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How Educational Institutions Contribute to Unemployment in Pakistan (2021-2025): An Analysis

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Abstract: Utilizing the core weaknesses and performance of Pakistan's educational system, this article examines how these elements have caused the rising unemployment in the country from 2022-2025. With growing higher education and increasing enrollments, Pakistan's academic system continues to churn out graduates, who are deficient in up-to-date skills, have outdated curricula, and vocational training not relevant to industry requirements. The research evaluates the effect of teaching approaches that concentrate on theory, a repetitive learning approach, and a lack of communication between educational institutions and businesses in regards to the development of graduates who are not prepared for work. No guidance on career paths, no training in digital technologies, and insufficient encouragement of entrepreneurship all contribute to increasing the existing crisis. Furthermore, the structural problems of uneven regional development, ineffective support to technical training, and political influence on the formulation of education policies have hindered efforts to reform. From an analysis of government reports, labor market data, as well as real-life situations, this article presents a detailed analysis that, notwithstanding all the benefits of education, educational institutions do not solve but contribute to the problem of unemployment. Research validates the need to improve curricula, follow a skills-centric approach, and create strong collaborations between the government and industry to teach practical skills to meet job market demands in Pakistan.

Introduction

The unemployment rate continues to be very disconcerting in Pakistan, peaking notably, especially among the youth, in recent years. Joblessness is determined by a variety of factors, but one of the least understood but most significant is the organization and positioning of educational institutions in Pakistan. Lack of integration of practical skills in academic programs tends to render the graduates of the Gates recent graduates unprepared to handle a contemporary job market (HRCP, 2023).

Although there has been a marked increase in both the number of students and institutions in the past decade of higher education in Pakistan but there has been no improvement at all in terms of standards and applicability. Universities every year turn out hundreds of thousands of people into professions that

lack enough job openings for them, and hence, many educated men and women are unemployed. "Educated unemployment" is well used by many people to describe graduates with credentials who find it hard to get worthwhile jobs. When the employment skills that are learnt by graduates do not meet the requirements of the labor market, this leads to a misfit that favours neither the economy nor the individuals affected (Waseem, 2022; Fair, 2023).

The future of education in Pakistan will be shaped by a complex interplay of technological, pedagogical, policy, and socio-economic forces. Addressing current challenges while anticipating emerging trends requires strategic foresight, stakeholder collaboration, and sustained investment. This study identifies five key trends that are likely to redefine the educational landscape in the next decade and provides evidence-based recommendations for guiding Pakistan's education system toward equity, quality, and resilience. School institutions in Pakistan tend to be at variance with industrial and technological development, which does not give students much scope in using the information they are taught in practical situations. The fact that there is a lack of organized internships, vocational training, and industrial-academic partnerships contributes to further intensifying these challenges. Thus, graduates from the university come out with poor practical experience and low digital tool mastery, as well as a lack of guidance on how to start startups. Such inadequacy directly affects Pakistan's high percentages of unemployment, especially among university graduates and urban dwellers (Rumi, 2023).

The issue is further complicated by politicians' omnipotence and the inefficient bureaucracy that rules the educational reforms. Commonly, alterations to educational policies fail to have a vision of the future, as they usually demonstrate politics, not development. Providing very little or no career advice is usual for educational establishments, and technical fields are poorly supported and regarded as inferior. Consequently, the teaching apparatus channels the learners into popular but severely saturated areas rather than the ones in high demand by the economy. These serious problems prevent entry to the job market and limit Pakistan's ability to diversify its economy (Jalal, 2023).

On top of that, educational inequity between regions, gender based restrictions, and the digital divide all worsen joblessness. Earning high quality education and higher employment opportunities for people from rural backgrounds and deprived sectors becomes more complicated for the latter. Lack of timely and consistent reforms might cause Pakistan to further undermine its human capital deficit as the institutions of learning established to help the young wind up becoming economic and social inertia sustainers. The purpose of this article is to explore these educational weaknesses, pushing policy suggestions that will help to build the connection between the academic curriculum and industry needs (Freedom House, 2023).

