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## **Youth Unemployment and the Transition from Education to Employment in India**

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### **Abstract**

Youth unemployment is a significant labour-market problem in India, as the growing numbers of educated youths complete their secondary/higher education but struggle to access meaningful and sustainable employment. This research analyses the education to employment transition and discusses the various factors that correlate with youth unemployment in India. Specifically, the research looks at the relationship between attained educational levels, acquired skills, available job opportunities in the labor market and attained work experience and the nature of employment accessible to the youth. The study utilized existing secondary data sources from government statistical agencies, labor market surveys and other reports and academic papers. Descriptive and comparative analyses were employed to explain youth unemployment trends and to highlight variations by sex, level of education, and geographic regions- rural and urban dichotomy. The findings indicate that a higher attainment of educational level does not automatically guarantee a smooth entry into a job. While higher educated youths need time to achieve job search matching because expected work differs from the readily available employment opportunities, mismatches between supply and demand of skills, shortage of work experience, geographical limitations of available jobs, and gender constraints may additionally slow down the transition into employment. However, the analysis confirms that strengthening educational and business partnerships, and ensuring quality vocational and technical training, careers guidance and training-cum-apprenticeship opportunities, as well as opening new avenues for youth in the employment sector will certainly cut down youth unemployment.

**Keywords:** Youth Unemployment, Education-to-Employment Transition, School-to-Work Transition, Youth Labour Market, Skills Mismatch, Employability, India

## **INTRODUCTION**

Transition from learning to working, the most decisive transition in life for many youths, has economic and social implications for both the society as well as its members. This is even more critical in the case of India, which boasts of a huge population of working age, and is characterized by the existence of a vast majority of young workforce. The smoothness of this transition has enormous bearing on economic development, earning potential of households, as well as the social peace. However, as evident from many of the studies and surveys related to youth employment in India, this transition may not always be smooth. It is well documented that quite a large percentage of young workforce spend a substantial part of their lives searching for employment, are found working below their educational levels or neither in employment nor in education. The phenomena of youth unemployment has thus been an object of interest in the recent decades and must not be only looked from the angle of labour market outcomes but as a marker of difficulties in moving from study to work. India has achieved a phenomenal growth in terms of educational opportunities over the past two decades. But this educational development has not always gone hand in hand with the increase in adequate job opportunities corresponding to the educational level and ambition of young workers. The 'India Employment Report 2024', identified youth employment, skills and education as significant concerns of the labor market, and cited that unemployment is higher among young people than older adults, and it is worsening with rising young skilled unemployment, skill shortages and a discrepancy between educational attainments of youths and jobs ( ILO & Institute for Human Development, 2024).

Recent government data indicate that even with improvements in job prospects, the youth unemployment rate remains a matter of great concern. According to Periodic Labour force survey, 2024, unemployment rate among the young, 15-29 age group was 10.3%; which saw a subsequent drop to 9.9% in 2025. Young working population inhabiting cities continued to face higher unemployment rate (13.6% in 2025) than that in the rural areas (8.3% in 2025), and even so female youths are faced with substantially higher unemployment than the males (Ministry of statistics and programme implementation, 2026). While educational qualification adds in an important parameter - human capital; the possession of the qualification itself is not sufficient condition for absorption into the work force. Instead employer demand certain set of technical, digital, communication and occupational skills, which have generally not been fully developed during conventional education. Research on education and decent work conducted by ILO reported that mismatched qualifications could influence the labor-market outcomes of young workers, such as the level of over-education or under-education for jobs(ILO, 2014). Beyond educational attributes, there are several other factor which differentiate this transition by gender, region, SES or education levels. The difference for females can be explained by constraints placed by the prevailing social structures-the labor market participation has more to do with family obligation, societal expectation and restricted mobility along with availability of jobs. Research on Youth Not in Employment, nor in Education or Training (NEET) showed that for India it is more a gender differentiated phenomena with larger presence of young female workers in NEET compared to the larger majority of working age male in labor market. So the study showed that for the India context, NEET males are likely to have higher education and skills than females (Majid, 2021).

