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**YOUTH UNEMPLOYMENT AND THEIR PERSPECTIVES TOWARDS SELF-START-UP  
BUSINESSES IN SIKKIM**

**Submitted by**

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A DISSERTATION

Presented to Department of Economics

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In Partial Fulfillment of Requirements of award of the Degree of

BACHELOR

OF

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2019-2022

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Name of the Supervisor

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HOD

## **Declaration**

*I hereby declare that this dissertation titled “**Youth Unemployment and their Perspectives towards Self-Start-up Businesses in Sikkim**” does not contain information of a commercial or confidential nature, or include personal information other than which would be in the public domain unless the relevant permission has been obtained.*

*This dissertation was submitted in partial fulfillment of the requirement for the award of a Bachelor’s Degree in ECONOMICS at SRM University, Sikkim.*

*I also declare that this representation has not been previously published or submitted as a project report for the award of any other degree.*

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**2022**

## BONAFIDE CERTIFICATE

Certified that this dissertation titled "YOUTH UNEMPLOYMENT AND THEIR PERSPECTIVES TOWARDS SELF-START-UP BUSINESSES IN SIKKIM" is the bonafide work of ANIL SUBBA (19SS601005) who carried out the research under my supervision.

Certified further, that to the best of my knowledge the work reported herein is not part of any other project report or dissertation based on which a degree or award was conferred on an earlier occasion to this or any other candidate.

Submitted for the viva-voce examination held on 30/05/2022.

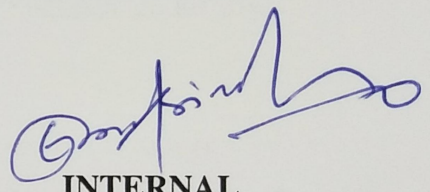


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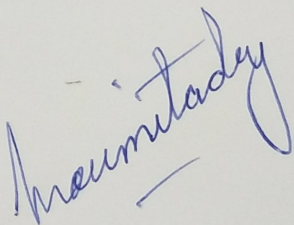
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**ASSOCIATE DEAN**



**INTERNAL EXAMINER**



**EXTERNAL EXAMINER**

## **Abstract**

From the beginning of the 20th century, unemployment was articulated as an alarming issue in the world. In particular, youth unemployment has gained concern in the wake of the 21st century. There are varying ideas and thoughts about the effects and causes of unemployment in the world.

Theoretically, unemployment is entirely a new issue in the context of Sikkim. Sikkim started socio-economic development decades ago and since then like any other developing nation, Sikkim started raising concerns about the state of joblessness of its people, particularly the young people in the State. Unemployment among the youth, who are in between 15 to 29 years of age, in Sikkim is rapidly escalating as compared to the national average. Education is developing largely for entering into a formal job market. However, the existing educational system fails to produce all employable persons. Moreover, the youths are looking for government jobs neglecting other private jobs available jobs in the market.

There are various causes of unemployment in youths, it differs from country to country and states to state. It ranges from marital status, gender, education, age, labor market, etc. In the context of Sikkim, both policymakers' and youth's attitude contributes to youth unemployment. Youth unemployment in Sikkim will further deteriorate if it is not given the needed assessment at the present. Developing and introducing more entrepreneurship in the state is one of the best tools discovered in order to curve youth unemployment in the state.

With this study, it was evident that youths with the attitude "higher the education, higher the salary and status of the job" is one of the prominent factors behind youth unemployment in Sikkim. Although mismatch of jobs and skills required, least preference for jobs in the private sector was also some contributing factor to rising youth unemployment. There is a considerable number of youths who are ready to take start-up business but the demotivating factor for them is a financial limitation.

## **ACKNOWLEDGEMENT**

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**Anil Subba**

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# **CHAPTER 1.**

# **INTRODUCTION**

## CHAPTER 1. INTRODUCTION

### 1.1 Background:

Young people are a major human resource for development, key agents for social change and driving force for economic development and technological innovations. But harnessing these resources is a major challenge. The youth challenge is considered as the most critical of the 21<sup>st</sup> century's economic development challenge. Youth unemployment is the situation of young people who are looking for a job but cannot find a job at prevailing wage rate, with the age range being that define by the United Nations as 15-24 years old. An unemployed person is defined as someone who does not have a job but actively seeking work. Youth unemployment has largely been described as a major, if not the primary catalyst for the revolution, political and societal upheaval, and conflict towards the system and state. There is 1.2 billion youth in the world aged between 15 and 24, accounting for 17% of the world's population. 87% of them live in developing countries. Two main debates are ongoing today. First, defining the age range of youth is not as obvious as it seems. Two theoretical perspectives have been dominated this debate. Youth can be seen as a stage in life between adolescence and adulthood or as socially constructed group with its sub-culture making it difficult to establish a comparable age range between countries. Second, the definition of unemployment itself leads to the possibility of not accounting for a number of young people left out of work.

Youth unemployment and underemployment is prevalent around the world because young people lack skills, work experience, job search abilities and financial resources to find employment (United Nations, 2003; ILO, 2006; Matsumoto et al., 2012). In developing countries, this situation is exacerbated by poverty and the competitive pressure that results from a rapidly growing labor force. Moreover, the inadequacy of social protection schemes and active labor market policies means that young people in such economies have little support outside their family and friends. Globally, young people are therefore, more likely to be unemployed or employed on more precarious contracts or in the informal sector.

This is the case even during good economic times. In the midst of a severe recessions, youth find it increasingly difficult to both acquire job as a new entrant in the labor market, particularly as a consequence hiring freezes, and remain employed, since they are more likely to be laid off than workers with more seniority ('last in-first out') (Verick, 2009). According to ILO's Global Trends Report 2012 on youth. There are multiple and complex causes behind youth unemployment. Among them, the quality and relevance of education, inflexible labor market and regulations, which in turn create a situation of assistance and dependency, are the main causes discussed today.

In 2008, Sikkim became India's first open defecation-free state. Eight years later, it became the country's first and the only organic state. A nationwide survey in 2016 said the state had the best

working conditions for women in India. The literacy rate is seventh highest and its young are educated but, without jobs, drifting into drugs and despair. In October 2021, unemployment rate for Sikkim was 9.98%.

In Sikkim, unemployment among youths who are in between 15 to 29 years of age is rapidly escalating as compared to the national average. This is bound to happen simply because of the fact employment avenues are not growing at the same pace as educational development. The further development and expansion of infrastructure will trigger more and more unemployment problems among so called youth. The usual status adjusted unemployment rate, based on national sample survey data, was considerably higher for youths as expected when compared to the general (i.e. all ages) unemployment rate throughout the periods. Unemployment problems was increasingly more severe for the youth with 1.9, 6.4 and 10.3 percent in 1993-94, 2004-05 and 2007-08 respectively when compared to the general with 0.7, 2.4, and 3.6 percent respectively. The state has the second-highest unemployment rate in the country after Tripura, also in the Northeast. The unemployment rate per 1,000 people aged more than 15 years was at 136 in 2016-17 in the state, according to the Annual Employment and Unemployment Survey report. Another singularity this least populated state in India holds is that 10 per cent of its population is in government jobs — which is way above the national average of 3.5 per cent.

That is why Chief Minister Pawn Chamling has an advice for thousands of youth waiting for jobs in the state: They should overcome the desire to get government employment and, in fact, help the state to create jobs for others. Some of the youth have taken a cue from the Chief Minister who has been ruling the state for a quarter of a century now.

Both unemployment and entrepreneurship phenomena are subjects for public policies which involve significant budgets. Active Labor market policies (A.L.M.P.s) point to accelerating positive transitions toward employment. Entrepreneurship programs (E.S.I. funds) spend on new competitive economic sector creation, with the purpose to create new jobs. The desirable scenario is that unemployment pushes the entrepreneurship increases, and the increase in the entrepreneurship causes unemployment decreases. In the case of Sikkim, entrepreneurship is considered to be the solution for this escalating youth unemployment. Among them is serial entrepreneur Rewaj Chettri, who has launched over 30 enterprises — the most recent being the taxi aggregator app, NE Taxi. He started the app with Rs 300 that he spent on purchasing a domain name <http://www.netaxi.in>, using shared hosting two years ago. NE Taxi is a tourist cab service catering to travelers in the northeast. He now employs 26 people and has his “annual turnover crossing Rs 3 crore”, making it to the Forbes list of Asia.

## **1.2 Statement of the problem**

Sikkim has many distinctions that give the tiny state nestled in the Himalayas between India and China a larger-than-life profile. It is the only organic state in India, is litter-and defecation-free, has high literacy, and has the best working environment for women. But the challenge youth unemployment faces is huge and alarming. The state has the second-highest unemployment rate in the country after Tripura, also in the Northeast. The unemployment rate per 1000 people aged more than 15 years was 136 in 2016-17 in the state, according to the annual employment and unemployment survey. Unemployment among the youth, who are in between 15 to 29 years of age, in Sikkim is rapidly escalating as compared to the national average. Education is developing largely for entering into a formal job market. However, the existing educational system fails to produce all employable persons. Moreover, the youths are looking for government jobs neglecting other private jobs available jobs in the market.

## **1.3 Significance of the study**

The findings of this study will redound to the benefit of society, policymaker considering employment plays an important role in overall economic stability and standard of living. The various determinants of youth unemployment in Sikkim that are observed in this study can be reconsidered and can be further implemented in the policies to curve youth unemployment in Sikkim. For the researcher, the study will help them uncover critical areas in the educational process that many researchers were not able to explore. Thus, a new theory on learning about youth unemployment in Sikkim may be arrived at. Secondly, various perspective and knowledge of youths towards self- start-up business can reexamined, so that government and other planner can render precise and most needed support to youths who are opting for self-employment.

## **1.4 Objectives of the Study:**

The sole purpose of this research were:

1. To explore various factors behind youth unemployment in Sikkim.
2. To find the youth perspectives towards self-start-up business.

