

Understanding Youth Unemployment: A Holistic Analysis of its Underlying Causes

Abstract

Youth unemployment remains a critical global issue, with far-reaching economic and social implications. This research explores the multifaceted causes of youth unemployment among 200 graduate and postgraduate students at Chaudhary Charan Singh Haryana Agricultural University, Hisar. Addressing the gap in existing literature, the study categorizes the causes into four key dimensions: structural, educational, individual, and private sector-related causes. The objective of the study is to analyze how these causes contribute to unemployment and their interrelated effects. A descriptive research design was employed, with data collected through a structured questionnaire. The analysis reveals that structural causes, such as high competition for limited job opportunities and the increasing demand for specialized skills, are significant barriers to employment. Educational mismatches, including misalignment between academic qualifications and industry requirements, further intensify the issue. Individual challenges, like limited job search skills, and private sector constraints, such as low wages and restrictive hiring practices, also contribute to unemployment. The findings underscore the complexity of youth unemployment and highlight the need for targeted policy interventions. By addressing these diverse causes, the study suggests reforms in education, skill development programs, and enhanced private sector engagement as essential strategies to improve youth employability and foster inclusive economic growth.

Keywords: Youth Unemployment, Structural Causes, Educational Mismatches, Individual Challenges, Private Sector Constraints, Employability, Policy Interventions, Skill Development, Economic Growth, Graduate and Postgraduate Students.

Introduction

Youth unemployment is a critical socio-economic issue with far-reaching implications for economic growth, social stability, and individual well-being. Defined as the situation where individuals aged 15 to 24 are actively seeking but unable to secure employment, it has become increasingly prevalent. The International Labour Organization (2023) reports that youth unemployment rates remain alarmingly high, leading to lost economic potential, increased poverty, and social unrest. High unemployment among youth not only jeopardizes their livelihoods but also undermines sustainable development, as the potential of an entire generation to contribute productively is left untapped.

Research indicates that prolonged unemployment can lead to economic dependence, diminished self-esteem, and disengagement from the labor market [1][2]. Despite the significance of the issue, existing studies often lack a comprehensive framework to explore the multifaceted causes of youth unemployment. Most research tends to focus on isolated factors, such as the mismatch between educational qualifications and job market demands or structural issues like job saturation, without considering how these dimensions collectively influence youth employability [3][4].

This study aims to fill this gap by categorizing the causes of youth unemployment into four interconnected dimensions—structural, educational, individual, and private sector-related. Utilizing empirical data from 200 graduate and postgraduate students at Chaudhary Charan Singh Haryana Agricultural University, Hisar, the study seeks to provide a comprehensive understanding of the barriers faced by young job seekers. The findings are anticipated to have significant implications for policymakers, educators, and industry stakeholders, guiding the design of targeted interventions.

By illuminating the complexities of youth unemployment, this research aspires to inform holistic policy frameworks that not only address immediate unemployment but also equip youth for the evolving demands of the global workforce [5][6]. Recommendations will include reforms in educational systems to better align with labor market needs and enhanced skill development programs to bridge individual gaps. Ultimately, such initiatives are essential for fostering sustainable economic development and ensuring that youth can transition into productive careers, thereby contributing to long-term social cohesion and economic resilience.

Methodology

The research was conducted at Chaudhary Charan Singh Haryana Agriculture University in Hisar. A systematic and proportional sample of 200 students, consisting of 100 graduates and 100 postgraduates, who have experienced unemployment over the past 3–4 years, was selected from all the colleges affiliated with CCSHAU, Hisar.

Results and Discussion

Unemployment's global impact necessitates understanding its causes. Youth unemployment stems from diverse causes. Economic shifts (structural), skill mismatches (educational), insufficient experience (individual), and economic downturns (private sector) are pivotal. Structural causes, driven by economic shifts, influence job availability, educational disparities, with skill mismatches, contribute to the issue. Individual causes, like insufficient experience or inadequate job-search skills, hinder successful employment. Private sector-related causes, such as economic downturns impacting hiring, exacerbate the problem. In addressing the multifaceted nature of unemployment, this section delves into its causes, categorizing them into structural, educational, individual, and private sector-related factors. These categories were identified based on insights provided by unemployed graduate and postgraduate students.

