

# **Educated Unemployment in Sikkim: An Outcome of Educational Development**

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The paper attempts to show that educated unemployment problem is an outcome of educational development in Sikkim. Education is developing largely for entering into a formal job market. However, the existing educational system fails to produce all employable persons. As a result, the problem of educated unemployment became severe particularly for rural males in Sikkim. Educational system needs to be restructured towards job-oriented scheme. The growing population demands for an expansion of the base of educational institution. Employability is the major challenge to reduce the problem of unemployment.

**Keywords:** Educated, Unemployment, Education, Development, Sikkim.

## **Introduction**

Education is the means through which knowledge and skills can be developed. It also helps a person to get a job and perform the same with a fair degree of competence. It has been regarded as the determining factor for the level of economic prosperity and welfare of the people. As per Shingi and others (1988: 52) education is “treated as a business proposition with all those investing in it wishing returns on it”. Despite the many efforts, in a labour surplus economy like India, many people remain unemployed and continue to search or to be available for employment. Blaug et al. (1969: 38) pointed that “all the general factors that tend to inhibit market clearance for specialized skills in poor countries help to contribute to the creation of educated unemployment.” While the increase in population and literate persons in general and educated people in particular amidst the limited job opportunities suitable with their acquired education itself originated the problem of educated unemployment in the state of Sikkim. The state being a developing one with a modest economic growth, even in the era of globalisation, is unable to generate adequate employment opportunities particularly in the organised public sector amid rising higher educational attainment. The expanding and growing number of educational institutions including higher educational institutions in the state is catering largely to improve the human capital and a mechanism to curb educated unemployment. This paper examines the trend of educational development in relation with the problems of

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educated unemployment using census and National Sample Survey (NSS) data in Sikkim in the recent periods.

### **Concept and Definition: Educated Unemployed**

The National Sample Survey Organisation (NSSO) defines unemployed as persons who, owing to lack of work, had not worked but either sought work through employment exchanges, intermediaries, friends or relatives or by making applications to prospective employers or expressed their willingness or availability for work under the prevailing conditions of work and remuneration, were considered as those “seeking or available for work” (or unemployed). NSS provides three different estimates of unemployed, as in the case of employed, namely – (i) Number of persons usually unemployed based on usual status approach (principal status, and principal status and subsidiary status together); (ii) Number of persons unemployed on an average in a week based on the weekly status approach; and (iii) Number of person-days unemployed on an average during the reference period of seven days preceding the survey. The first estimates the magnitude of persons unemployed for a relatively longer period during a reference period of 365 days and approximates to an indicator of the chronic unemployment. Some of the unemployed on the basis of this criterion might be working in a subsidiary capacity. One can, therefore, get another estimate of the unemployed excluding those employed in a subsidiary capacity during the reference period. The former is called as the usually unemployed according to the principal status, the one that is used in the present study, and the latter, the usually unemployed excluding the subsidiary status workers (usual status adjusted) which admittedly will be lower than the former. Educated are those “persons who have attained an educational level of secondary and above” and attained “age of 15 years or above” (NSSO, 2011:157). Unemployed are those persons who “sought work or did not seek but was available for work (for usual status approach)” (NSSO, 2011: 13). Educated unemployed are persons who have obtained an educational level of secondary and above and are seeking or available for work.

### **Demographic Features of Sikkim**

Sikkim, which merged as the 22<sup>nd</sup> state of the Indian Union in 1975, has a geographical area of 7098 km sq with diverse customs, cultures, traditions and languages. It is a home to multifarious social, ethnic and linguistic groups with a population about 0.6 million in 2011. About 5 and 21 percent of the state’s population are Scheduled Castes and Scheduled Tribes respectively. Sikkim contributes only 0.22 percent in the total geographical areas of India. However, only 0.05 percent of India’s 1.21 billion people reside in the state according to the latest data of census of India. Sikkim’s population density has substantially increased from 57 in 1991 to 86 in 2011. The population was growing rapidly at 32.98 percent, a decadal growth rate, during 1991-2001; however, it has slowed down to a considerable rate at 12.36 percent during 2001-2011. The same trend was prevalent at the national level (or national average or country is used interchangeably here onwards) that the growth rate has declined from 21.34 to 17.64 percent during the same period respectively. The decline in growth rate of Sikkim is too drastic as compared to the national level. Is it because of the dearer cost of living in Sikkim? The period of 1991-2001 that showed a high growth might have been

