



## UNEMPLOYMENT IN JAMMU AND KASHMIR: A COMPARATIVE AND ANALYTICAL STUDY (2026)

**DR. ASHIQ HUSSAIN MALIK**

*Managing Director, HostGate  
Managing Director, NAIRJC (North Asian International Research Journal Consortium)  
Managing Director, IRJIF  
Managing Director, DOI Global*

### **ABSTRACT**

*As of February 2026, Jammu and Kashmir records an unemployment rate of 6.7%, nearly double the national average of 3.5%, highlighting a persistent labour market imbalance. This paper examines the structural causes behind high unemployment, particularly among educated youth, gender disparities, and regional economic constraints. Using data from the Periodic Labour Force Survey (PLFS), Government of J&K Assembly records (2025–2026), Mission YUVA baseline survey, and secondary policy reports, the study analyzes recent trends and compares them with national indicators. The findings reveal that unemployment in J&K is largely structural rather than cyclical, with youth and women disproportionately affected. The study concludes with policy recommendations focused on private sector growth, skill alignment, entrepreneurship promotion, and gender-inclusive labour reforms.*

**KEYWORDS:** *Unemployment, Jammu and Kashmir, Youth Employment, PLFS, Labour Market, India Economy, Educated Unemployment, Structural Unemployment*

### **1. INTRODUCTION**

Unemployment remains one of the most pressing socio-economic challenges in Jammu and Kashmir (J&K). Despite improvements in literacy rates, gross enrollment ratios, and infrastructure development over the past decade, employment generation has not kept pace with the rapidly expanding labour force. The region has witnessed a steady rise in educational attainment, particularly among youth; however, this positive development has not translated proportionately into productive employment opportunities.

Government data presented in 2026 indicates that J&K's unemployment rate stands at **6.7%**, significantly **higher than the national average** of **3.5%**, underscoring a widening employment gap. This persistent divergence suggests structural weaknesses in the region's economic framework, particularly in job creation capacity, private sector growth, and industrial diversification. The sustained difference between regional and national averages highlights the existence of long-term labour market distortions rather than temporary economic fluctuations.

The issue is especially severe among educated youth and women. The rising number of degree holders entering the labour market each year contrasts sharply with the limited absorption capacity of the economy. A significant proportion of young job seekers aspire to secure public sector employment, which is constrained by limited vacancies and delayed recruitment processes. Consequently, many remain unemployed or underemployed for extended periods. This trend not only increases economic dependency but also contributes to psychological stress, migration pressures, and social discontent.

From a gender perspective, women face additional barriers to workforce participation, including socio-cultural constraints, mobility limitations, lack of safe work environments, and inadequate childcare facilities. Although female educational attainment has improved considerably, labour force participation among women remains relatively low, and unemployment rates among urban educated women are particularly high. This reflects deeper structural and institutional challenges that restrict inclusive economic participation.

Jammu and Kashmir's unique geographic, political, and economic context further complicates the employment landscape. The region's mountainous terrain, limited industrial base, historical instability, and reliance on agriculture and government employment have constrained the development of a diversified private sector. Tourism, horticulture, handicrafts, and small-scale trade contribute significantly to livelihoods, but these sectors often generate seasonal or informal employment rather than stable, long-term job opportunities.

The persistence of high unemployment also raises concerns about the effective utilization of the region's demographic dividend. With a large proportion of the population in the working-age group, failure to create sufficient employment opportunities may result in long-term economic stagnation and increased outward migration of skilled youth. Therefore, understanding the structural drivers of unemployment in J&K is essential for designing targeted and sustainable policy interventions.

In this context, the present study aims to analyze unemployment trends in Jammu and Kashmir, compare them with national indicators, and examine the structural, demographic, and institutional factors contributing to persistent labour market imbalances. By providing a comparative and analytical assessment, the study seeks to contribute to informed policy discourse on employment generation and inclusive economic development in the region.

## 2. DATA SOURCES AND METHODOLOGY

This study is based on a combination of primary government datasets and secondary research sources to ensure reliability, consistency, and analytical depth. The objective is to provide a comprehensive and evidence-based assessment of unemployment trends in Jammu and Kashmir (J&K) in comparison with national indicators.

## 2.1 Data Sources

### 2.1.1 Periodic Labour Force Survey (PLFS) (2019–2025)

The primary dataset used in this study is the Periodic Labour Force Survey (PLFS) conducted annually by the Ministry of Statistics and Programme Implementation (MoSPI), Government of India. PLFS provides standardized and nationally comparable data on:

- Unemployment Rate (UR)
- Labour Force Participation Rate (LFPR)
- Worker Population Ratio (WPR)
- Youth unemployment indicators
- Urban–rural disaggregated data
- Gender-wise employment statistics

The survey follows internationally accepted definitions of employment and unemployment, aligned with International Labour Organization (ILO) standards, ensuring methodological consistency.

