INTERNATIONAL JOURNAL OF INFORMATIVE & FUTURISTIC RESEARCH
ISSN(Online): 2347-1697
VOLUME 14||ISSUE 02|| OCTOBER 2026
Website: https://www.ijifr.org/ | Email: editors@ijifr.org
Peer Reviewed | Globally Indexed| Refereed

https://doi.org/10.64672/IJIFR/26.10.14.02.008
PUBLISHED ON: October 14, 2026
PAGE NO. : 2102-2110
PAPER ID: IJIFR/202610159/1402008

# THE PARADOX OF DEMOGRAPHIC DIVIDEND IN INDIA: EDUCATION, UNEMPLOYMENT AND ECONOMIC VULNERABILITY

**DR. SYED HASAN QAYED**
*Assistant Professor, Department of Economics*
*School of Arts & Social Sciences, Maulana Azad National Urdu University*
*Gachibowli, Hyderabad-Telangana, India*

## ABSTRACT

***India's massive youth population is frequently celebrated as a major demographic dividend; however, severe job scarcity among educated young individuals now poses a critical structural threat to this economic promise. While access to higher education has surged across the country, the creation of secure, formal employment has lagged far behind. Drawing on secondary data from the Periodic Labour Force Survey (PLFS) and the National Sample Survey Office (NSSO), this study examines the shifting trends, underlying drivers and broader socio-economic fallout of educated youth unemployment. The findings point to deep institutional friction, driven by an acute mismatch between university curricula and industry needs, bureaucratic delays in public sector recruitment and a rapid drift toward precarious, informal labor. Beyond the macroeconomic numbers, the paper unpacks the psychological strain this crisis inflicts on graduates, highlighting how chronic joblessness fuels frustration, anxiety and a loss of personal agency. Ultimately, we argue that educated unemployment cannot be solved by isolated interventions; it requires a deeply integrated education-to-employment strategy that actively drives sustainable job creation.***

**KEYWORDS:** *Demographic dividend, Youth Unemployment, PLFS, Educational Institutions, Economic Vulnerability*

**How to Cite this Article:**
Qayed, S. H. : "The Paradox of Demographic Dividend in India: Education, Unemployment and Economic Vulnerability" *International Journal of Informative & Futuristic Research (IJIFR),* Volume 14(2), October 2026, pp 2102–2110

**Open Access and Copyright:** This is an Open Access article distributed under the terms of the Creative Commons Attribution License CC BY-NC-SA 4.0 (https://creativecommons.org/licenses/by-nc-sa/4.0/). By publishing under the license, any subsequent use, reproduction, citation, adaptation or redistribution of the work must appropriately acknowledge the Author and the original publication .Copyright © 2026 by the Author(s). The Author(s) retain full copyright and ownership of their original scholarly work.

## 1. INTRODUCTION

India currently holds the largest youth population on the planet. On paper, this massive demographic spike is celebrated as a surefire engine for future economic growth. The real-world situation, however, is turning out to be quite the opposite. This booming generation is running straight into a wall—a domestic labor market that is shrinking, highly unstable and increasingly precarious. Because of this severe mismatch, both internal and international migrations are skyrocketing as young people scramble to find any sort of sustainable livelihood. While moving away might help a few individuals climb the socioeconomic ladder, it is quietly fracturing the country's long-term social fabric and threatening its broader macroeconomic stability.

The roots of this issue trace back to the post-1991 era. Following the Liberalization, Privatization and Globalization (LPG) reforms, higher education institutions sprouted up across India at an unprecedented rate. This boom effectively democratized college access, pulling in students from diverse social classes

and producing a massive wave of degree holders. But there was a catch: this explosive growth in credentials happened completely out of sync with actual job creation. Today, an enormous chunk of educated youth is left stranded without work. In the pre-LPG days, a university degree was a golden ticket to a secure professional life. Today, it merely buys entry into a hyper-competitive arena defined by zero job security and temporary contracts.

