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## **Socio-Psycho Impacts of Unemployment on Educated Youth: A Case Study of Lahore City**

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**Abstract:** The rationale of this paper is to look into the social and psychological impacts of unemployment on educated youth. Unemployment is devastatingly hitting our youth's potential and they suffer from socio psychological effects. This research paper highlights chronic impact of unemployment among educated youth. Primary data was collected from a sample of n=100; the age interval of the respondents was (20-31) from Lahore city, Pakistan. The gender distribution was 71% males and 29% females. All participants were educated and unemployed. This research shows that due to unemployment youth is confronting problems such as increasing level of discomfort, contraction in social circle, inferiority complex, hindrance in personal growth, low self-esteem, increasing level of anxiety, unhappiness and mental health problems. Regression analysis shows dependant variables of socio-psychological impacts including level of discomfort, contraction in social circle, social stigmatisation, job search effectiveness, inferiority complex, family goals, unconfident and unhappiness has significant relation with independent variable (unemployment duration).

**Key words:** Unemployment Duration, Social Impacts, Psychological Impacts, Educated Youth

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### **1. Introduction**

Unemployment is a smouldering and most challenging social problem globally. In last two decades, high levels of unemployment have become an established feature of the world's social and economic landscape especially after the global recession of 2007. Chaudhary and Hamid (1998) investigated that less resources are the main reason of unemployment. In Pakistan, education system is substandard; education planning is without career growth and hence this system is producing candidates without technical exposure. Moreover, structural mismatch, discrepancy prevailing between the demographics of rural and urban areas, lack of experience, province wise discrimination in terms of job opportunities, sectoral imbalances, inconsistent political structures, lawlessness, terrorism and economic policies are main factors in disturbing domestic and foreign investment. This increasing level of unemployment will ultimately put youth in severe social and psychological distress.

Unemployment or joblessness is defined by International Labour Organization, "people are without work, when they are available for work and they have actively sought work within the past four weeks". According to Pakistan Planning Ministry estimates, approximately 8.3 percent

of labour force is unemployed in Pakistan. Kidwai and Sarwar (2015) conducted qualitative study and found positive correlation between unemployment and adverse psychological disorders. In the longer run, unemployment leads to poverty and it has chronic effects on individual's mental health. Results of research carried out by Sharma (2012) showed that youth with joblessness suffers more depression, hopelessness, anxiety, low self-esteem uncertainty regarding future, emotional setback, inadequacy, feeling of failure that creates undeniable impact on physical health with increasing level of strain. Unemployment has very vast effects on youth's general as well as financial well-being. The study strongly recommended that joblessness has also devastating impact on psychological function of individual. It leads to frustration, aggression and committing suicide.

Giugni and Lorenzini (2010) demonstrated that unemployment has a number of significant consequences on the life of jobless individuals; it creates financial stress, generates anxiety related health problems, and diminishes the level of happiness. Nilsen and Reiso (2014) added literature in the previous studies by scrutinising the scarring effects of unemployment on young people on the future labour market, who have few years of experience. There is negative relationship between long term unemployment and future labour market. Unemployed individuals without any anterior work experience are more scarred.

Ohtake (2012) research paper empirically presented findings of unemployment on happiness. Data was collected through questionnaire survey on Lifestyle and Society and National Survey on Lifestyle Preference. The main verdict of this study, unemployment is diminishing individual's happiness. Gallie (1999) investigated that unemployment is preceded to higher levels of loneliness (social isolation), escalate psychological distress and drop financial income. The study principally envisaged that the relation between social isolation for individual position in the household structure and sociability. Social isolation highlights other type of inconvenience for jobless individuals as well. Jalles and Andresen (2013) used panel data from Canadian provinces and showed that there is significantly positive relationship between unemployment and suicides.

Durkan, et al, (2011) reported unemployment declines self-esteem, and increase nervousness and mental health problems. It was also accompanied by financial tension and deleterious negative association between idleness and psychological well-being. Jobless individuals have significantly weak psychological health than people who are employed. Zeng (2012) evaluated the impact of unemployment on youth is social exclusion. The results of quantitative study of unemployment explained the less social interaction, insufficient earnings, and indulgence in inadequate contacts with people. Generally, a person without a job suffers more social seclusion.

