

# Skill Development in Odisha: Training Is Not Employment

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Skill Development

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*"Youth unemployment and underemployment are major issues. Although vocational training programs have been found to be generally effective in some contexts, evidence is mixed. In many instances, high attrition from programs limits their impact on employment outcomes." — IZA Discussion Paper, Institute of Labor Economics, 2021*

She trained for six months under a PMKVY programme in Bhubaneswar. The course was in retail management. At the end she received a certificate. The placement officer told her that her starting salary would be ₹8,500 per month — in a shopping mall in Hyderabad. She had never lived outside her village in Nuapada district. The prospect of moving alone, at nineteen, to a city she had never visited, for ₹8,500, was not the opportunity it was presented as.

She came home. She is not counted in the placement statistics, because she was never placed. She is counted, however, in Odisha's youth underemployment figures — which, at 23.5%, are substantially above the national average of 17.6%.

This gap — between the training that has been delivered and the employment outcomes that have been produced — is the central challenge of skill development in Odisha. The state has made genuine investments in skill infrastructure: the Odisha Skill Development Authority (OSDA) coordinates programmes across ITIs, polytechnics, and training partners; PMKVY operates across all districts; the ADB-supported Odisha Skill Development Project has expanded both capacity and quality. The placement rate under PMKVY Phases 1–3 was officially 43%. Even accepting that figure at face value, it means 57% of trained youth did not convert training into employment — and the 43% who did were placed in jobs whose retention, career trajectory, and adequacy are largely unmeasured.

This is not an argument against skill development. It is an argument for skill development that is designed to actually produce employment outcomes for the specific people it reaches — not for abstract target beneficiaries who conform to the programme's assumptions about who can be trained, what they can do, and where they will be willing to work.

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## **Part One: Odisha's Youth Employment Landscape**

Nearly half of Odisha's population is under 25. This demographic profile is simultaneously an opportunity — a large working-age population that, if skilled and employed, could drive economic growth — and a pressure point. Youth who cannot find adequate employment become a source of social instability, drive distress migration, and represent a massive opportunity cost to the state's development trajectory.

The structural features of Odisha's labour market constrain employment outcomes in ways that training alone cannot address:

**Agriculture remains the dominant employer** despite its declining share of GDP — from 23.5% of the economy in 2004–05 to 15.6% by 2013–14. The jobs that absorb most rural youth — smallholder farming, agricultural labour, MGNREGS — are not the

jobs that skill development programmes train for.

**The formal sector is small relative to population.** Odisha's industrial growth — steel, aluminium, mining, port development — has created significant formal sector employment but not at the scale needed to absorb the youth bulge. The service sector has grown, but disproportionately in Bhubaneswar and Cuttack, creating a geographic mismatch between where training-eligible youth are and where trained-skill jobs exist.

**Tribal youth face compounded barriers.** A systematic review of tribal youth participation in vocational training in India, published in 2024, found that tribal communities are significantly underrepresented in vocational training despite government emphasis, with social stigma, geographic isolation, language barriers, and the perceived irrelevance of training outcomes to their actual economic context all contributing to low participation and high attrition. The review noted that there is a lack of congruence between tribal communities' skills and knowledge and job market demands, while formal vocational training perpetuates the model of drawing tribal youth out of their communities into formal sector employment.

**Migration as the default pathway** — for many Odisha youth, particularly from tribal districts, inter-state migration for construction, domestic service, brick kiln, and factory work is the primary means of earning income. This migration is often exploitative, poorly regulated, and associated with health risks, but it represents an economic calculation that many families make rationally given the alternatives.

The core diagnostic, as expressed in the ADB's Odisha Skill Development Project assessment: the core problem is the low employability of the young workforce due to low skills, weak capacity, fragmented skills ecosystem and weak synergy with industries. But the same assessment notes that state investment in ITIs has not adequately aligned with industry requirements, primarily due to deficiencies in training infrastructure and outdated standards.

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## **Part Two: What the Global Evidence Says**

### **The Mixed Evidence on Vocational Training**

The global evidence on whether vocational training programmes produce employment and earnings gains is genuinely mixed — and the honesty to say this is important, because CSR programmes and government schemes consistently oversell what training alone can produce.