By looking at the recent numbers the depth of this crisis becomes undeniable. The Periodic Labour Force Survey (PLFS) for 2025–26 highlights a grim milestone: youth unemployment in the 15–29 age brackets is almost 10 percent mark. What is particularly alarming is that this joblessness spikes to alarmingly 29% - 40% among the most educated segments of society—specifically university graduates and technical professionals holding Engineering or Management degrees and even PhD holders. Instead of leading corporate sectors, massive numbers of these qualified individuals are being swallowed up by the informal economy or stuck in low-skilled, dead-end roles that have absolutely nothing to do with their years of university training. It is a glaring, systemic disconnect between what colleges are producing and what the market actually needs.

Demographic projections paint a worrying picture for the near future. As India's working-age population hits its absolute peak, youth unemployment will likely spin out of control unless the government shifts to aggressive, job-first policies. If the economy keeps failing to generate steady, meaningful employment, the countries highly anticipated demographic dividend will rapidly mutate into its biggest economic liability. The fallout will not just be economic; it risks triggering widespread psychological trauma, social alienation and mass unrest for example the advent of Cockroach Janta Party (CJP) and its mass protest against education system and unemployment situation. Driven by these pressing concerns, this paper unpacks the structural bottlenecks, systemic failures and deeply personal social consequences of unemployment among India's educated youth.

## 2. STATEMENT OF THE PROBLEM

India is stuck in a profound contradiction between its vast demographic potential and its actual labor market realities. The youth population is expanding, yet the prevailing economic framework is simply not built to absorb them. As a consequence, a massive cohort of young people is trapped in an exhausting cycle of unemployment and underemployment. They have earned the right degrees and collected advanced professional credentials, yet they still cannot secure stable, well-paying careers.

A major flaw in current economic research is its obsession with broad, macro-level numbers. Standard state metrics routinely lump all employment data together, which effectively buries youth unemployment especially educated youth under generalized statistics. This lack of focus hides the highly specific, structural hurdles that university graduates face. Because of this statistical blind spot, we have a noticeable shortage of rigorous, qualitative research that captures what it actually feels like to navigate the market as an unemployed graduate today.

Crucially, this crisis cannot be blamed solely on standard market competition. It is actively driven and worsened by deep institutional inefficiencies within public sector recruitment. The state framework is plagued by chronic administrative bottlenecks: hiring processes take years, exam schedules are erratic, paper leaks are common, results are routinely delayed and the public sector itself is steadily shrinking by adopting contractual system. These bureaucratic failures drag out the waiting periods for candidates, compounding their financial vulnerability and triggering immense psychological distress and anxiety.

In a young country, leaving the educated population out in the cold has massive social and economic consequences. Long-term exclusion from the workforce does not just stall individual careers; it directly undermines the stability of the entire society. The core problem this study wrestles with is figuring out exactly why educated unemployment keeps rising right alongside the expansion of higher education and analyzing how this structural failure is completely reshaping the expectations and lived realities of India's youth.

## 3. RESEARCH QUESTIONS

- What specific structural bottlenecks and policy failures are driving the rise of educated youth unemployment in India, even as university access expands?
- Through what structural flaws does the current labor market fail to turn advanced academic degrees and technical credentials into stable, long-term career trajectories?
- What are the precise socioeconomic vulnerabilities that define the daily lives of credentialed but unemployed young people?

## 4. SIGNIFICANCE OF THE STUDY

This paper steps directly into the current debate on Indian labor economics by shining a spotlight on the hidden crisis of educated youth unemployment—a reality consistently glossed over by broad economic metrics and political talking points. Conventional labor data tends to celebrate overall employment aggregates, a habit that completely sidelines the distinct struggles of graduate and postgraduate cohorts. By isolating this specific group, this study exposes a distinct form of structural unemployment that operates on entirely different socioeconomic levels than general or low-skilled labor displacement.

At the same time, this research carries major policy relevance. It openly challenges current developmental models that prioritize pushing mass university enrollment without doing anything to ensure proportional job growth. It sends a clear message to policymakers: it is time to move past the obsession with handing out degrees and start deliberately linking academic expansion with the creation of secure, stable employment. Because India's macroeconomic future depends entirely on the productivity of its youth, ignoring this educated labor deficit introduces major risks to long-term national growth and social cohesion.

