



# “Educated Youth Face High Unemployment In India.”

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## Abstract:

Unemployment among educated youth in India has emerged as a serious socio- economic challenge. Despite acquiring academic challenge. despite acquiring academic qualifications. many young individuals are unable to secure suitable employment due to factors such as skill mismatch lack of practical training , limited job opportunities ,slow economics growth .this problem requires policy reforms industry academia collaboration and skill development initiatives to bridge the gap between education and employability

**Key words:-** Job crisis , Skill gap Government policies, job mismatch , Private sector jobs

## Introduction:

In recent years, unemployment among educated youth in india has become a growing concern. Despite completing higher education and obtaining degrees, many young individuals struggle to find suitable jobs . this paradox of education without employment reflects a deeper issue in the country's education and employment systems . the mismatch between academic learning and industry needs , lack of practical skills and limited job creation have left a large section of educated youth jobless and disheartened. Tackling this issue is essential for the economic progress and social stability of the nation.

In India, unemployment among educated youth has become a serious issue, while education is expected to open the door to better job opportunities many young post graduates ., graduates are struggling to find suitable employment .

Educated youth unemployment not only wastes talent but also creates frustration, economic pressure and social challenges . Understanding the causes of this problem is essential to finding long term solutions,

Educated youth unemployment not only affects individuals and their families but also has broader implications for the economy and society , frustration loss of motivation brain drain and social unrest are some of the serious consequences, to address this issue effectively , it is important to understand the underlying causes and take corrective steps through policy changes skill development and better alignment between education and industry needs.

## Review of Past Literature:

1. Human capital theory (Becker, 1964) ; - Highlights the assumption that education enhances employability. The current states of India's youth labor market challenges this assumption prompting a reevaluation of educational policies and outcomes.
2. Mismatch Theory (McGuinness, 2006); - Offers a framework to understand how the divergence between education and labor market requirements leads to structural unemployment and underemployment.
3. Dual Economy Theory (Lewis 1954); - Provides insights into why educated youth prefer to remain unemployed rather than accept low status or informal sector jobs, reflecting deep rooted inequalities in India's labor market.
4. Despite widespread informal employment, India faces persistent unemployment, particularly among the educated (secondary level and above). NSSO data not ensure employment, raising questions about government initiatives promoting it. High – industrialized states show lower educated unemployment but still cannot fully engage all educated individuals. Unemployment is higher among those not registered with employment exchanges. Suggesting search and matching problems. Disparities also exist across social groups. Gender, regions, and other socio – economic factors.

## Objective of the study

- .To study how educated unemployment affects people and society
- .Its aims to find the main causes like skill mismatch, job scarcity, and education gaps,
- .Unemployment affects national development and leads to the under utilization of the labor force.

## Hypotheses of the study

- ❖ Educated youth in India are unemployed due to a mismatch between academic learning and industry –required skills.
- ❖ Educational institutions often fail to encourage students to explore entrepreneurship or startup initiatives.
- ❖ Most colleges focus on theory and fail to equip students with practical job skills,
- ❖ Investment issues in government programs reduce their impact and fail to create job opportunities.

## Data and methodology

- Regional Disparities ; -more in depth studies are needed to understand the causes of regional variations in educated unemployment especially in rural vs urban and developed vs underdeveloped regions.
- Entrepreneurship barriers;- There's a lack of research on why educated youth hesitate available schemes and startup incentives.
- Impact of socio-economic background research is sparse on how caste, Gender, location, (urban vs rural) and income background influence the employability of educated youth.
- Aspirational mismatch few studies have investigated the psychological and cultural mismatch between what youth expect from jobs versus what is realistically available.
- Technological disruption and automation – the impact of digital transformation and AI on traditional job roles for educated youth has not been fully explored in the Indian context.

