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Boom in Higher Education and fall in Employment in India: Exploring Causes, Consequences and Evolving Strategies for the Mismatch

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Abstract

The ultimate aim of education is making the individuals a better human being and helps to secure a suitable employment for their current and future livelihood. India owns a rapidly growing higher education system in the world, and the quantitative expansion of the higher education is remarkable. The number of students, number of colleges, enrollment rate, pass out rate et shown remarkable improvements during past decades but at the same time there is growing unemployment among the highly educated in India . This create a serious mismatch in the demand and supply of higher educated in the country. Thus the study try to understand higher educational expansion In India during the past decades and to understand trend, pattern & intensity of unemployment among higher educated graduates and to find reasons and strategies to reduce the mismatch . The study is descriptive and analytical in nature and make use of secondary data from economic review of Government Of India , National Sample Survey Organization , Ministry of Human Resource Development , All India Survey on Higher Education (AISHE) and from other secondary sources like articles, websites, journals etc . The study mainly reached the conclusion that ‘Indian higher education system is in the stage of rapid expansion, without corresponding increase in the employability of higher educated graduates and find that excess supply of educated graduates, lack of skill, rapid enrollment expansion, low quality of education etc are the reasons for this mismatch and thus study suggest possible strategies to reduce this mismatch.

Keywords

Unemployment,
Higher Education,
Graduate
unemployment,
Human capital

Introduction

India has the highest youth population in the world. With emergence of global competition and knowledge economy, countries around the world are expanding its higher education sector to compete in this globalised society. Thus the priority of education is relatively high under current circumstances all over the world. In India also there is large scale expansion of higher educational sector. The strong wave of globalization and internationalization played a major role in a strong and vibrant higher education system of the country (Tilak, 2004). And proportion of population seeking education is relatively high as compared to earlier periods and this is clear from the growing enrollment in educational institutions. This high demand for education especially for higher education also a contributed to further expansion of higher educational institutions in India during the past decades.

Education is considered as a form of capital good in the sense that it result in human capital formation, thus education always expected to have a positive externality on the entire economy. Thus in the expectation of such a positive changes in the form of human capital and economic growth government spend more on education .But growing unemployment among educated will not create such a positive changes . The main aim of higher education is to provide equity, access and quality in higher education to all citizens. Every year gradates spend huge amount of money for their higher education and also government also spend expenditure on higher education. If this spending cannot result in creation of employment, it is a form of unproductive expenditure for the government and wastage of money for the students. After finishing the college education graduates expect they will find a higher valued job and extension of employment has an negative impact on the wellbeing of individual.

Creation of employment opportunities or reduction of unemployment is the primary developmental goal of government of India in

every year. But even after 73 years of independence India not able to solve the problem of unemployment. And even though India has shown remarkable achievements in respect to this higher education expansion, the growing unemployment among this educated youth population pose a major challenge for the entire economy.

Objectives of the Study and Data Sources

The main objectives of the study are to understand higher educational expansion in India during the past decades To understand trend, pattern & intensity of unemployment among higher educated graduates in India and To understand and to analyse causes of educated unemployment among graduates and to explore strategies to reduce it . The study is descriptive and analytical in nature and study completely make use of secondary data from economic review published by GOI, data from NSSO, Periodic Labour Force Survey 2017-18, educational statistics of MHRD in various years and data published by All India Survey on Higher Education (AISHE) from 2011-12 to 2018-19 and information's also collected from other secondary sources like articles, websites, journals, periodicals, magazines research papers etc and collected data analysed by using tables.

Theoretical framework

Neoclassical human capital theory is the famous theory that emphasis the relationship between labour market and education. Neo-classical human capital theory considers education as a characteristics attached to individual for labour selling labour services. According to them if competitive market will not clear due to labour market imperfections, then unemployment situation will arise.