### 2.1.2 Government of J&K Assembly Employment Statistics (2025–2026)

Official responses tabled in the J&K Legislative Assembly provide updated unemployment figures, recruitment data, and policy implementation reports. These documents offer region-specific insights into:

- Number of registered unemployed youth
- Public sector vacancy positions
- Recruitment timelines
- Sectoral employment distribution

These official records strengthen the regional specificity of the analysis.

### 2.1.3 Mission YUVA (Yuva Udyami Vikas Abhiyan) Baseline Survey

The Mission YUVA baseline survey provides data related to:

- Youth entrepreneurship intentions
- Skill levels and training needs
- Barriers to self-employment
- Access to finance and institutional support

This dataset is particularly useful in examining structural unemployment among educated youth and assessing the viability of entrepreneurship as a policy response.

### 2.1.4 Secondary Sources

To supplement official data, the study also utilizes:

- National and regional newspapers
- Policy research institutions
- Think tank publications
- Government policy briefs
- Academic literature on unemployment and labour economics

These sources help contextualize statistical findings within broader socio-economic debates and policy developments.

## 2.2 Methodological Framework

The research adopts a **quantitative-descriptive and comparative analytical framework**.

### 2.2.1 Comparative Analysis

A comparative approach is used to examine disparities between:

- Jammu & Kashmir vs National averages
- Urban vs Rural unemployment
- Male vs Female unemployment
- Youth vs Overall unemployment

This allows identification of structural gaps and demographic vulnerabilities.

### 2.2.2 Trend Analysis (2019–2025)

A time-series trend analysis is conducted to observe:

- Year-wise fluctuations in unemployment rates
- Post-pandemic labour market recovery patterns
- Structural reversals or stagnation

By examining multi-year data, the study distinguishes between cyclical economic changes and persistent structural unemployment.

### 2.2.3 Descriptive Analytical Approach

The study employs descriptive statistical tools to interpret labour market indicators. Rather than relying on complex econometric modeling, the research focuses on:

- Percentage comparisons
- Growth rate calculations
- Structural interpretation of labour supply-demand dynamics

This approach ensures clarity and policy relevance while maintaining academic rigor.

#### 2.2.4 Key Quantitative Indicators Used

The analysis is based on the following core labour market indicators:

1. **Unemployment Rate (UR):**  
Percentage of unemployed persons in the labour force.
2. **Labour Force Participation Rate (LFPR):**  
Percentage of working-age population actively seeking or engaged in employment.
3. **Worker Population Ratio (WPR):**  
Proportion of employed persons in the working-age population.
4. **Youth Unemployment Rate:**  
Unemployment among individuals aged 15–29 years.
5. **Gender-specific Employment Indicators**
6. **Urban–Rural Employment Distribution**

These indicators provide a multidimensional view of labour market conditions.

#### 2.3 Limitations of the Study

While the study uses credible government data, certain limitations exist:

- PLFS estimates may be subject to sampling variability.
- Informal sector employment may be underreported.
- Rapid policy changes may affect short-term comparability.
- Lack of district-level disaggregated analysis due to data constraints.

Despite these limitations, the data sources used are sufficiently robust to support meaningful comparative and structural analysis

### 3. TRENDS IN UNEMPLOYMENT

#### 3.1 Overall Unemployment Trends in J&K

Year	Unemployment Rate (%)
2019–20	6.7%
2020–21	5.9%
2021–22	5.2%
2022–23	4.4%
2023–24	6.1%
2024–25	6.7%

The data indicates a gradual decline in unemployment between 2019–20 and 2022–23, followed by a sharp increase during 2023–24 and stabilization at a higher level in 2024–25. This pattern reflects both cyclical recovery dynamics and deeper structural labour market constraints.

#### Phase I: Declining Trend (2019–2023)

Between 2019–20 and 2022–23, unemployment fell from **6.7% to 4.4%**, marking a reduction of 2.3 percentage points. Several factors may explain this temporary improvement:

- Post-pandemic recovery in tourism and services
- Expansion of informal and self-employment
- Government recruitment drives
- Increased public spending on infrastructure

However, this reduction may not have reflected strong structural job creation. Instead, it likely included:

- Growth in informal sector employment
- Short-term contractual or seasonal jobs
- Movement into low-productivity self-employment

Thus, the decline may have masked underlying employment vulnerabilities.

#### Phase II: Resurgence (2023–2025)

The unemployment rate rose again to **6.1% in 2023–24** and further to **6.7% in 2024–25**, returning to the 2019–20 level. This rebound suggests that earlier improvements were not sustained through structural economic transformation.

Key contributing factors include:

- Slower-than-expected private sector expansion
- Rising number of educated job seekers entering the labour force
- Limited industrial absorption capacity
- Delays in public sector recruitment processes

The re-emergence of higher unemployment levels indicates that the labour market lacks resilience and remains vulnerable to economic fluctuations.