Beyond policy and economics, this study offers a much closer, human look at the sociological and microeconomic fallout of excluding educated workers. The chronic financial precariousness, mental exhaustion and sinking morale seen among young job seekers are not just isolated personal problems. They are deeply tied to family expectations, community surveillance and state institutional failures. Ultimately, educated unemployment drains family savings, strains local relationships and strips young people of their independence and dignity. This study reframes youth unemployment as a deeply structural, sociological crisis rather than a cold data point, showing how the current situation stems from a broken link between university education, market demands and state priorities.

## 5. THEORETICAL DEFINITIONS OF UNEMPLOYMENT: SOCIOLOGICAL, ECONOMIC AND INSTITUTIONAL DIMENSIONS

Scholars, economists and global policy institutions approach unemployment through widely different lenses, depending on what they want to measure. In sociological literature, unemployment is treated as far more than just a lack of an income stream; it is understood as a complex, deeply damaging social condition that is hardwired into macro-level developments. Sociologist Ram Ahuja defines unemployment as a systemic failure where individuals, who are physically and mentally capable of working and completely willing to accept current market wages, still cannot find a job. He pushes back against the narrative of personal failure, arguing that unemployment is a direct reflection of broader social structures and economic paths. He notes that educated unemployment creates a very distinct social crisis. Formal education builds specific, structural expectations for career stability, financial independence and upward mobility. When the labor market is stagnant, these expectations fall flat, sparking deep social frustration.

Supporting this view, Ogburn and Nimkoff define unemployment as a state of involuntary idleness. The individual is capable, qualified and eager to step into a role, but the institutional placement simply does not exist. This framework forces us to look at structural failures rather than lazily dismissing joblessness as a lack of personal drive.

On the other hand, the International Labour Organization (ILO) uses three clear, concurrent benchmarks to define an unemployed person: being entirely without work, being available to take a job immediately

and actively searching for employment. The ILO highlights youth unemployment as an acute global vulnerability, pointing out that educated youth hit disproportionately high rates of joblessness due to systemic barriers like a lack of initial work experience, severe skill gaps and narrow pathways into formal industries.

Indian agencies like the National Sample Survey Office (NSSO) and the PLFS define unemployment as a condition where a person is detached from economic activity but is actively seeking or available for work during a specific reference window. They measure this labor market slack using specific indicators: Usual Status (US), Current Weekly Status (CWS) and Current Daily Status (CDS). Crucially, the official data reveals a troubling trend: unemployment rates actually scale upward with higher educational attainment. The more educated you are in India, the more vulnerable you are to labor market exclusion compared to your less-educated peers.

From a purely economic viewpoint, unemployment is broken down into various categories like open, disguised, seasonal and structural types. Among these, educated unemployment has become a massive roadblock in developing contexts like India, where the rapid democratization of higher education has completely uncoupled from actual job growth. When you synthesize these sociological, economic and institutional models, one truth becomes clear: educated youth unemployment is fundamentally a policy-driven, structural crisis. It is the result of a profound imbalance between the supply of university graduates, corporate labor demands and state economic strategies, rather than individual capability gaps.

## 6. Macroeconomic Trajectories and Empirical Dimensions of Youth Unemployment in India

**Table 1: Trajectories and Empirical Dimensions of Youth Unemployment in India**

| F.Y. | Youth Unemployment Rate | Educated youth Secondary & above | NEET (Not in Education, Employment & Training) | Real GDP Growth Rate |
|---|---|---|---|---|
| 2017-18 | 17.18% | 25.4% | 30% | 7.2% |
| 2018-19 | 17.3% | 11% (Graduates & above 34%) | 27.5% | 6.8% |
| 2019-20 | 15.0% | 17.2% (Graduates& above 30.8%) | 34% | 4.0% |
| 2020-21 | 12.9% | 15.5% | 25.2% | -5.78% |
| 2021-22 | 12.4% | 8.6% | 27.3% | 9.69% |
| 2022-23 | 10.0% | 7.3% (Graduates & above 29.1%) | 25.6% | 7.61% |
| 2023-24 | 10.2% | 6.5% (Graduates & above 30.5%) | Approx 25% | 7.21% |
| 2024-25 | 10.3% | Graduate & above 34% | Approx 25% | 7.1% |
| 2025-26 | 9.9% | Graduates & above 36% | Approx 25% | 7.7% |