The standard human capital theory find that education and training provided to individuals will raise theory productivity by imparting useful knowledge and skill and thereby it will positively

affect lifetime earning of the individuals. Thus the main crust of human capital theory is that education or investment made in education improve the productivity and their by earnings. They consider investment in human resources will have positive labour market outcome in the future. Thus costs are incurred in the expectation of future benefits.

Human capital theory proposes that formal training such as that offered by higher education institutions improves the productive capacity of individuals. Core of human capital theory is that “education renders people more productive, that is, it raises the marginal product of an educated worker relative to one not so educated”.

Thus as the human capital theory education make a man productive and expected to have positive outcome in the future. But to make an individual productive, he or she must secure an employment after his or her education, otherwise education will not create such a positive outcome in the future.

Discussions: Analysis and Results

I. Boom in Higher education in India: An overview

India owns a rapidly growing higher education system in the world in the world And Today Indian Higher educational system ranked as largest in the world with 35.7 million students enrollment after China with 41.8 million enrollment. Over the past several decades Indian

higher education make significant improvement with respect to number and size of educational institutions and also enrollment of the students at various levels. To enhance this advantage India has also bulk of younger population or potential demographic dividend. If India able to utilize this growing expanding educational system and growing demographic dividend it provide lots of opportunity for human development and over all national development.

The government has taken many steps to expansion higher education system and they consider expansion, inclusion and excellence as the three objectives of their higher educational policies of India. The neo-liberal policy of 1990’s and consequent opening of education sector to private and foreign investors played a significant role in the higher educational expansion of the country. Now there are large share of private participation in the sector. At the time of independence there are only 20 universities and as per AISHE 2018-19 there are 993 universities, 39931 colleges and total 3.73 crore students in Indian higher educational system. The Quantitative expansion in Indians higher education system is remarkable. The Number of universities and colleges reached to 993 and 399931 respectively (See table no: 1). As per the FY19 India had 37.4 million students enrolled in higher education. The enrollment in Higher education showing also showing an increasing trend, The Gross Enrollment ratio reached to 26.3 % in 2018-19 as compared to 20.8 % in 2011-12 (table No : 2) .

Table 1: growth in number of universities and colleges from 2011-12 to 2018-19

Year	No of universities (In Numbers)	No of Colleges (In Numbers)
2011-12	642	34852
2012-13	667	35525
2013-14	723	36634
2014-15	760	38498
2015-16	799	39071
2016-17	864	40026
2017-18	903	39050
2018-19	993	39931

Source: AISHE (2011- 2019)

II. Enrollment in Higher education

At the present Indian higher education sector has 3.74 core students population as per the AISHE 2018-19. In India the enrollment is calculated on the basis of Gross enrollment Ratio (GER), the GER is the ratio of students enrolled in higher educational institutions between the age group of 18 to 23 years. The GER in the India is showing an upward trend over the years (see the table No 2). This means that large bulk of students are getting enrolled in each year. The GER in 2011-12 is only 20.8 percentages and it reached to 26.3

percentages the year 2018-19 as per the AISHE reports. The GER target set by Ministry of Human Resources Development is 32% by the year 2022. If this existing upward trend continues India will definitely achieve this target rate of GER. Such a expansion in GER is a major achievements as far as Indian higher education is concerned , But the major fact is that such a huge expansion of GER without Improvement in the quality of education and employability of graduates will not definitely create a positive outcome for the students and on the whole economy

Table no 2 : Gross enrollment ration in higher education from 2011-12 to 2018-19

Year	Total Enrollment (In millions)	Gross Enrollment Ratio(in percentage)
2011-12	29.2	20.8
2012-13	30.2	21.5
2013-14	32.3	23.0
2014-15	34.2	24.3
2015-16	34.6	24.5
2016-17	35.7	25.2
2017-18	36.6	25.8
2018-19	37.4	26.3

Source: AISHE (2011-19)

III. The pass out Rate or Supply of higher educated graduates in India

The pass out rate means total number of students pass out from various universities and colleges in an year .The pass out rate in higher education in India moving upward. Huge population is pass out every year from various university in India, the pass out rate in entire higher educational sector showing a increasing trend (See table no 3) among this pass out rate of graduates and post graduates is high as compared to others such as diploma, PG Diploma, MPhil, PhD etc .

