



**EDUCATION AND UNEMPLOYMENT: A CASE STUDY OF THEIR RELATIONSHIP IN INDIA**

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**ABSTRACT**

Unemployment among the educated or persons with metric and above qualification is particularly tragic and dangerous to public order because its victim suffers from a sense of utter humiliation, which illiterate unemployment do not experience to the same degree. It is therefore, highly imperative to solve this problem on a priority basis and also on a permanent footing. The unemployment among the educated has increased because of a phenomenal increase in the enrolment of students at various levels. The growth in their supply has been more than the rise in the demand for them. The problem is so much interrelated to the various other issues that its real solution must take into consideration. The paper discusses the trends in the country's overall unemployment rate and youth unemployment rate from 2000 to 2020. It also denotes the share of jobs in India in 2019 based on educational qualification. The paper also discusses graduate employability (2021) by educational qualification and gender from 2014 to 2021. The problem of educated unemployment may be solved through preventive and immediate relief measures.

**Keywords:**Unemployment, Educated, Qualification, Government, Graduates.

**INTRODUCTION**

Unemployment among the educated (persons with Matric and above qualification) had received the attention of the government as early as in 1955, when it set up a study group to examine the problem. The group estimated that there were 5 to 6 lakh unemployed educated persons in the year 1955. The study group in 1955 had not only recommended certain schemes designed to absorb unemployed educated persons in gainful employment but had also focused attention on the need for a constant review of the problem. In pursuance of the recommendation the manpower division of the Directorate of employment exchanges conducted a study on " the pattern of graduate unemployment" in 1957 covering graduates registered in employment exchanges. After that, many studies have been conducted on this problem and concluded that the problem of growing number of educated unemployed and specially the highly educated is increasing drastically in the country. The basic causes for this increasing unemployment in educated persons are improper placements, poverty and underutilization of capability of manpower. The absence of Definite job preferences coupled with a lack of professional training or skills had made the problem of educated unemployment darned. It has been further aggravated owing to a general disinclination among the educated to look for menial jobs and to prefer white collar jobs. Another great catastrophic with educated unemployment is that a majority of post graduates and undergraduates have become job-hunters without ever caring to become self-employed.

The bulk of unemployment among university graduates is of the nature of initial rather than intermittent unemployment, Which, in other words, has the higher incidence of unemployment among the freshers due to their awareness of keen competition for the limited jobs. having a preference for jobs with a higher starting salary of the persons which higher education or specialized training such as IIT, graduates etc. or the persons with good financial support who can wait for a longer duration to get a good job. Unemployment among the educated or persons with metric and above qualification is particularly tragic and dangerous to public order because its victim suffers from a sense of utter humiliation, which illiterate unemployment do not experience to the same degree.

In recent years, the employability of Indian youth has emerged as a major concern. Ironically, it is not only the uneducated and untrained who lack skills; the educated also consistently fall short of the necessary standards. With this context in mind, the study focuses on analysing the development and changing structure of the Indian higher education system in light of the education profile of Indian jobseekers, labour market demands, and the employability index for India's high-growth sectors based on current skill gaps, and it proposes a broad pathway to filling the gaps and missing links. A stronger demand for staff in technical and professional services, as well as a higher career progression index in the same sectors, have most certainly led to skewed growth in the higher education sector. (Mona Khare (2014))

The unemployment among the educated has increased because of a phenomenal increase in the enrolment of students at various levels. The problem is so much interrelated to the various other issues that its real solution must take into consideration. The growth in their supply has been more than the rise in the demand for them. It is therefore, highly imperative to solve this problem on a priority basis and also on a permanent footing.



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## OBJECTIVES

The following are the study's main objectives:

- To depict the trends in the country's overall unemployment rate and youth unemployment rate between 2000 and 2020.
- To examine the distribution of jobs in India in 2019 based on educational qualifications.
- To explore graduate employability in India by educational qualification in 2021.
- From 2014 to 2021, this study will look at graduate employability in India by gender.

## METHODOLOGY

The study is based on secondary data from Statista Research Analysis ([www.statista-research](http://www.statista-research)). To prepare this article, we consulted a number of books, journals, and websites.

