

**AN ENQUIRY ON THE FACTORS WHICH RETARD  
THE EMPLOYMENT GENERATION FOR EDUCATED  
YOUTH IN KERALA**

**Project Report Submitted to  
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## **EXECUTIVE SUMMARY**

Employment generation is an economic function. The number of employment opportunities and its volume as well as the capability to create employment opportunities are directly proportional to the volume of production and distribution. So a vibrant and dynamic production sector is the surest economic platform for the generation of employment. The situation of unemployment is the most important policy concern for the developed as well as developing economies. If the number of people ready to work exceeds that of the number of employment opportunities available, it is the situation of unemployment. Educated unemployment is one of the variants of open unemployment. It is a serious economic problem for all economies than that of the unemployment of less educated people.

The present study is purported to assess the factors which retard job generation for educated youth in Kerala. People are getting education but they are not in a position to get the jobs as per their eligibility is termed as educated unemployment. It is argued that the most confronting problem faced by the State economy in Kerala is educated unemployment. This is one of the highest among the states in India. In this context, it is imperative to conduct a scientific study for identifying the real reasons for the high rate of educated unemployment in Kerala.

The study is descriptive cum analytical in nature with empirical support. Both primary and secondary data were used for the study. Secondary data were collected from published reports and studies conducted by Governmental and non-Governmental sources. Primary data required for the Study were gathered from the Government Officials, Experts, Employers and Entrepreneurs in private sector. Primary data were also collected from the educated unemployed youth across Kerala.

We have attempted to analyse the unemployment situation in Kerala based on the statistics provided by the Live Register of Employment Exchanges in Kerala on August 2017. The study has revealed that 32 lakhs of the registrants in the Employment Exchange are not qualified to be called as educated unemployed. Their educational attainment is SSLC or Plus Two and they could not be employed for

jobs demanding skills and education. And also that a large number of registrants are either students undergoing higher studies or employees in private sector industries and self employed. Thus it is estimated that the number of educated youth who are actively seeking for job is around 2 lakhs. Therefore it can be concluded that the problem of educated unemployment in Kerala is in the manageable limits.

The second section of the study analysed the reasons which are responsible for the slow growth of employment opportunities for the educated youth in Kerala. We have identified ten important political, economic and social factors which retard the growth of employment generation with the support of literature survey and field survey. The opinions shared by the representatives of Political Parties, Trade Unions, Entrepreneurs, Officials and Academics have been put for the scrutiny and analysis. Their opinions are included in the category of experts.

- i. Lack of long term industrial policy in the state
- ii. High level of Trade Union militancy in the state
- iii. Aversion towards risk taking attitude of Keralites
- iv. Negative mindset for self employment
- v. Too much dependence on government jobs
- vi. Lack of adequate institutional support
- vii. Lack of vision on the part of Political Parties
- viii. Mismatch of demand and supply in the state higher education
- ix. Consumer centric attitude of Keralites
- x. Unsupportive entrepreneurial culture in the State

It can be concluded that those factors responsible for the retardation of employment opportunities for the educated youth are jointly contributed by the Political Parties, Trade Unions, the successive State Governments and the Society at large.

The next analysis of the project was purported to look into the perception of educated youth towards private sector employment and self employment. It has been seen that the attitude of the educated youth have been changed a lot in order to accept the reality of the employment sector in the state. They have already realized

the employment potential of the private sector. And they are ready to accept private sector employment subject to their concerns on job security, pay package and the work environment. The educated youth has slowly inclined towards to undertake self employment also.

It is recommended The State Government should make a legislation for the creation of a State Youth Work Force Organisation (SYWFO) with the available less educated and less skilled manpower. The youth who have attained the school education up to the Plus Two level who are seeking employment shall be the members of the organisation. A society form of organisation shall be constituted at the state level with regional offices or district offices across the state. The organisational structure and working procedure of State Kudumbasree Mission can be adopted in general with the specific requirements of the subject for the State Youth Work Force Organisation.

The 32 lakhs registrants in the Employment Exchanges in Kerala belong to the category of the State Youth Work Force who have an educational attainment at the levels of SSLC and Plus Two. Their names can be delinked from the Live Register of Employment Exchanges and transferred to this organisation as its members. The organisation should function as a professional body to cater the employment needs of the youth workforce by ensuring employment regularity with moderate pay.

The Political Parties have to sit together around a table and sort out the problem of development issues of the state. They will come to a consensus that true politics is for serving the society and the people in pursuit of their economic and social development. The political vision of the parties should be reformulated accordingly to ensure to bring a strategy of uninterrupted long term development for the state. It is high the time that the three political coalition dispensations in the state should come into a political agreement. The political consensus is that they should sincerely support and give priority to the development needs of the state apart from their political differences. The State Government should come forward to initiative a sincere dialogue with all Political Parties to have a political consensus on the development issues of the State.

The Trade Unions should understand that the industries will thrive only in a conducive industrial climate. They should see that the employment needs of the growing generation can be fulfilled only with the growth and development of industries and service sectors while protecting their personal and union interests. The existence of good Industrial Relations is a prerequisite for the survival and growth of industrial units. We have bitter experiences in our state where a number of industrial units were migrated to neighbouring states due to the vulnerable Industrial Relations. So it is suggested that the Trade Unions should reexamine their stand very sincerely by giving focus on the development needs of the state while protecting their service interests.

A long term industrial policy is an indispensable administrative requirement for the sustainable growth of industrial and business units as well as economic progress of the state. The policy should have a long term development vision incorporating the other three issues raised above such as creating a conducive entrepreneurial climate, adequate institutional support mechanism and the availability of the required skilled manpower. It is also recommended that the Universities, Higher learning centres, Government agencies and Voluntary organisations come forward with tangible and viable programmes to build more confidence in the society to involve in the production sector.

It is recommended that Government should take concrete measures to ensure regularity of employment in the private sector with moderate pay package and conducive work environment. The Government should take steps to have a meaningful dialogue with the representatives of Entrepreneurs, Industrialists and Businessmen and their professional organisations to create a viable climate of Industrial Relations in the sector. It is also suggested that along with creating a good climate of Industrial Relations in the private sector, the State Government should speed up initiatives and mechanisms of self employment and entrepreneurship such as Start ups, Incubators and Entrepreneurial Cells to encourage the educated youth to start their own ventures.



# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background of the Study**

Employment generation is an economic function. The economic functions are production, distribution and consumption of goods and services. The generation of employment is directly connected with the volume of goods and services produced, distributed and consumed in an economy within a specified period of time. The well being of a society is determined by the rate of consumption of goods and services. The economic development and economic growth are considered as the determinants of the level of well being and welfare of the people. The rate of growth of employment is correlated with the volume of production and distribution of goods and services. And the Problem of employment is closely interlinked with the income flows in the hands of the people which in turn enhance their purchasing power. The purchasing power determines the rate of income flows in the form of wages and salaries, interest and rent, and profit and dividend. The rate of consumption of goods and services is a variant of the wages and salaries earned from the employment. The number of employment opportunities and its volume as well as the capability to create employment opportunities are directly proportional to the volume of production and distribution. So a vibrant and dynamic production sector is the surest economic platform for the generation of employment. The educated and skilled employment opportunities are mostly connected with the rate of use of technology, technical and scientific knowledge for the production function. The employment for the less educated and less skilled are provided by the bottom level economic activities in a society. Thus the total volume of employment is the total number of employment opportunities available to both educated and less educated people.

#### **1.1.1 The Problem of Unemployment**

The situation of unemployment is the most important policy concern for the developed as well as developing economies. The rate of unemployment is usually calculated with the number of employment opportunities available and the number of people ready to work in an economy. If the number of people ready to work

exceeds that of the number of employment opportunities available, it is the situation of unemployment. One of the reasons for unemployment to both educated and less educated youth is the slowdown in the economic activities, especially in the production sector. At present this is the most important economic problem which is confronted by all countries across the world whether they are developed or developing. So employment generation has been one of the important objectives of development planning both for the developed and developing economies.

### **1.1.2 Educated Unemployment**

Educated unemployment is one of the variants of open unemployment. It is a serious economic problem for all economies than that of the unemployment of less educated people. It is argued that the main reason of educated unemployment is the result of the defective educational system. There is a wide spread belief that there exists a wider gap between the job requirements of the work place and that of the achievements of graduates from the University system. This is stated as a reason for low employability of the educated youth. A recent survey (2013) has been conducted with the objective of finding out the low level of employability of educated youth in India. The study has noted down three most important employability skills which are lacking in the educated youth. They are Communication Skill, Analytical and Problem Solving Skill and Domain Knowledge Skill. The survey conducted among the employers and industrialist came in to a conclusion that 60 percent candidates were screened out due to the lack of communication skill, 25 percent for the lack of analytical skill and 5 percent for the lack of domain knowledge. It is seen that 90 percent of the educated youth are lacking the required employability skill. Only 10 percent of the graduates are rated as employable.

The conclusion of the above studies could not be taken as the main reason for the educated unemployment. The volume of production and distribution is the most important factor contributing the generation of employment as stated earlier. The employability skill is only an attributing factor for the selection and placement of educated youth. So the prevailing economic condition is the creator and supplier of employment opportunities in the society. The rate of economic growth is the most important influencer in the determination of level of employment as well as the level

of unemployment. Yes, definitively, education, especially higher education has a pivotal role in the growth and development of the economy. It acts as an important tool as well as catalyst for creating employment due to its inherent capability in the realm of advanced knowledge and technology. But the quality and quantity of employment in an economy is directly proportional to the volume and value of economic and business activities. The major economic variables contributing to the level of employment are reciprocal and interrelated. The level of employment is determined by the rate of growth of Gross Domestic Product, the rate of investment in the production sector and the aggregate rate of consumption. The employment situation is also influenced by general price level, the impact of business cycles, inflation and interest rates. International business environment and economic transactions have direct influence in the volume of economic activities of a country. The Foreign Exchange Rate and Balance of Payment position are other contributing factors for the level of employment generation in the developing economies. So the factors contributing for the generation of employment opportunities for the educated youth are complex which needs concrete interventions in the economic platform of the countries. The employment generation for both educated and less educated people in a country are influenced by political, economic, social and technological (PEST) environment prevailing in that country along with its rate of economic growth.

## **1.2 Statement of Problem**

The present study is purported to assess the factors which retard job generation for educated youth in Kerala. The factors which retard job generation can be studied only through the analysis of the factors which contribute the growth of employment generation. Unemployment is a situation of the economy where the people do not get the work and wages with eligible conditions. **People are getting education but they are not in a position to get the jobs as per their eligibility is termed as educated unemployment.** It is argued that the most confronting problem faced by the State economy in Kerala is educated unemployment. It is stated that 34,93,822 (Department of Employment, Government of Kerala, 2017) educated youth are registered in the Employment Exchanges in Kerala seeking for

employment opportunities. This is one of the highest among the states in India. This is seen as a continuous phenomenon since the formation of State of Kerala. Much efforts were already taken by the State Government independently and also in association with the Central Government for solving this alarming problem. But the problem still remains as such. In this context, it is imperative to conduct a scientific study for identifying the real reasons for the high rate of educated unemployment in Kerala. It has been noted that no serious efforts in the form of a comprehensive scientific study has been done yet to assess the factors which retard employment generation for educated youth in Kerala. This study is purported to fill this research gap in the form of a project study entitled “An Enquiry on the factors which retard the employment generation for the educated youth in Kerala”.

### **1.3 Significance of the Study**

The real fact is that the policy focus for creation of newer employment opportunities for the educated youth went in one direction and the resultant reality of its implementation has gone in the opposite direction. As a result, in the passage of every Five Year Plan and Annual Plan, the inventory of educated work force accumulated in new heights. The reasons for high level of educated unemployment are in turn act as the reasons for low level of employment generation. The reasons for slow growth of employment opportunities discussed by different studies elsewhere are considered along with the general perception. They are:

1. **Consumer Centricism:** Kerala economy is a consumer centric and not a production oriented one. Though the production and distribution of goods and services are the basic foundations of employment creation, the State has put no economic priority to production sector. The State economy has given secondary treatment to the production sector even though the State has abundant natural, human and knowledge resources.
2. **Research and Development initiative:** Lack of adequate research and development activities in the promising areas of economic activities is another reason for the slow growth in educated employment. The State has not been utilizing its rich bio-diversity to improve its agricultural products by applying modern technologies. Even though a number of research

institutions related to the agriculture and allied sectors in Kerala have been working but no perceptible results have yet been come out.

3. **Technological Growth:** The impact of the technological growth in the production sector has two different dimensions. On one hand, it improves the quality of the product and reduces its costs but on the other hand, it replaces a number of workers and employees from the industrial sector. So certainly, technology provides growth to the economy but at the same time, it reduces the chances of job opportunities. This is otherwise called the downsizing the organisation and employment structure. This is another reason for the reduction in the employment opportunities of the educated youth.
4. **Social Status of low end Job:** It is stated that 23 lakhs of Keralites are working in the Gulf countries engaging low end jobs while 30 lakhs migrant labourers from other states are engaged in the same type of low end jobs in Kerala. This seems to be a paradox. The reason per se seems to be the low social status attached to the low profile jobs. The same is applicable in the case of unemployed educated youth who are not ready to engage low profile jobs in Kerala. But outside Kerala they seem to be better performers for any type of jobs regardless of the job profile and its status.
5. **Risk adverse people:** It is said that the entrepreneurial skill of people in Kerala is comparatively low. Since, the starting of enterprises needs the ability to face risk, the Keralites are supposed to be risk averse people. This is one of the reasons for a tardy growth in the number of healthy enterprises in Kerala. This is another reason for slow growth of employment generation in Kerala.
6. **Negative mindset for Self employment:** Several studies have been revealed that lack of initiative for starting self-employment enterprises due to the low social status and a discouraging entrepreneurial climate prevailing in the state. The general mindset of an average educated youth is to get a government job.
7. **Government mechanism for job creation:** Even though, Government policy has changed substantially to create an entrepreneurial climate in the state, it seemed to be not yielding the desired results due to the stigma of the

historical reasons for entrepreneurial initiatives. A number of Entrepreneurial Cells, Incubators and Start-up Programmes have been started recently in association with educational and industrial centers to encourage the youngsters to come up with innovative projects. But these initiatives have not been showing the desired results.

8. **Lack of Institutional Support:** It is generally pointed out that sufficient institutional mechanisms for providing support systems for the budding entrepreneurs are lacking in Kerala. They need not only the financial support system but also managerial and technical support. Marketing support is a crucial area determining the survival of these enterprises. The agencies which are entrusted with these functions are not performing their duties in the expected manner. This is another reason for the low growth of enterprises and employment opportunities for educated youth.
9. **Supply-Demand mismatch:** It is argued that there is a mismatch between the supply and demand of educated youths for the employment sectors. This is evident from the presence of a large number of unemployed engineers, technicians, managers and graduates of different disciplines. This supply-demand divide creates a section of jobless educated youth.

#### **1.4 Research Questions**

On the basis of the above discussion on the research problem and its significance, the following research questions can normally be raised. They are

1. What is the present situation of educated unemployment in Kerala? Whether it has a real connection with the statistics provided by the employment exchange in the State?
2. What are the real factors which retard the employment generation process for the educated youth in Kerala?
3. What are the perceptions of the educated youth in Kerala towards self employment and private sector jobs?
4. Is the educated youth in Kerala lacking the real Employability Skills?

## **1.5 Objectives of the Study**

On the basis of the complex nature of the research problem, the following objectives have been formulated.

1. To analyse the current status of educated unemployment in Kerala
2. To assess the factors which retard the growth of employment opportunities for educated youth in the state
3. To study the perception of educated Kerala youth towards self employment and private sector job
4. To assess the Employability Skill of the educated youth in Kerala
5. To suggest a comprehensive action plan for enhancing the job opportunities for educated youth

## **1.6 Methodology**

The study is descriptive cum analytical in nature with empirical support. Both primary and secondary data were used for the study. Secondary data were collected from published reports and studies conducted by Governmental and non-Governmental sources. Primary data required for the Study were gathered from the Government Officials, Experts, Employers and Entrepreneurs in private sector. Primary data were also collected from the educated unemployed youth across Kerala.

The tools used for data collection are structured questionnaires, interviews, and group discussions. We have conducted a field survey among the respondents for collecting the primary data. The collected data were tabulated systematically in a meaningful manner in tune with the objectives of the study. The tools used for analysis are percentage, mean score, correlation, and ranking.

## **1.7 Scheme of Presentation**

The first chapter deals with the introduction which includes background of the study, the statement of the problem, significance of the study, research questions, objectives and methodology. The second chapter is devoted to present the review of literature connected with the research topic. The third chapter is purported to present

the theoretical frame work of the study. The fourth chapter deals with the research methodology in detail. The fifth chapter is devoted to present the analysis and interpretation of data and its findings. The sixth and last chapter gives the summary of findings, conclusion and a comprehensive action plan for enhancing the job opportunities for the educated youth.



## **CHAPTER 2**

### **REVIEW OF LITERATURE**

#### **2.1 Introduction**

Studies related to the various aspects of educated unemployment were reviewed in this chapter to have an insight in to the dynamics of unemployment of educated youth. These reviews are pertinent for uncovering various factors which are relevant for the present study. A brief summary of the vital findings of studies are depicted below.

#### **2.2 The Indian Situation**

The Study Group on Educated Unemployed set up by the Planning Commission in September 1955 brought out an outline report of the study in 1956. Its main objective was to assess the extent of the unemployment problem among the educated and to work out schemes to tackle the problem of unemployment in the Second Five Year Plan. The study identified four fields for providing employment opportunities without heavy investment and huge subsidy, viz., small scale industries, service-industries, goods transport by road, and co-operatives for managerial and administrative functioning with regard to purchase, production and marketing of goods and services. However, it did not carry out a regional analysis of the problem of unemployment among the educated.

Directorate General of Employment & Training (1958) conducted the first survey on unemployment of university graduates and the study was based on the information collected from the records of 151 employment exchanges, and the total sample size was nearly 2500 graduates. The study found that 84 per cent of the graduates seeking employment were from Arts, Science and Commerce faculties and Arts graduates constituted the largest share of 48 percent. The study also showed that most of the registrants were third divisioners and more than three fourth of them were fresh graduates.

Directorate General of Employment & Training (1964) undertook a case study of employment and unemployment of the matriculates, based on a sample of matriculates passed in 1954, who did not pursue higher education, from schools in

Bombay in Maharashtra, Burdwan in West Bengal, Ludhiana in Punjab and Thrissur in Kerala. The study revealed that the incidence of unemployment is the highest in Thrissur with 20 percent and that unemployment is higher among females in all regions except Ludhiana.

Institute of Applied Manpower Research (1965) by applying the multipliers to employment exchange data estimated that the number of educated unemployed has increased from 0.4 million in 1950 to 0.5 million in 1956 and 0.9 million in 1961 .

A survey of educated unemployment in Bombay by P. A. Nair entitled 'Employment Market in An Industrial Metropolis' (1968) sought to investigate the supply and demand forces affecting employment market in Mumbai. It was confined to the registration details of the regional Employment Exchange in Bombay. The important recommendations made by the study include a development approach to education, job-orientation in female education curriculum, dispersed and balanced regional development.

J.P. Naik (1969), after examining the gravity of the problem of educated unemployment, made a few suggestions for solving the problem, such as vocationalisation of the secondary stage of school education and channelization of secondary school leavers to jobs in various walks of life, so that pressures on higher education would be reduced.