## **1.5 Limitation of the Study**

1. The study on youth unemployment is within the Sikkim state only.
2. Only few unemployment factors like low wage, youths job preferences, government employment schemes were taken in consideration as other Factors were not taken for the analysis.

3. There is a vast time gap between current paper and the previous literature carried on this particular topic, so there might some factors which changes over time.

# **CHAPTER 2. REVIEW OF LITERATURE**

## Chapter 2. Review of Literature

### 2.1 Theoretical background

Unemployment is not entirely a recent phenomenon. It existed during the pre-classical era, but its implication took precedence only after the post-world war era. The neoclassical theory and the General theory/Keynesian theory are two theories, which explain the theoretical basis of unemployment. The neoclassical theory analyzes the standard demand and supply to the labor market and treats unemployment as a 'disequilibrium occurrence' that arises from the prevalence of wages at a level higher than that which clears the labor market. "Minimum wage legislation, union bargaining, and efficiency wages (where higher wages produce better workers or draw better workers from the employment pool) are some of the reasons that labor markets may not adjust to full employment.

On the other hand, Keynes's theory states that unemployment results from the equilibrium of aggregate demand and supply at a level too low to require the productive services of the entire labor force. The remedy is to raise aggregate demand by a combination of fiscal and monetary measures, such as lower taxes, increased government spending, or accelerated monetary growth. Protective measures in the realm of international trade, such as tariffs and subsidies, can also help alleviate the problem by switching demand from foreign to domestic goods and services (Calhoun, 2009). There are varying ideas about the effects and causes of unemployment in the world. It is a well known fact that one of the burning issues of modern time is unemployment, yet there are claims that having a certain percent of unemployment can be "healthy", according to studies carried out by the International Labour Organization in 1996. They believe that the increasing rate of unemployment is normal or acceptable for having a balance in the economy of a country. However, the ILO acknowledges that achieving employment is wanted by everyone, as socially and individually none of us want to remain and feel worthless.

There are competing narratives about the significance of 'official' unemployment rates on a larger canvas. Manish Sabharwal says, "everybody who wants a job has a job; they just don't have the wages they want or need." However, it is also true that despite Jaitley's claims, there is growing consensus that job creation has not kept pace with the numbers of those seeking employment.

Youth unemployment has both long and short term effects. The early theoretical literature recognized that the effect of youth unemployment for longer period of time later affects the outcomes of the market which is very critical in the evaluation of government policies that affect the youth labour

market. Its effect will take an adverse course of impact which means taking the form of lower levels of human resources, reduced wage rates and weaken labor forced participation in the future(Moore, 2003). Moore affirmed that if such effects persists over a longer period of time, then the policies such as raising the minimum wage and increasing unemployment benefits could have considerable positive but hidden costs.

“one interesting fact was that most of the job seekers are aware of jobs available in the market, yet they are comfortable being unemployed. Reasons varied from having generous relatives supporting them and friends who are willing to share a bed and meal with them. Another interesting observation from the survey was that young job seeker believes that there is job available in the market, but they are not employed because they feel they lack prior experience and skills, which the private sector requires”.

## **2.2 Empirical Framework**

Wangmo and Deki: A study on youth unemployment and its consequences in Bhutan.

In another study by Reimingam Marchang, “it was found out that educated unemployment in Sikkim is higher than the general unemployment rate because the educated person makes a general impression that investment in education should yield returns in terms of a salaried job; formal, white-collar job. There is a mismatch between the supply of educated job seekers and the demand for them in the labor market”. This research paper is into the study of youth unemployment.

J.Suresh Kumar and D. Shobana in their paper “Current Status Of Youth Unemployment In Nagaland” 2021 found out that unemployment in urban youths is more than in rural youths in Nagaland. The major causes of youth unemployment are; an inappropriate educational system, lack of human resource planning, lack of training centers, emphasis on capital intensive projects and population growth.

Reimeingam Marchang in his paper “Youth And Educated Unemployment in North East India” 2020, with the objective to review the existing unemployment of youth in northeast India discovered that the unemployment problem for youth was more intense for females as the rate of unemployment for youth(15-29) was lower for males than the females for most of the northeast states as in India, particularly in the Urban areas.

Another Scholar, Fatih Ayhan in the paper “Youth Unemployment as a Growing Global Threat” 2016, with the objective of finding the causes of youth unemployment and its consequences argued that the Active Labour Market Program (ALMP) is so far the best tool in reducing youth



unemployment. Well-organized school-to-work transition is the crucial point in decreasing the youth unemployment rate. Vocational training should be also regulated in accordance with labor market needs.

Dr. Rubbe Singh, and Archana Raj in their paper “Causes of Youth Unemployment Emerging Issue in Indian Economy” 2018, with the objective to study the fact and meaning of youth unemployment and to know the causes of youth unemployment in India found out that major causes of youth unemployment in India are lack of training center, increase in the labor force, lack of human resource planning, unawareness of opportunities, shortage of jobs and excessive foreign technology.

Mrs. Constance Walters and Mrs. Jacqueline Schneder in their paper “The issue of youth unemployment in Bhutan” discovered that unemployment in Bhutan is mainly due to the preference of job and remuneration, lack of required experience/relevant skills, and social security-having friends and families to support them. The adverse impact of youth unemployment in Bhutan as discussed in their paper is the economy will not be able to benefit from the demographic dividend. (engaging the economically productive section of the population would increase labor force as well as reduce spending on dependents which would fuel economic growth as in the case of economic progress achieved by India and China (Wolf et.al, n.d.)

Cazes (1998) argues that qualification contributes significantly to youth unemployment. The demand for highly qualified workers has not increased globally which compounds youth unemployment. In the same vein, skill mismatch with the job market notes Cazes, has been a major contributory factor to the challenge of youth unemployment. Hence, youth unemployment is a relatively complex concept.

According to Msigwa (2013), while concurring argument in the Marelli & Vakulenko, gender, location, education qualification, skills, and marital status are important contributory factors to the notion of youth unemployment. According to him, males have more chances of being employed than females. Msigwa also notes that geographical location (rural or urban) has also a bearing on the employment status of youths. Hence, gender is an important, but often neglected determinant of youth unemployment. The livelihood activities of households have been observed to affect the level of youth unemployment. For example, many people depend on the agricultural sector in Pakistan. However, they have very less knowledge of new technology in agriculture, and limited availability of fertilizers, pesticides, and low-quality seeds. Consequently, many youths are disproportionately involved in mundane agricultural activities than other sectors of the economy. Industrial growth, to meaningfully

absorb youth labor supply, has been adversely affected by lack of planning, political instability, terrorism, and the lack of confidence by investors in Pakistan.

Empirical studies by leading scholars have shown that youth unemployment varies from country to country. Marelli & Vakulenko (2014) for example uses the Heckman Probit Model with data from 2004 to 2011 and generated useful insights about youth unemployment using a comparative analysis of Italy and Russia. In the case of Italian youth, they came to the conclusion that determinants such as higher age group, marital status, individual health, gender family background, and income are fundamental for youth unemployment in that country. In terms of qualification, youths with secondary education, they concluded, had a higher probability of being unemployed than those with college and university education. Similarly, the geographical region of residence (urban or rural) also played a critical role in determining the level of youth unemployment. In Russia, these scholars found out that males were less likely to find jobs than females. However, the level of urban unemployment was lower than that of Italy. Thus, empirical evidence suggests that youth unemployment varies according to country.

More so, the type of qualification itself is an important determinant of youth unemployment. Isengard (2003) argues that in Germany, vocationally trained graduates have a high chance of employment than general graduates. However, the scholar claims that age, marital status, place, and nationality have an influence on the ability of youths to find employment in Germany. In contrast to Germany, in UK, youth with the-job -training have more probability of being employed than youth with vocational training. In addition, marital status contributes to youth unemployment. Isengard pointed out that males have a higher risk of being unemployed than women in the UK. Hence, the debate on which factors are more important than others in determining youth unemployment continues.

Through this review, it was clear that many factors are contributing to youth unemployment. The factors causing youth unemployment are either similar or different in examined countries and states. For instance, the variable that causes youth unemployment in Russia is different than that of Pakistan. In Russia, the determinants were low skilled young people, hoarding of adult people, high youth demographic, migration and family conditions (Demidova, O,&M Signorelli, 2012) whereas in Pakistan it was mainly due to a lack of enough knowledge in modern farming, low growth of industries and not having good tax system. (Tahir Mahmood et al. 2014). So the symptoms of the problem differ from country to country.

### **2.3 Research Gaps**

There are some more variables that were missed out in the study, like nonattractive agricultural sectors and types of training and training duration of training the youth availed, gender, marital status, the family background that could be contributing to youth unemployment. These determinants s believed to be very crucial in Sikkim youth unemployment and need further research. As we have seen, a lot of studies have been done regarding unemployment determinants of youth unemployment in other countries but it has not only remained scarce in Sikkim, the few available ones are only focused on educated unemployment and labour market. There no deep exploration on determinants of youth unemployment in Sikkim. Therefore, by further studying on this topic I will try to focus and explore more on youth perspective toward unemployment in Sikkim.

**CHAPTER 3.**  
**RESEARCH**  
**METHODOLOGY**

### **Chapter 3. Research Methodology**

Quite often youth unemployment are related with less job creation, low salary, less government employment scheme, preference of more white collar jobs and expectation of high salaried job. In line with the above issues, the instrument is designed primarily to capture the above variables in the study.

The research methodology adopted:

#### **Population and sample**

The youth population ranging between the ages of 18-28 was included in the study. Data was collected from the youths of Sikkim who are currently in Gangtok in search of jobs and some are doing their education in the city. The mode of data collection was in primary basis.

As a sample, 100 youths ranging between the age group of 18-28 years were surveyed. The research time period was for a period of four months starting 7<sup>th</sup> February till May 2022, which included the completion of the entire project reviews and viva.

