

# The Mismatch Dilemma: Causes and Consequences of Educated Unemployment in Kerala

Seena V<sup>1</sup>, B. Sudheer<sup>2</sup>

<sup>1</sup>Assistant Professor of Economics, T. K. Madhava Memorial College, Nangiarkulangara

<sup>2</sup>Assistant Professor of Economics, S. N. College, Cherthala

**Abstract:** Educated unemployment in Kerala, a state renowned for its high literacy rate and emphasis on education, is a paradox that poses significant challenges to its socio-economic development. Despite the state's progress in expanding access to education, the growing number of graduates and postgraduates has not been matched by an adequate number of employment opportunities. This mismatch between educational qualifications and job availability has led to frustration, underemployment, and migration among Kerala's educated youth. The issue stems from several factors, including an outdated education system, limited industrial growth, economic constraints, and the lack of alignment between academic curricula and industry requirements. Educated unemployment not only affects the personal lives of individuals but also has broader implications on the state's economy and social stability. This study aims to explore the causes of educated unemployment, assess its socio-economic impacts, and examine government policies and interventions designed to address this pressing issue in Kerala.

**Keywords:** Educated Unemployment, Kerala, Skill Development, Gender Disparities, Government Schemes, Socio-Economic Impact

## INTRODUCTION

Kerala, with its high literacy rate, for both males (96.11%) and females (92.07%), faces a major problem of educated unemployment, where a large proportion of the educated population is still unemployed. This problem is particularly acute among women, who experience higher unemployment rates than men despite having higher education. According to NSSO data for 2011-12, the overall unemployment rate in Kerala is 6.7%, and the gender gap for women is very wide - 14.1% for women compared to 2.9% for men. Despite having higher education, the lack of suitable job opportunities creates a vicious cycle of unemployment, which hinders economic development and contributes to social unrest. This persistent problem of educated unemployment

remains a major challenge to Kerala's growth and development.

## OBJECTIVES OF THE STUDY

1. To explore the key causes of educated unemployment in Kerala, including the mismatch between education and job opportunities.
2. To examine the socio-economic impacts of educated unemployment on individuals and the broader community in Kerala.
3. To identify government schemes and policies aimed at reducing educated unemployment in the state.

## METHODOLOGY

The study uses secondary data to investigate the causes, consequences, and government interventions associated with educated unemployment in Kerala. This data will be drawn from government reports, academic studies, and labor market research, offering valuable insights into the factors behind the issue, its socio-economic effects on individuals and communities, and the government schemes aimed at addressing the problem. The analysis will focus on identifying the key causes of educated unemployment, assessing its broader social and economic effects, and examining the existing policies and initiatives in Kerala.

## Causes of Educated Unemployment in Kerala

1. Mismatch between Education and Employment  
A significant factor contributing to educated unemployment in Kerala is the mismatch between the education system and labor market requirements. The skills gap is one of the primary issues, where many graduates find themselves lacking the practical, industry-specific skills needed by employers. Kerala's education system focuses

heavily on theoretical knowledge, with less emphasis on practical applications, leaving graduates inadequately prepared for the workforce.

Additionally, the curriculum in many educational institutions is outdated. It fails to incorporate current industry trends and technological advancements, such as artificial intelligence, digital marketing, and data science, leaving students without the skills demanded by modern employers. Furthermore, high aspirations and unrealistic expectations play a role, with many young people in Kerala seeking secure, prestigious government jobs, while often rejecting private sector or low-status jobs that may align better with their skills and qualifications.

The economic structure of Kerala also contributes to this issue. Sectors like services and construction, which form the backbone of the state's economy, do not require highly educated workers, which leads to the underutilization of the educated workforce. As a result, many well-qualified individuals find themselves in roles that do not fully leverage their capabilities.

## 2. Limited Job Opportunities and Economic Constraints

Kerala's slow economic and industrial growth has been a significant barrier to job creation. In comparison to more industrialized states like Karnataka or Maharashtra, Kerala has not seen substantial growth in sectors such as IT or manufacturing, which would typically absorb a large portion of the skilled workforce. This stagnation limits the availability of jobs for educated professionals.

The underperformance of the organized sector also exacerbates the situation. Most job opportunities in Kerala are found in the informal sector, which typically offers low wages, limited job security, and little room for career advancement. The poor infrastructure further complicates matters, as gaps in industrial parks, logistics, and digital connectivity hinder business development and job creation. Additionally, bureaucratic hurdles and the influence of strong trade unions in Kerala often discourage private investment, which could otherwise stimulate job growth.

