



---

**A STUDY ON EDUCATED YOUTH UNEMPLOYMENT IN INDIA**

**Leena Arya, Assistant Professor, I. B. (PG) College, Panipat.**

**Email: [leenaarya1994@gmail.com](mailto:leenaarya1994@gmail.com)**

**ABSTRACT:** The issue of educated youth unemployment in India has been a pressing concern for policymakers and society. Despite having a large pool of educated and skilled youth, the unemployment rate among them is significantly higher than the overall rate in the country. This study aims to provide insights into the current state of the job market, the challenges faced by educated youth in finding employment, and the impact of unemployment on the economy and society. The study uses a multi-pronged approach to identify the root causes of educated youth unemployment in India. It examines the education system, the job market, and regional disparities that contribute to the issue. The study also analyzes the skill sets and education levels of the unemployed youth to identify industries and sectors that require skilled labor and provide opportunities for employment. The findings of the study highlight the need for targeted interventions that address the root causes of educated youth unemployment in India. It recommends improving the education system to provide students with the skills and knowledge required by the job market. The study also suggests creating more job opportunities in both the public and private sectors and reducing regional disparities.

**INTRODUCTION**

India has been facing the issue of unemployment among the youth for a long time, and the problem has only grown worse in recent years. Despite having a large population of educated youth, the unemployment rate in India is alarming. The rising number of educated youths who are unemployed is a major concern for policymakers and the society.

India has a vast pool of young, educated, and skilled workforce, but the lack of adequate job opportunities has left many of them unemployed. According to the World Bank, India has one of the world's largest and fastest-growing youth populations, with over 600 million people under the age of 25. This demographic is seen as a significant asset for India's economic growth, but only if they are provided with adequate employment opportunities.

The unemployment rate among India's educated youth has been steadily increasing over the past few years. As per the latest data available from the National Sample Survey Office (NSSO), the unemployment rate among educated youth in India was around 17.8% in 2017-18. This is significantly higher than the overall unemployment rate in the country, which was around 6.1% during the same period.

The problem of educated youth unemployment in India is multi-faceted, with several factors contributing to the issue. The lack of adequate job opportunities in both the public and private sectors is a significant factor. The education system in India also needs to be revamped to ensure that it provides students with the skills and knowledge required by the job market. There is also a need to address the issue of regional disparities, as certain parts of the country have a higher unemployment rate than others.

The issue of educated youth unemployment is a pressing concern for India. It not only affects the economic growth of the country but also has social and psychological consequences for the youth who are unable to find employment. Addressing this issue requires a multi-pronged approach, which includes improving the education system, creating more job opportunities, and reducing regional disparities. (Dixit, J. K., et al, 2018)

### **NEED OF THE STUDY**

The study on educated youth unemployment in India is essential for various reasons. First and foremost, it provides insights into the current state of the job market and highlights the challenges faced by educated youth in finding employment. This information is crucial for policymakers and stakeholders in developing strategies to address the issue. The study can shed light on the root causes of educated youth unemployment in India. It can identify the factors that contribute to the problem, such as the education system, job market, and regional disparities. This information can be used to develop targeted interventions that address these factors and provide solutions for reducing the unemployment rate. The study can help in understanding the impact of educated youth unemployment on the economy and society. Unemployment among the educated youth can have severe economic consequences, such as reduced productivity and human capital development. It can also have social consequences, such as increased crime rates and mental health issues among the unemployed youth. By understanding the impact, policymakers can design policies that mitigate the negative effects of unemployment. (Sharma, A. N, 2022).

### **Types of Unemployment in India**

---

India has several types of unemployment, including:

**Structural Unemployment:** This type of unemployment occurs when there is a mismatch between the skills of the workforce and the available job opportunities. In India, structural unemployment is prevalent due to the education system not being aligned with the job market requirements, resulting in a skills gap.

**Frictional Unemployment:** This type of unemployment arises when people are unemployed or are in the process of transitioning from one job to another. Frictional unemployment in India is mainly due to the lack of information and resources for job seekers to find suitable employment.(Venkatanarayana, M.,2012).