### **Structural vs. Cyclical Unemployment**

The observed trend highlights an important distinction:

- **Cyclical unemployment** arises due to economic slowdowns and typically declines with recovery.
- **Structural unemployment** persists due to mismatches between skills and job availability, industrial limitations, and systemic economic constraints.

The return to 6.7% suggests that unemployment in J&K is not merely cyclical but deeply structural. The economy has not diversified sufficiently to generate sustained, high-quality employment opportunities. The recurring pattern of decline followed by resurgence indicates weak structural foundations.

### **Labour Supply Pressure**

Another critical factor is the growing working-age population. Even if employment levels rise marginally, they may not keep pace with:

- Expanding youth population
- Increasing female educational participation
- Higher labour force participation rates

This creates continuous upward pressure on unemployment rates.

### **Comparative Stability at Elevated Levels**

The fact that unemployment in 2024–25 has returned to its 2019–20 level suggests five years of limited net improvement. Despite policy interventions and economic recovery phases, the labour market has not achieved sustained structural change.

This stagnation reinforces the need for long-term employment strategies rather than short-term corrective measures.

## 4. YOUTH UNEMPLOYMENT CRISIS

Youth unemployment in Jammu and Kashmir represents one of the most critical dimensions of the region's labour market challenge. With a youth unemployment rate of **17.4%**, compared to the national average of approximately **10.2%**, the region faces a significantly higher burden among individuals aged 15–29 years. This disparity indicates that young people in J&K encounter far greater barriers to labour market entry than their counterparts in other parts of India.

### 4.1 Disproportionate Impact on Educated Youth

One of the defining features of youth unemployment in J&K is its concentration among educated individuals. Over the past decade, higher education enrollment has expanded substantially. Universities, colleges, and professional institutes have produced a growing number of graduates in arts, sciences, commerce, engineering, and management. However, the regional economy has not diversified at a pace sufficient to absorb this expanding pool of qualified job seekers.

As a result, many young individuals remain unemployed despite possessing formal qualifications. This phenomenon reflects educated unemployment, where the supply of degree holders exceeds the demand for skilled labour in the local economy.

### 4.2 Preference for Government Employment

A distinctive characteristic of youth employment aspirations in J&K is the strong preference for public sector jobs. Government employment is often perceived as:

- Stable and secure
- Socially prestigious
- Providing fixed income and long-term benefits

This preference leads to:

- Extremely high competition for limited vacancies
- Large applicant-to-post ratios in recruitment examinations
- Prolonged waiting periods between notification and appointment

Recruitment delays due to administrative processes, legal disputes, or verification procedures further intensify the crisis. Thousands of aspirants remain in a prolonged state of uncertainty, contributing to psychological stress and economic dependency.

### 4.3 Underemployment and Informal Employment

Unable to secure desired positions, many educated youth accept employment below their qualification levels. This results in:

- Underemployment
- Part-time or contractual jobs
- Informal sector engagement
- Low productivity employment

Such employment does not fully utilize their skills and often offers limited income stability, thereby reducing overall economic efficiency.

#### 4.4 Migration Trends

The lack of adequate local opportunities has contributed to increasing outward migration of skilled youth to metropolitan cities and other states. Migration may offer better prospects; however, it also:

- Drains local human capital
- Weakens regional economic growth potential
- Increases dependency ratios within households

This “brain drain” effect poses long-term developmental challenges.

#### 4.5 Structural Causes of Youth Unemployment

Several structural factors underpin the youth unemployment crisis:

1. **Skill Mismatch:**  
Academic curricula are often theoretical and not aligned with industry requirements.
2. **Limited Industrial Base:**  
Absence of large-scale manufacturing and corporate sectors restricts formal employment creation.
3. **Weak Private Sector Ecosystem:**  
Start-up culture and innovation ecosystems are still emerging.
4. **Geographic and Economic Constraints:**  
Terrain and infrastructure limitations restrict industrial expansion.

#### 4.6 Socio-Economic Implications

High youth unemployment has broader implications beyond economics:

- Increased financial dependency on families
- Delayed marriage and household formation
- Social dissatisfaction and declining morale
- Risk of disengagement from productive economic activity

If not addressed, prolonged youth unemployment may weaken the region’s demographic dividend and undermine long-term development prospects.

#### 4.7 The Education–Employment Paradox

Jammu and Kashmir faces a paradox: educational attainment is rising, yet employment opportunities remain limited. This imbalance between education output and job absorption capacity is a central driver of youth unemployment. Without structural economic reforms and private sector expansion, the gap between aspirations and opportunities will continue to widen.

### 5. GENDER AND REGIONAL DISPARITIES

#### 5.1 Gender Inequality

Gender disparities constitute a significant dimension of unemployment in Jammu and Kashmir. Urban female unemployment rates range between **20–28%**, which is substantially higher than both male unemployment in the region and the national female average. At the same time, female Labour Force Participation Rate (LFPR) remains comparatively low, indicating that a large proportion of working-age women are either unemployed or outside the labour force altogether.

