling institutions is therefore critical. Policy evaluation practices must also evolve. Existing assessments often emphasize enrollment figures, certification counts, or short term placement rates as indicators of success. While these metrics are administratively convenient, they provide limited insight into whether upskilling initiatives are producing meaningful learning or improving employment quality. The analysis presented in this paper suggests that evaluation should prioritize learning outcomes, job stability, and the ability of individuals to convert skills into sustained economic participation. Incorporating capability expansion as an evaluative lens would further shift attention toward whether training enhances real opportunities rather than nominal credentials. Taken together, these implications point toward a policy approach that treats upskilling as institutional infrastructure rather than as a collection of discrete interventions. Without such a shift, new programs risk reproducing the same gap between participation and outcomes observed in earlier phases of education expansion.

The findings also highlight several priorities for future research. First, there is a need for rigorous evaluation of skilling delivery models rather than isolated program components. Comparative analysis of different institutional arrangements, including public provision and partnership based models, would help identify which features are most strongly associated with improved learning and employment outcomes.

Second, longitudinal tracking of individuals who participate in upskilling initiatives is essential. Short term evaluations often fail to capture whether skills translate into durable employment trajectories or improved

labor market mobility over time. Longitudinal data would allow researchers to assess persistence of effects, transitions between sectors, and vulnerability to labor market shocks.

Finally, disaggregated analysis by gender, region, and socio economic background is necessary to understand how upskilling initiatives interact with existing inequalities. Aggregate outcomes can obscure substantial variation in access and returns. Research that explicitly examines differential impacts would provide a stronger empirical basis for designing equitable and context sensitive delivery systems.

IX. Conclusion

India's upskilling challenge reflects a persistent disconnect between policy ambition and institutional capacity. National education and skilling frameworks articulate a clear commitment to workforce preparedness through vocational integration and skill development. However, labor market evidence shows that education expansion and training initiatives alone have not resolved educated youth unemployment, informality, or declining job quality.

By integrating labor market analysis, institutional critiques of schooling, and equity centered frameworks, the paper reframes upskilling as a delivery and governance problem rather than a narrow skills gap. Insights from the capability approach underscore that skills generate value only when individuals are able to convert learning into real opportunities, a process shaped by institutional, social, and economic contexts. Research on public private partnerships further suggests that alternative delivery arrangements may help address capacity constraints, though only when supported by strong public oversight and accountability.

Taken together, the analysis points toward a need to move beyond program expansion toward the construction of durable institutional arrangements for skill delivery. Without such a shift, upskilling initiatives risk reproducing the same gap between participation and outcomes that has characterized earlier phases of education expansion.

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