Formally, numerous studies have been conducted on unemployment, which unfolds its impacts on individuals but this quantitative piece of research will envisage on both socio-psychological factors simultaneously caused by unemployment with specific focus on educated youth. According to the study young people (age interval between 20 to 31 years) are more vulnerable towards unemployment in Pakistan. The objective of the research is to point out the effects of unemployment and empirically analyze the relationship between social and psychological impacts within creasing duration of unemployment. For a meticulous perspective of this issue an attempt is made to capture all those variables which could explain the scarring impacts of unemployment and to point out the psychological effects of unemployment, hence examining its level to assess a current situation of unemployment in Pakistan. It provides a platform to recommend policy measures to help, check and prevent the increasing rate of unemployment in Pakistan.

Figure1 shows in recent years unemployment is increasing continuously in Pakistan. Every year millions of labour force enters in job market and millions of people fail to secure a desired job. There are various factors, which are causing unemployment among masses all over the country such as corruption, culture of nepotism, increase in poverty, urban migration for jobs, lack of law and order situation, backwardness in agriculture sector, unequal educational system.

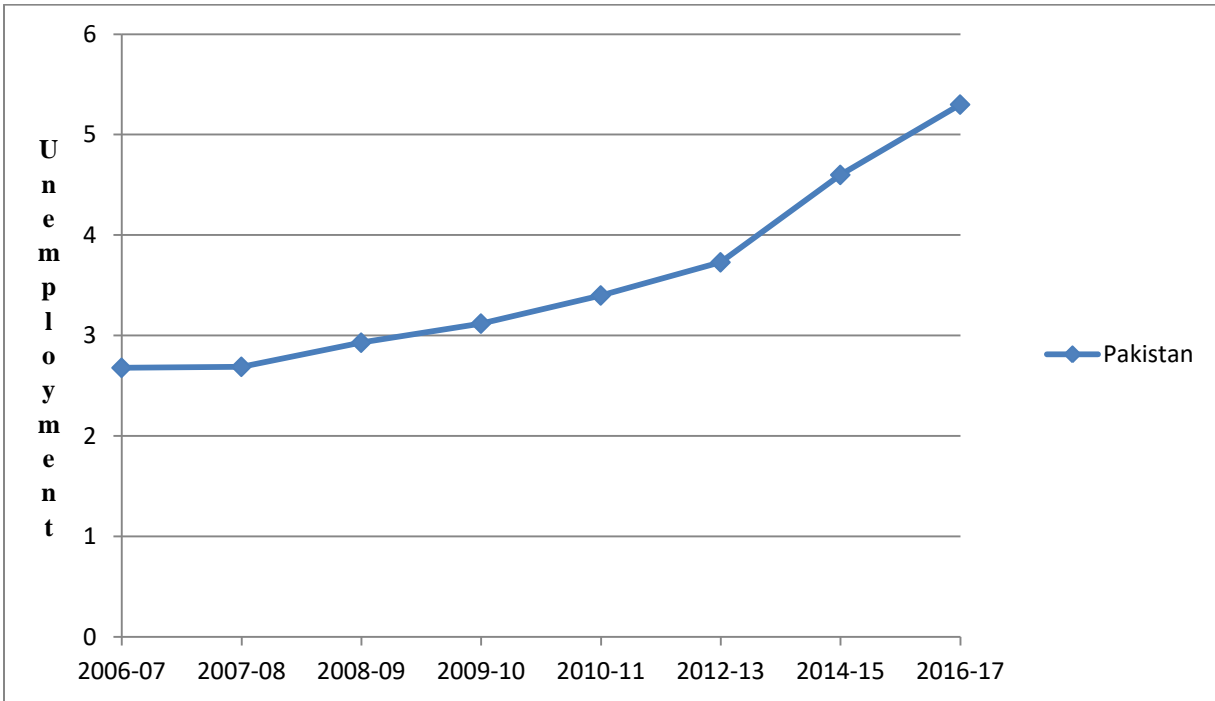


Figure 1: Unemployment in Pakistan from 2006 to 2017

Figure 2 explains the unemployment percentage distribution between males and females. According to Labour Force Survey (LFS) of Pakistan data is looked at from the gender balance angle, it reflects the overall social bias. The rate of unemployment among women is as high as 10.3 per cent as against 9 per cent for minim the age interval of 20-24. Similarly, unemployment rate is plausibly high among females as 8 per cent and 4 percent among males between age intervals of 25-29. It is to note here that unemployed person is considered as someone who worked less than 35 hours during reference week and was available /seeking for alternative or additional work for year 2014-15.

