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The Education–Employment Nexus and Job Preferences among Youth in Kerala: A Micro-Level Empirical Analysis

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Abstract
Kerala, despite ranking first among Indian states in terms of the Human Development Index (HDI), faces persistent challenges in employment, particularly among youth. Both male and female work participation rates are disproportionately low, and the state consistently records the highest unemployment rate in the country. Notably, the expansion of literacy and higher education has not translated into improved employment opportunities. This paradox raises a critical question: does education contribute to unemployment among youth, or is unemployment a consequence of educational trends?. The present study investigates this issue by focusing on youth aged 15–30 years in the Sreenarayanapuram Gramapanchayath, Thrissur District, with a sample of 100 respondents. Using tools such as Henry Garrett ranking, Chi-square tests, and percentage analysis, the study examines the relationship between educational attainment, employment status, and job preferences. The findings provide insights into the paradox of high educational attainment alongside elevated unemployment levels in Kerala.

Keywords: Kerala, Human Development Index, Youth Unemployment, Work Participation Rate, Educational Attainment, Employment Status

Introduction
The development of a state is fundamentally validated when it ensures adequate and equitable employment opportunities. Employment not only meets the subsistence needs of individuals and families but also serves as a cornerstone for inclusive development (Mathew, 1995). The availability of skilled and efficient human capital enhances employment levels, reinforcing the interdependence between human capital and economic growth (Mincer, 1991; Varghese, 1989).

The labour market plays a pivotal role in mediating this relationship, influencing both educational choices and employment outcomes (Higgins et al., 2008). In most contexts, education is expected to serve as a pathway to improved employment opportunities, socio-economic mobility, and occupational security (Levin, 1983; Brown & Sessions, 1999). However, Kerala presents a paradox: while the state leads India in literacy and Human Development Index (HDI), it simultaneously records one of the highest unemployment rates, particularly among youth (Abdul Azeez, 2014; Singh et al., 2019).

Kerala's unemployment problem is particularly acute among the educated youth. Studies indicate that the unemployment rate increased from 6.7% in 2011 to 11.4% in 2018, with the Periodic Labour Force Survey (2020) estimating youth unemployment (ages 15–29) at 40.5%, nearly double the national average of 21% (Economic Review, 2020). This paradox of "educated unemployment" has been widely discussed in the literature (Cockx, 2002; Isengard, 2002; Sharma, 2016), highlighting structural mismatches between educational attainment and labour market demand.

Existing research in Kerala has primarily examined the employment prospects of women (Lakshmi, 2002) or focused on broader labour market dynamics (Bhalla et al., 2019; Roychoudhury, 2006). However, there remains a paucity of micro-level analyses that explicitly investigate the interlinkages between education, employment status, and job preferences among rural youth. Such studies are crucial to unpack the determinants of labour force participation, the gendered patterns of job preferences, and the extent of mismatch between educational qualifications and employment opportunities.

The present study seeks to address this gap by exploring the education–employment nexus and job preferences of youth in rural Kerala. Specifically, it investigates the factors influencing labour force participation, the occupational aspirations of youth, and the relationship between educational attainment and employment outcomes, thereby contributing empirical evidence to the ongoing discourse on educated unemployment and labour market inefficiencies in high-HDI regions.

Objectives

The study is guided by the following objectives:

To evaluate the factors influencing labour force participation among youth based on micro-level data.

To examine the employment preferences of youth in Kerala.

To analyze the interlinkages between educational attainment, employment status, and job preferences among youth.

Methodology

The study employed both primary and secondary sources of data. Primary data were collected from three randomly selected wards of the Sreenarayanapuram Gramapanchayath in Thrissur District, Kerala. A total of 100 respondents, aged between 15 and 30 years, were chosen using simple random sampling. Data were gathered through a pre-tested structured interview schedule, administered directly to the respondents. The schedule consisted of four major sections:

General particulars (socio-demographic information),

Household characteristics,

Employment profile — categorized into government sector employees, private sector employees, self-employed individuals, and unemployed youth, and

Background variables (including family responsibilities, income, and socio-economic conditions).

Additionally, the instrument incorporated specific questions on job preferences, motivations for entering the labour force, and factors influencing employment choices.

Secondary data were sourced from recognized national and state-level publications, including the National Sample Survey (NSS), Decennial Population Censuses, Occupational Surveys, Rural Labour Enquiry Reports, Annual Survey of Industries, Economic Reviews of the Kerala State Planning Board, and Economic Surveys of the Government of India.

Data analysis was conducted using Henry Garrett ranking, Chi-square tests, and percentage analysis, enabling both descriptive and inferential insights into the education–employment nexus.

Sample Selection

Sreenarayanapuram Grama panchayath comprises 21 wards, encompassing 9,350 households and a population of 37,959 (17,910 males and 20,049 females). For this study, three wards—Ala (Ward 9), Vasudevavilasam (Ward 11), and Kothaparambu (Ward 12)—were selected randomly as the sampling frame.

