

India Skills Report 2026

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Introduction

The India Skills Report 2026 offers a comprehensive outlook on the employability landscape in India, focusing on the skill preparedness of youth and the hiring requirements of industries. It is produced collaboratively by Wheebox, CII, Taggd, AICTE, and various academic partners. The report is recognized for profiling employability across sectors, states, and gender segments, while providing actionable insights for policymakers, training institutions, and employers.

Methodology

The report draws on the annual Wheebox National Employability Test, surveying over half a million students and thousands of employers. The methodology emphasizes quantitative skill profiling, labour demand projection, and sector-specific analysis, supplemented by interviews and case studies.

Key Findings

National Employability and Skill Levels

- Employability rates saw marginal improvement, with less than half of test-takers deemed employable for the fastest-growing sectors.
- Significant disparities persist by region, gender, and educational background.
- States such as Maharashtra, Tamil Nadu, and Uttar Pradesh continue to demonstrate higher employability scores.
- Women's employability continues to lag but is rising steadily due to targeted skilling programs.
- The top sectors for employability in 2026 are IT/ITES, BFSI, Engineering, Retail, Healthcare, and Logistics.

Youth in NEET Status

- Despite skilling initiatives, a large proportion of youth remain in the NEET (Not in Employment, Education or Training) category.
- NEET rates are highest among rural populations and women.
- The report highlights barriers such as lack of access to quality education, gender bias, skill mismatch, and regional economic disparities.

Demand-Supply Skill Gaps

- Demand for advanced digital skills (AI, data analytics, cybersecurity) is accelerating, outpacing supply.
- Soft skills (communication, critical thinking, adaptability) are reported as insufficient among graduates.
- Employers express concern over job-readiness, prompting increased investment in on-the-job training.

WHICH DOMAIN HAVE MORE EMPLOYABLE TALENT

2020 - 2026

| DOMAIN | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|-------------|------|-------|-------|-------|-------|-------|-------|
| MBA | 54 | 46.59 | 55.09 | 60.1 | 71.16 | 78 | 72.76 |
| B.E/B.Tech | 49 | 46.82 | 55.15 | 57.44 | 64.67 | 71.50 | 70.15 |
| MCA | 25 | 22.42 | 29.3 | 30.64 | 64.63 | 71 | 68.25 |
| B.Com | 47 | 40.3 | 42.62 | 60.62 | 48.12 | 55 | 62.81 |
| B.Sc | 34 | 30.34 | 38.06 | 37.69 | 51.27 | 58 | 61.00 |
| B.Pharma | 45 | 37.24 | 44.63 | 57.51 | 54 | 56 | 58.00 |
| B.Arts | 48 | 42.72 | 44.2 | 49.2 | 47.11 | 54 | 55.55 |
| ITI | NA | NA | 31.3 | 34.2 | 40 | 41 | 45.95 |
| Polytechnic | 32 | 25.0 | 21.42 | 27.61 | 22.37 | 29 | 32.92 |

Policy Areas and Recommendations

1. Early Profiling and Career Guidance

- ISR recommends robust systems for assessment of skill levels and career interests starting at school level.
- Digital profiling platforms and career counselling are suggested for bridging awareness gaps.

2. Outreach and Inclusion Measures

- Expansion of skilling programs targeting marginalized groups (rural youth, women, Persons with Disabilities).
- Collaboration with NGOs, community centers, and digital platforms for last-mile delivery.

3. Reintegration Strategies

- Second-chance learning opportunities and flexible skill certification, especially for dropouts and youth in NEET status.
- Incentives for workplace internship, apprenticeship, and upskilling partnerships.

4. Bridging the Employability-Industry Divide

- Promote industry-academia collaboration on curriculum design and employability standards.
- Encourage sector-specific skill development aligned with emerging job areas (e.g., green jobs, digital transformation).
- Sector Skill Councils to take leadership in rapid curriculum revision and certification.

5. Integrated Policy Approaches

- Adoption of multi-stakeholder models—modelled on EU Youth Guarantee—offering coordinated employment or training within defined periods.
- Contextual adaptation for regional realities (state-level targets, local industry requirements).
- Funding and monitoring mechanisms to ensure sustained impact.

Data Highlights

- **Top Employable States:** Maharashtra, Tamil Nadu, Uttar Pradesh.
- **Fastest Growing Sectors:** IT/ITES, Banking & Finance, Engineering, Healthcare.
- **Skill Demand Ranking:** Digital skills, Analytical skills, Soft skills.
- **Women's Employability:** Improved but still 18% below men in most sectors.
- **Regional Disparities:** NEET rates up to 35% higher in rural regions.

Conclusion

The report stresses the need for comprehensive, data-driven, and inclusive skilling strategies, with special attention to NEET reduction, gender inclusion, and alignment of education with industry needs. Beyond singular interventions, holistic policy packages involving early intervention, outreach, reintegration, and collaborative governance are essential for India's demographic dividend to translate into sustainable economic progress.

Read More: [India Skills Report 2026](#)

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