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Bridging the Gap: Addressing India's Graduate Employability Crisis Amid Rising Higher Education Enrollment

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Abstract
India's higher education system has witnessed remarkable growth, with the Gross Enrollment Ratio (GER) rising from 9.5% in 2000 to 28.4% in 2021-22, and student enrollment reaching 43.1 million. However, this expansion has led to a significant employability crisis, as only 51.25% of graduates are deemed job-ready, and unemployment among young graduates under 25 has soared to 42.3% in 2021-22. This study analyzes the growth of higher education enrollment, examines unemployment trends among graduates compared to other educational groups, identifies key skill gaps hindering employability, and explores regional disparities in skill development, with a focus on West Bengal. Using secondary data from sources like AISHE, PLFS, and Economic Survey, the research highlights the mismatch between academic qualifications and labor market demands, driven by outdated curricula and inadequate vocational training. Policy recommendations include curriculum reforms, stronger industry-academia ties, and region-specific skill development to address these challenges and enhance graduate employability.

Keywords: Higher education, Gross Enrollment Ratio, Graduate unemployment, Employability crisis, Skill gaps.

1. Introduction:

Over the past two decades, India's higher education landscape has transformed dramatically, with the Gross Enrollment Ratio (GER) in tertiary education climbing from 9.5% in 2000 to 28.4% in 2021-22 (AISHE, 2021). This expansion reflects increased access to higher education, driven by government policies and growing societal aspirations for academic qualifications. However, the rapid increase in graduate numbers has not been accompanied by a corresponding growth in employment opportunities, leading to a significant employability crisis. National surveys, such as the Periodic Labour Force Survey (PLFS), indicate that a substantial proportion of educated youth are either unemployed or engaged in jobs that do not match their qualifications. This paper examines the trends in graduate unemployment, the skill gap undermining employability, the effectiveness of higher education in preparing students for the workforce, and potential policy solutions with a focus on regional disparities in states like West Bengal.

2. Emergence of the Problem

India's higher education system has grown rapidly, with the Gross Enrollment Ratio (GER) jumping from 9.5% in 2000 to 28.4% in 2021-22, and student enrollment soaring to 43.1 million (AISHE, 2021). But this expansion has created a serious problem: many graduates can't find jobs. Only 51.25% of graduates are considered employable (Economic Survey, 2023), and unemployment among graduates has climbed to 18.9% in 2017-18 (Khare, 2020), with a shocking 42.3% of graduates under 25 jobless in 2021-22 (State of Working India, 2023). The core issue is that colleges are producing graduates faster than the job market can absorb, leaving many young people stuck without work that matches their degrees.

3. Objectives

1. To discuss the growth of Gross Enrollment Ratio (GER) and higher education enrollment in India from 2000 to 2023.
2. To explore the trends of unemployment among graduates in comparison to other educational groups using recent secondary data.
3. To identify the key employability challenges and skill gaps faced by graduates in the Indian labour market.
4. To explore regional disparities in skill development and employment opportunities for graduates, with special reference to West Bengal.

4. Methodology

This study employs a systematic approach, utilizing secondary data from credible sources to analyze higher education, employability, and skill development in India. Data is drawn from the All India Survey on Higher Education (AISHE) 2015–2023 for enrollment trends, Periodic Labour Force Survey (PLFS) 2023-24 for unemployment rates, Economic Survey 2023-24 for macroeconomic insights, and State of Working India 2023 for youth employment patterns. Additional sources include CPRHE research papers (Khare, 2021) for graduate employability, NSDC–KPMG Skill Gap Study (2018) for regional skill analysis, India Skills Report 2024 for industry trends, and Statista 2024 for labor statistics. News articles from The Hindu, Times of India, and Indian Express (2023–2024), alongside academic journals like Economic and Political Weekly and Journal of Higher Education (2020–2023), provide qualitative context. The methodology synthesizes these sources to address research objectives, ensuring evidence-based insights.

5. Key Findings

5.1 To discuss the growth of Gross Enrollment Ratio (GER) and higher education enrollment in India from 2000 to 2023

The expansion of India's higher education system is very evident in the significant increase in the Gross Enrollment Ratio (GER), which rose from 9.5% in 2000 to 28.4% in 2021-22 (AISHE, 2021). This Growth Reflects a concerted effort to democratize access to higher education, driven by government initiatives and increasing societal demand for academic credentials. By 2021-22, total enrollment in higher education reached an impressive 43.1 million students, a testament to the scale of educational expansion (The times of india, 2024). Notably, female enrolment has surpassed that of males, and the female labour force participation rate (LFPR) has risen from 23.3% in 2017-18 to

41.7% in 2023-24, according to the PLFS report (PLFS, 2023). This shows that progress is being made towards gender equality in education and labour force participation. The National Education Policy (NEP), 2020, has set an ambitious target of achieving a 50% gross enrolment ratio by 2035, indicating the government's continued commitment to expanding educational opportunities (NEP, 2020). However, this rapid growth has also raised questions about whether the quality of education and employment outcomes can keep up with the growth in enrolment.