The text book entitled, 'The Causes of Graduate Unemployment in India' written by Mark Blaug, Richard Layard and Maureen Woodhall (1969) deals with the problem of unemployment among the graduates and matriculates in India. The study was part of a joint project on Manpower and Educational Planning in India, undertaken by the Higher Educational Research Institute at the London School of Economics and New Delhi Planning Unit of Indian Statistical Institute. They identified the causes of educated unemployment and the low quality of education. The causes of educated unemployment identified by them are malfunctioning of the labour market, hiring practices of the Government, the institutions of joint family and the attitude of the educated Indians towards manual labour.

An attempt was made by J. Dholakia (1970) to examine the important features of the unemployment situation in Gujarat. It gave a tentative estimate of the likely supply of graduates from the Gujarat University during 1969-70 to 1973-74 and discussed the policy implications of the gap between supply and demand for the educated in Gujarat. He concluded his study with the remark that the main reason for educated unemployment was the supply-demand mismatch.

The article prepared by A.D. King (1970) covered career aspirations, job preferences, salary expectations, plans on graduation of engineering graduates. The sample of the student engineers were collected from Indian Institutes of Technology (IITs) in 1970. This study raised a number of issues of relevance to manpower planners and policy makers in higher education.

Warren F.I and Trilok N. Dhar (1970) dealt with the causes of student discontent and growing indiscipline among the youths; according to the authors the malaise was mainly due to educated unemployment. The authors felt that in the field of higher education, Indians were experiencing a state of hyper-educational inflation and suggested that the inflation could be decreased only by expanding the employment opportunities for the educated.

The study on the problem of unemployment in the selected urban and rural areas of Bengal (Planning Commission, 1973) was based on a sample survey of 5782 households. The study showed that sub-urban and peripheral urban areas have a smaller incidence of unemployment than that of metropolitan areas.

An attempt was made by K. Puttaswamaiah (1977) to examine the nature and extent of educated unemployment in India. His study deals not only with the magnitude of the problem of educated unemployment, but also with other aspects of unemployment. According to him, the main solution to the problem of educated unemployment lies in proper manpower planning for the country as a whole. He also suggests re-orientation and the regulation of the present education system, and more rapid industrialisation, particularly employment promotion in small-scale industries, as the best solution to the problem.

Bright Singh (1977) made an attempt to estimate the extent of educated unemployment in Tamil Nadu. His study revealed that unemployment among educated classes in TamilNadu has been increasing rapidly. Projections made by him indicated that the problem is likely to become more serious in the years to come.

J.P.Saxena (1979) conducted a study on the problem of educated unemployment in India. He opines that the supply-demand mismatch is the main reason for educated unemployment. His explanation is that for the growing number of educated unemployed in the country lies partly in the erroneous system of education which is book centred, neither providing 'academic excellence' nor professional skills or capabilities.

An attempt was made by T.N. Dhar (1979) to study the problem of graduate unemployment in India and to examine the implications of the social and political framework within which manpower and educational planning is taking place. Its main finding is faulty manpower planning which is the main reason for the educated unemployment.

A modest attempt was made by A.K.Bhattacharya (1982) in his study to examine the extent of educated unemployment in India. He suggests that the problem of unemployment among the educated could be solved only by proper manpower planning at all levels in the economy.

Bose (1983) conducted a comprehensive study to ascertain the pattern of employment and unemployment of the graduates in West Bengal, based on primary data collected from four sources namely (a) 1928 students, (b) 1345 employed graduates (c) 480 unemployed graduates and (d) 32 employers. The study revealed that incidence of unemployment is maximum on Arts graduates followed by Science and Commerce graduates and the least for the professional graduates. The waiting period for the first regular job is found to be more than two years, and it is found to be longer for females than males.

The World Bank Report on “The Growth of Aggregate Unemployment in India: Trends, Sources and Macro Economic Policy Options” (1984) has analysed

certain significant macro-economic tendencies in the rate of growth of educated unemployment in India. The observation implies that the growth of unemployment is at about 1.7 percent a year. On the supply side it is due to the population growth and changes in the rate of participation while on the demand side it is due to the growth of the capital stock and capital intensity. The main outcome of the study is that the massive unemployment problem in India can be reduced by a sustained overall growth of 6.5 percent a year. In the absence of such a high growth rate, direct employment generation programmes specifically targeted at land-less and farmers will be necessary for a long period of time.

A study conducted by C. Parvathamma entitled, "Employment Problems of University Graduates" (1984), focused on the unemployment problem among the university graduates. The study was based on three percent sample of under graduates and post-graduate students in various faculties of Bangalore, Mysore, Karnataka and Agricultural Universities in Karnataka state. It classified the causes of unemployment into two broad categories, external and internal. The external causes are outside the individual and beyond one's control. While the internal causes often pertain to and emanate from the individual over which, a certain amount of control can be exercised. This categorization is relevant to both educated and non educated unemployment. The important suggestions to tide over the crisis include self employment, manual jobs, jobs outside the country and employment in defense forces.

The study made by Panchamukhi (1984) was based on information collected from employed and unemployed graduates of Bombay and Karnataka Universities, employers and employment exchanges. The study showed that incidence of unemployment is more in rural areas than in metropolitan areas; long waiting for jobs and actual unemployment is voluntary in the metropolitan city of Bombay. In the case of general stream of Arts, Science and Commerce graduates and in rural areas unemployment was mostly involuntary. The study also revealed that overqualified employees constitute a larger percentage of graduates from Arts, Science and Commerce faculties leading to increasing demand for higher education and resulting in 'bumping out' process and shifting the incidence of unemployment

to the relatively less privileged families. The study shows a positive association between rates of unemployment and levels of family income.

International Institute of Educational Planning (1984) conducted a comparative study of low caste and high caste graduates in terms of their academic performance, employment prospects and incidence of unemployment in Marathwada based on a sample of 1054 graduates consisting of 494 graduates from weaker sections and 560 graduates from high castes who passed out the Marathwada University in the years 1977, 1978 and 1979. The study showed that the proportion of unemployment is the highest in the case of low caste graduates and post graduates in the faculty of Arts followed by Science and Commerce. In the faculties of Law and Education where the proportion of unemployment is larger among the low castes than among the high castes. On the contrary in the field of medicine, proportion of unemployment is more among the high castes and less among the low caste medical graduates.

A study conducted by the Association of Indian Universities coordinated by J. L. Azad, (1991) entitled “Graduate Unemployment in India” analysed the magnitude of unemployment among the educated, to explore the types and patterns of jobs available. The field of investigation was confined to the states of Gujarat and Maharashtra. The study revealed that self employment was the last resort of an educated person. While the incidence of unemployment among arts students is maximum, among education graduates it is minimum.

The work entitled “Youth, Education and Unemployment” by Pramod Kurnar Bajpai (1992) sought to analyse the educational and other reasons of unemployment. The study covered 300 unemployed youth registered with Lucknow Employment Exchange. The study pointed out that the present politico-economic system is the major cause of unemployment and the present educational system is not conducive for employment generation.

### **2.3 The Kerala Situation**

The book entitled “Employment and Unemployment in Kerala: Some Neglected Aspects” by E.T. Mathew (1971) examined the employment and

unemployment trends in Kerala based on quinquennial surveys conducted by National Sample Survey Organisation. The major findings of the study include, that worker population ratio in the state is increasing, urban rates of unemployment is higher than rural ones, significant growth in casual employment outside agriculture, steady rise in educated unemployment especially among women.

A study worth mentioning related to Kerala is that the study conducted by the Centre for Development Studies (1975) based on a sample survey of the educated unemployed (matriculates and above) registered with Employment Exchanges in two districts of Kerala, Thiruvananthapuram and Kozhikode. The study examined the socio-economic characteristics, educational attainment and duration of unemployment of the educated unemployed registrants and it revealed that waiting periods are inversely related to levels of education and family income.

P.R.Gopinathan Nair (1981) has examined the role that education in Kerala has played in bringing about changes in employment, work participation rates and occupational mobility. The nature and extent of the problem of educated unemployment is also examined in brief. The author states that the low income groups of the society are relatively less educated and the average waiting period for them in the state's employment market is extremely long.

P.R.G. Nair and Joseph Thomas (1983) have examined the paradox of the market for the educated. The authors have attempted to explain the dynamics of the behaviour of the labour market for the educated within the frame-work of the 'Job Competition Model' based on the hypothesis that the growing magnitude of unemployment among the educated is itself the major factor that leads to a rising demand for higher education.

A comprehensive study on the educated unemployed in Kerala was made by Chandan Mukherjee and T.M.Thomas Isaac (1991) based on a sample survey of 4000 educated registrants of the various Employment Exchanges of the Kerala State. The major observations of the study are: (1) Education that raises the job expectations and the reserve status of jobs results in withdrawal of the educated from many of the traditional manual occupations. It could give rise to a paradox of labour scarcity in selective sectors despite severe macro unemployment. (2) The

limited job opportunities for the preferred status tend to prolong the waiting period of educated job seekers and thereby increase their stock. (3) As a survival strategy many among the educated unemployed are forced to seek employment in the informal sectors which are low paying and do not guarantee any security of tenure but are nearer to their perceived reserve job status.(4) Strong gender differences in job expectations waiting period and employment persists among educated unemployed. (6) Given socio-economic level and gender, higher educational qualification raises the probability of getting employment even if non-commensurate to the qualification. It would help the unemployed to overcome socio-economic and gender handicaps.

The study of Acharya (2010) reveals that unemployment among youth has increased over time. The educated youth residing in urban centers are more prone to the problem of unemployment. The infrastructure development and urbanization have great potential to reduce the scourge of unemployment among youth. Mere economic growth by raising per capita net State Domestic Product is not enough to solve this problem. Hence, in order to achieve inclusive growth, ie, the benefit of growth be equitably distributed across the population, sufficient job opportunities should be generated for the youth by emphasizing infrastructure development and with the creation of industrial hubs in urban centers.

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## **CHAPTER 3**

### **THE THEORY OF EDUCATED UNEMPLOYMENT**

#### **3.1 The concept of Employment**

The theories of unemployment are closely related to the theories of employment. So it is imperative to mention the meaning of employment and its theories as a preamble for the discussion of the problem of unemployment. According to the Oxford Dictionary, employment means the state of being employed. Employment is generally considered as an agreement between an employer and employee where the employee will provide his service and effort on the job within the following premises:

- a. The job is to be performed at the designated place of the employer,
- b. The work is planned to accomplish the objectives and mission of the employer and
- c. The employee receives a compensation for his effort and services.

The main components to be considered while defining employment are the time commitment, the degree of effort of the employee and his compensation plans. Jobs are different depending on the employment arrangement between the employer and employee. The agreement may be in writing or oral. On the basis of the time dimension related to the employment it may be part time or full time and permanent or temporary. The compensation for part time employment is usually paid on hourly basis. The full time employment is compensated by monthly salary or otherwise. Permanent employment is a work situation where the employee is working for a longer period with the same employer. Temporary employment is the employment offered to the employee for a shorter period of time.

As far as the employment relation is concerned the employer and employee continued to cooperate on the basis of the behaviour of both. The employment relationship is based on the willingness of the employer to compensate in terms of the job performance and the employee wants to continue to work for his employer. But the fact is that the terms and conditions of the employment is fixed as a consensus between the employer and the employee. But it is largely in the hands of

the employer due to the set up of the work environment. Usually in employment, the employer determines the where, when, why and what of the work that is to be performed by the employee. It is also the employers' philosophy of management determines the employee satisfaction as well as his degree of performance. The output of the employment is influenced by the work environment in which the employee performs his duty. The output is also influenced by the job satisfaction that enjoys by the employee.

### **3.2 The dimensions of the term Employment**

But it is not easy to define the term employment with preciseness and fineness of the term. It is considered as a complex concept because essentially the concept of employment has to be related to some notion of the "value" of the work. The value of the work would vary depending on the persons from whose point of view the work is evaluated (Amarthya Sen, 1975). This question of valuation is inescapable since employment cannot be defined in terms of physical activities as such. But it is argued that with the inherent complication in defining the term 'employment', the question of measurement of employment is involved. Here, a clear cut approach is provided by Amarthya Sen for defining the term employment. These concepts are the income aspect, production aspect and the recognition aspect of employment.

1. The Income aspect which denotes employment gives an income to the employed
2. The Production aspect where the employment yields an output
3. The Recognition aspect which means employment gives a person the recognition of being engaged in something meaningful with value.

As per the Recognition aspect, employment can be a factor in self esteem and indeed in esteem by others. In assessing whether a person is employed or not, clearly his own views on the subject have to be given some weight. The question of employment is one of having not only a gainful occupation but one also experience some satisfaction in relation to his expectation on the job. For example, the Indian Labour Organisation Mission to Srilanka discussed cases "where people said they were 'unemployed' when they meant that they did not have a regular job offering

security and some sort of steady income”. So the question of Recognition aspect of employment is the view of employment in a wider perspective with matching employment opportunities and expectations.

While the production aspect of employment is the value of output contributed by the employee in the process of his employment, but the valuation of the output is differed in the views of the employer and employee. And the economists have different philosophies in the valuation of output which remains an unsettled economic issue. But the value of output remains the most important component in defining the merit of employment and here lays the importance of the production aspect of employment.

When a labourer sells his labour for a wage, he is accepting employment in exchange for some earnings and this earning is the primary consideration in taking up employment. The value of wage is determined in the labour market as a result of the interaction between the cost of hiring the worker and the income expects by the worker for offering his labour. But this income aspect of the employment may sometimes be altogether divorced from the production aspect. But it can be come in to a conclusion that the income aspect of employment is concerned with that part of one’s income which is received on condition that one works. In case of self employment, the income aspect is not easy to separate from the production aspect.

### **3.3 The concept of Unemployment**

Unemployment is defined as a situation where someone of working age is not able to get a job but is willing to be in full-time employment. Unemployment is defined by the Bureau of Labor Statistics (BLS, 1969) as people who do not have a job, have actively looked for work in the past four weeks, and are currently available for work. Also, people who were temporarily laid off and were waiting to be called back to that job are included in the unemployment stream.

The economically active population are included in the labour force of a society as per the definition of both International Labour Organisation (ILO) and Bureau of Labor Statistics (BLS). As per the above definition, economically active people are either employed or unemployed. Those who have not looked for work

within the past four weeks are no longer counted among the unemployed as per the standard set up by BLS for the calculation of Labour Force Participation Rate (LFPR). The people who are retired, going to school or college, having a disability to work and having family responsibilities are excluded. The people who are not actively looking for work is also excluded from the unemployed stream.

In order to be classified as unemployed according to the ILO's definition, a person needs to fulfill three criteria. They are:

- (i) One who has not worked at all in the reference week
- (ii) One who is available to take up work within the next two weeks and
- (iii) One who has been either actively seeking work in the past four weeks or has already found a job that starts in the next three months.

### **3.4 The concept of Educated Unemployment**

The present study is mainly confined to discuss the problem of educated unemployment. So it is necessary to discuss its meaning as well as theories to have a clear cut understanding on the theme.

Educated unemployment is a situation where people are getting education but they are not in a position to get the jobs as per their eligibility. Educational qualification is the most important component determining the eligibility condition. The number of eligible educated persons seeking employment opportunities exceeds the number of job opportunities available in the labour market is the situation of educated unemployment. The job designated for the educated people are usually termed as 'white collar jobs'. They are also coming in the category of skilled employees. For performing jobs designated to the educated ones, they have to use more of their intellectual effort than that of their physical effort. The problem of educated unemployment is developed through a close relationship between education and employment.

The cost incurred for higher education is with the objective of getting a gainful employment. The nature and extent of demand for higher education is directly connected to the nature and extent of employment opportunities available. This in turn decides the nature and extent of growth of the economy also. The labour

market is the place where the prospects and choices of employment opportunities for the educated youth are to be determined. The rate of growth of employment opportunities for the educated is directly proportional to the economic growth of the country. It is evident from the experience that there is a rush for job oriented courses and the courses offering better employment prospects during the period of economic prosperity. There are instances that the educational institutions themselves offer placement opportunities after the completion of the programmes. Career guidance institutions are come up to give advice to the students regarding the prospects of job opportunities associated with their degree programmes. So the labour market has its own dynamics to relate and to make a swing in relation between education and employment. Hence it is necessary to understand the behaviour patter of labour market in dealing with the educated unemployment. The following theories of educated unemployment explain the situation of educated unemployment.

### **3.5 The Theories of Educated Unemployment**

These theories are Classical theory, Keynesian theory, Neo-classical theory, Filter theory, Bumping or Job Ladder model and Job Competition model. Brief accounts of the above theories are presented below.

- 1. The Classical theory:** The pioneer theory in this area is the Classical Theory. It is based on three fundamental assumptions. (1) existence of free economy where the factors of production work automatically (2) labourers are homogeneous in nature and substitutable and (3) wages given to the labourers are flexible in nature. Unemployment is a temporary phenomenon and the demand and supply forces will bring back the labour market to a state of equilibrium. Therefore, unemployment cannot exist in the long run. Wage rates are in equilibrium by intersecting demand curve and supply curve.
- 2. The Keynesian Theory:** According to Keynes unemployment arises due to deficiency in effective demand. Keynes opined that the unemployment problem could not be solved merely by bringing down wages as the decrease in level of wages would transfer income from the working class to the hands of the capitalist who have a higher marginal propensity to save. The income

flow in favour of the saving class and against the working class would bring down aggregate demand leading to increase in unemployment.

- 3. The Neo-classical theory:** The neo-classical economists challenged classical assumptions of homogeneity of labour units by saying that labour units vary on the basis of skill, knowledge, capability and willingness of the employees. This will directly influence the potential of the labour and their productivity. Wage which is equal to the value of the marginal physical productivity of the labourer also differs from person to person according to the capability they possess. Through two assumptions of competitive equilibrium and marginal productivity, the neo-classical economists have defined the relationship of education with employment. The most popular model which is adopted by the neo-classical economists for explaining education, employment and income differentials is called Human Capital Theory.
- 4. The Human Capital Theory:** The Human Capital Theory is based on three assumptions. They are (1) existence of competitive market economy (2) wages of labourers are flexible in nature and (3) the alternative technology. Similarly the less skilled labour can be substituted by highly skilled labour. Human capital theorists argued that individuals differ in terms of types and levels of skill they have. According to them differential skills are directly related to the differential levels of education attained by the individuals. The level of education attained by an individual is directly related to the amount he invested in the education. The level of education is also a major influence in productivity. The employer pays higher wages to the high productive employees who are highly educated than the less productive employees or the less educated. They further argued that the choice of investment in levels of education determines one's chances of employment in the labour market. The intervening variable between education and job is the skills developed through educational system. Hence unemployment can be traced to the lack of skill possessed by an individual due to lack of education required for the labour market.



**5. The Filter Theory:** Kenneth J Arrow developed a theory called the Filter Theory (1973) as an alternative to the human capital theory. Here he questioned the skill development role of education projected by Neo Classical Economists. He argued that education does not impart the skill and knowledge, but it helps to develop the potential ability of workers. Spence (1973) has developed a similar theory but with a different name 'Signaling or Screening Theory'. He argued that while selecting the employees, education is used by the employers as a screening device. In the selection process of the employees, the employers are interested in selecting people with more potential ability. The educational qualification possessed by an individual determines his ability which in turn acts as a proxy signal and productivity. Through screening process talented individuals can be selected with potential ability thereby the distortions in the labour market could be reduced. The employers rely on screening devices as a method of selection of employees based on education is cheaper and easier. Hence employers encourage people to go for higher education.

