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PM-VBRY

Building India's Human Capital

The Pradhan Mantri Viksit Bharat Rozgar Yojana seeks to bridge the gap between skills and employment by making industry a key partner in creating formal jobs and strengthening India's demographic dividend



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India's journey towards becoming a developed nation will depend on our ability to harness the full potential of our human capital

India's greatest strength today is not its market size, its digital infrastructure, or even its rapidly growing economy. It is its people.

Every month, thousands of young Indians step out of classrooms, training centres and colleges carrying aspirations that extend far beyond securing a job. They seek dignity, financial independence, opportunities for growth and a chance to contribute meaningfully to the nation's progress. Whether India's demographic advantage becomes a lasting economic dividend will depend on how successfully we create pathways for these aspirations to translate into productive employment.

As India advances towards the vision of Viksit Bharat @2047, the challenge before us is no longer merely creating skills. It is creating opportunities where those skills can be productively utilised. This is precisely where the Pradhan Mantri Viksit Bharat Rozgar Yojana (PM-VBRY) marks an important shift in thinking.

Backed by an outlay of nearly Rs 1 lakh crore, PM-VBRY is not just another employment programme. It is a recognition that sustainable job creation cannot happen through government intervention alone. Employers must become active participants in building India's human capital. The scheme creates a framework where government and industry work together towards a shared objective: generating formal employment at scale.

For industry, this is more than a policy incentive. It is an invitation to become a partner in one of the most important nation-building exercises of our time.

Moving from Training to Employment

India has invested heavily in skill development over the last decade. Millions of young people have received vocational training, technical certifications and professional qualifications. Yet



With an outlay of nearly Rs 1 lakh crore, PM-VBRY marks a shift from training-centric policymaking to employment-led growth

many employers continue to report shortages of job-ready talent, while young job seekers often struggle to find opportunities that match their skills. This disconnect highlights a simple reality. Skills have value only when they are linked to employment.

PM-VBRY addresses this challenge by shifting the focus from training alone to employment outcomes, placing employers at the centre of workforce development. By aligning workforce development with actual market demand, PM-VBRY creates a stronger bridge between learning and livelihood.

Supporting Young Indians at the Start of Their Careers

The transition from education to employment is often the most uncertain phase in a young person's life. Many first-time workers face financial pressures, relocation expenses and the challenge of adapting to formal workplaces.

Recognising these realities, PM-VBRY provides direct support to first-time employees earning up to Rs 1 lakh per month. Eligible workers receive financial assistance of up to Rs 15,000 through Direct Benefit Transfer, along with mandatory financial literacy training. For many young workers, particularly those entering the formal workforce for the

first time, this support serves as a confidence booster. It reinforces the value of formal employment and encourages long-term participation in the organised economy.

At a broader level, it helps strengthen workforce retention during the crucial early stages of employment, benefiting both employees and employers.

Making Job Creation Easier for Employers

While discussions on employment often focus on job seekers, businesses also face challenges when expanding their workforce. Recruitment, onboarding, compliance requirements and initial training involve significant investments. For many enterprises, especially smaller firms, these costs can act as barriers to hiring.

PM-VBRY addresses this concern by sharing part of the burden with employers. The scheme offers wage-linked incentives of up to Rs 3,000 per month for every additional employee hired and retained beyond a specified period. By reducing the cost of creating net new jobs, the government effectively becomes a partner in workforce expansion. This approach reflects a deeper understanding of how employment is generated in the real economy. By lowering hiring costs, PM-VBRY encourages enterprises to expand their

formal workforce with greater confidence, while simultaneously aligning business growth with national development objectives.

A Strategic Push for Manufacturing

One of the most noteworthy features of PM-VBRY is its emphasis on manufacturing. India's aspiration to become a global manufacturing hub requires large-scale employment generation. The scheme provides a special incentive by extending employer support for manufacturing establishments from two years to four years. This additional support is more than a financial concession. It reflects a strategic commitment to strengthening India's industrial ecosystem.

Manufacturing jobs often create ripple effects throughout the economy. A single factory job generates demand for logistics, transportation, maintenance services, local commerce and numerous ancillary activities. The employment impact extends far beyond the factory gate. Moreover, the extended support period enables employers to invest more confidently in structured on-the-job training programmes. Young workers gain practical exposure, industry experience and career pathways that classroom learning alone cannot provide.

Driving Inclusive Growth Through Formalisation

The true success of India's growth story will ultimately be measured by how many people are able to participate in it. One of the most encouraging aspects of PM-VBRY is its potential to deepen formalisation and broaden economic inclusion.

The scheme leverages existing digital infrastructure, including Employees' Provident Fund Organisation (EPFO) systems, Aadhaar-linked accounts and digital compliance mechanisms, making participation simple and transparent. Benefits flow automatically through regular

employer filings, reducing administrative burdens and minimising delays.

Importantly, the scheme is designed to include small and medium enterprises alongside larger corporations. Even businesses with relatively small workforces can qualify for incentives by creating a modest number of additional jobs. This design ensures that employment growth is not concentrated only in major metropolitan centres or large enterprises. It creates opportunities across regions, industries and enterprise sizes.

For young workers, formal employment means much more than a monthly salary. It brings access to social security, provident fund benefits, insurance protection and long-term financial stability. In that sense, PM-VBRY is not merely creating jobs, but ensuring economic security.

A Partnership for Viksit Bharat

India's journey towards becoming a developed nation will depend on our ability to harness the full potential of our human capital. Governments can provide policy direction and financial support. Industry can provide jobs, training and workplace opportunities. Neither can succeed fully without the other.

PM-VBRY represents an important acknowledgement of this reality. It places employer participation at the heart of workforce development and recognises that employment generation is a shared responsibility.

India's demographic dividend is often described as a once-in-a-generation opportunity. PM-VBRY provides the framework to convert that opportunity into tangible outcomes. If government and industry continue to work together with the same sense of purpose, we can build not only a larger economy, but a more skilled, more confident and more prosperous India.

Views expressed are personal