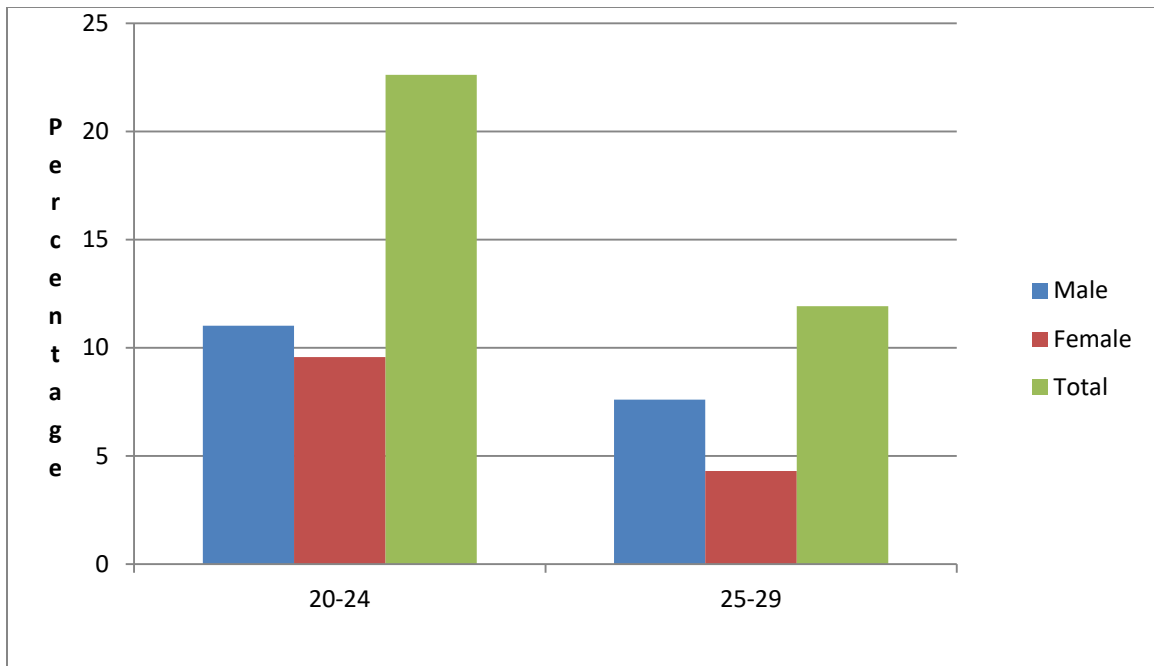


Figure 2: Percentage distribution of unemployed persons

Figure 3 presents the data of Federal Bureau of Statistics; it shows that a large number of educated young people are participating in labor market. Due to globalization and changing patterns of the society the educated females are also willing to participate in labor force to support their families. The Results of Labor Force Survey indicate that there is higher evidence of unemployment among females compare to males in Pakistan.

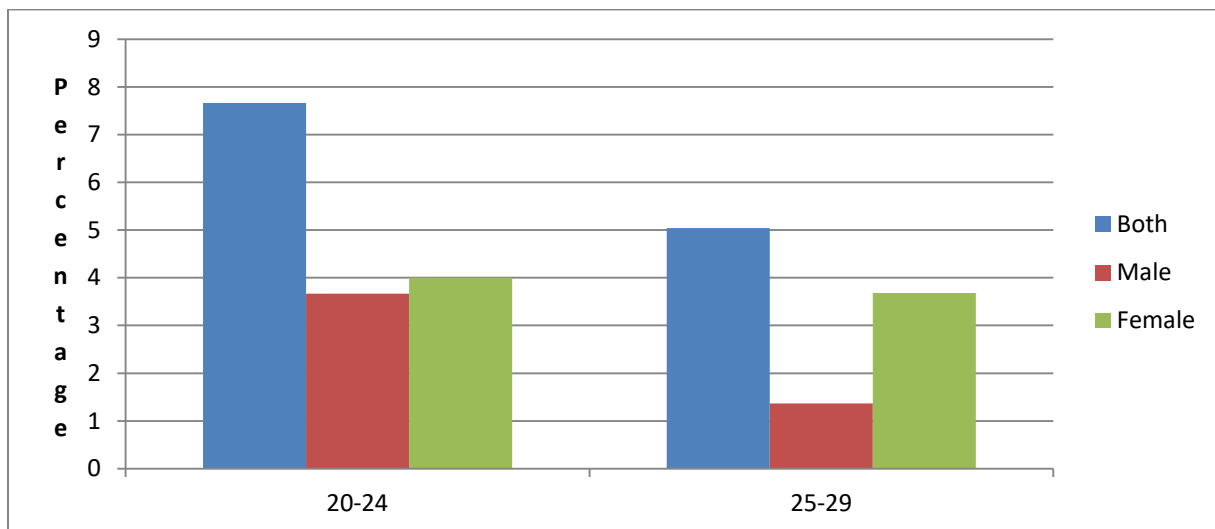


Figure 3: Percentage distribution of unemployed persons by specific age interval, sex and level of education (Degree, Post Graduate and PH.D) 2014-15.

