

## Education as an Instrument to Eradicate Unemployment in India: An Evaluation of Relationship between the Literacy Rate and the Unemployment Rate - An Analytical Study

Mudit Malaiya<sup>1</sup>, Dr. Anupi Samaiya<sup>2</sup>, Dr. Udit Malaiya<sup>3</sup>

<sup>1</sup>Research Scholar, Department of Education, Dr. Hari Singh Gour Vishwabvidyalaya, Sagar, M.P.

<sup>2</sup>Assistant Professor, Department of Education, Dr. Hari Singh Gour Vishwabvidyalaya, Sagar, M.P.

<sup>3</sup>Assistant Professor, School of Commerce, Eklavya university, Damoh, Madhya Pradesh

**How to cite this article:** Mudit Malaiya, Anupi Samaiya, Udit Malaiya (2024) Education as an Instrument to Eradicate Unemployment in India: An Evaluation of Relationship between the Literacy Rate and the Unemployment Rate - An Analytical Study. *Library Progress International*, 44(3), 10929-10934

### Abstract

Education plays a crucial role in eradicating unemployment because it imparts both skills and knowledge. An educated person is more likely to secure employment that offers adequate remuneration, allowing them to meet their basic needs. The specific aims of this study are :- to define the term- “Education as a Instrument to Eradicate Unemployment”, to evaluate the relationship between the education and unemployment, present study is based on the secondary data, secondary data have collected from the some specific websites- [www.geeksforgeeks.org](http://www.geeksforgeeks.org) and [www.adda247.com](http://www.adda247.com). Data have analysed by the help of tables, correlation test to conduct this study by using SPSS software.

**Keyword;** Education, Unemployment, Literacy, Rate, Relationship

### I. Introduction:

Education plays a crucial role in eradicating unemployment because it imparts both skills and knowledge. An educated person is more likely to secure employment that offers adequate remuneration, allowing them to meet their basic needs. Education enhances a person's employability by equipping them with the necessary qualifications, expertise, and competencies required in the job market. Moreover, it fosters critical thinking, innovation, and adaptability, making individuals better suited to handle evolving job demands.

Additionally, education provides access to information, encourages self-employment, and helps individuals explore entrepreneurial opportunities, reducing dependence on traditional job markets. By enhancing job readiness, education contributes to economic growth and the reduction of poverty, thereby playing a significant role in alleviating unemployment.

Unemployment and literacy are two critical social and economic issues that are intricately linked and significantly impact the overall development of a society. The interplay between unemployment and literacy is multifaceted, influencing not only individual prosperity but also national economic health. This essay explores the relationship between unemployment and literacy, examining the causes and consequences of these issues and suggesting potential solutions. A major benefit of education is the lower risk of unemployment at higher educational levels. In PSID (Panel Study of Income Dynamics) data on the male labor force, the reduction of the incidence of unemployment is found to be far more important than the reduced duration of unemployment in creating the educational differentials in unemployment rates.

Unemployment is a pressing issue in India, particularly among its youth. Education is a powerful tool that can help mitigate this problem by equipping individuals with the skills and knowledge needed to thrive in the job market.

Unemployment remains a critical challenge in India, exacerbated by a rapidly growing population and a competitive job market. Education is often viewed as a key driver for economic growth and employment generation.

### **I.1. Current State of Literacy and Unemployment in India**

#### **Literacy Rate:**

- As of recent data, India's literacy rate is approximately 77.7%. Significant disparities exist between urban and rural areas, genders, and among different states.
- **Unemployment Rate:** The unemployment rate has fluctuated, with recent estimates around 7-8%. Youth unemployment remains particularly high, highlighting the need for targeted educational initiatives.

### **I.2 Education as Tool for Economic Empowerment and useful to Eradicate Unemployment**

This “Head” is helpful to explore how education can play a crucial role for an Economic Empowerment and useful to Eradicate Unemployment:

#### **i. Skill Development**

- **Vocational Training:** Skill is generally construed as one's ability, competence, proficiency and talent to execute a given task successfully. Technical and vocational education can provide specific skills that meet the demands of various industries, enabling graduates to find jobs more easily.
- **Soft Skills:** Education can also focus on developing soft skills such as communication, teamwork, and problem-solving, which are essential for employability.

#### **ii. Enhancing Employability**

- **Higher Education:** Graduates from higher education institutions often have better job prospects. Fostering a strong higher education system can contribute to a more skilled workforce.
- **Lifelong Learning:** Promoting continuous education and upskilling ensures that workers remain competitive in a rapidly changing job market.