Thus the problem goes much further than simply unemployment. A youth may be in informal or tenuous formal jobs; or remain outside of labor market after obtaining high education level. Studies by Mitra and Verick(2013) show that while, there was greater availability of productive employment and formal opportunities in India among the educated workforce; the youth outcome varied across attainment of education, social group and location.

In this perspective, the paper provides a study of youth unemployment in India focusing specifically on the school-to work transition. It explores inter-link between educational qualifications, skills, employability and employment access and studies how gender and rural-urban disparity matter in youth learning to employment. The paper attempts to understand why high level of educational attainment failed to result in smooth transition into good employment and the factors influencing the transition at both firm level as well as institutional level.

### **Review of Literature**

Existing literature shows that the school to work transition is largely contingent on the confluence of education, skills, labor demand and social conditions. Mitra and Verick (2013) explored the transition from education to employment in the context of India among youth and emphasized that labor market outcomes were differenced based on the level of education achieved by workers, their social background and also location of living. Lack of availability of adequate productive job opportunities were identified as an additional bottleneck that caused complications in the learning to earning transition. The relationship between attainment of education and getting a job of one's liking was revealed to be not a straightforward equation in case of youths, with reference to analysis on the International Labour Organizations (ILO) school-to-work transition survey in the developing world where mismatch of qualification is seen as a critical dimension of youth labor market. Result of the same implies a need for caution from the conclusion that education automatically equals good quality of jobs and there always exist people finding jobs less suited to their level of qualifications or remain unemployed(ILO, 2014). Recent literature like India Employment report (2024) confirmed educated youth unemployment as being higher and also confirmed skills mismatch and mismatch in relation between demand of labor market and supplied workforce as main reasons along with inadequate links between curriculum/education and training/employment(ILO and institute of human development, 2024). Other strand of literature focused on NEET- young people outside the educational framework and work which shows higher occurrence of women in the unemployed sub-category under NEET due to more emphasis on women in home affairs and need to explore more on them in studies related to youth unemployment(Majid, 2021).

### **Research Objectives**

1. To examine the level and patterns of youth unemployment in India and identify major differences across gender, educational attainment and rural–urban location.
2. To analyse the relationship between educational attainment, skills and the transition from education to employment among young people in India.
3. To identify the major factors that influence the transition of young people from education into suitable and sustainable employment.

### **Research Hypotheses**

**H1:** Educational attainment has a significant effect on the likelihood and duration of transition from education to employment among young people in India.

**H2:** Skills mismatch is significantly associated with higher levels of youth unemployment and delayed transition from education to employment.

**H3:** Youth unemployment and education-to-employment outcomes differ significantly according to gender and rural–urban location.

### **Methodology**

The paper adopts a descriptive and analytical research design in analyzing youth unemployment and the education-to-employment transitions in India. The study exclusively

relies on secondary sources available from credible sources-both Government and non-Government institutions. For quantitative information, the main source of statistical data is the Periodic Labour Force Survey (PLFS) data published by the Ministry of Statistics and Programme Implementation (Ministry of Statistics, 2024). In addition, the research draws heavily on the India Employment Report 2024 published by International Labour Organization and the Institute for Human Development, coupled with several other ILO researches and materials concerning youth employment, skills and school-to-work transition. The analysis restricts itself to individuals within the age group of 15-29 years, that which forms the definition of youth in the PLFS document. While focusing on youth, the key parameters employed for the analysis are youth unemployment rate, labor participation rate, worker population ratio, level of education, the distinction between gender, rural-urban, participation in employment, education and training. The NEET category and problem of skill and qualification mismatch have also been given attention. The methodology adopted to analyze the information include descriptive statistical analysis where trends and variations in youth unemployment rates and labor participation are documented. This is supported with comparative statistical analysis to identify the difference among gender, level of education as well as rural-urban status. The theory relating education, skills and employment in youth, which has been relied on for explanation and interpretation, uses both the human capital and school-to-work transition perspectives. As the information relied upon were from available Secondary data, there was no primary survey and no field level investigation of individuals was involved in the study.

