

City Economic & Employment

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Introduction

The rapid pace of urbanization in India presents both opportunities and challenges. With nearly 40% of India's population expected to reside in urban areas by 2030, issues such as youth unemployment, skill mismatch, and declining traditional livelihoods demand urgent attention. The Government of India, through the Smart Cities Mission (SCM), has attempted to address these challenges by establishing Skill Development Centres (SDCs) aimed at creating a skilled, future-ready urban workforce. This study, conducted by the National Council of Applied Economic Research (NCAER) under the SAAR initiative of the Ministry of Housing and Urban Affairs (MoHUA), examines whether these SDCs are effectively enhancing employability in Indian smart cities. It explores the impact of such interventions in selected cities and assesses their ability to align with contemporary labour market needs.

Objectives

The study sought to determine whether skilling centres in smart cities were meeting their intended goals by evaluating their relevance, effectiveness, sustainability, and alignment with industry demands. It also aimed to identify the challenges they face in delivering practical, certified, and inclusive training.

Key Findings

- The study found that skill development interventions under the Smart Cities Mission, though varied across cities, have made a tangible difference in improving the livelihoods and productivity of urban youth, especially among women and marginalized groups.
- In Agra, traditional artisans engaged in crafts like zardosi embroidery and marble inlay were introduced to new markets and trained in business literacy, enabling them to diversify their products and incomes.
- In Pune, the focus was on digital infrastructure in smart schools and hospitals, where the adoption of platforms such as Digital Learning Systems and Health Management Information Systems demonstrated the integration of technology into public services.
- Tirupati's model was unique, introducing digital design and 3D printing to its handicraft sector, transforming it into a modern entrepreneurial space.
- However, these successes were tempered by several structural shortcomings. Many centres lacked formal certification for their courses, which limited job placements and professional credibility. Industry linkages were weak or absent, resulting in minimal internship or employment opportunities for trainees. Centres also faced infrastructural deficiencies, with outdated equipment, limited digital tools, and an insufficient number of qualified, full-time trainers.

- The absence of structured marketing and outreach meant that skilled individuals, especially artisans, struggled to monetize their work or access formal markets.
- Additionally, a lack of uniform monitoring and evaluation mechanisms led to uneven implementation across states and cities.

Conclusion

The NCAER report illustrates that while smart city skilling centres have begun to make a meaningful impact, particularly by linking traditional and modern livelihoods, their full potential remains unrealized. With focused reforms in certification, infrastructure, and private sector engagement, these centres can serve as powerful catalysts for inclusive urban growth and employment transformation in India's evolving cities.

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