

A Study on Youth Unemployment in India: Causes, Consequences and Policy Responses

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ABSTRACT

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 paper also examines other policy measures taken to alleviate teenage unemployment, including skill enhancement programmes, incentives for entrepreneurship, and active labour market regulations. 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.

Keywords: Youth Unemployment, Economic Growth, Labor Market, Skill Development, Job Creation and Economic Development

INTRODUCTION

India is currently facing a critical problem of high unemployment rates among young people, which is causing major obstacles to the country's social and economic progress. The youth population, defined as individuals aged 15 to 24, constitutes a substantial segment of the labour force yet faces disproportionately high rates of unemployment compared to other age groups (International Labour Organisation [ILO], 2021). This phenomenon is attributed to a confluence of factors, including mismatches between educational outcomes and labour market needs, rapid technological changes, and demographic pressures (Kapsos, Bourmpoula, & Silberman, 2014; Sarkar, Sahoo, & Klasen, 2019).

The educational system in India, "ill-expansive, often falls short in equipping young people with the skills demanded by employers, leading to a significant skills gap (Mehrotra & Ghosh, 2020). In addition, the Indian economy has undergone a structural revolution, transitioning from agriculture to services and industry. However, this development has not resulted in sufficient job opportunities for the younger generation (Ghose, 2016). This structural shift exacerbates the challenges faced by young job seekers, who often find themselves ill-prepared for the available opportunities.

The consequences of youth unemployment are far-reaching. Economically, it results in a loss of potential income and increased dependency on social welfare systems (ILO, 2021). Socially, prolonged unemployment can lead to heightened levels of stress, reduced self-esteem, and increased susceptibility to mental health issues (Patel et al., 2018). In addition, elevated levels of youth unemployment might exacerbate social instability and impede overall economic development (Banerjee & Duflo, 2019).

In response to this issue, various policy measures have been implemented to address youth unemployment in India. The Ministry of Skill Development and Entrepreneurship (MSDE) has implemented various measures such as skill development programmes, entrepreneurship promotion, and active labour market policies (MSDE, 2020). The National Skill Development Mission strives to improve employability by providing vocational training and skill certification. Moreover, programmes such as the Pradhan Mantri Mudra Yojana (PMMY) provide financial support to young entrepreneurs, fostering self-employment and job creation (Government of India, 2021).

This study aims to analyse the causes and consequences of youth unemployment in India and to evaluate the effectiveness of existing policy responses. By examining these dimensions, the study seeks to offer insights and recommendations for policymakers to address this critical issue and promote a more inclusive and dynamic labour market.

REVIEW OF THE LITERATURE

Youth unemployment in India is a multifaceted issue that has garnered significant attention from scholars and policymakers. The literature explores various dimensions, including the underlying causes, the broader socio-economic consequences, and the effectiveness of policy responses aimed at mitigating this challenge.

Several studies have identified a skills mismatch as a primary cause of youth unemployment in India. Mehrotra and Ghosh (2020) argue that the educational system fails to align with labour market demands, resulting in a workforce that is ill-prepared for available jobs. This mismatch is further exacerbated by rapid technological advancements and shifts in the economy from agriculture to services and industry, which have not been accompanied by adequate job creation (Ghose, 2016; Sarkar, Sahoo, & Klasen, 2019).

Additionally, demographic factors play a critical role. India's youth population is burgeoning, creating immense pressure on the job market (International Labour Organisation [ILO], 2021). The influx of young job seekers into a limited number of employment opportunities leads to higher competition and, consequently, higher unemployment rates among the youth (Kapsos, Bourmpoula, & Silberman, 2014).

The consequences of youth unemployment are wide-ranging and severe. Economically, it leads to a loss of potential income and increased dependency on social welfare systems, which strains public resources (ILO, 2021). Long-term unemployment can have a "scarring" effect, reducing future employment prospects and lifetime earnings (Bell & Blanchflower, 2011).

Socially, youth unemployment is associated with heightened levels of stress, reduced self-esteem, and mental health issues (Patel et al., 2018). It can also contribute to social unrest and increased criminal activities, as idle youth may become more susceptible to engaging in disruptive behaviours (Banerjee & Duflo, 2019).

In response to these challenges, various policy measures have been implemented to address youth unemployment in India. The National Skill Development Mission aims to bridge the skills gap by providing vocational training and skill certification (Ministry of Skill Development and Entrepreneurship [MSDE], 2020). Programmes like the Pradhan Mantri Mudra Yojana (PMMY) support young entrepreneurs by offering financial assistance, thus encouraging self-employment and job creation (Government of India, 2021).

Active labour market policies, such as job placement services and employment subsidies, have also been introduced to facilitate the transition from education to employment (ILO, 2021). However, the effectiveness of these policies varies. For instance, Kluge et al. (2017) highlight that while some training programmes have shown positive outcomes in terms of employability, others have had limited impact due to issues such as quality and accessibility.

Statement of the Problem

Youth unemployment in India represents a critical socio-economic challenge that threatens the country's long-term economic growth and social stability. Despite having one of the largest youth populations globally, many

young individuals remain unemployed or underemployed due to structural, educational, and demographic factors. There is a significant mismatch between educational outcomes and labour market demands, compounded by rapid technological advancements and demographic pressures. This leads to economic losses, increased dependence on social welfare, and social unrest. Various policies, such as skill development programmes and entrepreneurship initiatives, have been implemented but require continuous adaptation to meet the evolving needs of the youth labour market effectively.

Significance of the Study

India's youth unemployment is a pressing concern that has significant consequences for both economic and social progress. An in-depth analysis of the underlying factors can assist policymakers in developing impactful measures to improve employability. Analyse the discrepancies and deficiencies in skills between schooling and the labour market to inform improvements in education and vocational training, which could potentially decrease unemployment rates (Mehrotra & Ghosh, 2020). Tackling youth unemployment is essential for fostering equitable economic growth and diminishing inequality (Sarkar, Sahoo, & Klasen, 2019).

Objective of the Study

The main aim of this study is to thoroughly examine the issue of youth unemployment in India, with a specific focus on identifying the causes, repercussions, and policy measures associated with it. The precise aims encompass:

To evaluate the present condition of young unemployment in India.

To ascertain the determinants of youth unemployment in India.

To analyse the repercussions of youth unemployment in India.

To assess the efficacy of the policy initiatives used to tackle youth unemployment in India.