## REVIEW OF LITERATURE

Kedar, M.K.S(2020) in “Youth in India: Education and Employment” examines the current status of youth education and jobs in India. In recent years, India has rapidly increased educational institution capacity and enrolment, but dropout rates remain high and educational attainment remain low. India has a well-institutionalized vocational training system, though, it has not adequately prepared its youth for the skills required by today's industries demands. Study concluded that youths are always nation builders, they always help to socio, economic, political and technological development of the nation. Nevertheless, India has world's highest youth population by providing skill-based traditional, science, art, commerce, vocational, and professional education we can make youth employable.

Raghbendra Jha (2015) examines the areas of education and employment to remove the tag of jobless growth on country's economy in “Education and Employment: The big push need for India's youth”. Looking at recent data, it is evident that, India has experienced high economic growth, but has largely been jobless economic growth. Policy measures such as rapid skilling of India's youth will be a key input into such job creation. Aside from a significant overhaul of school-level education and an urgent need of redesigning and extending national apprenticeship programmes. To develop these programmes regular classroom, contact and remote learning can play an important role. Study suggests that nation needs a big push in the areas of education and employment, it being the most serious policy challenge confronting the Indian economy.

Sharma, S. (2016) discuss about the current literature on the relationship between educational achievement and employment outcomes is examined in the study titled “Relationship between education and employment outcomes in the Indian Labour market: A critical review of the literature”. Study also focuses on new insights into the Indian labour market that contradict the human capital explanation. Finally, it proposes future research directions to better understand the relationship between education and employment outcomes in the Indian labour market.

Menon, Sharanya (2020) analyse the state of the education system through, Pratham's Annual Status of Education Report (ASER) and the Central Government's National Achievement Survey (NAS). The study suggests that India needs a refurbishment in education system. According to these reports, while children are graduating to a higher class each year, very few are performing at the expected levels. The pandemic has caused a shift to online education, which is likely to have an even greater effect on these trends. According to the ASER 2020 report, 5.3 percent of rural children aged 6-10 years are not enrolled in school this year, compared to 1.8 percent last year.

Kruti, Chhaya, (2016), in her paper “Education and Employability: Linkages and Leakages” discusses all the factors that relate education to employability. This paper also identifies the factors that break the link, which have an impact on the functions of teaching in Indian context. The purpose of this paper is to identify the factors that make education and the education system functional, as well as those that challenge the relationship between education and employability in the context of India's socioeconomic climate and perceptions and provide suggestions to make education system more meaningful to accomplish inclusive and sustainable growth of society.

Study concludes that India's education has become technically comprehensive, but it is losing humanitarian and social values from syllabus, which is required by expanding service sector of the Indian economy. Students of professional courses recognize their future career, nonetheless they are not able to satisfy their customers, clients or patients demands respectively, they cannot be employable. Conversely, students of Arts faculty are not able to understand efficacy of their knowledge, it is highly important that with theoretical body of knowledge, students be able to apply it and analyse it. For this, inter disciplinary education system desires to be established that also teach and identify social values. On the job training can be a part of continuous learning. Government should promote open schooling and university education to support continuous learning.



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Bhalla, S. S. (2018), in their article “Population, Education, and Employment in India:1983-2018” discusses about rapidly declining trends of women labour force participation in labour market. Study concludes that about half of the decline is explained simply by the fact that more women are attending school and college, and thus half of the decline is “artificial”. Study also indicates a similar declining trend in both male and females.

Vinoj, A. (2008) writes in Employment Growth in Rural India: Distress Driven” Working Paper 404, that according to 61<sup>st</sup> NSS survey there is a turnaround in employment growth in rural India after a phase of 'jobless growth' This employment growth occurred during a period of widespread distress in agriculture sector. Decline of agricultural sector has created forced sectoral and regional mobility of the normally working population. The employment growth in rural India during 1999-00 to 2004-05 needs to be seen in light of the looming agrarian crisis. Declining earnings capacity of the normal income earners is forcing people into the labour market. Decline in agrarians' sector has also led to substituting wage labour with unpaid family labour. Working conditions within regions affected by agricultural stress also show that work is more feminised, that underemployment is higher and unpaid families are more dependent. These patterns show that rural India's job growth drives distress

Carnoy, M. (1987), has conducted three studies on Higher Education and Graduate Employment in different regions of India, based on a review of three case studies on employment and unemployment of university graduates. The paper attempts to analyse the nature of the problem of re-employment of graduates and its causes. The study was conducted under the framework of the IIEP research project on higher education and employment. It discusses about the role of educational development in tackling the problem, and how research in higher education can help in understanding the problem of educated unemployment in the country and discovers the responsibilities of the public sector in Indian higher education expansion and employment to make it employable.