This dual challenge high unemployment and low participation reflects deep-rooted structural and socio-cultural constraints.

##### 5.1.1 Low Female Labour Force Participation

Despite rising educational attainment among women, many do not actively participate in the labour market. Several factors contribute to this:

- Traditional gender roles prioritizing domestic responsibilities
- Social expectations regarding caregiving
- Limited acceptance of women working in certain sectors
- Early marriage and family responsibilities

As a result, a significant number of educated women remain economically inactive, leading to underutilization of human capital.

##### 5.1.2 Urban Female Unemployment Paradox

Urban areas, which typically offer better employment prospects, paradoxically show higher female unemployment rates. This occurs because:

- Urban women are more educated and actively seeking formal employment
- Formal sector job creation remains limited
- Competition for white-collar positions is intense

Unlike rural women who often engage in agriculture or informal work, urban educated women seek structured employment aligned with their qualifications. The limited availability of such jobs leads to disproportionately high unemployment among this group.

### **5.1.3 Mobility and Safety Constraints**

Mobility challenges further restrict women's employment opportunities:

- Inadequate public transport connectivity
- Safety concerns in commuting and workplace environments
- Limited availability of nearby employment hubs

In geographically dispersed and mountainous regions, commuting distances can be particularly discouraging for female participation.

### **5.1.4 Lack of Gender-Sensitive Workplaces**

The absence of supportive workplace infrastructure acts as an additional barrier. These include:

- Insufficient maternity benefits in private sectors
- Lack of childcare facilities
- Inflexible working hours
- Limited work-from-home opportunities

Without gender-sensitive employment policies, women face structural disadvantages in entering and sustaining employment.

### **5.1.5 Economic Implications of Gender Disparity**

Low female employment has broader economic consequences:

- Reduced household income potential
- Lower aggregate productivity
- Underutilization of skilled human resources
- Slower regional economic growth

Increasing female labour participation could significantly boost the region's Gross State Domestic Product (GSDP) and improve social welfare indicators.

### 5.1.6 Policy Gaps

Although government initiatives promote women's self-help groups and entrepreneurship, these programs often remain concentrated in small-scale or informal activities. There is limited integration of women into high-growth sectors such as:

- Information Technology
- Modern services
- Organized manufacturing
- Tourism management

A targeted policy framework focusing on gender-inclusive industrial and service sector development is necessary to reduce female unemployment.

## 6. KEY CAUSES OF HIGH UNEMPLOYMENT

Unemployment in Jammu and Kashmir is rooted in a combination of structural, institutional, and economic factors. The persistence of high unemployment rates indicates that the issue extends beyond temporary economic slowdowns and reflects deeper systemic challenges.

### 6.1 Educated Unemployment

J&K has witnessed a steady expansion in higher education over the past decade. Universities, colleges, and professional institutions produce thousands of graduates annually. However, employment generation has not kept pace with this educational growth.

A defining feature of the region's labour market is the **heavy reliance on government employment**. Public sector jobs are viewed as secure, prestigious, and stable. This leads to:

- **Excess demand for limited vacancies**
- Extremely high competition in recruitment examinations
- **Long waiting periods** between notification and appointment
- Growing backlog of aspirants

As a result, many qualified individuals remain unemployed for extended periods. Some accept jobs below their skill levels, resulting in **underemployment**, while others remain outside productive economic activity. This imbalance between education output and public sector absorption capacity is a central driver of unemployment.

### 6.2 Limited Industrial Base

Another structural weakness lies in the limited industrial development of the region. Jammu and Kashmir lacks:

- Large-scale manufacturing industries

- A diversified corporate sector
- Strong private sector ecosystem
- Significant IT and modern service sector expansion

The economy remains heavily dependent on:

- Agriculture and horticulture
- Tourism
- Handicrafts and small-scale trade
- Government services

While these sectors generate employment, they are often seasonal, informal, or low productivity in nature. The absence of large-scale industrial clusters reduces the capacity for sustained job creation.

Geographical constraints and historical factors have also limited industrial diversification. Private investors often perceive higher operational costs and risk, reducing long-term industrial commitments.

### **6.3 Skill Mismatch**

A critical structural issue is the mismatch between education and market requirements. Although literacy and graduation rates are rising, many degree holders lack industry-relevant skills.

Key issues include:

- Limited vocational and technical training institutions
- Insufficient focus on practical skill development
- Weak industry-academia linkages
- Outdated curricula in certain disciplines
- Low penetration of advanced technical skills

This mismatch leads to a paradox: employers report difficulty finding skilled workers, while educated youth struggle to secure employment. Without alignment between academic programs and labour market needs, structural unemployment persists.