As to the employees, they too are interested to go for higher levels of education with the expectation that their talents will be identified through higher levels of education and they will be given wages commensurate with their potential abilities. Therefore there will be continuing demand for education from the youth. Thus demand for higher levels of education will continue to accelerate even though education does nothing in augmenting the productivity of individuals. This is because the employers use the educational achievements of the employees as a filtering method while selecting them for job positions.

**6. Bumping Model and Job Ladder Model:** Focusing on the influence of unemployment in the labour market process, Fields (1974) developed a model called Bumping Model. In the same pattern Bhagwati and Srinivasan (1977) developed another model called the Job Ladder Model. These models are invariably applicable to the labour market when there is excess labour supply. Then the employers follow a practice of preferential hiring based on educational qualifications. As per the models people with higher levels of education are employed first. When the number of higher educated

individuals exceeds the number of jobs corresponding to their qualifications, they spill over to the next best jobs thereby bumping out the less educated. Eventually those who are on the lowest rung of the ladder of education will remain in the labour market as unemployed. This process distorts the existing education-employment relations leading to chronic under employment and unemployment of the less educated.

- 7. Job Competition Model:** In contrary to the bumping model, the Job Competition model explains that supply factors do not play a very significant role in determining jobs and earnings of an employee. Thurow (1974) argued that earnings are related to jobs than to the qualification of the individuals who fill the job positions. Earnings are determined depending on the nature and types of jobs. According to this model persons with differential levels of education may earn the same, provided they are in the same job. Thurow also argued that labour skills in their finite form do not exist in the labour market. Employers are interested in reducing the training cost of their prospective employees in order to maximize their profit component. Thus the employers prefer those who can train with lesser cost. But in a complex market situation the employers do not have any reliable mechanism to evaluate the real training costs of each employee. Hence they depend on the educational background in selecting the prospective employees. This is the basic variable used for hiring prospective employees. Thus the basic assumption is that the better educated picks up skills rather quickly and in turn, their training cost will be less. In this sense, education is important for the purpose of job entry.

### **3.6 Generation of Employment for Educated Youth**

After having a detailed analysis of the theories of educated unemployment and the previous studies, now it is imperative to have a look into the factors which create the situation of educated unemployment. The most important factor responsible for creation of employment is the economic policy of the State. The State's economic policy is a political decision. That political decision is the result of the economic philosophy of the ruling class. The Political vision and the approach of the Government are the decisive factors which create a conducive entrepreneurial culture in the country. A long term industrial development policy is a prerequisite

for making the economy investment friendly. The quantum of employment opportunities is directly proportional to the rate of investment in the industrial and service sectors. So the creation of employment opportunities for the youth is the result of a viable industrial climate supported by the concrete vision of the political party in power.

### **3.6.1 Initiatives for entrepreneurial Culture**

The entrepreneurial culture of the people can be developed only through the legislative and administrative actions of the Government. The Government should give a supporting hand to the industries through various incentives and promotional programmes. The entrepreneurial culture can be enhanced through effective implementation of various institutional interventions. These interventions are in the form of Start ups, Incubators, Skill development and Entrepreneurial clubs and cells. Entrepreneurial education should be introduced in the school and college levels through various student involvement schemes and mechanisms.

Another factor determining the entrepreneurial culture is the promotion of self employment programmes. The Government should take initiatives in this direction to encourage the educated youth to start their own ventures who have innovative ideas. It is learnt that the social status is one of the problems confronting with the youth to come up with self employment programmes. Social awareness, academic interventions and institutional support are necessary to break this mindset of the younger entrepreneurs to stand firmly with their ventures. Respectability and social recognition should be provided to self employment initiatives through intentional measures.

### **3.6.2 Support System to Private Sector**

It is believed that the responsibility for creating more employment opportunities is on the Government. But a vibrant private sector is a surest platform for unleashing the entrepreneurial activities in case of an open democracy. The role of the Government is considered as a facilitator for creating a conducive investment climate. The social control and legal frame work for operating the business

enterprises are necessary for maintaining social harmony. So the role of private sector in the creation of employment opportunities for the educated youth is crucial.

Thus the Government should promote and maintain the private sector industries and business establishments along with the promotion of self employment facilities. The private sector can play a big role in creation of employment opportunities especially in tourism, information technology and health care service sectors. They can also undertake food processing ventures and involve creatively in travel and transportation industry. Their role is also important in financial services like banking, insurance and capital market operations. Retail industry is another emerging sector. Logistics and distribution services are also getting much importance. Construction and infrastructure industries where a large number of employment opportunities are available to the skilled as well as semi skilled employees. Consultancy service is another area where the services of specially trained educated youth can be utilized. Agro based industries are also coming in the forefront with innovative technologies and products.

### **3.6.3 Expansion of Service sector**

The growth of technology plays a crucial role for linking the manufacturing sector to the service sector. It is estimated that about 60 percent of the jobs available are within the spectrum of service industries. Many international studies show that services could not be delinked from the manufacturing sector. After sale service, repairs and maintenance and service rendered for the continued performance of the equipments and devices are considered as the same part of the business. Earlier the business is confined only to the marketing of product and services. Now the customers are seeking the continued services before the purchase of the product. In the case of automobiles, earlier the customers considered only the quality of the product they are purchasing. But now they consider the quality of services from the dealer before taking the purchase decision. Therefore, now the automobile manufacturers consider it is not the automobile business, but it is the automobile service.

### **3.6.4 Conclusion**

It is argued that employees are too much exploited in the private sector in terms of their compensation and job security. Many studies revealed that the educated youth have an inhibition towards the private sector employment because of this attitude of the employers. That is why it has been suggested that social and legislative controls are necessary to maintain good industrial relations in the private sector. In the ultimate analysis it can be seen that the level of entrepreneurial activities is the impact of the political, economic, social and technological situations prevailing in the society. The generation of employment in a society, whether it is for the educated or less educated is the result of the entrepreneurial and productive activities in that society.

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## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

#### **4.1 Introduction**

This chapter is devoted to present the Research Methodology used for the Project Study. The study is descriptive cum analytical in nature with empirical support. Both primary and secondary data were used for the study. Secondary data were collected from published reports and studies from Governmental and non-Governmental agencies. Primary data required for the Study were gathered from Political and Trade Union leaders; Academics; Officials and Managers; and Entrepreneurs. Primary data were also collected from the educated unemployed youth across Kerala.

#### **4.2 Research Problem**

The research problem of the present project is to identify the factors which retard the employment generation for educated youth in Kerala. The problem has been thoroughly analysed with the support of employment theories and previous studies. It is seen that the problem of educated unemployment is an economic problem confronted by all developed and developing economies. The State of Kerala is not an exception. Because of the historical and inherent reasons, educated unemployment is an alarming economic question from the very beginning of the formation of the State in 1957. Many studies have been attempted to sort out the reasons for educated unemployment in the State. The findings gave different viewpoints and dimensions. Here the present study is confined to enquire the factors which retard employment generation for educated youth in Kerala with a comprehensive approach.

#### **4.3 The Research Questions**

The following research questions are posed by the study.

1. What is the present situation of educated unemployment in Kerala? Whether it has a real connection with the statistics provided by the Employment Exchange in the State?
2. What are the real factors which retard the employment generation process for the educated youth in Kerala?
3. What are the perceptions of the educated youth in Kerala towards self employment and private sector jobs?

#### 4. Is the educated youth in Kerala lacking the real Employability Skill?

#### 4.4 The Research Process

The process of research is what happens from its inception to its end. The tasks and actions carried out by the research team in order to find answers to the research question constitute the research process. The various stages of the research process followed in the present study are depicted below. The steps followed in this work are in accordance with the accepted research standards.

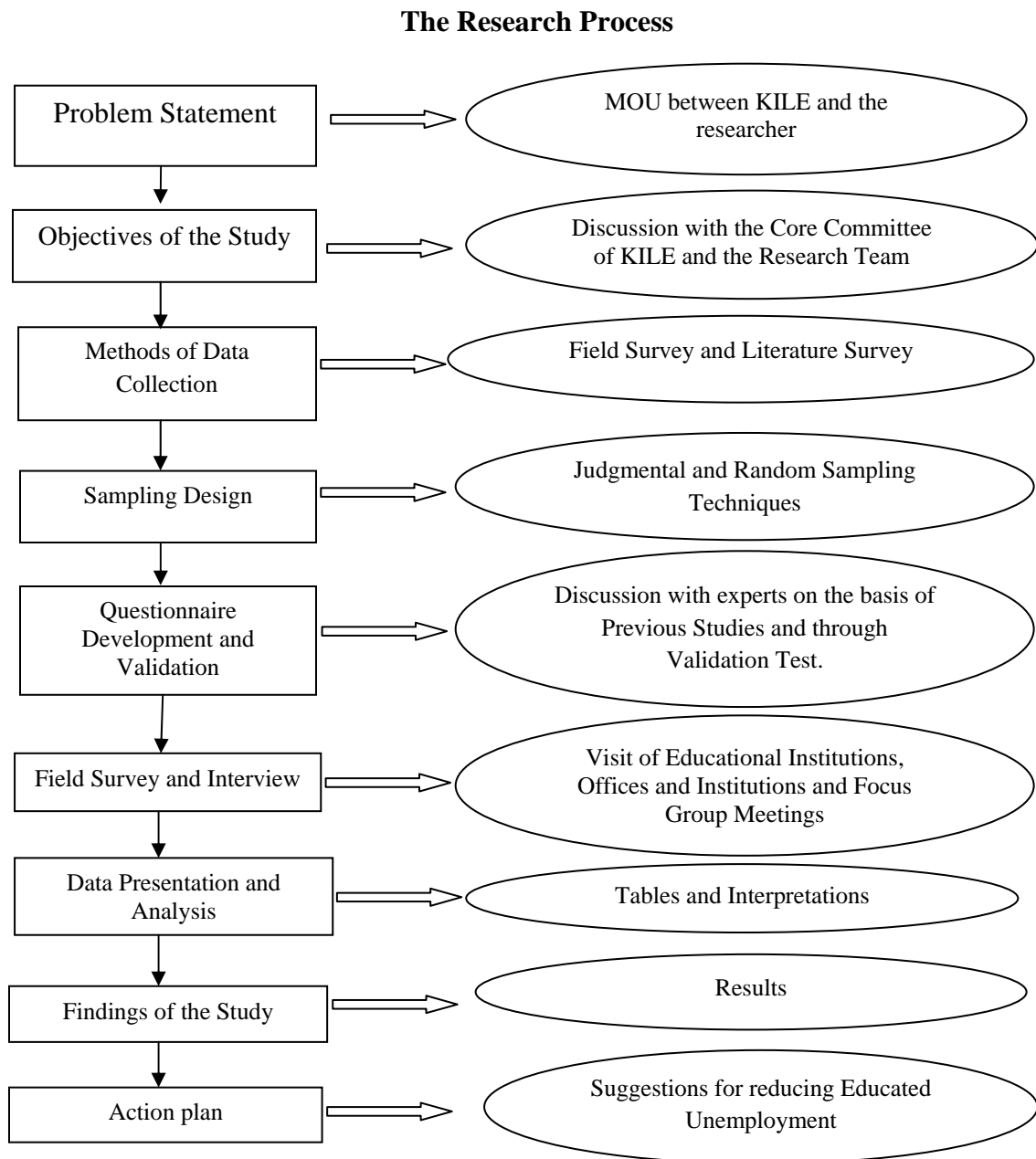


Figure 4.1 Research Process

Source: Personal Investigation

## 4.5 Sampling Design

Sampling design is a vital component in the research process. It is a device for choosing a sample from a given population and it also refers the technique adopted for choosing the units of study from the population.

### a. Universe of the Study

Universe of the present study is educated unemployed youth in Kerala. **For the purpose of the study educated youth is defined as the person with a degree of a recognized University or an ITI or a diploma certificate with a designated technical skill to engage in a gainful occupation or profession.** The second set of respondents of the present study is the stakeholders who have expertise in the field of employment. It is assumed that they have expertise in the subject due to their field of activity such as Political Parties, Trade Unions, Enterprises, Organisations and Universities.

### b. Unit of the Study

The unit of study in the present work is educated youth registered in the Employment Exchange in Kerala. Opinion of the experts is also drawn to enrich the study.

### c. Educated Unemployed Respondents

For the purpose of determining sample size, six districts were randomly selected in order to identify the institutions for field survey. These districts are Kannur, Kozhikode, Thrissur, Kottayam, Kollam and Thiruvananthapuram. Four educational institutions were selected from Thiruvananthapuram district, two institutions from Kollam, two institutions from Kottayam, one from Thrissur, two from Kozhikode and two institutions from Kannur. In total, 594 sample respondents were selected from the alumni of these institutions with the support of authorities and parent-teachers associations. The alumni included in the sample size are graduates and Post Graduates who were passed out from these institutions during the last 5 years. The respondents are also the current registrants in the Employment Exchange. These respondents belonged to different subject streams. Their perception towards employment was gathered for the furtherance of the study.



Table 4.1 District wise sample allocation of unemployed educated youth

Si. No	Name of Districts	Number of Institutions	No.of Respondents
1	Kannur	2	91
2	Kozhikode	2	91
3	Thrissur	1	66
4	Kottayam	2	91
5	Kollam	2	91
6	Thiruvananthapuram	4	164
	<b>Total</b>	<b>13</b>	<b>594</b>

Source: Personal Investigation

**d. Districts where Field survey is conducted**

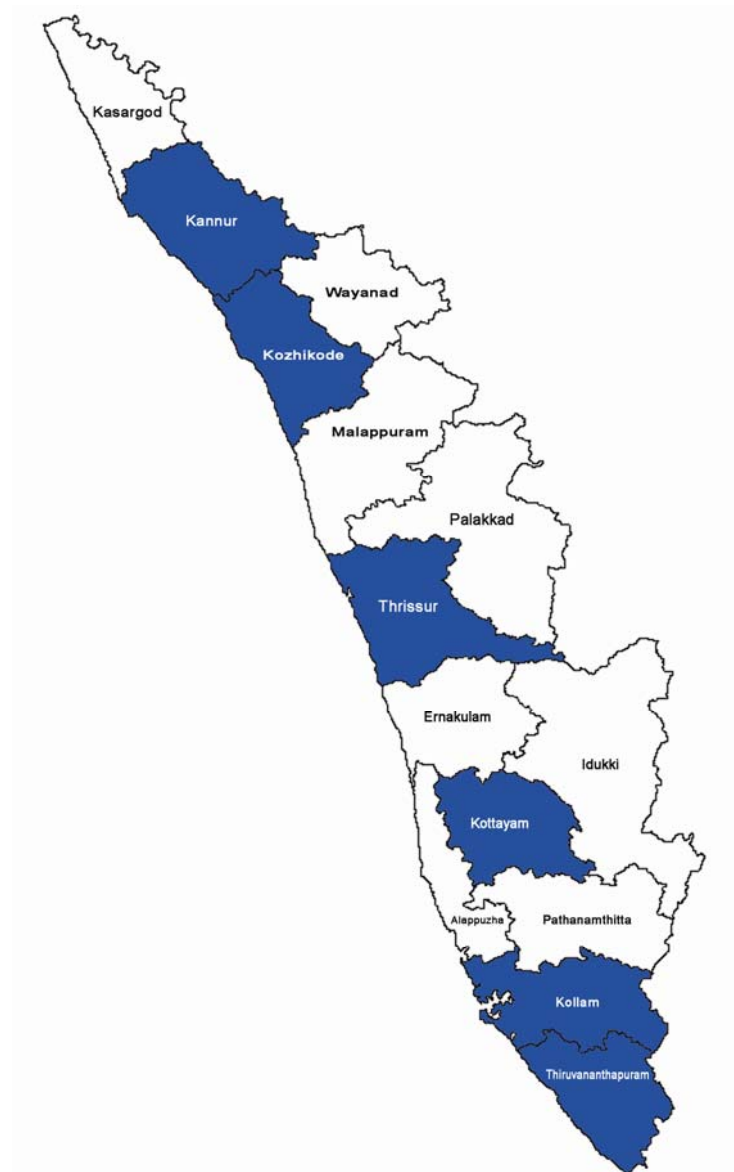


Figure 4.2 Districts where Field Survey conducted

Source : Personal Investigation

**e. Focus Group Respondent**

Focus Group discussions with the Post Graduate students in Arts, Science and Commerce were held in order to assess their perception towards different types of employment. These discussions were done in different educational institutions. The details of the participants in the group discussion are given in the table 4.2.

Table 4.2 Details of the participants in Focus Group Discussions

Si. No	Name of College	Departments			No. of Participants
		Arts	Science	Commerce	
1	Government Brennen College, Thalassery, Kannur	10	10	10	30
2	University Campus, Palayad, Thalassery	10	10	10	30
3	Government Arts and Science College, Meenchantha, Calicut	10	10	10	30
4	Farooq College, Farooq, Kozhikode	10	10	10	30
5	Government College. Kuttanallur, Thrissur	10	10	10	30
6	Govt College Nattakam, Kottayam	10	10	10	30
7	NSS College, Changanassery	10	10	10	30
8	University Institute of Management, Kollam	10	10	10	30
9	University Institute of Management, Kundara	10	10	10	30
10	S N College Varkala	10	10	10	30
11	Government College, Attingal	10	10	10	30
12	Government Arts College, Thiruvananthapuram	10	10	10	30
	<b>Total</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>360</b>

**f. Institutions where field survey and Group discussions are conducted**



Figure 4.3 Interaction with Unemployed Educated Youth at Thiruvananthapuram



Figure 4.4 Interaction with Unemployed Educated Youth at Kannur



Figure 4.5 Interaction with Unemployed Educated youth, Thrissur



Figure 4.6 Interaction with Unemployed Educated youth, Kozhikode

**g. Respondents of Experts Groups**

For the purpose of assessing the factors which retard the employment opportunities for educated youth, the opinion of 320 experts were gathered from the six districts where the field survey was conducted. 80 entrepreneurs from different industries, 80 academics from departments of different Universities, 80 political and trade union leaders belonging to different political and trade union movements and

80 officials and managers of Government and business organisations were included in the sample. The details of the sample size are given below.

Table 4.3 Sample allocation details of the Expert Group Respondents

<b>Si.No</b>	<b>Respondents</b>	<b>Number</b>	<b>Percentage</b>
1	Political and Trade union leaders	80	25 %
2	Entrepreneurs	80	25 %
3	Officials and Managers	80	25 %
4	Academic	80	25 %
	<b>Total</b>	<b>320</b>	<b>100 %</b>

#### **h. Sampling Technique**

The technique used for determining the sample size is judgment sampling.

#### **4.6 Pilot Study**

A pilot study was conducted in Thiruvananthapuram District for the purpose of finalizing the questionnaire. The alumni students who were passed out from the institution within a period of 5 years of two colleges viz, Government Arts College, Thiruvananthapuram and S. N College, Varkala were selected for the Pilot Study. Interactive sessions were also conducted among the respondents in order to arrive at the validity of the questions included in the questionnaire. The sample questions were also administered in the interview with experts in order to test the content validity. On the basis of the inputs gathered from the pilot study, the questionnaires were finalized.