Hence the amount people graduates are relatively high in India as compared to PhD and MPhil. Hence in this situation the major question is that, in a developing country like India with this high

rate of people are getting educated every year but the job creation is not really happen in proportion to the pass out rate. Hence this situation will create a big demand-supply mismatch or educated unemployment in India. More than unemployment the problem of Underemployment is more serious in country under present situation. Such an expansion in GER and Pass out rate will naturally result in large supply of educated population in the country that will only create the situation of excess supply of educated graduates. This excess supply can be properly utilized only through the demand creation, but demand creation in a county like India is not a easy task, it will happen only through large expansion in the overall production and productive activities in the economy.

Table No 3: Total pass out rate in higher education in various years

Level	2011-12	2012-13	2014-15	2015-16	2018-19
Under Graduate	5469330	5928857	6294907	6331999	6474715
Post Graduate	1114026	1177019	1420211	1404996	1500064
Diploma	557715	600490	747652	788322	783914
PG Diploma	88785	109113	222510	175353	159697
Certificate	68987	61278	75965	78788	75358
Integrated	20131	19973	22273	22604	31550
M.Phil	20617	20883	23197	23124	25787
Ph.D	21459	23067	21830	24171	40813
Total	6781876	7940680	8828545	8849357	9091898

Source: Educational Statistics at Glance, MHRD

IV. Growing Graduate unemployment in India

It is very important that graduates entering labour market should be able to find a suitable job. One of the objectives of Higher education is to provide its graduates with essential skill need to succeed in Labour market (OECD, 2017). A good labour market outcome for higher education graduates have a positive impact on a range of areas of society, that they support wellbeing, ensure value for public investment and provide private return to individual and build the supply skill need for society (OECD, 2017).

Every year there is a growing supply of educated population in the country, millions of students pass out from various courses, but this growing supply transformed into an opportunity only when they are contributed to production and growth, this happens only when they are productively employed, but the present unemployment statistics prove that instead of contributing to economic growth they are adding to the unemployment figure. Unemployment is a major problem as far as India is concerned, and it seems to be high among the educated section of the population (table No 4). Thus the major problem facing the Indian higher educational system is that among the graduated only this much are properly

employed. Large majority of graduates do not possess adequate employment even after many years of education. Among the employed population majority are underemployed, that they are doing jobs that are below their qualification. Thus there is a possibility of turning the demographic dividend into a demographic nightmare due to this growing unemployment among potential educated youth population of India. To overcome this situation requires urgent and appropriate policy intervention.

India is facing a jobless growth crisis during the past decades and now it is at its highest magnitude as compared to earlier periods. As per the NSSO estimates India's jobless growth is 6.1 percentage for the year 2017-18 and which was the highest since 1972-73. India is a country that has an advantage of a large stock of young human population or what is called the demographic dividend. But for India this advantage of the demographic dividend is attained only through the absorption of this young population into productive employment activities through the adequate job creation; otherwise there is no use from this advantage. Joblessness is more serious when the majority of highly educated are not getting proper jobs, because they are the most productive section of the demographic dividend of our country.