A systematic review of Technical and Vocational Education and Training (TVET) interventions in low- and middle-income countries found positive effects in some contexts and null or negative effects in others. The factors that predict whether training produces employment gains are not primarily about training quality — they are about whether there is actual demand for the trained skill in a market accessible to the trainee.

Research from India specifically, including evaluations of PMKVY and DDU-GKY, finds that:

PMKVY-certified individuals earned approximately 15% more on average than non-participants in studies conducted during Phases 1–3. Recognition of Prior Learning certified individuals reported 19% higher monthly income. These are real gains for individuals who successfully completed training and secured employment. They are not representative of the full population who enrolled, because they exclude those who dropped out (13.84% officially under PMKVY 4.0; likely higher in tribal contexts) and those who completed but did not secure employment.

A key finding from RCT research on DDU-GKY (the rural youth training programme) in Bihar and Jharkhand: including just two information sessions in training about the actual nature of placement jobs — location, salary, working conditions — made trainees 18% more likely to stay in placed jobs. The mechanism was improved selection: trainees who were over-optimistic about placement jobs dropped out before placement when they received realistic information, improving the quality of the

remaining pool. This suggests that the mismatch between youth expectations and job realities is a significant cause of placement failure — and that honest pre-training information is a high-leverage, low-cost intervention.

The specific barriers for tribal youth, documented in the 2024 systematic review: social stigma attached to vocational training (perceived as lower status than academic education); geographic isolation that makes training centre attendance difficult; language barriers in training that is delivered in Odia or English; the frequent irrelevance of trained skills to available local employment; and the social and cultural difficulty of migration to take up placements in distant cities. These barriers are not fixed by improving training quality. They require programme design that starts from the specific constraints of specific communities.

## **What Actually Produces Employment: The Evidence**

Across the global and Indian evidence base, the clearest predictors of training translating into employment are:

**Employer partnership and demand-driven design.** Training programmes designed with specific employers for specific jobs — where the employer has committed to hire completers — have substantially better placement rates than supply-side programmes that train people and then search for employers. The Odisha Skill Development Project's Placement Linked Training Programme model, which guarantees employer engagement before training starts, is more evidence-aligned than open-ended PMKVY delivery.

**Realistic pre-training information.** As the DDU-GKY research shows, informing trainees about the actual nature of available jobs before they commit to training produces better outcomes than discovering the mismatch at the placement stage. This is both more efficient (reduces wasted training investment on mismatched trainees) and more ethical (respects young people's right to make informed decisions).

**Local market connection.** Training for jobs that exist in the trainee's own district or state has better retention outcomes than training for migration jobs. A Nuapada youth trained in mobile phone repair who sets up a shop in their local market town is more likely to sustain employment than one trained in retail management and placed in Hyderabad. The income may be lower but the life context is more sustainable.

**Recognised certification.** Certified skills that employers can verify are worth more in the market than uncertified skills. PMKVY's NSQF-aligned certification provides this for those who complete. Recognition of Prior Learning — the certification of existing skills — has significant potential for Odisha's tribal communities who have substantial traditional skills in agriculture, forestry, crafts, and food processing that are unrecognised by formal credential systems.

**Soft skills and contextual preparation.** Research consistently finds that employability gaps in India are not primarily technical — employers report that graduates and trained youth lack communication skills, workplace discipline, problem-solving, and the social competencies needed for formal employment. Programmes that integrate these elements, rather than treating them as add-ons, produce better retention outcomes.

## **Blue Economy: The Emerging Opportunity**

Odisha has a 480-kilometre coastline and one of India's most significant marine fishing sectors. The Blue Economy — the sustainable use of ocean resources for economic growth, including fishing, aquaculture, maritime transport, tourism, and coastal energy — represents a skills demand that is currently substantially underserved by Odisha's training system.

The fishing community (traditional fisherfolk and their families) in Odisha is large, historically marginalised from formal skill development (because their existing skills in fishing and navigation are not recognised by formal credential systems), and potentially well-positioned to benefit from skills in areas including sustainable

aquaculture, cold chain management, processing and value addition for marine products, eco-tourism guiding, and marine safety. Programmes designed specifically for coastal communities, built on recognition of existing knowledge, are significantly more promising than standard PMKVY curricula delivered in fishing villages.