RESEARCH METHODOLOGY

The study employs secondary sources to conduct a detailed analysis of the factors, outcomes, and policy measures related to youth unemployment in India. The review will use secondary data obtained from existing literature, government publications, statistical databases, and university research to complement the primary data and offer additional contextual information. The target population consists of Indian youth aged 15–29 who come from various socio-economic origins, educational levels, and geographical areas. Information for the Periodic Labour Force Survey (PLFS) 2023 is sourced from the Government of India's Ministry of Statistics and Programme Implementation. The chosen study technique is to create a solid framework for analysing India's intricate issue of youth unemployment. Its goal is to make it easier to comprehend all of the contributing elements, effects, and policy ramifications of this phenomenon.

RESULT AND DISCUSSION

The study delineated the multifaceted causes of youth unemployment in India, ranging from educational mismatches to economic slowdowns. Consequences encompassed economic stagnation, social unrest, and political disillusionment. Policy responses included skill development programmes, employment generation initiatives, and entrepreneurship promotion. The findings underscored the need for comprehensive, targeted interventions.

Present State of Youth Unemployment in India

Youth unemployment in India is a significant issue with profound social and economic implications. Comprehending the fundamental reasons behind it and the resulting effects is crucial in formulating efficient strategies to improve the ability to find employment and foster fair and balanced economic development, guaranteeing equitable possibilities for all young individuals.

Unemployment Rate: The youth unemployment rate in India has been fluctuating but generally remains high. According to the National Statistical Office (NSO) and various surveys, the youth (ages 15–29) unemployment rate has been reported in the range of 20–25% in recent years.

Labour Force Participation: The labour force participation rate (LFPR) for youth is also a critical metric. In India, the LFPR for youth is relatively low, indicating that many young people are either not seeking work or are engaged in education and training.

Gender Disparity: There is a significant gender disparity in youth unemployment rates, with young women facing higher unemployment rates compared to young men. Social norms, safety concerns, and fewer opportunities contribute to this disparity.

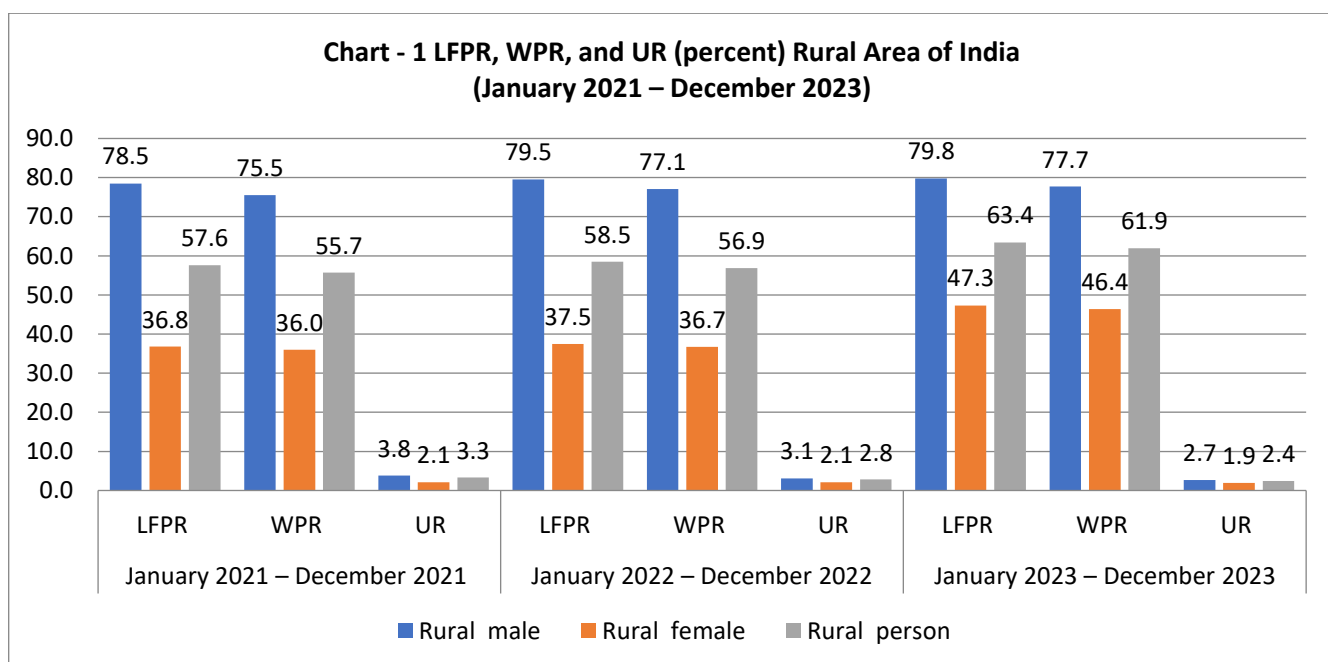
Urban vs. Rural: Youth unemployment is generally higher in urban areas compared to rural areas. This can be attributed to the higher population density in urban centres, a mismatch between job opportunities and qualifications, and migration patterns.

Table - 1 LFPR, WPR, and UR (percent) Rural Area of India (January 2021 – December 2023)

Indicator		January 2021 – December 2021			January 2022 – December 2022			January 2023 – December 2023		
		LFPR	WPR	UR	LFPR	WPR	UR	LFPR	WPR	UR
Rural	Male	78.5	75.5	3.8	79.5	77.1	3.1	79.8	77.7	2.7
	Female	36.8	36.0	2.1	37.5	36.7	2.1	47.3	46.4	1.9
	Person	57.6	55.7	3.3	58.5	56.9	2.8	63.4	61.9	2.4

Source: Periodic Labour Force Survey (PLFS) 2023, Ministry of Statistics and Programme Implementation, Government of India.

