

**Youth Employment Challenges and Skills Gap in Gulmi District, Nepal: An
Analytical Study**

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Abstract

Youth unemployment represents a profound and worsening challenge across developing countries, particularly within the Global South, with Nepal serving as a compelling case study of the comprehensive nature of the crisis. Despite a growing youth population, labor market integration remains weak due to persistent skills divergences, informal labor dominance, and structural limitations in employment policy and education. This study critically investigates the root causes of youth underemployment and joblessness in Dhurkot Rural Municipality of Gulmi District, Nepal through an analytical lens. It synthesizes national and international data sources, primary data-based survey, policy analyses, and academic literature to examine weaknesses such as the disconnect between educational outcomes and labor market demands, the predominance of informal employment, and the inefficacy of current institutional responses including Technical and Vocational Education and Training (TVET) programs and migration policies.

The findings reveal that although government strategies such as the Prime Minister Employment Program (PMEP), Youth Vision 2025, and CTEVT-driven vocational training seek to address the problem, they are hindered by fragmentation, insufficient coordination with the private sector, lack of performance monitoring, and limited adaptability to labor market shifts. The paper recommends strengthening demand responsive skill development programs, creating strategic public-private partnerships, enhancing labor market information systems, and integrating career guidance within the educational curriculum. These insights offer a roadmap not only for Nepal but for similarly structured low- and lower-middle-income countries aiming to transform their youth expand into an engine of inclusive and sustainable growth.

Keywords: Youth employment, skills gap, informal economy, public-private partnership, migration, development policy.

Introduction

One of the most pressing development issues facing low- and middle-income nations worldwide is still youth employment. Prospects for inclusive economic change have continuously been constrained by rapid population growth, insufficient formal sector job creation, and ongoing mismatches between available skills and labor market demands (Goldin, 2015; UNICEF, 2022; World Bank, 2021). Despite investments in education and entrepreneurship, nations like Kenya, South Africa, and Kosovo struggle with youth unemployment rates that are significantly higher than the global average throughout Africa, Asia, and portions of Eastern Europe. For example, more than 500,000 young people in Kenya are still unemployed, primarily due to a mismatch in skills and a lack of growth in the formal sector (KNBS, 2023). Similarly, Kosovo reports comparable levels of labor market exclusion among its youth population. Despite being at its lowest position in 15 years as a result of the post-pandemic recovery, recent data shows that youth unemployment worldwide still surpasses 15.7 percent in many developing nations, indicating ongoing structural problems (Statista, 2023; ILO, 2024).

Youth between the ages of 21 and 40 make up 33.76 percent (9,845,984) of Nepal's total population, which is both a demographic advantage and a policy issue (CBS, 2021). The young group has substantial challenges, particularly with regard to employment and underemployment in rural areas, despite rising educational attainment and greater knowledge of technical and digital skills. According to the most recent labor market data, the young unemployment rate in 2024 was 20.8 percent, which is significantly higher than the current world average and shows a modest rising trend over recent years (World Bank, 2024; Trading Economics, 2024). Gulmi District and Dhurkot Rural Municipality is located in Lumbini Province, which has even higher rates; rural areas are characterized by severe inequality, a lack of formal jobs, and inadequate vocational infrastructure. According to Nepal News (2025), 94.4 percent of young people in Nepal between the ages of 21 and 40 are employed in the unorganized or informal sector, which includes daily wage labor, retail, transportation, and agriculture. These positions provide little chance of upward mobility, little job security, and little financial stability.

Dhurkot Rural Municipality serves as an example of these difficulties. Widespread outmigration, a growing reliance on remittances, and a lack of economic diversification are characteristics of the area. Although agriculture is still the main driver of the local economy, it is mostly focused on subsistence farming, which results in low productivity and little attractiveness to young people. Because of this, a large number of young people are forced to look for work abroad, often in low-skilled, precarious positions, which exacerbates the cycles of rural depopulation and family separation. Nearly 1,100 families left Gulmi for jobs abroad in FY 2024–2025, and in the first month of 2025–2026, Nepali

migrant workers sent home Rs 177.41 billion, a significant 30% increase from the year before (World Bank, 2021). The growing reliance on remittances highlights the lack of consistent local job creation and insufficient state reintegration programs for young people returning home. The complexity of young unemployment in developing nations is further illuminated by empirical data from international studies. For instance, skills mismatch continues to be a major barrier in 108 countries surveyed, impacting almost half of young people without jobs worldwide (UNICEF, 2022). Despite improvements in formal schooling, young people are unable to obtain formal, productive, and fulfilling employment due to a lack of entrepreneurship-supportive ecosystems and occupational pathways. Southeast Europe, East Africa, and South Asia demonstrate that the main causes of young employment crises in developing nations are migration dependency, gender inequality, and skill mismatch.