Bhattacharyya, B. (2021) has discussed about the Wheebox National Employability Survey, that Employability of Women in India higher than men. According to Wheebox National Employability Test (WNET) poll analysis for 2021, women are more employable than men, with 46.8 percent employable women versus 45.91 percent employable men. The trend of more employable women has been steadily rising over the last three years, indicating that the country's women are the most valuable resource pool for industries to tap into in the coming years. India Skills Report on talent demand and supply in post-Covid India, shows that employability is highest in Delhi-NCR, Orissa, and Uttar Pradesh in the world.

Roze, Shabaana & Jonas Baetge, Lisa Hartmann (2013), talks about the higher education system in India along with the link between education and employment in. “IMPROVING THE LINK BETWEEN HIGHER EDUCATION AND EMPLOYMENT IN INDIA”. The study suggests an urgent need to change the structure of the higher education system in the country. Adjusting training and education facilities to the employment market will be beneficial for raising employment rates. In conclusion, the unemployment problem and the growing social changes can only be resolved through a drastic structural change in the higher education system. Public universities should adjust to the demands of the market and hence become more attractive to students. Promoting entrepreneurship would be a way to employment transformation.

Sharma, S (2016), explores the empirical relationship between educational qualifications and employment status among Indian workers in “Does Education Determine Employment: Peculiarities of The Indian Labour Market”. It also discusses how to get a job in a particular industry through education. The study concludes that there are many evidences that worker's education level has a meaningful and positive relationship with his or her employment status. More importantly, with each additional educational qualification, the likelihood of being employed on a regular (casual) basis increase (decreases), quite the reverse less educated workers are more likely to work in low-wage, labour-intensive industries like agriculture and mining. . However, workers from disadvantaged social groups (SC, ST and OBC), the female workers, and the rural workers, are at a considerable disadvantage in the Indian labour market.

Deepa, KT &et.all (2020), Gap between Education and Employment: A Micro Study in Vellakinar Village of Coimbatore, Tamil Nadu Based on a field survey in the Coimbatore district, the current study determined the gap between education and jobs. According to the study, educational qualifications, as well as ability and experience, have a significant impact on employment. All levels of education had a substantial positive impact on jobs. That is, as one's level of education rises, so does one's chances of finding work. In the Vellakinar Panchayat, the gestation period was slightly longer, and the majority of women were able to find work despite having only a high school diploma.



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COUNTRY'S UNEMPLOYMENT RATE AND YOUTH UNEMPLOYMENT RATE FROM 2000 TO 2020

Table-1

Unemployment Rate in India (2000 to 2020)		
Year	Unemployment Rate	Youth Unemployment Rate
2000	5.66	17.83
2001	5.66	17.89
2002	5.72	18.14
2003	5.73	18.20
2004	5.67	18.16
2005	5.66	18.10
2006	5.45	18.07
2007	5.32	18.11
2008	5.28	18.50
2009	5.57	19.67
2010	5.64	20.30
2011	5.64	20.84
2012	5.65	21.39
2013	5.67	21.85
2014	5.61	22.07
2015	5.57	22.34
2016	5.51	22.34
2017	5.42	22.72
2018	5.33	22.85
2019	5.36	22.34
2020	5.40	23.75