Note: LFPR: Labour Force Participation Rate, WPR: Worker Population Ratio, UR: Unemployment Rate



For rural males, there was a slight increase in LFPR from 78.5% in 2021 to 79.8% in 2023 and in WPR from 75.5% to 77.7% over the same period, while UR decreased from 3.8% to 2.7%. These trends indicate improved

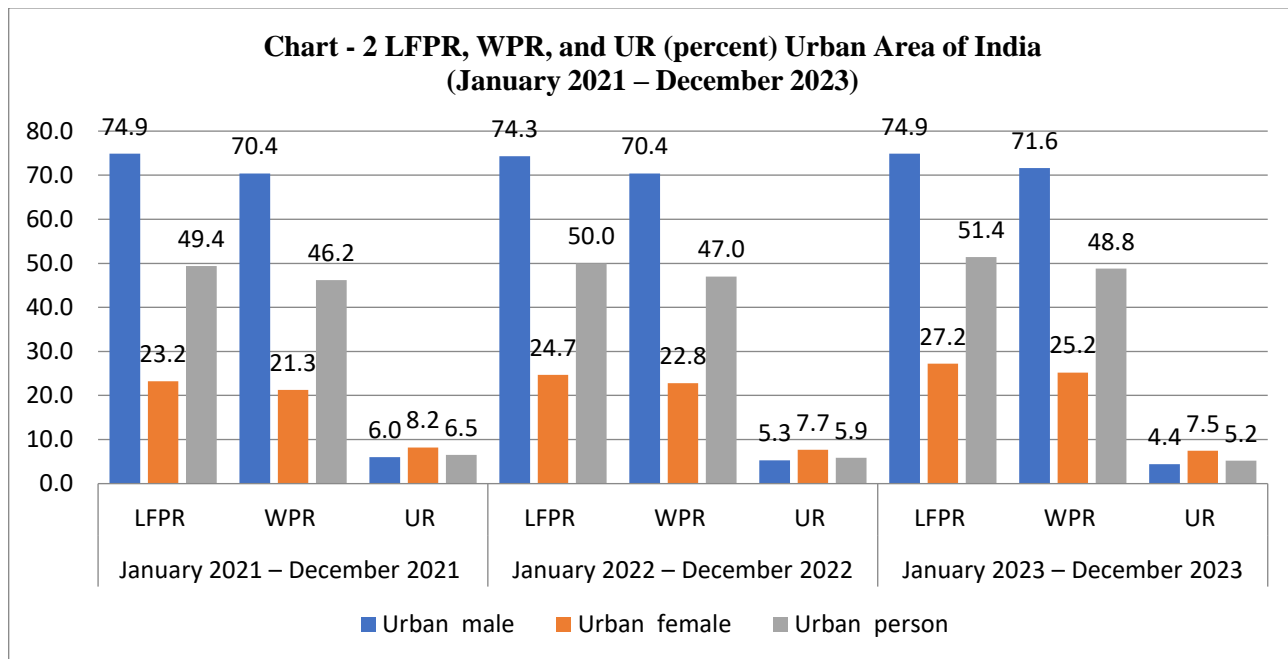
employment opportunities and economic conditions for rural males. Rural females experienced a notable rise in LFPR from 36.8% in 2021 to 47.3% in 2023 and in WPR from 36.0% to 46.4%, with a slight decrease in UR from 2.1% to 1.9%. This substantial increase in female participation and employment suggests enhanced job availability and possible social or policy changes supporting women's employment in rural areas. Overall, the rural population saw an increase in LFPR from 57.6% to 63.4% and in WPR from 55.7% to 61.9%, alongside a decrease in UR from 3.3% to 2.4%, indicating a broader improvement in rural employment conditions. These positive trends reflect an overall strengthening of the rural labour market, driven by increased participation and employment across both genders.

Table - 2 LFPR, WPR, and UR (percent) Urban Area of India (January 2021 – December 2023)

Indicator		January 2021 – December 2021			January 2022 – December 2022			January 2023 – December 2023		
		LFPR	WPR	UR	LFPR	WPR	UR	LFPR	WPR	UR
Urban	Male	74.9	70.4	6.0	74.3	70.4	5.3	74.9	71.6	4.4
	Female	23.2	21.3	8.2	24.7	22.8	7.7	27.2	25.2	7.5
	Person	49.4	46.2	6.5	50.0	47.0	5.9	51.4	48.8	5.2

Source: Periodic Labour Force Survey (PLFS) 2023, Ministry of Statistics and Programme Implementation, Government of India.

Note: LFPR: Labour Force Participation Rate, WPR: Worker Population Ratio, UR: Unemployment Rate



For urban males, the LFPR remained stable at around 74.9% from 2021 to 2023, with a slight dip to 74.3% in 2022. The WPR showed a slight improvement, rising from 70.4% in 2021 and 2022 to 71.6% in 2023. Meanwhile, the UR declined significantly from 6.0% in 2021 to 4.4% in 2023, indicating better employment conditions for urban males. Urban females experienced a steady increase in LFPR from 23.2% in 2021 to 27.2% in 2023 and in WPR from 21.3% to 25.2%, while the UR decreased marginally from 8.2% to 7.5%. This increase in female labour force participation and employment suggests gradual improvements in job opportunities and possibly supportive policies for urban women. Overall, for the urban population, the LFPR rose from 49.4% in 2021 to 51.4% in 2023, and the WPR increased from 46.2% to 48.8%, with the UR decreasing from 6.5% to