Despite the emphasis on skill development, public-private partnerships, and youth entrepreneurship in recent policy innovations in Nepal, such as the Prime Minister Employment Program, Youth Employment Transformation Initiative, and National Employment Program, implementation flaws still exist at the local and provincial government levels (World Bank, 2024; Nepal Youth Vision, 2025). The full promise of these initiatives for rural kids has not been realized due to weak institutional capacity, limited outreach, and gaps in monitoring and evaluation. Through an analytical case study of Dhurkot Rural Municipality, Gulmi District, this essay explores Nepal's youth employment dilemma and presents the area as a telling microcosm of more general issues in Lumbini Province and throughout the nation. The paper attempts to offer practical insights pertinent to policymakers, educators, and development practitioners by examining structural barriers to youth employment, evaluating the mismatch between education and labor market demand, and critically analyzing the efficacy of national and local policies.

Statement of the Problem

Despite its demographic dividend, Nepal and particularly rural districts like Gulmi has not succeeded in converting its growing youth population into a productive economic asset. Unemployment among youth remains persistently high, and those who are employed are often in informal, insecure, or low-paying jobs. Dhurkot Rural Municipality is like many parts of Lumbini Province, has witnessed large-scale labor migration, especially among young men, leading to a hollowing out of the rural workforce and long-term dependency on remittances. The core problem lies in the disconnect between quality and technical education and labor market demand, limited access to vocational and entrepreneurial training, and the absence of coordinated policy action. Local TVET institutions, where they exist, struggle with outdated curricula, inadequate funding, and weak linkages to local enterprises. Meanwhile, national employment programs such as the Prime Minister

Employment Program (PMEP) and Youth Vision 2025 lack proper decentralization and contextual adaptation. Without urgent and systemic intervention, the region risks deepening its socioeconomic vulnerabilities and perpetuating youth disengagement.

The increasing number of young people in Nepal has not yet been turned into a valuable economic resource, despite the country's demographic dividend, especially in rural areas like Gulmi. With a countrywide rate of roughly 20.82 percent in 2024, youth unemployment is still frighteningly high, and those who are employed frequently work in low-paying, unstable, and informal occupations. Significant labor migration has occurred in Dhurkot Rural Municipality, particularly among young males. This has led to a hollowing out of the rural workforce and increased reliance on remittances. The basic problem is the mismatch between the demands of the labor market and the quality of education, as well as the restricted availability of entrepreneurial and vocational training. Issues that local TVET colleges must deal with include out-of-date curricula, insufficient funding, and poor ties to local businesses. Inadequate decentralization and a lack of local context adaptation plague national employment initiatives such as Youth Vision 2025 and the Prime Minister Employment Program (PMEP). These problems have the potential to worsen socioeconomic vulnerabilities and maintain youth disengagement in the area if prompt and deliberate action is not taken.

Initiatives for vocational training have shown promise in resolving these issues; in Nepal, for example, youth training programs have significantly increased non-farm employment and monthly revenues, especially for women who work for themselves. However, implementation issues continue to restrict these programs' reach and scalability. This emphasizes the critical need for an all-encompassing approach that guarantees national employment efforts are successfully decentralized and contextualized to local circumstances, increases access to high-quality vocational training, and matches school curricula with labor market demands. Given these problems, the following research questions are the subject of this study: What strategies in Dhurkot Rural Municipality effectively increase young employability and lessen their reliance on migration? What structural elements are responsible for the ongoing young unemployment in Dhurkot Rural Municipality? How well do local education and training programs meet the demands of the labor market? In order to directly address the major issues mentioned in the problem statement, these questions are intended to look at structural obstacles and find effective ways to improve youth economic engagement.

