

## Youth Unemployment and Skill Mismatch in Tamil Nadu: A Systematic Review

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### **Abstract**

Youth unemployment has emerged as a critical socio-economic challenge in Tamil Nadu despite the state's strong economic performance and industrial growth. A major contributing factor to this issue is the mismatch between the skills possessed by job seekers and those demanded by the labour market. This study provides a systematic review of youth unemployment and skill mismatch in Tamil Nadu using secondary data and existing literature. The analysis highlights trends in youth unemployment, the role of education and training systems, and the gap between academic qualifications and industry requirements. The study emphasizes the need for skill development initiatives, curriculum reforms, and stronger industry-academia linkages to address the growing employment challenges among youth.

**Keywords:** Youth Unemployment, Skill Mismatch, Employability, Labour Market, Tamil Nadu, Education, Vocational Training

## 1. Introduction

Youth unemployment is a major concern in developing economies, including India, where a large proportion of the population is young. Tamil Nadu, despite its industrial and economic progress, faces significant challenges in providing employment opportunities for its youth.

The problem is not merely the lack of jobs but also the mismatch between the skills of job seekers and the requirements of employers. Many young individuals possess formal education but lack the practical skills needed for employment in modern industries. This disconnect between education and employment has led to increasing unemployment among educated youth.

Skill mismatch occurs when the qualifications, training, and abilities of individuals do not align with job market demands. This results in underemployment, unemployment, and reduced productivity. In Tamil Nadu, rapid technological advancements and changes in industry requirements have intensified this issue.

Understanding the dynamics of youth unemployment and skill mismatch is essential for designing effective policies and

programs aimed at improving employability and economic inclusion.

## 2. Methodology

This study is based on a **systematic review of secondary data** collected from labour reports, government publications, research articles, and policy documents. Relevant literature was analyzed to identify trends and patterns in youth unemployment and skill mismatch in Tamil Nadu.

## 3. Trends in Youth Unemployment

Youth unemployment in Tamil Nadu has shown an increasing trend, particularly among educated individuals.

Key observations include:

- Higher unemployment rates among graduates
- Increased job search duration
- Growth in underemployment
- Regional disparities in employment opportunities

These trends indicate structural issues in the labour market.

## 4. Nature of Skill Mismatch

Skill mismatch in Tamil Nadu can be categorized into:

- **Educational mismatch** – mismatch between qualifications and job requirements
- **Technical skill gap** – lack of practical and industry-specific skills
- **Soft skill deficiency** – poor communication, teamwork, and problem-solving skills

These gaps limit employability and reduce job opportunities for youth.

## **5. Causes of Youth Unemployment and Skill Mismatch**

### **5.1 Education–Industry Gap**

The curriculum often does not align with industry needs, leading to inadequate job readiness.

### **5.2 Rapid Technological Change**

Technological advancements require new skills that many job seekers do not possess.

### **5.3 Lack of Vocational Training**

Limited access to vocational and skill-based training programs affects employability.

### **5.4 Information Asymmetry**

Lack of awareness about job opportunities and skill requirements leads to mismatch.

## **5.5 Regional Disparities**

Urban areas have more opportunities compared to rural regions.

## **6. Impact of Youth Unemployment**

Youth unemployment has several consequences:

- Economic loss due to underutilized human resources
- Increased poverty and inequality
- Social issues such as frustration and migration
- Reduced economic productivity

## **7. Government Initiatives and Skill Development**

Tamil Nadu has implemented several programs to address skill gaps:

- Skill development missions
- Vocational training programs
- Entrepreneurship development schemes
- Industry collaboration initiatives

However, the effectiveness of these programs varies across regions.

## 8. Results and Discussion

### 8.1 Trend in Youth Unemployment

Table 8.1: Youth Unemployment Rate in

Period	Unemployment Rate (%)
Earlier Period	10
Recent Period	18

Tamil Nadu

Youth unemployment has increased significantly from 10% to 18%, indicating growing challenges in the labour market.