caused by migration towards the state because of industrial as well as developmental work expansions such as establishment of pharmaceutical industries for example CIPLA, ZYDUS, SUN Pharma, etc. and food processing industries, for example Wai Wai. Possibly, it might have also greatly attracted due to the liberalisation, privatisation and globalisation.

The slow growth of population in the latter decade is due to changes in migration pattern, educational development and mortality rate. It is due to the low rate of in-migration in Sikkim because of sluggish expansion of developmental as well as industrial work when compared to the decade of the 1990s. Also the state has almost reached its limit to absorb migrants. It is also attributed by an increase in out-migration for higher education and in search of jobs. Moreover, the increased in educational level and decline in infant mortality rate reduces the birth rate thereby reducing the family size and population growth.

The latest census figure shows a slight improvement in the sex ratio touching at 889 from the previous decades; however, very much below the national average of 940. It shows that male child preferences is gradually, but at a very slow pace, loosening from the existing social system as females are slowly coping up in the educational contest in line of their male counterparts. Moreover, more number of females could have migrated in the recent decade towards Sikkim due to marriage to the previously migrated males. Moreover, it is not astonishing to observe in the recent decade that the growth rate of female was slightly greater as compared to the male population in Sikkim, and also at the national level.

### **Educational Development in Sikkim: Linkage with Unemployment**

Education, which is one of the development indicators, is an integral part of human resources. Economists and educationists would agree that it is the human resources not its capital or material resources that ultimately determine the character and pace of its economic and social development. The growth of education plays an important role in altering the structure of employment. The human capital theory ascertains that earning increases as the years of schooling increases (Borjas, 2005). Moreover, Azad (1991) opines that demand for wage employment increases as the level of education rises.

Sikkim has witnessed and experienced a rapid educational development over the recent decades. It is evident that literacy rate has rapidly grown at a more impressive rate in the state as compared to the national level. The educational attainment measured in terms of literacy rate has grown by about 23 percentage points from 34.05 percent in 1981 to 56.94 percent in 1991 as presented in Table 1. It has further increased in the following decades touching 82.20 percent in the year 2011. The increased in the educational development is sharper after the state merged with the Indian union. The rate of literacy at the national level has increased by slightly less than 9 percentage points during 1981-91, further scales at 74.04 percent in the recent most decade. It is obvious that the pace of spread and growth of education in the state is relatively faster when compared to the national level. Only after 1990s, which coincide with the era of liberalisation, privatisation and globalisation, the level of educational attainment in the state surpassed the national level.

Literacy rate has increased for both the gender at both the state and the national level. However, the rate continues to be lower for females than the males which generate a gender gap that is measured as the difference between the rate for males and females. The gender

**Table 1: Literacy Rates (%) of Sikkim, India**

Year	Sikkim				India			
	Male	Female	Person	Gap	Male	Female	Person	Gap
1971	25.37	8.90	17.74	16.47	45.95	21.97	34.45	23.98
1981	43.85	22.20	34.05	21.65	56.50	24.97	43.67	31.53
1991	65.70	46.76	56.94	18.94	64.13	39.29	52.21	24.84
2001	76.04	60.40	68.81	15.64	75.85	54.16	64.80	21.69
2011	87.29	76.43	82.20	10.86	82.14	65.46	74.04	16.68

Note: Gap is the difference of literacy rates between male and female.

Source: Census of India, 1981 to 2011.