#### **4.7 Data Collection**

The tools for data collection were structured questionnaires, interviews and focus group discussions. We have conducted a field survey among the experts - Officials, Entrepreneurs, Political leaders, trade union leaders and academic experts with a structured interview schedule. And divergent view points were also gathered from the above expert groups through unstructured interviews. We met 320 such experts across Kerala. We have collected information from 594 educated youth who are registered with various Employment Exchanges in Kerala for assessing their

views on various types of employment and their employability skills. Focus Group Discussions were conducted in different Government and Private Colleges across Kerala by ensuring the participation of alumni of those colleges. The selected alumni members of these colleges were the old students who were passed out from the institution within a period of 5 years.

#### **4.8 Validity and Reliability Test**

##### **a. Reliability Test**

Since questionnaire is the vital tool for data gathering, its reliability and validity shall be confirmed. Reliability refers to the degree of dependability and consistency of data and scale. Here for the field survey internal consistency of variables is estimated by using Cronbach'Alpha by getting all the variables more than alpha value .07.

##### **b. Validity Test**

Validity is the most critical evaluation that indicates the degree to which the instrument's capability to measure what it is intended to measure. Validity Tests are of three types.

- (i) Content Validity Test
- (ii) Face Validity Test
- (iii) Construct or Convergent validity Test

Content and Face validity test are non-parametric tests and the questionnaire got these validity from the expert opinion. Construct or convergent validity test obtained through statistical test with a result of the value more than .90. Thus the questionnaires framed for data collection got validated through both Reliability and Validity Tests. We have administered these finalized questionnaires for the purpose of data collection.

##### **c. Measurement Scale**

Five point Likert Scale has been used to measure the data from the respondent.

## **4.8 Data Analysis and Interpretation**

The collected data were tabulated systematically in a meaningful manner in tune with the objectives of the study. The tools used for analysis are percentage, mean score, correlation and ranking.

## **4.9 Variables for the Study**

The following variables were identified for the present Project work.

### **4.9.1 Variables for Factors retarding employment generation for the youth**

1. Lack of vision on the part of Political Parties
2. Change of State Government in every five years
3. Lack of long term industrial policy
4. Consumer centric attitude of the people
5. Unsupportive entrepreneurial culture
6. High level of Trade Union Militancy
7. Too much dependence on Government jobs
8. Aversion towards risk taking attitude
9. Negative mindset for self employment
10. Low social status for non-Government employment
11. Demand for High wages and salaries
12. High cost of production
13. Too much concentration on family wellness
14. Technological growth consequent on downsizing
15. Lack of adequate institutional support
16. Non-responsive Government machinery
17. Demand-supply mismatch in higher education

### **4.9.2 Variables related to Perception of educated youth towards employment**

1. Choice of education Program
2. Connectivity of Education and Employment
3. Private Sector Employment
4. Self Employment
5. Employability Skills

#### **4.9.3 Variables related to the Attitude of Educated Youth towards Entrepreneurship and Self Employment**

1. Business Venture Intention
2. Personal Attitude
3. Perceived Behavioural Control
4. Subjective Norms
5. Social Valuation

#### **4.9.4 Variables related to the Attitude of Educated Youth towards Private Sector Employment**

1. Likeness to be a private employee
2. Status of Private employment
3. Job security
4. Attractiveness of Remuneration
5. Work Environment
6. Current preference private employment
7. Growth in private sector employment

#### **4.9.5 Variable related to the Employability Skills of the educated Youth**

1. Linkage of education and employability
2. Knowledge of subject studied
3. Application skill of subject studied
4. Confidence in personal skill
5. Ability to get a decent job
6. Preparation for the job

#### **4.9.10 Variables related to the entrepreneurial Skills of educated unemployed youth**

1. Ability to recognize business opportunities
2. Ability to make a business project
3. Ability in leadership
4. Ability in decision making
5. Ability to organise
6. Ability to know market conditions



7. Technical skill
8. Financial skill

#### **4.10 Conclusion**

After presenting the research process in detail, the next chapter is devoted to present the core part of the study. The chapter incorporating analysis and interpretation of the primary and secondary data is purported to arrive meaningful conclusions on the basis of the findings of the study.

## **CHAPTER 5**

### **ANALYSIS AND INTERPRETATION**

#### **5.1 Introduction**

This chapter is devoted to analyse and interpret the gathered secondary and primary data for the present study. The data analysis and interpretations are purported to reveal the results based on the objectives of the research problem. Four aspects are covered under the analysis and interpretation which are presented in four sections. They are:

1. The present status of Educated Unemployment in Kerala
2. Factors retard the growth of Employment generation for youth
3. The perception of educated Kerala youth towards self employment and private sector job
4. Assessment of Employability Entrepreneurial Skills of Educated Youth

#### **SECTION I**

#### **5.2 The present status of Educated Unemployment in Kerala.**

The purpose of this section is to analyse the present status of educated unemployment in Kerala based on the secondary data. The data were gathered from the register of Employment Exchange Offices in Kerala which was presented in the official website of the Department of Employment, Government of Kerala in August, 2017.

The Live Register of the Employment Exchange in Kerala in August, 2017 shows the total number of registrants who were seeking employment is 34, 93, 822. Table 4.1 shows that out of the total registered candidates, 21, 22, 976 are female registrants and 13, 70, 846 are male counterparts. Of these 61 percent are female and 39 percent are male registrants. It is interesting to note that the Gross Enrollment Ratio (GER) of students in the University education on gender basis is 60 percent female and 40 percent male in Kerala. It can be seen that the gender proportion in the higher education in Kerala is closely related to the ratio of registrants in the Employment Exchange in Kerala.

### 5.2.1 General Statistics on Gender of Registrants

Table 5.1 General Statistics on Gender of Registrants

Si.No	Gender	Number of Registrants	Percent of Registrants
1	Male	13,70,846	39.24
2	Female	21,22,976	60.76
	<b>Total</b>	<b>34,93,822</b>	<b>100</b>

Source: Department of Employment, Government of Kerala

The educational break-up of the registrants in Employment Exchange in Kerala gives another interesting insight. Table 5.2 shows the number of the registrants in the Employment Exchange on the basis of their educational attainment with their percent. The educational attainment of the registrants is classified as below SSLC, SSLC, Pre-Degree and Plus Two, Graduates and Post Graduates. Out of the total number of registrants of 34 lakhs , more than 25 lakhs (72.37 percent) belong to the category of SSLC and Below SSLC. More than 6.5 lakhs (18.8 percent) of the registrants belong to the category completed either pre-degree course or plus two course. About 3 lakh (8.53 percent) registrants have a Bachelors Degree or Post Graduate Degree. The total registrants belonging to ITI Certificate holders are 43, 931 whereas the total number of diploma holders are 84,384 as shown in table 4.3.

### 5.2.2 Educational break-up of Registrants

Table 5.2 Educational break-up of Registrants

Si.No	Level of Education	Number of Registrants	Percent of Registrants
1	Below S S L C	3,84,577	11.01
2	S S L C	21,54,221	61.66
3	PDC and Plus Two	6,57,123	18.80
4	Graduates	2,07,894	5.95
5	Post Graduates	90,007	2.58
	<b>Total</b>	<b>34,93,822</b>	<b>100</b>

Source: Department of Employment, Government of Kerala

It can be seen from the above analysis that only 8.5 percent of the registrants have a degree or post graduate qualification. The vast majority of 91.5 percent have only school level education. It is perceived that these candidates have no special skill to do a particular occupation or a profession on the basis of their educational qualification. They could not be treated as candidates belonging to the higher education category. So their educational attainment is not commensurate to be placed for employment requiring higher qualification. **Educated unemployed can be defined as persons seeking employment with a Degree of a recognized University or an ITI or a diploma certificate with a designated technical skill to engage in a gainful occupation or profession.** Out of 35 lakhs of registrants in the Live Register of Employment Exchange in Kerala, only 3 lakhs are graduates and post graduates who are qualified to be called as educated unemployed.

### 5.2.3 Break up of Professional Registrants

Table 5.3 Break-up of Professional and Technical Registrants

Si.No	Qualification	Number of Registrants	Percent of Registrants
1	Doctors	3,497	12.08
2	Veterinarians	557	1.92
3	Agriculture	915	3.16
4	Engineers	23,984	82.84
	<b>Total</b>	<b>28,953</b>	<b>100</b>

Source: Department of Employment, Government of Kerala

Table 5.3 shows the break-up of the Professional registrants in the Employment Exchanges in Kerala in the year 2017. This professional registrant groups belonging to the category of Doctors, Veterinarians, Agriculture graduates and Engineers. Engineers are in the highest number of educated unemployed about 24,000 while the number of Doctor registrants are 3500. Veterinarians and Agriculture graduates are very few in numbers who registered with the Employment Exchanges.

## 5.2.4 Break up of Technical Registrants

Table 5.4 Break-up of Technical Registrants

Si.No	Qualification	Number of Registrants	Percent of Registrants
1	ITI Registrants	43,931	34.24
2	Diploma Holders	84,384	65.76
	<b>Total</b>	<b>1,28,315</b>	<b>100</b>

Source: Department of Employment, Government of Kerala

At the same time, the technical registrants in the Employment Exchanges are comparatively high. Table 5.4 shows that in 2017 the ITI Certificate holders are about 44, 000 while the Diploma holders are about 85,000, thus totaling 1,28,000 technically qualified persons.

## 5.2.5 Findings

1. The total number of registrants in the Employment Exchanges in Kerala in the year 2017 is about 35 lakhs.
2. 61 percent of the registrants are female candidates while 39 percent are male counter parts. Unemployment is more among the female graduates in Kerala.
3. The gender proportion of the higher education in favour of female (Gross Enrollment Ratio) is closely related to the gender proportion of registrants in the employment exchanges in Kerala. **The GER ratio in Kerala related to higher education is 60 females to 40 males. The same pattern of gender ratio is followed in the matter of educated unemployed youth in Kerala.**
4. About 63 percent registrants have an educational attainment of either SSLC or below SSLC. And 91.5 percent (about 32 lakhs) have an educational qualification below Degree, Diploma or ITI certificate. These registrants have no specific educational attainment or skill achievement to be productively engaged in an employment where education and skill matter. Thus it can be presumed that they are not educationally equipped to undertake an employment requiring higher qualifications. **They could not be designated as educated unemployed for the purpose of determining employment category.**
5. The educated unemployed can be defined as person seeking employment with a Degree of a recognized University or an ITI or a Diploma certificate

with a designated technical skill to engage in a gainful occupation or profession. On the basis of this definition, only the people belong to the category of Graduates, Post graduates, Diploma holders and ITI Certificate holders can be termed as educated unemployed. According to the Live register of Employment Exchanges in Kerala, there are 2,07,894 graduates, 90,007 post graduates, 84,384 Diploma holders and 43, 931 ITI Certificate holders. Thus it can be seen that the total number of educated unemployed in Kerala in the year 2017 is 4, 26,216. **They constitute only 12 percent of the total registrants in the Live Register of the Employment Exchanges including Professional and Technical registrants.**

6. The educated unemployment seems to be not a very serious problem in Kerala as it is debated in different forums. Only about 4.25 lakhs registrants in the Employment Exchanges are qualified to be included in the category of educated unemployed in Kerala. Moreover certain other aspects related to the nature of employment to be taken into account. Out of 2,07, 894 graduate registrants, about 75, 000 are undergoing post graduate education in different disciplines. They are simply students and not to be includable in the category of educated unemployed. Like this, a larger section of technical registrants belong to the category of Diploma holders and ITI Certificate holders are also undergoing higher studies. It is learnt from our field survey among the educated unemployed youth across Kerala that about 50 percent are engaged in part time or full time jobs in private firms. Certain candidates are carrying their own ventures as self employed entrepreneurs.

And another interesting aspect is that the educated unemployed generally consider employment means Government employment. The reasons cited for this aversion towards private employment is low compensation package and lack of job security. But the fact is that a large number of educated youth are already employed in various private sector business establishments in Kerala. **It is estimated that the number of educated youth who are actively seeking for a job is around 2 lakhs. Thus it can be concluded that the problem of educated unemployment in Kerala is in the manageable limits.**

## SECTION II

### 5.3 Factors which retard the growth of Employment generation for Educated youth

#### 5.3.1 The Employment Background

The specific feature of Kerala economy is that economic backwardness has co-existed with the high quality of life. It is argued that this economic paradox has still been continuing. The economic growth has, in fact, taken place but with serious structural changes along with it. In relative terms, the agricultural and industrial sectors have shown unimpressive growth rate while the service sector has been leaping. It is stated that the migration remittance has been compensating for the deficiency in the domestic production. Unemployment rates have remained high and work participation rate is low. **Educated unemployment is considered as the core of the unemployment problem in Kerala. The work participation of women in the state is also low.** It is also stated that only three-fifth of the educated employed were in regular employment. Women in employment had a clear preference for public sector job. The range of choice of employment for men was much wider than for women. Unemployed persons usually receive full financial support from their households and their job preference and withholding power remain strong. It is seen that the attitude of educated youth in Kerala is slowly changing in favour of accepting different types of jobs. This attitudinal change has occurred due to the expansion of private sector enterprises in Kerala especially the introduction of Information Technology and IT enabled Industries. Tourism and Hospitality industry has been showing impressive growth rates. The entrepreneurial culture and the risk taking attitude of the Keralites are also shown some perceptible changes recently. Successive State Governments have been taking sincere efforts and initiatives to improve the investment climate of the State. Many institutional initiatives have also been taken to improve the entrepreneurial and self employment culture of the youth like Start up villages, Incubators and Entrepreneurial clubs. **But various studies have shown that the desired results have not yet been achieved in the field of domestic production and employment generation.**

### 5.3.2 The Identified Factors

In this context, the present study has investigated various factors responsible for the slow growth of employment opportunities for educated youth in Kerala. Extensive literature survey has been done in order to identify various factors responsible for this situation. We have identified 17 factors on the basis of the literature survey as well as interactions and interviews with experts in this field. They are briefly mentioned below.

1. **Lack of vision on the part of Political Parties:** One of the major reasons for slow industrialization of the State economy is believed to be the lack of vision on the part of Political Parties. In democratic form of Governments, the Political Parties are always trying to capture the political power of administration. But often they disregard the long term development needs of the State in midst of appeasing sectarian needs of the influential class. What has happened in the case of the State of Kerala that the political parties in power overlooked the development needs of the State in order to protect their political and electoral interests.
2. **Change of State Government in every five years:** It has been a practice in Kerala that every five years a new Government comes in power with either in the leadership of Left Democratic Front or that of the United Democratic Front. The development policy of these political coalitions was seemed to be different. And also it was experienced that the industrial policy of one Government could be changed when a new Government comes in power. It was argued that change of Government in every five years has affected adversely in a big way the implementation of a long term development and industrial policy for the State.
3. **Lack of long term industrial policy:** Because of the ideological difference of LDF and UDF Governments in power at different periods of time, implementation of a long term industrial policy was found to be impossible. This has been affected the industrialization requirements of the State which in turn adversely affected the employment generation capability of the State.



4. **Consumer centric attitude of Keralites:** It was found that the people in Kerala like to spend more on their personal and family needs rather than saving for investment in future. This attitude has made the production sector of the state in a stagnant position. This is also considered as a contributing factor for the slow growth of entrepreneurship and self employment initiatives in the State.
5. **Unsupportive Entrepreneurial Culture in the State:** Entrepreneurial culture is to be considered as a life style in a dynamic production oriented society. But the normal life style in Kerala is found to be “seeking employment” rather than “creating employment” by starting newer ventures through the establishment of firms.
6. **High level of Trade Union Militancy:** One of the much debated issues of the slow growth of industrialization of the State is the high level of militancy of Trade Unions. It was often stated that aggressive trade union movement in the industrial sector has made the investment climate of the state unfriendly. There were instances that the established industries in the state have been migrated to neighboring states due to worsening Industrial Relations.
7. **Too much Dependence on Government jobs:** It is believed that a Government job is a social prestige in Kerala which provides lifelong guarantee and protection. It has historical reasons also. The Government job is considered as the highest social recognition for youth especially at the time of marriage. That is why the job preference of every educated Keralites is in favour of Government jobs. This attitude of the people had adversely affected the growth of the productive sector.
8. **Aversion towards risk taking attitude of Keralites:** Risk taking attitude is the most important virtue of an entrepreneur. But the mind set of an average Keralite is that how to averse any type of risks. This attitude has certainly affected the growth of business enterprises in the State.
9. **The negative mindset for self employment:** As stated earlier, the thinking of an average educated Keralite about employment, his mind is around the government job rather than a self employment or a private job. It is also

believed that the social status of self employed persons is low. This is also a contributing factor for the slow rate of employment generation in the State.

10. **Low Social Status for Non-Government Employment:** As discussed above, the first job preference of educated youth in Kerala is in favour of government job. His thinking is that private jobs and self employment are low status jobs. This attitude of in par with the general mindset of Kerala.
11. **Demand for high wages and salaries:** It is an established fact that wages and salaries in the employment sectors of Kerala are higher than that of most of other Indian states. Due to this reason the entrepreneurs are not ready to come to Kerala for starting industries.
12. **High cost of production:** High cost of production of goods and services is another reason which makes reluctance on the part of businessmen and entrepreneurs to start business ventures in the State. It is stated that the cost of materials, fuel, energy and other overhead items are high in Kerala.
13. **Too much concentration on family wellness:** As stated above, an average Keralite is purported to spend his income and effort for making the family comfortable and steps will not usually be taken to increase his future earnings through investments. This kind of attitude of too much concentration on family wellness has been acting negatively for the improvement in the production sector.
14. **Technological growth consequent on downsizing:** The growth of technology has directly affected the labour content in the production sector. Mechanization and automation have replaced a number of employees from the work site through the process of downsizing of the organisation. This has certainly reduced the number of employment opportunities for the educated youth.
15. **Lack of adequate institutional support:** It is noted that another reason for slow rate of industrialization is the lack of institutional support in different functional areas of management. It is believed that the technical, financial and marketing supports provided by the State agencies are not adequate to have a healthy entrepreneurial environment.

16. **Non-Responsive Government Machinery:** The bureaucratic nature of Government machinery is believed to be non-responsive on the requirements of the industrial enterprises. They are often making blockades in the smooth flow of operations of the enterprises. Even though the Single Window System of industrial clearance was set up, it is stated that the things are not found to be moving well. This is another retarding factor for new job creation.
17. **Demand-Supply mismatch in higher education:** It has been cited that another reason for educated unemployment is the situation of demand-supply mismatch of the graduates in the State. The industrial sector is incapable of absorbing a large number of educated youth who are seeking for employment opportunities. This is another reason for educated unemployment in Kerala.

#### **5.4 The Analysis and interpretation of Primary Data from the Experts**

##### **5.4.1 Rating Method**

We have prepared a questionnaire for getting the rating of these 17 factors which retard the employment generation opportunities of educated youth in Kerala. The rating is requested to be made in **Five Point Likert Scale** for understanding the level of agreement on each factor. The opinion of the respondents was rated with a weightage scale from 5 to 1 where 5 stands for “Strongly Agree”, 4 stands for “Agree”, 3 stands for “Neutral”, 2 stands for “Disagree” and 1 stands for “Strongly Disagree”. For the purpose of analysis the weightages of Strongly Agree and Agree are consolidated while Disagree and Strongly Disagree are consolidated to give a precise look and meaning on the results.

The 17 factors rated by the respondents which are ranked on the basis of their agreement and preference are tabulated systematically and presented in the following tables.

### 5.4.2 Profile of the Respondents

These questionnaires were administered to the expert group consisting of four categories of relevant stakeholders. They are Leaders of Political Parties and Trade Unions, Entrepreneurs, Officials and Managers and Academics. The table 5.5 shows the details of the experts.