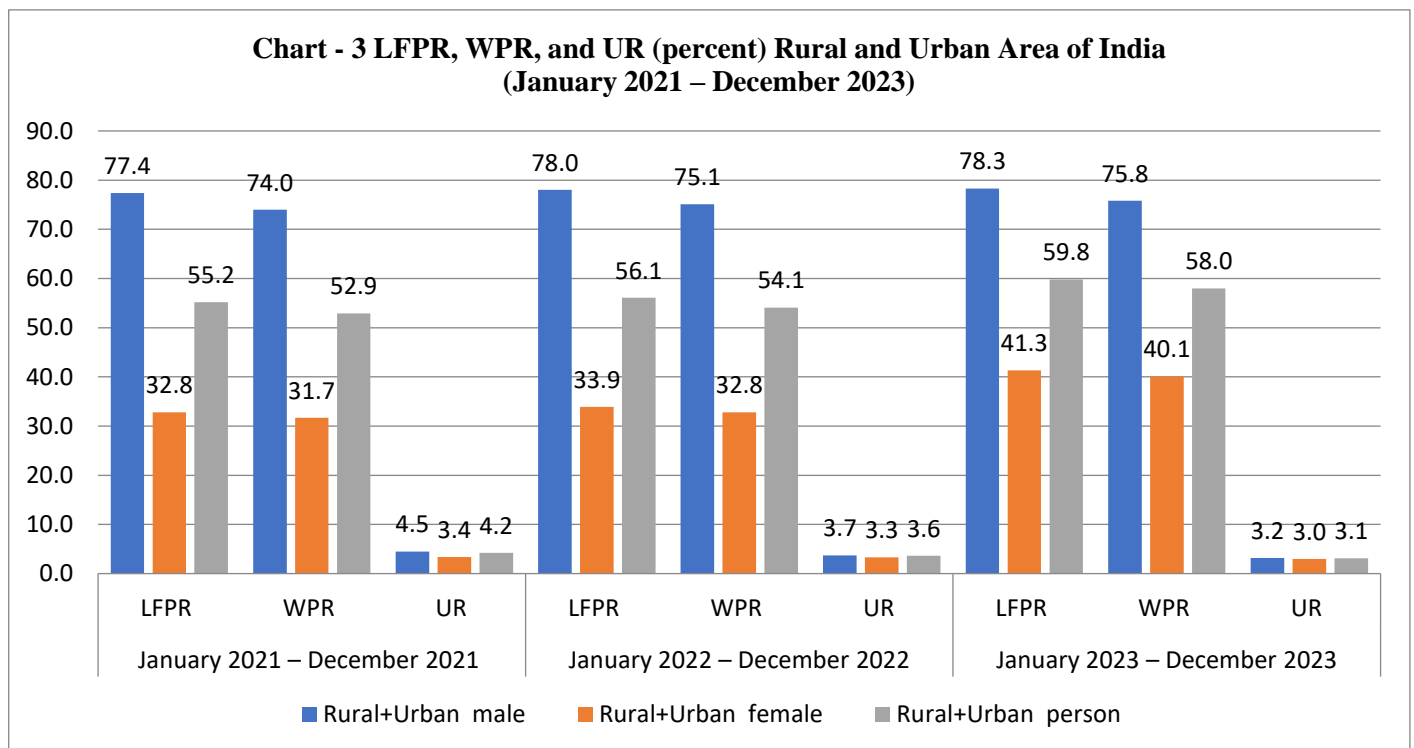
5.2%. These trends indicate a positive trajectory in the urban labour market, characterised by rising participation and employment rates alongside a falling unemployment rate, reflecting overall economic improvements and increased job creation in urban areas.

Table - 3 LFPR, WPR, and UR (percent) Rural and Urban Area of India (January 2021 – December 2023)

Indicator		January 2021 – December 2021			January 2022 – December 2022			January 2023 – December 2023		
		LFPR	WPR	UR	LFPR	WPR	UR	LFPR	WPR	UR
Rural + Urban	Male	77.4	74.0	4.5	78.0	75.1	3.7	78.3	75.8	3.2
	Female	32.8	31.7	3.4	33.9	32.8	3.3	41.3	40.1	3.0
	Person	55.2	52.9	4.2	56.1	54.1	3.6	59.8	58.0	3.1

Source: Periodic Labour Force Survey (PLFS) 2023, Ministry of Statistics and Programme Implementation, Government of India.

Note: LFPR: Labour Force Participation Rate, WPR: Worker Population Ratio, UR: Unemployment Rate



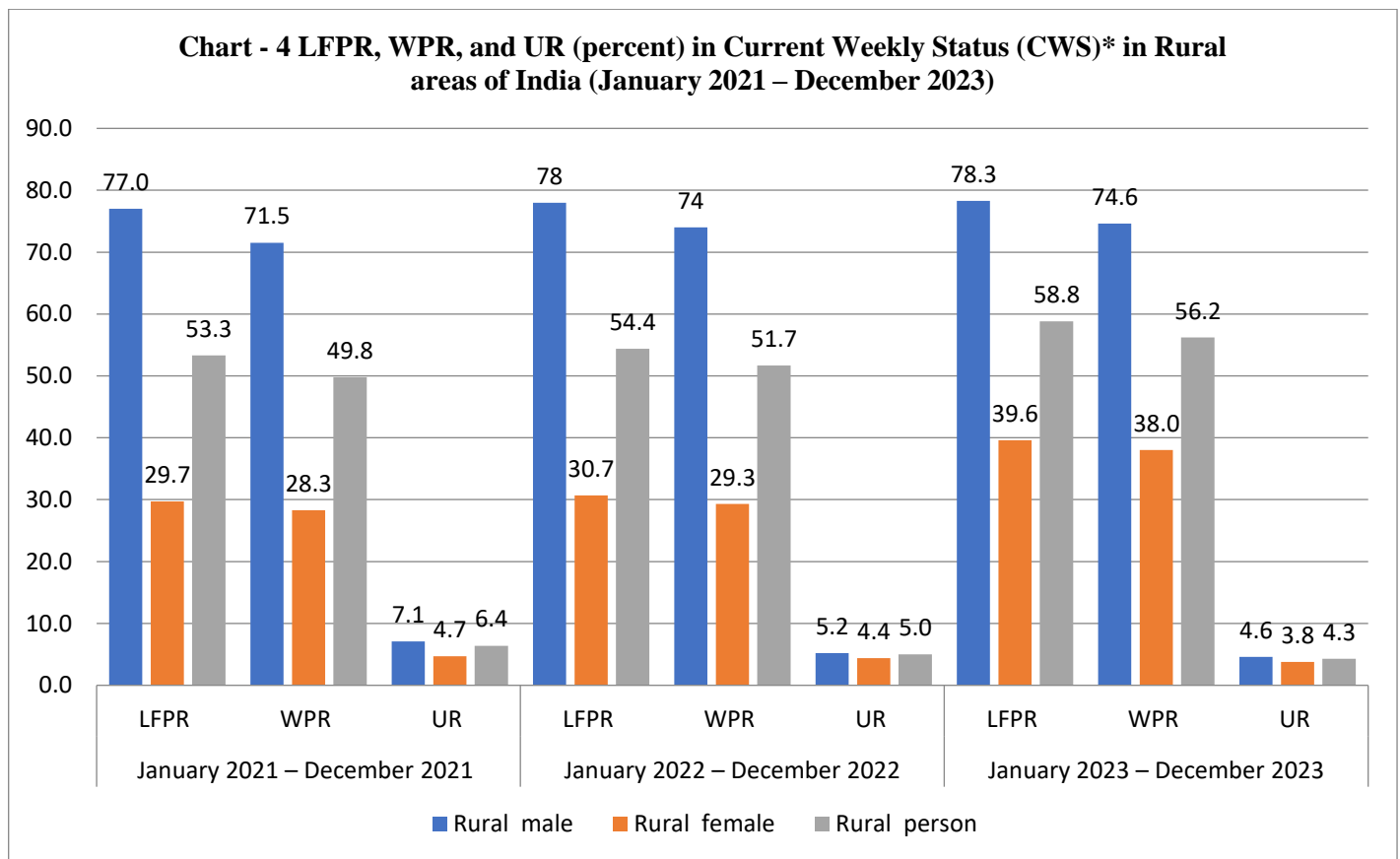
For males, the LFPR increased modestly from 77.4% in 2021 to 78.3% in 2023, and the WPR rose from 74.0% to 75.8%, while the UR decreased from 4.5% to 3.2%. This suggests a consistent improvement in employment opportunities and a stronger labour market for men across both rural and urban settings. For females, the LFPR showed a substantial increase from 32.8% in 2021 to 41.3% in 2023, and the WPR followed a similar trend, rising from 31.7% to 40.1%, with the UR slightly decreasing from 3.4% to 3.0%. This notable rise in female participation and employment rates points to enhanced job opportunities and potentially effective policies or social changes promoting women's employment. Overall, the combined rural and urban data indicate that the LFPR increased from 55.2% in 2021 to 59.8% in 2023, and the WPR rose from 52.9% to 58.0%, while the UR fell from 4.2% to 3.1%. These positive trends reflect an overall strengthening of the labour market, characterised by higher participation and employment rates and a declining unemployment rate, indicating broad-based economic improvements and increased job creation in both rural and urban areas.

