Youth Unemployment: Causes, Consequences, And Emerging Employment Strategies

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***Abstract*—The problem of youth unemployment is ever present and young people are beginning to become independent and develop skills and to forge their career path. This paper, therefore, reviews the main causes and the social and economic impacts of youth unemployment, and lists the major problems and possible solutions in addressing this. This study uses a qualitative and exploratory approach to research, using secondary data from the research papers, articles, reports such as ILO. Thematic analysis was used to analyses the material, with the six phases of Braun and Clarke (2006) followed. The data shows that youth unemployment is a result of a range of interrelated factors: low wages for youth, few jobs available for youth through the private sector, inequities in access to education and training, discrimination and bias, economic uncertainty and technological change. Its impacts are not just on lost income.**

It delays young people's entry into the labour market, their ability to become self-sufficient, its effect on their confidence and experience of work, the limitation of the economy's growth, the restriction of productivity, increases public expenditure and can lead to an increase in poverty, inequality and social tension. Three problems come to mind: skills mismatches, lack of reliable and appropriate work opportunities, and inequities. The following five strategies are suggested for the study: Skill up training, Education-Employment Linkage, Facilitation of Youth Entrepreneurs, Decent Employment Generation and Career Guidance. Job creation is a prerequisite but it is not sufficient, young people require relevant skills, work experience and fair opportunities. The study is secondary data but the generalizations drawn will not be statistically valid. Primary data from young job-seekers, employers and policy makers should be the primary sources for future studies.

***Index Terms*—Youth unemployment, skills mismatch, Labour Market, Decent work, Employment strategies, India**

I. INTRODUCTION

1.1 Who are the youth?

Youth is a general term which describes the transition from childhood to adulthood. A time of life when the person is undergoing a lot of changes and starting to take responsibility for more.

The age range that defines youth encompasses a period of time between childhood and adulthood but can be defined differently in various contexts. Youth is a time when people are attempting to know themselves, their wants and desires, and their position in society.

1.2 What is unemployment?

The International Labour Organization (ILO) defines unemployed persons as persons who meet the following criteria: They have not worked for any reason during the reference period; They are able to work; They are actively seeking work.

So, someone who is not working but is looking for a job or is not available to work would not necessarily be counted as unemployment under this definition.

1.3 What is Youth Unemployment?

Youth unemployment is a situation where youth are prepared and able to work and are seeking employment, but are unable to secure appropriate employment.

A very common reason is the lack of work experience, many employers prefer to hire candidates who have some experience in the field.

1.4 Why is Youth Unemployment Important?

Youth unemployment is significant, because it may impact other aspects of a youth's life beyond just income. In the absence of employment opportunities, youth are forced to rely on their families to meet their

basic needs. Frequent rejection by employers may also lead to discouragement and a lack of self-confidence among them. Young people who don't have a stable income can struggle to make their own choices, thinking about living independently, and moving out of the house. Meanwhile, the education or training they have acquired may not be applied when it is needed, and a long string of unemployment can also instill uncertainty in young people about their future, and make it difficult for them to plan for their careers and their adult's lives.

II. OBJECTIVES OF THE STUDY

1) To identify the major causes of youth unemployment
2) To examine the social and economic consequences of youth unemployment
3) To examine the challenges and find potential strategies

III. METHODOLOGY

3.1 Research Design

This is a qualitative and exploratory research that uses secondary data. The aim was to explore the problem, give its explanation and propose solutions to the problem of youth unemployment, thus a qualitative approach was preferred.

3.2 Data Sources

Secondary data is used which includes research papers, youth unemployment in India and abroad, reports and publications by International Labour Organisation (ILO). The articles chosen for this study were relevant to the research problem (causes of youth unemployment, social and economic consequences of youth unemployment and strategies to reduce youth unemployment). The information collected was from sources addressing youth employment, labour market conditions and/or skills and/or employment policy. Present the number of articles and the range of time they cover.

