

## **Youth Unemployment and Its Socio-Economic Impact in Ukhrul District, Manipur: Challenges and Policy Imperative**

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**Abstract:** Unemployment is a situation of one who is capable of working, seeking employment but is not able to work. This scenario is quite visible in developing and underdeveloped countries. This is the core reason for poverty and many of the social, and economic problems. The government has a crucial role in this situation. Unemployment leads to poverty, and due to the severe poverty, people may move from one place to another called migration. It may be internal migration or international migration. Due to migration, the country might be losing its human resources. Again, it may create social and economic problems. To solve this issue government should adopt proper projects and policies which are suitable for the State.

**Keywords:** Unemployment, Poverty, Government, Migration, Public Policy

**Type:** Research paper



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### **1. Introduction**

Youth unemployment is a major issue or concern in the present generation. There has been an increase in unemployment and many youths are jobless. It created social and political problems in society. Based on a nation's employment and unemployment rates, the health of its economy can be precisely assessed. Some experts have previously used unemployment as a macroeconomic indicator to evaluate the state of most economies. High unemployment rates are supposedly associated with poorer economic performance compared to low unemployment rates. The majority of emerging countries have sizable youth populations. The rate of new job creation in industrialized countries is slower than the rate of population growth in these countries. Younger workers represent a bigger proportion of workers who are beneficial to the country and economy. This team is the most

motivated to complete activities that are necessary in multiple locations. An important political, social, and economic challenge for the economy is the level of youth unemployment. Young people have trouble finding employment because they typically have little experience in those positions (Narendranathan and Elias 1993). Youth unemployment rates have frequently been higher than those for other age groups globally. Due to the COVID-19 pandemic, the youth unemployment rate increased in the twenty-first century.

Policymakers are becoming more and more aware that systemic initiatives (such as infrastructure projects, education programs, stabilization and stimulus packages, and so forth) do not provide young people with the assistance they need quickly enough or with sufficient assurance. Instead, they are discovering that specific youth employment vulnerabilities can be addressed through micro-policy interventions, which yield quicker results. They are also realizing that public policy should be used to intervene when market failures result in negative social outcomes for young people.

The International Labor Organization defines unemployment as “the share of the labor force without work but available for and seeking employment.” A person who seeks employment but cannot do so is said to be unemployed”. Joblessness or unemployment rate is defined as the percentage of unemployed persons in the labor force. India is a developing country with a population of 1.417 billion. It accounts for one-fifth of the world's population. It is expected that by 2036 youth population in India will be 22.7% (MOSPI) which is of high population. India has witnessed economic growth for the past three decades and thus changed from a low-income to a middle-income country. The growth is faced with unemployment and become the subject of intense political discussion.

According to information released by the Centre for Monitoring Indian Economy (CMIE), the unemployment rate in India is 12.81% as of June 8th, 2021, despite the lockdown and mobility limitations. According to research by CMIE, India's unemployment rate increased sharply from 6.5% in March 2021 to 8% in April 2021 and 14.7% by May's end, while the employment rate decreased from 37.6% in March to 36.8% in April. From a record high of 29% in March 2020 when the country was placed under lockdown, the unemployment rate in India dropped to 7% in September 2020. However, it later rose to 9.1% in December 2020. Between 2016- 17 and 2020-21, the youth unemployment rate is lower than 22.7%. The jobless rate dropped to 6.5 percent. According to the National Statistics Organization (NSO), the youth unemployment rate dropped from 7.6% in April- June of 2022 from 12.2% a year ago which is above 15 years of age.

Sharma (2022) claims that there is a heated dispute among academics over the reasons for India's high unemployment and underemployment rates. Organized labor unions and another group of academics disagree with the proposed explanation that it is a result of "restrictive labor rules that foster inflexibility in the labor market". According to the economist Sahoo (2014), India has around 250 labor regulations at the federal and state levels, and foreign manufacturers view them as overly complicated and restrictive compared to those in China and other nations that support manufacturing jobs. Sharma claims that because there are "so many, complex, and even ambiguous" labor rules in India,