Table No 3: Unemployment by level of Education in India

Period		Literate and up to primary	Middle	Secondary	Higher secondary	Graduate	Post graduate and above
2011-12 (NSS 68th round)		1.0	1.8	1.9	3.1	-	7.2
	Rural Female	0.3	2.5	5.5	8.8	-	19.0
	Urban Male	1.9	2.2	2.3	4.6	-	5.1
	Urban Female	1.3	3.0	6.8	8.4	-	12.7
2017-18 (PLFS)	Rural Male	3.1	5.7	5.6	9.5	18.1	-
	Rural Female	0.6	3.7	4.4	14.4	32.7	-
	Urban Male	3.6	6.0	5.8	9.2	11.7	-
	Urban Female	1.3	5.1	10.6	17.2	24.4	-

Source: NSSO Report 2011-12 & Periodic Labour Force Survey 2017-18

As per the 68th round of NSSO 2011-12 the educated unemployment among literate up to primary is only 1.0 among rural male and 0.3 among rural females and it is 1.9 % among urban male and 1.3 % among urban females. The unemployment among middle category of educated is 1.8 % and 2.5 among rural male and female respectively and 2.2 % and 3.0 % among urban male and Urban female .The unemployment among secondary is 1.9 % and 5.5 % among rural male and female respectively and 2.3 % and 6.8 % among urban male and Urban female respectively . The unemployment among higher secondary educated is 3.1 % and 8.8 % among

rural male and female respectively and 4.6 % and 8.4 % among urban male and Urban female respectively. And the unemployment among post graduate and above is 7.2 % and 19% among rural male and female respectively and 5.1 % and 12.7 % among urban male and Urban female respectively. Over all in 2011-12 the unemployment among higher educated graduates is higher as compared to other sections both in rural and urban areas. As per the Periodic Labour Force Survey (PLFS) 2018-19 also the overall the educated unemployment seems to be high among higher educated graduates both in rural and urban areas.

Table No 4: State wise data on Unemployment rate Among Graduates in India in 2018-19

State	2018-19
Uttar Pradesh	16.3
Uttarakhand	13.6
West Bengal	9.8
Andhra Pradesh	22.2
Arunachal Pradesh	21.8
Assam	13.7
Bihar	23.0
Chhattisgarh	5.9
Goa	7.4
Gujarat	6.8
Haryana	15.7
Himachal Pradesh	15.9
Jharkhand	14.4
Karnataka	9.0
Kerala	15.5
Madhya Pradesh	11.9
Maharashtra	9.4
Manipur	15.4
Meghalaya	11.9
Mizoram	7.4
Nagaland	22.0
Odisha	17.0
Punjab	12.2
Rajasthan	20.6
Sikkim	9.2
Tamil Nadu	18.5
Telangana	25.1
Tripura	14.1
India	14.8

Source: PLFS 2018-19

In 2018-19 As per Periodic Labour Force Survey over all graduate unemployment in India is 14.8 percent. And the states Telangana (25.1%) Bihar (23%), Andhra Pradesh (22.2%) , Nagaland (22%), Rajasthan (20.6 %), Arunachal Pradesh shows highest Graduate unemployment during this period. And the states Mizoram (7.4 %) , Goa (7.4 %) , Karnataka (9 %) Sikkim (9.2 %), Maharashtra (9.4%) shows lowest graduate unemployment. There is wide disparity among Indian states in terms of graduate unemployment.

Causes of Educated unemployment in India

In India educated unemployment is a burning issue under the present situation. There are several claims and arguments for the cause of educated unemployment in India. In India there is excess supply of educated graduates as compared to demand for them and this is considered as one of the main reason for educated unemployment in the country. A study of graduate unemployment in India by G.D Sharma & M.D.

Apte (1976) found that supply of degree holders and technical personnel is higher in India compared to demand for them. A study on Arts and science graduates by Warren ilchman (1969) also arrived at the same conclusion that there is excess supply of graduates as compared to demand for them result in unemployment. This excess supply is due to the rapid expansion of enrollment in the higher education sector. In the situation of expanding enrollment in higher education in India the waiting period for an employment is relatively higher in India (Martin Carnoy , 1987) .