Objectives of the Study

The study aims to investigate the youth employment challenges and skills gap in Gulmi District, Nepal with broader implications for policy in Local level, Lumbini Province and Nepal. The specific objectives are to:

- To analyze the nature and structural causes of youth unemployment in Dhurkot Rural Municipality of Gulmi District.
- To examine the alignment between local education/training systems and employment opportunities in Dhurkot Rural Municipality.
- To assess effective approaches for enhancing youth employability and decreasing migration dependency in Dhurkot Rural Municipality.

Delimitations of the Study

This study's delimitations are focused on Dhurkot Rural Municipality of Gulmi District in Lumbini Province, which was selected as a sample rural location to investigate the difficulties facing the adolescent labor market. Youth between the ages of 21 and 40 are the study's primary emphasis, and this group includes school dropouts, returnee migrants, underemployed people, and TVET graduates. It uses a mixed-approaches strategy, integrating primary data gathered from a quantitative survey of 200 young people and 15 in-depth qualitative interviews with key informants and secondary data from government papers, policy documents, census data, and scholarly literature.

Literature Review

The incompatibility between youth employment and skills in rising nations, particularly in Gulmi District and Nepal, reveals deep structural and institutional problems. The majority of the 75 million young people who are unemployed globally 13.9 percent of the total work in dangerous, informal jobs (ILO, 2024). 20.82 percent of Nepal's youth were unemployed in 2024, while more than 86 percent of those with jobs are employed in low-wage, unstable sectors like retail, construction, and agriculture (CBS, 2023; World Bank, 2024). Structural barriers like inadequate infrastructure, limited financial access, gender discrimination, and poor governance are made worse by poorly integrated policies that lack local contextualization (Fox & Gandhi, 2023).

The mismatch between educational achievement and labor market demand is one of the main causes of youth unemployment. Overqualification, obsolescence, field misalignment, and dynamic, horizontal, and vertical inequities are examples of skill mismatches; 44 percent of young people in emerging nations lack the skills necessary for open positions

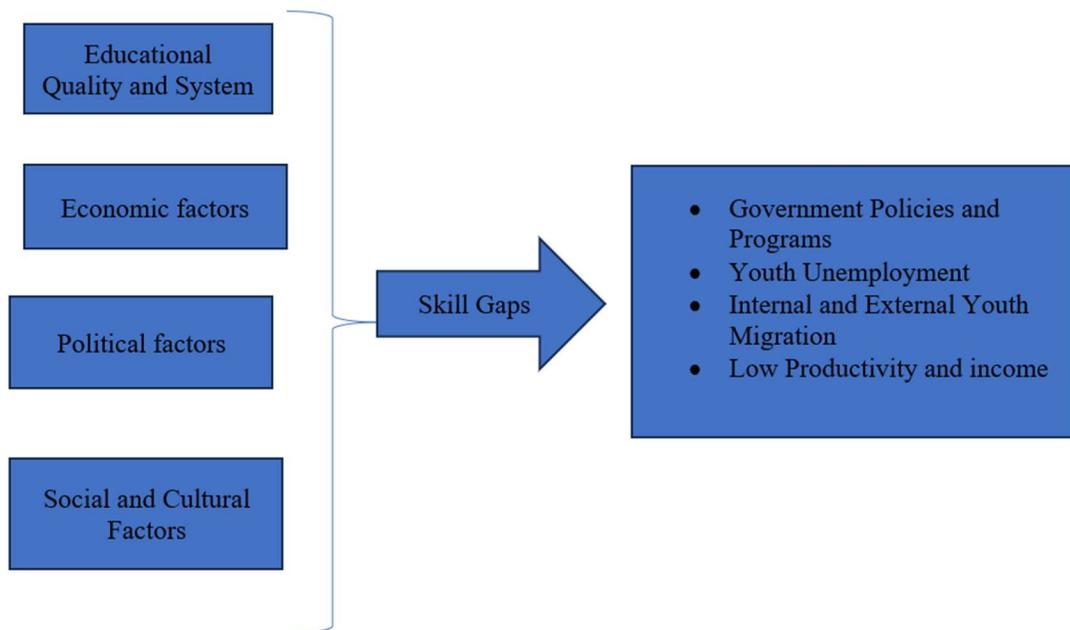
(OECD, 2023). The emphasis on academic credentials and memorization over competency-based skills in Nepal's educational system leaves graduates lacking in essential problem-solving, communication, and technology skills. TVET programs suffer from out-of-date curricula, poor employer engagement, inadequate quality assurance, and low institutional credibility, despite being marketed as a solution. Due to disjointed TVET systems, weak industry connections, and insufficient career assistance, these gaps have not been filled by rising tertiary enrollment. The efficacy of CTEVT is undermined by a shortage of qualified instructors and limited monitoring (ADB, 2024).