#### **iii. Bridging the Skill Gap**

- **Industry Collaboration:** Partnerships between educational institutions and industries can ensure that curricula are aligned with current job market needs, addressing skill mismatches.
- **Internships and Apprenticeships:** Programs that provide real-world experience can significantly enhance employability.;

#### **iv. Promoting Entrepreneurship**

- **Entrepreneurship Education:** Integrating entrepreneurship into the curriculum can encourage students to start their own businesses, creating jobs rather than seeking them.
- **Access to Resources:** Educated individuals with entrepreneurial skills are better equipped to leverage resources and opportunities to innovate and create jobs.

### **V. Regional Development**

- **Focus on Rural Education:** Expanding educational opportunities in rural areas can help reduce regional unemployment disparities. Access to quality education can empower rural youth with the skills needed for local industries.
- **Infrastructural Development:** Investing in educational infrastructure in underdeveloped regions can improve literacy rates and create a more skilled workforce.

### I.3 Analyzing the Relationship

To evaluate the relationship between literacy rate and unemployment rates, several factors must be considered:

- **Quality of Education:** It's not just about access but also the quality of education that influences employability. Mismatches between skills taught and industry requirements can exacerbate unemployment.
- **Higher Education vs. Vocational Training:** The growing emphasis on higher education may overlook the importance of vocational training, which could directly address skill gaps in the job market.
- **Regional Disparities:** States with higher literacy rates tend to have lower unemployment rates. However, economic conditions and industrial development also play significant roles.

### I.4. Policy Recommendations

To effectively leverage education in reducing unemployment, the following strategies can be proposed:

- **Revamping Curriculum:** Integrate skill development and vocational training into the education system to ensure students are job-ready ; update educational curricula to include practical skills and align them with market demands.
- **Focus on Digital Literacy:** As technology evolves, digital skills have become essential. Incorporating IT and digital literacy into education can enhance employability.
- **Public-Private Partnerships:** Encourage collaborations between educational institutions and industries to align skills training with labor market needs.
- **Targeted Programs for Marginalized Communities:** Special focus should be given to increasing literacy and employment opportunities for women, rural populations, and economically disadvantaged groups.
- **Increase Access to Quality Education:** Ensure that education is accessible to all segments of society, including marginalized communities.
- **Government and Private Sector Partnerships:** Foster collaboration between the government and private sector to enhance training programs and employment opportunities.

### Reviews of Literature:

- **Mian et al, M. (2022, December)** Recently, the use of digital skills as a tool to alleviate unemployment concerns of university graduates has gained considerable attention among governments in developing economies. The present study examines the impact of the E-education program (a digital initiative to train university graduates to get self-employed) on the unemployment reduction of young graduates of higher educational institutes (HEIs).
- **Patel, D., & Bulsari, D. (2015, DECEMBER)** Unemployment is associated with demographic characteristics like age, gender and region (rural or urban) too, over and above education. Unemployment has remained a cause of concern in India. Policy makers have tried to address the problem of unemployment in five year plans. It is believed that increase in education can help reducing the unemployment rate. Some of the early studies, investigating the effect of education on unemployment show that increase in education reduces the unemployment rate.

**Specific Objectives of the Study :**

There are following major objectives of this study :

- To find out the State wise Unemployment Rate and the State wise Literacy Rate of India.
- To define the term- “Education as a Tool to Eradicate Unemployment”.
- To evaluate the relationship between the “Education and Unemployment”

**Research Methodology**

Present study is descriptive and analytical in nature and correlational research design has adopted to conduct this study. Present study is based on the secondary data, the secondary data regarding the state wise literacy rate has collected from the website- [www.geeksforgeeks.org](http://www.geeksforgeeks.org) and the secondary data regarding the state wise unemployment rate has collected from the website - [www.adda247.com](http://www.adda247.com). The Data have analysed by the help of tables ,and correlation test. The state wise data regarding unemployment rate is considered as dependent continuous variable and the state wise data regarding the percentage of people who are literate belong to “ Education” is considered as independent continuous variable to conduct the Karl Pearson Correlation test ; the Karl Pearson Correlation test is capable to evaluate the absolute measurement between these two continuous variables as literacy rate and unemployment rate.

**Hypothesis**

A specific hypothesis of the study :

H<sub>0</sub>: There is no proportional relationship between the Unemployment and Education

H<sub>a</sub>: There is proportional relationship between the Unemployment and Education

**Result and Discussion 1 :** The state wise analysis regarding the Unemployment : Unemployment Rate (%) and Education : Literacy Rate ( %) of India in the year 2023.