## 3. Educational Expansion without Employment Planning

The rapid growth in the number of colleges and universities in Kerala has led to an oversupply of graduates without a corresponding increase in the

number of available jobs. This educational expansion has not been matched by the development of sectors that could absorb the influx of new graduates. Moreover, the decline in teaching standards in many institutions, caused by a shortage of qualified faculty and a lack of innovation in teaching methodologies, further impedes the quality of education and leaves students underprepared for the job market.

The trend of migration among Kerala's educated youth is also noteworthy. A significant number of graduates choose to migrate to other Indian states or abroad, particularly to the Gulf countries, in search of better employment opportunities. While remittances from these migrants help support the state's economy, this "brain drain" reflects a failure to create high-quality job opportunities locally, which could have retained these skilled individuals.

## 4. Other Socio-Economic Factors

Several other socio-economic factors contribute to educated unemployment in Kerala. High population growth continues to put pressure on available resources and jobs, particularly in urban areas. Despite some success in population control, the growing population further strains the limited employment opportunities, especially in the formal sector.

Social inequalities related to caste, gender, and geographic location also play a significant role in limiting access to education and employment. Marginalized groups often face barriers that prevent them from entering the job market, despite being educated. Additionally, inadequate government employment policies exacerbate the problem. While various employment schemes exist, many are poorly implemented, lack sufficient funding, and fail to reach or match youth with meaningful, sustainable jobs.

Finally, Kerala's dependence on expatriate labor markets leaves it vulnerable to global economic shifts. When global recessions or geopolitical tensions occur, many migrants return to Kerala, increasing the unemployment rate and intensifying the pressure on the local job market.

## Effects of Educated Unemployment in Kerala

Educated unemployment in Kerala has far-reaching effects that extend beyond individual struggles, affecting the state's social fabric, economic growth, and overall progress. Despite the state's high literacy rates and access to education, many young people

remain unemployed, resulting in the underutilization of valuable human capital. Below are some key consequences:

#### 1. Psychological and Emotional Stress

Prolonged unemployment leads to frustration, low self-esteem, and a sense of worthlessness. Many educated youth question the value of their education, which can cause psychological distress, including depression, anxiety, and even suicidal thoughts. This emotional toll is often exacerbated by the long-term unmet expectations of securing a job.

#### 2. Health Deterioration

The mental stress caused by unemployment often manifests in physical health issues such as hypertension, insomnia, and other stress-related disorders. As a coping mechanism, some individuals may also resort to substance abuse, further compounding the health challenges faced by educated but jobless youth.

#### 3. Rise in Underemployment

A significant number of educated individuals are forced to accept jobs that do not match their qualifications or field of study. This underemployment leads to job dissatisfaction, wasted potential, and economic inefficiency, as the individual's skills are not being fully utilized, resulting in stagnation in their career.

#### 4. Social Instability and Crime

A large, frustrated, and unemployed youth population can lead to increased social instability. Vulnerable individuals may turn to anti-social behaviors, such as drug use, petty crimes, or even extremist activities, posing a threat to social harmony and law enforcement efforts.

#### 5. Economic Stagnation

The underutilization of educated talent results in significant economic inefficiency. With a large portion of the workforce unemployed or underemployed, Kerala experiences low productivity, reduced income levels, and a weaker domestic economy. This stagnation undermines the expected economic benefits from the state's investments in education.

#### 6. Mass Migration and Brain Drain

The lack of local job opportunities forces many educated youth to migrate to other states or abroad, particularly to Gulf countries. In many cases, they accept jobs that do not align with their qualifications, contributing to the "brain drain." This loss of talent reduces the state's innovation potential and creates an over-reliance on remittances to sustain its economy.

#### 7. Widening Gender Inequality

Educated unemployment disproportionately affects women in Kerala, as societal norms and concerns about workplace safety discourage many women from entering or staying in the job market. This perpetuates gender inequality and leads to the underutilization of a significant portion of the state's educated workforce.

#### 8. Reduced Interest and Investment in Education

As more educated youth remain unemployed, there is a growing disillusionment with the value of higher education. This trend can deter families, especially those from economically disadvantaged backgrounds, from investing in education, fearing limited returns on their investment.

#### 9. Increased Dependency and Strain on Families

With rising unemployment, many educated youth remain financially dependent on their families for extended periods, increasing the financial strain on working family members. This creates additional pressure on household budgets, savings, and public welfare systems.

#### 10. Intensified Social Inequality

Educated unemployment can exacerbate existing social inequalities. While some individuals can afford to migrate or retrain, marginalized groups face even greater challenges in accessing opportunities, deepening economic disparities and increasing frustration in disadvantaged communities.