Table 5.5 Details of the Expert Groups Respondents

Si.No	Respondents	Number	Percentage
1	Leaders of Political Parties and Trade union	80	25
2	Entrepreneurs	80	25
3	Officials and Managers	80	25
4	Academics	80	25
	<b>Total</b>	<b>320</b>	<b>100</b>

Source: Direct Investigation

For the purpose of assessing the factors which retard the employment opportunities for educated youth, the opinion of 320 experts were gathered from the six districts where the field survey was conducted. 80 entrepreneurs from different industries, 80 academics from departments of different Universities, 80 political and trade union leaders belonging to different political and trade union movements and 80 officials and managers of Government and business organisations were included in the sample. The category opinion of the experts are analysed in the first instance.

### 5.4.3 Opinion of factors by the Leaders of Political Parties and Trade Unions

Table 5.6 shows the opinion of 80 respondents belong to various Political Parties and Trade Unions on the 17 factors which retard the employment generation for educated youth in Kerala. They were requested to rate each factor on the basis of their preference of weightage. The result is given on the last column of the table captioned 'mean rank'.

Table 5.6 Rating by the leaders of Political Parties and Trade Unions

Si. No	Variables	Agree		Neutral		Disagree		Total		Mean Score	Mean Rank
		No.	%	No.	%	No.	%	No.	%		
1	Lack of vision on the part of Political Parties	20	25	28	35	32	40	80	100	3.00	13
2	Change of State Government in every five years	24	30	4	5	52	65	80	100	2.65	16
3	Lack of long term industrial policy	56	70	24	30	0	0	80	100	3.88	<b>1</b>
4	Consumer centric attitude of Keralites	28	35	42	52.5	10	12.5	80	100	3.23	12
5	Unsupportive entrepreneurial culture in the State	56	70	14	17.5	10	12.5	80	100	3.80	<b>2</b>
6	High level of Trade Union Militancy	48	60	8	10	24	30	80	100	3.49	<b>5</b>
7	Too much dependence on Government jobs	24	32.5	54	67.5	0	0	80	100	3.38	9
8	Aversion towards risk taking attitude of Keralites	36	45	40	50	4	5	80	100	3.40	8
9	Negative mindset for self employment	68	85	0	0	12	15	80	100	3.70	<b>3</b>
10	Low social status for non-Government employment	50	62.5	26	32.5	4	5	80	100	3.58	<b>4</b>
11	Demand for High wages and salaries	10	12.5	4	5	66	82.5	80	100	2.30	17
12	High cost of production	26	32.5	50	62.5	4	5	80	100	3.28	11
13	Too much concentration on family wellness	4	5	62	77.5	14	17.5	80	100	2.88	14
14	Technological growth consequent on downsizing	44	55	26	32.5	10	12.5	80	100	3.43	7
15	Lack of adequate institutional support	44	55	26	32.5	10	12.5	80	100	3.48	6
16	Non-responsive Government machinery	32	40	42	52.5	6	7.5	80	100	3.33	9
17	Demand Supply mismatch in Higher education	22	27.5	0	0	58	72.5	80	100	2.55	15

Source: Direct Investigation

It is seen from table 5.6 that **lack of long term industrial policy** is the main reason for educated unemployment in the state rated by the leaders of Political Parties and Trade Unions. The next four factors got highest mean rank from the leaders are **Unsupportive entrepreneurial culture in the state, Negative mindset for self employment, Low social status for non-Government employment and High level of Trade Union militancy**. It is interesting to note that the leaders of Political Parties and Trade Unions agreed that one of the main five reasons for slow industrialization in the State is high level of Trade Union militancy.

Next five reasons for educated unemployment in Kerala are rated by the leaders of Political parties and Trade unions in order of their preference are Lack of adequate institutional support, Technical growth consequent on downsizing, Aversion towards risk taking attitude of Keralites, Too much dependence on Government job and Non-responsive Government machinery. Other seven factors are rated with less importance in the matter of educated unemployment by Political and Trade Union leaders. It can be seen that the factors rated by the leaders of the Political Parties and Trade Union leaders are more related to their Political will and policy issues of the political dispensations.

#### **5.4.4 Rating of factors by the Entrepreneurs**

Table 5.7 gives the picture of preference of factors responsible for educated unemployment rated by the representatives of the entrepreneurial community in Kerala. Their preference are given in the mean rank column of the table.

Table 5.7 Rating by the Entrepreneurs

Si. No	Variables	Agree		Neutral		Disagree		Total		Mean Score	Mean Rank
		No.	%	No.	%	No.	%	No.	%		
1	Lack of vision on the part of Political Parties	60	75	16	20	4	5	80	100	4.15	<b>3</b>
2	Change of State Government in every five years	6	75	6	75	68	85	80	100	1.80	17
3	Lack of long term industrial policy	34	425	34	425	12	15	80	100	4.28	<b>2</b>
4	Consumer centric attitude of Keralites	46	575	12	15	22	275	80	100	3.25	14
5	Unsupportive entrepreneurial culture in the State	30	375	22	275	28	35	80	100	3.10	15
6	High level of Trade Union Militancy	64	80	4	5	12	15	80	100	3.87	6
7	Too much dependence on Government jobs	50	625	6	75	24	30	80	100	3.53	10
8	Aversion towards risk taking attitude of Keralites	50	625	18	225	12	15	80	100	3.80	8
9	Negative mindset for self employment	58	725	16	20	6	75	80	100	3.88	<b>5</b>
10	Low social status for non-Government employment	32	40	18	225	30	375	80	100	3.03	16
11	Demand for High wages and salaries	46	575	28	35	6	75	80	100	3.58	9
12	High cost of production	46	575	22	275	12	150	80	100	3.50	12
13	Too much concentration on family wellness	32	40	30	375	18	225	80	100	3.30	13
14	Technological growth consequent on downsizing	52	65	10	125	18	225	80	100	3.52	11
15	Lack of adequate institutional support	58	725	10	125	12	15	80	100	3.85	7
16	Non-responsive Government machinery	58	725	10	125	12	15	80	100	3.93	<b>4</b>
17	Demand Supply mismatch in Higher education	74	925	6	75	0	0	80	100	4.40	<b>1</b>

Source: Direct Investigation

Table 5.7 portrays that the prime reason for the educated unemployment in Kerala is the **Demand-supply mismatch in higher education** opined by Entrepreneurs. The second main factor they rated is the **Lack of long term industrial policy. Lack of vision on the part of Political Parties, Non-responsive Government machinery and Negative mindset for self employment** are the factors rated as third, fourth and fifth positions in order of their preference.

High level of Trade Union militancy, Lack of adequate institutional support, Aversion towards risk taking attitude of Keralites, Demand for high wages and salaries and Too much dependence on government jobs are other five factors which are responsible for educated unemployment in the state which come from sixth to tenth ranks. They are not giving much importance to the rest of the seven factors included in the questionnaire. It can be seen that the stand taken by the entrepreneurs is against the policies and administrative actions of the Government who have made the situation of educated unemployment vulnerable in the state.

#### **5.4.5 Rating of factors by the Officials and Managers**

The third category of experts who were included in the study is Government Officials and Managers of business organisations across Kerala. Their opinions about factors which are responsible for educated unemployment are depicted in table 5.8. Their level of agreement on each factor is given in the 'mean rank' column of the table.



Table 5.8 Rating by the Officials and Managers

Sl. No	Variables	Agree		Neutral		Disagree		Total		Mean Score	Mean Rank
		No.	%	No.	%	No.	%	No.	%		
1	Lack of vision on the part of Political Parties	48	60	0	0	32	40	80	100	301	8
2	Change of State Government in every five years	32	40	16	20	32	40	80	100	281	14
3	Lack of long term industrial policy	40	50	32	40	8	10	80	100	320	7
4	Consumer centric attitude of Keralites	48	60	16	20	16	20	80	100	340	<b>4</b>
5	Unsupportive entrepreneurial culture in the State	24	30	24	30	32	40	80	100	292	10
6	High level of Trade Union Militancy	56	70	16	20	8	10	80	100	400	<b>1</b>
7	Too much dependence on Government jobs	56	70	0	0	24	30	80	100	351	<b>2</b>
8	Aversion towards risk taking attitude of Keralites	56	70	8	10	16	20	80	100	350	<b>3</b>
9	Negative mindset for self employment	24	30	32	40	24	30	80	100	300	9
10	Low social status for non-Government employment	24	30	8	10	48	60	80	100	240	17
11	Demand for High wages and salaries	48	60	8	10	24	30	80	100	333	<b>5</b>
12	High cost of production	40	50	8	10	32	40	80	100	330	6
13	Too much concentration on family wellness	24	30	8	10	48	60	80	100	282	13
14	Technological growth consequent on downsizing	32	40	8	10	40	50	80	100	280	15
15	Lack of adequate institutional support	24	30	24	30	32	40	80	100	290	12
16	Non-responsive Government machinery	16	20	24	30	40	50	80	100	250	16
17	Demand Supply mismatch in Higher education	32	40	8	10	40	50	80	100	291	11

Source: Direct Investigation

According to their ratings, **High level of Trade Union militancy** is the chief factor for educated unemployment in the state. The next four factors which got highest mean ranks for the rating done by the Officials and Managers are **Too much dependence on Government jobs, Aversion towards risk taking attitude of Keralites, Consumer centric attitude of Keralites and Demand for high wages and salaries.**

Next five reasons for educated unemployment in Kerala opined by the Officials and Managers are High cost of production, Lack of long term industrial policy, Lack of vision on the part of Political Parties, Negative mindset for self employment and Unsupportive entrepreneurial culture in the State. The remaining seven factors are rated with least weightage. It can be seen that the position taken by the officials and managers is against the Political Parties and the societies at large who are responsible for the large scale educated unemployment in the state.

#### **5.4.6 Rating of factors by the Academics**

The fourth category of experts who have assigned their opinion on the factors which are responsible for educated unemployment in Kerala is the teachers of the University Departments. The opinion of 80 Professors and Associate Professors from 10 Universities in Kerala has been contacted by the Research Team for getting their opinion. Their rating on the subject is placed in table 5.9.

Table 5.9 Rating by the Academics

Sl. No	Variables	Agree		Neutral		Disagree		Total		Mean Score	Mean Rank
		No.	%	No.	%	No.	%	No.	%		
1	Lack of vision on the part of Political Parties	54	67.5	12	15	14	17.5	80	100	3.63	9
2	Change of State Government in every five years	40	50	12	15	28	35	80	100	3.18	16
3	Lack of long term industrial policy	66	82.5	6	7.5	8	10	80	100	4.13	<b>1</b>
4	Consumer centric attitude of Keralites	56	70	8	10	16	20	80	100	3.78	<b>5</b>
5	Unsupportive entrepreneurial culture in the State	50	62.5	12	15	18	22.5	80	100	3.68	8
6	High level of Trade Union Militancy	38	47.5	22	27.5	20	25	80	100	3.45	12
7	Too much dependence on Government jobs	62	77.5	8	10	10	12.5	80	100	3.88	<b>3</b>
8	Aversion towards risk taking attitude of Keralites	56	70	10	12.5	14	17.5	80	100	3.80	<b>4</b>
9	Negative mindset for self employment	32	65	18	22.5	10	12.5	80	100	3.73	6
10	Low social status for non-Government employment	40	50	16	20	24	30	80	100	3.28	15
11	Demand for High wages and salaries	44	55	16	20	20	25	80	100	3.30	14
12	High cost of production	42	52.5	18	22.5	20	25	80	100	3.38	13
13	Too much concentration on family wellness	50	62.5	14	17.5	16	20	80	100	3.55	10
14	Technological growth consequent on downsizing	22	27.5	36	45	22	27.5	80	100	3.10	17
15	Lack of adequate institutional support	58	72.5	8	10	14	17.5	80	100	3.70	7
16	Non-responsive Government machinery	46	57.5	20	25	14	17.5	80	100	3.50	11
17	Demand Supply mismatch in Higher education	60	75	4	5	16	20	80	100	3.93	<b>2</b>

Source: Direct Investigation

It is evident from the table 5.9 that **Lack of long term industrial policy** is the main reason for educated unemployment in the state rated by the Academics similar to that of the opinion shared by the leaders of Political Parties and Trade Unions. The next four factors scored highest mean ranks are **Demand-supply mismatch, Too much dependence on Government jobs, Aversion towards risk taking attitude of Keralites and Consumer centric attitude of Keralites.**

The next five factors got preferences on the basis of the rating done by Professors from sixth to tenth position are Negative mindset for self employment, Lack of adequate institutional support, Unsupportive entrepreneurial culture in the State, Lack of vision on the part of political parties and Too much concentration on family wellness. The other seven factors have less importance in the matter of educated unemployment rated by University Professors. It can be concluded that the opinion of the academic community is also against the attitude of the Political Parties and the society at large who have made the situation of educated unemployment worse which is in tune with the opinion of Officials and Managers.

#### **5.4.7 The common rating by Experts Group**

As mentioned earlier, we have included in the experts group for this Project Study 80 leaders of Political Parties and Trade Unions, 80 Entrepreneurs, 80 Officials and Managers and 80 Academics. The category opinion of the expert group have been analysed separately and the results are depicted in the preceding paragraphs. The present task of the analysis is to combine the ratings of these four categories of experts to get a common opinion on the factors influencing the growth of educated unemployment in Kerala. Table 5.10 shows the combined rating on the factors by the experts groups.

Table 5.10 The combined rating of factors by leaders of Political Parties and Trade Unions, Entrepreneurs, Officials and Managers and Academics.

Si. No	Factors	Politicians & Trade Unions		Entrepreneurs		Officials & Managers		Academics		Combined Total	
		MS*	MR**	MS	MR	MS	MR	MS	MR	MS	MR
1	Lack of vision on the part of Political Parties	3.00	13	4.15	<b>3</b>	3.01	8	3.63	9	3.46	<b>7</b>
2	Change of State Government in every five years	2.65	16	1.80	17	2.81	14	3.18	16	2.61	17
3	Lack of long term industrial policy	3.88	<b>1</b>	4.28	<b>2</b>	3.20	7	4.13	<b>1</b>	3.87	<b>1</b>
4	Consumer centric attitude of Keralites	3.23	12	3.25	14	3.40	<b>4</b>	3.78	<b>5</b>	3.42	<b>9</b>
5	Unsupportive entrepreneurial culture in the State	3.80	<b>2</b>	3.10	15	2.92	10	3.68	8	3.38	<b>10</b>
6	High level of Trade Union Militancy	3.49	<b>5</b>	3.87	6	4.00	<b>1</b>	3.45	12	3.70	<b>2</b>
7	Too much dependence on Government jobs	3.38	9	3.53	10	3.51	<b>2</b>	3.88	<b>3</b>	3.56	<b>5</b>
8	Aversion towards risk taking attitude of Keralites	3.40	8	3.80	8	3.50	<b>3</b>	3.80	<b>4</b>	3.63	<b>3</b>
9	Negative mindset for self employment	3.70	<b>3</b>	3.88	<b>5</b>	3.00	9	3.73	6	3.58	<b>4</b>
10	Low social status for non-Government employment	3.58	<b>4</b>	3.03	16	2.40	17	3.28	15	3.07	16
11	Demand for High wages and salaries	2.30	17	3.58	9	3.33	<b>5</b>	3.30	14	3.13	15
12	High cost of production	3.28	11	3.50	12	3.30	6	3.38	13	3.37	11
13	Too much concentration on family wellness	2.88	14	3.30	13	2.82	13	3.55	10	3.14	14
14	Technological growth consequent on downsizing	3.43	7	3.52	11	2.80	15	3.10	17	3.21	13
15	Lack of adequate institutional support	3.48	6	3.85	7	2.90	12	3.70	7	3.48	<b>6</b>
16	Non-responsive Government machinery	3.33	9	3.93	<b>4</b>	2.50	16	3.50	11	3.32	12
17	Demand Supply mismatch in Higher education	2.55	15	4.40	<b>1</b>	2.91	11	3.93	<b>2</b>	3.45	<b>8</b>

Source: Direct Investigation

\*MS = Mean Score \*\*MR = Mean Rank

The common opinion of the expert group is that the most important factor responsible for educated unemployment in Kerala is the **Lack of long term industrial policy**. The second most important factor responsible for unemployment situation in Kerala is **High level of Trade Union militancy**. They have given the third rank for the reason of educated unemployment is **Aversion towards risk taking attitude of Keralites**. **Negative mindset for self employment** is cited as the fourth reason and **Too much dependence on government jobs** got fifth position as per the rating done by the expert groups.

The next five factors got preferences on the basis of the rating done by experts Groups from sixth to tenth position are Lack of adequate institutional support, Lack of vision on the part of political parties, Demand-supply mismatch in Higher Education, Consumer centric attitude of Keralites and unsupportive entrepreneurial culture in the state. The experts group rated that the other seven factors have less importance in the matter of educated unemployment.

#### **5.4.8 Findings**

We have analysed the opinion of the expert group who have rated 17 variables provided to them. Analysis and interpretation has been done category wise as well as jointly. The findings of the analysis and interpretation are given below:

1. The five most important factors cited by the category of leaders of Political Parties and Trade Unions which are responsible for the retardation of the growth of employment opportunities for the educated youth in Kerala are:
  - i. Lack of long term industrial policy in the state
  - ii. Unsupportive entrepreneurial culture in the prevailing state
  - iii. Negative mindset for self employment among the people
  - iv. Low social status attached to the non government jobs
  - v. High level of Trade Union militancy
2. The second category of experts who have give their opinion on the tardy growth of employment opportunities of educated youth are the representatives of entrepreneurs in Kerala. They have identified five main factors responsible for the situation is listed below.
  - i. Mismatch between demand and supply of higher education in the state
  - ii. Lack of long term industrial policy in the state

- iii. Lack of vision on the part of political parties
  - iv. Non-responsive Government machinery in the state
  - v. Negative mindset for self employment
3. The third category of experts interviewed for the purpose of getting rating of factors which retard the employment opportunities for educated youth are the Government officials and managers of business organisations across Kerala. They have shared their concern in the following order of importance.
- i. High level of Trade Union militancy in the state
  - ii. Too much dependence on government jobs
  - iii. Aversion towards risk taking attitudes of Keralites
  - iv. Consumer centric attitude of Keralites
  - v. Demand for high wages and salaries
4. The next group of experts has been approached for rating the causes of low growth of educated employment opportunities are the professors and associate professors of ten Universities from Kannur University to Kerala University, Thiruvananthapuram. They have identified five major reasons for the educated unemployment are given below in the order of importance assigned by them.
- i. Lack of long term industrial policy in the state
  - ii. Mismatch between demand and supply in the state higher education
  - iii. Too much dependence on government jobs by the youth
  - iv. Aversion towards risk taking attitude of Keralites
  - v. Consumer centric attitude of Keralites
5. The category opinions of the experts group have been combined to get a comprehensive view on the problem. We think that such a common opinion having a much relevance on the subject because it is a converging view of expertise in the subject of study. Leaders of Political Parties and Trade Unions are always in touch with the problem of unemployment and they should have a political outlook on the subject. Their ideas have much importance in the policy formulation of the state. Entrepreneurs have real experience in the field and they can share pertinent and practical issues related to the subject of employment. Government Officials and Managers in the industrial enterprises are usually handling various issues related to

the topic and their opinions are real and valid to the context. The fourth category of experts included in the experts group is professors of the Universities. They are in the realm of creation and designation of knowledge including the issues on the topic of the present study.