Causes Of Unemployment Among Youth

1. Structural Causes contributing to Unemployment

The structural causes contributing to unemployment, highlighted in Table 1, underscore several key structural causes of unemployment identified by both graduate and postgraduate students. Predominantly, a substantial number of students pinpoint the high volume of job seekers as the primary contributor to unemployment, ranking it prominently with mean scores of 2.65 and 2.59, respectively. Additionally, significant structural causes include the large size of the informal sector and the escalating demand for highly skilled labor, which were ranked second (2.61 and 2.52) and third (2.59 and 2.46) in importance. This observation aligns with established economic literature recognizing the systemic challenge of incongruity between job seekers and available opportunities [7][8]. The need for skilled labor and technological change corresponds with the work of Acemoglu and Autor [9], emphasizing the impact of technological shifts on labor market dynamics. Factors contributing to the overall unemployment rate, such as economic recession

and challenges post-internship, are in agreement with findings from Hemalatha et al. [10] and Mseleku [1]. Economic imbalances between graduate supply and demand, observed in South Africa and Kenya [2], resulted in limited job opportunities. Discrimination, favoritism, and skills mismatches hinder graduates' transition to full-time employment, consistent with Asmare & Mulatie's study [3]. The research underscores the economy's impact on labor market opportunities, echoing the mismatch theory of unemployment [4]. Global economic crises, like the 2007-2009 downturn, contributed to prolonged periods of graduate unemployment [5].

This categorization of structural causes illuminates the complex interplay of labor market dynamics affecting job availability and accessibility for youth. By delving into these factors, the study aims to provide insights into how structural reforms and policy interventions can address these challenges effectively, fostering environments conducive to reducing youth unemployment rates and promoting sustainable economic growth.

Table-1: Structural Causes Contributing to Unemployment

N=200

Sr. No.	Structural Causes	Students					
		Graduate F (%) (n=100)			Post Graduate F (%) (n=100)		
		Total Score	Mean	Rank	Total Score	Mean	Rank
1.	Increasing Population	152	1.52	VII	145	1.45	VII
2.	More Job Seekers	265	2.65	I	259	2.59	I
3.	Absence of occupational standards	180	1.80	V	192	1.92	IV
4.	Recession	177	1.77	VI	139	1.39	VIII
5.	Large size of informal sector	261	2.61	II	246	2.46	III
6.	Demand of highly skilled labour	259	2.59	III	252	2.52	II
7.	Nepotism	183	1.83	IV	167	1.67	VI
8.	Technological Change	143	1.43	VIII	185	1.85	V

*Maximum Score – 3.00

2. Educational Causes Contributing to Unemployment

This section investigates the educational causes contributing to unemployment among respondents, as outlined in Table 2. A significant majority of both graduate and postgraduate students identified several key educational causes. Foremost among these was a perceived mismatch between education and job requirements, coupled with concerns over insufficient certifications (mean scores of 2.84 and 2.78, respectively). Following closely were concerns regarding insufficient certifications in conjunction with mismatches between education and job requirements (mean scores of 2.82 and 2.75), highlighting the critical impact of educational alignment on employability.

Furthermore, the data revealed substantial concerns about the imbalance between vocational and general education (mean scores of 2.79 and 2.71), underscoring the importance of curricular relevance to labor market needs. These factors collectively constituted the primary drivers of unemployment, particularly among individuals holding postgraduate degrees. These insights

were consistent with similar findings from Gupta et al. [6], the African Development Bank [7], and Benny [8]. Benny's study in Bangalore City underscores the significant influence of monetary considerations on individuals' employment decisions. Simultaneously, the African Development Bank emphasized the relevance of supply-side dynamics, explaining unemployment in terms of qualifications deficiencies and skill mismatches. In alignment with Gupta et al.'s findings, challenges faced by the educated demographic encompassed deficiencies in educational and vocational guidance, shortages in job opportunities, and familial responsibilities.

