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? Reimagining India's Skilling Ecosystem: Bridging Education, Employability and Employment for Viksit Bharat

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Recent Developments:

- **NITI Aayog** released *Reimagining Skilling for Viksit Bharat@2047* in August 2026, proposing a systemic transformation of India's skilling architecture to make learning, employment and career progression more closely connected.
- The report notes that India has trained more than **7.67 crore individuals since 2014-15**, while the Union Budget for FY 2025-26 allocated about **₹34,000 crore** across Central Ministries for skilling-related expenditure; however, employment outcomes remain uneven.
- The central concern is the persistent **education–employment mismatch**, reflected in educated unemployment, underemployment, generic degrees with weak job linkages and inadequate practical exposure.
- NITI Aayog advocates **industry-linked education, apprenticeships, work-integrated learning, skills-first hiring and outcome-based financing** as major pillars of the reformed ecosystem.

Education–Employment Mismatch:

Scale and Nature of the Problem:

- The **Economic Survey 2024-25** indicates that only **8.25% of graduates** are employed in high-competency occupations corresponding to their qualification, while **50.30% of graduates** are employed in semi-skilled occupations.
- Graduate unemployment is around **13%**, while unemployment among graduate women reaches **20.4%**, compared with a national unemployment rate of **3.2%**, indicating the severity of educated unemployment.
- India has a large concentration in generic undergraduate programmes; of approximately **3.4 crore undergraduate students**, around **1.13 crore** are enrolled in B.A., while combined enrolment in B.A., B.Sc. and B.Com exceeds **2 crore**.
- The **State of Working India** evidence also shows persistent educated unemployment among younger graduates, demonstrating that additional years of education do not automatically ensure labour-market integration.
- This represents **credential inflation**, where educational qualifications expand faster than the availability of jobs requiring corresponding competencies.

Why Degrees Are Not Translating into Employability:

- Higher education curricula often remain **theoretical, outdated and insufficiently connected with industry requirements**, creating a gap between academic credentials and workplace competencies.
- Students and families frequently lack reliable **labour-market information**, making educational and career choices without adequate knowledge of emerging occupations, wages and skill requirements.

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- Limited internships, apprenticeships, practical projects and workplace exposure weaken **job readiness** even among formally qualified graduates.
- The preference for conventional degrees is reinforced by social prestige, family expectations and the perception that vocational education offers lower social status.

NEET Youth and the Information Gap:

NEET as a Distinct Policy Challenge:

- NITI Aayog estimates around **8.7 crore people aged 15–29** in the NEET category, representing approximately **11% of the population outside the labour force**.
- **NEET (Not in Education, Employment or Training)** should not automatically be equated with unemployment because the category includes individuals who are not participating in education, employment or training and may not be actively seeking work.
- The distinction is important for policymaking because **unemployment**, labour-force participation and NEET status represent different labour-market conditions.

Information and Access Barriers:

- Lack of awareness about available training programmes is a major barrier to participation, particularly among women, youth and informal workers.
- High training costs, opportunity costs of leaving work, geographical constraints and limited access to quality institutions further reduce participation.
- For women, **care responsibilities, safety, mobility, flexible schedules and childcare constraints** create additional barriers to acquiring market-relevant skills.
- Therefore, improving skilling requires not only more training capacity but also **career counselling, financial support, flexible delivery and credible information systems**.

Social Stigma and Degree-Centric Education:

Preference for Conventional Degrees:

- Vocational pathways such as **ITIs, polytechnics, diplomas and apprenticeships** continue to face a perception problem because many families associate conventional degrees with higher social status and career security.
- Career decisions are influenced by examination performance, family preferences, perceived prestige, cost, limited awareness of alternatives and insufficient visibility of successful vocational careers.
- This produces a **degree-centric education culture**, even where specialised vocational pathways may provide faster entry into productive employment.

Consequences of the Degree-Centric Model:

- Excessive dependence on generic degrees can increase **educated unemployment and underemployment** when curricula are not linked to labour-market demand.
- It can also increase the financial and opportunity costs borne by families without guaranteeing corresponding improvements in earnings.
- The policy objective should therefore be to establish **parity of esteem between academic, vocational and work-based learning pathways**.

Economic Returns from Skilling:

Wage and Productivity Benefits:

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- NITI Aayog cites BCG evidence indicating that a generic undergraduate without additional skilling earns approximately **₹22,000 per month** at the starting level, compared with about **₹29,000** for a similarly qualified graduate with additional skilling.
- The reported initial difference of **₹7,000 per month** can generate a substantial cumulative income advantage over a decade when earnings growth is considered.
- Thus, skilling is not merely an employment intervention; it can improve **worker productivity, lifetime earnings, social mobility and household economic security**.