#### **Research Instrument**

The research instrument was constructed after studying the following:

1. The ideas, theories, and various researches about youth unemployment.
2. Literature on youth unemployment in Sikkim and Northeast.

#### **Instrument: questionnaire development**

One set of structured questionnaires was developed for youth to collect the data. These questionnaires consist of three parts.

**Part 1:** Background on the youth such as districts, age, gender, educational level, job preference etc.

**Part 2:** questions specifically on finding the causes of youth unemployment in Sikkim.

**Part 3:** open ended questions to gather information about youths' perspective towards employment and self-start-up business.

### **Methods of Analysis**

Data was analyzed in SPSS (Statistical Package for Social Science). Various statistical tools were applied to get the desired objective.

-Cross tabulation

-Bar diagram

-Descriptive Statistics like frequencies and mean were used

-Pie charts and diagram.

# **CHAPTER 4. DATA ANALYSIS AND FINDINGS**

## CHAPTER 4. DATA ANALYSIS

This study was carried out to observe the reasons behind the youth unemployment in Sikkim and the youths' perspectives and knowledge towards self-start-up business. The respondents were hailing from different districts of the Sikkim but were currently residing in Gangtok. The data collection was carried out on a primary basis(questionnaire).

### Gender

Table 1

	Frequency	Percent
Valid Male	54	53.5
Valid Female	46	45.5
Valid Total	100	99.0
Missing System	1	1.0
Total	101	100.0

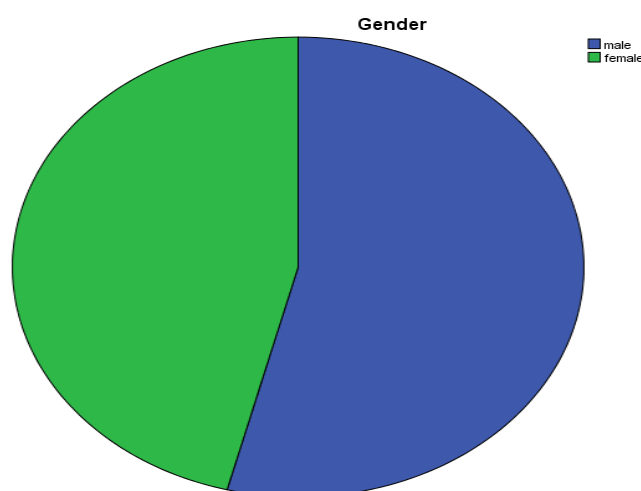


Figure 1

In this study, the data were collected from 54 males and 46 females making it a total of 100 respondents.



## JOB PREFERENCES OF YOUTHS IN SIKKIM

Table 2

### job preference

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid government sector	85	85.0	85.0	85.0
private sector	15	15.0	15.0	100.0
Total	100	100.0	100.0	

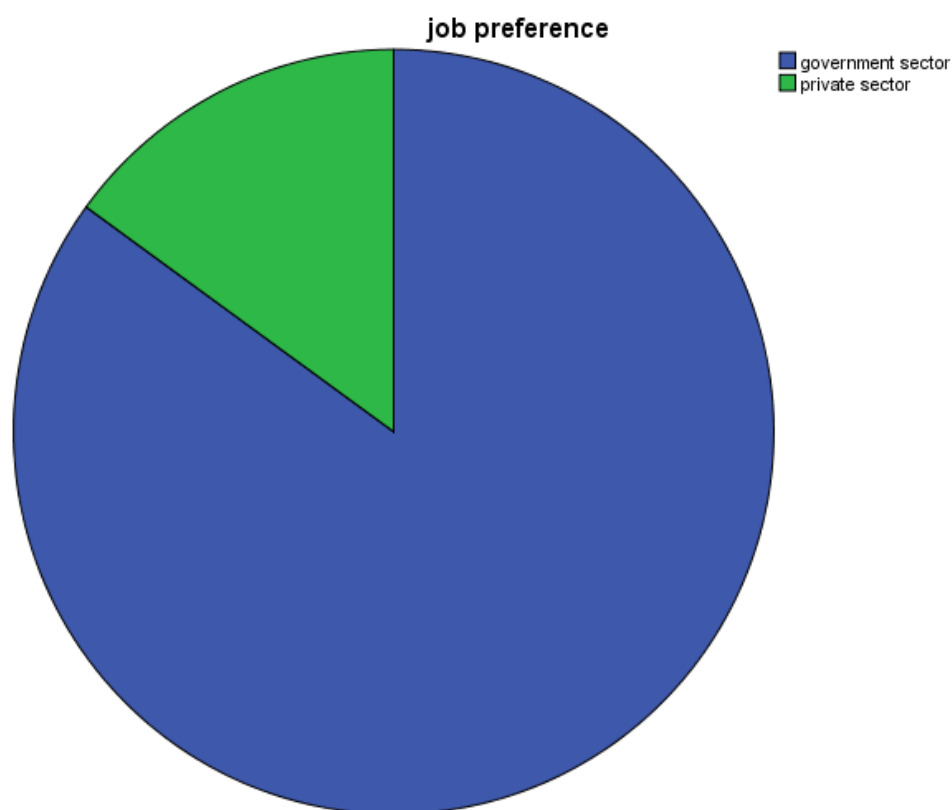


Figure 1

From the above figure, we surprisingly found out that almost every youth in Sikkim prefers to work in the government sector over the private sector. It shows that the private sector is viewed dominantly negative. Only 15% out of 100 prefer to work as private employee.

## Various reasons for youth unemployment in Sikkim: a brief analysis

Disagree and strongly disagree both taken as “disagree”

Agree and strongly agree both taken as “agree”

### 1. Caste discrimination

Table 3

	Frequency	Percent
strongly agree	19	18.8
Agree	14	13.9
neutral	33	32.7
Valid disagree	23	22.8
strongly disagree	11	10.9
Total	100	99.0
Missing System	1	1.0
Total	101	100.0

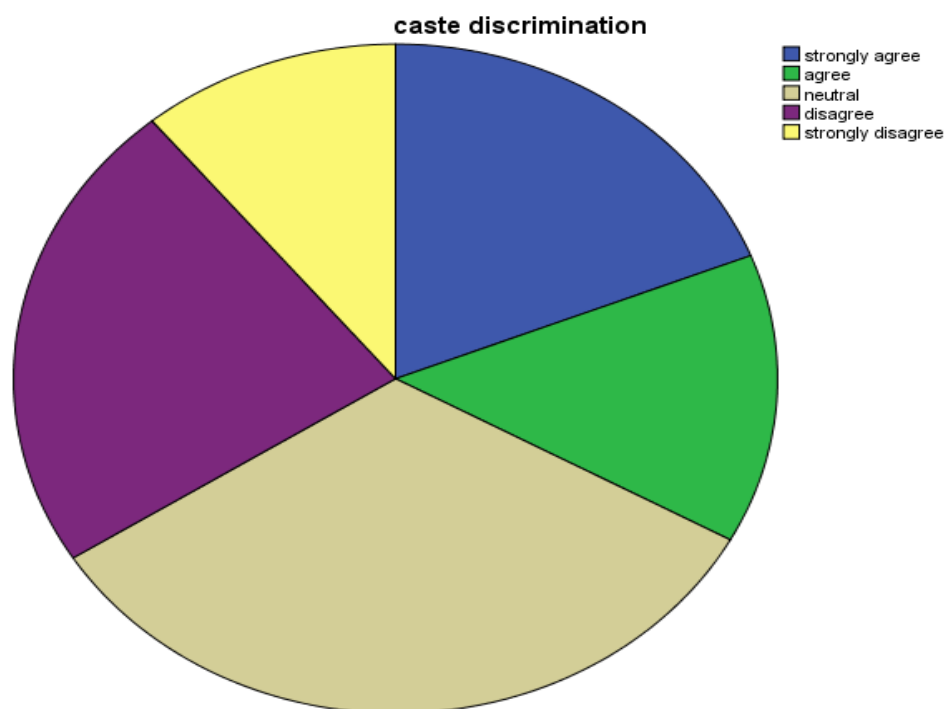


Figure 3

From the above table, we can observe that a total of 33 participants agreed that cast discrimination is the reason for youth unemployment, 33 remained neutral and 34 disagreed. Therefore, we kept caste discrimination as a neutral factor.

## 2. Imperfect knowledge about the job opportunities

Table 4

	Frequency	Percent
strongly agree	13	12.9
Agree	44	43.6
neutral	35	34.7
disagree	7	6.9
strongly disagree	1	1.0
Total	100	99.0
Missing System	1	1.0
Total	101	100.0