### **6.4 Structural and Geographic Constraints**

Jammu and Kashmir's geographic and infrastructural characteristics present unique economic challenges:

- Mountainous terrain increases transportation and logistics costs
- Limited industrial land availability
- Connectivity challenges in remote areas
- Seasonal weather disruptions

Additionally, historical political instability has influenced investor confidence and long-term planning. Although stability has improved in recent years, past uncertainties have had lasting economic impacts.

These structural conditions restrict industrial expansion, discourage large-scale manufacturing investments, and limit integration with national and global supply chains.

### **6.5 Slow Public Sector Recruitment**

Government employment remains a dominant aspiration among youth. However, recruitment processes often face:

- Administrative bottlenecks
- Verification delays
- Legal disputes and examination controversies
- Procedural inefficiencies

Such delays prolong unemployment duration among aspirants. Even when vacancies exist, slow processing can artificially inflate unemployment rates. The overdependence on public employment, combined with slow hiring mechanisms, amplifies labour market pressure.

### **6.6 Informal Sector Dominance**

A significant portion of employment in J&K exists in the informal sector. Informal employment is characterized by:

- Lack of job security
- Absence of social protection
- Low wages
- Limited upward mobility

While informal activities reduce open unemployment to some extent, they do not provide sustainable or high-quality employment opportunities. This contributes to disguised unemployment and low productivity.

### **6.7 Demographic Pressure**

The region has a relatively young population, leading to continuous entry of new job seekers into the labour market each year. Even moderate job creation levels may be insufficient to absorb:

- Expanding working-age population
- Increasing number of educated women
- Returning migrants

This demographic pressure intensifies competition for limited employment opportunities.

## 7. LABOUR MARKET INDICATORS

An important dimension of unemployment analysis in Jammu and Kashmir is the interpretation of broader labour market indicators. While the region reports a relatively high unemployment rate, other indicators present a nuanced picture of labour market participation and employment structure.

Despite elevated unemployment levels, Jammu and Kashmir records a Labour Force Participation Rate (LFPR) of approximately **61%**, compared to the national average of around **55%**, and a Worker Population Ratio (WPR) of approximately **57%**. These figures suggest that a relatively larger proportion of the working-age population in J&K is either employed or actively seeking employment.

### 7.1 Labour Force Participation Rate (LFPR)

The LFPR measures the percentage of the working-age population (typically 15 years and above) that is either employed or actively seeking work.

A higher LFPR in J&K indicates:

- Greater willingness to participate in economic activity
- Increased entry of youth into the labour market
- Rising female participation in certain segments
- Reduced discouragement effect compared to some other states

However, high LFPR combined with high unemployment implies that although many individuals are seeking jobs, **the economy is unable to generate sufficient employment opportunities** to absorb them.

### 7.2 Worker Population Ratio (WPR)

The Worker Population Ratio represents the proportion of the working-age population that is actually employed.

At approximately 57%, the WPR indicates that a majority of working-age individuals are engaged in some form of employment. However, this figure must be interpreted cautiously because:

- A significant share of employment is informal
- Seasonal and part-time work inflate employment numbers
- Self-employment may mask disguised unemployment

Therefore, while employment exists, the quality and stability of employment remain critical concerns.

### 7.3 The Employment Unemployment Paradox

J&K demonstrates a labour market paradox:

- High LFPR (active job seeking)
- Moderate WPR (substantial employment levels)
- Yet elevated unemployment rate

This paradox can be explained by rapid labour supply growth. When labour force participation increases faster than job creation, unemployment rates rise even if employment levels improve.

In simple terms, more people are entering the job market each year than the number of new jobs being created.

#### **7.4 Urban Rural Labour Dynamics**

Labour market indicators also vary across urban and rural areas:

- Rural areas show relatively higher engagement in agriculture and self-employment.
- Urban areas show higher unemployment due to concentration of educated job seekers.

Rural employment often includes informal or family-based work, which may reduce open unemployment but does not necessarily ensure high income or productivity.

#### **7.5 Youth Participation and Pressure**

A key contributor to the high LFPR is the growing youth population entering the labour force. Each year:

- Thousands of graduates complete higher education
- New entrants actively seek employment
- Female participation in urban areas is gradually increasing

This continuous inflow intensifies labour market competition.

#### **7.6 Quality of Employment Concerns**

While participation rates appear relatively strong, concerns remain regarding:

- Wage levels
- Job security
- Social protection coverage
- Productivity

Many workers are employed in low-paying informal roles without long-term career growth opportunities. Thus, the issue is not only unemployment but also employment quality and sustainability.