Educational Level	Year	Sikkim								India									
		Rural				Urban				Rural				Urban					
		Male	Female	Person	Gap	Male	Female	Person	Gap	Male	Female	Person	Gap	Male	Female	Person	Gap		
Not literate	1993/94	32.2	48.9	39.6	16.1	20.4	18.0	45.5	67.9	56.4	24.1	38.4	30.9	41.2	61.5	51.1	21.6	34.3	27.7
	1999/00	26.8	40.5	33.2	13.9	23.9	18.4	41.2	61.5	51.1	21.6	34.3	27.7	36.4	55.0	45.5	19.5	30.7	24.8
	2004/05	21.2	31.0	25.8	11.0	26.0	18.0	36.4	55.0	45.5	19.5	30.7	24.8	29.4	46.7	37.8	16.4	26.4	21.1
	2009/10	12.8	21.1	16.7	5.7	18.1	11.3	29.4	46.7	37.8	16.4	26.4	21.1	44.6	28.6	36.8	47.7	42.8	45.4
Literate & upto middle	1993/94	54.6	43.4	49.6	51.4	57.6	54.2	44.6	28.6	36.8	47.7	42.8	45.4	46.8	33.5	40.3	46.5	43.1	44.7
	1999/00	60.9	52.2	56.8	57.3	50.1	54.0	46.8	33.5	40.3	46.5	43.1	44.7	50.1	38.2	44.3	46.0	43.8	44.9
	2004/05	66.4	59.2	63.0	60.3	49.1	55.1	50.1	38.2	44.3	46.0	43.8	44.9	51.7	42.9	47.4	42.4	40.6	41.5
	2009/10	68.2	65.6	67.0	54.8	58.1	56.3	51.7	42.9	47.4	42.4	40.6	41.5	98	3.4	6.7	28.1	18.7	23.6
Secondary & above or Educated	1993/94	13.1	7.7	10.7	32.5	22.0	27.8	9.8	3.4	6.7	28.1	18.7	23.6	11.4	7.1	9.4	28.7	25.8	27.3
	1999/00	11.4	7.1	9.4	28.7	25.8	27.5	11.7	5.0	8.3	31.7	22.5	27.3	13.4	6.7	10.2	34.5	25.5	30.2
	2004/05	12.3	9.9	11.2	28.7	24.9	26.9	13.4	6.7	10.2	34.5	25.5	30.2	18.8	10.3	14.7	41.1	32.8	37.1
	2009/10	18.6	13.3	16.1	39.6	23.2	32.2	18.8	10.3	14.7	41.1	32.8	37.1						

Source: NSSO, Report Nos. 409, 458, 515 and 537.

gaps of the rate were lower for the state than for the country. For instance, the gap was about 22 percentage points for the state as compared to about 32 percentage points at the national level in 1981; and about 11 and 17 percentage points for the state and the nation respectively in 2011. It has narrowed down indicating that education is increasingly delivered for females as much as for males for both the state and the country. Also, females are increasingly opting for education rather than catering household obligation. Yet, it remained higher for males than females implying that the pace of the female's literacy level would determine the speed towards reaching the goal of full literacy of the country. Consequently, population growth will slow down and human development will improve.

The prevalence of high level of literacy does not necessarily meant to have attained higher level of education. This can be explained with the NSS data, as presented in Table 2, which shows about 11 percent of the population, have completed secondary and above education or are educated in Sikkim that is significantly higher than the figure for the national level of about 7 percent in rural areas in 1993/94. The educated consists "not only of graduates but of all those who have completed at least eleven years of schooling and are matriculates or above" (Blaug et al., 1969:1). The share was slightly higher in Sikkim than the national level throughout the periods. It has gradually increased to a record of about 16 percent for the state against a level of close to 15 percent at the national level during 2009/10. In urban areas, the share of the educated was prevailing at much higher level, as compared to the rural areas, because of the better availability of educational infrastructure and institutional development. It was about 32 percent and 37 percent for the state and the country respectively during 2009/10. In the 1990s, the share of the educated was higher for the state than for the country. However, afterward, the situation has reversed. It substantiates the argument that high prevalence of literacy attainment is just mostly a mere literate but not an educated. For both the genders, the share has increased in both the areas throughout the periods because of the rise in the level of enrolment, expansion of the base of pre-secondary education, increased in government subsidy on higher education, implementation of right to free and compulsory education and also partly due to the increase of educated unemployment.