***Sources: MoSPI, ILO, CSO, NITI aayog & APU***

India currently boasts one of the youngest populations in the world. Government forecasts and UNICEF data place the country's 15–29 age brackets at roughly 371 million people—amounting to nearly 27 to 28 percent of the total population. Even though this massive group represents the prime window for national productivity, the country's economic framework has consistently failed to channel this demographic dividend into steady, formal-sector jobs. Millions of young people who are physically capable, eager to work at market rates and holding advanced university degrees are effectively locked out of the formal

economy. The core issue here goes beyond a simple shortage of jobs; it is a deep scarcity of high-quality, secure work. As a result, university graduates are routinely forced into underemployed or low-skilled roles, exposing a severe break between academic training and labor market realities.

This institutional logjam is clearly backed up by national statistics. According to the 2023–24 PLFS data, youth unemployment in the 15–29 groups has climbed past the 10 percent mark, tracking significantly higher than the general national average. This means that more than one out of every ten active, qualified job seekers faces immediate rejection in the market. This kind of exclusion inflicts long-term damage, leaving lasting scars on lifetime earnings, mental health and social integration.

Furthermore, typical macroeconomic reports focus heavily on broad, aggregated metrics that obscure the intense nature of educated youth unemployment. While general labor trends get most of the government's attention, the long waiting periods, social marginalization and financial dependence endured by graduate and postgraduate cohorts are often swept under the rug. Empirical data from the NSSO and PLFS consistently reveal a positive correlation between higher levels of schooling and increased unemployment rates. Remarkably, individuals holding professional and technical qualifications—such as Engineering, Management degrees and polytechnic diplomas—face massive structural walls when trying to secure aligned careers, calling into question the actual economic returns of modern higher education.

This crisis is also heavily shaped by geographic and gender dynamics. Educated youth unemployment is highly concentrated in urban centers, where expanded university access and high career ambitions clash with stagnant formal-sector growth, despite massive family investments in college education. Conversely, analyzing gender reveals a unique paradox: while measured unemployment rates among educated women sometimes look lower, this trend is heavily skewed by the high number of women dropping out of the labor force entirely due to deep-seated social norms and domestic expectations. For men, educated unemployment remains highly visible because of cultural mandates that place the burden of breadwinning entirely on them. Taken together, these empirical patterns prove that youth unemployment in India is a deep, long-term structural impasse rather than a minor cyclical fluctuation, threatening to turn demographic potential into severe macroeconomic strain.

## 7. STRUCTURAL AND INSTITUTIONAL DETERMINANTS OF EDUCATED YOUTH UNEMPLOYMENT

Educated youth unemployment stands as one of the most pressing structural dilemmas in modern India. Moving past, mainstream neoliberal arguments that blame joblessness on individual failures, poor skill sets, or personal laziness, the persistence of this issue points to deep structural flaws and policy gaps. A growing number of young people with graduate, postgraduate and specialized technical degrees find themselves completely locked out of the formal job market—or pushed into temporary, low-paying and unstable work. This widespread institutional exclusion is driven by systemic mismatches between academic systems, state policy choices and macroeconomic job creation.

- **The Education–Employment Asymmetry and Structural Skill Deficits**

A major driver of educated youth unemployment in India is the widening gap between what universities teach and what modern businesses actually require. Following the 1991 economic reforms, educational awareness grew rapidly, sparking a massive boom in private schools, colleges and technical universities. Yet, while this expansion turned out millions of graduates, core curriculum updates have lagged far behind shifting technological and economic realities.

As a result, university syllabi remain outdated, favoring rote memorization over hands-on technical skills. This means graduating classes leave school with formal degrees but lack industry-ready skills. While academic institutions churn out diplomas at a massive scale, the broader economy fails to generate high-skilled jobs to match them. This structural divide forces educated youth into long periods of searching for work, driving up structural unemployment despite their formal credentials.

- **Policy Fragmentation and the Deficit of Employment-Oriented Frameworks**

Indian state policies have consistently prioritized expanding access to higher education over building a reliable pipeline for formal-sector jobs. While state and central governments regularly roll out initiatives to improve literacy, enrollment rates and campus capacities, these frameworks remain vague about how students should transition into actual careers. Consequently, institutional plans to help graduates secure stable career trajectories are fractured and weak.