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## **Part Three: Five Organisations Doing This Exceptionally Well**

### **1. Tata Strive (India)**

Tata Strive is one of India's most rigorously monitored vocational training organisations, with a specific focus on youth from marginalised backgrounds. Their model emphasises demand-driven training — they identify employer demand before designing curricula — combined with intensive soft skills development and post-placement support.

Their Odisha presence, including involvement in the ADB-supported Odisha Skill Development Project, provides a direct reference point. Tata Strive has demonstrated that with proper employer partnership, industry-relevant curriculum, and sustained post-placement follow-up, placement and retention rates substantially above national averages are achievable.

**The transferable lesson:** Post-placement support — mentoring, helplines, peer networks for trainees who have started jobs — significantly improves retention. The job is not done when the trainee is placed; it is done when the trainee is successfully established in employment after six months. Programmes that end at placement are leaving the most important work undone.

### **2. Pratham's Vocational and Livelihood Programmes**

Pratham's work in vocational education extends its education model into early livelihood — helping youth in the 15–25 age group who have limited formal education access economically relevant skills. Their market-linked approach, piloted in multiple

states, identifies local economic opportunities (including within rural and semi-urban settings rather than requiring migration) and designs training to those opportunities.

Particularly relevant to Odisha's tribal youth: Pratham's model of working in local languages, building on existing knowledge rather than treating trainees as blank slates, and creating learning communities rather than classroom-and-certificate programmes has produced documented gains in contexts where standard PMKVY models have low uptake and high dropout.

**The transferable lesson:** Training that builds on what tribal youth already know — their agricultural, forest, and craft knowledge — and adds formal recognition and market connectivity to those existing skills is more effective and more dignified than training that ignores existing knowledge and treats tribal youth as raw material for industrial labour.

### **3. DDU-GKY (Deen Dayal Upadhyay Grameen Kaushalya Yojana) — Best Implementation Partners**

DDU-GKY, implemented in Odisha through Odisha Rural Development and Marketing Society (ORMAS) and various Project Implementing Agencies, targets rural youth below the poverty line with residential training and guaranteed placement. The evidence from well-implemented DDU-GKY programmes shows that the residential model — removing trainees from their home environment for sustained immersive training — produces better outcomes than non-residential programmes for youth from backgrounds with high domestic constraint.

The specific innovation with the highest evidence base: the realistic job information sessions described above. Organisations that have built this into their DDU-GKY delivery consistently show better retention outcomes.

**The transferable lesson:** Honesty in recruitment and placement is not just ethical — it is more effective. Programmes that present realistic pictures of the jobs trainees will be placed in, including the challenges, produce higher retention than those that sell an

aspirational picture that disappoints at the reality check.

#### **4. NIIT Foundation / Skills for Life**

NIIT Foundation's programmes in digital literacy and IT-enabled services — targeting youth in aspirational districts including those in tribal Odisha — represent the emerging skills category with the strongest national demand growth. India's IT and digital services sector is expanding faster than its current skilled workforce, creating genuine employment opportunities that can, in principle, be accessed from anywhere with reliable connectivity.

The challenge for tribal Odisha is that reliable connectivity remains patchy in the most remote areas. But blocks close to district headquarters, and all district towns, now have connectivity adequate for remote digital work. Programmes that train youth in specific digital skills connected to real remote work opportunities — data annotation, content moderation, digital customer service, BPO tasks — and connect them with employers willing to hire remote workers from tribal backgrounds represent a genuinely new pathway that does not require migration.

**The transferable lesson:** The remote work economy opens geographical arbitrage opportunities for Odisha's educated youth that did not exist ten years ago. Skill programmes designed for remote employment — where the job comes to the trainee rather than the trainee going to the job — represent a fundamentally different model from traditional vocational training, and one that is particularly relevant to the geographic and cultural constraints of tribal youth.