### **Scope of Study**

The study examines the problem of youth unemployment and the transition from education-to-employment in India with youth population from ages 15 to 29 as the primary subjects of study. It investigates to what level academic attainment and level of skills obtained will enable young men and women to become readily available to enter the labor market and the effect of available labor market opportunities in determining the speed and quality of labor force entry. Various dimensions of youth participation in the labor force have been studied which includes unemployment, participation in the labor force, employment and also with reference to level of education, skills mismatch, the NEET category of young people as well as differentiation of variables with respect to gender and rural-urban area, given the significance of all this variables in determining youth employment and access to opportunities, given the difference in chances across all those variables among the youth in a labor market. In terms of geographical area, the study is conducted on India at the national level as opposed to state or region. In terms of time, it tries to examine the contemporary labor market trends using information provided by both the latest PLFS data, relevant recent state-level and national level research materials. With regard to the level of study, only the labor market and economic aspects of education-to-employment transitions are emphasized. Individual occupations; firm recruitment strategies; the psychic impact of unemployment etc. were not subjected to empirical examination in terms of their analysis as individual components of the issue, the overall aim being to provide insight into the structure factors influencing youth unemployment for the promotion of various policies related to education, skills development, training and employment generation programs for the youths.

### **Results and Discussion**

According to analysis, youth unemployment continues to be a problem in the transition from education to work in India. Recent data from the Periodic Labour Force Survey have revealed a rate of youth unemployment, ages 15 to 29, of 10.3 per cent in 2024, which declined slightly to 9.9 per cent in 2025. Although this change indicates a slight improvement, the rates

of youth unemployment are still significantly higher compared to unemployed working-age population. This relatively high levels of youth unemployment signifies that expansion of work opportunities has not been able to accommodate increasing number of young people entering work every year ( Ministry of Statistics and Programme Implementation, 2026). From the data, it is evident there is a large variation between rural and urban youth unemployment rates; 13.6 per cent in urban areas, and 8.3 per cent in rural areas in 2025. These differences indicate contrasting conditions of work in India's cities and countryside. In cities, due to the limited number of jobs to absorb vast amounts of educated and skilled youth, employment seems to pose a more challenging aspect. Many young, educated men in urban areas often seek professional employment and salaried position. On the other hand, rural jobs mostly in agriculture-based sector, along with informal and family economic activities, could reduce monitored unemployment even though the jobs created might be underpaid and lack security or have low productivity ( Ministry of Statistics and Programme Implementation, 2026). Another key aspect of youth-to-work transition is the relationship to gender. Women young are relatively disadvantaged compared to young men as concerns both access to job markets, and security within work environments. The differences in opportunity cannot only be attributed to variation in education level. Reasons such as socialization-based tasks to household chores, safety restrictions on mobility and inappropriate occupations, affects female youth employment choices. Based on data given in India Employment Report 2024, majority of young people out of employment and education/training are women, because accessing job market is hampered by household and societal issues (International Labour Organization & Institute for Human Development, 2024). The disparity that gender contributes also suggests education advancement cannot fully guarantee fair job outcomes.

With regard to attained level of education, the relationship with youth unemployment is complex; as, although greater qualification enables young people find access to better jobs, greater qualification requires longer periods for job searching when the market does not demand particular skillset or level. In 2024, educated young employees consist a significant proportion of India's unemployed youth, especially for students with highest education level and the secondary level graduates. This leads to conclusion that, the issue is beyond education provision, but rather the degree of relevance with the type of training attained compared to demand on labor market. This study matches the human capital perspective approach in arguing that education adds valuable attributes to individuals' abilities and therefore employment potential if the added skills is perceived useful to employers. However, when graduates have attained useless qualifications due to lacking in knowledge in work, technical and hands-on skills desired by employers, they reap less value from it. Lack of the appropriate skill has often been cited as major component of youth employment problems worldwide by International Labour Organization (2014). With it, young people end up searching for longer time for employment or take job which under-skills or over-skills them.