Table 1.1: Gross Enrollment Ratio (GER) Trends in Higher Education

Year	GER (%)
2000	9.5
2014-15	23.7
2020-21	27.3
2021-22	28.4
2035 (Target)	50.0

5.2 To explore the trends of unemployment among graduates in comparison to other educational groups using recent secondary data.

The unemployment rate of graduates has been rising worryingly over the past few decades, from 9.01% in the 1993-94 academic year to 18.9% in the 2017-18 academic year (Khare, 2020). According to the State of Working India (2023), the latest data from the 2023-24 Periodic Labour Force Survey (PLFS) showed that the unemployment rate for youth aged 15-29 was 13.8% in April 2025, while the unemployment rate for graduates under 25 was as high as 42.3% in 2021-22. This trend is particularly worrying when compared with the unemployment rate of less educated groups, which has a much lower unemployment rate. For instance, individuals with secondary education and above faced an unemployment rate of 7.1% in 2024, while those with no literacy reported a 0.2% unemployment rate (India today, 2024). This disparity underscores a structural issue: graduates face higher unemployment than their less-educated counterparts, likely due to a mismatch between their qualifications and available job opportunities. The high unemployment among young graduates highlights the urgency of addressing employability challenges in the higher education system

Table 2.1: Unemployment Rates by Education Level (2023-24)

Education Level	Unemployment Rate (%)
Ill-Literate	0.2
Primary	0.4
Secondary	1.8
Higher Secondary	6.5
Graduate	18.9
Postgraduate and Above	13.6

5.3 To identify the key employability challenges and skill gaps faced by graduates in the Indian labour market.

A key barrier to graduate employment is the pervasive employability crisis. Only 51.25% of graduates are considered employable (Economic Survey, 2023-24,). The low employment rate is due to a huge skills gap, especially in areas such as **communication, problem-solving, critical thinking and technological proficiency**, which are increasingly valued by employers across industries. The disconnect between higher education curricula and labour market needs exacerbates the problem, as most institutions place greater emphasis on theoretical knowledge rather than practical and work-related skills. Furthermore, the lack of vocational and soft skills training is a significant gap, with only 12.8% of India's labor force holding higher education qualifications and even fewer receiving vocational training (Economic Survey, 2023). This deficiency limits graduates' ability to meet the dynamic needs of sectors such as IT, healthcare, and finance, where specialized skills are in high demand. Addressing these gaps is essential to improving employment outcomes and ensuring that higher education serves as a bridge to meaningful careers.

5.4 To explore regional disparities in skill development and employment opportunities for graduates, with special reference to West Bengal.

In West Bengal, regional disparities and industry demands highlight additional challenges in the relationship between higher education and employment. High population density and rapid urbanization in regions such as North 24 Parganas and Kolkata have led to strong demand for skilled workers in sectors such as construction, banking, financial services and insurance (BFSI), information technology (IT), healthcare and retail (NSDC-KPMG, 2013). However, rural districts such as Murshidabad and Cooch Behar suffer from severe shortages in training infrastructure, limiting access to quality skill development programs. This urban-rural divide contributes to a mismatch between the aspirations of young graduates, who often seek high-skill, white-collar jobs, and the actual job opportunities available, particularly in urban centers where competition is fierce. The NSDC–KPMG Skill Gap Study for West Bengal underscores the need for targeted interventions to address these regional disparities and align skill development with local economic demands.

6. Discussion

India's higher education system has expanded significantly, with enrollment reaching 43.1 million and a Gross Enrollment Ratio of 28.4% by 2021-22. However, graduate employability remains a challenge due to several factors. Many graduates are overqualified but lack critical skills like communication, analytical abilities, or technical expertise, leading to a 42.3% unemployment rate among those under 25. The oversupply of graduates and limited high-skill job opportunities worsen this issue. In addition, curriculums tend to emphasize theory over practical, industry-relevant skills, with little focus on vocational training or soft skills. Weak industry-academia collaboration limits internships and access to real-world experience, especially in fast-growing technology fields. Regional disparities further exacerbate the problem, as urban areas such as Kolkata offer better opportunities than rural areas with poor infrastructure such as Murshidabad. To take full advantage of India's young population (average age 28), the education system must adapt to market needs to reduce unemployment and underemployment.