This analysis provides a comprehensive overview of how educational factors influence unemployment rates among graduate and postgraduate students, shedding light on critical areas that need attention to enhance employability and economic outcomes.

Table-2: Educational Causes Contributing to Unemployment

N=200

Sr. No.	Educational Causes	Students					
		Graduate F (%) (n=100)			Post Graduate F (%) (n=100)		
		Total Score	Mean	Rank	Total Score	Mean	Rank
1.	Outdated education system	162	1.62	V	146	1.46	IV
2.	Lack of proper career guidance	172	1.72	IV	132	1.32	V
3.	Mismatch between education and job requirement	284	2.84	I	275	2.75	II
4.	Imbalance between vocational and general education	279	2.79	III	271	2.71	III
5.	Insufficient certificates	282	2.82	II	278	2.78	I

*Maximum Score – 3.00

3. Individual Causes Contributing to Unemployment

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Table 3: Individual Causes Contributing to Unemployment

N=200

Sr. No.	Individual Causes	Students					
		Graduate F (%) (n=100)			Post Graduate F (%) (n=100)		
		Total Score	Mean	Rank	Total Score	Mean	Rank
1.	Expectations for easy jobs	282	2.82	III	279	2.79	I
2.	Low salary offer	287	2.87	I	197	1.97	IV
3.	Lack of self awareness	187	1.87	V	270	2.70	II
4.	Occupational stigma	191	1.91	IV	269	2.69	III
5.	Pressure from parents	172	1.72	VI	186	1.86	VI
6.	The lack of adequate work experience	285	2.85	II	193	1.93	V

*Maximum Score – 3.00

4. Private Sector-Related Causes Contributing to Unemployment

The study highlights significant concerns among both graduate and postgraduate students regarding private sector-related causes contributing to unemployment. Predominantly, low wages and the absence of insurance coverage are identified as primary issues, receiving top rankings with mean scores of 2.84 and 2.78, respectively. This is compounded by practices such as extending existing workers' hours rather than hiring new employees, which ranked closely behind with scores of 2.81 and 2.72. Additional concerns include systems that depress wages for enhanced profit, coupled with failures in workforce absorption by the private sector, each contributing significantly with mean scores of 2.75 and 2.66. Similar findings are reported with Meaza Ambachew's [6] research, revealing a lack of effectiveness in government policies to address unemployment. Similar observations were made by Farah and Ali [7], who highlighted the insufficient job creation opportunities in Kenya as a significant contributor to unemployment. The study's outcomes also resonated with those of the African Development Bank [8], indicating that youth unemployment was influenced by both employer expectations and regulatory factors on the demand side, which decreased labor market demand and excluded numerous graduates.

Table 4: Private Sector-Related Causes Contributing to Unemployment

N=200

Sr. No.	Private sector-related Causes	Students					
		Graduate F (%) (n=100)			Post Graduate F (%) (n=100)		
		Total			Total		

		Score	Mean	Rank	Score	Mean	Rank
1.	Making existing workers work longer rather than hiring new workers	275	2.75	III	278	2.78	I
2.	Failure of the private sector to absorb unemployed population	223	2.23	V	266	2.66	III
3.	There is a system that pulls down wages and reaps extra profit over this	281	2.81	II	234	2.34	IV
4.	There is a system based on making money out of money rather than investing in the production sector	249	2.49	IV	197	1.97	V
5.	Low level of wages and absence of insurance coverage in the private sector	284	2.84	I	272	2.72	II
6.	The private sector is not innovative it lacks skills to create a trademark or a style	172	1.72	VI	146	1.46	VI