Geographical remoteness, little industrial activity, inadequate infrastructure, and limited access to high-quality TVET are some of the issues that rural communities like Gulmi District face. Young women are particularly affected by gender inequality, and only a tiny percentage of youth acquire formal vocational training (MoLESS, 2023). The lack of good local jobs is reflected in the high rate of young outmigration; 4.3 million Nepalis are employed overseas, sending home remittances that account for 22 percent of the country's GDP (World Bank, 2024). Remittances reduce poverty, but migration depletes the rural labor force and fosters dependency. The majority of migrants work in low-skilled professions in Malaysia and the Gulf, frequently in exploitative settings, and returnees encounter little assistance for reintegration, such as company incubation and entrepreneurial ecosystems, which limits their ability to contribute to local growth. Comparative evidence from similar countries shows that microfinance, mentoring, and skill certification improve reintegration outcomes (ILO, 2023).

The Prime Minister Employment Program, the National Youth Policy (2015), and the updated TVET Policy (2022) are just a few of the measures Nepal has implemented to encourage youth employment and entrepreneurship. However, little money, poor coordination, little private sector participation, and inadequate oversight impede execution (NPC, 2024). Research shows that initiatives are often short-lived, politically motivated, and disregard rural communities like Gulmi (Devkota, 2023; Karkee, 2024). The potential of demand-driven, multi-stakeholder strategies in line with regional industries and digital integration is exemplified by international examples like Bangladesh's Skills for Employment Investment Program. The literature highlights the complexity of Nepal's young unemployment and skills mismatch, with rural areas facing disproportionate challenges. Regarding the experiences of rural youth, the effects of migration, the efficiency of decentralized TVET, and the possible contribution of return migrants to the revitalization of rural labor markets, there are still significant empirical gaps. By producing localized data from Gulmi to guide inclusive youth employment plans in line with both international labor norms and national development goals, this study fills in these gaps.

Overall, the research emphasizes how complex Nepal's young unemployment and skills mismatch are, with rural areas dealing with much more difficulties. Empirical studies on the experiences of rural youth, the consequences of migration, and the efficacy of decentralized TVET are severely lacking. It is still unclear how return migrants may help revive rural labor markets. In response, this study produces localized Gulmi evidence to support inclusive youth employment strategies that adhere to both international labor norms and national development.

Conceptual Framework: Youth Employment Crisis and skill Gap in Developing Countries: The Case of Dhurkot Rural Municipality, Gulmi District, Nepal



Methods and Procedures

This study examined young employment issues and skill mismatch in the Dhurkot Rural Municipality in Gulmi District, Nepal, using a mixed-methods research technique. Both quantifiable patterns in migration, underemployment, and unemployment as well as the more intricate institutional and behavioral factors influencing these outcomes could be captured by combining quantitative and qualitative methodologies. Descriptive components of the design document the current situation of youth in terms of employment status, sectoral engagement, earnings, and training exposure, while explanatory components look at how structural constraints, insufficient TVET infrastructure, and a lack of local economic opportunities contribute to skills mismatch and labor market exclusion.

The research title and objectives, which aim to comprehend the structural causes of youth unemployment, evaluate how well education and training align with labor market demands, and identify practical methods for enhancing employability and lowering reliance on migration, are directly aligned with this design.