Furthermore, current public employment schemes tend to focus on short-term, low-wage jobs. While these programs prevent absolute poverty, they fail to offer long-term financial stability, professional growth, or basic social security benefits. Because of this policy gap, educated youth frequently find themselves trapped in temporary, precarious jobs, turning what should be a brief transitional phase into a long-term experience of underemployment.

- **Administrative Protraction and Inefficiencies in Institutional Recruitment Frameworks**

Long bureaucratic delays and systemic instability within public recruitment systems are major drivers of educated youth unemployment. Across both state and central government levels, hiring timelines are regularly dragged out by administrative bottlenecks, changing exam dates, management backlogs and structural flaws. This bureaucratic friction often leads to repeated exam postponements, multi-year delays in announcing results, or the total cancellation of hiring drives due to cheating scandals, paper leaks and ensuing court battles.

During these extended delays, applicants are left stranded. They cannot secure formal jobs or build meaningful work experience, leaving them technically unemployed despite spending years in intense preparation. Meanwhile, fresh waves of graduates enter the market every year, piling on demographic pressure, driving up competition and eroding the long-term career prospects of candidates caught in the administrative backlog.

- **Labor Market Precarity: Informalization and the Contractualization of Employment**

The modern Indian economy is seeing a structural drop in permanent, secure jobs, fueled by a rise in outsourcing, contract work and temporary labor arrangements. This shift toward flexible hiring models is visible in both public and private sectors, including higher education, healthcare, transport networks and civil administration. Jobs managed through third-party outsourcing firms rarely offer long-term job security or fair pay, while routinely bypassing legal social safety nets.

For educated youth, entering these informal fields does not solve the job crisis; it simply converts open unemployment into chronic financial insecurity. Under these models, wages stay flat, workplace instability grows and career paths become highly unpredictable. This structural vulnerability feeds a growing sense of disillusionment and alienation among highly educated workers.

- **Demographic Pressure and Macroeconomic Stagnation in Formal Job Creation**

The sheer scale of India's population adds heavy pressure to the educated youth unemployment crisis. With the 15–29 age brackets making up about 27 to 28 percent of the population, labor supply pressures have driven market competition to unprecedented heights. Consequently, millions of qualified candidates are left fighting for a tiny pool of formal positions, especially within public administration and secure private corporations.

This hyper-competitive landscape shows that today’s unemployment crisis is not due to a lack of effort or ambition among job seekers. Instead, it is dictated by strict structural limits within the broader economy. The persistent gap between a booming supply of educated graduates and stagnant formal job growth has created a brutal cycle of long-term exclusion, underemployment and downward career choices.

**8. Socio-Psychological Ramifications of Educated Labor Exclusion**

The impacts of educated youth unemployment in India go far beyond simple income loss, deeply affecting social circles, mental well-being and personal identity. In the domestic socioeconomic context, a college degree is viewed as a major family financial investment, carrying a strong promise of upward mobility and financial freedom. When structural barriers block this path, graduates experience deep

frustration, anxiety and a sense of personal failure, even though the issue is driven by systemic flaws rather than personal flaws.

A major social symptom of this crisis is the intensity of family and community surveillance. Unemployed graduates face constant scrutiny regarding their employment status, marriage prospects and financial independence. Because extended family networks often mistake market failures for personal incompetence, a heavy social stigma develops. This judgment worsens mental distress and strains relationships at home, especially since educated youth remain dependent on family money despite their high qualifications.

Psychologically, long-term exclusion from the workforce triggers deep existential dread, damaging self-confidence and causing chronic stress. Empirical studies show that educated, unemployed cohorts experience noticeably higher rates of clinical anxiety, depression and burnout than their working peers. The clear gap between academic achievements and actual job placement fosters a painful sense of wasted potential. Concurrently, repeated rejections in intense recruitment fields slowly chip away at inner motivation, leaving candidates with profound self-doubt.