Source: Statista 2021

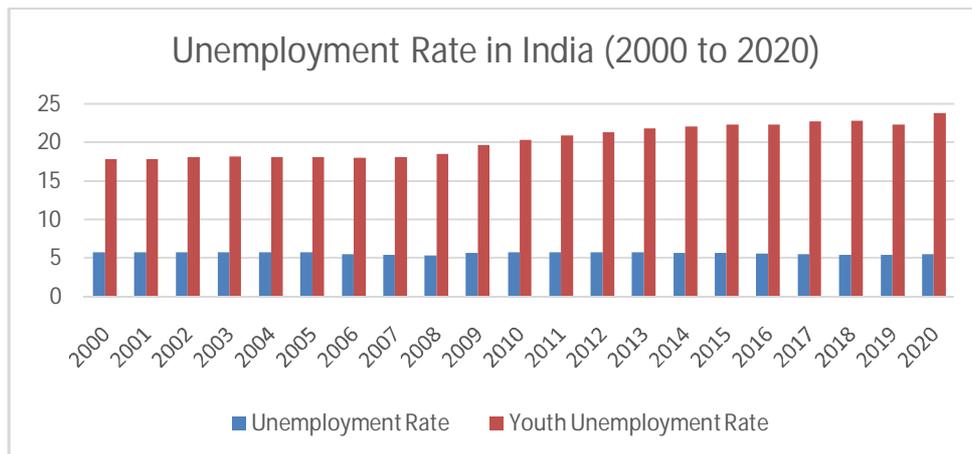


Figure-1

Table 1 & Figure 1 show that while the national unemployment rate has not changed since it's starting figure of 5.66% in 2000, remaining the same or more in the next five years but staying below 5.66 since then except once in 2013 when it touched 5.67%. Since the rise in 2013, overall unemployment has seen a fall with the figure for 2020 being 5.40%. Youth unemployment rate has contrastingly remained high and increased steadily from 17.83 percent to 23.75 percent, taking a significant jump in 2020. Youth unemployment has seen dips only twice, in 2004 and 2019, during the whole period (2000-20)

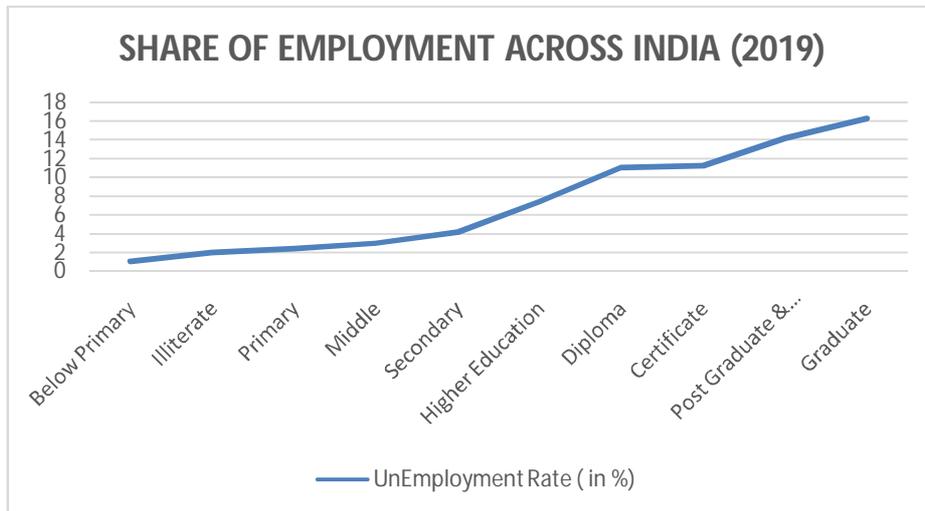


**SHARE OF EMPLOYMENT ACROSS INDIA IN 2019 (by Educational Qualifications)**

**Table-2**

Share of Employment across India in 2019, by Educational Qualification		
S.NO.	Educational Qualification	Unemployment Rate (in %)
1	Below Primary	1.08
2	Illiterate	2
3	Primary	2.4
4	Middle	3
5	Secondary	4.2
6	Higher Education	7.4
7	Diploma	11.1
8	Certificate	11.3
9	Post Graduate & Above	14.2
10	Graduate	16.3

Source: Statista 2021



**Figure-2**

Table-2 and figure-2 show the percentage share in the Unemployment rate of various educational qualifications in 2019. The Unemployment percent share of the graduates was the highest with 16.3%, whereas below primary unemployment share was merely 1.08%. The highest qualification of post-graduate and above percentage share in unemployment was at 14.2%, whereas the lowest qualification, illiterate, was 2%.