neither a pre-employment economic environment nor peaceful labor relations are possible. There are seven different types of unemployment in India. The various forms of unemployment are covered below. First, there is the disguised unemployment. This unemployment occurs when more individuals are working than are required. Unorganized industries or the agricultural sectors are typically where hidden unemployment is found. Second, structural unemployment occurs when there is a discrepancy between the abilities of the worker and the jobs that are available in the market. Due to the large number of people in India who do not receive employment that is in line with their skills or who do not receive employment because they lack the necessary skills and a low level of education, it is critical to offer them relevant training. Third, seasonal unemployment is a form of unemployment in which people are jobless during particular times of the year, such as when laborers in India are seldom ever employed year-round. Fourth, people are considered to be unemployed under the category of vulnerable unemployment. People are employed, but their employment is informal—they lack formal job contracts—and no records of their labor are ever kept. One of the primary categories of unemployment in India is this one. Fifth, technological unemployment is the state in which people lose their work as a result of technological development. According to World Bank data from 2016, 69% more jobs in India were expected to be endangered by automation than the previous year. Sixth, frictional unemployment occurs when people experience temporary unemployment while looking for a new job or changing occupations. The interval between jobs is known as frictional unemployment, also referred to as search unemployment. Frictional unemployment is regarded as voluntary unemployment since it results from workers quitting their jobs in search of better chances, not from a lack of jobs. Finally, cyclical unemployment is created by the business cycle; during recessions, the number of unemployed people increases, and it decreases as the economy expands. In India, cyclical unemployment rates are minuscule.

India is growing to be the most democratic nation in the world. India's economy is currently one of the fastest expanding in the world. In India, there are currently 63% of people in the working age range (15-59 years), with a predicted increase to 68.4% by 2026. If used well, such a large labor force can provide a demographic dividend. However, India cannot effectively utilize a large labor base, therefore youth unemployment will be a burden for the country's existing economy. In India, more than 6 crore young people with college degrees are unemployed. The India Ministry of Labour reports on the country's unemployment rate and notes that employment data there has initially decreased, then increased.

According to the economic survey 2020-21, 44.2% of the youth population in Manipur are unemployed. In Manipur, finding stable work is difficult because only the government can hire educated people based on the vacancy position. For thousands of Manipur's skilled and educated youth, the state government serves as their primary source of employment because the private sector is absent from all productive industries. Forcing thousands of educated Manipuris to leave their home state in search of promising to present a significant challenge for the state government. It is not unexpected to learn that highly trained and brilliant young people from Manipur are being employed by private sector businesses in important Indian cities. Militant groups have turned their attention to young

people who are determined to remain in Manipur despite the lack of employment opportunities or even an increase in their standard of living.

Manipur is home to more than twenty armed militant organizations with separatist goals. The educated youth of Manipur fall victim to the various schemes of ultras as they brainwash them to take up arms against the Indian Army because they lack employment or meaningful engagement in their life. Political analysts claim that Manipur's distant northeastern state has few employment options because there are no industries or any private businesses there. These young people have been vying for positions in government agencies even though the state apparatus lacks the resources or the authority to hire such a huge number of educated youth.

Every government job allegedly comes with a price. Young people who come from families who cannot afford to pay large sums of money in bribes grow disillusioned and many of them fall vulnerable to anti-national propaganda. One of the key causes of the uptick in the separatist movement in Manipur, in the eyes of the Indian Army, is unemployment. Manipur's youth are experimenting with various strategies for generating means of subsistence and trying to become self-sufficient.

The study covers the age of 15-40 years. Youth consists of the population in the Ukhrul district. The majority of the youths in Ukhrul are facing unemployment problems which led to them to migrate in urban areas in search of a job as urban provide better job opportunities. The current situation consists of fewer youth, more children, and senior parents. The unemployed youth are mostly educated, and 90% of them are graduated. Graduated youths without a job idle doing nothing is a shame because of the social stigma, it is one of the social problems prevailing, and to avoid that people migrated rather than making use of their skills in their native place. As a result, the place is slow in bringing changes in society. The youths are facing full-time unemployment.

Facts have given the problem of youth employment a renewed feeling of urgency. The public and corporate sectors are now both aware that if youth decline trends do not change, it will be impossible to revive the world economy, usher in new prosperity, and end severe poverty. New national and international commitments are being made in response to this increased concern to solve governmental shortcomings and other institutional or environmental limitations. Nongovernmental, corporate, and civil society players are exhibiting new activism to enhance personal capabilities and aid in easing informational and other market restrictions geared toward the private sector. The Sustainable Development Goals (SDGs) of the United Nations reflect this understanding and desire for change with new targets linked to young employment: The youth of today won't be able to get out of poverty.