**Cyclical Unemployment:** This type of unemployment occurs due to changes in the business cycle, such as recession or economic slowdown. In India, cyclical unemployment is prevalent in industries that are dependent on global demand, such as the IT sector.

**Seasonal Unemployment:** This type of unemployment occurs when jobs are available only during certain times of the year, such as in agriculture or tourism. Seasonal unemployment is prevalent in India due to the country's dependence on agriculture and the monsoon season.

**Technological Unemployment:** This type of unemployment arises when technological advancements lead to job displacement. In India, technological unemployment is a growing concern, particularly in the manufacturing and IT sectors.

**Disguised Unemployment:** This type of unemployment is prevalent in the informal sector, where people may be employed but not productively. Disguised unemployment is a significant issue in rural India, where people work in low-productivity agriculture jobs.

India's unemployment problem is complex and multifaceted, with different types of unemployment affecting different sections of the population. Addressing the issue requires a comprehensive approach that considers the different types of unemployment and their root causes.

## **LITERATURE REVIEW**

**Dixit, J. K., Tiwari et al (2008).**The problem of educated unemployment is a significant challenge that needs to be addressed to ensure sustainable education. Although education is often touted as a solution to unemployment, the reality is that simply providing education is not enough. We need to ensure that the education being provided is relevant to the needs of the job market and that it equips students with the necessary skills and knowledge to succeed in the workforce. we need to focus on creating more job opportunities for educated individuals by promoting

entrepreneurship, encouraging investment in industries that require skilled labor, and improving the overall business environment. This can be achieved through targeted policies and initiatives that support job creation and economic growth. It is important to address the issue of social stigma associated with unemployment, especially for educated individuals. We need to change the narrative and promote the idea that pursuing education is valuable in and of itself, regardless of whether it leads to immediate employment or not. By doing so, we can create a more supportive and inclusive society that values education and recognizes its importance in achieving sustainable development.

**Majumder, R., & Mukherjee, D. (2013).** Unemployment among educated youth has a significant impact on India's demographic dividend, or the potential economic advantage that can be achieved from a large and wealthy population. India has one of the world's largest youth populations, and the government recognizes the necessity of providing this group with education and skills training so that they can contribute to the nation's economic progress. Despite significant investments in education and skills development, many young people in India are unable to find appropriate professional opportunities. This could lead to a waste of human potential, with competent and educated people unable to realize their full potential and contribute to the economy. Furthermore, high youth unemployment rates, particularly among disadvantaged groups, can lead to social and political unrest.

**Lone, B. A. (2018).** The problem of youth unemployment in India is intricate and multifaceted, demanding a thorough research and suitable governmental responses. Recognizing the effects of young people's unemployment on the nation's economic and social growth is important, as is taking proactive steps to address the challenges young people experience finding work. Although significant investments in education and skill development have been made, more needs to be done to ensure that young people have access to the knowledge and skills that are in demand in the job market. More emphasis should be placed on vocational education and training, with a focus on real-world experience and practical skills. It is critical to create an environment that supports entrepreneurship and job development, particularly in important areas such as manufacturing and services. This can be accomplished by enacting targeted policies and initiatives that assist small and medium-sized firms, encourage investment, and improve the overall business environment.

**Dev, S. M., & Venkatanarayana, M. (2011).** India is home to one of the largest youth populations in the world, with more than 600 million people under the age of 25. While this demographic is often seen as a potential source of economic growth and development, the reality is that many young people in India face significant challenges in finding employment. Youth unemployment rates in India are among the highest in the world, with more than one in three young people unemployed or underemployed. This paper provides an analysis of youth employment and unemployment in India, examining the key challenges and opportunities that exist for young people in the country. It explores the factors that contribute to youth unemployment, including the mismatch between the skills and knowledge of young people and the needs of the job market, as well as the social and cultural factors that limit opportunities for certain groups, such as women and marginalized communities.