However, it continues to be higher for males indicating that the tendency to acquire higher education is greater for males. In general, the secondary and above educational attainment is more prominent in urban areas than in rural areas. For instance, it was about 5 percent in rural areas against about 16 percent in urban areas of Sikkim in 2009/10. It is also more prominent for the males than for females indicating the males' dominance in the field of higher education. It is interesting to observe the narrowing down of gaps of the share between males and females in Sikkim in the 1990s. Afterward, it is surprising that the gap has considerably widen particularly in urban areas indicating that females are either not interested in pursuing higher education at the rate of their male counterparts or entered into family institution at early age. The gap was larger for the country in rural areas; however, it was lesser for the country in urban areas when compared to the state of Sikkim in 2009/10. The gap for the country was more or less stable till 2004/05; however, the gap slightly widens in rural areas and slightly narrowed down in urban area in the latter period.

The increase in the share of the educated, i.e. persons who have completed second

ary and above education, indicates the general acceptance of the growing importance of education or higher demand for education in order to enter into formal employment sector. The higher demand for education are mostly an induce demand i.e. it exerts demonstrative effect. The demand for an education sufficient to qualify an individual for entry into modern sector jobs appears to be related to the “wage differential between jobs in the modern sector and the traditional sector; probability of success in finding modern sector employment, direct private costs of education and, opportunity costs of education” (Todaro, 1991: 337-338).

Education is a function of employment in the modern job market. Education is a means for development of morality and personality, accumulation of knowledge and skills, and for employability in the modern labour market in particular among many ends. Educating and motivating for prosperity through learning is widespread yet education remains a dream for large section of the people. At present education is considered as the most necessary commodity; therefore, educational attainment is ever rising. This is largely contributed by the nature of competitive structure of demand for labour with extra qualifications in the existing job market. The demand for education is in reality a derived demand for high-wage employment opportunities in the modern sector. This is because access to such jobs is largely determined by an individual’s education. Most people, especially the poor, in less-developed nations do not demand education for its intrinsic non-economic benefits but simply because it is the only means of securing modern sector employment. These derived benefits must in terms be weighed against the costs of education. On the supply side, the public supply of the quantity of school places at the primary, secondary, and university levels is “fixed by the level of government educational expenditures” (Todaro, 1991: 337).

Fostering on higher education is often argued as a mechanism to curb unemployment in short-run by enabling to accommodate more number of people in higher education through subsidy on education. As Marga (1974: 14) has pointed that “educational expansion served to delay the entry of young job-seekers into the labour market by keeping them for increasingly longer periods in the educational cycle.” Expanding and instituting various higher educational institutions including distance education is a vivid example. Nevertheless, the growth of population also demands for more number of the institutions.

In 2008, there were 784 numbers of government schools as per the Annual Reports 2007-08 published by HRDD, Sikkim government. These schools include lower primary schools to senior secondary schools. Twelve colleges and research institutes were also recorded. As much as five universities including one central university existed. There are few institutions for teachers training and technical education. Vocational trainings are imparted in almost all the government senior secondary schools in the field of horticulture, information technology application, travel and tourism management, dairying, automobile technology, hotel management and catering technology among others.