- There has been minimal support from both the government and educational institutions to promote innovation and entrepreneurship, even as unemployment among educated youth continues to rise.
- The failure to attract sufficient FDI has limited the development of new private enterprises, thereby restricting job growth for educated youth.
- The obsession with government jobs causes UG & PG students to postpone entering the workforce, affecting both their personal growth and the national economy.
- Instead of focusing on skill enhancement, a large number of Indian youngsters are spending their productive time on digital distractions like social media and Onlines.

### Data analysis

Global unemployment rate 2024; -4.89%

Previous year (2023); slightly higher than 4.89% (implied to be around 5%)

The age group with the highest employment rate globally is 15-24

Source ; international labour organization (ILO)

### Comparison with overall global unemployment

Category	Unemployment rate 2024( est)
Global all ages	4.89%
Youth 15-24	13.1%
Prime age 25-54	4-6%
Older workers 55+	

## Global Patterns of Educated unemployment

Group	Education level	Unemployment rate	Notes
Low & lower middle income	Basic education	5.8%	Lower unemployment despite lower qualification
OECD Country	Below secondary upper University Graduates	7.3%	Significant improvement Best employment outcome
Canada (G7)	Below secondary upper University Graduates	15.1% 5.2%	Shows strong education Employment correlation
United states G7	Below secondary upper University Graduates	13.5% 2.9%	Education pays off
United kingdom G7	Below secondary upper University Graduates	12.3% 3.6%	Consistent pattern
European union 2018	Low Education Tertiary education	12.5% 3.9%	8.6% Ponit gap between low and high education

Globally, unemployment shows a strong inverse relationship with education level. In low and lower-middle income countries. Even those with only basic education face relatively low unemployment 5.8%. largely due to reliance on informal and low skill jobs. In contrast. OECD and G7 nations reveal a sharper divide; employment is much higher among those without upper secondary education 12-15% compared to university graduates as low as 2.9% in the U.S and 3.6% in the U. K, Canada and the EU also demonstrate substantial gaps, with university graduates consistently enjoying better employment outcomes. overall higher education as a key driver of labor market stability.

## In INDIAN

### Unemployment rate by Educational attainment ( PLFS2023-24)

Education level	Unemployment rate %	Trend from previous	Key Observations
Illiterate	-1.5-2.0%	Stable	Very low unemployment due to engagement in informal
Below primary	-2.5-3.0%	Stable	Mostly low -skilled informal jobs
Primary	-3.5-4.0%	Stable	Limited employment options low competition

<b>Middle up to class 8 pass</b>	-4.5-5.0%	<b>Slight decrease</b>	Limited employment options ;low competititon
<b>Middle up to class 10 pass</b>	-6.0%	<b>Decreased</b>	Start of increase in employment due to more job competition
<b>Higher secondary class12pass</b>	-6.5%	<b>Decreased</b>	Often job seeking but under – skilled
<b>Diploma / Certificate holders</b>	-6.8-7.0%	<b>Decreased</b>	Technical training still not matching market demand
<b>Graduate and Above</b>	7.1%	<b>Decreased</b>	Highest unemployment skill-job mismatch is key issue

Unemployment in india rises sharply with higher education levels , Among the not literate. Unemployment is negligible 0.2% ,and it remains very low for those with only primary education 0.4% . At the middle school level . unemployment increase modestly to 1.4% However the biggest jump is seen among those with secondary education and above , where unemployment reaches 6.5% - the highest across all groups .This shows that while basic literacy and schooling are enough to secure low –skill informal work ,higher educational attainment is linked to higher unemployment due to skill – job mismatches and greater competition.

#### Age Group ;15 & Above

Education level	Unemployment rate
<b>Not Literate</b>	0.2%
<b>Literate ( Up to Primary )</b>	0.4%
<b>Middle School</b>	1.4%
<b>Secondary &amp; Above</b>	6.5%

SOURCE (PLFS)2023-24

#### Unemployment Rate in Rural areas

With Secondary Education	Unemployment Rate
<b>Females</b>	9%
<b>Male</b>	5.6%

SOURCE (PLFS2023-24)

In rural areas. Unemployment among those with secondary education is significantly higher for females 9% compared to males 5.6% . This gap highlights both limited job opportunities for educated women in rural regions , the rural economy often lacks sufficient formal jobs to absorb educated youth, especially females.