The result of the combined rating of the experts group on factors which retard the growth of employment generation for educated youth in Kerala are given below in order of the importance on each variable assigned by them. Ten variables are given below.

- i. Lack of long term industrial policy in the state
- ii. High level of Trade Union militancy in the state
- iii. Aversion towards risk taking attitude of Keralites
- iv. Negative mindset for self employment
- v. Too much dependence on government jobs
- vi. Lack of adequate institutional support
- vii. Lack of vision on the part of Political Parties
- viii. Mismatch of demand and supply in the state higher education
- ix. Consumer centric attitude of Keralites
- x. Unsupportive entrepreneurial culture in the State

The above ten factors which are acting against the creation of employment opportunities for the educated youth can be put on three responsible sections of the society. There are the Political Parties, the State Government and the Kerala society at large. Lack of long term industrial policy, High level of Trade Union Militancy, Lack of vision on the part of Political Parties are the questions directly posed to the Political Parties who have to undertake the responsibility for creating such a political situation in the state. In this context it is demanded that the political dispensations in the state should give much importance to the development needs of the economy in the pursuit of their journey to grab the political power. Their actions can be blamed in their attitude of non-responsiveness to the needs of the educated youth. It is required that it is the high time to correct their political mistake.

The other three reasons cited for the educated unemployment are Lack of adequate institutional support, Mismatch of demand and supply in the State Higher education and Unsupportive entrepreneurial culture in the state. These are seemed to be policy questions of the governance of the state. The successive Governments both



the Left Democratic Front (LDF) and United Democratic Front (UDF) have made the Government machinery unfriendly to the industrial and development needs of the state. It is a good sign that the State Governments could understand the mistake later and corrective measures have been taken to create investment friendly climate in the state.

The other four issues identified as the reasons responsible for large scale educated unemployment in the state are Aversion towards risk taking attitude of Keralites, Negative mindset for self employment, Too much dependence on Government jobs and Consumer centric attitude of Keralites. There are social and historical reasons also behind these issues. A combined effort on the part of the Government, voluntary organisations and various sections of the society is required to the attitude of the people. The dignity of labour should be accepted in its full merit and social status should be assigned to all type of jobs regardless of their social and official hierarchies.

### **SECTION III**

#### **5.5 Perception of Educated Youth towards Employment**

As part of the Project Study we have included an objective for assessing the perception of educated youth towards employment in general. The purpose of the objective is to examine the connectivity of education programme selected with the prospective employment opportunities, attitude of the educated youth towards private sector employment and self employment. We have also assessed the employability and entrepreneurial skill of the educated youth. Thus this section presents the following pertinent components related to employment and employability of educated youth.

- a. Connectivity of education and employment
- b. Perception of educated youth towards private sector employment
- c. Perception of educated youth towards self employment
- d. Assessment of employability and entrepreneurial skills of the educated youth.

While introducing the part of analysis and interpretation of data it is needed to list the profile of the sample respondents who have shared their opinion in this regard.

### 5.5.1 Profile of Educated Youth

The questionnaires containing the content of the enquiry were administered among the respondents who have assembled in the colleges at the effort of the Authorities and Parent-Teachers Associations of these institutions. They are requested to mark their opinion using Five Point Likert Scale for their level of agreement with each variable.

Table 5.11 Profile of Unemployed Educated Youth

Si.No	Profile	Category	No. of Educated Unemployed Youth	Percent
1	Gender	Male	172	29
		Female	422	71
		<b>Total</b>	<b>594</b>	<b>100</b>
2	Age	Up to 21 Years	170	28.6
		22 -30 years	418	70.4
		Above 30 Years	6	1.00
		<b>Total</b>	<b>594</b>	<b>100</b>
3	Qualification	Graduates	404	68.01
		Post Graduates	190	31.99
		<b>Total</b>	<b>594</b>	<b>100</b>
4	Place of Residence	Urban	98	16.5
		Semi-Urban	146	24.6
		Rural	350	58.9
		<b>Total</b>	<b>594</b>	<b>100</b>
5	Annual Family Income	Up to 2 lakhs	454	76.4
		2,00,001 to 5,00,000	108	18.2
		5,00,001 to 10,00,000	30	5.1
		Above 10,00,000	2	0.3
		<b>Total</b>	<b>594</b>	<b>100</b>
6	Occupation of Father	Government job	134	22.6
		Private Sector job	181	29.6
		Labour Employment	279	47.8
		<b>Total</b>	<b>594</b>	<b>100</b>
7	Occupation of Mother	Government job	52	8.8
		Private Sector job	50	8.4
		Labour Employment	164	27.6
		House wife	328	55.2
		<b>Total</b>	<b>594</b>	<b>100</b>
8	Type of institution studied	Government	424	71.38
		Aided	170	28.62
		<b>Total</b>	<b>594</b>	<b>100</b>

Source: Personal Investigation

Table 5.11 portrays the profile of the sample respondents in respect of their Gender, Age, Qualification, Place of Residence, Annual family Income, Occupation of Father, Occupation of Mother and Type of institution studied.

Out of the 594 respondents unemployed educated youth belonging to the alumni of the institutions who were turned over the survey, 422 youth (71 percent) belong to female category.

Majority of the respondents of 70.4 percent belong to the age group of 22-30 years.

Graduates constitute 68 percent of the respondents on the basis of their qualification.

The Place of residence of majority (59 percent) were from the rural area.

The annual family income of the majority (76.4 percent) of the educated unemployed youth came for the interview and interaction belong to the annual income slab of less than Rs. 2,00,000.

The occupation of father of the majority of respondents (47.8 percent) is wage labour.

Majority of the respondents (55.2 percent) reported that their mothers are housewives.

Majority of respondents (71.38 percent) have studied their Degree programme in Government institutions.

### **5.5.2 Connectivity of Education and Employment**

When a blunt question is posed towards the Degree and PG students in general that “why have you joined for this education programme? And what is your ultimate aim”? The usual and definite answer is to get a decent job for leading a meaningful life. The same answer may be obtained from the parents and public in general when the same question is repeated. That is why the research team have thought about to study the opinion of educated youth towards the connectivity of the education programme they have chosen with that of the prospective employment opportunities.

The perception of the educated youth towards the connectivity of education and employment have been examined with two inter related aspects of choice of the education programme and direct relation of education with employment.

**a. Choice of Education Programme**

The reason and nature of the choice of education programme have been examined first to have an understanding about the programme the students underwent and the prospects for getting a job in the field of study. The sub-variables included for assessing the **Choice of Education Programme** are:

- i. Self preference
- ii. The personal aptitude
- iii. Self interest
- iv. Suitability to lead a meaningful life and
- v. Suitability for choice of employment

Table 5.12 Choice of Education Programme

Sl. No	Variables	Agree		Neutral		Disagree		Total		Mean Score
		No. of EUY*	%	No. of EUY	%	No. of EUY	%	No. of EUY	%	
1	Degree program was self preferred	550	92.59	24	4.04	20	3.37	594	100	4.5960
2	Section of higher education program as per own aptitude	536	90.24	40	6.73	18	3.03	594	100	4.4478
3	Selection of higher education program is based on self interest	560	94.28	20	3.37	14	2.36	594	100	4.6566
4	preferred higher education program suitable to lead a better life	546	91.91	28	4.71	20	3.37	594	100	4.4040
5	education suitable for the employment of one's choice	506	85.19	80	13.47	8	1.35	594	100	4.2492
	<b>Choice of Education Program</b>	<b>540</b>	<b>90.84</b>	<b>38</b>	<b>6.46</b>	<b>16</b>	<b>2.70</b>	<b>594</b>	<b>100</b>	<b>4.4707</b>

Source: Personal Investigation

\*Educated Unemployed Youth

Table 5.12 shows the level of agreement of the respondents towards the reasons for their choice of education programme in their graduate and post graduate studies. More than 90 percent of the respondents agreed that they have chosen their study programme with their own preference, personal aptitude and self interest. They are firmly believing that this study programme enable them to lead a meaningful life. 506 educated youth out of the sample size of 594 stated that they have full confidence in the programme they have studied which is suitable to get a job of their choice. The mean score obtained for each of the above five variables is more than the mean value of 4. This calculated value is amply above the statistical mean value of 3. The mean score for the combined sub-variables related to the choice of education programme is 4.47. **This indicates that the educated youth have good knowledge regarding the utility of the chosen education programme at the Degree level.**

From the above analysis, it can be concluded that the educated youth have chosen their Degree and Post Graduate programmes with their own preference, self interest and aptitude. They had full awareness about the programme regarding its suitability to get a job during the period of study. **And the choice of education programme by the youth is deliberate and planned. It is a very positive sign of self planning and motivation to lead a better life.**

#### **b. Direct Relation of Education with employment**

The second aspect enquired in the study is to assess the idea of the educated youth towards the **Direct relation of education with employment**. The sub-variables used to gather the opinion of the respondents are:

- i. Potential employment opportunities
- ii. Thought about employment
- iii. Plan for a suitable job
- iv. To be a Government employee
- v. Knowledge on employment sectors
- vi. Confidence on ability to get a job

Table 5.13 Direct Relation of education with Employment

Si. No	Variables	Agree		Neutral		Disagree		Total		Mean Score
		No. of EUY*	%	No. of EUY	%	No. of EUY	%	No. of EUY	%	
1	Selected Higher Education program due to its employment opportunity	464	78.1	108	18.18	22	3.70	594	100	4.0976
2	Thought of an employment at the time of joining the program	388	65.31	146	24.58	60	10.10	594	100	3.8316
3	Plan for suitable job	434	73.06	118	19.87	42	7.07	594	100	3.9192
4	Like to be a Government Employee	476	80.13	90	15.15	28	4.72	594	100	4.3401
5	knowledge on potential employment sectors	282	47.47	232	39.06	80	13.47	594	100	3.4141
6	sufficient confidence on ability to get a job	462	77.78	100	16.84	32	5.39	594	100	4.0337
	<b>Direct Relation of Education and Employment</b>	<b>417.67</b>	<b>63.14</b>	<b>132.33</b>	<b>22.28</b>	<b>44</b>	<b>14.58</b>	<b>594</b>	<b>100</b>	<b>3.9394</b>

Source: Personal Investigation

\*Educated Unemployed Youth

Table 5.13 that portrays the level of agreement marked by 594 educated unemployed respondents related to the direct relation of education and employment. 98 percent of the respondents agreed that they selected the education programme due to its employment potential. Only 65 percent of the respondents had an idea of employment in mind at the time of joining the Degree programme. 73 percent of the respondents had deliberate plan to get a suitable job in the field of the subject of study. 80 percent of the sample educated youth opined that their first preference and ambition is to get a government job.

More than 50 percent of the educated youth had no idea of potential employment sectors of their subject of study while they were pursuing the programme. The value of mean score obtained for all these six variables are above the theoretical mean value of 3. The combined mean score value obtained for the opinion expressed by the respondents on their idea of relation of education to employment is 3.94 which is far above the average level.

**It shows that the educated youth have better understanding about the relationship of their subject of study to the prospective employment opportunities.**

### **5.5.3 Attitude of Educated Youth towards Private Sector Employment**

The next attempt of the research team was to examine the **attitude of educated youth towards private sector employment**. After the introduction of economic liberalization policy in 1991, the private sector industries got much prominence in the economy. It is true in the case of Kerala also. Many enterprises in IT and ITES were come up. Technopark in Thiruvananthapuram is a telling example. Tourism and Hospitality industry has also shown better growth prospects in the state along with the growth of a number of employment opportunities for the educated youth. The financial service sector has grown in such an extent to absorb more graduates and post graduates. Hospital and Educational Institutions have come up with a demand for recruiting a number of educated youth as employees. Repairs and Maintenance of electrical and electronic devices and consultancy services have also developed with the establishment of a number of enterprises. The Construction industry has got a big push during this period. Thus the private sector has grown such an extent to absorb a number of educated youth as its employees. This is the context by which we have decided to assess the perception of educated youth in Kerala towards private sector employment. We have included seven aspects for gathering the opinion of educated youth in this subject which are the following:

- a. Degree of willingness to join private sector job
- b. Status of private sector employment
- c. Job security in private sector
- d. Remuneration in the private sector
- e. Work environment in the private sector
- f. General opinion towards private sector employment and
- g. The rate of growth of private employment

Table 5.14. The attitude of educated youth towards Private Sector Employment

Si. No	Variables	Agree		Neutral		Disagree		Total		Mean Score
		No. of EUY*	%	No. of EUY	%	No. of EUY	%	No. of EUY	%	
1	Like to be an employee in a private sector	270	45.45	178	29.97	146	24.58	594	100	3.2189
2	Private sector employment has equal status with Government employment	194	32.66	176	29.63	224	37.71	594	100	2.8754
3	Not considering the job security in private sector due to my confidence to get other jobs	220	37.04	224	37.71	150	25.25	594	100	3.1515
4	The remuneration in the private sector is attractive to lead a happy life	230	38.72	204	34.34	160	26.94	594	100	3.1448
5	The work environment in the private sector is more or less same as in the public sector	150	25.25	194	32.66	250	42.09	594	100	2.7239
6	At present more people are preferring to join private sector employment	284	47.81	148	24.92	162	27.27	594	100	3.2256
7	Employment in private sector is growing in order to absorb more people	416	70.03	122	20.54	56	9.43	594	100	3.7576
	<b>Private Sector employment</b>	<b>252</b>	<b>42.42</b>	<b>178</b>	<b>29.97</b>	<b>164</b>	<b>27.61</b>	<b>594</b>	<b>100</b>	<b>3.1568</b>

Source: Personal Investigation

\*Educated Unemployed Youth

Table 5.14 shows the result of the survey conducted among the educated unemployed youth on the subject of their attitude towards private sector employment. Only 45.5 percent of the respondents are ready to become private sector employees. 33 percent believed that employment in Private and Government sectors have equal status while 67 percent of the educated youth consider that private sector employment has low social status. About 62 percent of the sample respondents are of opinion that there is no job security in private sector and the remuneration package is unattractive. The most alarming problem in the private sector rated by 75 percent of the respondents is unconducive work environment. But 48 percent of the respondents are of the opinion that more people prefer to join private sector employment. But it is interesting to note that 70 percent of the educated youth have agreed that employment in the private sector is growing in order to absorb more people.



The rating regarding work environment and social status of private sector jobs are below the statistical mean while all other variables are just equal to the threshold value of 3 except the capacity of private sector in generation of employment. The position is reiterated with the result of the combined mean for the seven variables which stands with a mean value of 3.16.

**From the above analysis it can be seen that the educated youth is well aware about the growing importance of private sector employment but they reluctant to prefer the same due to the twin factors of job security and low pay scale. Another alarming factor is the work environment where it is argued that the individual and professional freedom of the employees is frequently questioned.**

**The analysis has revealed a fact that the mindset of the educated youth are slowly changing in favour of private sector employment even though many problems they have to confront with.**

#### **5.5.4 Attitude of Educated Youth towards self employment**

The next area under consideration of the research team was the **attitude of educated youth towards self employment**. Many studies revealed that self employed persons in industrial and service units have become very good entrepreneurs. There are a large number of motivating stories of self employed persons who have built their own industrial empires like that of the case of Mr. N. R Narayana Murthy, the founder Chairman of Infosys.

At present both the Central and State Governments are in the fray to promote entrepreneurs and self employed persons through the establishment of different institutional mechanisms. For promoting individual creativity and innovation in technology and business, the government has established new initiatives like Start up Villages, Incubators and Entrepreneurial clubs. All these experiences and initiatives have got a momentum in the entrepreneurial community to undertake their own ventures in the field of business and industry. Information Technology has played a very vital role in this area along with the initiatives for internationalisation of business and production activities. All these encouraging environments have

positively been played together to create more social acceptance of self employment and entrepreneurship. This context is prompted the research team to study the perception of educated youth in Kerala towards self employment and entrepreneurship. The following aspects are studied while gathering the opinion of educated youth towards self employment. They are:

- a. Likeness of self employment
- b. Knowledge of self employment
- c. Knowledge of entrepreneurship
- d. Ability to start business
- e. Confidence to run a business

Table 5.15 Attitude of Educated Youth towards Self Employment

Si. No	Variables	Agree		Neutral		Disagree		Total		Mean Score
		No. of EUY*	%	No. of EUY	%	No. of EUY	%	No. of EUY	%	
1	Like to undertake Self employment	280	47.14	176	29.63	138	23.23	594	100	3.3434
2	Viable ideas and knowledge on self employment	220	37.04	196	33.0	178	29.97	594	100	3.0875
3	Awareness and knowledge regarding entrepreneurship	240	40.40	208	35.02	156	26.26	594	100	3.1044
4	Ability to start a business or venture of my own	208	35.02	190	31.99	196	33.0	594	100	3.0202
5	Confident to find a self employment venture	342	57.58	144	24.24	108	18.18	594	100	3.5488
	<b>Self employment</b>	<b>258</b>	<b>43.43</b>	<b>181</b>	<b>30.47</b>	<b>155</b>	<b>26.1</b>	<b>594</b>	<b>100</b>	<b>3.2209</b>

Source: Personal Investigation

\*Educated Unemployed Youth

Table 5.15 portrays the results of the rating on the level of agreement provided by the 594 sample respondents in respect of their attitude towards self employment. 47 percent of the respondents have a positive attitude to undertake self employment ventures for finding their livelihood as an occupation. About 63 percent of the educated youth have no idea of self employment ventures. And about 60 percent have reported that their awareness and knowledge regarding entrepreneurship is very poor. Only 35 percent has shown ability to start a business of their own. 88 percent of the informants have reported that they are confident enough to find out self employment venture. The percent analysis of the opinion is just in parity with

the mean score value of around 3 obtained for these five variables. The combined mean score is 3.2 which is just in par with the theoretical mean value of 3.

From the above analysis, it can be seen that the inclination of educated youth towards self employment ventures is above average. **This can be assessed as an encouraging trend towards self employment programmes among the educated youth.**

#### **5.5.5. Employability and Entrepreneurial Skills**

The next task related to the project work, the research team has undertaken to assess the employability and entrepreneurial skills of educated youth by self rating technique. Employability skill is considered as a personal capability to get recruited and placed in a suitable job and to continue in that assignment. It is a debating point that Keralites in general are intellectual persons but their personal skills are seemed to be not conducive enough to utilize promptly. The entrepreneurial skill is another vital virtue needed to make the economy and society vibrant. But it is seemed that the entrepreneurial skills of the Keralites are low due to their reluctance to take risk and to experiment with business ideas. But the fact is that employability skills and entrepreneurial skills of the people are vital component in the discussion and study of the subject of employment and unemployment. In this context it is pertinent to have a look into the present status of employability skills and entrepreneurial skills of the educated youth in Kerala. This is warranted because of the changes happening in the field of business and employment. This part of the study is purported to portray the self rated employability and entrepreneurial skills of the 594 sample educated youth included in the survey. They were provided with a questionnaire to rate their skill sets using five point Likert Scale.

##### **a. Employability Skills of Educated Youth**

Employability is the ability of a person to obtain, maintain, sustain and grow in the job or career. The skills or qualities associated with a person to be employable are called as Employability Skills. Blancke (2000) define individual employability as a person's capacity to offer labour on the basis of his subject-specific competence, the competence to act, and the person's specific competence. Employability Skill is

the combination of three different skills. They are knowledge skill, application skill and personal skill. Knowledge Skill is various skill components required to make a knowledgeable individual. Application Skill is various individual capability components required to make a person successful in practicing his profession or occupation. Personal Skill is inherent with the personal faculties of an individual which is required to enrich the individual to become a good human being and citizen.