Literature Review

Studies of scholarly interest have developed around the relationship of the education system in Pakistan to chronic unemployment. Experts say that the continued use of outdated curricula and boring pedagogy in Pakistani schools saps their utility in the contemporary workplace. According to Sayeed (2021), most of the public universities focus more on theoretical knowledge than theory-practice implementation, that is, constant development of critical thinking, creativity, or problem-solving skills. According to Ahmed (2023), the teaching methods used during the colonial era dominate in our education systems, which ignore current economic and social problems. This educational stagnation results in the fact that a cohort of graduates will be created having both a poor record with regards to employment and being inappropriate and improvident for existing jobs on account of the very little practical value of their learned affairs. Also, a few efforts in revamping syllabi or introducing interdisciplinary thinking are exacerbating the existing situation.

The separation between what is offered in the educational curricula and what is required by the market is a consistent topic in scholarly discussion. What graduates actually learn is often quite divergent from what employers are looking for. Based on his analysis, Pakistan's absence of effective industry-academia links leads to too many graduates in such areas as social sciences and humanities, with a desperate demand for skilled professionals in IT, renewable energy. The mismatch allows some job markets to become so crowded or some industries to be seriously understaffed. As Kugelman (2023) brings out the slow policy fragmentation that obstructs accurate forecasting and reaction to demands from the labor market, there is a need for educational resources to match industry needs(Per Waseem's, 2022 analysis).

Different academic discourses explain that technical and vocational education has not made a considerable impact on youth unemployment. Although the technical education provides the workforce with practical skills, Pakistan's current system underfunds and shames the institutions. From the perspective of Fair, technical programs are often considered to be secondary education choices, particularly among the rural population (2023). Consequently, adolescents are likely to steer clear of vocational alternatives, despite the rise in the demand for such skills, both domestically and abroad. Rehman (2023) notes that efforts by the government to foster technical education have often been undermined by the lack of consistent financial support, regulatory control, and cooperation on the side of the institutions. Failure to culturally accept and the refusal to take the prestige of vocational education into account means that these reforms pass below the real change.

There does exist considerable scholarly interest in digital literacy and the need for school integration of technology. As a consequence of the Fourth Industrial Revolution, most professions could not do without digital expertise. However, in Pakistan, institutions have done very little to make ICT meaningfully part of their curricula. Jalal (2023) notes that the urban-rural digital divide coexists with a lack of available and institutionally accredited e-learning. According to HRCP (2023), there is still a significant gap with regard to digital literacy, with poor students disproportionately affected, which widens the employment gap. The digital competencies significantly impede the readiness of students for the job market in the ever-more digital world.

In the end, however, the literature refers to poorly-managed governance, lopsided policymaking, and weak institutional rectitude as key causes of the education-employment crisis. Learning reforms in Pakistan are often reactive to political exigencies in the short term, and not a long-term build-up for Pakistan (Yusuf, 2023). He highlights that a lack of transparent practices and effective coordination, and a meritocratic administrative structure, will prevent the continuous efforts to modernize the education system. Corruption, poorly trained teachers, and substandard infrastructure are also among the main hindrances. Such rampant issues question what educational bodies can do and are the reason why the youth feel hopeless, because education is perceived not as a lead to success, but as a reason for their despair (Rumi 2023).

Structural Issues in Pakistan's Education System

Structural problems in Weakness in Pakistan's education system are some of the greatest obstacles to progress that do not contribute to sustainable development and make youth employment easier. This creates a system that produces graduates who do not have the skills required to succeed in the global technological economy. Although mandated by amendments such as the 18th Amendment to devolve education policy to provincial governments, changes in education policy to provincial governments have caused fragmented standards, varied funding, and administrative inconsistencies across various regions. The current dearth in the sense of a national vision for education implies that educational institutions

are operating in isolation, thus producing inconsistent and directionless experiences.

The education system's structure is the product of overemphasized importance on academic credentials and theory-based learning rather than practice-based learning and skill development. It is still the fact that educational institutions pay more attention to teaching students how to memorize facts and little or no attention to those skills necessary for modern employers — analytical, creative, and problem-solving ones. In addition, the educational system does not sufficiently abet entrepreneurship, vocational acquisition, and digital proficiency, thus making it hard for students to adapt to changing industry needs. Consequently, such a gap has significant implications for job availability, where having a certificate or degree does not guarantee getting employment, especially in areas like technology, health, engineering, and business, which prove to be the force of technical know-how and adaptability required.