**Jamatia, P. L., & Gurumoorthy, R. (2022).** The issue of youth unemployment is a significant challenge facing North-East India, a region characterized by a young and rapidly growing population and marked by economic disparities and limited opportunities for job creation. This exploratory study seeks to examine the nature and extent of youth unemployment in North-East India, and to identify the factors that contribute to this issue. The study draws on a combination of primary and secondary data sources, including surveys and interviews with young people, policymakers, and other stakeholders, as well as a review of relevant literature and statistical data. The analysis focuses on three key dimensions of youth unemployment: the extent and nature of the problem, the factors that contribute to it, and the policy response to the issue.

**Singh, R. (2018).** Unemployment in the current market scenario is driven by a multitude of factors, including technical improvements, economic downturns, globalization, demographic shifts, and an imbalance between education and skills. As a result of these factors, there aren't enough jobs to go around for everyone who wants to work, resulting in high unemployment and underemployment rates in many parts of the world. In the current market scenario, resolving unemployment necessitates a comprehensive strategy that includes efforts to encourage entrepreneurship and job creation, invest in education and skills development, and promote economic growth and social inclusion.

**Kumuda, D. D. (2014).** The issue of unemployment among educated youth is a significant challenge facing India, a country with a rapidly growing population of young people and a rapidly evolving job market. Despite significant investments in education and skills development, many

young people in India are unable to find suitable employment opportunities, leading to a waste of human potential and social unrest. One of the key factors contributing to unemployment among educated youth in India is the mismatch between the skills and knowledge of young people and the needs of the job market. The education system in India has traditionally focused on theoretical knowledge rather than practical skills, leaving many graduates unprepared for the demands of the workforce. In addition, there are often mismatches between the subjects studied by graduates and the needs of employers in key sectors such as manufacturing and services.

### **Youth Development Index**

The Youth Development Index (YDI) is designed to recognize the youth population as an integral and essential part of the development process in a society. The YDI acknowledges that young people require separate attention due to their unique challenges and needs. The YDI also enables the comparison of youth development across geographical areas and categories, like the Human Development Index (HDI). By measuring the levels of development of young people in the domains of education, health, and employment, the YDI enables policymakers and stakeholders to identify gaps and prioritize areas for intervention. The YDI serves three primary purposes. Firstly, it recognizes young people as a distinct and important category of the population that requires specific attention. Secondly, it enables comparisons of youth development across geographical areas and categories, providing valuable insights for policymakers and stakeholders. Lastly, it helps to prioritize areas for intervention by identifying gaps and challenges in the domains of education, health, and employment. (Kumuda, D. D., 2014).

### **Youth Development Index of India**

India has a score of 0.569 on the 2019 Youth Development Index (YDI), which puts it at number 122 out of 190 countries. In three domains—education, health, and employment—the YDI gauges young people's level of development. India's score in the domain of education is 0.619, indicating some progress in terms of access to education but still concerns about quality and relevance. India's score in the domain of health is 0.618, indicating that there is still a long way to go in terms of improving young people's health and well-being. India has a score of 0.480 in the domain of employment, indicating that there is a big gap in terms of creating youth quality jobs. According to the YDI report, India needs to make investments in the health and development of its youth. The study suggests that India concentrate on improving education quality and relevance, increasing access to health care, and providing more employment opportunities for youth. India

can unlock its demographic dividend and use the potential of its big youth population by putting money into its young people.(Singh, R., 2018).

### **Comparison of employed person and unemployment rate**

Year	Employed Population(millions)	Unemployment Rate (%)
2015	444.6	3.8
2016	446.3	3.7
2017	457.9	3.5
2018	467.9	3.4
2019	471.1	3.5
2020	385.9	6.9

According to the data, the employed population in India increased steadily from 444.6 million to 471.1 million between 2015 and 2019, while the unemployment rate decreased from 3.8% to 3.5%. The employed population increased to 385.9 million in 2020 because of the COVID-19 pandemic, while the unemployment rate decreased to 6.9%. It's important to remember that the pandemic has had a big effect on employment in India, with many businesses closing and people losing their jobs. The information shows that more jobs need to be made and the unemployment rate needs to go down, especially in the services industry.