Description of the Sample

The study sample consisted of 100 youth respondents. Of these, 50% belonged to the 25–30 years age group, 39% to the 20–25 years age group, and approximately 11% to the 15–20 years age group. The gender distribution included 54% males and 46% females. In terms of educational attainment, 12% had completed SSLC or below, 16% had completed higher secondary, 49% were graduates, and 23% were postgraduates.

Employment status revealed that 60% of the respondents were employed while 40% were unemployed. Family income analysis showed that 32% of respondents belonged to households with monthly incomes ranging from ₹10,000 to ₹20,000, while 25% fell below ₹10,000. The majority of respondents came from middle-class families, with parental heads of households dominating family leadership. Only 15% of the youth reported being primary family heads.

Factors Determining Labour Force Participation

Labour force participation was influenced by multiple socio-economic and personal factors. Respondents reported the following as primary determinants for accepting their current jobs: the need to support their families, alignment with educational qualifications, poor family background, higher income prospects, traditional obligations, debt repayment, social status, proximity to residence, lack of alternative opportunities, and other miscellaneous reasons. These factors were ranked using the Garrett ranking technique, with "family responsibilities" and "high income" emerging as the most influential determinants.

Table 1. Garret Ranking of the parameters

Factors	Average Score	Rank
Family responsibilities	58.24	1
High Income potential	56.76	2
Debt Repayment	55.73	3
Poor Family background	54.50	4
Alignment on Educational Qualifications	52.87	5
Social Status associated with the job	51.83	6
Proximity to residence	48.85	7
Lack of alternative opportunities	43.51	8
Traditional/familial reasons	39.23	9
Other factors	34.54	10

Table 1 indicates that the primary reason for accepting current employment among the respondents was the need to support their families. A substantial proportion of youth reported that their present jobs provide relatively high income, which enables them to repay debts and meet household financial obligations. Additionally, disadvantaged family backgrounds emerged as another significant factor driving youth employment choices. These findings

highlight the predominance of socio-economic compulsions over individual aspirations in determining labour force participation.

Preferences for Public, Private, and Self-Employment

The study also examined the occupational preferences of youth with respect to government employment, private sector jobs, and self-employment. Results revealed that 42% of respondents preferred government jobs, 20% opted for private sector employment, and 38% pursued self-employment as a means of income generation.

Gender-disaggregated analysis demonstrated a marked difference in preference: females overwhelmingly favoured government employment, largely due to its perceived stability, pension benefits, and societal prestige. In contrast, a higher proportion of males expressed a preference for self-employment, indicating a tendency towards entrepreneurial ventures. Notably, after completing graduation, many female respondents reported engaging in preparatory training for competitive examinations to secure government jobs, while male respondents more often directed their efforts towards independent business activities.

Relationship between Education and Employment Status

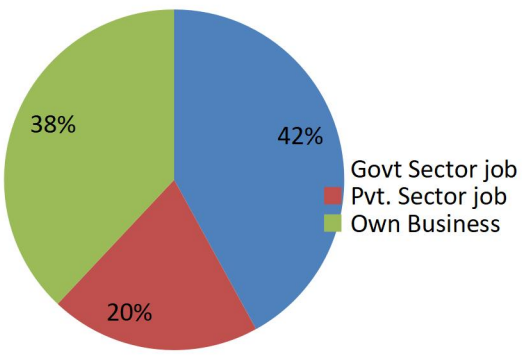
Education is widely regarded as a pathway to improved employment prospects and enhanced socio-economic mobility. Parents, youth, and employers alike perceive education as an essential mechanism for securing stable and rewarding careers. However, to rigorously assess this assumption, the study tested the following hypotheses:

H_0 (Null Hypothesis): There is no significant relationship between educational attainment and employment status.

H_1 (Alternative Hypothesis): There exists a significant relationship between educational attainment and employment status.

This framework facilitated an empirical evaluation of whether educational qualifications influence employment outcomes within the studied population.

Figure 1. Preference of Youngsters towards Public Sector, Private Sector and Self Employment.



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$$\chi_c^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

X^2_c =chi squared
Oi =Observed value
Ei=Expected value

Table 2. **Observed Values**

Education	Employment		Row Total
	Employed	Unemployed	
SSLC Or below	8	4	12
Plus Two	12	4	16
Graduate	30	19	49
Post Graduate	10	13	23
Column Total	60	40	100

Table 3 :**Expected Values**

Level Of Education	Employment	
	Employed	Unemployed
SSLC Or Below	7.2	4.8
Plus Two	9.6	6.4
Graduate	2.9	19.6
PG	13.8	9.2

Table 3: Calculation of Chi-square Test

	Employed	Unemployed	
PG	13.8	9.2	
(O-E)	-3.8	3.8	
(O-E)2	14.44	14.44	
(O-E)/E	1.046377	1.569565	2.615942

Table 4: Summary of Chi-square hypothesis

Chi value= 4.368
Degrees of freedom (c-1)*(r-1) =3
Level of significance= 0.05%
Critical value = 7.815
Calculated value < critical value, we accept the null hypothesis.
Interpretation: since the null hypothesis is accepted we may reach the conclusion that there is no significant relationship between education and employment status. Of the 100 respondents 52% are unemployed.