#### **5. National Skill Development Corporation (NSDC) — Recognition of Prior Learning**

NSDC's Recognition of Prior Learning (RPL) programme is designed to certify existing skills that workers have developed through informal training and experience. For Odisha's traditional craftspersons, agricultural workers, fishers, and construction workers, RPL represents a pathway to formal credential that does not require them to

undergo training in skills they already possess.

The evidence suggests that RPL-certified workers earn 19% higher monthly income than comparable uncertified workers — because certification makes their existing skills visible and verifiable to employers. For Odisha's vast population of informally skilled workers, RPL is potentially among the highest-leverage skill interventions available, at significantly lower cost than new training.

**The transferable lesson:** Many of the people most in need of better employment in Odisha are not unskilled. They are highly skilled in ways that the formal economy does not recognise. Certification of existing skills — RPL — may be more impactful than new vocational training for large segments of the population.

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## **Part Four: The Odisha Adaptation**

### **What Transfers Directly**

**Demand-driven, employer-connected training** — the Placement Linked Training Programme model — is already embedded in Odisha's skill infrastructure through OSDA. The evidence strongly supports expanding this model and contracting it rather than open-ended supply-side training.

**Pre-training realistic information sessions** — the DDU-GKY innovation of honest placement information — transfers directly and at zero cost. Every training programme in Odisha should include these sessions. The 18% improvement in retention is available to any programme willing to be honest with trainees.

**Recognition of Prior Learning** for Odisha's traditional craftspersons, fisherfolk, and agricultural workers — giving formal certification to existing informal skills — transfers directly and is underutilised relative to its potential.

**Post-placement support** — mentoring, peer networks, helplines — transfers directly and is almost entirely absent in Odisha's current skill delivery ecosystem.

## What Requires Significant Adaptation

**Standard PMKVY curricula** for tribal youth in remote districts require fundamental adaptation — in language, content, context, and delivery model — before they are effective. A programme designed for peri-urban Bhubaneswar youth does not function unchanged in a Bonda hamlet in Malkangiri. Adaptation requires sustained engagement with communities, language capacity in tribal languages, and flexibility in training formats that the standard scheme design does not accommodate.

**Digital skill programmes for remote areas** require the connectivity infrastructure before the training can be delivered. Phasing — starting in blocks with reliable connectivity and expanding as infrastructure improves — is the realistic approach.

**Blue economy skill programmes** for fishing communities require deep engagement with existing fishing culture, recognition of existing maritime knowledge, and specific curriculum design for the marine and coastal context. Standard PMKVY trade lists are not adequate frameworks for this.

## What Must Be Built

**A tribal-specific skills ecosystem** — training programmes designed specifically for tribal youth, in tribal languages, for local economic opportunities that exist within or near tribal communities rather than requiring migration — is largely absent from Odisha's current skill development landscape. The ADB project made progress on inclusion (69% of RPL-certified candidates were women; 50% from SC/ST communities) but did not fundamentally redesign the training model for tribal contexts.

**Sustainable self-employment pathways** — entrepreneurship and business development support for youth who will create their own employment rather than taking formal sector jobs — are substantially underinvested relative to wage employment pathways. The evidence suggests that in contexts where wage employment is scarce, supporting self-employment and micro-enterprise is more likely to produce sustained income than training for formal jobs that do not exist in

adequate numbers.

**Six-month employment retention tracking** as a standard metric for all Odisha skill programmes — rather than placement at completion, which is the current primary metric — would fundamentally improve programme quality and accountability. You cannot improve what you do not measure.

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## **Part Five: Government Scheme Mapping**

**PMKVY (Pradhan Mantri Kaushal Vikas Yojana):** India's flagship skill certification scheme. Under PMKVY 4.0, implemented as a central sector scheme with no state-managed component. NGO role: training partner quality monitoring; tribal youth outreach; pre-training realistic information sessions; post-placement support.

**DDU-GKY (Deen Dayal Upadhyay Grameen Kaushalya Yojana):** Targets rural BPL youth with residential training and guaranteed placement. Implemented through ORMAS in Odisha. NGO role: implementation partner; realistic information sessions; post-placement mentoring; community outreach in remote tribal blocks.

**Odisha Skill Development Authority (OSDA) — PLTP:** Placement Linked Training Programmes with committed employer partners. NGO role: employer liaison; community mobilisation; placement support; retention tracking.