## 7.7 Structural Implications

The labour market indicators suggest that unemployment in Jammu and Kashmir is not caused by inactivity or unwillingness to work. Instead, it reflects:

- Structural imbalance between labour supply and job creation
- Weak industrial expansion
- Insufficient high-productivity employment sectors

## 8. GOVERNMENT INITIATIVES

To address rising unemployment, the Government of Jammu and Kashmir, in coordination with the Government of India, has introduced multiple policy interventions focused on entrepreneurship, skill development, and industrial expansion. These initiatives aim to reduce dependence on public sector employment and promote private sector-led growth. However, while promising in design, their large-scale impact on unemployment remains gradual and evolving.

### 8.1 Mission YUVA (Yuva Udyami Vikas Abhiyan)

Mission YUVA is a flagship employment-oriented initiative designed to promote youth entrepreneurship across Jammu and Kashmir. The program seeks to shift the employment paradigm from “job seeking” to “job creating.”

#### Key Objectives:

- Encourage self-employment and startup culture
- Provide financial assistance through subsidized loans
- Offer mentorship and handholding support
- Facilitate skill training aligned with enterprise needs
- Promote innovation-driven local businesses

The scheme particularly targets educated unemployed youth and aims to create sustainable micro and small enterprises in sectors such as:

- Agriculture and allied activities
- Tourism and hospitality
- Retail and services
- Handicrafts and local manufacturing

#### Challenges:

- Limited risk-taking culture among youth
- Delays in loan processing
- Market access constraints

- Need for stronger incubation ecosystems

While Mission YUVA has potential to generate localized employment, its scalability and long-term sustainability depend on effective monitoring and ecosystem development.

## 8.2 Skill Development Programs

Skill development is a critical pillar in addressing structural unemployment. Various programs aligned with national initiatives such as Skill India aim to enhance employability among youth.

### Major Focus Areas:

- Vocational training centers
- Short-term skill certification programs
- Technical training in trades (electrical, plumbing, carpentry, IT support, etc.)
- Digital literacy and soft skills development

Efforts are made to align training with:

- Industry requirements
- Local economic opportunities
- Emerging sectors such as IT-enabled services

### Limitations:

- Mismatch between training offered and actual market demand
- Limited placement linkages
- Insufficient tracking of post-training employment outcomes

Without strong industry partnerships, skill programs risk producing certified individuals without assured employment pathways.

## 8.3 Infrastructure and Industrial Policies

Recognizing the need for private sector expansion, the government has introduced industrial development policies and incentive packages.

### Key Measures Include:

- Capital investment subsidies
- GST-linked incentives
- Land allotment support in industrial estates
- Power tariff concessions

- Single-window clearance systems

Special emphasis is placed on:

- Promotion of MSMEs (Micro, Small, and Medium Enterprises)
- Development of industrial parks
- Tourism infrastructure enhancement
- Handicrafts and horticulture modernization

The tourism sector, in particular, is viewed as a major employment generator, given J&K's natural and cultural advantages.

#### **8.4 MSME Promotion**

MSMEs are central to employment generation strategies due to their labour-intensive nature. Support measures include:

- Credit facilitation
- Market linkage assistance
- Export promotion support
- Digital marketplace integration

However, MSMEs often face challenges such as limited access to capital, marketing barriers, and vulnerability to economic shocks.

#### **8.5 Digital and IT Sector Initiatives**

Efforts are being made to develop IT parks and promote digital entrepreneurship. Encouraging startups in technology, e-commerce, and remote services could reduce geographic disadvantages and create high-skill employment.

Yet, this sector is still in early stages of development in the region.

#### **8.6 Evaluation of Policy Impact**

Although these initiatives are strategically designed, their impact on overall unemployment has been gradual due to:

- Time lag between policy implementation and employment outcomes
- Structural economic constraints
- Limited private investment inflow
- Administrative and procedural delays

Short-term schemes cannot immediately resolve structural unemployment. Sustainable impact requires:

- Consistent policy implementation
- Private sector confidence
- Strong institutional support
- Continuous monitoring and evaluation

## 9. DISCUSSION

The findings of this study reveal that Jammu and Kashmir presents a distinct labour market paradox characterized by:

- **Rising education levels**
- **Increasing workforce participation**
- **But inadequate job creation**

This imbalance highlights the structural nature of unemployment in the region. Unlike cyclical unemployment driven by temporary economic downturns, J&K's unemployment challenge stems from deep-rooted institutional and economic limitations.

### 9.1 The Education–Employment Imbalance

Over the past decade, access to higher education has expanded significantly. Universities and colleges have produced a growing number of graduates in arts, sciences, commerce, engineering, and professional disciplines. This reflects positive progress in human capital development.

However, employment opportunities have not expanded proportionately. The economy remains concentrated in:

- Government services
- Agriculture and horticulture
- Tourism
- Small-scale trade

These sectors lack the absorptive capacity required for large numbers of skilled graduates. Consequently, education has increased aspirations without a parallel expansion of opportunities.

### 9.2 Structural Nature of Unemployment

The persistent gap between labour supply and job creation suggests structural unemployment driven by:

- Limited industrial diversification
- Weak private sector expansion
- Skill mismatches

- Overdependence on public sector employment

The recurrence of high unemployment rates even after periods of economic recovery reinforces the argument that the issue is systemic rather than temporary.

