

# Periodic Research

## Problem of Growing Educational Unemployment in Uttarakhand

### Abstract

Educated unemployment is a part of urban unemployment and very serious problem for any country or state. Living without work for any human being who desires and able to do work, is a critical situation and waste of nation's human resources. Due to ever increasing population and rapidly growing education rate, the graph of unemployment in general and educational employment in particular is also increasing. The main causes behind this growing rate of educational unemployment are increasing rate of degree holder, decreasing rate of self-employment, less employment generation and investment in hilly districts MSME etc. To tackle this problem, there is need to employment oriented growth in Uttarakhand and to educate the youth according to the demand of industrial, manufacturing and service sector.

**Keywords:** Educated Unemployment, Workforce, Skill, Open Unemployment.

### Introduction

Educated unemployment means those types of youth who have acquired certain type of educational qualifications, considered necessary for a job, but he/she could not get any employment. Some of them fall in the category of 'open unemployment' while others in 'under employment'. Educational unemployment is most serious form of unemployment as life without work for any human being especially for educated is a waste of nation's human resources. If expenditure on education is a type of investment as it is expected to contribute to future GDP, and if its products fail to deliver as per expectation, it amounts to financial loss to a state or nation. Educated unemployment also leads to frustration in a great chunk of population. They are involved in anti-social activities. This phenomenon is witnessed in rural areas also. Uneducated and primary or middle educated youths are ready to work according to general condition but the situation is different in highly qualified person. This is the case why educated people don't get employment easily.

### Review of Literature

Educated unemployment is a worldwide problem and India has been facing this problem for a number of decades. Useless degree holding is making the situation worse. Maximum numbers of degrees are on paper only. They do not have any skill according to the demand of market. Current skill/training situation of youth in India is inadequate. Surplus and shortage coexists in the labour market indicating serious mismatch between supply and demand (Majumdar and Mukherjee, 2018). In the same line, MahendraDev and Venkatnarayana (2011) argue that with increase in rate of enrolment in schools and colleges, the proportion of youth in the labour force indicates that the problem of youth unemployment would remain a serious policy issue for many more years to come in India. Rate of Unemployment is relatively low in Uttarakhand in comparison to national average. (Mamgain, 2007).

There are many causes behind this type of unemployment like growth in education specially higher education, decreasing rate of quality education in technical area, rapidly increasing population, less growth of small scale industries, highly educated youth are not ready to take jobs of low salaries or on lower post, lack of skills and vocational education among graduates, unwillingness of educated youth for self-employment etc. In this study an attempt has been made to analyze the present scenario of educated unemployment in the state of Uttarakhand and analyze the main causes which are responsible for increasing rate of educational unemployment in the state.

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## Objective

The main objectives of this paper are:

1. To look into the current status of employment and unemployment among educated youth in Uttarakhand;
2. To analyse the causes behind increasing educated unemployment in Uttarakhand; and
3. To give important suggestions for removal of educational unemployment.

## Methodology

This study is based mainly on secondary data which has been collected from various books, internet, NSSO Report, Statistical Dairy of Uttarakhand, Newspapers and research papers. For analysis simple average and percentage method has been applied.

## Growth and Structure of Employment

The size of employment in any country or state depends on the level of development because, when a state makes progress and its production increase, naturally the employment opportunity increases. But in recent years there has been slow rate of growth of employment in Uttarakhand in spite of the increasing rate of GDP growth. We can see in the Table-1 that in comparison to India's GDP growth rate at constant prices of 2011-12, the growth rate of Uttarakhand is continuously high in 2012-13 to 2013-14 and 2017-18 (AE). Table -2 shows the employment structure. According to the type of industry, secondary and tertiary sector are showing growing rate of employment generation while primary sector shows a declining rate from 66.1% in 2004-05 to 39.3% in 2017, Secondary sector shows 13.1 % and in tertiary sector 13.7 % increase during (2004-05 to 2017).