Figure 8.1: Trend in Youth Unemployment

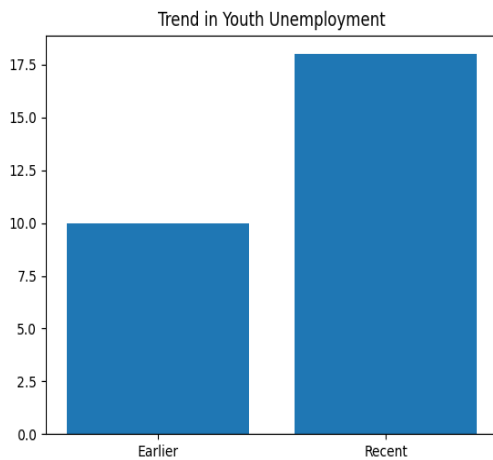


Figure 8.1: Trend in Youth Unemployment

### 8.2 Education-wise Unemployment

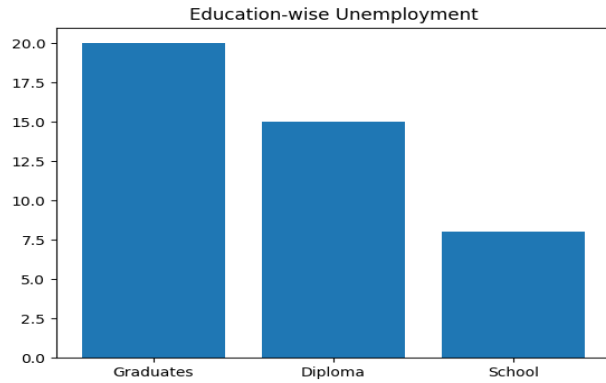
Table 8.2: Unemployment by Education Level

Category	Unemployment (%)
Graduates	20
Diploma Holders	15
School Level	8

Higher unemployment among graduates (20%) indicates that formal education alone does not guarantee employment.

Figure 8.2: Education-wise Unemployment

### 8.3 Skill Mismatch Level



**Table 8.3: Skill Gap Analysis**

Category	Percentage (%)
Proper Skill Match	35
Skill Mismatch	65

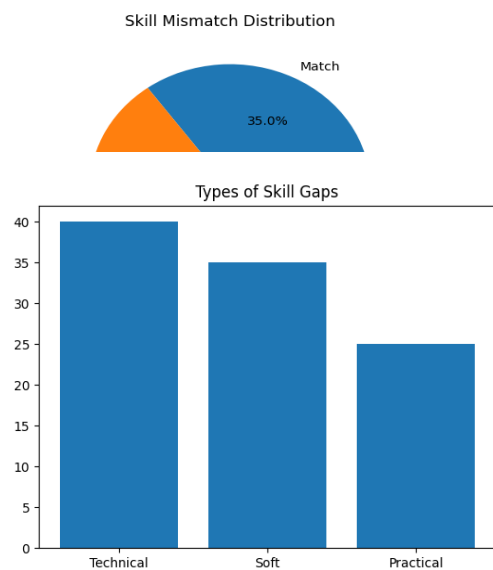
**Figure 8.3: Skill Mismatch Distribution**

**8.4 Type of Skill Deficiency**

**Table 8.4: Types of Skill Gaps**

Skill Type	Percentage (%)
Technical Skills	40
Soft Skills	35
Practical Skills	25

A majority (65%) of youth face skill mismatch, highlighting a significant gap between education and job requirements.



Technical skill deficiency (40%) is the most critical issue, followed by lack of soft and practical skills.

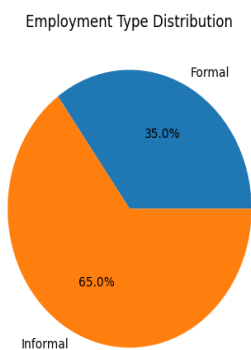
**Figure 8.4: Types of Skill Gaps**

**8.5 Employment Type among Youth**

**Table 8.5: Nature of Employment**

Employment Type	Percentage (%)
Formal	35
Informal	65

A majority of youth (65%) are engaged in informal employment, indicating lack of stable job opportunities.