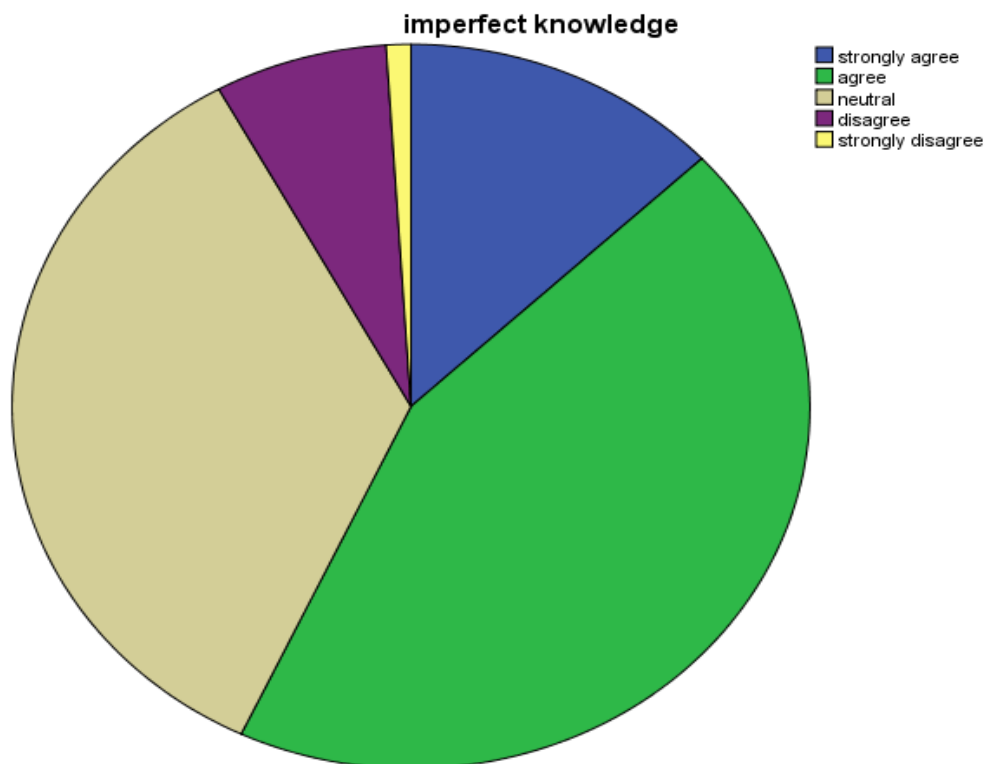


Figure 4

From the above table, 57 participants agreed that imperfect knowledge about job opportunities was a reason for youth unemployment in Sikkim, 35 remained neutral and 8 participants disagreed. Therefore, we can say there is an impact of the imperfect knowledge about job opportunities on youth unemployment.

### 3. low salary

Table 5

	Frequency	Percent
strongly agree	26	25.7
Agree	47	46.5
neutral	17	16.8
Valid disagree	9	8.9
strongly disagree	1	1.0
Total	100	99.0
Missing System	1	1.0
Total	101	100.0

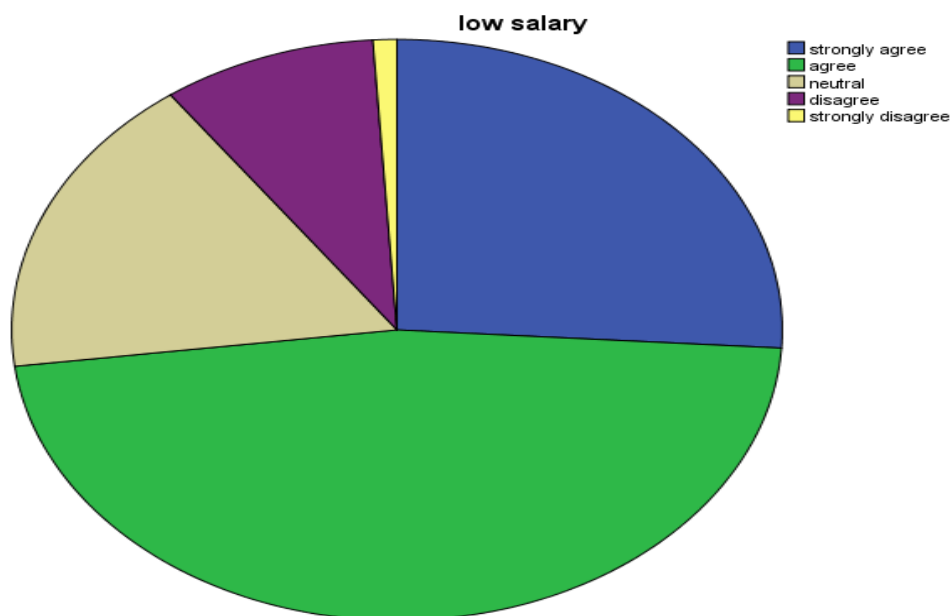


Figure 5

From the above table, we found out that 72.2% of the participant agrees that a low salary leads to youth unemployment in Sikkim, 16.8% of participants remain neutral and 9.9% disagreed. So, we can say that low salary has a strong effect on youth unemployment in Sikkim.

#### 4. Lack of experience

Table 6

	Frequency	Percent
strongly agree	13	12.9
Agree	42	41.6
neutral	31	30.7
Valid disagree	11	10.9
strongly disagree	3	3.0
Total	100	99.0
Missing System	1	1.0
Total	101	100.0

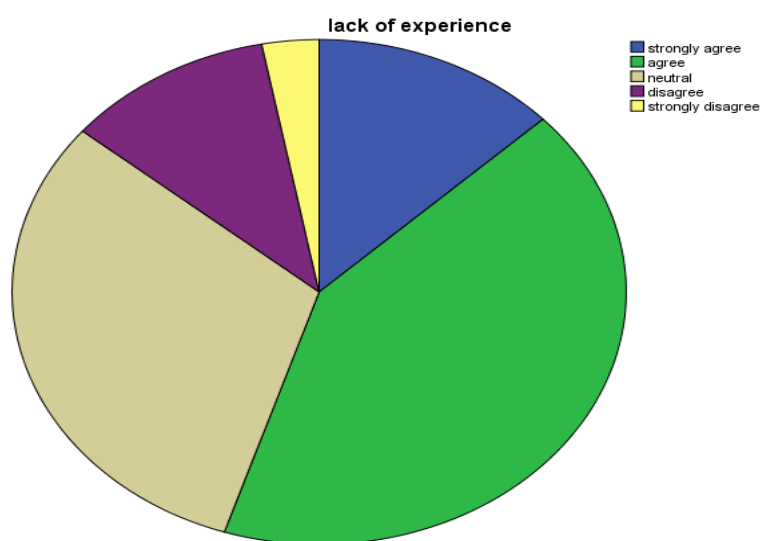


Figure 6

In the case, of lack of experience leading to youth unemployment, 54.5% of participants agreed, 30.7% remained neutral and 13.9% disagreed. Therefore, we conclude that lack of experience can be considered the cause of youth unemployment.

### 5. Not enough job in the market

Table 7

	Frequency	Percent
Valid strongly agree	23	22.8
Valid Agree	48	47.5
Valid neutral	13	12.9
Valid disagree	16	15.8
Total	100	99.0
Missing System	1	1.0
Total	101	100.0

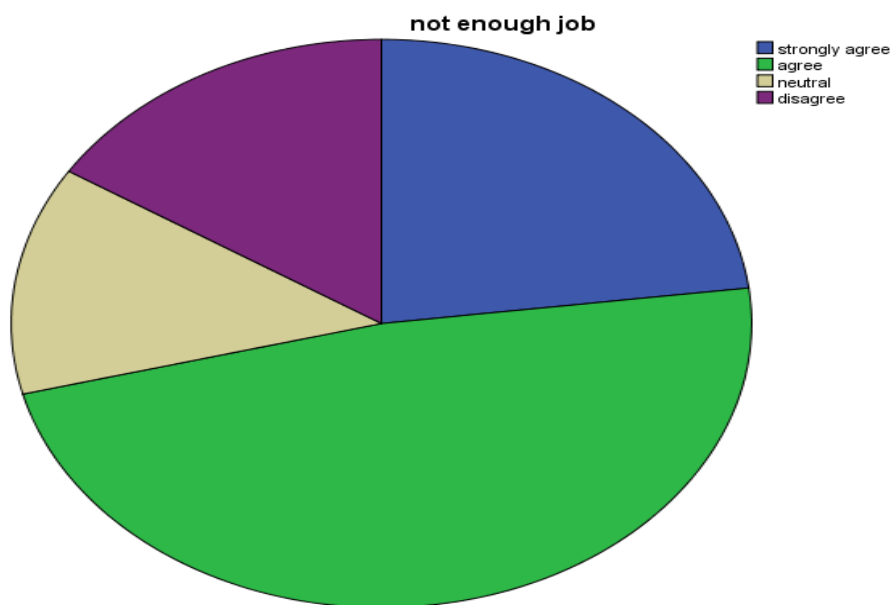


Figure 7

Here 70.3% of participant agreed that not enough job in the market is the cause of youth unemployment in Sikkim, 12.9% was neutral and 15.8% participant disagreed. Here none of the respondent opted for strongly disagree.

### 6. Education system in Sikkim is not job oriented

Table 8

#### education system not job oriented

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	11	10.9	11.0	11.0
Agree	39	38.6	39.0	50.0
neutral	35	34.7	35.0	85.0
Valid disagree	12	11.9	12.0	97.0
strongly disagree	3	3.0	3.0	100.0
Total	100	99.0	100.0	
Missing System	1	1.0		
Total	101	100.0		

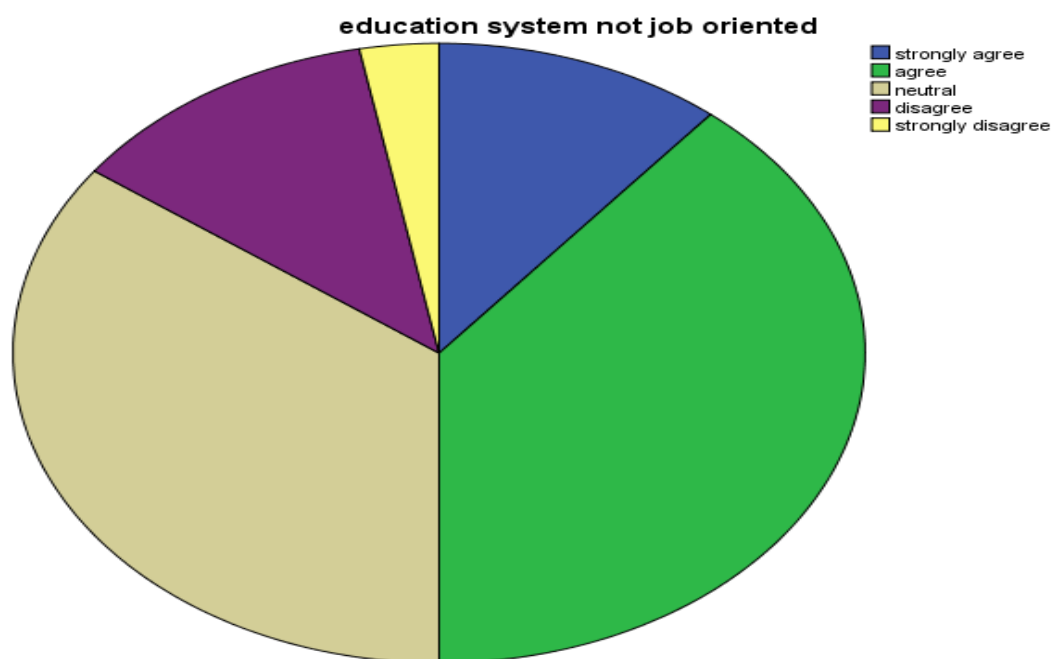


Figure 8

There is 49.5% of participants who agreed that education system in Sikkim is not job oriented, 34.7% remained neutral and 14.9% disagreed. More or less, we can conclude that Education system in Sikkim needs to be revised.