The tremendous expansion of higher education in India do not result in creation of employment for educated , mainly due to low quality and lack of adequate skill required for the labor market (Mona Khare .2014) . Skill is one of the major determinant of employment under the present situation. Mere a educational certificate do not provide job for the educated. In order to proper job they must possess adequate skill required for the employment like communication skill, problem solving skill, technical skills , cogitative skill etc , and this may be vary depending on the nature of job but all this skill are required to get employment in this globalized society . At higher educational level there is exist wide disparity in the output produced by higher educational institutions and needs or requirements of job market, this form of mismatch leads to unemployment and under employment among higher educated in India (Martin Carnoy, 1987). In every second advancements in science and technology are happening in the world, as a consequence that nature, types and requirements of jobs are also changing, so it is a urgent necessity that job seekers after their education must possess skills to adapt to the changing requirements of job market .

Low quality of education is also contribute to expanding educated unemployment in country. In India despite elaborative standards and existence of many authorities to maintain standards the overall standards in higher education have continuously deteriorated (Pawan Agarwal, 2006). report of taskforce on Higher

education and society of world bank (2000) emphasis on the urgent necessity to expand the quality of higher education in developing countries of the world . Report point out the fact that in most developing countries is increase in the number of people with higher education , but they are not able to compete in this knowledge economy due to low quality of education.

Individual attitude towards employment is also a very important factor of unemployment among educated in India. Most of the educated not willing to work in informal or other kind of job and instead they remains unemployed for a long period of time. A study conducted by Indrajit Bairagya (2018) in India among higher educated reveals that one of the reason for unemployment among educated is they are not willing to take low grade informal jobs , but he also point out that at the same time sufficient salaried jobs also not available for these section of people.

Privatization of higher education sector and consequent over expansion of higher educational sector also contribute to unemployment in the country. After 1990s government opened the higher educational sector to the private sector. Privatization leads to rapid increase in the number of educational institutions. But main motives of most of the private educational institutions are run for monetary benefit only and are profit oriented institutions. Thus this uncontrollable growth of private sector will lead to reduction the overall quality of education in the country and it also produce a bulk of low quality sub standard educated people who are not fit for any kind of job . This only results large supply of educated, and it add to already existing demand supply mismatch of educated and it increase the unemployment problem among educated. This situation is very serious, there must be proper control and supervision on the working of the private institutions and government need to ensure the quality of education provided in this form of educational institutions.

Consequences of educated unemployment

During the last decades the educated unemployment has increased in the county due to many reasons. The social and economic consequences of educated unemployment are quite serious under the present situation. It create serious detrimental impact on the society and economy . Underutilization of potential human resources is the major consequence of educated unemployment .The underutilization of human resources means that human resources are not utilizing in its full capacity. The growing unemployment among educated potential human resources will result in huge loess of capable human capital for any country .Nowadays human capital is the most precious asset for nation for its socio-economic development. Thus its underutilization seriously create detrimental effect on development

India has 20 percent of the total population of the world and it is anticipated to surpass the China by 2024. The most important characteristics of India’s population is its large share of working age population compared to other age group. India will get benefits from this advantage of demographic dividend, only when these working age population get enough employment and their by they contribute to the nation’s economic development . But now India experiencing stagnation in employment or huge unemployment problem especially among educated. Unemployment among this working aged population creates serious repercussion in the county. And if this situation continues it will turn

demographic dividend into demographic nightmare. If an educated person is doing a job that are below his qualification result in loss of investment made by him on education and also loss of investment by government on education .Every year government spending huge money on education apart from this there is also individual spending on education . The joblessness among educated even after many years of education will result in loss of these investment made for securing education.

Lots of educational loans are available in our country and majority takes educational loan in expectation of paying it back after getting suitable employment. But if the educated do not able to secure an employment even after many years of education it will become a troubling situation and it puts them to heavy debt burden in the future and it also increase the percentage of NPA of banks in our country. According to finance ministry data NPA for educational loans stood at 7.61 percent in FY20 and 8.29 % in FY19.