India's higher education system, despite its impressive growth in enrollment, faces significant hurdles in preparing graduates for the workforce. A critical issue is the mismatch between academic training and industry demands, with many graduates possessing theoretical knowledge but lacking essential skills

like communication, problem-solving, and technical expertise. This gap contributes to high unemployment among young graduates, exacerbated by an oversupply of degree holders competing for a limited number of high-skilled jobs. Curricula that focus too much on rote learning and neglect practical, industry-relevant skills further widen the gap, leaving students unqualified for dynamic industries such as technology and innovation.

To address these challenges and harness India's youthful demographic dividend, stronger collaboration between academia and industry is essential. Integrating vocational training, internships, and soft skills development into curricula can bridge the employability gap. Additionally, addressing regional disparities by improving educational infrastructure in rural areas and fostering equitable access to opportunities will ensure a more inclusive workforce. By aligning education with market needs, India can empower its graduates to contribute meaningfully to economic growth.

7. Policy Recommendations for Enhancing Graduate Employability

To address the employability challenges in India's higher education system, the following measures are proposed:

1. **Curriculum Reform**: Reform academic curriculam to prioritize practical employability skills, such as effective communication, analytical problem solving, and advanced technical expertise. Introduce flexible, modular courses that allow students to specialize in high-demand areas. Work with industry to develop globally recognized certifications to ensure alignment with current workplace needs and prepare students to adapt to emerging technologies.
2. **Robust Industry-Academia Collaboration**: Foster deep partnerships between universities and industries to create structured opportunities like internships, apprenticeships, and live projects. Establish advisory boards with industry leaders to regularly update curricula, ensuring relevance to market trends. Facilitate guest lectures, workshops, and mentorship programs to expose students to real-world challenges and professional expectations.
3. **Modernized Vocational Training Programs**: Overhaul and expand vocational training centers, particularly in underserved rural regions, to equip students with skills for high-growth sectors like information technology, healthcare, renewable energy, and financial services. Integrate cutting-edge tools and technologies into training modules and promote public-private partnerships to fund and sustain these centers, ensuring accessibility and scalability.
4. **Stringent Quality Assurance Mechanisms**: Implement rigorous quality assurance frameworks, including periodic institutional audits, mandatory accreditation, and performance-based funding. Establish national benchmarks for employability-focused education, ensuring institutions maintain high standards in teaching, infrastructure, and industry alignment. Encourage peer reviews and stakeholder feedback to drive continuous improvement.
5. **Data-Driven Employment Tracking Systems**: Develop a centralized digital platform to monitor graduate employment, track labor market trends, and assess skills gaps. Use data analytics to inform policy decisions and curriculum updates, allowing institutions to adapt to changing industry needs. Share insights with stakeholders to increase transparency and guide students toward high-demand career paths.
6. **Tailored Regional Skill Development**: Design region-specific skill development programs to address economic disparities, such as those between urban Kolkata and rural Murshidabad in West Bengal. Align training with local industries, such as agriculture technology in rural areas or IT ser-

vices in urban hubs. Provide infrastructure grants and mobile training units to enhance access in remote regions.

7. **Soft Skills and Lifelong Learning Focus**: Incorporate mandatory soft skills training, including leadership, teamwork, and adaptability, into higher education curricula. Promote lifelong learning through online platforms and short-term courses, enabling graduates to upskill and reskill in response to changing job markets. Offer incentives for institutions to integrate these programs effectively.
8. **Entrepreneurship and Innovation Hubs**: Establish campus-based entrepreneurship cells and innovation hubs to nurture creativity and business acumen. Provide seed funding, mentorship, and incubation support for student-led startups, particularly in technology and social impact sectors. Encourage collaboration with local businesses to foster entrepreneurial ecosystems and create job opportunities.

8. Conclusion

India's higher education system has expanded significantly, with a 28.4% Gross Enrollment Ratio and 43.1 million students enrolled by 2021-22. However, the employability crisis persists, as only 51.25% of graduates are job-ready, and young graduates face high unemployment. This gap arises from skill deficiencies, outdated curriculam, limited industry connections, and regional disparities. To achieve the goal of 50% gross enrolment ratio by 2035 as outlined in the National Education Policy 2020, India must prioritise the development of practical skills, build strong industry partnerships, and develop individualised regional strategies. These reforms can transform higher education into a driver of economic development and sustainable employment opportunities, taking advantage of India's young population.

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