### 6. Bad working environment

Table 9

	Frequenc y	Percent
strongly agree	2	2.0
Agree	20	19.8
Neutral	42	41.6
Valid Disagree	27	26.7
strongly disagree	9	8.9
Total	100	99.0
Missing System	1	1.0
Total	101	100.0

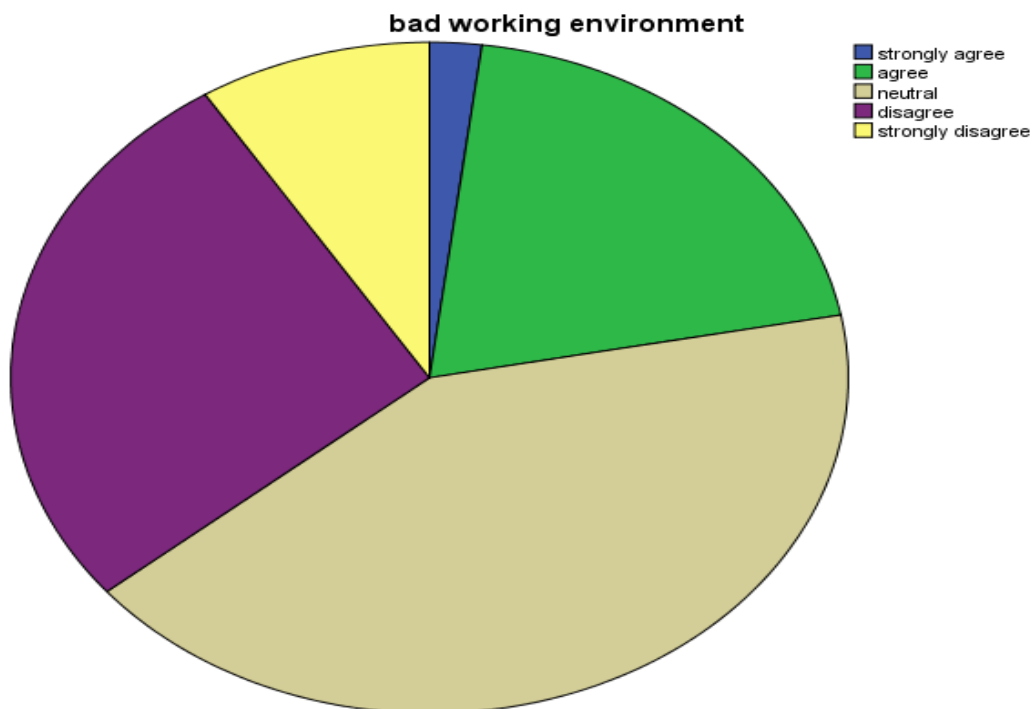


Figure 9



In the case of bad working environment, only 21.8% of participants backed bad working environment as a factor of youth unemployment in Sikkim, 41% remained neutral and 35.6% disagreed. Therefore, we conclude that bad working environment has moderately low effect on youth unemployment.

### 8. Less government employment scheme

Table 10

#### less govt. employment scheme

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	11	10.9	11.0	11.0
Agree	42	41.6	42.0	53.0
Neutral	26	25.7	26.0	79.0
Valid Disagree	17	16.8	17.0	96.0
strongly disagree	4	4.0	4.0	100.0
Total	100	99.0	100.0	
Missing System	1	1.0		
Total	101	100.0		

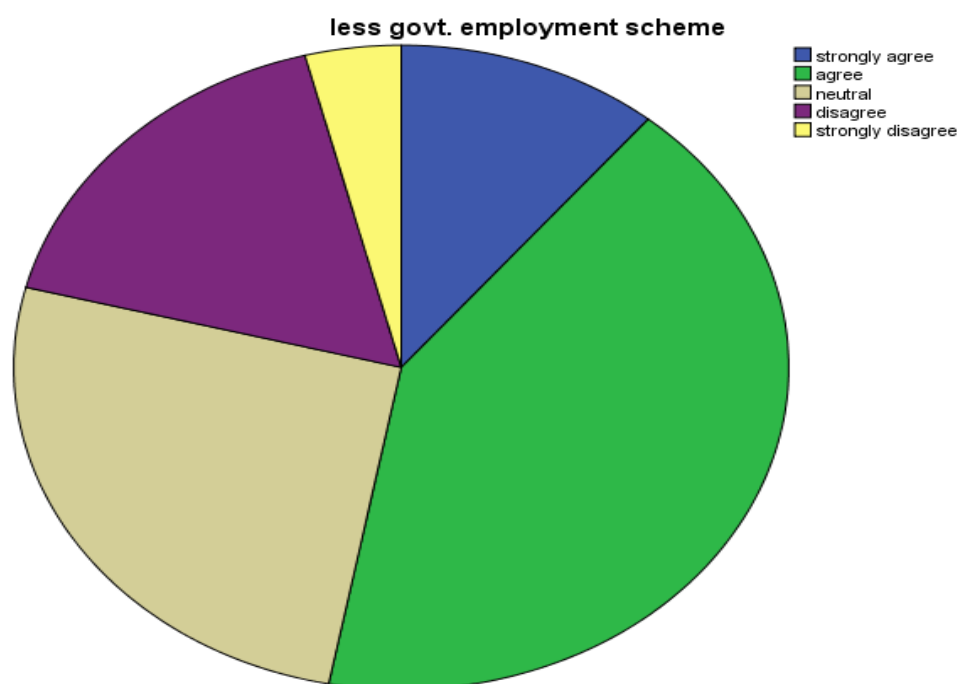


Figure 10

Less government employment scheme seems to have greater effect on youth unemployment in Sikkim because 52.5% agreed, while 25.7% stayed neutral and only 20.8% disagreed. Excluding neutrals, 52.5% out of 73.3% agreed to the statement.

### 9. Youths are not ready to take the low profiled job

Table 11

	Frequency	Percent
strongly agree	9	8.9
Agree	52	51.5
neutral	18	17.8
Valid disagree	16	15.8
strongly disagree	5	5.0
Total	100	99.0
Missing System	1	1.0
Total	101	100.0

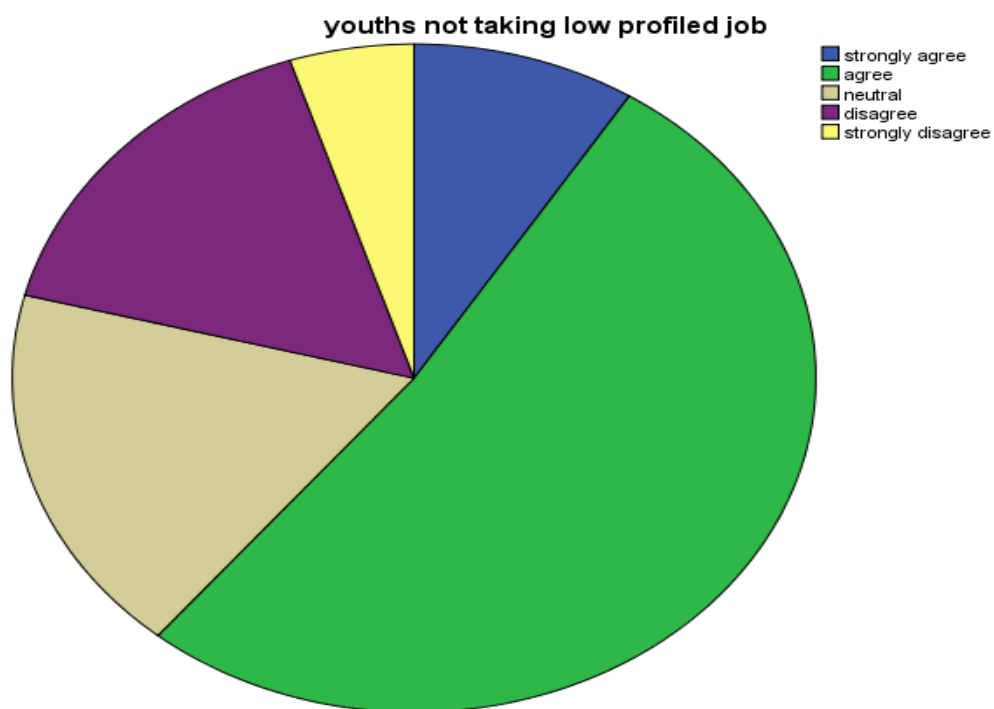


Figure 11

Here, 60.5% of participants agreed that youths are not ready to take the low profiled job is aggravating youth unemployment in Sikkim, 7.8% remained neutral and 20.8% disagreed.