*Maximum Score – 3.00

5. Overall Level of Causes Contributing to Unemployment

This section provides an in-depth analysis of the factors contributing to unemployment among students without current employment, covering overall structural, educational, individual, and private sector-related elements. The examination of the overarching determinants of student unemployment underscores significant associations with structural, educational, individual, and private sector-related factors. A substantial proportion of respondents (65.0%) attributed the high incidence of unemployment to structural causes, aligning with economic frameworks emphasizing the impact of macroeconomic shifts on employment dynamics, as explicated by Acemoglu and Autor [9]. Likewise, a prevalent linkage (82.5%) to elevated levels of educational causes reflected concerns surrounding skill mismatches and deficiencies within the educational system, resonating with the scholarly discourse articulated by Carneiro and Heckman [10]. The discerned medium-level influence ascribed to individual causes (73.5%) aligns with human capital theories, emphasizing the sway of individual choices and skills, consistent with the perspectives articulated by Becker [11] and Mincer [12]. Furthermore, the identified medium-level influence from the private sector (69.5%) accords with theories spotlighting the ramifications of corporate decisions on labor markets, as articulated by Lucas [13] and Lazear [14]. In sum, the multifaceted nature of youth unemployment necessitates comprehensive strategies that encompass structural reforms, educational alignment, individual empowerment, and engagement with the private sector.

Table 5: Overall Level of Causes Contributing to Unemployment

N=200

CAUSES	Categories	Students		Total F (%) N=200
		Graduate F (%) n= 100	Post Graduate F (%) n=100	
Structural Causes of Unemployment	Low (08-13)	03 (03.0)	10 (10.0)	13 (06.5)
	Medium (14-19)	31 (31.0)	26 (26.0)	57 (28.5)
	High (19-24)	66 (66.0)	64 (64.0)	130 (65.0)
	Mean ± SD	22.25 ± 3.68	22.14 ± 5.11	22.20 ± 4.44
	Low (05-8)	02 (02.0)	02 (02.0)	04 (02.0)

Educational Causes of Unemployment	Medium (09-11)	22 (22.0)	09 (09.0)	31 (15.5)
	High (12-15)	76 (76.0)	89 (89.0)	165 (82.5)
	Mean ± SD	12.72 ± 1.96	14.1 ± 1.80	13.37 ± 1.99
Individual Causes of Unemployment	Low (06-09)	08 (08.0)	03 (03.0)	11 (05.5)
	Medium (10-14)	68 (68.0)	79 (79.0)	147 (73.5)
	High (15-18)	24 (24.0)	18 (18.0)	42 (21.0)
	Mean ± SD	15.14 ± 2.43	13.02 ± 1.76	14.77 ± 1.72
Private-Sector related Causes of Unemployment	Low (06-09)	02 (02.0)	10 (10.0)	12 (06.0)
	Medium (10-14)	72 (72.0)	67 (67.0)	139 (69.5)
	High (15-18)	26 (26.0)	23 (23.0)	49 (24.5)
	Mean ± SD	13.05 ± 2.60	11.98 ± 2.51	12.02 ± 2.73