**Table-1**

**Growth (%) in GDP (as constant 2011-12 Prices for Uttarakhand and India-**

Year	Uttarakhand	India
2012-13	7.27	5.46
2013-14	8.47	6.39
2014-15	5.29	8.01
2015-16 (PE)	7.52	8.0
2016-17 (QE)	6.45	7.11
2017-18 (AE)	6.77	6.66

Source: National Sample Survey 2011-12 and onwards.

**Table-2**

**Change in Employment Structure by Type of Industry:-**

Year	Primary	Secondary	Tertiary
2004-05	66.1	12.3	21.6
2011-12	49.0	22.3	28.9
2017	39.3	25.4	35.3

Source: NSSO 2007-05/2011-12 and HDR Survey 2017.

In spite of increasing growth rate of employment in secondary and tertiary sector, the number of unemployment in Uttarakhand was 9.06 lakhs in 2016 from 4.89 lakhs in 2008. It means the number of unemployed person has doubled in 8 years as table 3 shows. Educated unemployment situation is worse. Table-4 explains that youth unemployment (15-29 years) rate was 6.0 in 2004-05 has gone up 13.02 in 2017 while educated youth unemployment in

the same period has gone up 9.8 to 17.4. According to this table educated unemployment has been doubled in this period.

**Table-3**

**Number of unemployed (in lakh) in Uttarakhand from 2008 to 2016**

Year	No. of Unemployed
2008	4.89
2009	4.88
2010	5.65
2011	6.61
2012	7.04
2013	7.51
2014	8.62
2015	9.22
2016	9.06

Source: www.uttaravani.com

**Table-4**

**Uttarakhand youth (15-29 years) Unemployment Rate**

Year	Youth	Educated Youth
2004-05	6.0	9.8
2011-12	10.2	17.2
2007	13.2	17.4

Source: NSSO, 2004-05/2011-12 and HRD Survey 2017

## Causes of Unemployment Population Growth Rate

Ever increasing population has also play an important role in increasing rate of unemployment and educational unemployment in Uttarakhand. As Table - 5 shows that rate of population growth is 16.8 during 2001 to 2011. After that it has been increasing around 1.3% every year. If rate of employment generation is equal to rate of increase in population then there is no problem but employment generation is much less than population growth. This is one of the important cause of increasing number of unemployment. Due to this increasing number of population, number of educated and degree holder is also increasing.

**Table-5**

**Annual Population of Uttarakhand (000) 2001 to 2014**

Year	Youth	Educated Youth
2001	8578	-
2011	10027	16.8
2012	10167	1.3
2013	10306	1.4
2014	10444	1.3

Source: Calculated From Report of Registrar General, India

Table -6 shows that Labour Force Participation (LFPR) and Work Force Participation are decreasing from 2004-05 to 2017. Such reduction in LFPR and WPR for Uttarakhand can be attributed mainly to increasing participation in higher education and withdrawals from the Labour Force Participation.

**Table-6**

**LFPR, WPR and UNPR of Uttarakhand**

Year	LFPR	WPR	UNPR
2004-05	67.3	65.9	2.1
2011-12	53.8	52.2	3.0
2017	52.6	45.4	4.2

Source: NSSO, 2004-05/2011-12 and HDR Survey, 2017

Table 7 provides data regarding increasing number of enrolment in different technical and teachers training institute during 2009-10 to 2016-17. The data reflects that number of enrolment in Technical Training Institute, Industrial Training Institute and Indian Technical Institute Roorkee is always in increasing order except one or two year enrolment. In Technical Training Institute, it shows 221.2 % enrolment, 285.6% enrolment capacity of these institutes and 89.1% number of institute has increased in this period. In the same manner Industrial Training Institutes number, enrolment capacity and total enrolment has increased 66.0%, 60.3% and 71.6% respectively. Indian Institute of Technology has also shown increasing enrolment in this period. But engineering colleges data shows very sharp decrease in number of Institute, enrolment capacity and total enrolment after 2013-14 to 2016-