### 10. Unrealistic salary and job responsibilities expectation

Table 12

	Frequency	Percent
Valid strongly agree	6	5.9
Agree	53	52.5
neutral	30	29.7
disagree	10	9.9
strongly disagree	1	1.0
Total	100	99.0
Missing System	1	1.0
Total	101	100.0

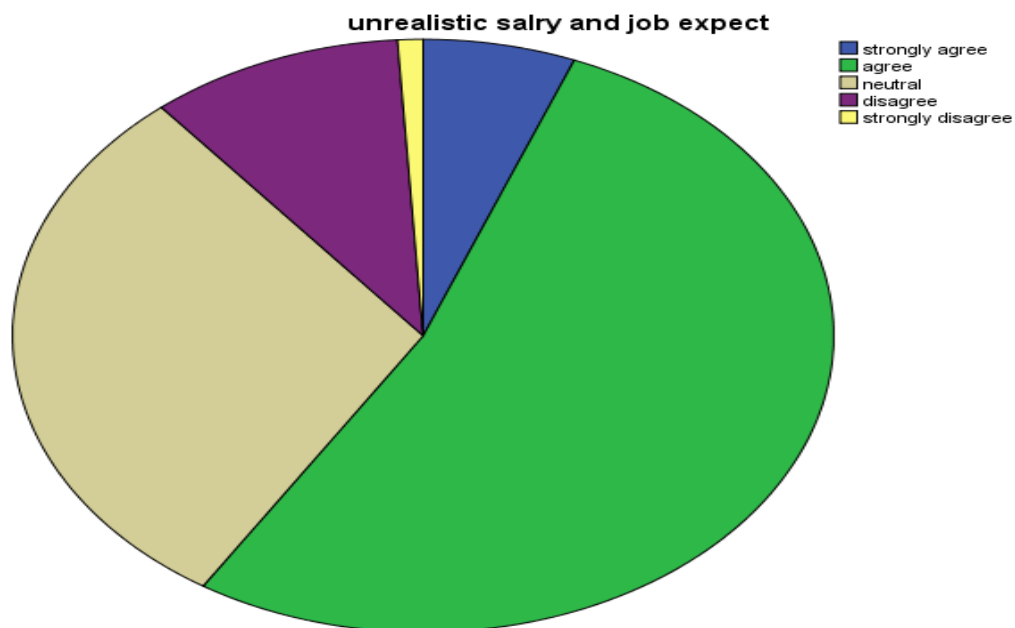


Figure 12

Unrealistic salary and job responsibilities expectation can also be considered as one of the major causes of youth unemployment in Sikkim because 58.4% of respondent agreed, 29.7% remained neutral and 10.9% disagreed.

### 11. Presence of more migrant worker

Table 13

	Frequency	Percent
strongly agree	7	6.9
Agree	29	28.7
neutral	42	41.6
Valid disagree	18	17.8
strongly disagree	4	4.0
Total	100	99.0
Missing System	1	1.0
Total	101	100.0

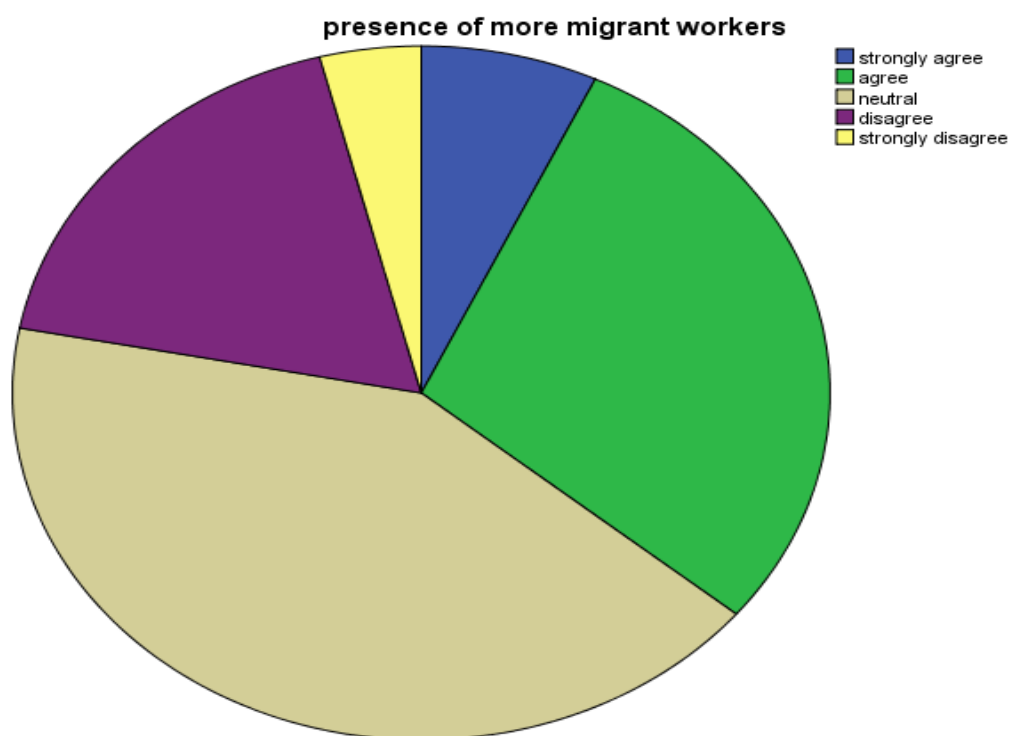


Figure 13

Not many respondent agreed presence of more migrant worker in the state as a causes of youth unemployment because 35.6% of respondent agreed while 41.6% remained neutral and 22% disagreed.

### **Findings:**

we have presented eleven reasons that is causing youth unemployment in Sikkim, the reasons were thoroughly analysed and more or less related to the current youth unemployment scenario. Out of all the factors, low salary, not enough job in the market, less government employment scheme, youths not ready to take low profiled job and unrealistic salary and job responsibilities expectation has a significant role in aggravating youth employment in Sikkim. Low salary is a leading factor for youth unemployment in Sikkim because almost 72.2% of participant agreed to this statement followed by not enough job in the market, where 70% of respondent agreed to this statement. Less government employment scheme, unrealistic salary and job responsibilities expectation and youths not taking a low profiled jobs also play a key role but not as much as those two. Caste discrimination cannot be considered as a factor behind youth unemployment in Sikkim as only 33% agreed, which indicates that equality persist in the Sikkim. Even if caste discrimination exist, it would be significantly low. The study found out that working environment in Sikkim is relatively good because most of the respondent gave positive feedback on the working environment in Sikkim. They are assured that they get a space that promotes their wellbeing, productivity and growth. Presence of more migrant workers has no significant impact on youth unemployment in Sikkim.

In contemporary times words like start-up, Entrepreneurship, seeding have become a popular topic of discussion among youths. In context of self-start-up business, almost 23% of youths out of the total sample are willing to established themselves in the star-up business. But as there is brighter side of start-up business like career growth, independence, good working environment, good reward etc., but we should expect the darker side as well. As study finds that financial limitation is the main barrier a Sikkimese youths are facing to go with star-ups.

### **Youth's perspectives towards self-employment(self-start-up)**

This study assesses whether Sikkimese youths intend to start their own business or get themselves employed after their education.

Table 14

**plan after education**

	Frequency	Percent	Valid Percent	Cumulative Percent
self-start up/self-employment	23	23.0	23.0	23.0
Valid Govt. employee	55	55.0	55.0	78.0
private employee	22	22.0	22.0	100.0
Total	100	100.0	100.0	

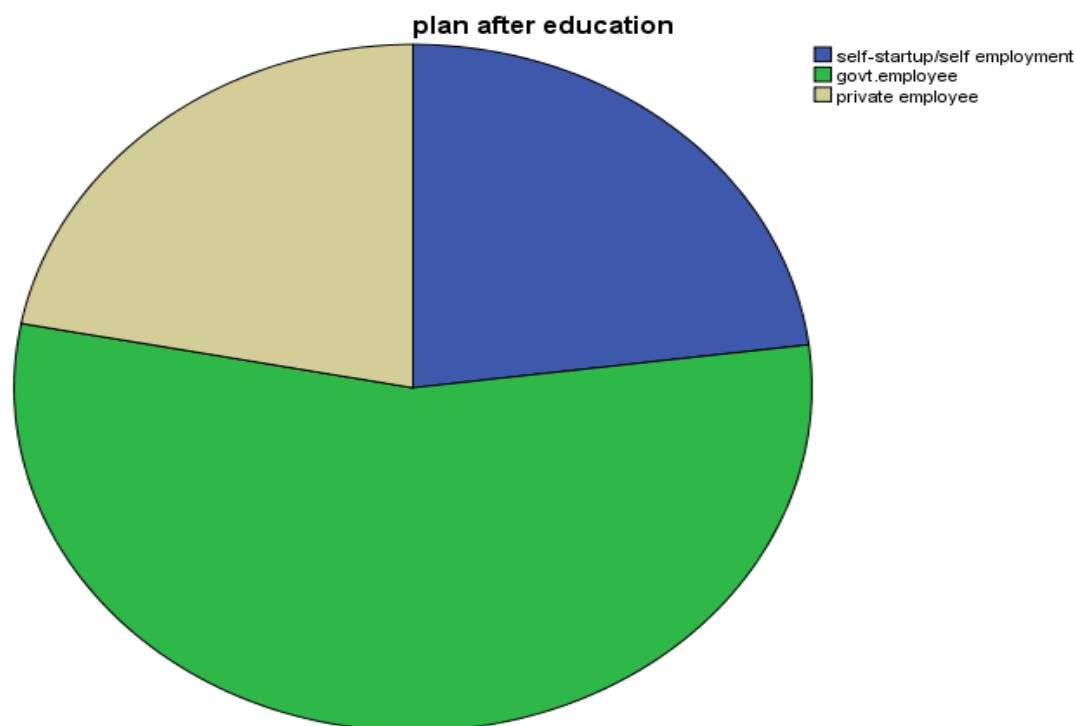


Figure 14

From the above table, we found out that 55% of youths wants to work as a government employee, 22% of youths wants to work as private employee and 23% wants to go with self-start-up business where they can get self employed as well as creates jobs for other.