3.3 Method of Analysis

Thematic analysis (Braun and Clarke, 2006) was employed in the analysis of the data; This is an iterative approach that involves six phases:

- *Data familiarization*: Selected articles and reports were read several times for familiarizing the content of the article.
- *Identification of codes for generating initial codes*: Relevant points on causes, effects and strategies were identified and coded.
- *Themes were identified*: Related codes were clustered into larger themes e.g., youth wages, job creation in the private sector, education and training, discrimination, economic fluctuation and technological change.
- *Reviewing themes*: Themes were compared to the coded data and the source material to ensure that they were consistent and distinguishable.
- *Description and naming of themes*: An objective was given for the theme and the theme was structured accordingly (causes, consequences, challenges and strategies).
- *Writing up*: Themes were written up using evidence from sources in a narrative.

3.4 Limitations

Study is comprised solely of secondary data, and thus does not include primary data of young job seekers, employers, or policy makers. The results are based on the volume, and quality, of sources consulted and cannot be statistically extrapolated.

IV. MAJOR CAUSES:

The unemployment of youth is a serious problem as many young people are willing but are not provided suitable opportunities for their employment. The problem is subject to various factors with regard to the economy, education, skills and changes in the labour market. Low wages for youth, inadequate private sector employment opportunities, inadequate training opportunities, discrimination, economic changes and technological advances are among the key factors.

4.1. Youth Wages:

Youth wages tend to be lower as many youths are entering the labour market for the first time and have less work experience. They might also start their employment with low paid, temporary and informal work without much skill. According to the ILO, the wages of young people are generally lower than those of adults in all forms of work in India. Some young

people are less likely to take available jobs when they are not offered a compensation that they can sustain to meet their own living or educational costs.

4.2. Weak Private Sector Job Creation:

The private sector is an important source of employment for young people. But if businesses and industries don't expand quickly enough, they can't provide enough new jobs for the growing number of youths seeking employment. This can make employment highly competitive for the few positions that are available. The issue is further linked to low growth of productive and formal employment in India, making a good job difficult to come by for a lot of young people.

4.3. Lack of Access to Education and Training:

Education and training of Youth enables them to build the knowledge and skills that are required for their job. But not all young people are equally able to access quality education or vocational training or to have work opportunities to gain practical experience. Because of this, some young people may possess qualifications that are not in sync with the available employment opportunities. ILO also emphasizes on strengthening the relationship between education, skills training and the labour market.

4.4. Discrimination and Bias:

Discrimination makes it more difficult for some young people to access employment, even if they meet the criteria for employment. Access to employment opportunities may be influenced by the gender, caste, social background, and place of residence. For instance, there may be social obstacles that hinder young women's employment, such as their involvement in care-giving or domestic duties. They may polarise the labour market and impair the opportunities for disadvantaged groups.

4.5. Economic Fluctuations:

The state of the economy directly affects employment. In times of recession, companies can either stop adding staff members, delay growth or cut down on workers. Young people are at risk because they may not have extensive work experience and are more likely to have been first entering the labour force. Youth employment is one example that was impacted during the period of COVID-19, with many youths taking up self-employment and/or low-wage and low-skill jobs.

4.6. Technological Advancement:

Employers' demands for skills are changing because of technology. Demand for some of the repetitive tasks can be lessened when they are automated, and the demands for digital and newer technologies, like AI, will create new skills and occupations. This can be a challenge for young people lacking access to appropriate digital and/or technical training. Meanwhile, technology can also lead to new job opportunities; the primary challenge is to help young people acquire skills that are relevant to new job requirements.

These factors are related to each other overall. There are not enough suitable jobs; there is a mismatch between their education or skills and those required by employers; low pay; and social and economic barriers. This is how youth unemployment is not a single, but multiple, cause International Labour Organization

V. SOCIAL AND ECONOMIC CONSEQUENCES

Unemployment among youth has several similar impacts to adult unemployment including income loss, poverty, inequality and lower productivity. Young people, however, are likely to be impacted by it in different ways as they are starting their working lives and less experienced and financially independent. Thus, at this age, unemployment has the potential to impact their future prospects and social mobility.

Social and Economic Consequences of Youth Unemployment

5.1. Employment and Economic Outcomes

Unemployment directly impacts on the income and financial independence of youth. If young people have no paid employment, they may need to stay in their family for longer and may also postpone making important choices like leaving home or being independent financially. The lack of work experience and skills can also impact future wages and employment opportunities if young people remain out of the labor market for extended periods of time.