Table - 4 LFPR, WPR, and UR (percent) in Current Weekly Status (CWS)* in Rural areas of India (January 2021 – December 2023)

Indicator		January 2021 – December 2021			January 2022 – December 2022			January 2023 – December 2023		
		LFPR	WPR	UR	LFPR	WPR	UR	LFPR	WPR	UR
Rural	Male	77.0	71.5	7.1	78	74	5.2	78.3	74.6	4.6
	Female	29.7	28.3	4.7	30.7	29.3	4.4	39.6	38.0	3.8
	Person	53.3	49.8	6.4	54.4	51.7	5.0	58.8	56.2	4.3

Source: Periodic Labour Force Survey (PLFS) 2023, Ministry of Statistics and Programme Implementation, Government of India.

Note: LFPR: Labour Force Participation Rate, WPR: Worker Population Ratio, UR: Unemployment Rate



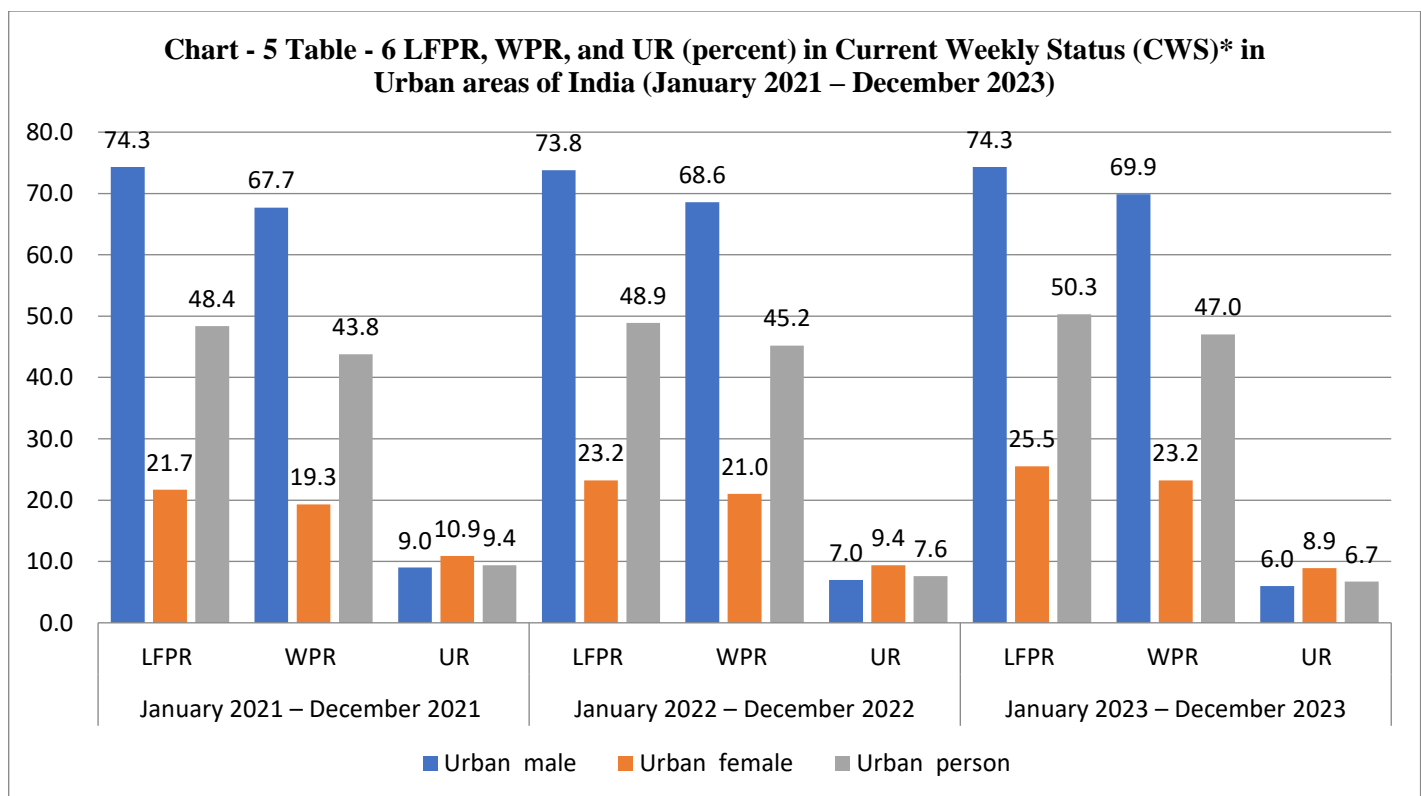
For rural males, the LFPR slightly increased from 77.0% in 2021 to 78.3% in 2023, and the WPR rose from 71.5% to 74.6%, while the UR decreased from 7.1% to 4.6%. This trend indicates an improving employment landscape for rural males, with more individuals participating in and securing employment. For rural females, the LFPR saw a marked increase from 29.7% in 2021 to 39.6% in 2023, and the WPR rose from 28.3% to 38.0%, with the UR slightly decreasing from 4.7% to 3.8%. The substantial rise in female labour force participation and employment suggests enhanced opportunities and perhaps effective policies promoting women's employment in rural areas. Overall, for the rural population, the LFPR increased from 53.3% in 2021 to 58.8% in 2023, and the WPR rose from 49.8% to 56.2%, with the UR declining from 6.4% to 4.3%. These positive trends reflect an overall strengthening of the rural labour market, characterised by higher participation and employment rates and a declining unemployment rate, indicating broad-based improvements in economic conditions and job availability in rural areas.