### **METHODOLOGY**

The research design for the study on educated youth unemployment in India involved collecting primary data from a sample of 70 respondents. The study aimed to investigate the factors contributing to unemployment among educated youth in India and identify potential solutions to address this issue. The study used a convenience sampling method, which involved selecting respondents who were readily available and willing to participate in the study. The sample consisted of educated youth who were unemployed or underemployed and had completed at least a bachelor's degree.

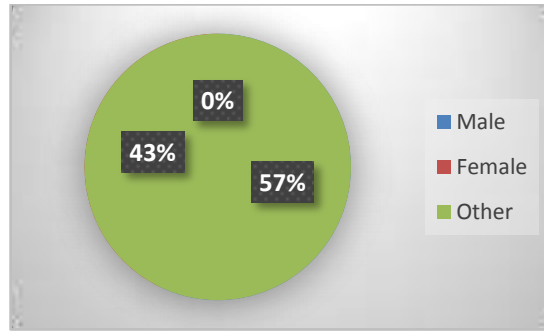
### **RESULTS AND DISCUSSION**

#### **Gender:**

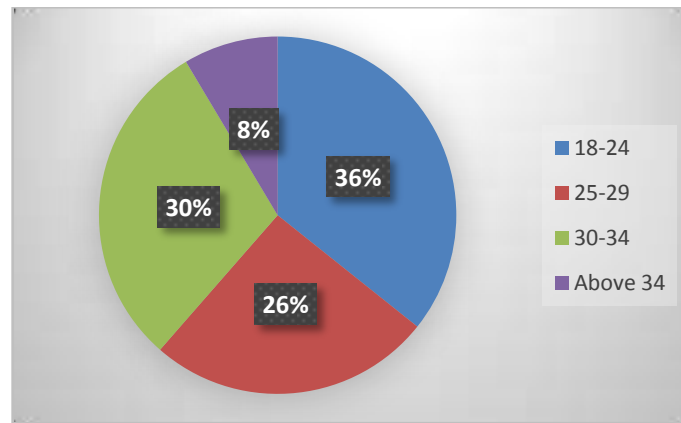
Male

Female

Other



Out Of the 70 respondents, 40 were male and 30 were female, while the gender of the remaining respondents was not specified and is represented by the category "Other."



**Age:**

18-24

25-29

30-34

Above 34

Out of the 70 respondents, 25 were aged between 18-24 years, 18 were aged between 25-29 years, 21 were aged between 30-34 years, and 6 were above the age of 34.

**Educational Qualification:**

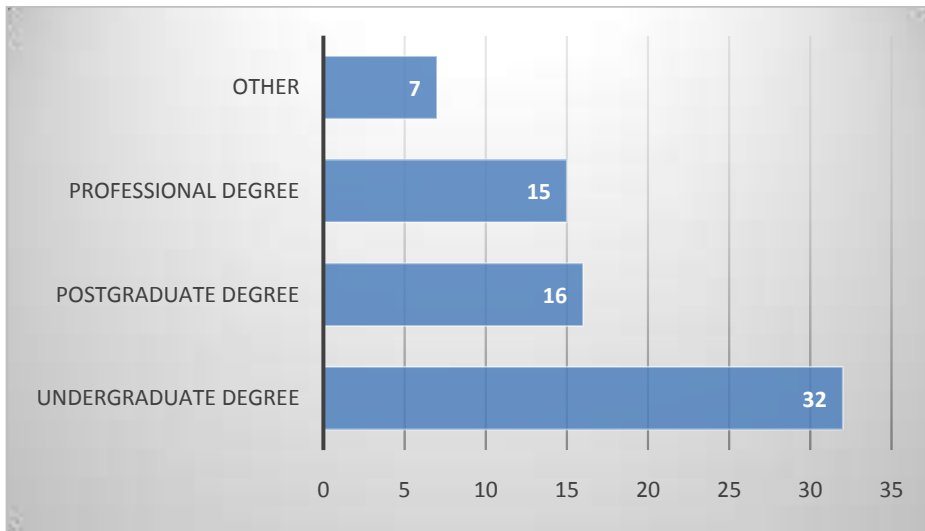
Undergraduate Degree

Postgraduate Degree

Professional Degree

Other





Out of the 70 respondents, 32 had an undergraduate degree, 16 had a postgraduate degree, 15 had a professional degree, and 7 selected "Other" as their educational qualification.