17. Although enrolment has gone higher from 2009-10 to 2012-2013 but after that it always shows declining number than its enrolment capacity following by decrease in enrolment of Teachers Training Institute which capacity and actual enrolment both have decreased 52.5% and 79.5% respectively. If we see in respect of enrolment capacity and actual enrolment then Technical Training Institute and Industrial Training Institutes are also showing less actual enrolment rather than its capacity after 2013-14. It means although number of enrolment in these institutes are increasing but less than capacity. The data reflects two possibilities about Engineering Colleges and Teachers Training Institute - either the passing out youths are not able to get the employment because they have not given quality education or education according to the demand of Industrial Sector of the economy or one possibility may be lack of opportunity of employment for these type of education holder.

**Table-7**

**Enrolment in Technical, Industrial and Teachers Trainings Institute in Uttarakhand (Numbers)**

S N	Department	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	% Change
1	Technological Training Institute									
	A- Number	37	40	41	41	52	53	70	70	+89.1
	B- Enrolment capacity	4320	4320	4656	4656	9252	13931	16659	16659	+285.6
	C- Actual enrolment	4053	10725	10673	10631	10144	10383	14429	13021	+221.2
2	Industrial Training Institute									
	A- Number	106	115	115	115	161	174	179	176	+66.0
	B- Enrolment capacity	10388	11100	11100	11100	14661	10111	17092	16656	+60.3
	C- Actual enrolment	6275	7047	7047	7082	9835	6364	10232	10771	+71.6
3	Teachers Training Institute									
	A- Number	13	13	13	13	13	13	13	13	-
	B- Enrolment capacity	1300	1300	1300	1300	650	1216	708	617	-52.5
	C- Actual enrolment	1300	1300	1300	-	650	1075	481	266	-79.5
4	Engineering College									
	A- Number	34	27	31	35	39	29	25	25	-26.4
	B- Enrolment capacity	660	9867	10827	11463	10050	9810	8520	8220	+1110.9
	C- Actual enrolment	623	7497	8101	9135	5196	5445	5078	-	+715.0
5	Indian Institute of Technology									
	A- Number	1	1	1	1	1	1	1	1	-
	B- Enrolment capacity	1983	2240	2240	1115	1130	2095	2060	2045	+31.0
	C- Actual enrolment	1790	2007	2001	1043	1126	2024	2012	1869	+44.0

Source: Calculated on the basis of the data of Directorate of Technical Education/Technical University, Uttarakhand/ IIT

Table-8 explains the actual position of educated unemployed who were registered in employment exchange in different years (from 2010-11 to 2016-17) and actually got employed. The data shows that minimum percentage of employment are among Diploma holder (0.02%) followed by Graduates and Postgraduates includes 0.07%. Maximum employed are either from Industrial Training Institute 1.35% or below matriculation 2.54%. It means matriculate and I.T.I passed are in better condition than Graduate and Postgraduate, though

they also are not in very good condition from the point of view of getting employment. It indicates two things firstly either, these Graduates and Postgraduates enter in labour market but in absence of quality education they are not able to get employment or their education are not according to the demand of market. Second thing may be the economy does not produce sufficient decent jobs for its graduates and due to these causes 'graduates' stands in the queue of educated unemployment.

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Table-8

Level of Education and getting employment through Employment Exchange Uttarakhand From 2010-11 to 2016-17

Sn	Level of Education	Registered	Got employment	Percentage of Employment in comparison to Registration
1	According to Education			
	A. Below High School	35344	898	2.54
	B. High School Passed	194644	673	0.34
	C. Intermediate	457875	1454	0.31
	D. Graduate	274033	547	0.19
2	E. Postgraduate	134054	328	0.24
	Special Education			
	A. Diploma	44128	07	0.02
	B. Industrial Training Instt.	37099	501	1.35
	C. Graduate/PG Technical	11953	8	0.07
D. Graduate/PG/ Medical	46814	200	0.43	

Source: Calculated on the basis of the data of directorate of Employment Exchange, Uttarakhand.

