

Sub-Themes: Challenges of Unemployment in India: Socio-economic Implications and Remedies

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Article Info	ABSTRACT
Article History: Received: 31st Dec 2025 Accepted: 15th Jan 2026 Published: 22nd Jan 2026 Keywords: <i>Youth Unemployment, Economic Growth, Labor Market, Skill Development, skills mismatch.</i>	Unemployment among young people in India is a significant socio-economic problem with wide-ranging implications. This study investigates the various factors, such as educational mismatches, economic transformations, and demographic pressures that contribute to the high levels of unemployment among young people in India. Youth unemployment has significant ramifications, affecting the overall welfare of individuals, the stability of the economy, and the cohesion of society. The severe consequences include heightened dependency ratios, mental health disorders, and the possibility of social upheaval. The study seeks to analyse these interventions in order to uncover efficacious tactics and optimal approaches to tackle youth unemployment in India. It attempts to provide recommendations to policymakers for promoting a labour market that is more inclusive and dynamic.

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Introduction:

Unemployment is one of the most critical and persistent challenges confronting India in the twenty first century. As a developing nation with a population exceeding one point four billion India has a vast and continuously expanding labour force. Each year millions of young people enter the job market with the hope of securing stable and meaningful employment. However the rate of job creation has not kept pace with this growing demand. Even during periods of economic growth the benefits have not always translated into sufficient employment opportunities making unemployment a structural issue rather than a short term economic problem.

One of the primary challenges of unemployment in India is the imbalance between education and employable skills. Although the country produces a large number of graduates and diploma holders many lack the practical skills industry exposure and technical competence required by employers. This skill mismatch leads to a situation where companies report shortages of skilled labour while educated youth struggle to find suitable jobs. The problem is further intensified by outdated curricula limited vocational training and insufficient focus on skill based education particularly in rural and semi urban areas. Another major challenge is the dominance of the informal sector in India's economy. A large proportion of the workforce is employed in informal and unorganized jobs that offer low wages minimal job security and no social protection. While such employment may reduce visible unemployment it often results in underemployment where Individuals are unable to fully utilize their skills or earn adequate income. Economic disruptions such as inflation slowdowns or health crises tend to impact informal workers the most thereby increasing unemployment and financial vulnerability.

In conclusion the challenges of unemployment in India are complex and interconnected involving economic social educational and demographic factors. Addressing this issue requires comprehensive policy measures focused on skill development inclusive growth regional balance and sustainable job creation to ensure long term economic stability and social wellbeing.

Literature Review:

1. The individual experience of unemployment Connie R Wanberg: explaining the impact on mental health due to unemployment on Youth.
2. Ahs. A. Wasterling R.2006. Mortality in relation to employment status during different level of unemployment.
3. Blakely TA 2003. Unemployment and suicide evidence for a causal association.
4. Bockerman P. Ilmakunnas P. 2009. Unemployment and self-assessed health: evidence from panel data.
5. Journal of Adolescence volume 8. Issue 2 on youth unemployment: A review of the literature: the studies have been divided into six sections. Psychological, attributions and expectations education about unemployment.
6. According to Adebayo (1999). Stated that unemployment exists when members of The labor force wish to work but cannot get jobs.
7. Gould E.D. Weinberg, B.A & Mustard .D.B (2002) examines the relationship between labor market conditions for unskilled positions held by less educated men.
8. The authors find out that higher unemployment is related to increased crime rates between 1979 and 1997.

Objectives of the Study:

1. To know about the remedies for educated unemployment.
 2. To examine the implications on youth.
 3. To study the challenges of unemployment in India.
- To bring the skill based education

Hypothesis:

1. There is no significant relationship between education level and unemployment in India.
2. There is a significant relationship between education level and unemployment in India.

Research Methodology:

This study based on secondary data synthesis, working papers, articles, literature synthesis, magazine,

relevant websites, research papers some websites to clarify expected directional impacts.

Challenges of unemployment in India:

1. Demographic pressure
2. Skill mismatch
3. Jobless growth
4. Informal economy 5. Technological unemployment

Social implication:

1. Poverty and hardships
2. Mental and physical health
3. Social unrest and crime
4. Skill erosion and brain drain

Economic implications:

1. Reduced GDP and stagnation
2. Increased poverty and inequality
3. Fiscal burden
4. Lower productivity

48% Indian Graduates are unemployable.

Not because there are no jobs. But because there is no direction. India doesn't need more degrees. India needs career clarity.

Unemployment rate = $\frac{\text{No. of unemployed persons}}{\text{No. of employed persons} + \text{no. of unemployed persons}} \times 100$

Remedies:

Enhance skill development program to equip the workforce with relevant skills that match industry demands. Promote entrepreneurship by providing financial support, mentorship, and resources for startups and small businesses. Increase investment in infrastructure projects. Which can create job and stimulate economic growth.

Entrepreneurship significantly helps reduce unemployment in India by creating new jobs directly and indirectly fostering innovation, boosting economic growth.

Skill based education significantly helps reduce unemployment in India. By bridging the gap between academic learning and industry needs. More graduates more employable, promoting entrepreneurship and boosting overall economic growth through practical. It directly tackles the skills mismatch that leads to joblessness.

Transforming them from unskilled labor to a competitive, future-ready workforce.

For today's youth, both college degrees and skills matter, but skills usually get jobs faster. A degree gives basic knowledge, discipline, and eligibility for many formal roles, especially in government, engineering, medicine, and law. However, employers now focus more on practical skills like coding, data analysis, digital marketing, sales, design, and communication. Youth with strong, job ready skills can earn even without a traditional degree. The best approach is not degree versus skills, but degree plus skills. A degree opens doors, skills decide growth, income, and long term career stability.

Conclusion:

Unemployment in India is not only an economic issue but a serious social challenge. It leads to poverty, income inequality, stress among youth, and loss of confidence, which can increase crime, migration, and

social unrest. Economically, unemployment reduces productivity, lowers purchasing power, and slows overall national growth. The gap between education and job ready skills further worsens the problem. To address this, India must focus on skill based education, vocational training, and industry aligned curricula. Stronger implementation of employment schemes and career guidance for youth can improve outcomes. By combining education reform, skill development, and inclusive economic growth, India can reduce unemployment and turn its young population into a productive and confident workforce.

Suggestions:

1. Make education more skill focused so students are job ready, not just degree holders.
2. Expand vocational training and apprenticeships linked directly with industries.
3. Support MSMEs with easy loans, lower compliance burden, and faster approvals.
4. Encourage entrepreneurship and startups through mentoring and local funding access.
5. Increase investment in manufacturing, infrastructure, and renewable energy sectors.
6. Promote rural employment through agro based industries and value added farming.
7. Improve career guidance and job matching platforms for youth and fresh graduates.
8. Strengthen digital skills and promote remote work opportunities across regions.

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