## 2. Methodology

The research was conducted on a sample group of unemployed educated youth through questionnaire survey. The purpose of this survey was to extract information from the respondents regarding effects of unemployment. Primary data was collected from sample of 100 jobless people (71% male and 29 % female) throughout the city of Lahore to measure the social and psychological impacts of unemployment. The structured questions had scale of low, medium and extreme. Data was run on Statistical Package for the Social Sciences (SPSS) to validate its results. The descriptive statistics and linear regression was calculated for particular dependent variables of social and psychological impacts.

## 3. Findings and Discussions

Table 1 shows the descriptive statistics of 100 respondents. The analysis of data shows that unemployed educated youth has higher level of discomfort as compare to people who are educated and employed, having a mean value of 3.04. Unemployment increases the risk of contracting social circles among individuals that is well explained by mean value of 3.05. Similarly, inferiority complex among individuals with unemployment is an alarming situation with a high mean value of 3.01. The mean value of stigmatisation is 3.05 that show youth in our society are heavily stigmatised due to unemployment. Job search effectiveness seems to be a moderate problem encountered by unemployed individuals with a mean value of 2.93. Unemployment seems to have detrimental effects on unemployed individual's self esteem that are evident from our mean value of 3.13. Moreover, unemployment has obvious effect on deflection in family goals. Hence its mean value turns out to be 3.04, which shows most of the youth are facing this problem.

Table 1: Descriptive Statistics

Variables	Mean	Variance	Standard Deviation
<b>Uncomfortable</b>	3.04	1.150	1.07
<b>Social Circle</b>	3.05	0.795	0.89
<b>Inferiority Complex</b>	3.01	0.778	0.88
<b>Social Stigmatise</b>	3.05	0.836	0.91
<b>Job Search Effectiveness</b>	2.93	1.07	1.03
<b>Self Esteem</b>	3.13	0.680	0.824
<b>Family Goals</b>	3.04	0.645	0.803

The Regression Analysis of this paper provides us empirical evidence on strong positive relation between social impacts and unemployment duration in Table 2. The regression model displays result of level of discomfort due to unemployment. The T value of unemployment duration (has been investigated using months as unit of time) is 4.19 and probability is .000, which describes significant relation exists between both of these variables. Likewise, the observed T values of each dependent variable such as contraction in social circle, stigmatisation, job search effectiveness, inferiority complex and deflection from family goals due to unemployment is 4.8, 3.58, 2.5, 3.4 and 2.5 respectively. Whereas the probability distribution is 0.000, 0.001, 0.13, 0.001 and 0.014 respectively, which shows significant relationship exists between each dependent and independent variable (unemployment duration). On the other hand, observed T

statistics of dependent variable (self esteem) is 1.71 and probability distribution is .090, which explains low reliability and insignificant relation exist.

Table 2: Regression Analysis  
 $(Social\ Impacts)_i = \alpha_0 + \alpha_1(Unemployment\ duration)_i + \mu_i$

Explanatory Variables	Coefficient	Standard Error	t-statistics	Prob.
<b>Dependent Variable:</b> Level of Discomfort				
Duration	.366	.087	4.195	.000
<b>Dependent Variable:</b> Social Circle				
Duration	.341	.071	4.820	.000
<b>Dependent Variable:</b> Stigmatise				
Duration	.272	.076	3.580	.001
<b>Dependent Variable:</b> Job search effectiveness				
Duration	.225	.089	2.534	.013
<b>Dependent Variable:</b> Inferiority Complex				
Duration	.254	.074	3.449	.001
<b>Dependent Variable:</b> Self esteem				
Duration	.123	.072	1.714	.090
<b>Dependent Variable:</b> Family goals				
Duration	.173	.069	2.512	.014

Our analysis in Table 3 on descriptive statistics of each dependent variable represents various calculated psychological impacts of unemployment.

Table 3: Descriptive Statistics

Variable	Mean	Variance	Standard Deviation
<b>Frustration</b>	3.40	0.485	0.69
<b>Psychological Effect</b>	3.09	0.749	0.86
<b>Mental health</b>	2.83	0.648	0.80
<b>Unconfident</b>	2.99	0.98	0.98
<b>Unhappiness</b>	2.98	0.828	0.90

Findings (Table 3) show individuals are getting more frustrated due to increasing duration in unemployment. Hence more respondents fall in the interval of extreme to medium. For a large number of youth getting a job right after their graduation or a degree is one of the most important goals in their professional career. However, due to prevailing unemployment in the job market makes them frustrated. For these individuals getting a job becomes more like a fantasy rather than a goal. The next big challenge for an unemployed person are the psychological effects (that includes boredom, anxiety, depression, distress and feeling of failure) with a mean value of 3.09, this shows that most respondents encounter feeling of failure, distress, anxiety, and boredom. These respondents show lower effects on mental health, level of unconfident and unhappiness that is clearly explained with a mean value of above mentioned dependent variables is less than 3.