As data of Table 9 regarding employment of highly educated youth explains the current employment availability for educated in Hilly/ Plain and Rural/Urban Area. According to this data only 5.1

% employment is available in Hills and 11.4% in Plains while 7.8% in Rural area and 9.4% in Urban area for highly educated youth who have above higher secondary level qualification.

Table-9

Employment of Highly Educated Youth

Area	No.	Somewhat	Yes available	Total
Hill	70.6	24.4	5.1	100
Plain	49.6	39.0	11.4	100
Rural	62.7	29.5	7.8	100
Urban	53.7	36.9	9.4	100

Source: Primary Survey, 2017

One attempt has been done in Table-10& Table-11 to explore the employment situation in big industries /Small scale industrial sector /Khadi Village Board and factories because these sectors are good employment generators for educated youth. But actual scenario is far different in these areas in respect of employment generation. As data shows Khadi and Village Industries has gone down 18.7% in

employment generation in 2016-17 in comparison to 2009-10. Data 10 shows more worse situation in which every industrial sector shows decreasing number of employment generation except SIDCUL, Phase-2, Sitarganj. Their employment situation has gone down around 80 to 99.9% this is one of the main factor behind growing number of educated employment in Uttarakhand.

Table-10

Growth rate of Employment in Big, Small, Medium and khadi Village Industries from 2009-10 to 2016-17

Sn	Name of Industries	2009-10		2012-13		2016-17		Percentage Change	
		Total No.	Employment	Total No.	Employment	Total No.	Employment	Total No.	Employment
1	Established Big Industries	203	79697	280	85333	273	101273	+34.4	+27.1
2	Small & Medium industries	35955	142780	42340	196004	53487	260416	+48.7	+82.4
3	Factories	2344	188895	2911	267268	2936	312131	+25.3	+65.2
4	Khadi& Village industrial Board	1210	3750	4217	3853	844	3049	-30.4	-18.7

Source: Calculated from data of Khadi Village Industrial Board Uttarakhand/ Directorate of Industries/ Different years Annual Survey of Industries of Central Statistical Organization.

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**Table-11**  
**Employment in Industrial Sectors from 2011-12 to 2016-17**

Sn	Industrial Sectors	2011-12		2014-15		2016-17		Change in Employment during 2011- 2017	
		No. of Industries	Employment	No. of Industries	Employment	No. of Industries	Employment	No. of Industries	Employment
1	Integrated Industrial Sector, Haridwar	686	65198	12	1737	4	277	-682	-64921
2	Integrated Industrial Sector, Pantnagar	511	61326	6	3945	1	15	-510	-61311
3	Farming Selaqui, Dehradun	35	3646	0	0	1	115	-34	-3531
4	Growth Centre, Kotdwar	99	3867	7	413	21	377	-78	-3490
5	IT Park, Dehradun	28	8107	7	254	1	37	-27	-8080
6	E.S.I.P Sitarganj	339	20000	8	280	6	150	-333	-19850
7	SIDCUL, Phase-2, Sitarganj	-	-	2	265	6	4901	+4	+4636
	<b>Total</b>	<b>1698</b>	<b>162144</b>	<b>42</b>	<b>6894</b>	<b>40</b>	<b>5872</b>	<b>-1658</b>	<b>-161183</b>

Source: Calculated From the data of Uttarakhand State Industrial Development Corporation Limited, Dehradun.

Above data shows that number of industries and total number of employment has decreased from 1698 and 162144 to 40 and 5872 during 2011-12 to 2016-17 respectively. The main causes of declining number of industrial units is withdrawal of Industrial

Package from the Central Government which was for 10 years from 2003 to 2013 but Central Government started the exemption in excise duty and income tax from 2010 only (before the time limit).