### 9.3 Demographic Pressure and Youth Aspirations

J&K has a relatively young population, which should ideally translate into a demographic dividend. However, without sufficient employment generation, this demographic advantage risks becoming a liability.

Youth in the region increasingly seek:

- Stable salaried employment
- Professional career growth
- Secure income streams

When these aspirations remain unmet, frustration and dissatisfaction may grow. Prolonged job search periods delay financial independence and household formation, affecting long-term social and economic stability.

### 9.4 Migration and Brain Drain

One of the most visible consequences of inadequate local opportunities is migration. Skilled youth increasingly relocate to metropolitan cities and other states in search of employment. While migration may improve individual prospects, it has broader regional implications:

- Loss of skilled human capital
- Reduced innovation capacity
- Weakening of local entrepreneurship ecosystems

Sustained out-migration may hinder long-term regional development.

### 9.5 Gendered Implications

The discussion also highlights that unemployment is not gender-neutral. Educated urban women face higher unemployment rates, reflecting structural and socio-cultural barriers. Failure to integrate women fully into the labour market reduces overall economic productivity and deepens inequality.

### 9.6 Quality vs Quantity of Employment

Another critical issue is employment quality. Even when jobs are available, they are often:

- Informal
- Low-paying

- Seasonal
- Lacking social security

Thus, the challenge is not only generating jobs but generating productive, skill-aligned, and sustainable employment.

### 9.7 Policy Gaps and Reform Imperatives

The analysis suggests that piecemeal or short-term employment schemes cannot adequately address structural unemployment. What is required is:

- Comprehensive industrial policy reform
- Stronger industry–academia collaboration
- Private sector confidence building
- Administrative efficiency in recruitment
- Entrepreneurship ecosystem strengthening

Economic diversification, especially into high-growth sectors such as IT, renewable energy, logistics, and value-added agriculture, remains a critical missing link.

### 9.8 Long-Term Socio-Economic Implications

If comprehensive reforms are not implemented, the mismatch between aspirations and opportunities may widen. Potential consequences include:

- Increased outward migration
- Household income instability
- Social discontent
- Underutilization of demographic potential

Conversely, effective structural reforms could transform J&K's labour market into a dynamic and inclusive growth model.

## 10. POLICY RECOMMENDATIONS

Addressing unemployment in Jammu and Kashmir requires a comprehensive and multi-dimensional policy framework. Structural challenges demand long-term economic transformation rather than short-term relief measures. The following recommendations aim to create sustainable, inclusive, and skill-aligned employment opportunities.

## 10.1 Promote Private Sector Investment

Private sector expansion is essential to reduce excessive dependence on government employment and to generate large-scale job opportunities.

### a) Development of Industrial Corridors

- Establish region-specific industrial clusters in Jammu and Kashmir divisions.
- Promote sectoral specialization (e.g., food processing, handicrafts, pharmaceuticals, renewable energy).
- Provide tax incentives and land support for investors.
- Improve logistics infrastructure and warehousing networks.

Industrial corridors can stimulate manufacturing and supply chain ecosystems, increasing both direct and indirect employment.

### b) IT Parks and Digital Economy Initiatives

- Develop IT parks and technology hubs in major urban centers.
- Encourage remote service-based industries such as BPOs and digital startups.
- Promote digital freelancing and e-commerce integration.

Given geographical constraints, digital economy expansion offers a cost-effective pathway for high-skill job creation without heavy industrial infrastructure.

### c) Tourism-Driven Employment

- Expand eco-tourism, heritage tourism, and adventure tourism.
- Encourage hospitality training programs.
- Promote homestays and community-based tourism enterprises.

Tourism has strong multiplier effects, creating employment in transport, handicrafts, food services, and retail sectors.

## 10.2 Skill Development Reforms

Skill alignment is critical to reduce structural unemployment.

### a) Market-Aligned Curriculum

- Revise university and college curricula to reflect industry needs.
- Integrate practical training, internships, and project-based learning.
- Introduce emerging sector subjects such as data analytics, renewable energy, and logistics management.

**b) Industry–Academia Partnerships**

- Establish formal collaboration between industries and educational institutions.
- Encourage apprenticeship programs and on-the-job training.
- Involve industry experts in curriculum design.

**c) Expansion of Vocational and Technical Institutes**

- Increase the number of ITIs and polytechnic institutes.
- Promote skill certification programs aligned with national standards.
- Focus on rural skill centers to improve regional inclusion.

These reforms can reduce the mismatch between qualification and employability.

**10.3 Strengthen Entrepreneurship Ecosystem**

Shifting from job-seeking to job-creation requires a supportive entrepreneurial environment.