Table - 5 LFPR, WPR, and UR (percent) in Current Weekly Status (CWS)* in Urban areas of India (January 2021 – December 2023)

Indicator		January 2021 – December 2021			January 2022 – December 2022			January 2023 – December 2023		
		LFPR	WPR	UR	LFPR	WPR	UR	LFPR	WPR	UR
Urban	Male	74.3	67.7	9.0	73.8	68.6	7.0	74.3	69.9	6.0
	Female	21.7	19.3	10.9	23.2	21.0	9.4	25.5	23.2	8.9
	Person	48.4	43.8	9.4	48.9	45.2	7.6	50.3	47.0	6.7

Source: Periodic Labour Force Survey (PLFS) 2023, Ministry of Statistics and Programme Implementation, Government of India.

Note: LFPR: Labour Force Participation Rate, WPR: Worker Population Ratio, UR: Unemployment Rate



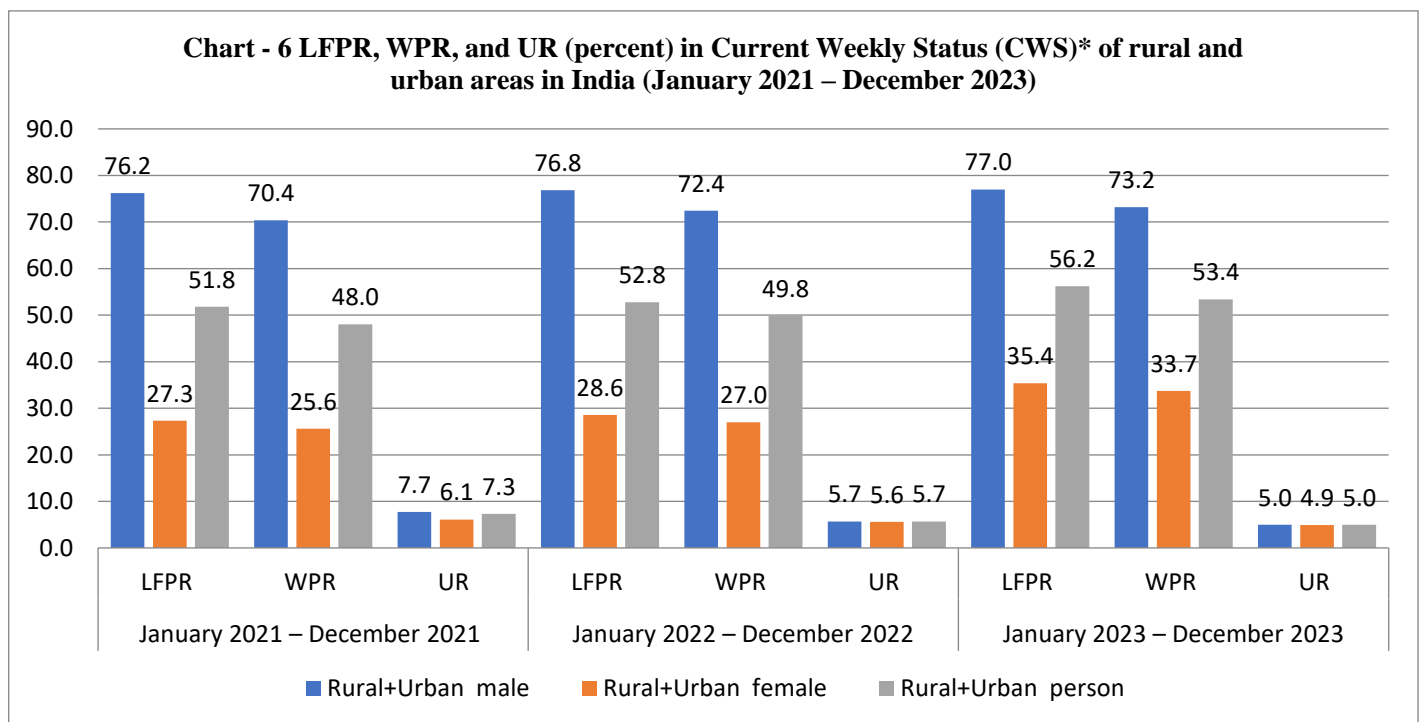
For urban males, the LFPR remained relatively stable at around 74.3% in both 2021 and 2023, with a slight dip to 73.8% in 2022. The WPR showed improvement, increasing from 67.7% in 2021 to 69.9% in 2023, while the UR decreased significantly from 9.0% to 6.0%. This indicates an improving employment situation for urban males, with more of those participating in the labour force finding employment. For urban females, the LFPR increased from 21.7% in 2021 to 25.5% in 2023, and the WPR rose from 19.3% to 23.2%, while the UR declined from 10.9% to 8.9%. This suggests a gradual improvement in job opportunities and possibly supportive policies for women's employment in urban areas. Overall, for the urban population, the LFPR increased from 48.4% in 2021 to 50.3% in 2023, and the WPR rose from 43.8% to 47.0%, with the UR falling from 9.4% to 6.7%. These positive trends reflect a strengthening urban labour market, characterised by higher participation and employment rates alongside a declining unemployment rate, indicating broader economic improvements and increased job creation in urban areas.

Table - 6 LFPR, WPR, and UR (percent) in Current Weekly Status (CWS)* of rural and urban areas in India (January 2021 – December 2023)

Indicator		January 2021 – December 2021			January 2022 – December 2022			January 2023 – December 2023		
		LFPR	WPR	UR	LFPR	WPR	UR	LFPR	WPR	UR
Rural + Urban	Male	76.2	70.4	7.7	76.8	72.4	5.7	77.0	73.2	5.0
	Female	27.3	25.6	6.1	28.6	27.0	5.6	35.4	33.7	4.9
	Person	51.8	48.0	7.3	52.8	49.8	5.7	56.2	53.4	5.0

Source: Periodic Labour Force Survey (PLFS) 2023, Ministry of Statistics and Programme Implementation, Government of India.