**EMPLOYABILITY AMONG GRADUATES ACROSS INDIAN IN 2021 (by Degree)**

**Table-3**

Employability among Graduates across India in 2021, BY Degree	
Master of Computer Applications	22.42
Polytechnic	25.02
Bachelor of Science	30.34
Bachelor of Pharmaceuticals	37.24
Bachelor of Commerce	40.3
Bachelor of Arts	42.72
Master of Business Administration	46.5
Bachelor of Engineering /Bachelor of Technology	46.82

Source: Statista 2021

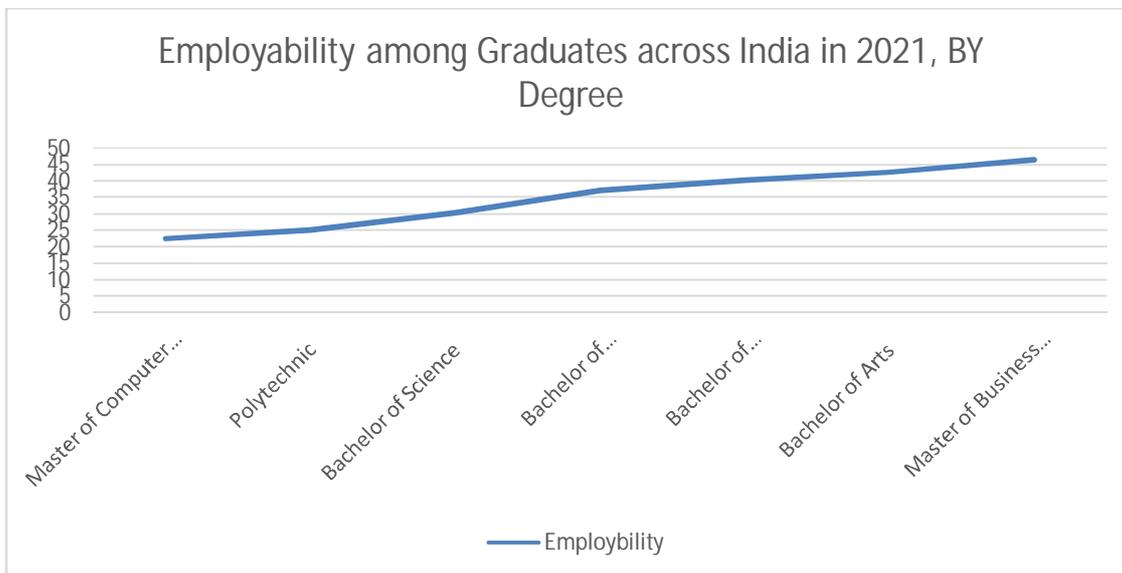


Figure-3

The Table-3 and the figure-3 reveal the degree-wise employability among Graduates across India in 2021. The Master of Computer Applications degree has the lowest employability at 22.42, followed by Polytechnic (25.02), Bachelor of Science (30.34), Bachelor of Pharmaceuticals (37.24), Bachelor of Commerce (40.3), Bachelor of Arts (42.72), Master of Business Administration (46.5) and finally, Bachelor of Technology (46.82) which remains at highest employability.

CONCLUSION

The current state of unemployment among the educated, which has an impact on the availability and selection of overqualified people for lower-status jobs, is also cause for concern. Employment that is below their level of educational achievement or skill means that their confidence, ability, and occupational dexterity are eroded. There is a lack of sense of belonging, a lack of job satisfaction, and shyness among the employees, which keeps the level of productivity low, and employers are often faced with the issue of making new recruitment for the jobs that fall vacant because the workers battery jobs. Employees also gain perverse satisfaction from appointing overqualified candidates.

The solution to the problem of educated unemployment may take the form of both preventive and immediate relief measures. The problem is so intertwined with other problems that any real solution must consider the low level of economic activity, especially in rural areas and certain backward states, the high rate of population growth, the widening gap between demographic and educational forces, and the lack of job-oriented training, vocational guidance, and appropriate employment policies. Over the last four years, the Modi government has implemented a number of economic reforms. Some reforms have been specifically aimed at increasing employment, such as the focus on road construction (a labour-intensive activity), the MUDRA initiative (provision of loans to small entrepreneurs), the housing initiative, and the policy to increase employment through a wage subsidy to employers (this achieved through lowering the provident fund contributions to employers).

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