Moreover, present job seekers are quite informative about the scarcity of vacant organised jobs in which extra qualification becomes necessary condition in search for job. On the other side, the employers are highly aware of the situation of the excess supply of the overqualified job seekers, which enhances employers bargaining power of wage particularly in the private

sector. In the process job seekers' bargaining power is dwindling due to the increasing number of qualified applicants. Even though higher qualification is not a necessary condition where minimum qualification is prescribe; people possessing higher educational qualification seems to have advantages in getting a job. It is also a prevailing fact that many unemployed are seeking jobs where prescribe educational qualification is much lower than their possessed qualification. It is due to a higher competition across the type of available job and also due to a high prevalence of unemployed people. Person with an extra qualification are demanded or preferred so that same person can execute several types of jobs namely multitasking and also spend less resource in training. Technically, minimum prescribe qualification has been raised. However, at present situation in many cases higher qualification is by and large a contributing factor for getting employment particularly in private sector. It further induces to the growth of demand for higher education.

It can be argued that employment with a lower educational qualification could have benefited more than acquiring higher education and then experiencing a long period on waiting for the aspired job; had the present high unemployment level been foreseen. In other words, the opportunity cost for education is very high particularly among the poor. Job preference, high expectation and aspiration resulted to voluntary unemployment among the educated. However, education is not only for private benefit i.e. earning but also for social benefit. Little education which the earlier generation has acquired propels the present generation to acquire higher than them so as to develop, realise and uphold the rich heritage, culture and values.

The decline of job vacancies in the labour market and the increase of demand for higher education resulted to steady growth of employment. Educated people are rapidly growing in the state which will result to a serious problem of unemployment in the near future as at recent most situations in rural Sikkim as discussed in the following section. Many remain voluntarily unemployed due to the non fulfillment of their aspiration for job which commensurate with their acquired educational qualification. It is also threatening with the sluggish pace of job creation particularly in government sector. Government should add more amicable socio-economic environment and encourage and invite more private jobbers to generate adequate employment. Educational system should be restructured, delivered and acquired on the basis of quality and quantity of job available or likely to be available and for employability.

### **Educated Unemployment in Sikkim**

The existence and growth of educated unemployed is attributed to the much higher growth rates in the population of educated, a person who has acquired secondary and above education, than the rate of growth of employment particularly in the organised sector, in which the matriculates and college graduates seek to be absorbed. Parthasarathy and Nirmala (2000: 691) ascertained that the "educated seek employment mainly in the public/private organized sector" suggesting that the supply of labour to this sector comes largely from the educated. According to Puttaswamaiah (1977) the educated unemployment is presumably a consequence of the general impression among the public that investment in education by an individual should yield a return in terms of remunerative job; search of job suited to the particular type of education received; and decline in



acceptance of job other than office jobs.

The educated unemployment problem in Sikkim has become severe in recent years. It is more problematic than the general unemployment which has empirically proved that the educated unemployment rate is usually higher than the general unemployment rate. It is simply because the educated person makes a general impression that investment in education should yield a return in terms of salaried job; seeks or prefers organised, formal, salaried or white collar jobs, specific kind of employment; capability of affording unemployment; and their aspiration are increasing resulting in a serious mismatch between the supply of educated job seekers and the demand for them in the labour market causing to raise unemployment. The educated unemployed are persons seeking or available for work and have obtained an educational level of secondary and above.

Educated unemployment problem was very severe in both rural and urban areas at the national level as well as in Sikkim in the post reform period in the 1990s. Sikkim has a milder educated unemployment problem as its rate was lower than the national level. As per the NSS, the educated unemployment rates (usual principal status) for 15 years and above of age has increased from 4.6 percent in 1993/94 to little over 12 percent in 1999/00, against the declined at the national level, in rural areas as shown in Table 3. The rate sharply declined to 7.7 percent in 2004/05; however, it has increased to about 10 percent in 2009/10 in rural Sikkim. It is partially an outcome of educational development in the recent times. At the national level, it has slightly increased in 2004/05; but declined in the latter period. A similar trend that prevailed in rural areas also prevailed in urban areas at the national level. In Sikkim the trend differs from rural to urban areas. In urban Sikkim in the 1990s, the rate has significantly increased experiencing a severe educated unemployment problem. However, in the following years, the rate sharply fall and continued to fall to a negligible level of 0.1 percent in urban Sikkim. This sharp decline is due to the expansion of institutions for higher education, increased in self employment as employability increases with the large base of people with the background of vocational programmes and out migration. Generally, according to Shingi et al. (1988: 217) "there is an inverse association between the proportions of children or youth participating in economic activities and of those enrolled in educational institutions". Sikkim is the only state in India which recorded educated unemployment rate below one percent in urban areas in 2009/10.

