

Opinion | India's Graduate Nightmare: Why The Brightest Youth Are Now The Most Unemployed

Who can blame Gen Z for their frustrations when over six in 10 youth in India are unemployed? According to data now, the more educated you are, the likelier you are to face joblessness.



Image Credit: istockphoto.com/Johnny Greig



Deepanshu Mohan, Srisoniya Subramaniam

In May 2026, a satirical jibe aimed at a Supreme Court Judge's remark on "unemployed youth", calling them "cockroaches", spawned the creation and rise of a Cockroach Janta Party (CJP). Its social media existence and virality were part meme, part movement at first. But by early July, members of its organisational core took the social media movement to the streets, camping at Jantar Mantar. For seven weeks, they were there, joined by a hunger strike by Sonam Wangchuk,

making the street protests gain national attention, ultimately forcing the resignation of Union Education Minister Dharmendra Pradhan.

It might be tempting to read the sequence of events of the last month as a story about examination security - a leaked examination paper, a corrupt invigilator, a broken server. Even so, a compromised question paper by itself does not usually end a ministerial career. There is a deeper systemic crisis afflicting India's youth and students at a time when aspirations are changing and people increasingly demand socioeconomic change. The problem is, Gen Z is clear about its needs and aspirational mobility, but somewhere, as the recent protests signify, the government has failed to read both these aspirations and the crisis affecting India's youth at a macro level.

The Aspiration Gap

The first and most under-examined dimension is the changing nature of the aspirations of the Indian youth. Not only is this generation simply more educated than previous ones, but given the cheap information overload made accessible through social media and digital technology, the nature of their aspirations is also different.

Where a rural student a generation ago measured success against a neighbour's son who joined the Railways, today's aspirant is scrolling through a feed that has everyone - IAS toppers, IIT rank-holders, and the influencer who "made it". Sociologists studying rural and small-town youth note that mobile internet penetration has expanded the reference group against which young Indians judge their own prospects, even as the real economy has not expanded fast enough to match this. Aspiration, in other words, has globalised. But opportunity has not.

This is precisely what cultural anthropologist and philosopher Arjun Appadurai calls the unevenly distributed "capacity to aspire". This is defined as the ability to translate hope into a realistic roadmap. Social media inflates that hope, without providing the pathway. It is the perfect case of visibility without a ladder. You can see the summit on your phone screen, but no one will help you build a path up the mountain. The result is a coaching economy that has ballooned to roughly USD 7.2 billion in 2025, projected to nearly grow by 10.29% to USD 17.8 billion by 2034. It feeds on exactly this gap between what young Indians believe they can become and what the labour market is actually able to absorb. In Kota alone, 2 lakh students arrive each year chasing a success ratio in the low single digits. The government has, for years, treated this as evidence of a thriving "ed-tech" and coaching sector. It is, however, more accurately, evidence of an aspiration

bubble, with nowhere safe to land. And every time a paper leaks, that bubble doesn't just deflate, it detonates.

This is also why the government's diagnostic instincts kept failing it. It has been reading coaching-centre revenue and enrolment numbers as signs of ambition and mobility, when they were actually symptoms of blocked mobility. A booming test-prep industry is not proof that opportunity is expanding. Often, it might be proof of the opposite.

The Degree That Doesn't Deliver

This aspiration gap, manifesting in an economy that cannot generate matching jobs, creates a second dimension: graduates who are unable to find work commensurate with their expectations. The Periodic Labour Force Survey (PLFS) 2025 shows that overall unemployment falls at a reassuring 3.1% - but among graduates specifically, that figure jumps to 11.2%, more than three times the national average. Rural graduates fare even worse. Postgraduates aren't much better off, at around 10%.

PLFS 2025: The Education-Unemployment Gap

UNEMPLOYMENT LOW OVERALL, BUT GRADUATES STRUGGLE

Source: Periodic Labour Force Survey (PLFS) 2025



Despite positive national figures, **higher education does not guarantee immediate employment**, with rural areas facing the greatest challenges.

The pattern is almost perfectly inverted from what economic theory would predict. The more educated you are, the likelier you are to be unemployed. Even the government's own Ministry of Statistics data while emphasising that Indian youth unemployment (10.2% in 2023-24) undercuts the global average of 13.3%, cannot disguise the fact that a degree in India increasingly signals credential-stacking rather than employability. The formal, white-collar economy simply is not

growing fast enough to absorb the millions each cohort of Indian graduates represents, which is exactly why a single entrance exam becomes the one door still worth breaking down.

A State That Read the Wrong Signals

This is where the third dimension - administrative failure - becomes relevant not as incompetence but as misdiagnosis. When irregularities first surfaced, Pradhan's own position in Parliament was that the leak was contained to a single Patna centre and that seven years of National Testing Agency exams had been clean.

