

Why India's Young Graduates Are Struggling to Find Jobs

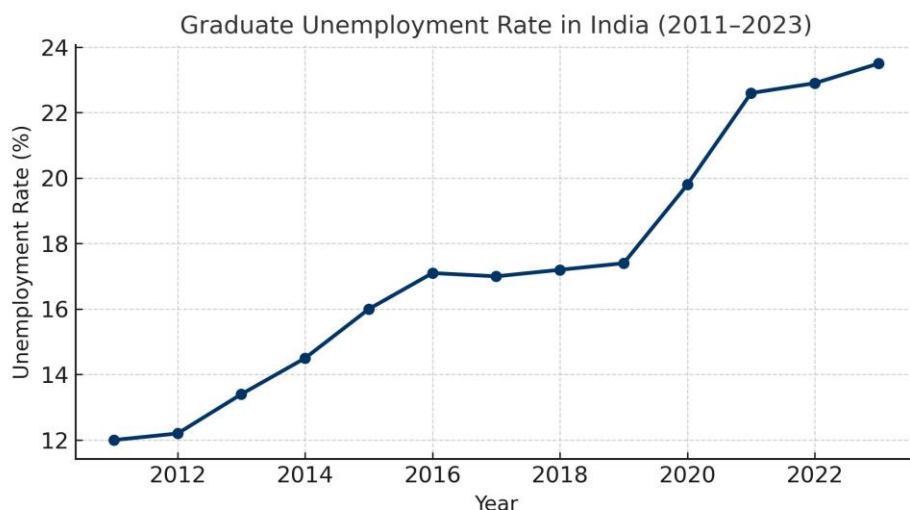
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One in every four Indian graduates today struggles to find a job. For millions of young people, a university degree—once considered a guaranteed ticket to stability and success—no longer delivers on its promise. India's economy is growing rapidly, yet its educated youth are being left out of the job market. This paradox raises a crucial question: why are India's graduates struggling to secure meaningful employment in a growing economy?

The Paradox of Jobless Growth

India's GDP has expanded consistently over the past decade, and the country now boasts one of the world's largest higher education systems. The Gross Enrolment Ratio has risen from 20.8% in 2011 to 29.4% in 2023, indicating a significant increase in access to higher education. Yet graduate unemployment has also doubled during the same period, climbing from 12% to 23.5%. This phenomenon is widely described as 'jobless growth'—an economy that produces wealth without creating sufficient opportunities for its educated workforce. Beyond statistics, the reality is stark: educated young Indians are finding their ambitions stalled, contributing to frustration, wasted talent, and social tension.



The Numbers Behind Jobless Graduates

The data tells a troubling story. Even as more students enter universities, the job market is failing to keep pace. India's labor market remains overwhelmingly informal, with more than 80% of workers in insecure or low-quality jobs. Graduates often resist joining this sector, preferring to remain unemployed rather than accept work far below their qualifications. Meanwhile, sectors such as IT and services have expanded, but many of the jobs created are low-skill or contractual in nature. Manufacturing—the sector best placed to absorb graduates in large numbers—has yet to reach its full potential. The result is a widening gap between education and employment, with the value of a degree increasingly questioned.

Several structural issues explain this disconnect. First, there is a persistent skills mismatch: while universities expand, curricula remain heavily theory-based, leaving graduates ill-prepared for roles requiring digital, technical, or applied skills. Second, the dominance of informality in the labor market reduces the availability of secure, formal jobs that graduates aspire to. Third, sectoral imbalances persist: while IT and services grow quickly, they often create jobs that do not align with graduate skills. Finally, regional disparities are pronounced — states with lower state domestic product per capita experience particularly high graduate unemployment, worsening inequality across the country.

The Human Cost

Behind every statistic lies a personal story. Across India, families sacrifice income to invest in education, hoping to secure a better future for their children. Yet many graduates find themselves unemployed or forced into jobs unrelated to their studies. This not only undermines family aspirations but also erodes trust in the promise of education as a pathway to mobility. Rising youth frustration increases the risk of social unrest, political instability, and what some experts call a 'wasted generation.'

What Needs to Change

The challenges are daunting, but solutions exist. Universities must forge stronger partnerships with industry to ensure curricula are aligned with market needs. Investment in vocational training, digital skills, and entrepreneurship is essential to equip graduates for a rapidly changing economy. At the same time, manufacturing and industrial growth must be prioritized to provide formal, large-scale employment opportunities. Finally, regional policies should address disparities by creating state-specific job programs that reflect local conditions and opportunities. These steps would not only improve employability but also restore faith in higher education as a driver of social and economic mobility.

Conclusion

India's graduates are its future, but their potential will remain untapped unless opportunities meet aspirations. The paradox of jobless growth is not inevitable—it can be addressed through reforms, investment, and innovation. By linking education with employment, expanding formal job opportunities, and equipping young people with the right skills, India can transform today's crisis into tomorrow's opportunity. For a nation of youthful ambition, the stakes could not be higher — nor the opportunities greater.

References

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