Unemployment has declined for males in both the areas at the national level throughout the period. Similarly, for females, it has declined throughout the period, except during 1999 to 2004 where it rose to some extent. This period is the economic reform period and boom period for private investors where many private job opportunities were generated in the country; but limited to some specific urban centres. In Sikkim, it has declined throughout the period for rural females from 15.5 percent in 1993/94 to 6 percent in 2009/10. For both the genders in urban areas, it has increased during the 1990s; however, it has considerably declined afterward reaching the negligible rate of unemployment in 2009/10. Educated unemployment rate touching the negligible level implies an increased labour's employability, flexibility in choosing a job, capability to adapt any working environment, acceptance of existing wage rate and also the high mobility of the workers among the urban workers in the state. Further, it would be explained by the fact



**Table 3: Unemployment Rates (UPS) (%) for Educated (15+ years) in Sikkim, India**

State/ India	Year	Rural			Urban		
		Male	Female	Person	Male	Female	Person
Sikkim	1993/94	2.0	15.5	4.6	3.4	12.5	4.9
	1999/00	13.4	10.1	12.3	9.0	17.2	12.1
	2004/05	7.4	8.3	7.7	6.4	6.3	7.3
	2009/10	11.3	6.0	9.8	0.1	0.0	0.1
India	1993/94	8.8	24.9	10.3	6.9	20.6	8.9
	1999/00	6.8	20.4	8.2	6.6	16.3	7.9
	2004/05	5.9	23.1	8.5	6.0	19.4	8.2
	2009/10	4.1	15.7	5.6	3.8	13.9	5.4

Source: NSSO, Report Nos. 409, 458, 515 and 537.

that sometime after spells of unemployment the educated unemployed after experiencing greater difficulty in finding work often “obliged to ‘trade down’ and accept second or third best” (Roberts, 1985: 135) job; also it is assumed that the educated unemployed are more informative which leads to out migrate in search for job resulting to the decline of educated unemployment rate in the state of Sikkim.

In case of rural males, it has sharply increased in the 1990s and then decline in the following period; however, it has increased to a considerable extent to slightly more than 11 percent in 2009/10. The existence of educated unemployment is attributed to the too literary character of education, too theoretical, lacking aptitude and techniques and largely not job oriented or employable in the present labour market structure which demands mostly specialised skills and knowledge resulting to the increase of educated unemployed people. Puttaswamaiah (1977: 98) has pointed out that the “educational system in this country [India] is defective owing to its excessive theoretical bias.” The system resulted to most of the educated job-seekers having very little aptitude and technical qualifications for various types of works. As per Watson (1983: 6) the system is of much speculation that schools have “failed to build bridges with employers” and or have “failed to produce youngsters who are employable.”

Moreover, the formal jobs which are mostly sought by the educated are concentrated in urban centres resulting to higher unemployment prevalence in rural areas. In the recent decades various job oriented vocational courses have been dramatically introduced across the country including the state of Sikkim. Employability, the question, possibly depends not only to the type of labour supply irrespective of acquired type (theoretical or practical) of education, but on the nature of market structure as well as the level of economic development of the country. In the developing nations, “each worsening of the employment situation calls forth an increased demand for [and supply of] more formal education at all levels [primary, secondary or university]” (Todaro, 1991: 339). However, Nair et al (1989) viewed that the nature of formal schooling in India is not particularly job oriented and hence more and more educated end up unemployed.