Dhurkot Rural Municipality was purposively chosen because it exemplifies the Gulmi District's typical rural economy, which is characterized by high rates of young migration, low levels of activity in the industrial and service sectors, and limited access to high-quality TVET and entrepreneurship support. The target population comprised young people living in Gulmi between the ages of 21 and 40, including jobless or underemployed youth, TVET graduates, returnee migrants, and school dropouts. The study also involved institutional stakeholders who have an impact on youth employment opportunities, skills development programs, and local development planning, including local employers, TVET providers, government representatives, and community leaders, in order to fully address the research questions. There were 215 respondents in all, 200 of whom took part in the quantitative survey and 15 of whom participated in in-depth qualitative interviews. A multi-stage stratified random sampling technique was used to choose the quantitative sample. First, Dhurkot Rural Municipality was specifically selected from Gulmi District due to its high rate of young migration and obvious skills mismatch. To guarantee coverage of various settlements and socioeconomic classes, Dhurkot's wards were stratified by geography and demographics in the second stage. A final survey sample of 200 teenagers was created by randomly selecting one eligible youngster (aged 21–40) from each sampled household within the allocated wards. This procedure enhanced representativeness and allowed for analysis by sex, education level, migration status, and employment category.

To offer in-depth, experience-based insights directly relevant to the research objectives, 15 key informants were purposefully chosen. The sample size was determined by information saturation to capture key themes on structural limitations, training relevance, and youth migration decisions. They included local business owners or managers, TVET and skills-training representatives, local government officials in charge of youth and employment, returnee migrants, and community leaders. Semi-structured interview guides and a structured questionnaire were used to gather primary data. Socio-demographic traits, educational attainment, involvement in TVET and other training, employment status and job quality, migration history, and opinions of the local labor market and training prospects were all recorded in the questionnaire. The alignment of local education and training systems with labor market demands, the perceived structural causes of adolescent unemployment, and recommended measures to improve employability and lessen reliance on migration were all explored in greater detail through semi-structured interviews. In order to investigate the links between education, training exposure, migration status, and employment outcomes, quantitative data were coded and analyzed in SPSS using

descriptive statistics (frequencies, percentages, averages, and cross-tabulations) and fundamental inferential techniques. Thematic content analysis was applied to qualitative interview transcripts using categories derived from the research objectives and emergent issues. The integrated interpretation of both data strands offered an analytical foundation for determining the structural causes of youth unemployment, evaluating training-labor market fit, and elucidating promising strategies to increase youth employment in Dhurkot.

Results and Discussion

This chapter presents and interprets the empirical findings of the study on skill variance and youth employment of Dhurkot Rural Municipality, Gulmi District, Nepal's. Using a mixed-methods approach, it integrates quantitative survey data and qualitative interviews with key informants, including unemployed youth, returning migrants, local employers, educators, and government representatives. The findings are organized into three topic groups that are connected to the primary objectives of the study.

Data Presentation Based on the Age of Respondent

The following table indicates the age of respondents involved in this study.

Table 1

Data Presentation Based on the Age of Respondents

S.N.	Age Group	Number	Percentage
1	21 – 25	28	14
2	26 - 30	70	35
3	31 – 40	102	51
Total		200	100

Source: Field Survey, 2025

Based on a field study conducted in 2025, Table 1 shows the age distribution of young entrepreneurs. Of the respondents, 102 were between the ages of 31 and 40, 70 were between the ages of 26 and 30, and 28 were between the ages of 21 and 25. Most (51%) were in the 31–35 age range, followed by 35 percent in the 26–30 age range and 14 percent in the 21–25 age range. The smaller number of entrepreneurs between the ages of 21 and 25 is probably due to the fact that they are still enrolled in college or university. Younger people continue to engage in entrepreneurial endeavors in spite of this, underscoring the need of encouraging entrepreneurship at a young age. This is supported by programs such as those run by the Center for International Private Enterprise Nepal (CIPEN), which give university students hands-on entrepreneurship training through programs and simulated business competitions, developing their abilities and promoting new company endeavors.

Data Presentation Based on the Gender of Respondent

The following table indicates the gender of respondents involved in this study.