5.2. Economic Growth Constraints

Unemployment of many young people means that these young people's skills and working capacity are

not fully exploited. This implies that the economy is missing out on workers, innovation and production. Persistent youth unemployment can have a negative impact on productivity and long-term economic growth, says the ILO.

5.3. Economic Productivity and Public Expenditure

Unemployment may reduce the economic productivity because those who could contribute to economy in terms of labour and production are out of work. Meanwhile, governments might require more to be spent on income support, employment schemes and other social services. There is also a loss of potential tax revenue due to fewer stable income earners.

5.4. Rising Inequality and Poverty

Youth unemployment can exacerbate income inequality and the likelihood of poverty, particularly for the most vulnerable youth. Unemployability can put others who cannot find a stable job at a further disadvantage to others who do have stable jobs and financial means. This may compound the problems in bridging current economic differences.

5.5. Social Mobility

Employment is an important means to enhance the social and economic status of youth. A lack of stable employment can lead to reduced opportunities for youth to develop their savings, work experience, and living standards. Unemployment can thus create barriers to upward social mobility. Limited social mobility and financial independence have also been cited as a concern for the youth by the ILO.

5.6. Social and Political Instability

Participating in long-term unemployment can lead to frustrations, feelings of exclusion and dissatisfaction, especially among young people who may feel that there are limited opportunities for their future. The ILO has correlated the youth unemployment and youth exclusion with social tensions and social and political insecurity. This does not imply that all young people without jobs participate in unrest, but that when there is widespread and prolonged joblessness, there are potential for greater social tension.

VI. THREE IMPORTANT CHALLENGES

- *Skills and job mismatch*: Many young people have a degree, but have not developed the skills that are sought by employers. This is challenging for them to secure appropriate employment.
- *iPoor employment opportunities*: There is a mismatch between the number of young people entering the labour market and the available jobs. This can result in a lot of qualified young people being without work.
- *Unequal opportunities*: Not all youth have the same opportunity to find employment. Employment prospects can be influenced by family, gender, place, education, and connections.

VII. FIVE POTENTIAL STRATEGIES

- Enhance skill training: Training should be focused on practical skills that are indeed useful in the job market in order to prepare young people for the job market.
- Relate education to work: There is a need to increase the degree of interaction between colleges/training centres and employers, such as offering work experience and apprenticeships.
- Support young entrepreneurs: young people who wish to be able to start their own businesses can be helped by providing them with affordable facilities for loans, training, guidance and mentoring.
- Invest more, improve industry and business support: Industrial and business development and support will lead to more decent working conditions and wages.
- To give more guidance on careers: young people should have clear information about various careers, job opportunities and skills they need. Enhanced employment services can also assist in facilitating their linkages with employers.

VIII. CONCLUSION:

The aim of this study was to identify the causes of youth unemployment, examine the social and economic consequences and explore the challenges and strategies for tackling youth unemployment. The use of secondary sources and thematic analysis suggests that youth unemployment is not caused by one factor.

Low wages for young people, weak job creation in the private sector, unequal access to education and training, discrimination, economic fluctuations and

technological change combine to mean that many young people who are willing and able to work still cannot find suitable employment. These causes are rooted in three challenges: the mismatch between the skills youth have and those that employers are seeking, the lack of stable and well-paid jobs and unequal opportunities related to gender, caste, family background and location.

The fallout goes far beyond lost wages. Long-term unemployment delays young people's independence, damages confidence and narrows the experience and skills that shape future wages and career prospects. For the wider economy, that unused talent means lower productivity and slower growth, greater pressure on public spending and a risk of deeper poverty, inequality and social tension. These effects can also limit social mobility in the long run, because they affect people at the beginning of their working lives.

The findings indicate that simply creating more jobs will not be enough to fix the problem. The five strategies discussed – practical skill training, closer links between education and employers, support for young entrepreneurs, more decent jobs and better career guidance – are most effective when pursued together. However, the study is based on secondary data, which does not allow for statistical generalization of the findings. Future research should collect primary evidence from young job seekers, employers and policy makers. The analysis, however, shows that investment in young people's skills, opportunities and fair access to work is critical for their well-being and for inclusive economic and social development.

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