The existence of unemployment results in large scale migration of educated potential population from the country. There by there is a loss of qualified person from the country or external brain drain. Brain drain refers to the emigration of knowledgeable, well educated and skilled professional from their home country to another country. The OECD data reveals that around 120million migrate living in OECD countries and India topped in the list in 2015-16 with 65 % of highly educated migrates.

Table no : 5 Share of highly educated in Migration

Countries	Share of highly educated in Migration (in Millions)
India	3.12
China	2.25
Philippines	1.89
UK	1.75
Germany	1.47
Poland	1.20
Mexico	1.14

Source : OECD : 2016-17

Unemployment among the educated persons will result in the growth of several anti-social activities due to social isolation and other reasons. It results in growing crimes and other forms of anti-social activities. The growing unemployment among educated will increase the frustration and mental stress and thereby greatly affect mental health and it also leads to depression and decreased self-esteem. Unemployment also creates several social and personal costs on the society and on individuals. It results in severe poverty and low standard of living.

Strategies Reduce Educated unemployment in India

The most puzzling situation that exists in the India's higher education system is that unprecedented growth of Indian higher education sector without corresponding increasing in the employment of higher educated. Such a growth in higher education in terms of number of students, enrollment rate, pass out rate and number of educational institutions only result in the excess supply of higher educated graduates in the country. Thus quantitative expansion and growth of higher education sector will not create positive outcome in the economy, without employment of this highly educated human resources.

Highly educated human population is considered as an asset of a nation for its development. Thus countries all over the world are investing more on education to build human capital for its development. But when this human capital becomes idle or not contributes to nations' GDP by engaging in productive employment, then there is no use of these educated human capital. An idle human capital does not contribute to nation's socioeconomic development. Thus it is very essential that educated population must secure an employment after their education. Or as equivalent to quantitative expansion in higher education, same expansion is also needed in employment creation. Expansion in higher education without corresponding growth in employment of higher educated only creates a mismatch in the economy. In order to solve the

mismatch that exists in the higher education sector, it is essential to find out certain strategies to solve or reduce its intensity. Certain strategies that can be implemented to reduce or solve the intensity of the problem.

Government must take measures to include employment-oriented courses as a part of curricula of higher education. Mere a qualification or a degree certificate will not provide employment for educated. The employment-oriented courses help to enhance the capacity of students to be employed. Skill development must be included in curricula of higher education, along with traditional subjects that are taught in colleges and universities. Skill development activities that enhance skills like communication skill, problem-solving skill, decision-making capacity, aptitude enhancement, adaptability, technical skills, cognitive skill etc. also to be implemented, it will help to enhance the skill of the students and which enable them to find suitable jobs. Encouragement of technical and vocational education helps to reduce unemployment among educated. Traditionally technical and vocational education gave more emphasis on acquisition of practical and applied skill and scientific knowledge.

In India courses in majority higher educational institutions remain unchanged for a long period of time and the periodic up-gradation does not happen in many cases. The periodic diversification of courses is an urgent necessity in this rapidly growing economy, every day new changes happen in science and technology and the nature and requirement of the world is also changing, thus the corresponding changes also result in the job market also. Thus periodic revision of curricula is very important.

In order to reduce educated unemployment, it is necessary to implement educational policy reforms. Recently the government of India announced its New Education Policy 2020 on July 29, 2020 for introducing wide range reforms in the entire educational system. It contains many propositions that meet the current & changing requirements of our society. In the present

situation there is growing need for highly skilled & creative workers for any type of employment. Thus under this circumstances the NEP 2020 make many recommendations that make higher educational system of the country to be revamped to meet the present requirements by recognizing the poor employability of higher educated graduates . it make many recommendations such as moving towards a more multidisciplinary undergraduate and post graduate education, revamping curriculum , assessment and student support for enhanced student experience, Institutional restructuring an consolidation, shift towards holistic education with less rote learning , Internationalization, revamping and increasing the quality of teachers , promotion of e-learning , more importance to professional education and promotion of high quality research and establishing a common regulatory regime for entire educational system . The integration of undergraduate courses with vocational courses help to reduces skill gap and thus enhance the employability of graduates. Thus all these propositions of NEP 2020 to revamping higher educational system contain many recommendations to enhance quality of higher education and it thus expected to have a positive impact on entire educational system of the county. If it properly implemented it will expect to make a change in Indian higher education system and help to reduce skill shortage and unemployment among Indian graduates. Government Measures to improve the quality of higher education. Mere a quantitative expansion is not all useful for the economy. Along with quantitative expansion quality of education also need to be enhanced.