Note: LFPR: Labour Force Participation Rate, WPR: Worker Population Ratio, UR: Unemployment Rate



For males, the LFPR showed a gradual increase from 76.2% in 2021 to 77.0% in 2023, with the WPR rising from 70.4% to 73.2% and the UR decreasing from 7.7% to 5.0%. This indicates a strengthening employment scenario for males across both rural and urban settings, with more men participating in the labour force and finding employment. For females, the LFPR increased notably from 27.3% in 2021 to 35.4% in 2023, while the WPR rose from 25.6% to 33.7%, and the UR decreased from 6.1% to 4.9%. This significant rise in female participation and employment points to improved job opportunities and possibly effective policies or social changes favouring women's employment. Overall, for the combined population, the LFPR increased from 51.8% in 2021 to 56.2% in 2023, with the WPR rising from 48.0% to 53.4% and the UR decreasing from 7.3% to 5.0%. These trends indicate a broad-based improvement in the labour market, characterised by higher participation and employment rates and a declining unemployment rate, reflecting overall economic growth and better job creation across both rural and urban areas.

Causes of the Youth Unemployment in India

Youth unemployment in India is driven by a multifaceted array of causes. Understanding these underlying factors is essential for devising effective solutions. The primary causes can be broadly categorised into educational, economic, social, and policy-related factors.

Educational Factors

1. **Skill Mismatch:** There is often a significant gap between the skills imparted by educational institutions and the requirements of the job market. Many graduates lack the practical skills and industry-specific knowledge needed for employment.
2. **Quality of Education:** The quality of education in many institutions is subpar, particularly in rural areas. This results in graduates who are not adequately prepared for the demands of the modern workforce.
3. **Vocational Training:** There is a lack of emphasis on vocational and technical training, which limits the opportunities for young people to gain hands-on experience and practical skills that are highly valued in the job market.

Economic Factors

1. **Economic Slowdown:** Periods of economic downturn, such as those caused by the COVID-19 pandemic, have led to a reduction in job opportunities and increased competition for the few available positions.
2. **Informal Sector Dominance:** A large portion of India's economy is in the informal sector, which often does not provide stable or well-paying jobs. This limits the formal employment opportunities available to youth.
3. **Lack of Industry Growth:** Certain sectors that traditionally employ large numbers of people, such as manufacturing, have not grown at the expected rate, reducing the number of new jobs created.

Social Factors

1. **Gender Disparities:** Social norms and safety concerns often restrict the participation of young women in the workforce, leading to higher unemployment rates among them.
2. **Rural-Urban Divide:** Youth in rural areas face more significant challenges in accessing quality education and job opportunities, leading to higher unemployment rates compared to their urban counterparts.
3. **Cultural Expectations:** Cultural pressures and expectations regarding the types of jobs considered appropriate or prestigious can limit the job choices available to young people.

Policy-Related Factors

1. **Rigid Labour Laws:** India's labour laws are often seen as rigid and outdated, making it difficult for companies to hire and fire employees flexibly, which can discourage the creation of new jobs.
2. **Bureaucratic Red Tape:** Starting and running a business can be hindered by bureaucratic hurdles, reducing the opportunities for entrepreneurship and job creation.
3. **Insufficient Support for SMEs:** Small and medium-sized enterprises (SMEs) are crucial for job creation but often lack access to necessary financial and infrastructural support.

Technological Factors

1. **Automation:** The rise of automation and artificial intelligence is replacing many traditional jobs,

particularly those requiring low to mid-level skills, reducing the number of available positions for youth.

2. **Digital Divide:** There is a significant digital divide in India, with many young people lacking access to the technology and digital skills required for modern jobs.

Structural Factors

1. **Population Growth:** Rapid population growth results in a large number of new entrants to the job market each year, increasing competition for a limited number of jobs.
2. **Urban Migration:** Many young people migrate from rural to urban areas in search of better opportunities, leading to higher unemployment rates in cities as the job market cannot absorb the influx.

Consequences of Youth Unemployment in India

Youth unemployment in India has profound and far-reaching consequences that affect individuals, families, communities, and the broader economy.

Economic Consequences

1. **Loss of Potential Workforce:** High youth unemployment means that a significant portion of the potential workforce is not being utilised, leading to a loss in potential economic productivity and growth.
2. **Increased Dependency Ratio:** Unemployed youth often remain dependent on their families for financial support, increasing the economic burden on working family members and reducing overall household savings and investment.
3. **Wage Depression:** High unemployment can lead to wage depression, as the surplus of job seekers allows employers to offer lower wages, reducing the overall purchasing power of the population.
4. **Stagnant Economic Growth:** Persistent youth unemployment can contribute to slower economic growth as consumer spending decreases and economic dynamism is stifled by a lack of new entrants into the workforce.

Social Consequences

1. **Increased Poverty:** Unemployment can lead to increased poverty rates as individuals and families struggle to meet basic needs without a steady income.
2. **Social Unrest:** High levels of youth unemployment can lead to social unrest, frustration, and a feeling of disenfranchisement among young people, potentially resulting in increased crime rates, protests, and political instability.
3. **Mental Health Issues:** Prolonged unemployment can lead to mental health issues such as depression, anxiety, and low self-esteem among youth, exacerbating social problems.
4. **Delay in Life Milestones:** Unemployment can delay significant life milestones for young people, such as marriage, buying a home, or starting a family, which can have long-term demographic and social effects.

Psychological Consequences

1. **Loss of Motivation:** Extended periods of unemployment can lead to a loss of motivation and a sense of hopelessness, making it even more difficult for individuals to seek and secure employment.
2. **Identity and Self-Worth Issues:** Employment often provides a sense of identity and purpose. Youth

unemployment can lead to a loss of self-worth and identity crises, affecting overall well-being and social integration.

Political Consequences

1. **Disillusionment with Government:** High youth unemployment can lead to disillusionment and a lack of trust in government institutions and policies, potentially leading to lower political participation and engagement.
2. **Rise of Extremism:** Frustration and lack of opportunities can make unemployed youth more susceptible to radicalization and extremist ideologies, posing a threat to national security and social harmony.

Long-Term Consequences

1. **Skill Degradation:** Extended unemployment can lead to skill degradation, making it more difficult for youth to re-enter the workforce even when opportunities arise, perpetuating the cycle of unemployment.
2. **Generational Impact:** The effects of youth unemployment can spill over to future generations, as children growing up in households affected by unemployment may have lower educational and employment outcomes.