The analysis further indicates that work experience matters when entering work place after education. Many employers expect prior practical working experience along with their formal credentials. The difficulty of entering job market for the first time may place young person in a loop, as they lack experience, cannot get employed, thus lack experience for job. Apprenticeships, internships and internships give first work experience to youth which reduce difference that often arise before and after graduating. ILO and Institute for Human Development (2024) identify strengthening link between education, skills and jobs for resolving India youth unemployment issue. Another aspect of importance from analysis relates the concept of work quality after school to work transition. Successful school to work transition not necessarily means getting an employment, but also includes nature of employment, amount of compensation received, security provided at workplace, as well as the progression

development in one's career path. Graduates entering temporary work, part-time jobs, informal employment, and low payment work might be deemed to have overcome the school to work transition but they did not end up in optimal position regarding their career and work. India Employment Report 2024 showed continued prevalence of informal work among all youth employed and challenges of decent work found by working youth (International Labour Organization & Institute for Human Development, 2024).

The statistics on NEET youth proves this conclusion as youth outside education, employment or training suggest a broader gap than unemployment solely in education to work transition. Majid (2021) had found huge differences based on gender among NEET youth in India, a phenomenon where young females comprise a large part among those who are unemployed/not in employment and in school/training at the same time. The existence of a NEET workforce signifies disconnection that extends far beyond what unemployment encompasses. They were detached from education, leading to lost skills accumulation, less work experience and less subsequent future opportunities and career.

This study also highlights the differences among youth who are transitioning from school to work with relatively very smooth transition compared with those facing longer period of uncertainty. A short period in search of work is normal for a school to work transition (specifically for qualified graduates looking for the right job that match their educational training), while extended phase unemployment brings loss of relevant skills, reduction of future employment potential and discouragement. Thus, we must examine school to work as process and not a journey or event from education to occupation with quality, and span are important metrics for labor market integration (International Labour Organization, 2014). The evidence support the view that a stronger nexus between education and labor markets of India should exist, as educational institutions often focus too much on theoretical concepts, whereas employers prioritize vocational skills in job placement processes. As a consequence, there is mismatch between demands in market and qualification achieved, leading to unemployment of educated young generation; at same time, there are complains of employers complaining of workers lacking the necessary skills. So both the supply and quantity must be addressed with vocational education, workplace-based training and courses linked with specific industries along with school career advisors guiding young generation for required work skills before entering the labor market. Rural/Urban context is very much relevant; therefore this work implies job in cities must increase as the economy grow to absorb higher educated labor force whereas at rural areas needs to find opportunity other than agriculture or informal sector employment with low productive. Hence in youth employment policies, we must account for the differentiated condition of different locations, while we must implement rural work creation programs, community-driven companies, and agro-industry cluster, or small businesses development program, whereas for urban centers we ought to target demand for semi and high skilled labor in manufacturing and service sector jobs. These results of this study align well to the hypotheses stated, that is, school to work transition is significantly influenced by acquired qualification, while this impact is not of uniform nature. High qualification offers some help to achieve employability but do not ensure prompt availability of job. Second hypothesis suggesting importance of skill mismatches between supply and demands of skills in market is well supported by the evidence.

## **CONCLUSION**

The study concludes that the transition from education to work continues to represent a challenge for Indian youth. The research notes that even with increases in education levels and improvements in some recent labour market indicators, the unemployment rate for youth is considerably higher than the unemployment rate for the entire working age population.

According to the PLFS 2025, youth unemployment is 9.9 per cent among youth (15-29 years), but this varies by gender and location (Ministry of Statistics and Programme Implementation, 2026). Evidence indicates that increasing educational qualifications does not automatically imply successful transition. While unemployment for those seeking work could be due to an inability to find a job commensurate to educational skills; the inability to acquire and deploy work related and occupational skills may remain. The India Employment report, 2024 points out similar relationship between skills, education, work as one of the central concern on youth labor market in India (International Labour Organization & Institute for Human Development, 2024). Transition also differs by gender and location: issues specific to female youth include their own societal roles, work participation and availability of right kind of job and, the work environment differing between rural and urban context. Evidence on NEET indicates that there are different kinds of labour-market exclusion, and young women account for a large part of them out of education, employment and training (Majid, 2021). The study, therefore, recommends expanding efforts beyond school enrollment with increasing focus on industry related education, TVET, apprenticeships, guidance, work experience and creating decent work opportunities. Building strong links between educational institutions and employers, it is believed, would resolve job-skills mismatch and duration between completion of education and taking up suitable work.

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