### What is the primary reason for your unemployment?

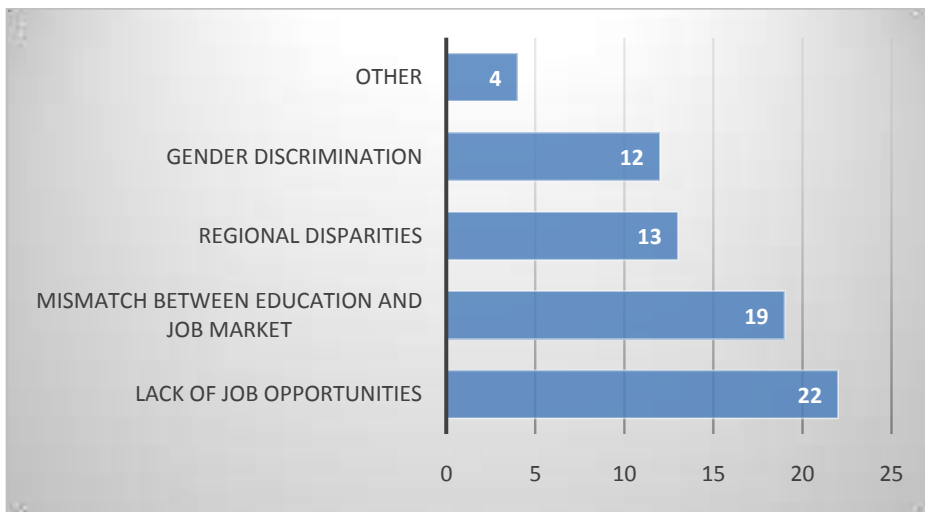
Lack of job opportunities

Mismatch between education and job market

Regional disparities

Gender discrimination

Other

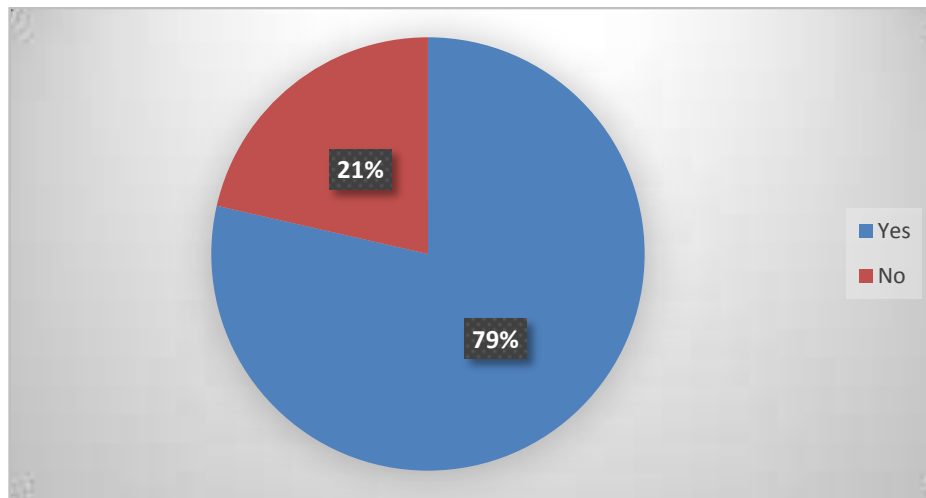


Out of the 70 respondents, 22 cited lack of job opportunities, 19 cited a mismatch between education and job market, 13 cited regional disparities, 12 cited gender discrimination, and 4 selected "Other" as the reason for unemployment or underemployment.