Furthermore, educated unemployment delays the natural transition into adulthood. Without a stable, well-paying job, young people are forced to push back traditional life milestones, such as moving out, getting married and starting a family. This forced state of limbo is particularly tough on young men, who face cultural expectations to serve as the main economic provider. To survive this prolonged instability, individual sometimes turn to isolation or reluctantly accepts low-skilled, insecure informal jobs, which leads to long-term career frustration and identity confusion.

At a broader social level, the buildup of mental distress among educated youth carries major risks for national stability. Long-term job insecurity slowly erodes trust in state institutions, fuels political alienation and threatens to spark social unrest driven by collective disappointment. Therefore, educated youth unemployment must be understood not just as a cold economic statistic, but as a complex social and psychological crisis that directly threatens both personal well-being and long-term societal peace.

## 9. STATE INTERVENTIONS AND POLICY FRAMEWORKS: EVALUATING EMPLOYABILITY AND SELF-EMPLOYMENT INITIATIVES

To counter the growing educated youth employment crisis, the Indian government has introduced several programs targeting skill development, vocational training and entrepreneurship. However, the general focus of these state plans centers on fixing supply-side skills and encouraging self-employment, rather than directly creating formal jobs on the demand side.

A primary pillar of this strategy is the Skill India Mission, run mainly through the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), which provides standardized vocational courses and certifications for young people. While these efforts have opened up technical training paths, empirical evaluations consistently show a very weak link between completing a course and finding long-term, formal employment—especially for graduate and postgraduate cohorts. The government claims that 84 million (8.4 crore) people in India have been trained under the 'Skill India' scheme; however, the reality is that only 20 to 25 percent of them managed to secure permanent employment. Similarly, the Startup India initiative attempts to spark entrepreneurship by offering tax breaks, mentorship and easier regulations for new businesses. While this plan has helped a segment of educated youth to start their own companies, its real-world impact is highly localized, benefiting mostly urban, wealthy and socially privileged groups.

One striking feature of India’s employment character is that it is majorly made of self-employed workforce. One is considered self-employed if he or she works with his or her own set up, or employs people for own ventures and it ranges from a tea stall to working in a farm to practicing doctors. Under this category, there are two types: Those who are account workers or employers and those who are helpers in household enterprises. The latter type is basically unpaid work undertaken in one's own economic activities.

The share of self-employed persons in the total employed population of the country is increasing and reached to almost 57 per cent in 2025-26, interestingly, the shares of both casual and regular wage earners in the total employed population have decreased. Within total self-employed persons in the country, the share of women has gone up to almost 65 per cent in 2025-26.

The government launched the Mudra scheme with an outlay of ₹32.61 lakh crore to enable youth to start their own businesses with state support. Under this scheme, loan amounts have been transferred to 520 million (52 crore) accounts by 2025; notably, many of these accounts received loan disbursements on multiple occasions. While 70 percent of the loans under the Mudra Yojana were granted to women entrepreneurs, data regarding exactly how many individuals actually started a business under this scheme remains unavailable. For those who started businesses after availing loans under the Mudra scheme... The stories posted on the portal are largely similar; they fail to provide insights into business locations, product details, or other specifics.

However, going by global data on employment, self-employment is high in poor and developing countries. Usually countries with low per capita income have higher self-employed populations. One can say that most of the world's poor are self-employed. These are the people without a contract and include a significant number of people who do unpaid household enterprise work. So, a high level of self-employment is an indicator that there are no other alternatives; the people, therefore, stick to these non-rewarding jobs. As the survey points out, in India a daily wage job fetches more than a self-employment option. In India, like in other countries, this option attracts most of the small and marginal farmers as well as the landless. This indicates the deep employment crisis the country is facing, but the high rate of self-employment gets reflected as a decrease in unemployment rate. Thus, these micro-loans will act more as short-term safety nets than long-term paths to stable employment and so the government must find ways to provide long term stable employment opportunities to the growing youth population.

Other state platforms—like the National Career Service (NCS) portal, Atmanirbhar Bharat hiring incentives and various apprenticeship schemes—aim to bridge the gap between job seekers and employers, offer temporary wage subsidies and provide corporate exposure. Yet, despite these administrative tools, their overall success in reducing educated youth unemployment remains limited by the general shortage of formal jobs, long public sector hiring cycles and the rapid shift toward contract labor across the country.