**If start-up/Self-Employment why?**

A start up is a new business that meets a market need or seeks to provide a solution for a particular clients or customer challenge. It can be difficult to define start-up precisely, as features like revenues, profits, number of employees and business plans differ markedly between start-ups. Often, start up

company founders begin with an idea or product that addresses a particular challenge, such as having fresh produce available to the people.

Working at a start-up company can seem daunting with so many unknown variables. However, there are several career-building and personal benefits one can enjoy when going with start-up like career growth, independence, passion and excitement, learning new things and good working atmosphere etc..., In the below diagram, we have presented the youths perspective toward star-ups in Sikkim.

Table 15

if start-up: why					Total
good working atmosphere	Passion	independence	career growth		
1	4	14	4		23
1	4	14	4		23

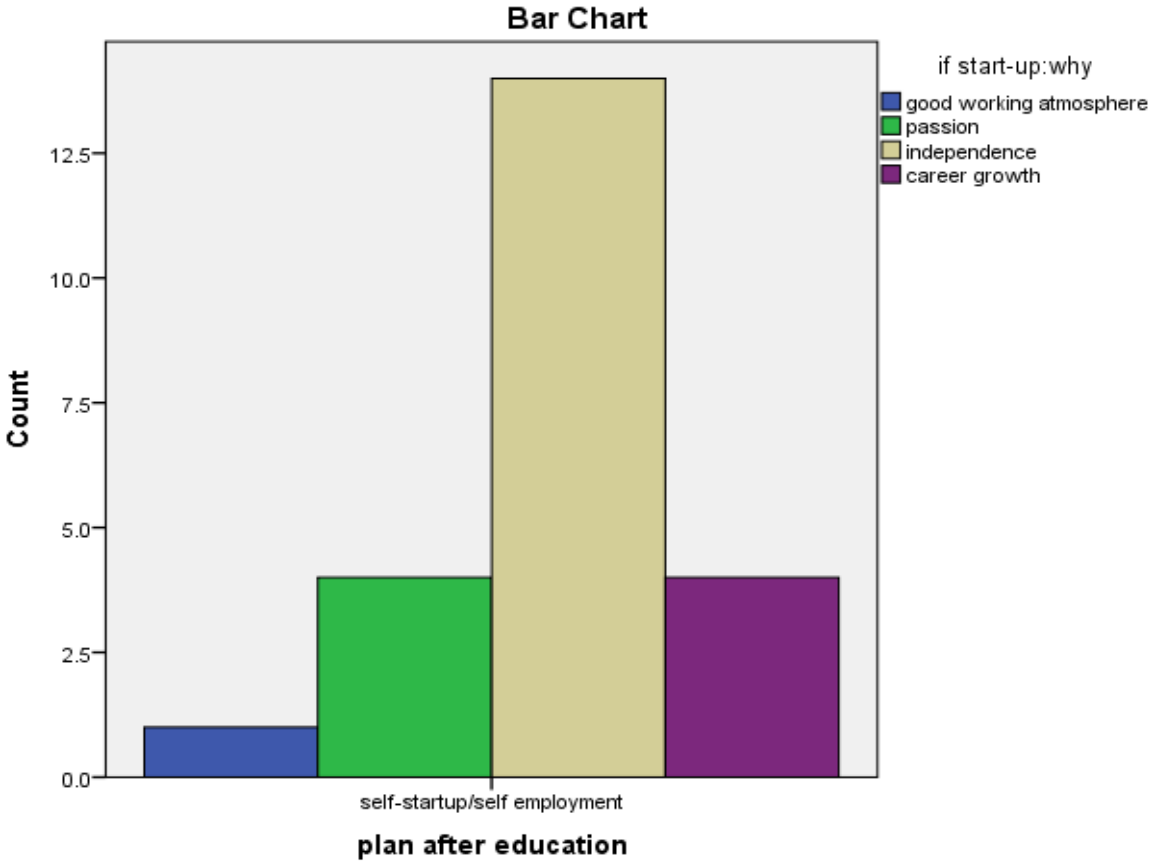


Figure 15

A 23% of respondent opted to go with start up business after their education which is indeed a bode well for the curving youth unemployment in Sikkim. When asked youths about the reason behind

going with start-up business, most frequent and relevant answer was “independence”. They prefer working independently and few respond to career growth and passion.

**If employee why?**

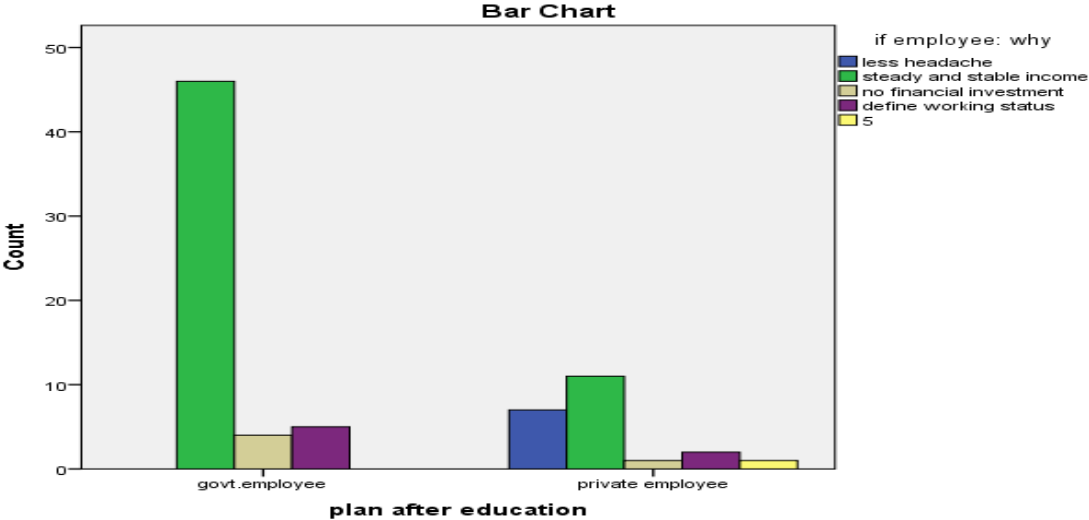
Not everyone has the ability to be a entrepreneur. Some don’t know that’s a choice, others don’t want to. People trade time for money because they either don’t have what it takes to take another path, don’t know another path exists. Another important factor is income security. An employee is guaranteed an income at the end of the work period. And most people need that assurance that they will collect income to take care of themselves. Sikkim is no exemption to this idea of employee.

Table 16

**Crosstab**

Count

	if employee: why					Total
	less headache	steady and stable income	no financial investment	define working status	5	
Gove. Employee	0	46	4	5	0	55
private employee	7	11	1	2	1	22
Total	7	57	5	7	1	77





There is 77% of respondent opting to work as employee, 22% in private sector and 55% in government sector respectively. Youths in Sikkim wants to work as a employee after their education because working as a employee be it in government or private, it at least gives them a steady and stable income. Steady and stable income comes as a strong reason behind youth opting employee as a career. This indicates that people care more about the income security than other factors.

### **Factor affecting the growing of Start-up business in Sikkim**

Star-ups are full of promise and excitement, but the flip side is, they're also full of risk and uncertainty. There are a lot of great ideas out there that somehow never get off the ground, and conversely, there are plenty of questionable ones that become massive success. There are various factors that affects start-up to flourish like financial limitation, fear of failure, no stand out idea, inexperience etc., Lets see what are the factors affecting the start-up in Sikkim.

Table 17

#### **factors affecting start-up**

	Frequency	Percent	Valid Percent	Cumulative Percent
financial limitation	60	60.0	60.0	60.0
inexperience	11	11.0	11.0	71.0
no stand out idea	9	9.0	9.0	80.0
fear of failure	20	20.0	20.0	100.0
Total	100	100.0	100.0	

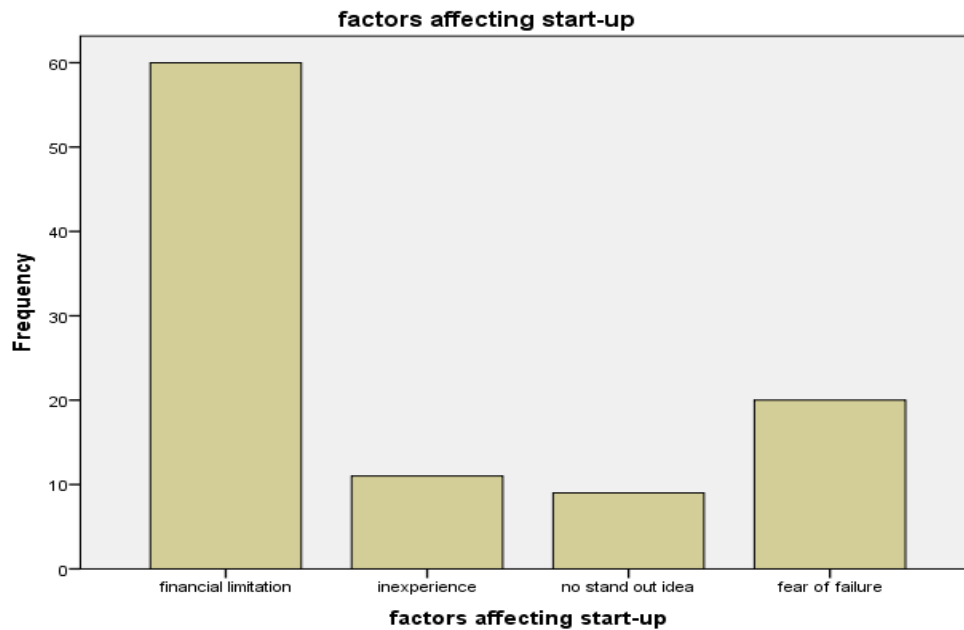


Figure 17

While the report generates that the most significant reason behind the low start-up growth in the state is due to the financial limitation. Almost 60% of youths faces financial barrier to go with self-start-up business, 20% feels that it is due to fear of failure, rest 9% and 11% says it is due to no stand out idea and inexperience respectively.