## **2. Literature Review**

Sharma (2022) studied youth unemployment through demographic transition and looked into the characteristics of the transition of the labor market. Even though India has decent economic growth, it fails to provide decent jobs to the youth. Serious questions are raised due to the increasing rate of unemployment, the mismatch between jobs, temporary jobs of nature, high informality, etc. Currently, India has been to the problem by creating livelihood and employment

generation programs for youth as well as other age people. Imparting skilled training to the youths has been important in recent years.

Digvijay and Shafighi (2021) defined different kinds of unemployment and analyzed the unemployment, GDP, and inflation rates through the regression method. They proposed that the Indian government needs to give importance to local development and provide funds for research and development. Tunca and Gulel (2020) studied the relationship between youth unemployment and crime rates by using the spatial econometrics method. In migration-receiving regions, individuals will commit a crime if the benefit is higher than the cost to be faced. The main reason for migration is unemployment and poverty.

By analyzing data from 30 OECD nations between 2000 and 2017, Baak and Jang (2019) evaluated the factors that influence the unemployment rate for young individuals in their 20s. They explain why Korea has a greater rate of youth unemployment than Japan and evaluate the potential effects of Japan's youth unemployment policies on Korea. The study identified the factors with significant effects on youth unemployment. They consist of the unemployment rate for persons of working age, the proportion of each age group in the general population, the GDP growth rate, the proportion of wage workers in each age group, the proportion of the elderly, and the proportion of part-time employees. This study also revealed a drop in the number of young individuals, particularly those in their 20s. The second part of this paper explored the additional causes of Korea's higher-than-average young unemployment rates. One is the less favorable employment environment in Korea in terms of pay wages than in Japan. There is also less quality corporate employment than in Japan, and the pay between major and small corporate jobs differs greatly. Therefore, it is essential to actively push policy measures to overcome short-term mismatch problems of young employment while making attempts to resolve long-term and structural difficulties. This can be done by using policy precedents from Japan.

Patel and Choga (2018) investigated the determinants of youth unemployment in South Africa. Variables like GDP, inflation, and education, directly or indirectly, affect youth unemployment. The study recommended that education levels in terms of individuals attending schools and universities must increase to improve the state's condition and development.

O'Higgins (2016) looked into the youth unemployment policy in Europe from a macro perspective due to a lack of aggregate demand for more youth unemployment. His result was that close targeting of schemes and tailoring of schemes to youth need to be equally distributed to promote post-program employment opportunities. The programs need to focus on the youth.

As per the National Sample Survey Organization (NSSO), unemployment is higher among the educated person. Bairagya (2015) explored the socioeconomic and regional factors responsible for educated unemployment in India and suggested promoting technical education large scale. The study found that the relationship between education and unemployment differs across developed and developing countries.

Eichhorst and Neder (2014) studied youth unemployment in Mediterranean countries. In the region, school dropout rates are high, returns to education are low, and the transition from work is problematic and difficult. It is because of the poor vocational training system, dualization of the labor market, and minimum wage rates that are set too high. The labor market needs to improve

this market. They suggested having a better interaction between the education system and the world of work so that returns on education must be high, in addition to having a match between supply and demand skills.

### 3. Objectives

The objectives of this paper are three-fold: (1) to understand the reason for youth unemployment., (2) to analyze the consequences of youth unemployment, and (3) to know the government initiatives to reduce youth unemployment.

### 4. Methodology

The study is based on both primary and secondary collected from various sources. A questionnaire was prepared, and the respondent was selected through a random method. Some open-ended questions were included, and the opinions were collected through them. Secondary sources are collected from the official website of the government, as well as through articles and journals.

### 5. Data Analysis

For this study, 61 respondents were selected from the particular area. Among the samples, and as shown in Table 1, 77% are male and 23% female. 82% of the total samples belongs to 20 to 30 age group, 9.8% of the samples belong to 30 to 40 age group, and 8.2% belong to 15 to 20 age group. In the case of education qualification, 60.7% have graduate degrees, 26.2% possess post-graduate studies, while 11.5% have higher secondary qualification.