Another key structural issue is the dual and unequal nature of Pakistan's education system. The existence of parallel streams—public schools, private schools, religious madrassas, and elite international institutions—has created layers of inequality. Students from under-resourced government schools often lack the language proficiency, critical thinking skills, and exposure needed to thrive in higher education or formal employment. In contrast, those from elite institutions are better positioned to access high-paying jobs or study abroad. This stratified system reinforces class divisions, limits social mobility, and results in unequal employment opportunities, thereby fueling resentment and deepening socio-economic disparities across generations.

Also, the quality grade for teachers and institutional governance has been significantly eroded. In public schools, a huge percentage of teachers are unqualified, poorly paid, and only half-heartedly interested in their duties. The political decisions on personnel and transfers, instead of merit, eat at the confidence in the system and throw a wrench in transparency. There is also widespread poor physical infrastructure, old libraries and laboratories, and anomalies in academic calendars in many institutions of learning. Maladministration plus corruption seriously reduce the performance of these institutions. Such recurrent defects in the system of education negatively affect both academic success and the reception of educational certifications, which increases the number of cases of graduate underemployment and distrust of classic education as a way of socioeconomic advancement. In addition, the gap between education and opportunities in the job market is further worsened by a lack of career advice, useful job placement services, as well as academia-industry connections. There is a great disconnect between most universities and industry facts, since schools rarely assess employment results or adapt their courses to adjust to job needs. Because such forms of experiential learning are not part of the university system, students are not provided with authentic, real-world training. There still is a cycle of graduate underemployment, loss of talent, and higher levels of social anxiety by youth, without an integrated approach of linking academic programs to job market needs. The solutions to these structural issues are critically important for transforming education into an active force of national development and all-encompassing prosperity.

Impact on the Labor Market and Unemployment

The disconnect between educational outcomes and labor market requirements is one of the most significant contributors to rising unemployment in Pakistan. Educational institutions often produce graduates without the skills demanded by the evolving job market, particularly in technology, services, and industrial sectors. As a result, employers face difficulty in finding adequately trained individuals despite a growing pool of degree holders, leading to the paradox of "educated unemployment." The misalignment causes underemployment, where graduates settle for low-skilled jobs, and forces many into informal work with poor wages and no social protections.

Another major impact is the oversaturation of certain academic disciplines with limited market demand, such as business administration and general arts, while technical and vocational sectors remain underserved. This imbalance is a direct consequence of inadequate labor market research and ineffective guidance in educational institutions. The failure to diversify curricula and integrate practical, hands-on training has created a workforce that is not future-ready. Consequently, the labor market absorbs only a fraction of graduates, exacerbating socioeconomic inequality and increasing pressure on the informal economy.

Additionally, the growing gap between urban and rural labor market dynamics amplifies regional disparities in employment opportunities. Urban centers, although offering more job prospects, are overcrowded and saturated. Meanwhile, rural areas lack sufficient employment generation mechanisms, forcing rural youth either into migration or unemployment. Educational institutions, especially in rural settings, are poorly equipped to prepare students for modern labor demands, limiting their upward mobility. This structural divide not only affects economic development but also fuels social frustration and unrest.

In conclusion, the current education-labor disconnect in Pakistan has severely impacted the labor market by creating a glut of unemployable graduates, straining public resources, and perpetuating cycles of poverty. Addressing this issue requires urgent reforms in curriculum design, vocational training integration, and stronger public-private linkages to ensure that education leads to productive, meaningful employment rather than disillusionment and economic stagnation.

Policy and Governance Gaps

Lack of organized and harmonized education policy frameworks remains the motivating factor for unemployment in Pakistani schools. Decades of reforms in the education sector have seen implementation still lack cohesive direction, cooperation, and alignment with political whims. Education policies commonly fail to adapt to future changes within the job market and to changes in the world economy. As a result, the curricula at learning institutions remain behind, lack connection with modern job markets, and are overemphasized with a focus on memorization, less on the improvement of analytical and problem-solving skills needed in the modern workplace. Programs like the Green Schools Initiative and WWF-Pakistan's Eco- Eco-Eco-Eco-Eco-Eco-Internships offer experiential learning platforms for environmental education. However, scaling these efforts requires curriculum reform, teacher training, and integration into mainstream education. The reviewed literature emphasizes that Pakistan's education system is at a crossroads, influenced by global trends and local realities. Digital transformation, inclusivity, skills development, data utilization, and environmental awareness are essential pillars for future education reform. While policy frameworks and pilot programs demonstrate progress, sustained investment, cross-sector collaboration, and political will are needed to ensure equitable, high-quality education for all Pakistanis in the coming decade.