**a) Startup Incubation Centers**

- Establish incubation hubs in universities.
- Provide technical and business development support.
- Facilitate networking with investors and mentors.

**b) Soft Loans and Credit Guarantees**

- Simplify loan approval processes.
- Provide collateral-free financing for first-time entrepreneurs.
- Offer interest subsidies for priority sectors.

**c) Business Mentoring Networks**

- Create mentorship platforms linking experienced professionals with startups.
- Provide training in financial management, marketing, and digital commerce.

Entrepreneurship promotion can generate both self-employment and wage employment opportunities.

**10.4 Gender-Inclusive Policies**

Reducing gender disparities in employment is essential for inclusive growth.

**a) Women-Focused Employment Schemes**

- Provide targeted training programs for women in high-growth sectors.

- Encourage female-led enterprises through financial incentives.
- Promote self-help groups transitioning into formal enterprises.

#### **b) Safe Transport and Workplace Infrastructure**

- Improve public transport connectivity.
- Ensure workplace safety standards and grievance redressal mechanisms.
- Establish childcare facilities in major employment hubs.

#### **c) Flexible Employment Opportunities**

- Promote work-from-home models in IT and services.
- Encourage flexible working hours in private sector organizations.

Increasing female labour participation can significantly enhance economic output and household welfare.

### **10.5 Administrative Reforms**

Improving governance efficiency is critical to restoring confidence among job seekers.

#### **a) Transparent Recruitment Processes**

- Publish recruitment calendars in advance.
- Ensure merit-based, corruption-free selection systems.
- Use standardized evaluation mechanisms.

#### **b) Time-Bound Hiring**

- Set fixed timelines for examinations, result declaration, and appointment.
- Minimize procedural delays.

#### **c) Digitalization of Selection Systems**

- Conduct computer-based testing.
- Implement online verification and documentation processes.
- Reduce legal disputes through transparent digital records.

Administrative efficiency can reduce prolonged unemployment duration among aspirants.

### **10.6 Long-Term Structural Reforms**

Beyond immediate interventions, broader reforms are needed:

- Diversification of the regional economy

- Strengthening infrastructure connectivity
- Encouraging external and foreign investment
- Enhancing policy stability and investor confidence

## 11. CONCLUSION

Unemployment in Jammu and Kashmir is not merely a statistical issue but a structural economic challenge. With a rate of **6.7%**, nearly double the national average, the region faces deep-rooted issues related to education-employment mismatch, limited industrialization, and slow recruitment systems.

Sustainable solutions require:

- Long-term structural reforms
- Private sector expansion
- Skill-driven growth
- Inclusive labour policies

A coordinated strategy integrating education reform, entrepreneurship, industrial development, and governance efficiency is essential to convert J&K's demographic potential into economic strength.

## REFERENCES

1. Government of India, Ministry of Statistics and Programme Implementation (MoSPI). (2024). *Periodic Labour Force Survey (PLFS) Annual Report 2023–24*. New Delhi: MoSPI.
2. Government of India, Ministry of Statistics and Programme Implementation (MoSPI). (2025). *Periodic Labour Force Survey (PLFS) Annual Report 2024–25*. New Delhi: MoSPI.
3. Government of Jammu and Kashmir. (2026). *Reply to Assembly Questions on Unemployment and Labour Force Indicators (2025–26)*. Jammu: J&K Legislative Assembly Secretariat.
4. Mission YUVA. (2025). *Baseline Survey Report: Yuva Udyami Vikas Abhiyan*. Government of Jammu and Kashmir.
5. The Economic Times. (2026, February). *J&K's unemployment rate of 6.7% much above national average*. Retrieved from <https://m.economictimes.com>
6. The Indian Express. (2026). *J&K unemployment hits 6.7%, nearly double the national average*. Retrieved from <https://indianexpress.com>
7. Outlook India. (2026). *Unemployment in J&K stays nearly double national average: Govt*. Retrieved from <https://www.outlookindia.com>
8. Jammu & Kashmir Policy Institute (JKPI). (2025). *Unemployment in India's Evolving Economy: A Case Study of Jammu & Kashmir*. Retrieved from <https://www.jkpi.org>
9. Kashmir Life. (2025). *Jammu & Kashmir unemployment rate higher than national average*. Retrieved from <https://kashmirilife.net>

## AUTHOR BIOGRAPHY

**Dr. Ashiq Hussain Malik** is an academic administrator, research promoter, and publishing professional with extensive experience in scholarly communication and digital journal management. He serves as the Managing Director of HostGate, a web hosting and digital infrastructure company supporting academic and institutional platforms. He is also the Managing Director of NAIJRC (North Asian International Research Journal Consortium), IRJIF (International Research Journal Impact Forum), and DOI Global, organizations dedicated to research publication, journal indexing, and DOI registration services. His professional interests include research ethics, academic publishing standards, journal indexing systems, digital archiving, and the promotion of quality research dissemination in India and internationally.