**Have you faced any barriers in finding employment due to your gender?**

Yes

No



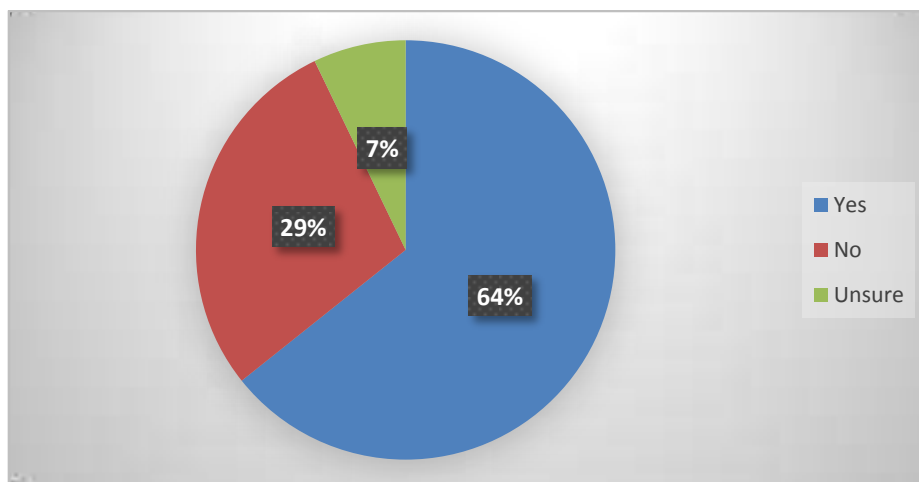
Out of the 70 respondents, 55 answered "Yes", indicating that they have faced barriers in finding employment due to their gender, while 15 answered "No", indicating that they have not faced such barriers.

**Do you think the education system in India adequately prepares students for the job market?**

Yes

No

Unsure



Out of the 70 respondents, 45 answered "Yes", 20 answered "No", and 5 were "Unsure".

## How do you think the government can address the issue of educated youth unemployment in India?

Creating more quality jobs

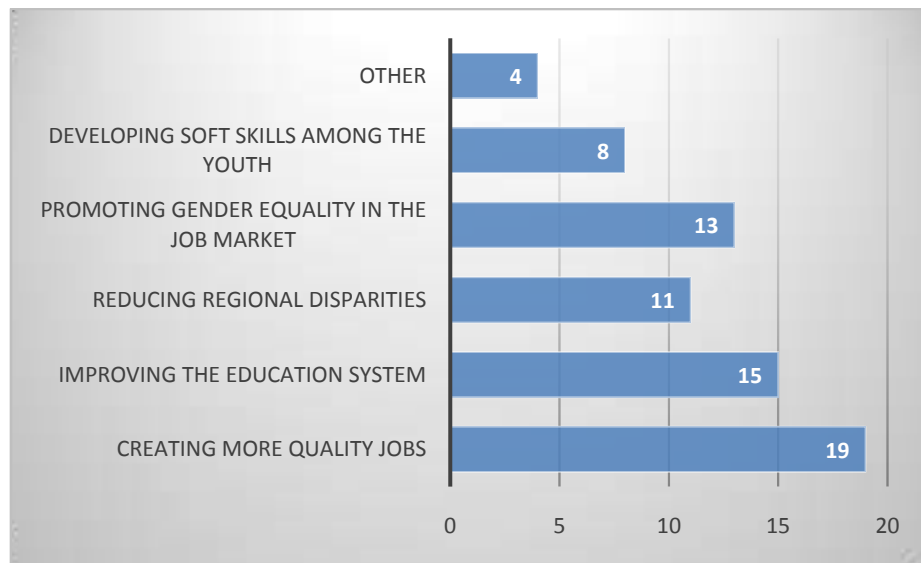
Improving the education system

Reducing regional disparities

Promoting gender equality in the job market

Developing soft skills among the youth

Other



Out of the 70 respondents, 19 cited creating more quality jobs as a priority, 15 cited improving the education system, 11 cited reducing regional disparities, 13 cited promoting gender equality in the job market, 8 cited developing soft skills among the youth, and 4 selected "Other".