### Evaluation of Government support to develop self-start-up business

Table 18

**Is government providing required support to youths to go with start-up?**

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	51	51.0	51.0	51.0
Valid no	49	49.0	49.0	100.0
Total	100	100.0	100.0	

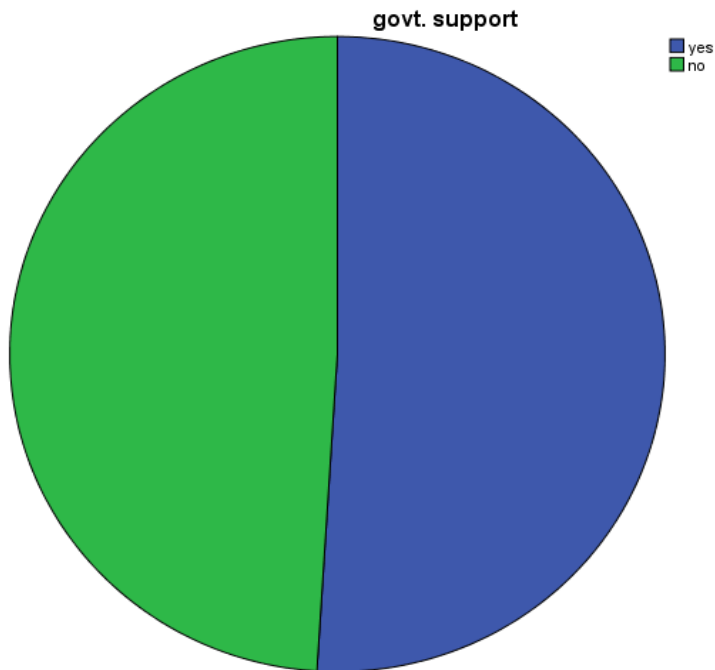


Figure 18

Here 51% of youth says government is providing enough support towards youths who all are going with start-up where 49% of youths feels it isn't enough. Government might be successful in doing their parts but they still need to work on the remaining 49% of youth.

**Youths expectation on Self- start-up:**

- more financial assistance by government
- support needed in finding markets and in the process of marketing as well
- strong and futuristic policy which will help domestic industries and business to grow
- Extending the time period for repayment of loans.
- day to day evaluation and monitoring the performance of the business by government.

# **CHAPTER 5.**

# **CONCLUSION**

## **CHAPTER 5. CONCLUSION**

Unemployment is a problematic issue for many years already and reducing unemployment is a challenging task for all economies worldwide. As a type of unemployment, youth unemployment has a special importance. Youth unemployment is not only related to today, but also to the future. Being unemployed at early stages of one's life scares young people deeply and affects all further life. Young people are more vulnerable to crisis than adult. Generally, it is accepted that the main factors of youth unemployment are insufficient production growth and not enough employment capacities of an economy. Other macro-causes include insufficient demand, recession and crisis, increase of youth share in the total population, demographic factors such as age, deficiency in education systems and labor market.

Increasing youth unemployment rate is crucial problem because it causes both economic and social problems. To sum up, it generates loss of resources (human capital), leads to social unrest, increased crime rate, drug use and mental disorder. With rising population in Sikkim, enrollment, and other concerning factors the unemployment issue has taken its toll to greater height leading to several consequences which require forefront attention from everyone. There is need of more government plans and policies to bring more entrepreneurship in the states which will absorb educated youths as well as creates jobs for other. With their diverse exposure to various ideas, places and behavior of the people, there are number of literatures and studies and studies, which can be a guide and reference to design our own programs and activities to curb down such youth unemployment in Sikkim through education reform, social reforms, policy recommendations and many other practical activities that they have imprinted in their studies and research documents.

One of the major findings from my study is that one of the vital complex issues that we need to deal is the changing the social mindset of people along with economic development of the state. This can be verified with the simplest example of the attitude of youth towards the blue-collar jobs in the case of Sikkimese youth. Therefore, changing their attitude towards work means changing their total social outlook with the way they think, and see the world outside.

### **RECOMMENDATION**

It is pertinent from the analysis that low salary, youths' attitudes towards job, negligible private sector and less government employment scheme are some of the contributory factors to the youth unemployment in Sikkim. There is also considerable number of youths who wants to establish start-up business but financial barrier is the key factor in stopping them to doing so.

With changing time it has become very crucial for any policy maker or implementers to come up with vigorous plans and activities to curb such issues esp. among the youth. There are many strategies and policy recommendations in place working towards curbing youth unemployment in Sikkim.

1. Practical Education System: Hence education system in Sikkim should be more practical. Vocational education can offer greater employment opportunities to our youths. A system of education should evolve where student is given technical training so that will eventually help them in securing suitable jobs in appropriate lines of occupations.
2. Revival of small and cottage industries: By reviving cottage and small-scale industries we can also solve the problem of rural unemployment. The existing cottage industries are to be revitalized and along with them new industries on cottage basis should be started.
3. Economic opportunities in agriculture: the scope of employment of the educated young men in the field of agricultural is often forgotten. The introduction of better farming methods, cultivation of new crops, running of poultry farms, gardening, etc., are possible lines of work which young man with technical training and initiative may take up with profit in Sikkim.
4. Development of more private sector with revised payment: private sector growth is a key engine of job creation and with revised payment more youths can be absorbed in the private sector.
5. Promotion of entrepreneurship: entrepreneurship and self-employment requires increased access to credit by strengthening financial infrastructure, bank competition and non-bank financing. Youth micro-entrepreneurship also requires business regulation, in order to reduce red tape and increase transparency (ILO 2012b).
6. Regulation: Sikkim with high youth unemployment means there is a need to reconstruct public administration hiring and promotion processes, and to reduce public- private dualism in the labor market. A minimum wage could be important for young workers to sustain a decent earnings level.

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**ANNEXURE**  
**QUESTIONNAIRE**

Youth Unemployment and their perspective towards Self-Start-Up Businesses in Sikkim

**1. PERSONAL DETAIL**

Residential Place	1. District: 2. Block:
Gender	1. Male: 2. Female:
Marital Status	1. Single 2. Married 3. Divorced 4. Others (Specify)
Respondent age	1. 18-24 years 2. 25-34 years
Education Level	1. Illiterate 2. Up to 10 <sup>th</sup> /ITI Diploma 3. Up to 12th/Polytechnic Diploma 4. Up to UG (BA/BSc/BCA/B.Com) 5. PG and Above
Are you employed?	1. Yes 2. No
If unemployed: for how long you have been unemployed?	1. Less than 1 year 2. 1 year 3. 2 years



	<ol style="list-style-type: none"> <li>4. 3 years</li> <li>5. More than 3 years</li> </ol>
Got any job offer recently?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. no</li> </ol>
If yes; why did you turn down the job offer?	<ol style="list-style-type: none"> <li>1. Low salary</li> <li>2. Lack of skills and education</li> <li>3. Gives no status</li> <li>4. Family pressure</li> <li>5. Unfeasible Working environment</li> <li>6. others</li> </ol>
What job do you prefer?	<ol style="list-style-type: none"> <li>1. Government sector</li> <li>2. Private sector</li> </ol>
What Qualities should be in your preferred job?	<ol style="list-style-type: none"> <li>1. High salary</li> <li>2. Job security</li> <li>3. Good working environment</li> <li>4. Chosen by your family</li> <li>5. Status</li> <li>6. If Others Specify.....</li> </ol>

## 2.REASONS OF YOUTH UNEMPLOYMENT IN SIKKIM

SA: Strongly Agree, A: Agree, N: Neutral, D: Disagree & SD: Strongly Disagree

Sr. No.	Statements	SA	A	N	D	SD
1.	Caste discrimination					

2.	Imperfect knowledge					
3.	Low salary					
4.	Lack of experience					
5.	Not qualified for the job					
6.	Not enough job in the market					
7.	Education system in Sikkim not job oriented					
8.	Bad working environment					
9.	Lack of skills					
10.	Less government employment schemes					
11.	Youths are not ready to take low profiled jobs					
12.	Ineffective economic planning in the state					
13.	Unrealistic salary and responsibility expectations					
14.	Presence of more educated worker from outside of the state					
15.	Unemployed by choice					

### 3. PERSPECTIVE TOWARDS SELF-EMPLOYMENT

Your plan after education	<ol style="list-style-type: none"> <li>1. Self-Start-up / Self Employment</li> <li>2. Govt. Employee</li> <li>3. Employee (Govt/Private)</li> </ol>
If self-start up: why	<ol style="list-style-type: none"> <li>1. No job</li> <li>2. Good working atmosphere</li> <li>3. Learn by doing</li> <li>4. Passion</li> <li>5. Independence</li> </ol>

	6. Career growth
If employee : why	<ol style="list-style-type: none"> <li>1. Less headache</li> <li>2. Steady and stable income</li> <li>3. No financial investment</li> <li>4. Define working status</li> </ol>
Factors affecting the startup business	<ol style="list-style-type: none"> <li>1. Financial limitation</li> <li>2. Inexperience</li> <li>3. No stand out idea</li> <li>4. Fear of failure</li> </ol>
Is government doing enough to encourage youths to go with start-up business	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
If Yes:	Explanation:
If No	Expectations:
Where do you see youth employment in Sikkim in the coming five years?	
Where do you see Sikkimese youth in the context of self-employment or start-up scenario in 5 years?	
Any other Comments on unemployment and self- Employment in Sikkim	

**Thank You**