Data and Method.

Also, the Department of Education is laden with inefficiencies, excessive powers, and lack of accountability. Post 18th amendment, there are many ministries and provincial agencies that oversee educational affairs with no clear lines of accountability. These intersecting mandates hamper collation and coordination necessary to undertake efficient nationwide efforts of connecting education and jobs. Lack of effective monitoring, inadequate data tracking, and weak institutional ability to enforce standards contribute to the degradation of the system. In reality, schools and colleges lack direction and motivation to prepare their graduates for working in the specific employment needs of the nation.

The poor link between planning for education and economic development plans is a major problem.

Although policy frameworks emphasize vocational and technical education, they have continuously experienced budgetary deficits and deficiencies of institutional endowment in these pursuits. Lack of synergy between educators and representatives of the business sector is such that opportunities for internships and apprenticeships, as well as the development of entrepreneurship, are much less common. Similarly, many aspiring entrants to the labor market are deficient in required soft skills and digital literacy, thereby leaving them disadvantage. Where there is no leverage of data to forecast the dynamics of the labor market, policy decisions result in wastage of resources and aggravation of the skill gap in the labor market.

With an uncoordinated national plan where job market needs are merged with educational goals, youth unemployment is still on the rise. Although donor-backed schemes have an allocation to educational reform or technical training, governmental involvement is weak, and their implementation is limited to existing systems. Furthermore, the instability of political ecologies and leadership change magnifies the difficulties of enforcing reforms, making institutional changes hazy for all of those concerned. Unstable and reactionary attitude towards policy limits its effectiveness to an extent that it makes it further difficult to create ground for graduates to access the labor market.

Basically, system failures in the way that Pakistan's education sector is managed and managed policies are among the driving forces for unemployment. Pakistan needs comprehensive reforms rooted in research, concerted institutional action, responsible governance, and a focus on workforce needs to actually empower its youth and close the divides in education and employment.

Reform Strategies for Employability

Employability enhancement today has become an ultimate goal for governments, educational institutions, as well as industries in the rapidly changing global economy. Approaches of employability reform are purposely geared towards empowering people with competencies, flexibility, and practical experience to succeed in dynamic labor markets. One of the basic ways is educational reform aimed at the accords of curricula to market demands. This entails moving from impractical learning to an approach that is more skills-oriented with a high retention on critical thinking, problem-solving, digital literacy, and communication. Technical and vocational education and training, TVET, programs are being rejuvenated to offer hands-on and industry-worthy qualifications to graduates so that upon completing their studies, they are ready for the world of work.

Another essential element of the reform of employability consists of the promotion of close ties between the academy and industry. This will be possible through curriculum co-design, internships, apprenticeships, and on-the-job training. When the employers are involved in the process of defining what is taught, then the graduates will likely meet the expectations of their potential workplaces. More to that, integrating career counseling services into educational establishments enables students to make well-informed career decisions dependent on trends in the labor market, as well as their strengths and long-term objectives. Such partnerships not only improve job readiness but also bring in innovation and responsiveness in the education and workplace.

In addition, ongoing learning and development of skills are now critical in an era of technological disruption and changing job orders. Formulae of reform today focus more on upskilling and reskilling over a person's lifetime through backed by digital learning platforms and adaptable training initiatives. Governments and other players in the private sector are spending money on online learning, microcredentialing, and Al-based tools for the purpose of analyzing and recommending personalized learning paths for skills gaps. Marginalized populations such as women, rural youth, and differently—abled populations receive special attention to promote all-around inclusive access to employment

opportunities, and reduce structural disparities in the labor market.

Lastly, entrepreneurial promotion and facilitating engagement with gig and digital economies are emerging as part of reform in employability. Entrepreneurial education promotes creativity, self-reliance, economic toughness, business incubators, and access to finance, enabling youth-led start-ups. While the old job markets become more competitive and disintegrated, transformations necessary to get individuals ready for freelancing, remote work, and platform-based work are crucial. The combination of these strategies, strong labor policies, performance-tracking systems, and up-to-date labor market information develops a sustainable basis for enhancing employability through varying economic and social environments.