**Recognition of Prior Learning (RPL):** NSQF-aligned certification of existing informal skills. NGO role: community awareness; documentation support for assessment; linking RPL-certified workers to premium markets for their skills.

**Jan Shikshan Sansthan (JSS):** Non-formal vocational training for neo-literates and school dropouts, with curriculum flexibility including in tribal languages. NGO role: JSS programme support and quality monitoring; curriculum development for tribal contexts.

**CMEGP (Chief Minister Employment Generation Programme):** Entrepreneurship and self-employment support. NGO role: application facilitation; business development

mentoring; market linkage for new enterprises.

**PM Vishwakarma:** Recognition and credit support for traditional artisans. NGO role: enrolment facilitation; documenting existing skills for certification.

**Aspirational Districts Programme (Niti Aayog):** Enhanced resource allocation for India's most deprived districts, many of which are in Odisha. Skill development is a key component. NGO role: technical assistance to district administrations; programme quality monitoring; community outreach.

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## Part Six: Further Reading

### Vocational Training Evidence:

- *Can Information About Jobs Improve the Effectiveness of Vocational Training?* — Chakravorty et al., *Journal of Development Economics* (2024): The landmark RCT showing that realistic job information sessions produce 18% better retention. Directly applicable to Odisha.
- *Taking Stock of Vocational Training Evidence in Developing Countries* — McKenzie, World Bank (2017): The most comprehensive review of what works and what doesn't in vocational training. Essential honest baseline.
- *PMKVY Impact Evaluation* — Sambodhi Research for MSDE (2020): The primary evidence base on PMKVY outcomes — including the 15% income premium for certified graduates and its limitations.

### Tribal Youth:

- *Participation Among Tribal Youths of India in Vocational Training Measures: A Systematic Review* — Biswal, Sahoo and Mishra, *Evaluation and Program Planning* (2024): The most current and specific review of what prevents tribal youth from benefiting from vocational training, and what can be done.

### Odisha Context:

- *Odisha Skill Development Project: Social Monitoring Reports — ADB (2023–24)*: Documents actual implementation experience including inclusion outcomes. Specific, practical, and honest about both achievements and gaps.
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## **A Final Note: Beyond the Certificate**

The certificate is not the point. The income is the point. The ability to live a dignified life without exploitative migration, without seasonal hunger, without the choice between education and earning — that is the point.

Odisha's skill development system has been good at producing certificates. It has been significantly less good at producing employment outcomes that change the trajectory of young people's lives — particularly for the tribal youth in Malkangiri and Nabarangpur and Nuapada who need it most.

The evidence on what works is available. Demand-driven training with real employer commitment. Honest pre-training information. Post-placement mentoring. Recognition of existing skills. Local market connection over migration placements. Self-employment support alongside formal job placement.

These are not expensive innovations. They are design choices. NGOs and CSR partners that insist on these design choices — that measure six-month retention, not just completion and placement; that demand employer commitment before training begins; that build in honest information sessions; that track tribal and female inclusion not just in enrolment but in employment outcomes — are the ones producing the skill development outcomes that the data shows are possible.

The young woman from Nuapada who went home rather than to Hyderabad is not a programme failure. She was a rational person who made a rational decision when she understood the reality of what was being offered. The failure was the gap between the programme's assumptions and her actual life. Closing that gap is the work.

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### **Related Knowledge Commons:**

- Practice Note: Demand-Driven Skill Training — The Employer Partnership Model
- Practice Note: Recognition of Prior Learning for Tribal Communities
- Practice Note: Blue Economy Skills for Odisha's Coastal Communities
- Org Spotlight: Tata Strive — Post-Placement Support That Changes Retention
- Org Spotlight: Pratham — Vocational Learning Built on Existing Knowledge
- Sector Primer: Agriculture & Markets (Sector 09) — Traditional skill recognition
- Sector Primer: Culture & Heritage (Sector 05) — Artisan skill development

**Schemes Referenced:** PMKVY · DDU-GKY · OSDA PLTP · RPL · Jan Shikshan Sansthan · CMEGP · PM Vishwakarma · Aspirational Districts Programme

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