### PROBLEM STATEMENT

The problem of educated youth unemployment in India has been a significant concern for policymakers and society. Despite the large pool of educated and skilled youth, the unemployment rate among them is significantly higher than the overall rate in the country. This issue has multiple dimensions and poses significant challenges to the development of the country. One of the main problems is the mismatch between the education system and the job market. The education system does not equip students with the necessary skills and knowledge required by the job market, leading to a skills gap. Moreover, there is a shortage of quality jobs in both the public and private sectors in India. Most of the available jobs are low-paying, low-skilled, and do not provide

opportunities for career growth, leading to a lack of motivation among the educated youth. Additionally, regional disparities in the availability of jobs are a significant problem in India, with certain regions having a higher unemployment rate than others. The lack of job opportunities in certain regions leads to the migration of the youth to urban areas in search of employment. Gender discrimination is also prevalent in the Indian job market, with women facing more significant barriers to employment than men, particularly in industries such as manufacturing and construction.

## **CONCLUSION**

The issue of educated youth unemployment in India is a complex and multifaceted problem that requires a comprehensive approach to address. The study has identified various factors contributing to the problem, including a mismatch between the education system and the job market, the shortage of quality jobs, regional disparities, gender discrimination, and the lack of soft skills. To address this issue, the study recommends targeted interventions that focus on improving the education system, creating more quality jobs in both the public and private sectors, reducing regional disparities, promoting gender equality in the job market, and developing soft skills among the youth. Additionally, the study highlights the importance of understanding the impact of unemployment on the economy and society and the need to mitigate its negative effects. Addressing the issue of educated youth unemployment in India requires a multi-pronged approach that involves policymakers, educators, and the private sector. By investing in the well-being and development of its youth population, India can unlock its demographic dividend and harness the potential of its large youth population. This study contributes to the academic literature on unemployment and youth development in India and provides a basis for future research in the field.

## **REFERENCES**

1. Dixit, J. K., Tiwari, P., Gupta, S. K., Singh, P., & Gupta, H. (2008). Educated unemployed: a challenge before sustainable education. *Institutions*, 31, 2009.
2. Majumder, R., & Mukherjee, D. (2013). Unemployment among educated youth: implications for India's demographic dividend, Munich Personal RePEc Archive.
3. Lone, B. A. (2018). Youth Unemployment in India: An analysis. *International Journal of Research in Social Sciences*, 8(3), 249-267.

4. Dev, S. M., & Venkatanarayana, M. (2011). Youth employment and unemployment in India. *Mumbai: Indira Gandhi Institute of Development Research.*
5. Jamatia, P. L., & Gurumoorthy, R. (2022). An Exploratory Study on the Youth Unemployment in North-East India. *International Journal of Economic, Business, Accounting, Agriculture Management and Sharia Administration (IJEBAS)*, 3(1), 85-92.
6. Singh, R. (2018). The cause of unemployment in current market scenario. *Vivechan International Journal of Research*, 9(1), 81-86.
7. Kumuda, D. D. (2014). Educated youth and un-employment: An Indian perspective. *IOSR Journal of Humanities and Social Science*, 19(8), 09-11.
8. Chaudhuri Sarbajit (May 2011) 'Economic Recession, Skilled Unemployment and Welfare', *Economic Modeling*, Vol. 28, Issue 3, Pages 1435 – 1440.
9. Ray, S. and Chand, R., *Socio Economic Dimensions of Unemployment in India*, NSSO, New Delhi, Page Number. 261 – 274
10. Venkatanarayana, M., & Mahendra Dev, S. (2012). Youth employment and unemployment in India.
11. Sharma, A. N. (2022). Youth employment and unemployment in India: Issues and challenges. *The Indian Journal of Labour Economics*, 65(2), 237-267.