Relationship Between Education and Job Preferences

H0: There is no significant relationship between education and job preferences.
H1: There is a significant relationship between education and job preferences.

Level of education	**Job preference**		**Total**
	Preferred	Not preferred	
SSLC or below SSLC (observed)	6	4	10
Plus Two (observed)	7	6	13
Graduate (observed)	11	17	28
Post graduate (observed)	6	7	13
Total	30	34	64

Table 5: Calculation of Chi-square Test

	Preferred	Not preferred	
pg(exp)	6.09375	6.90625	
(O-E)	-0.09375	0.09375	
(O-E)2	0.008789	0.008789	
(O-E)2/E	0.001442	0.001273	0.002715

Table 6 : summary of chi-square hypothesis

Chi- value = 1.595

Degrees of freedom (c-1)*(r-1) = 3
Level of significance = 0.05%
Critical value = = 7.815
Calculated value < critical value, we accept the null hypothesis.
Since the null hypothesis was accepted, it can be inferred that there is no statistically significant relationship between education and job preferences. Notably, 53% of the employed respondents reported that their current occupation did not align with their preferred choice of employment, indicating a considerable mismatch between educational qualifications, aspirations, and labour market realities.

Results and Discussion

Of the 100 respondents, 54% were male and 46% female. Age distribution showed that 11% belonged to the 15–20 years category, 39% to the 20–25 years category, and 50% to the 25–30 years category. Among them, 60% were employed and 40% unemployed.

With respect to educational attainment, 12 respondents (12%) had education at or below SSLC, of which 8 were employed and 4 unemployed. Sixteen respondents (16%) had higher secondary education, of which 12 were employed and 4 unemployed. Graduates accounted for 49 respondents (49%), among whom 30 were employed and 19 unemployed. Postgraduates comprised 23 respondents (23%), with 10 employed and 13 unemployed.
Unemployment was disproportionately higher among postgraduates (56%) and graduates (38%), while it was comparatively lower among respondents with SSLC or below (33%) and the least among higher secondary educated youth (25%). This trend highlights the paradox of "educated unemployment," where higher qualifications do not guarantee better employment outcomes.

In terms of household background, the average monthly family income ranged between ₹10,000 and ₹20,000 for 32% of respondents, while 25% reported incomes below ₹10,000. Approximately 50% of respondents' parents were casual workers, situating the majority within middle-class families. Only 15% of the respondents themselves reported being heads of their households.

Parental aspirations reflected a strong preference for government employment (60%), followed by self-employment (20%), private sector jobs (11%), and casual work (9%).
Among the youth themselves, 42% preferred government jobs, 38% opted for self-employment, and 20% preferred private sector jobs. Gender disaggregation revealed that 66% of female respondents favoured government employment, compared to 44% of males. Conversely, 71% of male respondents preferred self-employment, compared to 29% of females. Private sector preferences were reported by 70% males and 30% females.

Motivations for government employment included perceptions of job security, pension benefits, and higher social status. Private sector jobs were preferred for financial stability and immediate income, whereas self-employment was associated with greater independence, flexible working hours, and enhanced social recognition. A minority of respondents with lower educational attainment (below SSLC) opted for casual labour as a means of livelihood.
Overall, the results underscore that youth employment decisions are heavily shaped by socio-economic factors, gendered aspirations, and parental influence, rather than being solely determined by educational qualifications.

Conclusion

This study was undertaken to examine the interrelationship between education, employment, and job preferences among rural youth in Kerala, using a micro-level case study of Sreenarayanapuram Gramapanchayath in Thrissur District. Despite Kerala's distinction as India's most literate state and its high ranking in Human Development and Gender Development Indices, the state continues to face disproportionately high levels of unemployment, particularly among its educated youth.

The findings reveal that:

Socio-economic factors such as family responsibilities, income needs, and debt repayment strongly influence employment choices.
Occupational preferences lean towards government employment, particularly among women, while men demonstrate a stronger inclination towards self-employment.
There exists no significant statistical relationship between education and either employment status or job preferences, highlighting a structural mismatch between the education system and labour market opportunities.
The phenomenon of educated unemployment is most pronounced among postgraduates and graduates, suggesting that higher education alone does not guarantee employability in the current labour market.

In conclusion, the study affirms the presence of an inverse relationship between educational attainment and employment outcomes in rural Kerala. Policy interventions must therefore move beyond expanding educational opportunities to addressing structural labour market inefficiencies, promoting skill-based training, and creating diversified employment avenues aligned with the aspirations and capabilities of youth.

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