Consequences for Specific Groups

1. **Women:** Young women facing unemployment are particularly vulnerable to long-term career setbacks, which can reinforce gender inequality in the labour market.
2. **Rural Youth:** Rural youth may face additional barriers such as a lack of access to quality education and training, further entrenching rural poverty and limiting rural economic development.

Economic Strain on Government

1. **Increased Welfare Spending:** High youth unemployment can lead to increased government spending on welfare and unemployment benefits, straining public finances.
2. **Loss of Tax Revenue:** Unemployed youth do not contribute to tax revenues, reducing the resources available for public investment and services.

The consequences of youth unemployment in India are multi-dimensional and interlinked, affecting economic growth, social stability, individual well-being, and political dynamics. Addressing these consequences requires a comprehensive approach that includes improving education and skill development, creating job opportunities, supporting mental health, and fostering an inclusive and dynamic economy.

Policy Responses to Youth Unemployment in India

Addressing youth unemployment in India has been a key focus for policymakers. Various policy responses have been implemented to tackle this issue, aiming to enhance employability, create job opportunities, and promote entrepreneurship.

Skill Development Initiatives

1. **Skill India Mission:** Launched in 2015, this mission aims to train over 400 million people by 2022 across various sectors.
2. **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):** Provides short-term training and certification in various skills, focusing on employability and entrepreneurship.
3. **National Skill Development Corporation (NSDC):** Works with industry partners to create a large-

scale, quality-focused, and sustainable skill development system.

4. **Industrial Training Institutes (ITIs):** Focus on providing vocational training and technical education to youth.
5. **Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)** targets rural youth and provides them with training and placement opportunities, aiming to enhance their employability.

Employment generation programmes

1. **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** Provides guaranteed employment for at least 100 days per year to rural households, thereby reducing rural unemployment and underemployment.
2. **The Prime Minister's Employment Generation Programme (PMEGP)** aims to generate employment opportunities through the establishment of micro-enterprises in rural and urban areas.
3. **Stand-Up India:** Focuses on promoting entrepreneurship among women and marginalised communities by facilitating bank loans for setting up enterprises.

Entrepreneurship and innovation

1. **Startup India:** Launched in 2016, this initiative aims to foster entrepreneurship by providing funding, mentorship, and support for startups. Key features include:
2. **Startup India Hub:** A one-stop platform for startups to interact with government agencies, investors, and other stakeholders.
3. **Fund of Funds for Startups (FFS):** Provides financial support to startups through various venture capital funds.
4. **Tax Exemptions:** Offers tax benefits and simplified regulatory procedures for startups.
5. **Atal Innovation Mission (AIM):** promotes innovation and entrepreneurship through initiatives like Atal Tinkering Labs (ATL) in schools and Atal Incubation Centres (AIC) for startups.

Education Reforms

National Education Policy (NEP) 2020: Aims to overhaul the education system to make it more holistic, flexible, multidisciplinary, and aligned with the needs of the 21st century.

1. Emphasis on vocational education and training.
2. Introduction to coding and other modern skills from an early age.
3. Focus on higher education reforms to improve employability.

Digital Initiatives

1. **Digital India:** Seeks to transform India into a digitally empowered society and knowledge economy. By improving digital infrastructure and literacy, this initiative aims to enhance job opportunities in the technology sector.
2. **National Career Service (NCS):** An online platform that connects job seekers with employers, providing career counselling, job matching, and other employment-related services.

Sector-Specific Initiatives

1. **Make in India:** Encourages domestic and foreign investment in the manufacturing sector to create job opportunities and boost economic growth.
2. **National Manufacturing Policy:** Aims to create 100 million additional jobs in the manufacturing sector by 2022.

Social Inclusion and Gender-Specific Policies

1. **Mahila Shakti Kendra (MSK)** aims to empower rural women through community participation and training programmes.
2. **Beti Bachao Beti Padhao:** Focuses on improving the status of women through education and employment initiatives.

Evaluation and Challenges

1. **Implementation Gaps:** Effective implementation of these policies is often hindered by bureaucratic inefficiencies, corruption, and a lack of coordination among different agencies.
2. **Quality of Training:** The quality of vocational training and skill development programmes needs improvement to match industry standards.
3. **Job Creation vs. Employability:** While improving employability is crucial, there must also be a simultaneous focus on creating enough job opportunities to absorb the skilled workforce.
4. **Inclusion:** Ensuring that these initiatives reach marginalised and rural youth remains a challenge.

Policy responses to youth unemployment in India are comprehensive and multifaceted, focusing on skill development, employment generation, entrepreneurship, education reform, and digital empowerment. Continuous monitoring, evaluation, and adaptive strategies are essential to address implementation challenges and ensure that these policies effectively reduce youth unemployment and foster economic growth.

CONCLUSION

Youth unemployment in India presents a complex and multifaceted challenge, deeply rooted in educational, economic, social, and policy-related factors. The high unemployment rates among Indian youth are not just a statistic but a pressing issue with far-reaching consequences for the country's socio-economic fabric. The causes of youth unemployment are diverse, ranging from the mismatch between educational outcomes and labour market needs to economic slowdowns and structural inefficiencies. Social factors such as gender disparities and the rural-urban divide further exacerbate the problem, while technological changes and rigid labour laws add additional layers of complexity. The consequences of youth unemployment are profound, affecting not only individuals but also their families and communities. Economically, it leads to a loss of potential productivity and increased dependency ratios. Socially, it fosters poverty, mental health issues, and potential social unrest. Politically, it can result in disillusionment with the government and an increased risk of extremism. These multifaceted impacts underscore the urgency of addressing youth unemployment comprehensively.

India's policy responses to youth unemployment have been diverse and ambitious. Initiatives like the Skill India Mission, Startup India, and the National Education Policy aim to enhance employability, foster entrepreneurship, and reform the education system to better align with industry needs. Employment generation programmes like MGNREGA and PMEGP, along with sector-specific initiatives such as Make in India, seek to create more job opportunities. Digital and social inclusion programmes strive to ensure that the benefits of economic growth and technological advancements are accessible to all segments of society. However, challenges remain in the effective implementation and scaling of these policies. Quality of training, bureaucratic inefficiencies, and

ensuring inclusivity are critical areas that need continuous improvement. Tackling youth unemployment in India requires a sustained and coordinated effort across various sectors and levels of government. By addressing the root causes and focusing on comprehensive, adaptive strategies, India can harness the potential of its young population, driving sustainable economic growth and social stability. The journey is complex, but with persistent and innovative approaches, meaningful progress can be achieved.

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