Ultimately, while current government initiatives openly acknowledge the youth employment gap, they remain disconnected from large-scale job creation, placing the weight instead on individual adaptability and entrepreneurship. Ironically, continuous decline in the fraction of education budget that went down almost 50% in financial year 2025-26 from the financial year 2013-14 cast shadow on the policy of the government towards youth empowerments and reaping the benefits of demographic dividend. This policy disconnect highlights the urgent need for a shift toward job-centric macroeconomic policies that move beyond simple skill certifications to guarantee secure, stable career options for educated youth. For this government should revamp all public sector undertakings and must fill all vacancies and create ample new opportunities as India is a welfare state and should remain so.

## 10. CONCLUSIONS

This study has analyzed the growing crisis of educated youth unemployment in India by looking at the issue through structural, macroeconomic and institutional lenses. Despite possessing the world's largest youth cohort, India faces a deep systemic contradiction between the expansion of higher education and the availability of formal jobs. The structural data reveals that higher education has become detached from stable career paths, deeply compromising the financial security of the 15–29 age brackets.

The empirical insights from this research prove that educated youth unemployment cannot be blamed on individual shortcomings or a lack of effort; rather, it is a direct reflection of structural economic constraints. The convergence of outdated university curricula, prolonged public recruitment delays, fragmented state policies and the rapid rise of contract work has institutionalized long-term economic

instability among qualified graduates. Furthermore, while current state programs focus on supply-side skills and self-employment, these models remain entirely inadequate for solving the deep shortage of high-quality, permanent jobs.

Beyond basic economics, this research brings to light the acute social and psychological tolls of excluding educated labor. Long periods of searching for work breed deep frustration, clinical anxiety, loss of self-confidence and friction within families. Moving past individual stories, these widespread struggles pose long-term risks to national social stability, economic productivity and civic participation within a young electorate.

While targeted state interventions like Skill India, Startup India and Mudra loans recognize the job shortage; their overall success is bottlenecked by a weak pipeline to formal, secure work. Consequently, these findings call for a major shift in public policy, moving away from short-term training schemes and toward demand-driven, job-focused macroeconomic planning.

In conclusion, India's demographic dividend can only be realized if university expansion is carefully aligned with genuine, demand-driven job growth. Without deep structural reforms across labor laws, public hiring systems and developmental policy, educated youth unemployment will continue to widen social gaps, worsen structural inequalities and stall the country's long-term growth trajectory.

Thus, India's progress is not truly possible without industrial development, educational reforms and the provision of employment opportunities for the youth. Statistics indicate that the benefits of economic growth are not reaching to the common citizen. If the government genuinely wishes to turn the vision of "Viksit Bharat 2047" into reality, it must first seriously address the unemployment crisis.

## 11. REFERENCES

[1] Basole, A., Abraham, R., Rakshit, A., Vijayamba, R., Shrivastava, A., & Halder, T. (2023). *State of working India 2023: Social identities and labour market outcomes*. Centre for Sustainable Employment.Azim Premji University. azimpremjiuniversity.edu.in

[2] Government of India. (2014). *Report on employment and skill development*. Planning Commission of India.

[3] Government of India. (2026). *Annual Report*, *Periodic labour force survey (PLFS) 2025–26*. Ministry of Statistics and Programme Implementation.

[4] [Government of India. (2026). *Annual Report 2025-26*. NITI aayog.

[5] Government of India. (2026). *National Accounts Statistics 2026, CSO*. Ministry of Statistics and Programme Implementation.

[6] International Labour Organization. (2023). *Global employment trends for youth 2023*. ILO.

[7] National Sample Survey Office. (2019). *Employment and unemployment situation in India*. Government of India.

[8] Organisation for Economic Co-operation and Development. (2021). *Youth unemployment rates: OECD statistics*. OECD Publishing.

[9] Papola, T. S., & Kannan, K. P. (2017). *Towards an employment strategy for India* (ILO Asia-PacificWorking Paper). International Labour Organization.

[10] World Bank. (2020). *India jobs diagnostic: Challenges and strategies*. World Bank Group.