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'Generic degrees' like BA, B.Sc, B.Com have 'weak job linkages', need reforms: NITI Aayog

Over 90% of graduates employed in roles not aligned with their qualifications

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Educated unemployment in the country remains high, with 13% among all graduates and 20.4% of graduate women unemployed, far above the national unemployment rate of 3.2%, it said.

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AMID A renewed push to tweak the skilling architecture in the country, NITI Aayog has flagged that

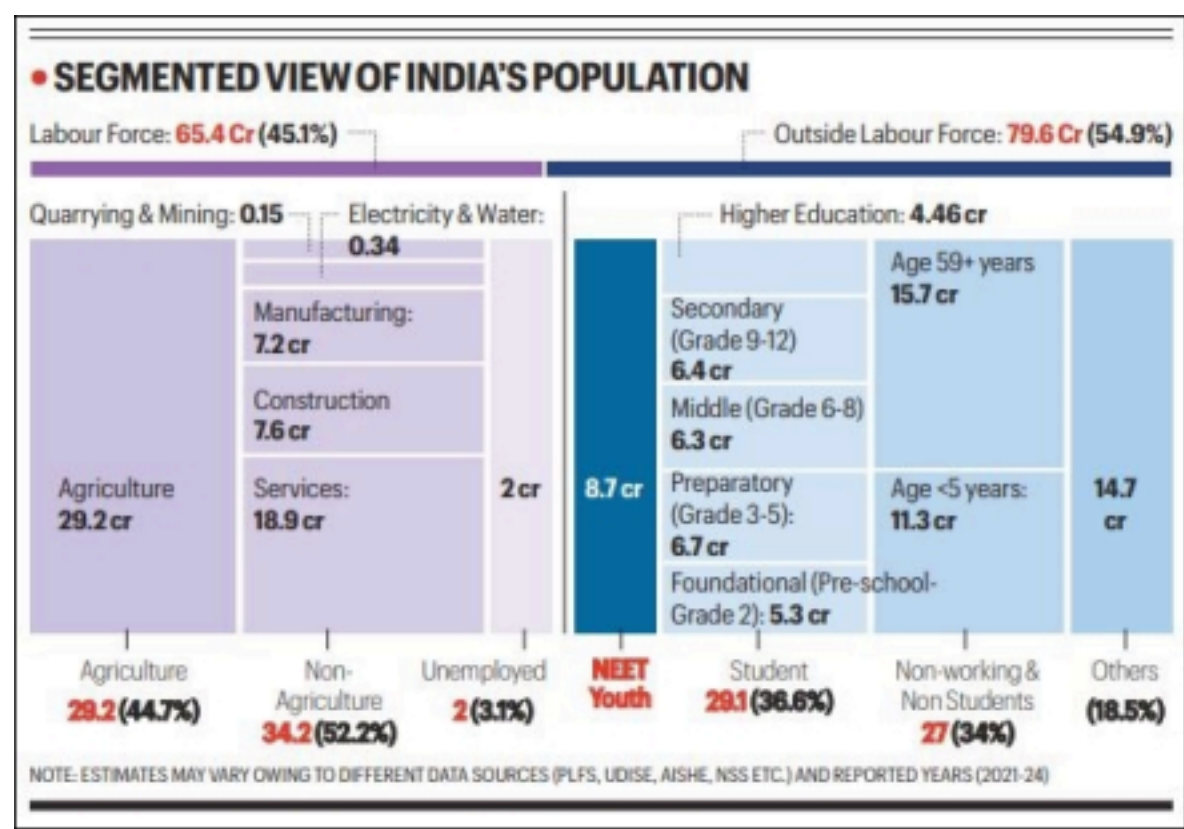
unemployment among graduates remains much higher than the national average, and over-reliance on

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generic degrees such as BA, B.Sc, and B.Com, which seldom lead to direct jobs, is contributing to the problem.

Making the case for moving towards specialised, job-linked programmes in high-growth sectors such as green industries, electric vehicles, and greater focus on apprenticeships, the think tank said that over 90% of graduates in India are employed in roles not aligned with their qualifications.

“India’s higher and technical education system faces a fundamental disconnect between what is taught and what the labour market demands. Curricula in most institutions remain outdated and misaligned with evolving industry needs, resulting in degrees, diplomas and certificates that do not consistently translate into employability,” the NITI Aayog said in a report titled ‘Reimagining Skilling for Viksit Bharat’ released on Saturday. Citing data from the Economic Survey 2024-25, it said, “Only 8.25% of graduates are employed in roles aligned to their qualifications.”



Educated unemployment in the country remains high, with 13% among all graduates and 20.4% of graduate women unemployed, far above the national unemployment rate of 3.2%, it said. Compounding this is the overwhelming inclination toward generic degree programmes with weak job linkages, NITI Aayog said. “Of the 3.4 crore students enrolled in undergraduate programmes, 1.13 crore are in B.A. alone, and combined enrollment in B.A., B.Sc., and B.Com exceeds 2 crore,” the report said.

