Unemployment Among Educated Youth

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Abstract

The definition of youth differs from place to place. According to the United Nations, youth is defined as a person between the ages of 15 and 24 which is the transitional period from childhood to adulthood. But according to the National Youth Policy of India (2014), youth is defined as a person from the age of 15 to 29. Sarah Ayers's 2013 research indicates that youth unemployment has long term negative effects on the whole country's economy. Unemployed youth earn low wages for many years post their joblessness because of the foregone work experience and missed opportunities to develop skills. This leads to reduced future earnings for the individual. As result, the purchasing power during the lifetime of n individual is reduced, causing increased debt and inability to adequately save for retirement. This has a serious negative consequence on the country's economic growth as the economy faces a loss in aggregate demand due to less income. The falling in consumption expenditure results in slower economic growth which in turn leads to less job creation and greater taxpayer burden. In the form of lost revenues, the need for government-provided health care increases. Unstable economy leads to increased crime rates and need for additional welfare payments.

Downward labour participation can also implv greater enrolment in schools which could result in more earnings and economic growth. However, the high rate of youth unemployment suggests that there are too many people ho are willing to work but they are unable to find jobs. Lack of proper housing is also a serious concern as most unemployed young people in lesser developed countries end up in urban slums and streets and they engage in dangerous activities such as drug abuse, alcoholism, and crime. The youth, thus, have a difficult time integrating into the society on an economic as well as social level