**Table –I**

**Statewise Literacy Rate (%) and Unemployment Rate (%)**

Region	Literacy Rate (in %) ; year 2023	Unemployment Rate (in % ) ; year 2023
Andhra Pradesh	66.4	7.7
Assam	85.9	4.7
Bihar	70.9	19.1
Chhattisgarh	77.3	3.4
Delhi	88.7	20.8
Goa	87.4	9.9
Gujarat	82.4	2.3
Haryana	80.4	37.4
Himachal Pradesh	86.6	7.6
Jammu & Kashmir	77.3	14.8
Jharkhand	74.3	18
Karnataka	77.2	2.5
Kerala	96.2	7.4
Madhya Pradesh	73.7	3.2
Maharashtra	84.8	3.1

Meghalaya	75.48	2.7
Odisha	77.3	0.9
Puducherry	86.55	4.7
Punjab	83.7	6.8
Rajasthan	69.7	28.5
Sikkim	82.2	13.6
Tamil Nadu	82.9	4.1
Telangana	72.8	4.1
Tripura	87.75	14.3
Uttar Pradesh	73	4.3
Uttarakhand	87.6	4.2
West Bengal	80.5	5.5
All-India	77.7	8.3

Source :<https://www.geeksforgeeks.org/state-wise-literacy-rate-in-india> and <https://www.geeksforgeeks.org/state-wise-literacy-rate-in-india>

Table I reveals about the statewide “Literacy Rate (in %)”, “Unemployment Rate (in %)” of India . It indicates that, Kerala has the highest literacy rate - 96.2% whereas Haryana has the highest unemployment rate - 37.4% in the year 2023 .followed this, Delhi has the highest literacy rate - 88.7% whereas Rajasthan has the highest unemployment rate - 28.5%.

The Andhra Pradesh has the lowest literacy rate - 66.4% whereas Odisha having the lowest unemployment rate - 0.9% .followed this, Rajasthan has the lowest literacy rate - 69.7% whereas Gujrat has the lowest unemployment rate - 2.3% . Thus, one can say that, Kerala has the highest literacy rate, while Haryana has the highest unemployment rate. Andhra Pradesh has the lowest literacy rates, while Odisha has the lowest unemployment rate.

## Result and Discussion 2 : Testing of Hypothesis

Under this part, testing of hypothesis is done with the help of the “Karl Pearson Correlation Test”. It is helpful to find out the relationship between the two continuous variables i.e. Literacy Rate (Education) and Unemployment Rate (Unemployment).

**Table -2**  
**“Karl Pearson Correlation Test”**

Source – Based on the Table -1 and , SPSS Software.

Correlations		Education ( Literacy Rate)	Unemployment (Unemployment Rate)
Education(Literacy Rate)	Pearson Correlation	1	-0.109
	Sig. (2-tailed)		0.58
	N	28	28
Unemployment (Unemployment Rate)	Pearson Correlation	-0.109	1
	Sig. (2-tailed)	0.58	
	N	28	28

Table 2 reveal about the Karl Pearson Correlation test, it indicates the Bivariate Correlation between two variables as literacy rate and unemployment rate,  $P > 0.05$  ( $0.58 > 0.05$ ), it indicates that there is no proportional relationship between the Unemployment; Unemployment Rate and Education; Literacy Rate. Thus, we reject the alternative hypothesis and fail to reject the null hypothesis under this present study; one can say that, there is no proportional or direct relationship between the “Unemployment; Unemployment Rate” and “Education; Literacy Rate”. There is the inverse relation between the no. of percentage of unemployed people and the no. of percentage of literate people in India. Thus, one can say that, while being highly educated increases job opportunities and can lead to better job security and remuneration.

## Conclusion

- Education is a pivotal factor in combating unemployment in India. By focusing on skill development, enhancing employability, bridging skill gaps, promoting entrepreneurship, and ensuring equitable access to education, India can create a more dynamic workforce. Investing in education not only empowers individuals but also drives economic growth, ultimately leading to a reduction in unemployment. The relationship between literacy and unemployment in India is complex but significant. While improving literacy rates is essential, it must be accompanied by a focus on quality education, skill development, and substantial progress in eradicating unemployment and achieving sustainable economic growth.
- There is inverse relation i.e. there is no direct or proportional between the Unemployment (total no. of percentage of unemployed people) and Education (the total no. of percentage of literate people). In India, most of the regions such found where on number of literate people increases then the total no. of people who are unemployed decreases because education and unemployment is inversely correlated with each-other. Here by, one can say that, education is the most appropriate instrument to eradicate unemployment.

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