The problem of unemployment is more severe for females at the national level as the rates were considerably higher for females than that of males in both the areas throughout the period as presented in Table 3. The higher rate for females is because they possi-

bly find a specific job in a place of proximity and they are less mobile in comparison with the male counterparts. Whereas, males are more responsive as the society is a patriarchal one and considered as family bread winners. The educated unemployed attempts to access employment market information to their fullest to get the appropriate job suitable with their acquired educational level. The high unemployment rate prevalence is also due to the unemployed unwillingness to take up work that is available, and unable to obtain the work they desire with their formal schooling. The “educated persons look for specific kinds of employment opportunities and remain unemployed till they get such work” (Gumber, 2000: 659). Moreover, Azad (1991) has pointed out that majority of the educated personnel prefer to work in government departments rather than in any other sectors presumably because of the lure for white collared jobs with all sorts of facilities and leisurely place of work.

Further, the educated remain unemployed because of their limited flexibility and lack of adaptability to the changes in working and living conditions and income expectations. An educated prefer to stay unemployed until the right job has been found seems to be a “perfectly sensible one” in the light of his attitudes to income and status (Callaway and Klaus, 1973). On the demand side, Todaro (1991) and Blaug et al. (1969) has ascertained that the employers tend to strengthen and upgrade hiring standards.

In Sikkim the picture of unemployment is somewhat peculiar. Its prevalence was inconsistent. The problem of educated unemployment was more severe in Sikkim as compared to the national level among the males and in rural areas in particular till recently. It is clearly visible that unemployment rate was prevailing at about 11 percent in Sikkim as compared to about 4 percent at the national level for rural males in 2009/10. Among the females, the problem was more severe at the national level as compared to the state. The mobility of labour, flexibility in seeking a job and the employability of labour determine the differences in the degree of unemployment problem. Most importantly, unemployment rates differential between males and females has narrowed down in Sikkim over the years. It is not the case at the national level.

The prevalence of high unemployment level is because many job seekers’ expectations exceed the emerging realities of the labour market and they prefer to remain unemployed for some time rather than accept a job that they feel is beneath them. This creates the inverse relationship between educated unemployment and educational attainment. Due to above mentioned various reasons the educated experiences the so called “waiting period” situation. The waiting period and also the growth of educated unemployed depend on the inverse relationship between the supply of educated persons and the organised job availability. At present the base of the educated people is visibly wide as a result the steep competition among them for the limited opportunities in which the employers attempted to accommodate the more educated for a given job. As a result an overqualified people are in demand leading to the growth of unemployment and increase demand for higher education. The employer’s preference for experienced workers remains the problem for the new entrants into the workforce.

The government of India is expanding, all over the country including Sikkim, all levels of educational institutions amidst the high prevalence of educated unemployment, which would accommodate some of the unemployed in higher studies acting as a mecha-

nism to control unemployment problem in short-run. The rapid expansion of schooling facilities induced to the rise of educated unemployment because “the absorption of the ‘educated’ in productive employment has proven difficult” (Shingi et al., 1988: 217). Hence, for long-run, the need is to introduce and speed up various means such as introduction of variety of educated unemployment schemes for self employment, expansion of developmental work, inviting more private investors by creating a conducive business environment, improving the governance, etc. to reduce, if not remove, educated unemployment problem for lasting economic and social prosperity.

### Conclusions

Educational development takes places in Sikkim both for private benefit for earnings through a formal job and for social benefit. However, educational system and institutions need to be more focused and restructured depending on the emerging structure of employment for employability in all levels and types of education. Education needs to be restructured towards job-oriented scheme. Population is rapidly growing which necessitates an expansion of educational base. Concurrently, educated unemployment problem has escalated in Sikkim against the general decline at the national level for rural males in the recent years from the early 1990s. For females in both the areas and for males in urban areas the problem has become milder as the rate falls over the years in Sikkim and at national level. Interestingly, educated unemployment level has dropped to a negligible level only in Sikkim among the Indian states in urban areas. The major challenge is to ensure the employability of these unemployed by providing proper education, appropriate training and marketable skills in order to participate adequately for productive work with flexibility in choosing job with their innovative ideas, skill and knowledge.

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