**Unemployment Rate in Urban areas ;**

With Secondary Education	Unemployment Rate
Females	6.2%
Male	13.3%

SOURCE (PLFS2023-24)

**In urban** areas the unemployment pattern for those with secondary education is the reverse of rural trends .males face a much higher unemployment rate 13.3% compared to females 6.2% . This suggests that urban males with secondary education encounter stronger job competition and possibly higher expectations for formal employment , while females may either enter informal/ low – paying jobs more readily or face lower labor force participation, which reduces their recorded unemployment rate.

**KERALA ; Highest Unemployment Rate ;**

Kerala (overall )	Unemployment Rate ; 29.9%
Females	47.1%
Male	19.3%

SOURCE (PLFS2023-24)

Kerala records the highest unemployment rate in india . with an overall rate of 29.9% . The gender divide is stark; female unemployment stands at 47.1% more than double the male rate of 19.3% . This reflects limited job opportunities despite high educational attainment in the state, alongside structural issues such as skill – job mismatch , dependence on service sector jobs . and gender- based barriers to workforce participation.

**Madhya Pradesh; Lowest Unemployment Rate ;**

Madhya Pradesh (overall )	Unemployment Rate ; 2.6%
Males	2.8%
FeMale	2.1%

SOURCE (PLFS2023-24)

Madhya Pradesh records the lowest unemployment rate in india, with an overall rate of just 2.6%. unemployment is slightly among males , 2.8% compared to females 2.1% but both remain well below the national average. The low rates reflect stronger absorption of the workforce into agriculture, informal , and low skill sectors, where underemployment may be common bu open unemployment is minimal.

## Impact of Educated unemployment

### 1.Economics impact;-

Unemployment leads to under utilization of human resources, reducing productivity and economic output .

Increased poverty; joblessness directly contributes to income insecurity and pushes families into poverty.

“GDP is increasing , but the growth rate is slow.”

Wastage of Human capital ;skilled and educated individuals without jobs represent a loss of potential economic contribution.

### 2.Social impact ;-

Social instability high unemployment often leads to frustration protests and unrest especially among youth .bank robberies criminal activities, digital frauds and other scams are increasing.

Crime rates; unemployed youth are more vulnerable to criminal activities and substance abuse due to financial pressure and lack of purpose,

**3.Metal Health issues ;** Prolonged joblessness can lead to stress. . depression and loss of self esteem.

. Suicide and criminal activities among youth are increasing ,

### 4.Impact on Youth ;

Wasted demographic dividend ; india has a large youth population., Unemployment prevents this group from contributing to the economy .

Brain Drain ; Talented individuals migrate abroad.

Underemployment many work in low paying jobs unrelated to their education.

Rise in Gig and informal jobs many youth turn to unstable low paying jobs in the informal sector or gig economy without job security.

**5. Educational system impact;-** loss of trust in degrees people begin to doubt the value of formal education.

Education is supposed to be a free service for everyone , but today it has turned into a business controlled by private education mafias,

**6. Focus on Quantity ;**Not quality more degrees are produced but employability is low

The rise of fake degrees and universities is damaging the credulity of the education system

People don't trust the quality of education , even though .

**7.Highest Migration :-** “ Students with higher education and strong knowledge usually migrate to other countries for work. This increases other countries' income . but our country loses income and faces a lower GDP level.”

**8.Wasted human capital** ;--The young population of india misuses political, regional . caste ,and gender issues. This also reduces their productive utility. human capital is not given basic skills, e-education , computer learning . and training, which leads to the loss of the young generation.

### **LImition**

\*\* Rergional variations; unemployment rates vary singnificantly between urban and rural areas making it difficult to generalize findings

\*Informal sector ignored ; many educated youths may be underemployed or working informally which official data maynot capture.