**Table 1:** Details about the sample

Classification		No of respondents	Percentage
Gender	Male	47	77
	Female	14	23
Age	15-20	4	8.2
	20-30	51	82
	30-40	6	9.8
Qualification	Below metric or metric	1	1
	Higher Secondary	7	11.5
	Graduate	37	60.7
	Postgraduate	16	26.2

Source: Primary data

Ukhrul is not a highly densely populated district. The district does not provide many job opportunities to its people. The majority of the population depends on agricultural activities which do not pay them enough money. The government promises to make job opportunities for youth but the percentage of job availability is very low. In Table 2, results show that 86.8% believe that the Ukhrul district provides fewer job opportunities, suggesting that people do not

believe in the government's promises. People are forced to move out of their native places to find better jobs. 44.3% think that unemployment is due to a lack of skills. If people are not having sufficient skills, they may not get a job as per their wishes. If people can acquire new skills, they may get job opportunities. On the other side, 23% of the samples convey that unemployment is due to a mismatch between their education qualification and job availability. If the government cannot provide sufficient employment opportunities to their people, they may move out of the state or country and the state may lose its human resources.

**Table 2:** Reasons for youth unemployment

Causes	No. of respondents	Percentage
Overpopulation	5	8.2
Lack of skills	27	44.3
Fewer job opportunities	53	86.8
A mismatch between the job	14	23

Source: Primary data

If unemployment prevails in the system, it may lead to many social and economic issues. Many states are facing such kinds of situations. If youth are educated and at the same time they are not getting sufficient opportunities, the outcome might be many illegal activities like drug trafficking, drug abuse, etc. According to Table 3, 39% think that substance abuse may be a consequence of unemployment. The government should be very much aware of it. 41% believe that it may be the major reason for poverty. Due to unemployment and poverty, people may find a better place to live, resulting in a migration at that stage. 10% of the samples assume that migration will happen immediately. When it comes to the individual level, many who are not able to find jobs may be undergoing depression, with 5% of the sample reporting this. To build a strong nation with peaceful and happy people, the government should try to create more employment opportunities. This may even help to reduce many of the social and economic problems.

**Table 3:** Consequences of unemployment

Consequences	No. of respondents	Percentage
Substance abuse	24	39
Crime	3	5
Poverty	25	41
Migration	6	10
Depression	3	5

Source: Primary data

60.7% of the respondents answered that the government is taking initiatives to solve the youth unemployment problem while 39.3% disagreed, arguing the government is not taking an initiative. However, the government took some steps to reduce the problem. The initiatives which are taken by the government mostly remain in the urban area of Manipur. Populations are more in the valley of Manipur rather than in the hill areas even though the land area is much bigger than the valley. Moreover, the initiatives cannot be covered for every individual.

### **5.1. Manipur Diksha**

An IT platform for teachers was developed by the Directorate of SCERT Manipur under the direction and assistance of the MHRD, the Indian government, the NCTE, and Team DIKSHA, New Delhi. It serves as a comprehensive repository for all information concerning the state's school teachers, teacher-educators, and future educators, including data, capacities, and professional development.

The government of Manipur's Department of Education holds teachers to be the torchbearers in establishing and enhancing the state's student learning outcomes. The prevailing education system needs to improve to give more skills to the students. To improve their skills, teachers need to train well. Diksha serves as a National digital infrastructure for teachers. Providing resources and materials for teaching, learning, and professional development, Diksha is a national digital platform that will be extremely helpful to instructors. Teachers all around the country will be provided with cutting-edge digital tools, giving them access to an open, modular, and scalable technology that the State Governments and other organizations may easily integrate with their teacher-centric programs. So far Manipur government has trained 20412 teachers.

### **5.2. Start-Up Manipur**

Manipur, one of the most remote states in Northeast India bordering Myanmar, is drawing attention in the area as several bright young minds are converting their original ideas into start-ups. Young and energetic individuals in the state have investigated a variety of regions over the past several years and turned the materials they found into something useful while encouraging sustainable life and working toward self-reliance.

The "Start-up Manipur" project was started by the Manipurian government to foster long-term economic development and provide significant new employment possibilities. The state government established several incubators as part of the Manipur Startup Policy 2018 to support the expansion of at least 1,000 cutting-edge technology-based enterprises across the state. The Manipur start-up scheme has a five-year operational duration. The program starts on January 1st, 2018, and ends on December 31, 2021.

Start-Up Manipur aims to

- Incorporate appropriate learning modules, create pertinent entrepreneurship development programs in vocational institutions, and support outreach programs and interactions with entrepreneurs, e-cells, and entrepreneurship development centers across educational institutions in the State.
- Promote the establishment of new business incubators in the State working with the private sector.
- Consistently offer start-ups enabling mechanisms through networking, access to information and support services, capacity building, training and skill development, and other means.
- Encourage setting up new business incubators in the State in collaboration with the private sector.