The sub-variables included for assessing the employability skill of educated youth are:

- i. Parity of education and employability skills
- ii. Knowledge on subject studied
- iii. Adequate ability to apply the studied knowledge
- iv. Self confidence in personal abilities to perform the job successfully
- v. Ability to get a decent job of the choice
- vi. Preparing well enough to get a job

Table 5.16 Employability Skills of Educated Youth

Si. No	Variables	Agree		Neutral		Disagree		Total		Mean Score
		No. of EUY*	%	No. of EUY	%	No. of EUY	%	No. of EUY	%	
1	Parity of education and employability skills	424	71.38	138	23.23	32	5.39	594	100	3.8923
2	Knowledge on the subject studied	458	77.10	106	17.85	30	5.05	594	100	3.9125
3	Adequate ability to apply the studied knowledge	454	76.43	126	21.21	14	2.36	594	100	3.9125
4	Self confidence in personal abilities to perform the job successfully	520	87.54	68	11.45	6	1.01	594	100	4.2828
5	Ability to get a decent job of the choice	506	85.19	70	11.78	18	3.03	594	100	4.1448
6	Preparing well enough to get a job	478	80.47	104	17.51	12	2.02	594	100	4.1077
	<b>Employability Skills</b>	<b>473</b>	<b>79.63</b>	<b>102</b>	<b>17.17</b>	<b>19</b>	<b>3.14</b>	<b>594</b>	<b>100</b>	<b>4.0421</b>

Source: Personal Investigation

\*Educated Unemployed Youth

Table 5.16 portrays the results of employability skills self rated by the educated youth. 71 percent of the respondents agreed that there is a parity of education obtained by them and their employability skills. While 77 percent of the sample respondents have opined that they have good knowledge on the subject they have studied for their graduate and post graduate programmes. 76 percent of the unemployed graduates claimed that their ability to apply their subject knowledge in the required context is good. 86 percent are seemed to be confident in their personal abilities to perform the job requirements successfully. 85 percent of the respondents expressed their ability to get a decent job of their choice. 80.5 percent of educated youth have reported that they are preparing well enough to get a good job. The percent analysis of the opinion of educated youth towards the variables of employability skills are in parity with the mean score result which is around the value of 4. The combined mean score value of the employability variables is above 4 which is far above the theoretical mean of 3. **From the above analysis it can be seen that the unemployed educated youth in Kerala are confident about their employability skills.**

**It is stated that the educated youth have proficiency in the three dimensional working model of the employability skills construct of subject knowledge skill, application skill and personal skill.**

#### **b. Entrepreneurial Skills of the Educated Unemployed Youth**

The degree of entrepreneurial skills possessed by the educated youth is an important determinant of the phase of business and economic activities in the future. The Government has taken deliberate and concrete steps to create entrepreneurial culture among the students and youth. They have initiated different entrepreneurial promotional programmes such as start ups, incubators and entrepreneurial clubs. The higher education system has also taken measures to promote the entrepreneurial culture among the students by encouraging creativity and innovation especially in the areas of technology and business. Studies are also revealed that the younger generation has shown much interest in the area of entrepreneurship and business ventures. In this context, the study team has felt that it is meaningful to look into the

entrepreneurial skill of the younger generation in Kerala in the context of changing entrepreneurial culture.

The sub-variables included in the questionnaire for analyzing the entrepreneurial skills of the educated youth by self rating technique are:

- i. Ability to recognize business opportunities
- ii. Ability to make a business project
- iii. Ability in leadership
- iv. Ability in decision making
- v. Ability to organise
- vi. Ability to know market conditions
- vii. Technical skill
- viii. Financial skill

Table 5.17 Entrepreneurial Skills of the Educated Unemployed youth

Sl. No	Variables	Good		Average		Poor		Total		Mean Score
		No. of EUY*	%	No. of EUY	%	No. of EUY	%	No. of EUY	%	
1	Ability to recognize business opportunities	342	57.58	202	34.01	50	8.42	594	100	3.5724
2	Ability in making a business project	290	48.82	238	40.07	66	11.11	594	100	3.4310
3	Ability in Leadership	432	72.73	142	23.91	20	3.37	594	100	3.9495
4	Ability in decision making	480	80.81	98	16.50	16	2.69	594	100	4.0236
5	Ability to organise	444	74.75	126	21.21	24	4.04	594	100	3.9394
6	Level of knowledge about Market	258	43.43	258	43.43	78	13.13	594	100	3.3771
7	Technical Skill	268	45.12	248	41.75	78	13.13	594	100	3.3838
8	Financial Skill	278	46.80	232	39.06	84	14.14	594	100	3.4007
	<b>Entrepreneurial Skill</b>	<b>349</b>	<b>58.75</b>	<b>193</b>	<b>32.49</b>	<b>52</b>	<b>8.75</b>	<b>594</b>	<b>100</b>	<b>3.6347</b>

Source: Personal Investigation

\*Educated Unemployed Youth

Table 5.17 depicts the result of eight sub-variables of entrepreneurial skills self rated by 594 sample respondents of educated unemployed youth. More than 50 percent of the respondents agreed that they have ability to recognize business opportunities, ability to lead a business, ability in decision making and ability to organise enterprise. These are considered as the positive virtues of the educated youth regarding entrepreneurial skills. All these four variables got a high mean score rating which is around the value of 4. But majority of the educated unemployed youth in the sample size stated that they have less ability in preparing a business project, low knowledge about market, low technical skill and low financial skill. Those factors are negatively affecting the entrepreneurial skill of the persons. The mean score rating of all these four variables are above 3. But for the successful running of an enterprise, the full-fledged entrepreneurial skill is a prerequisite. The results of the analysis are however encouraging because of the overall mean score value is 3.6 which is above the theoretical mean value of 3.

**It is revealed that the educated youth in Kerala have shown a changing attitude in favour of entrepreneurship. Some of them have innovative business ideas which are convertible in the form viable enterprises. Thus it can be stated that the entrepreneurial skills of the youth are improving in par with the changes happening in the investment climate of the state.**

#### **Reference**

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## CHAPTER 6

### SUMMARY OF FINDINGS, CONCLUSION AND ACTION PLAN

#### 6.1 The statement of Problem

The present study is purported to assess the factors which retard job generation for educated youth in Kerala. Unemployment is a situation of the economy where the people do not get the work and wages with eligible conditions. **People are getting education but they are not in a position to get the jobs as per their eligibility is termed as educated unemployment.** It is argued that the most confronting problem faced by the State economy in Kerala is educated unemployment. It is stated that 34,93,822 (Department of Employment, Government of Kerala, 2017) educated youth are registered in the Employment Exchanges in Kerala seeking for employment opportunities. This is one of the highest among the states in India. This is seen as a continuous phenomenon since the formation of State of Kerala. Much efforts were already taken by the State Government independently and also in association with the Central Government for solving this alarming problem. But the problem still remains as such. In this context, it is imperative to conduct a scientific study for identifying the real reasons for the high rate of educated unemployment in Kerala. It has been noted that no serious efforts in the form of a comprehensive scientific study has been done yet to assess the factors which retard employment generation for educated youth in Kerala. This study is purported to fill this research gap in the form of a project study entitled “An Enquiry on the factors which retard the employment generation for the educated youth in Kerala”.

#### 6.2 Objectives of the Study

On the basis of the complex nature of the research problem, the following objectives have been formulated.

1. To analyse the current status of educated unemployment in Kerala
2. To assess the factors which retard the growth of employment opportunities for educated youth in the state



3. To study the perception of educated Kerala youth towards self employment and private sector job
4. To assess the Employability Skill of the educated youth in Kerala
5. To suggest a comprehensive action plan for enhancing the job opportunities for educated youth

### **6.3 Methodology**

The study is descriptive cum analytical in nature with empirical support. Both primary and secondary data were used for the study. Secondary data were collected from published reports and studies conducted by Governmental and non-Governmental sources. Primary data required for the Study were gathered from the Government Officials, Experts, Employers and Entrepreneurs in private sector. Primary data were also collected from the educated unemployed youth across Kerala.

The tools used for data collection are structured questionnaires, interviews, and group discussions. We have conducted a field survey among the respondents for collecting the primary data. The collected data were tabulated systematically in a meaningful manner in tune with the objectives of the study. The tools used for analysis are percentage, mean score, correlation, and ranking.

## **6.4 SUMMARY OF FINDINGS**

### **6.4.1 The present status of Educated Unemployment in Kerala.**

1. The total number of registrants in the Employment Exchanges in Kerala in the year 2017 is about 35 lakhs.
2. 61 percent of the registrants are female candidates while 39 percent are male counter parts. Unemployment is more among the female graduates in Kerala.
3. The gender proportion of the higher education of female (Gross Enrollment Ratio) is closely related to the gender proportion of registrants in the Employment Exchanges in Kerala. The GER ratio in Kerala related to higher education is 60 females to 40 males. The same pattern of gender ratio is followed in the matter of educated unemployed youth in Kerala.

4. About 73 percent registrants have an educational attainment of either SSLC, or below SSLC. And 91.5 percent (about 32 lakhs) have an educational qualification below Degree, Diploma or ITI certificate. These registrants have no specific educational attainment or skill achievement to be productively engaged in an employment where education and skill matter. Thus it can be presumed that they are not educationally equipped to undertake an employment requiring higher qualifications. They could not be designated as educated unemployed for the purpose of determining employment category.
5. The educated unemployed can be defined as a person seeking employment with a Degree of a recognized University or an ITI or a Diploma certificate with designated technical skills to engage in a gainful occupation or profession. On the basis of this definition, only the people belong to the category of Graduates, Post graduates, Diploma holders and ITI Certificate holders can be termed as educated unemployed. According to the Live Register of Employment Exchanges in Kerala, there are 2,07,894 graduates, 90,007 Post Graduates, 84,384 Diploma holders and 43, 931 ITI Certificate holders. Thus it can be seen that the total number of educated unemployed in Kerala in the year 2017 is 4, 26,216. They constitute only 12 percent of the total registrants in the Live Register of the Employment Exchanges including Professional and Technical registrants.
6. The educated unemployment seems to be not a very serious problem in Kerala as it is debated in different forums. Only about 4.25 lakhs registrants in the Employment Exchanges are qualified to be included in the category of educated unemployed in Kerala. More over certain other aspects related to the nature of employment to be taken into account. Out of 2,07, 894 graduate registrants, about 75, 000 are undergoing post graduate education in different disciplines. They are simply students and not to be includable in the category of educated unemployed. Like this, a larger section of technical registrants belong to the category of Diploma holders and ITI Certificate holders are also undergoing higher studies. It is learnt from our field survey among the educated unemployed youth across Kerala that about 50 percent are engaged

in part time or full time jobs in private firms. Certain candidates are carrying their own ventures as self employed entrepreneurs.

And another interesting aspect is that the educated unemployed generally consider employment means government employment. The reasons cited for this aversion towards private employment is low compensation package and lack of job security. But the fact is that a large number of educated youth are already employed in various private sector business establishments in Kerala. **Thus it is estimated that the number of educated youth who are actively seeking for a job is around 2 lakhs. Therefore it can be concluded that the problem of educated unemployment in Kerala is in the manageable limits.**

#### **6.4.2 Factors which retard the growth of Employment generation for Educated Youth**

We have analysed the opinion of the experts group who have rated 17 variables provided to them in respect of the list of reasons behind the educated unemployment situation in the state. Analysis and interpretation has been done category wise as well as jointly. The findings of the analysis and interpretation are given below:

1. The five most important factors cited by the category of **leaders of Political Parties and Trade Unions** which are responsible for the retardation of the growth of employment opportunities for the educated youth in Kerala are:
  - i. Lack of long term industrial policy in the state
  - ii. Unsupportive entrepreneurial culture in the prevailing state
  - iii. Negative mindset for self employment among the people
  - iv. Low social status attached to the non government jobs
  - v. High level of Trade Union militancy

It can be seen that the factors rated by the leaders of the Political Parties and Trade Unions are more related to their political approach and policy issues of the political dispensations.

2. The second category of experts who have given their opinion on the tardy growth of employment opportunities of educated youth are the **representatives of entrepreneurs in Kerala** . They have identified five main factors responsible for this situation are listed below.
  - i. Mismatch between demand and supply of higher education in the state
  - ii. Lack of long term industrial policy in the state
  - iii. Lack of vision on the part of political parties
  - iv. Non-responsive Government machinery in the state
  - v. Negative mindset for self employment

It can be seen that the stand taken by the entrepreneurs is against the policies and administrative actions of the Government who have made the situation of educated unemployment vulnerable in the state.

3. The third category of experts interviewed for the purpose of getting ratings of factors which retard the employment opportunities for educated youth are the **Government Officials and Managers of business organisations** across Kerala. They have shared their concern in the following order of importance.
  - i. High level of Trade Union militancy in the state
  - ii. Too much dependence on government jobs
  - iii. Aversion towards risk taking attitudes of Keralites
  - iv. Consumer centric attitude of Keralites
  - v. Demand for high wages and salaries

It can be seen that the position taken by the Officials and Managers is against the Political Parties and the societies at large who are responsible for the large scale educated unemployment in the state.

4. The next group of experts has been approached for rating of the causes of low growth of educated employment opportunities are the **Professors and Associate Professors of ten Universities** from the Kannur University to the University of Kerala, Thiruvananthapuram. They have identified five major

reasons for the educated unemployment are given below in the order of importance assigned by them.

- i. Lack of long term industrial policy in the state
- ii. Mismatch between demand and supply in the state higher education
- iii. Too much dependence on government jobs by the youth
- iv. Aversion towards risk taking attitude of Keralites
- v. Consumer centric attitude of Keralites

It can be concluded that the opinion of the academic community is also against the attitude of the Political Parties and the society at large who have made the situation of educated unemployment worse which is in tune with the opinion of Officials and Managers.

5. The category opinions of the experts group have been combined to get a comprehensive view on the problem. We think that such a common opinion have much relevance on the subject because it is a converging view of expertise in the subject of study. Leaders of Political Parties and Trade Unions are always in touch with the problem of unemployment and they should have a political outlook on the subject. Their ideas have much importance in the policy formulation of the state. Entrepreneurs have real experience in the field and they can share pertinent and practical issues related to the subject of employment. Government Officials and Managers in the industrial enterprises are usually handling various issues related to the topic and their opinions are real and valid to the context. The fourth category of experts included in the experts group is Professors of the Universities. They are in the realm of creation and dissemination of knowledge including the issues on the topic of the present study.

The result of the **combined rating of the Experts Group** on factors which retard the growth of employment generation for educated youth in Kerala are given below in order of the importance on each variable assigned by them. Ten variables are seemed to be very pertinent to the context are listed below.

- i. Lack of long term industrial policy in the state**
- ii. High level of Trade Union militancy in the state**
- iii. Aversion towards risk taking attitude of Keralites**
- iv. Negative mindset for self employment**
- v. Too much dependence on government jobs**
- vi. Lack of adequate institutional support**
- vii. Lack of vision on the part of Political Parties**
- viii. Mismatch of demand and supply in the state higher education**
- ix. Consumer centric attitude of Keralites**
- x. Unsupportive entrepreneurial culture in the State**

The above ten factors which are acting against the creation of employment opportunities for the educated youth can be put on three responsible sections of the society. They are the Political Parties, the State Government and the Kerala society at large. Lack of long term industrial policy, High level of Trade Union militancy, Lack of vision on the part of Political Parties are the questions directly posed to the Political Parties who have to undertake the responsibility for creating such a political situation in the state. In this context it is demanded that the political dispensations in the state should give much importance to the development needs of the economy in the pursuit of their journey to grab the political power. Their actions could frequently be blamed in their attitude of non-responsiveness to the needs of the educated youth. It is required that this is the high time to correct their long standing political mistake.

The other three reasons cited for the educated unemployment are Lack of adequate institutional support, Mismatch of demand and supply in the state higher education and Unsupportive entrepreneurial culture in the state. These are seemed to be policy questions of the governance of the state. The successive Governments both the Left Democratic Front (LDF) and United Democratic Front (UDF) have made the Government machinery unfriendly to the industrial and development needs of the state. It is a good sign that the State Governments could understand the mistake later and corrective measures have been taken to create investment friendly climate in the state.

The other four issues identified as the reasons responsible for large scale educated unemployment in the state are Aversion towards risk taking attitude of Keralites, Negative mindset for self employment, Too much dependence on Government jobs and Consumer centric attitude of Keralites. There are also social and historical reasons behind these issues. A combined effort on the part of the Government, voluntary organisations and various sections of the society is required to change the attitude of the people. The dignity of labour should be accepted in its full merit and social status should be assigned to all types of jobs regardless of their social and official hierarchies.

### **6.4.3 Perception of Educated Youth towards Employment**

#### **1. Connectivity of education and employment**

It is revealed by the study that the educated youth have chosen their Degree and Post Graduate programme with their own preference, self interest and aptitude. They had full awareness about the programme regarding its suitability to get a job during the period of study. And the choice of education programme by the youth is deliberate and planned. It is a very positive sign of self planning and motivation to lead a better life. More than 50 percent of the educated youth had no idea of potential employment sectors of their subject of study while they were pursuing the programme. **It shows that the educated youth have better understanding about the relationship of their subject of study to the prospective employment opportunities.**

#### **2. Attitude of educated youth towards Private Sector Employment**

The study revealed that the educated youth is well aware about the growing importance of private sector employment but they are reluctant to prefer the same due to the twin factors of job security and low pay scale. Another alarming factor is the work environment in the private sector where it is argued that the individual and professional freedom of the employees is frequently questioned. **It is the fact that the mindset of the educated youth are slowly changing in favour of private sector employment even though many problems they have to confront with.**

### **3. Attitude of Educated youth towards self employment**

It can be seen from the study that the inclination of educated youth towards self employment ventures is above average level. **This can be assessed as an encouraging trend among the educated youth that their attitude has been changed in favour of the self employment programmes.**

### **4. Employability and Entrepreneurial skills**

It is stated that the educated youth have proficiency in the three dimensional working model of the employability skills construct of subject knowledge skill, application skill and personal skill. **They believe that their employability skill is good enough to get an employment of their choice.**

It is also revealed that the educated youth in Kerala have shown a changing attitude in favour of entrepreneurship. Some of them have innovative business ideas which are convertible in the form of viable enterprises. **Thus it can be stated that the entrepreneurial skills of the youth in Kerala are improving in par with the changes happening in the investment climate of the state.**

## **6.5 CONCLUSION**

Employment generation is an economic function. The number of employment opportunities and its volume as well as the capability to create employment opportunities are directly proportional to the volume of production and distribution. So a vibrant and dynamic production sector is the surest economic platform for the generation of employment. The situation of unemployment is the most important policy concern for the developed as well as developing economies. If the number of people ready to work exceeds that of the number of employment opportunities available, it is the situation of unemployment. Educated unemployment is one of the variants of open unemployment. It is a serious economic problem for all economies than that of the unemployment of less educated people.

The present study is purported to assess the factors which retard job generation for educated youth in Kerala. People are getting education but they are not in a position to get the job as per their eligibility is termed as educated



unemployment. It is argued that the most confronting problem faced by the State economy in Kerala is educated unemployment. This is one of the highest among the states in India. In this context, it is imperative to conduct a scientific study for identifying the real reasons for the high rate of educated unemployment in Kerala.