### Government Schemes to Address Educated Unemployment in Kerala

Educated unemployment in Kerala remains a pressing concern despite the state's high literacy rates and education access. To combat this, both the Government of India and the Government of Kerala have launched several initiatives aimed at skill development, self-employment, entrepreneurship, and job placement. These schemes focus on empowering youth to transition from job seekers to job creators, with specific programs designed for women, rural populations, and marginalized groups.

The Prime Minister's Rozgar Yojana (PMRY) is a key initiative offering self-employment opportunities for educated youth. It provides loans up to ₹2 lakhs to individuals aged 18-35 with at least an 8th-grade education to start small businesses. The scheme also includes subsidies and collateral-free loans, encouraging young people to

pursue entrepreneurship instead of relying on government jobs.

In Kerala, the Kerala State Self-Employment Scheme for the Registered Unemployed (KESRU) offers interest-free loans up to ₹1 lakh to registered unemployed individuals, including graduates and technical professionals. The scheme promotes self-employment by supporting youth aged 21-50 in establishing their own businesses. At the state level, Kerala has launched the Additional Skill Acquisition Programme (ASAP), which offers short-term vocational training in fields like IT, healthcare, and retail to bridge the gap between education and employment. The program includes career counseling and job placement support, enhancing students' employability.

The SARANYA Scheme is designed to address gender disparities in employment, particularly for marginalized women such as widows, divorced, and differently-abled individuals. It provides interest-free loans up to ₹50,000 along with a 50% government subsidy, encouraging women to become self-employed and achieve financial independence. The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) focuses on skill development for rural youth. It provides industry-relevant training and job placements to youth aged 15-35 from rural areas. The Kudumbashree Mission has been instrumental in implementing this scheme in Kerala, significantly contributing to rural development.

The National Rural Livelihoods Mission (NRLM), also known as Ajeevika, promotes sustainable livelihoods in rural areas through the formation of Self-Help Groups (SHGs). The scheme supports skill development, microcredit, and enterprise development, especially for women. In Kerala, it has been successfully implemented through Kudumbashree, empowering women entrepreneurs.

Other initiatives, such as the Multi-Purpose Service Centers (MPSC) and Job Clubs (JC), promote group-based self-employment ventures. These programs help individuals form collectives and undertake projects in various sectors. The WINGS Program, targeting Scheduled Tribes, offers skill development in aviation, covering course fees and travel expenses. Lastly, the Unemployment Allowance Scheme (UAS) provides temporary financial assistance to unemployed individuals

registered with Employment Exchanges in Kerala, offering support while they seek employment or further training.

## CONCLUSION

In conclusion, educated unemployment in Kerala is a multi-faceted issue with deep-rooted socio-economic consequences. While Kerala has made significant strides in education, the lack of corresponding employment opportunities has resulted in a growing frustration among educated youth. The study highlights the key causes, including a mismatch between education and job market demands, economic constraints, and societal aspirations. Furthermore, the effects of educated unemployment—ranging from psychological stress to economic stagnation—pose serious threats to both individuals and the community at large. However, government schemes and policies aimed at promoting self-employment, skill development, and industry-specific training can play a crucial role in alleviating this issue. Addressing the gap between education and employment requires a strategic approach, including educational reforms, industrial diversification, and the creation of more job opportunities to harness the full potential of Kerala's educated youth.

## REFERENCES

- [1] Bhattacharya, A. K. (1982). *The problem of educated unemployment in Kerala*. Meenakshi Prakashan, Meerat.
- [2] Thomas, J. A. (1988). *Some economic aspects of higher education in Kerala: Special reference to education, employment, and income linkages* (PhD thesis). Kerala University.
- [3] Devi, K. R. L. (2002). *Education, employment, and job preference of women in Kerala: A micro level case study*.
- [4] Zacharia, K. C., & Rajan, S. I. (2005). *Unemployment in Kerala at the turn of the century*.
- [5] Dixit, J. K., Tiwari, P., Gupta, S. K., Singh, P., & Gupta, H. (2011). *Educated unemployed: A challenge before sustainable education*.
- [6] Arun, S. (2017). *An enquiry on the factors which retard the employment generation for educated youth in Kerala*.
- [7] Happy, P. V. (2017). *Kerala model development in education: An analytical study*.

- [8] Prakash, B. A. (2017). *Unemployment in Kerala: An analysis of economic causes.*
- [9] Wikipedia. (n.d.). *Economy of Kerala.*  
Retrieved from  
[https://en.wikipedia.org/wiki/Economy\\_of\\_Kerala](https://en.wikipedia.org/wiki/Economy_of_Kerala)