### **5.3. PMKVY**

The Ministry of Skill Development & Entrepreneurship's (MSDE) main program, Pradhan Mantri Kaushal Vikas Yojana (PMKVY), is carried out through the



National Skill Development Corporation. This skill certification program's goal is to make it possible for many young people in India to enroll in training that is relevant to their industry and would improve their chances of finding employment. The key components of the scheme:

- Short-term training scheme which provided 60 lakh youth to get trained, assessed, and certified.
- Recognition of prior learning and aligning the competencies of 40 lakh individuals from the unregulated workforce with the National Skills Qualification Framework (NSQF)
- A platform that will facilitate training in special areas and premises of government bodies and corporations.

Under the PMJY, the government of Manipur has thus trained 91747 candidates and 2128 are ongoing training.

#### **5.4. National Career Scheme**

To transform the National Employment Service and provide a range of employment-related services like career counseling, vocational guidance, information on skill development courses, apprenticeships, internships, etc., the Ministry is implementing the National Career Service (NCS) Project as a Mission Mode Project. The National Career Services (NCS) initiative aims to close the gaps in the labor market through strategic interventions and partnerships with top institutions and businesses, improving decent employment and workforce quality, increasing female labor force participation, encouraging entrepreneurship, bridging the informal and formal employment sectors, engaging rural workers for higher productivity, and providing re-employment opportunities, among other things.

For its registered job seekers, National Career Service (NCS) has teamed with TCS iON, a strategic division of Tata Consultancy Services Ltd., to provide a free, self-paced online training program on "career skills" that will give the students a variety of soft skills. The training is offered in both Hindi and English and includes lessons on corporate etiquette, writing successful emails, creating compelling presentations, corporate telephone etiquette, and other topics.

For its registered users, NCS Portal offers online career counseling and vocational advisory services. This service strives to provide the jobseeker with the knowledge essential to make the best career decisions in light of his or her qualifications, skill set, and interests. The NCS Portal offers the chance to look through the list of authorized counselors and make an appointment with one of them. In-person or online platforms would be used to deliver counseling services.

The fundamental goal of career counseling is to help job seekers select a profession that aligns with their talents and professional goals. The NCS Project also plans to provide career counseling services through impaneled vocational guidance (VG) experts who have the necessary training and experience.

#### **5.5. Job- Fairs Organized by Career Centers**

Job fairs are held at Model Career Centers (MCCs) to allow job searchers to network with companies and ultimately find employment. In turn, job fairs may help firms looking for the proper skills identify qualified people. The job fairs are frequently held in MCCs, either on-campus or online. The NCS portal provides a feature for arranging online job fairs. Employers and placement agencies

advertise their job openings on the NCS portal through the MCCs and Employment Exchanges. Through SMS/email, the open positions are communicated to the qualified applicants. The MCCs/Employment Exchanges are making further efforts to encourage companies, placement groups, and job seekers to attend the job fairs. The career centers organize on-campus employment.

Several initiatives are taken up by the state and central government to reduce the problem. Many policies are set up and give maximum support to the youth however they could not meet the needs of the youth. It affects certain people but not the majority.

## 6. Conclusion

Any sort of unemployment is detrimental to an economy and society. It slows down national growth by undermining spending, investment, and productivity. It fuels social unrest and exacerbates inequality, failure, idleness, and unemployment. Using young people's financial resources and aspirations carries an inherent risk even more expensive. Youth unemployment, underemployment, and economic inactivity have social and economic repercussions for individuals, and families, as well as on current and upcoming security and prosperity on a national and global level. Millions of young people are living in poverty due to a lack of income, low-paying positions at first, and a delay in prospective lifetime earnings are constrained by enrollment into labor. Finding a job that pays well restricts the income and skill development of young individuals joblessness. Young people are up to four times as likely to be unemployed than adults, making up about 40% of the global unemployed population. In most developing and rising regions, the situation is expected to worsen, according to the International Labor Organization. High rates of entrepreneurship among young people indicate that they are seeking more control over their financial futures, but for far too many, business survival and growth remain challenges. Young people today are prepared and eager (though not always able) to use their resources and ingenuity to benefit themselves and their communities.

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