In India there is wide expansion of higher educational institutions in private sector especially after the 1990's and government will gave permission to large number of educational institutions in private sector and measures also taken to encourage the private participation in the educational sector , but the point to be noted is that along with encouragement of private sector, measures also need to ensure the quality of education provided in the private sector institutions otherwise it will merely create a stock of low quality human resources and also it also

result in the deterioration of overall quality of higher education in the country. Government must provide initiatives to encourage self –employment among educated sections. Self employment is one of the solutions to reduce unemployment. Government cannot provide government jobs to everyone, the government jobs available on our country is limited . Therefore self employment opportunities and fund must be provided to students after their graduation.

Findings

-) Indian higher education system is in the stage of rapid expansion, without corresponding increase in the quality & employability of higher education .
-) The enrollment in higher education showing expanding trend, The Gross Enrollment ratio reached to 26.3 % in 2018-19 as compared to 20.8 % in 2011-12 . This growing enrollment make Indian second largest in the world in terms of its student population. But at the same time this growing enrollment or supply of students without corresponding creation of demand or employment will result in demand –supply mismatch or unemployment.
-) There is growing pass out rate in higher education and the pass out rate of graduates and post graduates is high as compared to others such as diploma , PG Diploma, M.Phil, PhD etc and this will result in oversupply of graduates .
-) India is currently is in the state of jobless growth, that is growth without creation of adequate employment.
-) India advantages of demographic dividend , but is attained only through the absorption of this young population into productive employment activities through the adequate job creation otherwise there is no use from this advantage.
-) In India the unemployment rate is higher among highly educated as compared to less educated.

-) In India there is boom in higher education sector without corresponding growth in employment of highly educated.
-) Low quality of higher education, changing requirements of job market, individual attitude towards employment, privatization of higher education, lack of skill, excess supply of graduates etc are the major reasons for educated unemployment in India.
-) The standard human capital theory does not work in the case of India, as per the theory education will improve one's productivity and thereby positively affect future labour market outcome in terms of higher earnings. But in the contest of India when the level of education increases the rate of unemployment also increase , and growing unemployment will not have a positive labour market outcome . Thus the theory does not work in the context of India.

Suggestions

-) Along with rapid quantitative expansion of higher educational sector measures also need to enhance the employability of graduates.
-) The government must include skill education as a part of everyday curriculum in higher educational institutions.
-) Measures need to improve overall quality of higher education
-) There is need to provide employment enhancing courses in higher educational institutions.
-) Encourage self employment among graduates

Conclusion

India has the highest youth population in the world. With emergence of global competition and knowledge economy, countries around the world are expanding its higher education sector to

compete in this globalised society. Every year there is growing supply of educated population in the country, millions of students are pass out from various courses, but this growing supply transformed in to an opportunity only when they are contribute to production and growth , this happen only when there are productively employed , but the present unemployment statistics prove that instead of contribution to economic growth they are adding to unemployment figure. Unemployment is a major problem as far as India is concerned , and it seems to be high among educated section of population. There are several claims and arguments for the educated unemployment problem in India such as lack of adequate skill required for the job , lack of demand or excess supply of educated, demand supply mismatch , preference of white collar jobs etc . Recently government of India announced its New Educational policy of 2020, that contain many recommendations to meet the changing requirement of society and thus expect to improve employability of educated in the coming years .

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