The study is descriptive cum analytical in nature with empirical support. Both primary and secondary data were used for the study. Secondary data were collected from published reports and studies conducted by Governmental and non-Governmental sources. Primary data required for the Study were gathered from the Government Officials, Experts, Employers and Entrepreneurs in private sector. Primary data were also collected from the educated unemployed youth across Kerala.

We have attempted to analyse the unemployment situation in Kerala based on the statistics provided by the Live Register of Employment Exchanges in Kerala on August 2017. The study has revealed that 32 lakhs of the registrants in the Employment Exchanges are not qualified to be called as educated unemployed. Their educational attainment is SSLC or Plus Two and they could not be employed for jobs demanding skills and education. And also that a large number of registrants are either students undergoing higher studies or employees in private sector industries and self employed. Thus it is estimated that the number of educated youth who are actively seeking for a job is around 2 lakhs. Thus it can be concluded that the problem of educated unemployment in Kerala is in the manageable limits.

The second section of the study analysed the reasons which are responsible for the slow growth of employment opportunities for the educated youth in Kerala. We have identified ten important political, economic and social factors which retard the growth of employment generation with the support of literature and field survey. The opinions shared by the representatives of Political Parties, Trade Unions, Entrepreneurs, Officials and Academics have been put for the scrutiny and analysis. Their opinions are included in the category of experts.

- i. Lack of long term industrial policy in the state
- ii. High level of Trade Union militancy in the state
- iii. Aversion towards risk taking attitude of Keralites

- iv. Negative mindset for self employment
- v. Too much dependence on government jobs
- vi. Lack of adequate institutional support
- vii. Lack of vision on the part of Political Parties
- viii. Mismatch of demand and supply in the state higher education
- ix. Consumer centric attitude of Keralites
- x. Unsupportive entrepreneurial culture in the State

It can be concluded that those factors responsible for the retardation of employment opportunities for the educated youth are jointly contributed by the Political Parties, Trade Unions, the successive State Governments and the society at large.

The next analysis of the project was purported to look into the perception of educated youth towards private sector employment and self employment. It has been seen that the attitude of the educated youth have been changed a lot in order to accept the reality of the employment sector in the state. They have already realized the employment potential of the private sector. And they are ready to accept private sector employment subject to their concerns on job security, pay package and the work environment. The attitude of the educated youth has slowly inclined towards to undertake self employment also.

## **6.6 ACTION PLAN**

The following action plan is recommended to reduce the situation of unemployment in the state.

### **6.6.1 The Solution for Unemployment**

#### **A. The Background**

We have already seen in the status analysis of the unemployment that at present there are around 2 lakhs youth in the category of educated unemployed. 73 percent registrants in the employment exchange have SSLC or below SSLC as their educational attainment. Another 18.8 percent have an educational background of Plus Two. This 32 lakh of the 92 percent registrants are less educated and less

skilled. Thus this category could not be treated as educated unemployed as they could not do jobs requiring moderate skill or education. But they can be productively engaged in less skilled jobs related to the bottom level activities in the production and social sectors.

It is a reported fact that 30 lakhs migrant workers from other states are finding out their livelihood by engaging the less skilled and low end jobs in Kerala. It is an interesting fact that at the same time 23 lakhs Keralites are doing the same types of work abroad especially in the East Asian countries. The labour studies from these countries revealed that the work environment of these migrant youth from Kerala is unhealthy and frustrating. During the course of this survey we got many opportunities to interact with these workers across Kerala who have returned from the Gulf countries. It is understood that most of the migrant workers have the educational qualification of SSLC or Plus Two, the work environment is not conducive and the remuneration package is just sufficient to make the both ends met. These remarks are true because Kerala is a 100 percent literate state with school dropout rate is almost zero. The workers' remuneration is highest in Kerala among the Indian states and also near to the rate paid in the Gulf countries.

We have further studied the reasons why 30 lakhs migrant workers from other states are doing the less skilled jobs in Kerala, while 23 lakhs of youth from Kerala are engaged in similar jobs in the Gulf countries. Are the wages and work conditions much better in Gulf countries? Why is this paradox in Kerala labour market continuing? The answers of the above questions rest in the general outlook of Kerala towards the chemistry of the type of employment and social status. It is a known fact that the Keralites seems to be lazy and unproductive in work sites when they are in Kerala, but are hard working and producing better results outside the state. The wages prevailing in Gulf countries and work environments are no better than that of in Kerala. It is also learnt that the migrant workers are not in a position to save anything from their Gulf earnings for the future life requirements.

Thus it can be seen that the large scale migration of Keralites to do the low end jobs in Gulf countries due to the stigma of low social status associated to such

jobs when they are in our state. It is a usual social phenomenon that even the private sector employment and self employment are treated with low social status.

So the present unemployment problem confronting by Kerala society is that how to raise the social status of jobs. How is it possible to assign more social recognition for private sector jobs and self employment? The Kerala society should improve the perspective on different labours and take deliberate concrete steps to change their outlook towards the job profile in relation with social status. The Government should come forward with legislative and administrative measures in the area of employment enable to raise the social acceptability of the nongovernmental jobs.

## **B. Recommendations**

The following solid recommendations are put forward to consider very seriously to solve the unemployment problem among the less educated and less skilled youth in Kerala.

1. The State Government should make a legislation for the creation of a State Youth Work Force Organisation (SYWFO) with the available less educated and less skilled manpower. The youth who have attained the school education up to the Plus Two level who are seriously seeking employment opportunities shall be the members of the organisation.
2. A society form of organisation shall be constituted at the state level with regional offices or district offices across the state. The organisational structure and working procedure of State Kudumbasree Mission can be adopted in general with the specific requirements of the subject for the operational frame of the State Youth Work Force Organisation.
3. State Youth Work Force Organisation shall supply manpower required for the work area designated for less skilled and less educated. The major such work areas are Water shed management, Protection of water bodies, Solid Waste Treatment and Disposal Mechanism, Environmental Protection, Healthcare service, Management of Tourism Destination and Products, Dairy and Poultry Farming, Organic farming, Agro-based industries, Construction

industry and other Service industries. The registrants of the Employment Exchanges with an educational qualification of Plus Two and SSLC can be delinked from there and transferred to the list of members of the State Youth Work Force Organisation.

4. State Youth Work Force Organisation shall be an autonomous body controlled by the Government. But the role of the State Government shall be confined to the tasks of promoter, facilitator and regulator of the organisation with full freedom to the organisation in its operation.
5. The organisation should function as a professional body to find out jobs for its members by engaging the services of the agencies in the field of works, encouraging the members themselves to explore the opportunities and by the direct intervention of the organisation itself into the field of social and private sectors to explore job opportunities.
6. It is a fact that a number of employment opportunities in different service and social sectors are available in the state which requires the services of less educated and less skilled manpower. Most of them are in the private sector. The registrants of 32 lakhs youth in the Employment Exchanges can be productively used here for building a new Kerala by enhancing the rate of growth of State Domestic Product. The problem of unemployment among this section of youth can be reduced to a larger extent.
7. Due to the Government control over the functioning of the State Youth Work Force Organisation, the member employees will get a feeling of job security and regularity of income. This organisational structure related to the employment will certainly enhance their social status as employees and acceptability of the society in general.

#### **6.6.2 Factors responsible for the retardation of job generation**

##### **A. The role of Political Parties and Trade Unions**

The experts group consisting of the representatives of Political Parties and Trade Unions, Entrepreneurs, Officials and Managers and Academics have identified two most important political reasons which are responsible for slow growth of employment opportunities for the educated youth in the state. They are:

- i. Lack of vision on the part of Political Parties
- ii. High level of Trade Union militancy in the state

Certainly, the above twin issues are the contributions of Political Parties and Trade Unions in the state. They cannot save their face from this serious political sin against the development of the state. **So it is recommended that:**

1. They have to sit together around a table and sort out the problem of development issues of the state. They will come to a consensus that true politics is for serving the society and the people in pursuit of their economic and social development. The political vision of the parties should be reformulated accordingly to ensure to bring a strategy of uninterrupted long term development in the state.
2. It is the high time that the three political coalition dispensations in the state should come into a political agreement. The political consensus is that they should sincerely support and give priority to the development needs of the state apart from their political differences. The State Government should come forward to initiative a sincere dialogue with all political parties to have a political consensus on the development issues of the State.
3. The Trade Unions should understand that the industries will thrive only in a conducive industrial climate. They should see that the employment needs of the growing generation can be fulfilled only with the growth and development of industries and service sectors. The existence of good industrial relation is a prerequisite for the survival and growth of industrial units. We have bitter experiences in our state where a number of industrial units were migrated to neighbouring states due to the vulnerable Industrial Relations. So it is suggested that the Trade Unions should reexamine their stand very sincerely giving focus on the development needs of the state while protecting their service interests.

#### **B. The role of the State Government**

Another four factors which retard the employment generation in the state identified by the experts group are directly targeting the role played by the State Governments. They are:

- i. Lack of long term industrial policy
- ii. Lack of adequate institutional support
- iii. Unsupportive entrepreneurial culture in the state
- iv. Mismatch of demand and supply of higher education

A long term industrial policy is an indispensable administrative requirement for the sustainable growth of industrial and business units as well as economic progress of the state. The policy should have a long term development vision incorporating the other three issues raised above such as creating a conducive entrepreneurial climate, adequate institutional support mechanism and the availability of the required skilled manpower.

In this context we **recommend a viable industrialization strategy of the state** which should be formulated with the following components.

1. Land friendly industries: Since Kerala is severely constrained on the issue of land, industries or units requiring vast tracts of land cannot be considered suitable for the state.
2. Ecology friendly industries: Since Kerala has high population density its fragile ecology is sensitive to development activities and its population intolerant to projects that may have adverse consequence for its natural environment. Therefore other heavy and polluting industries cannot be thought of suitable for Kerala.
3. Industrial Relations: Since Kerala's traditional industries are prone to labour management problems, industries having limited possibility of labour – problems may be suitable.
4. Viable industries: Industries such as IT hardware and software, Tourism products, Health-care products, Food products, Premium apparels, Marine products, Electronics and light engineering, Bio-technology and Ayurvedic pharmaceuticals appear to be suitable for Kerala.
5. Size of Industrial Units: Since Kerala has land and ecological constraints, and since labour problems are frequent particularly in large units, Kerala should promote with top priority small and medium units.

6. Energy needs: Power supply should be expanded adequately to ensure uninterrupted in adequate measure to industrial units.
7. Industrial Health: To ensure the health and smooth functioning of industrial enterprise, the promotional agencies should be revamped for both functional and attitudinal changes and the cumbersome bureaucratic system should be simplified.
8. Industrial Incentives: The best incentive all serious industrialists expect is an atmosphere in which they could operate without any hassles – bureaucratic, political or regulatory. The industrial incentives need to be designed as support mechanisms to assist units set up firmly within reasonable time periods. Cluster development schemes and industrial parks have provisions for sustenance of these units.

The industrialization process in Kerala has therefore to be oriented towards small, environment friendly and energy efficient enterprises in areas such as IT hardware and software, Health care, Tourism, Marine products, Biotechnology and Electronics. All procedural formalities should be reduced into a single channel at which clearances and approvals are made; industrial investment should be made wholesome and pleasurable experience for prospective entrepreneurs.

### **C. The role of the Kerala Society**

The next four factors identified by the experts group which are responsible for the retardation of employment opportunities for the educated youth related to the attitude of the Kerala society in general. They are:

- i. Aversion towards risk taking attitude of Keralites
- ii. Negative mindset for self employment
- iii. Too much dependence on Government job
- iv. Consumer centric attitude of Keralites

Many studies and experiences show that the attitude of Keralites towards risk taking, self employment and consumerism have gradually been changing in favour of creating a production oriented economy. **It is recommended that** the Universities, Higher learning centres, Government agencies and Voluntary organisations come



forward with tangible and viable programmes to build more confidence in the society to involve in the production sector.

### **6.6.3 Perception of Educated Youth towards Employment**

#### **A. Background**

The perception of educated youth towards private sector employment and self employment has been already changed a lot in order to accept the reality of the employment sector. It is also understood that they have sufficient knowledge about the potential employment sectors and they have much confidence in their employability skills. The study also revealed that their entrepreneurial skill is above average level. It is also informed that low remuneration package, low job security and unconducive work environment are the problems confronting with the prospective employees in the private sector.

#### **B. Recommendation**

It is recommended that Government should take concrete measures to ensure regularity of employment in the private sector with moderate pay package and conducive work environment. The Government should take steps to have a meaningful dialogue with the representatives of Entrepreneurs, Industrialists and Businessmen and their professional organisations to create a viable climate of Industrial Relations in the sector. It is also suggested that along with creating a good climate of industrial relations in the private sector, the State Government should speed up initiatives and mechanisms of self employment and entrepreneurship such as Start ups, Incubators and Entrepreneurial Cells to encourage the educated youth to start their own ventures.

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# **APPENDIX**

## **Questionnaire**

### **SET I**

#### **An Enquiry on the Factors which retard the Employment Generation for Educated Youth in Kerala**

#### **Questionnaire for educated Unemployed Youth**

##### **A. Demographic Profile**

1. Name:
2. Gender: (1) Male    (2) Female
3. Age: (1) Up to 21years    (2) 22 – 30 Years    (3) Above 30 Years
4. Degree Qualification: BA/BSc/ BCom/ BBA/ BTceh/ LLB, Diploma, ITI Certificate, Others
5. PG Degree Qualification: MA/MSc/MCom/MBA/MTech
6. Place Residence:    (1)Urban    (2) Rural    (3)Semi Urban
7. Annual Income of Family: (1)Up to 2 Lakhs    (2) 200,001 – 500,000  
(3) 500,001 – 10,00,000    (4) Above 10,00,000
8. Parents' occupation:  
Father: (1)Govt. Job    (2)Private Job    (3)Self Employment  
Mother: (1)Govt. Job    (2)Private Job    (3)Self Employment
9. Type of Institution Studies:  
(1)Govt. Institution    (2)Aided Institution    (3)Self financing

##### **B. Employment Perception of Educated Unemployed Youth**

You are requested to mark your level of agreement by a tick mark in the appropriate column. Your level agreement is given in a five point scale starting with a weightage of '5' for 'Strongly Agree', '4' for 'Agree', '3' for 'Disagree' and '1' for 'Strongly Disagree' to the statements given in the questionnaire.

Sl. No	Variables	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
<b>B.1</b>	<b>Choice of Education Programme</b>					
1	I joined for the higher education program which I preferred					
2	I studied the higher education program as per my aptitude					
3	The higher education program is selected with my own interest					
4	I preferred the higher education program suitable to lead a better life					
5	I got an education suitable for the employment of my choice					
<b>B.2</b>	<b>Connectivity of Education and Employment</b>					
6	I selected the higher education program due to its potential employment opportunities					
7	I thought of an employment at the time of joining the program					
8	I had a better idea for planning a suitable job for me					
9	I like to be a Government Employee					
10	I have enough knowledge regarding potential employment sectors					
11	I have sufficient confidence on my ability to get a job					
<b>B.3</b>	<b>Private Sector employment</b>					
12	I like to be an employee in a private sector					
13	Private sector employment has equal status with Government employment					
14	I am not considering the job security in private sector due to my confidence to get other jobs					
15	The remuneration in the private sector is attractive to lead a happy life					
16	The work environment in the private sector is more or less same as in the public sector					
17	At present more people are preferring to join private sector employment					
18	Employment in private sector is growing in order to absorb more people					
<b>B.4</b>	<b>Self employment</b>					
19	I like to undertake Self employment					
20	I have viable ideas and knowledge regarding self employment					
21	I have enough awareness and knowledge regarding entrepreneurship					
22	I have enough ability to start a business or venture of my own					
23	I am confident to find a self employment venture if I will not get a job of my choice					
<b>B.5</b>	<b>Employability Skills</b>					
24	There is a parity of my education and my employability skills					
25	I have enough knowledge on the subject studied					
26	I have adequate ability to apply the studied knowledge					
27	I have self confidence in my personal abilities to perform the job successfully					
28	I have much ability to get a decent job of my choice					
29	I am preparing well enough to get a job					

### C. Entrepreneurial Skills of Educated Unemployed Youth

You are requested to rate your entrepreneurial skill and personality traits in a five point scale with a weightage '5' for 'very good', '4' for 'Good', '3' for 'Average', '2' for 'Poor' and '1' for 'Very Poor' . Please give a tick mark in the appropriate column.

SI. No	Variables	Very Good (5)	Good (4)	Average (3)	Poor (2)	Very Poor (1)
<b>C.1</b>	<b>Entrepreneurial Skills</b>					
1	Ability to recognize business opportunities					
2	Ability in making a business project					
3	Ability in Leadership					
4	Ability in decision making					
5	Ability to organise					
6	Level of knowledge about Market					
7	Technical Skill					
8	Financial Skill					





**B. Sectors generate employment opportunities for Educated Youth in Kerala**

Rate your opinion regarding potential employment opportunities for educated youth (Degree/Diploma/ITI certificate course) in the following sectors in Kerala. Rating is to be done in the Five point Likert Scale to mark '5' for 'Very Strong Potential', '4' for 'Strong Potential', '3' for 'Average Potential', '2' for 'Low Potential' and '1' for 'Very low Potential'.

Sl. No	Variables	Very Strong Potential	Strong Potential	Average	Low Potential	Very Low Potential
1	Tourism and Hospitality Industry					
2	IT and IT Enabled Services (IT services, Business Process Management (BPM), software products and engineering services, and hardware)					
3	Health Care Services					
4	Education sector					
5	Construction Industry					
6	Agricultural research and Agro industries					
7	Food Processing industry					
8	Communication Industry including Telecommunication					
9	Organised Retail Industry					
10	Logistics and Distribution sector					
11	Market Research and Marketing Services					
12	Banking, Finance and Insurance services					
13	Repairs and Maintenance services					
14	Travel and Transportation industry					
15	Conventional and Non conventional energy sector					
16	Consultancy services including legal, management, technical and technological					

### C. Factors retard Employment Generation for Educated Youth in Kerala

You are requested to mark your level of agreement in appropriate column to the following statements regarding the factors responsible for retarding employment generation for educated youth in Kerala. Your level of agreement to be marked in five point Likert Scale where a weightage of '5' is given for 'Strongly Agree', '4' for 'Agree', '3' for 'Neutral', '2' for 'Disagree' and '1' for 'Strongly Disagree'.

Sl. No	Variables	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1	Lack of vision on the part of Political Parties					
2	Change of State Government in every five years					
3	Lack of long term industrial policy					
4	Consumer centric attitude of Keralities					
5	Unsupportive entrepreneurial culture in the State					
6	High level of Trade Union Militancy					
7	Too much dependence on Government jobs					
8	Aversion towards risk taking attitude of Keralities					
9	Negative mindset for self employment					
10	Low social status for non-Government employment					
11	Demand for High wages and salaries					
12	High cost of production					
13	Too much concentration on family wellness					
14	Technological growth consequent on downsizing					
15	Lack of adequate institutional support					
16	Non-responsive Government machinery					
17	Demand Supply mismatch in Higher Education					

### **Open ended Questions**

You are requested to answer the following questions for getting detailed view of these problems.

1. Give a brief account of your opinion regarding reasons for slow growth of Kerala economy and its production sectors?
2. What are the other pertinent reasons for large scale educated unemployment in the state?
3. What are your valuable suggestions for how to reduce educated unemployment in the state?
4. What are the changes needed in the approach of the political parties and Trade Unions for the generation of more employment in the state?
5. What are the changes needed in the Government policy for creating a viable entrepreneurial climate in the state?