\*Changing job market ; Rapid technological changes and industry shifts make it hard to assess long term unemployment trends.

\* Government schemes underreported ; The impact of government schemes may not be fully reflected in short –term studies.

\* Focus only on graduates ;most research focuses on college educated youth excluding diploma holders vocational learners, or school learners, or school leavers,

\* Migration not accounted ; Internal migration for jobs may skew local unemployment figures,

\*Psychological and social factors ;factors like job preference social status , or family pressure affecting unemployment are hard to measure.

\* Population control is a key responsibility of the government to ensure resource sustainability.

\* India is young population is a valuable asset and should be empowered not treated as a liability.

\* COVID-19 Impact overlap: Recent job loss trends may be influenced by the pandemic , not just systemic issues.

\* AI technology is contributing to rising youth unemployment by replacing traditional jobs. It is one of the biggest issues today.

### **“Suggestions to Reduce Educated unemployment”**

**1.Curriculum Reform**;- Update the education syllabus to match industry demands.

Introduce practical skills digita lliteracy and problem solving abilities,

Communication group discussion demand forecasting and selling products require market knowledge,

The curriculum needs to include international economics geography, and current condition,s as well as advanced technology



## 2. Promote Entrepreneurship ;-

Offer training and financial support for startups by youth.

Include entrepreneurship development as a subject in higher education.

The government has started various entrepreneurship support systems and provides guidance to help the youth

## 3.Career guidance and counseling

\*Provide professional career counseling in schools and colleges.

\* school s should provide basic training to children on startups and practical skills how to earn maximum income and the importance of entrepreneurship . there is a rapid increase in e learning and e marketing so youth is necessary.

\* Help students choose careers based on skills and market needs,

## 5. Skill development Programs

Education should identify and nurture children's skills and talents beyond academics .

Promote vocational training and skill based education alongside degrees.

Expand schemes like skill india PMKVY ect.

## 5 Expand job Opportunities ;-

The government should increase IT Jobs and promote industries like mining and other sectors to boost employment opportunities. Invest in labor intensive sectors like agriculture, tourism ,MSMES etc .

Promote public Private partnership to create new jobs.

An increase in FDI Funds leads to more job opportunities and development .

## 6.Regulate private education

Ensure private colleges maintain quality and don't offer fake or low value degrees .

The government must establish a central body to control and regulate private and autonomous educational institutions.

Set up strict accreditation systems.

## 7. Industry academia collaboration

Encourage partnerships between colleges and industries for internships and placements.

Include real world projects and training modules in college programs.

## 8.Promote government jobs;-

The government should increase hiring in SSC, UPSC, Banking, and all other multi purpose public sector jobs . There is a need to create industries, and through public-private partnerships.

**9.Govement Funding** :-the government has increased funding for finance and support for startup programs, ''like a Pradhan mantra mudra yojana (PMMY), \* Startup india Inittiative \*Atal innovation mission (AIM) \*MSME Champions scheme. These kinds of programs are helpful in reducing educated unemployment among the youth .

**10.Modern software Development technologies;**--Development software and AI programs in C and JAVA,and using modern Infrastructure and advanced agricultural technologies to create more job opportunities.

## Conclusion:

Educated youth in india are facing high levels of unemployment due to a mismatch between education and industry needs lack of skill based training and limited job opportunities in both public and private sectors. To address this crisis there is an urgent need for educational reform, increased investment in job creation promotion of entreneurship and skill development programs aligned with market demand . without immediate intervention the Potntial of india's young population may remain underutilized, impacting the country's socio economics growth.

High unemployment amoung educated youth in india is a serious issue that reflects gaps in the education system . skill development , and job market alignment. To reduce this problem there is a need for practical education, industry relevant training, and government support for job creation and entrepreneurship. Addressing these challenges can help unlock the potential of india's youth and strengthen the nation's future.

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