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In the report, the NITI Aayog also said that 8.7 crore individuals (11% of the population outside the labour force) aged between 15 and 29 fall under the NEET category (Not in Education, Employment or Training). Subsequently, in a clarification issued Tuesday, the Aayog said “the category of NEET in the report refers to those not seeking employment...therefore, it cannot be read as a measure of joblessness or as an addition to the unemployment rate. The unemployed represent an entirely separate category, drawn from a different population base than that used for the NEET estimate.”

Finance Minister Nirmala Sitharaman, in an interview with The Indian Express on August 17, had also said that the Indian education system produced certified or degree-holding youngsters, but they were not ready yet to handle themselves, either as an employee or to start off something. “That’s the fix we need,” she had said.

Higher unemployment among educated youth was also flagged in the State of Working India report by Azim Premji University released earlier this year. The report showed that unemployment among graduates below the age of 25 rose from 35% in 1983 to 39% in 2023, and unemployment among graduates between the ages of 25 and 29 also rose from 12% in 1983 to 20% in 2023.

Social stigma around skilling courses

The NITI Aayog said that vocational skilling and alternative educational pathways in India suffer from a deep-seated social stigma that actively discourages youth from pursuing technical training, Industrial Training Institutes (ITIs) and diploma programmes, which are widely perceived by parents, peers, and students as low-trust or “second-tier” pathways.

decisions are often shaped by constraints such as examination scores, family preferences, or the perceived cost of investing in additional skills, rather than by aptitude, interests, or long-term career possibilities. In the absence of visible success stories from similar socio-economic backgrounds, vocational pathways remain undervalued from the outset," the report said.

Pointing out how information gap about the right courses and training programmes plays a major role in aggravating these challenges for youth, the think tank said that about 47% of women, 43% of the youth are NEETs and 36% of higher-education students, 52% of formal workers and 55% of informal workers do not pursue skilling, citing lack of awareness of the right programmes as one of the top three reasons for it.

Salary gap due to lack of skilling

Salary data from Boston Consulting Group (BCG's) Higher Education Survey, cited in the NITI report, shows that individuals pursuing a generic undergraduate degree without skilling earn an average starting salary of Rs 22,000 per month, with annual growth of 3.2%, compared to Rs 29,000 per month at the same growth rate for a generic undergraduate with skilling.

"Over time, this difference compounds. This Rs 7,000 per month difference in the starting salary between those who pursued skilling and those who didn't for generic degree undergraduates can compound to a total income difference of Rs 9.7 lakh over a period of 10 years. Yet information on these returns rarely reaches learners when choices are being made," the report said.

For women in particular, these constraints are intensified by concerns around trust, social permission, safety, time availability, and uncertainty about employment outcomes. Even where the desire to work or upskill exists, trusted support systems are often missing, the report said.

Gaps in existing infrastructure

NITI Aayog flagged that a core limitation of many existing skilling programmes is weak outcome orientation. Programmes often prioritise enrolment and completion over placement, progression, or income outcomes, while delivery formats remain inflexible and poorly aligned to the needs of different learner segments. As a result, pathways into in-demand jobs remain weak, and participation remains limited, the report said.

“Awareness of government schemes, apprenticeships, and scholarships remains low, including initiatives such as Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), and the PM Internship Scheme, making it harder for people to make informed

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choices. Ironically, the people who stand to gain the most from the skilling pathways are frequently the least connected to trusted information channels that would help them navigate these options,” it said.

Policy solutions needed

NITI Aayog said that going forward, standalone skilling programmes need to shift decisively from top down, supply-driven offerings to demand-driven, outcome-linked and industry-backed models. The report said that general employability and entrepreneurship skilling need to be done at scale, covering digital literacy, financial literacy and workplace readiness.

Focus is needed on strategic reskilling for sectors and roles facing structural decline or technological disruption, such as segments of mining or traditional automotive manufacturing, where skilling interventions may need to be complemented with transitional income or unemployment support to enable successful redeployment.

The report flagged the need to redesign generic university courses (B.A., B.Sc., B.Com.) into industry aligned applied specialisations, such as B.A. Hospitality, B.Sc. Applied Technology, and B.Com. Analytics; scale Apprenticeship Embedded Degree Programmes (AEDP) and Work-Integrated Degree Programmes (WIDP)

“Establish greenfield PPP skilling universities (like the World Skill Center in Odisha), place dedicated PPP skilling hubs inside existing public campuses, and implement brownfield college reforms partnering with industry to co-design academic tracks Provide academic autonomy (to update trade offerings and courses based on local demand) and administrative autonomy (to contract trainers and simplify tool procurement) to ITIs under robust PPP governance frameworks,” the report said.

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