**Table-12**  
**% w.r.t respective totals MSMEs in Uttarakhand since inception (Feb. 2018)**

Sn.	District	MSME Units	Employment (%)	Investment (%)
1	Haridwar	16.80	29.40	38.38
2	Dehradun	14.17	16.74	8.99
3	U S Nagar	12.46	21.53	34.64
4	Pauri	9.81	6.84	3.42
5	TehriGarhwal	7.31	4.22	1.82
6	Nainital	7.05	6.85	7.51
7	Uttarkashi	6.90	2.62	0.80
8	Almora	6.58	2.96	1.36
9	Chamoli	5.37	2.33	0.73
10	Pithoragarh	5.10	2.35	0.63
11	Rudraprayag	3.08	1.62	0.73
12	Bageshwar	2.87	1.24	0.38
13	Champawat	2.50	1.31	0.57

Source:- des.uk.gov.in>files>HDR- Report Utta—31 Dec. 2018 in Feb, 2018

According to the Report of HDR in Feb 2018 number of MSMEs units were 56,416 and number of employee were 2, 77,187 and total investment on these units was 11,800 crore rupees. Maximum investment has been done in three district located in plain, Haridwar, Dehradun and U S Nagar 29.40%, 16.74% and 21.53% respectively. Less investment has been done in Hilly district. There is a need to increase the investment in these areas so that employment can be increased and migration rate can be minimized.

Another area of concern is self-employment. Table -13 highlights on self-employment situation of the youth. Self-employment and entrepreneurship development is practical solution for resolve the problem of educated employment, utilization of human resources, poverty eradication, development of handicrafts etc. But in Uttarakhand graph of self-employment is gradually coming down as a solution of educational unemployment. Table-11 reflects that in Uttarakhand self-employment fell by 18.6% points during 2004-05 to 2017. It shows the lack of

motivation for self-employment among educated youth of Uttarakhand.

**Table-13**  
**Distribution of Status of Employment**

Year	Nature of Employment	Male	Femal	Total
2004-05	Self-Employment	65.5	88.5	75.0
	Regular Employed	19.5	5.4	13.7
	Casual Worker	15.0	6.4	11.3
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
2011-12	Self-Employment	58.6	88.8	69.0
	Regular Employed	23.4	6.6	17.6
	Casual Worker	18.0	4.5	13.4
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
2017	Self-Employment	46.9	73.3	56.9
	Regular Employed	28.8	16.7	24.2
	Casual Worker	24.3	9.9	18.9
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Primary Survey- 2017

### Suggestions

1. Motivating people for small family.
2. Increase quality education by giving vocational education skill and training to youth.
3. Expansion of package period for industries minimum of 20 years.
4. Increase investment and necessary support towards government for increase and betterment of industries, especially small scale industries because this is more employment oriented and labour incentive.
5. To motivate educated youth for self-employment. There is need to launch different self-employment programme and schemes for educated youth as well as.
6. To provide them career counselling and guidance in college and universities.
7. To educate the youth according to the demand of industries. Although government has started many programme in this direction and hope this study will help guideline for function strategies for removal of educated unemployment of the state.

### Conclusion

An attempt has been made in this study to analyze the present status of employment and unemployment and causes responsible for educated unemployment in Uttarakhand. It has been found from the above discussion that the ever increasing population and due to effect of this every year growing rate of degree holder educated are not able to get the employment accordingly. In spite of the rapid economic growth rate of Uttarakhand, growth of employment generations is slow. Only for 5.1% highly educated in Hilly Area and 11.4% in Plain Area employment opportunities are available. Graduates /Postgraduates including technical educated are in a long queue of unemployed. After formation of Uttarakhand, Central Government had announced package for 2003 to 2013 to establish new Industries. After that a boom erupted in expansion of industries and generation of employment. But before the end of package period government has started withdrawal of package incentive like exemption in excise duty, income tax etc. Then industrial units of the state

(established in this period) started to shift another place and close their units here, and about 2 lakhs employment decreased. This is one of the major causes of growing unemployment in youth. Except this maximum investment of MSMEs has been done in Plain area and due to less investment in Hilly area employment generation in hills are also very less than plain area MSMEs. One another causes of increasing educated unemployment is that youth are not more interested in self-employment creation, may be due to lack of motive forces. The rate of self-employment has 18.1% less in 2017 in comparison of 2004-05.

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