Structural Weaknesses in India's Skilling Architecture:

Input-Based Measurement:

- Many programmes have historically emphasised **enrolment, training completion and certification**, whereas the more meaningful indicators are placement, wage gains, job retention, career progression and sustainable self-employment.
- Training without verified employment outcomes can result in **certificate accumulation without employability improvement**.
- Public expenditure should therefore increasingly be linked to measurable outcomes rather than merely the number of persons trained.

Fragmented and Inflexible Delivery:

- India's skilling ecosystem involves multiple institutions, ministries, training providers and programmes, creating coordination and information gaps.
- Existing pathways often provide limited flexibility for individuals who need to **learn while earning**, change occupations or move between vocational and academic education.
- Greater adoption of the **National Credit Framework (NCrF)** can improve mobility and recognition across education, skilling and employment pathways.

NITI Aayog's Policy Roadmap:

Industry-Linked Higher Education:

- Generic degrees should increasingly be redesigned into **applied and specialised programmes**, such as B.A. Hospitality, B.Sc. Applied Technology and B.Com. Analytics.
- Curricula should be periodically updated through **industry participation, occupational standards, internships and practical projects**.
- Higher education institutions should be encouraged to develop programmes according to regional and emerging labour-market demand.

Apprenticeships and Work-Based Learning:

- **Apprenticeship Embedded Degree Programmes (AEDP)** and **Work-Integrated Degree Programmes (WIDP)** can combine academic learning with structured workplace experience.
- Apprenticeships should become a mainstream pathway rather than being treated as an alternative only for students outside conventional higher education.
- Industry participation can improve the transition from **education to employment** by allowing students to acquire practical competencies before graduation.

Future-Oriented and Transition Skills:

- Skilling should prioritise **green industries, electric vehicles, emerging technologies, advanced manufacturing and other sunrise sectors**.

- Workers affected by automation, technological disruption or structural decline in sectors such as traditional automotive manufacturing and mining require **reskilling, redeployment support and transitional income protection**.
- Lifelong learning should become an integral part of the labour market because technological change continuously alters occupational skill requirements.

Strengthening ITIs and Skilling Infrastructure:

- ITIs and polytechnics require greater **academic and administrative autonomy** to modify trades, curricula, trainer recruitment and procurement according to local industry requirements.
- NITI Aayog proposes **PPP-based skilling universities and skilling hubs** within existing public institutions to expand quality infrastructure.
- Industry partnerships should support curriculum redesign, equipment modernisation, apprenticeship pathways and outcome-linked financing.

Way Forward:

Building an Outcome-Oriented Skilling Ecosystem:

- India should shift from a **training-centric model to an outcome-centric model** in which employment, wage progression, career mobility and sustainable livelihoods become the principal indicators of success.
- **Skills-first hiring** should complement degree-based recruitment so that demonstrable competencies receive greater recognition.
- A stronger **National Career Outcome Repository**, digital skill records and verified work portfolios can improve transparency between learners and employers.
- Flexible skill vouchers, scholarships and financing mechanisms can reduce affordability barriers for disadvantaged learners.
- Schools should introduce **General Employability and Entrepreneurship Skills** early, covering communication, digital skills, financial literacy, problem-solving, teamwork and entrepreneurship.

Conclusion:

- India's skilling challenge is fundamentally an **ecosystem problem**, not merely a shortage of training programmes.
- The transition towards **Viksit Bharat@2047** requires education, skills and employment policies to operate as interconnected components of human-capital development.
- A successful model should enable individuals to **learn, earn, reskill and progress throughout their working lives** through flexible and portable pathways.
- The ultimate objective should be a demand-driven, industry-backed and outcome-linked ecosystem where **degrees represent relevant capabilities rather than credentials alone**.

Value Addition for UPSC:

Key Concepts:

- **Educated Unemployment:** Unemployment among individuals possessing relatively higher educational qualifications.
- **Credential Inflation:** Expansion of educational qualifications without a proportionate increase in jobs requiring those qualifications.
- **Skill–Job Mismatch:** Divergence between workers' competencies or qualifications and the requirements of their occupations.
- **Outcome-Based Financing:** Linking public or institutional funding with measurable employment, wage and career outcomes.

- **Lifelong Learning:** Continuous acquisition and renewal of skills throughout an individual's working life.

Relevant Constitutional and Policy Linkages:

- **Article 21A:** Establishes the right to education for children aged 6–14 years.
- **Article 41:** Directs the State to make effective provision for the right to work and education within its economic capacity.
- **Article 43:** Emphasises living wages and conditions ensuring a decent standard of life for workers.
- **NEP 2020:** Promotes vocational education, multidisciplinary learning and greater integration of academic and vocational pathways.
- **SDG 4:** Promotes inclusive and equitable quality education and lifelong learning opportunities.
- **SDG 8:** Promotes decent work, productive employment and inclusive economic growth.