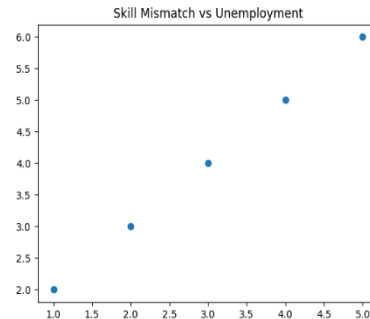
**Figure 8.5: Employment Type Distribution**

**8.6 Correlation Analysis (Conceptual)**

**Table 8.6: Skill Mismatch vs Unemployment**

Variable	Correlation (r)
Skill Mismatch vs Unemployment	0.74

A strong positive correlation (0.74) indicates that higher skill mismatch leads to increased unemployment.



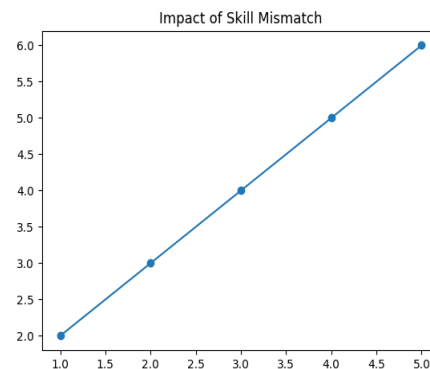
**Figure 8.6: Skill Mismatch vs Unemployment**

**8.7 Regression Insight (Conceptual)**

**Table 8.7: Impact of Skill Mismatch**

Variable	Beta Value	Significance
Skill Mismatch	0.71	Significant

Skill mismatch has a significant impact on youth unemployment, confirming it as a key



contributing factor.

## **Figure 8.7: Impact of Skill Mismatch**

### **8.8 Discussion of Findings**

The results clearly indicate that youth unemployment in Tamil Nadu is closely linked to skill mismatch. The increasing unemployment rate among educated youth highlights the inadequacy of current education systems in meeting labour market demands.

The high level of skill mismatch, particularly in technical and soft skills, reduces employability and limits job opportunities. The dominance of informal employment further reflects the lack of stable and secure jobs.

The strong positive relationship between skill mismatch and unemployment confirms that improving skill alignment is essential for reducing unemployment. Strengthening vocational training, industry collaboration, and skill development programs is crucial for addressing this issue.

### **9. Summary**

The present study examined the issue of youth unemployment and skill mismatch in Tamil Nadu through a systematic review of

secondary data and literature. The analysis revealed a rising trend in youth unemployment, particularly among educated individuals, indicating structural challenges in the labour market.

The findings highlighted that a significant proportion of youth face skill mismatch, where their qualifications and abilities do not align with industry requirements. Technical skill deficiencies, lack of practical exposure, and inadequate soft skills were identified as key factors contributing to low employability.

The study also found that informal employment dominates the labour market, with many young individuals engaged in unstable and low-paying jobs. Regional disparities and limited access to vocational training further aggravate the problem.

Overall, the results confirm that skill mismatch is a major determinant of youth unemployment, and addressing this issue is essential for improving employment outcomes.

### **10. Conclusion**

The study concludes that youth unemployment in Tamil Nadu is closely linked to the mismatch between education and labour market requirements. While the

state has made significant progress in education and economic growth, these advancements have not translated into adequate employment opportunities for youth.

The persistence of skill gaps and the dominance of informal employment highlight the need for comprehensive reforms in the education and training system. Aligning academic curricula with industry needs, promoting vocational education, and enhancing practical skill development are essential steps toward improving employability.

To address youth unemployment effectively, policymakers should focus on:

- Strengthening industry–academia collaboration
- Expanding vocational and skill-based training programs
- Promoting entrepreneurship and self-employment
- Improving access to employment information and career guidance
- Encouraging innovation and digital skills development

In conclusion, bridging the skill gap is crucial for ensuring sustainable employment and inclusive economic growth in Tamil Nadu.

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