This framing treated the NTA's centralisation of over two crore examinees a year as an efficiency triumph rather than a single point of catastrophic failure. It also explains why the government was blindsided by the scale of the backlash.

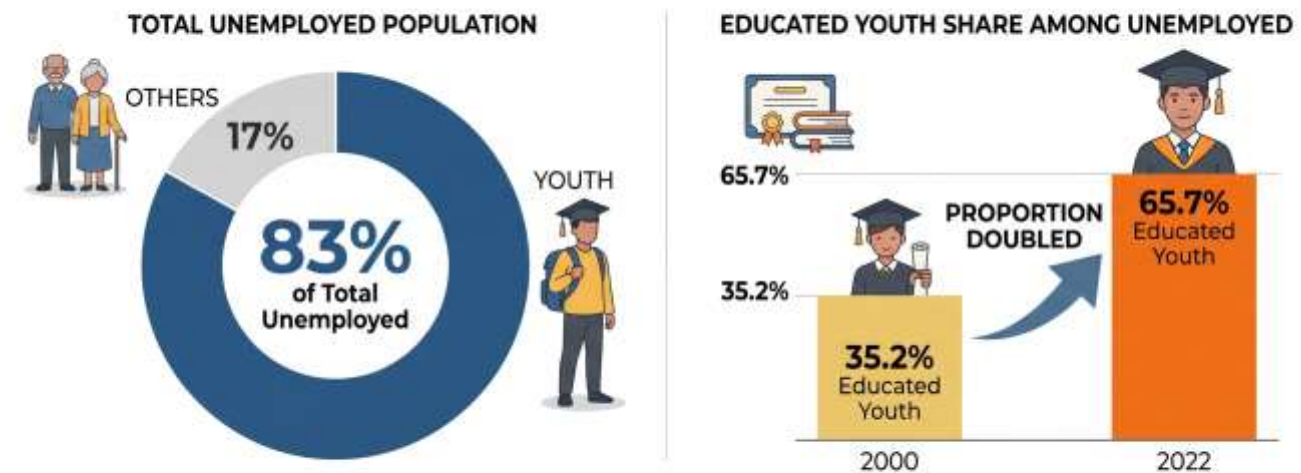
It had spent years reading test participation numbers, coaching revenues, and enrolment growth as proof of a system working as intended, never as pressure accumulating in a sealed container. When the container ruptured, it wasn't just a testing scandal that spilled out - it was a decade of postponed anxiety about jobs, mobility, and dignity, all of it looking for somewhere to go.

Why Indian Youth Is So Unemployed

This brings us to the fourth and most important dimension - the macro arithmetic that makes all of this possible. The macroeconomic picture is unequivocal. Youth account for nearly 83% of the total unemployed population in India. More crucially, the proportion of educated youth among the unemployed doubled from 35.2% in 2000 to 65.7% in 2022. The higher an individual climbs on the educational ladder, the higher the likelihood of experiencing prolonged periods of unemployment.

INDIA'S YOUTH UNEMPLOYMENT CRISIS

Educated Youth Disproportionately Affected (2000-2022)



KEY INSIGHT: The proportion of educated youth among India's unemployed has doubled over the past two decades, highlighting a critical challenge.

Made with echion by NDTV

Source: Article Content. Data for illustrative purposes based on provided excerpt.

It is studied and reported now that as Indian families invest more capital in secondary and higher education, the return on that educational investment has stagnated. This creates resentment. Sociologist Craig Jeffrey's concept of "timepass" further describes exactly the holding pattern millions of educated Indian youths now occupy - cycling through degrees, coaching centres, and competitive exams because the wider labour market offers no credible alternative. Indian policy economist Rathin Roy has long argued that India's structural growth limits forces excess labour demand into a handful of state-mediated entrance tests. Every entrance exam, in this reading, is less a filter for talent than a rationing device for scarcity. That is the macro reality the aspiration boom, the graduate glut, and the government's misreading all sit atop.

A Bigger Conversation Is Needed

A minister's exit and a stricter anti-leak law should force the state and policymakers to take a cue and more closely assess what ails and afflicts India's youth. If they do nothing to close the gap between what young India is conditioned to aspire for and what the economy is currently able to provide, that gulf will continue to widen and fuel more anger and resentment in India's already fragile state-society compact. The protests must start a conversation not just about examination security, but also about whether India's growth model can still keep its oldest promise - that merit and effort through hard work will lead you somewhere. Until that promise is backed by 'good' jobs, the next leak, whenever it comes, will detonate just as loudly.

Deepanshu Mohan is Dean and Professor of Economics, O.P. Jindal Global University. He is a Visiting Professor at the London School of Economics (LSE) and a Visiting Research Fellow at the University of Oxford. Srisoniya Subramoniam studies Law and is a Research Analyst with Centre for New Economics Studies (CNES)

Disclaimer: These are the personal opinions of the author