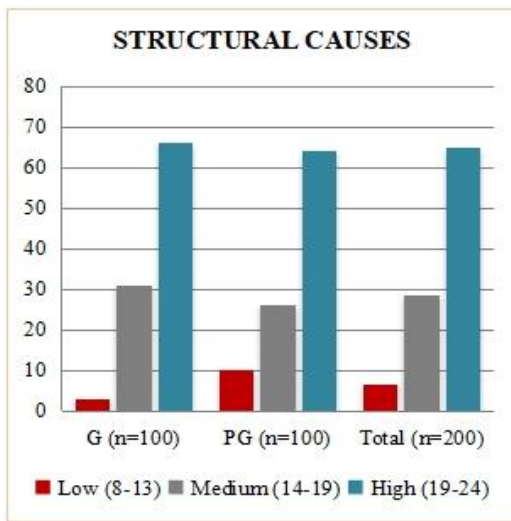


Fig-1: Overall Structural Causes

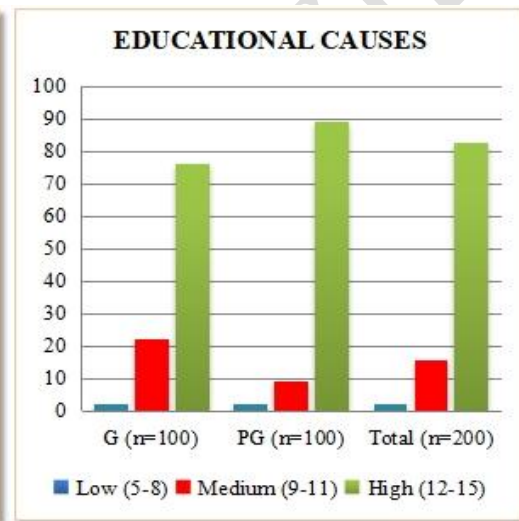


Fig-2: Overall Educational Causes

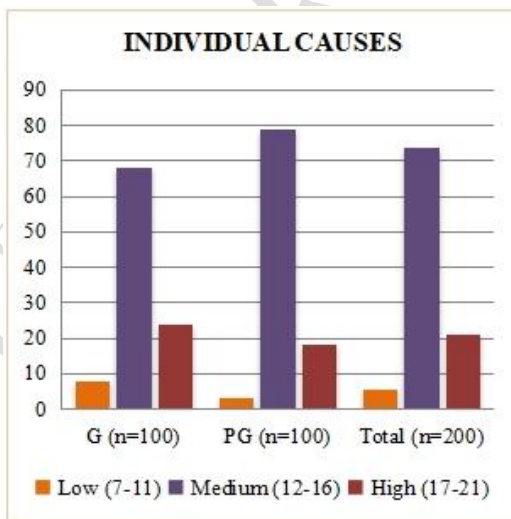


Fig-3: Overall Individual Causes

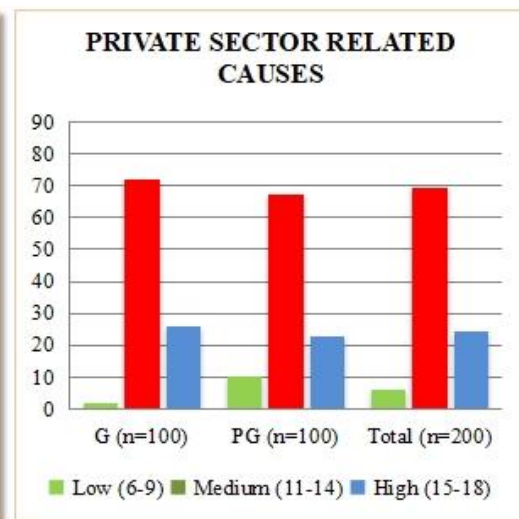


Fig-4: Overall Private Sector related Causes

Conclusion

In summary, this comprehensive analysis of youth unemployment reveals a complex interplay of structural, educational, individual, and private sector-related factors contributing to the persistent challenges faced by young job seekers. The findings underscore the structural causes, particularly the high volume of job seekers and the disparity between labor market demands and available opportunities, significantly exacerbate unemployment rates. Additionally, the educational alignment—or lack thereof—between qualifications and job requirements emerges as a critical barrier to employability, particularly for graduates and postgraduates.

Individual factors such as unrealistic salary expectations and insufficient work experience further complicate the landscape, revealing the personal dimensions of unemployment. The analysis also highlights the role of the private sector, where low wages and inadequate job creation practices hinder opportunities for youth employment.

To address the multifaceted nature of youth unemployment effectively, the study advocates for targeted strategies that include structural reforms aimed at increasing job availability, educational enhancements to align curricula with labor market needs, and policies fostering greater engagement from the private sector in creating sustainable employment opportunities. By prioritizing these interventions, stakeholders can work toward fostering an environment conducive to reducing youth unemployment rates and promoting inclusive economic growth.

Consent

Informed consent was obtained from all individual participants included in the study. Participants were provided with detailed information about the study's purpose, procedures, and potential risks before consenting to participate. Their participation was voluntary, and they were assured of confidentiality and the right to withdraw from the study at any time without consequence. The study was conducted in accordance with ethical guidelines and received approval from the relevant institutional review board.

Disclaimer (Artificial intelligence)

I am Khushbu, hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during writing or editing of manuscripts.

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