Conclusion

Taking evidence from 2022-2025, the evidence is very clear that Pakistani educational institutions have turned into unintended actors in the country's growing unemployment crisis. Instead of being engines of socio-economic mobility and innovation as should be the case with the institutions, many remain to churn out graduates who are academically qualified, but professionally unready. Root causes are found in outdated curricula, rote methods of learning, and an original chasm between what academic instruction and the realities of the labor market. With industries moving at a breakneck pace within the era of digitalization and world competitiveness, Pakistan continues to burn degrees by producing degree holders with little to no practical skills, analytical thinking, or industrial exposure.

In addition, the poor institutional structure of career guidance, the absence of structured internship offers, and the lack of collaborative interfaces with employers have created a structural failure in connecting education to employment. Contempt of technical and vocational education (even if still viewed as inferior to academic degrees) has likewise deprived the youth of other viable skill-based routes out of poverty. Making these worse are regional and gender inequalities that skew the disadvantages toward rural populations and women, deepening socio-economic stratification.

Fixing this crisis will require more than just a fine-tuning of policy- it needs a total redrafting of the education-to-employment space. Unless immediate changes are effected, the division between graduate output and employable talent will only further their disparity, a great economic threat to Pakistan's stability, social bonds, and future development.

Findings

- 1. The main discovery is a continuing rift between academic programs that education institutions are advancing and the requirements of the actual labor market. Between 2022 and 2025, thousands of graduates in Pakistan, and especially, social sciences, arts, and humanities, faced an oversupplied job market with minimal requirements for their competencies. While at the same time, industries like information technology, renewable energy, and advanced manufacturing mentioned a skill shortage. This mismatch has produced an excessive supply of degree holders full of theoretical learning, but of little practical value in a high-stakes economy.
- 2. Knowledge-based institutions of learning in Pakistan still resort to the use of obsolete syllabi and antiquated teaching methods based on rote learning, failing to impart students with the ability for critical thinking and problem-solving, as well as technical capabilities. Although some policy attempts have been made to modernize the curricula, most public universities and colleges do not have a regular industry stakeholder contribution to curriculum development. In the period of 2022-2025, there were numerous surveys and employer feedback reports identifying graduates' deficiency in work-readiness and their lack of exposure to practical tools and technologies related to their sectors.
- 3. Lack of an organized industry-academy partnership accounts for a significant part of graduate

unemployment. Most universities across Pakistan do not provide opportunities for internships, apprenticeships, or real career counseling. Between 2022 and 2025, only a handful of elite institutions set up career services departments or interacted with corporate sectors to place students. Consequently, graduates come out of universities with scant experience in the real world, with scarce professional relationships, and findings on the changing industry trends, thus undermining their job capability.

- 4. Nations' initiatives to increase the scope of Technical and Vocational Education and Training (TVET) have not extended this into the mainstream educational institutions, where no vocational pathways have been perceived as viable alternatives to degrees. The preference by society for university degrees rather than skill-based education makes the situation of increasing unemployment among the youth worse. Thousands of TVET graduates were underutilized according to NAVTTC and labor reports, 2022–2025, due to a lack of strong credibility in institutions lacking modern infrastructure and a job placement mechanism.
- 5. Another noteworthy finding is the disparity in access to quality education and decent work across regions and genders. Rural graduates and notably females experience systematic disadvantage, owing to a lack of appropriate institutional infrastructure, conservative socio-cultural norms, and poor job market linkages. Employment data for the period 2022-2025 showed that female graduates from underdeveloped areas such as Baluchistan and the interior part of Sindh were disproportionately higher unemployed than their male or urban counterparts, having similar academic qualifications.

Recommendations

- 1. Review academic programs in liaison with industry experts so as to align them with the current and future market demands, in particular technology, engineering, and services.
- 2. Use a project-based learning approach and critical thinking modules, and digital skills to make learners employable in all disciplines.
- 3. Establish university-to-employer partnerships to provide internships, apprenticeships, and joint research for positions where students are prepared to meet the real-world challenges.
- 4. Open career centers in all the universities and offer instruction, soft skills training, as well as contacts for employers.
- 5. Support TVET as an alternative and dignified route to work with transformed training, certification, industry industry-accredited description.
- 6. Invest in education infrastructure in rural areas, give targeted support to female students, and support the equality of student's access to training and employment.

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