Table 4: Regression Analysis  
(Psychological Impacts)<sub>i</sub> =  $\gamma_0 + \gamma_1(\text{Unemployment duration})_i + \delta_i$

Explanatory Variables	Coefficient	Standard Error	t-statistics	Prob.
<b>Dependent Variable: Frustration</b>				
Duration	.066	.061	1.087	.280
<b>Dependent Variable: Psychological Effect</b>				
Duration	.051	.076	.664	.508
<b>Dependent Variable: Mental health</b>				
Duration	-.018	.071	-.248	.805
<b>Dependent Variable: Unconfident</b>				
Duration	.210	.085	2.473	.015
<b>Dependent Variable: Unhappiness</b>				
Duration	.203	.078	2.617	.010

The Table 4 regression analysis unfolds the relationship between psychological impacts and unemployment duration. It is evident from the regression analysis that frustration, psychological effects, mental health are among such variables which are insignificant in nature when it comes to the empirical study of their relationship with unemployment duration as shown in table 4. However, second set of variables that includes unconfident and unhappiness has strong significant relation as well as probability of occurrence with unemployment duration that can be seen from table 4. Therefore, our analysis proves dominance of unconfident and unhappiness in individuals with prolonged unemployment.

#### 4. Conclusion

This paper contributes to the existing literature and envisages the social and psychological impacts of unemployment on educated youth both male and female. Taking advantage of detailed data from Lahore city, a questionnaire survey was conducted on a focus group. It was an attempt to statistically identify socio-psychological effects of unemployment on respondents of our research. The analysis was separately conducted on various sociological and psychological variables in relation to unemployment duration. It is statistically proved that positive relationship exists between unemployment duration and its socio-psychological variables. The study has highlighted variables that are not only statistically significant but also have literary importance in previous researches. An empirical analysis of sociological impacts that includes higher level of discomfort, contraction in social circle, inferiority complex, social stigmatisation, self esteem and family goals was conducted. The results showed that unemployed educated youth have higher level of discomfort and that unemployment raises the risk of contraction in social circle. At the same time inferiority complex, social stigmatization and job search effectiveness is evidently prevailing among individuals with unemployment.

It also seems that unemployment has harmful effects on individual's self-esteem and family goals. Findings explain psychological impacts encountered by unemployed educated youth; Most of the respondents have been seen to fall in the interval of extreme to medium when it comes to frustration, boredom, anxiety, depression, distress and feeling of failure, level of unconfident and unhappiness. On the other hand, some respondents showed unfavourable impacts on their mental health and job search effectiveness. However, the results of regression analysis provides us with a well explained relation of statistically significant as well as insignificant socio-psycho effects



on respondents due to increase in their unemployment duration. Level of discomfort, contraction in social circle, stigmatisation, job search effectiveness, inferiority complex, family goals, unconfident and unhappiness had of high statistical significance when studied in relation to unemployment duration. However, frustration, psychological effects like boredom, anxiety, depression, distress and feeling of failure, mental health and self-esteem are statistically insignificant.

Unemployment has become a hideous threat among the educated youth in Pakistan. It has become so eminent that it has seeped and precipitated through the mental, psychological, emotional, physical, social and economical aspects of one's well being. Thus, it has given a great set back to all the educated people who have plodded through the hardships of acquiring education. All of their dreams, determination and ambition, that they look up to during the tenure of their degrees, goes down the drain once they get to channelize themselves in the job market. In a nutshell, it is documented and established through this study that unemployment as a disaster does not only puts a country's economic growth in question but also has calamitous effects on psychological and social well being of individuals. Protection against unemployment has been emphasized even at global level. It is even described in the Universal Declaration of Human Rights of United Nations. World has accepted that psychological and social cost that an educated unemployed person pay deprives people indirectly of their right to live, right to associate with community and right to choose job with freedom. Therefore the purpose of this study has been to highlight socio-psycho effects on unemployed people. This one menace has been uncontrolled in our country for a very long time and now it needs to be addressed so that not only as a nation we excel in future but as a society we thrive with peace of mind and security at a personal level.

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