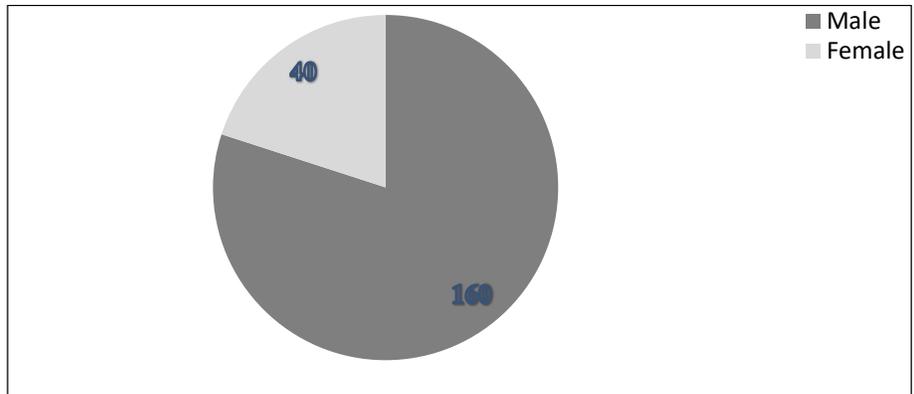
Table 2

Data Presentation Based on the Gender of Respondent

S.N.	Gender	Respondent	Percentage
1	Male	160	80
2	Female	40	20
Total		200	100

Source: Field Survey, 2025

Figure 1: Data Presentation Based on the Gender of Respondent



With 80 percent of respondents being men and only 20 percent being women, Table 2 and the accompanying graphic show a notable gender gap. This supports Bushell's (2018) findings that young women's involvement in entrepreneurship in Nepal is restricted by socio-cultural factors. Women are typically positioned as family caregivers by traditional gender roles, and they frequently experience higher disadvantages in terms of financial wealth and education. Despite these obstacles, a lot of female entrepreneurs launch their companies due to necessity, luck, or "pull" causes. In support of this, Gwija (2014) notes that the main obstacles facing women entrepreneurs in developing nations are personal struggles, gender discrimination, socio-cultural attitudes, and family obligations. Even though Nepal has made women's education and training a priority in recent decades, access to opportunities is still limited because female literacy rates are still far lower than male literacy rates. Additionally, early motherhood and childcare responsibilities in regions like Butwal further limit young women's entrepreneurial prospects.

Data Presentation Based on Educational Background of Respondent

The table below explains the educational background of youth entrepreneurs in Butwal.

Table 3

Data Presentation Based on Educational Background of Respondent

S.N.	Level of Education	Frequency	Percentage
1	Masters	31	15.5
2	Bachelor	95	47.5
3	School	37	18.5
4	Literate	37	18.5
Total		200	100

Source: Field Survey, 2025

The educational background of young entrepreneurs is compiled in Table 3 from a field survey conducted in 2025. Only 15.5 percent of respondents have a master's degree, while the majority have a bachelor's degree, followed by 47.5 percent who have graduated. These results highlight the crucial role that education plays in encouraging young people to succeed as entrepreneurs. Early marriage, which frequently prevents women from continuing their formal education, may be the cause of the lower educational achievement among women. In order to increase women's involvement and success in entrepreneurship, this points to the necessity of focused educational assistance.

Data Presentation Based on Number of Respondent Venture

The following table shows the current number of employees that the respondents have in their respective businesses.

Table 4

Data Presentation Based on Number of Respondent Enterprise

S.N.	Current No. of Employees	Frequency	Percentage
1	1 – 10	188	94
2	10 – 25	9	4.5
3	25 and above	3	1.5
Total		200	100

Source: Field Survey, 2025

According to the 2025 field survey, the number of workers in youth-owned firms is shown in Table 4. According to the data, 94 percent of these companies had one to ten employees, which is revealing of the dominance of small firms. Only three of the 188 youth-owned businesses two clothes sewing shops had more than one employee. Only one carpet-making company employed more than 25 people, whereas 4.5 percent of businesses employed 10 to 25 people. These results imply that the majority of young companies have modest capital expenditures and sizes. Additionally, resource possession and market access are constrained by limited access to formal financing, as the majority of entrepreneurs trust on

personal savings instead of bank loans or informal credit. As a result, these elements probably limit the ability to create jobs by hindering company expansion and profitability.

Motivation to Start a Business

The following table highlights various factors that inspired participants of the study to start their own business.

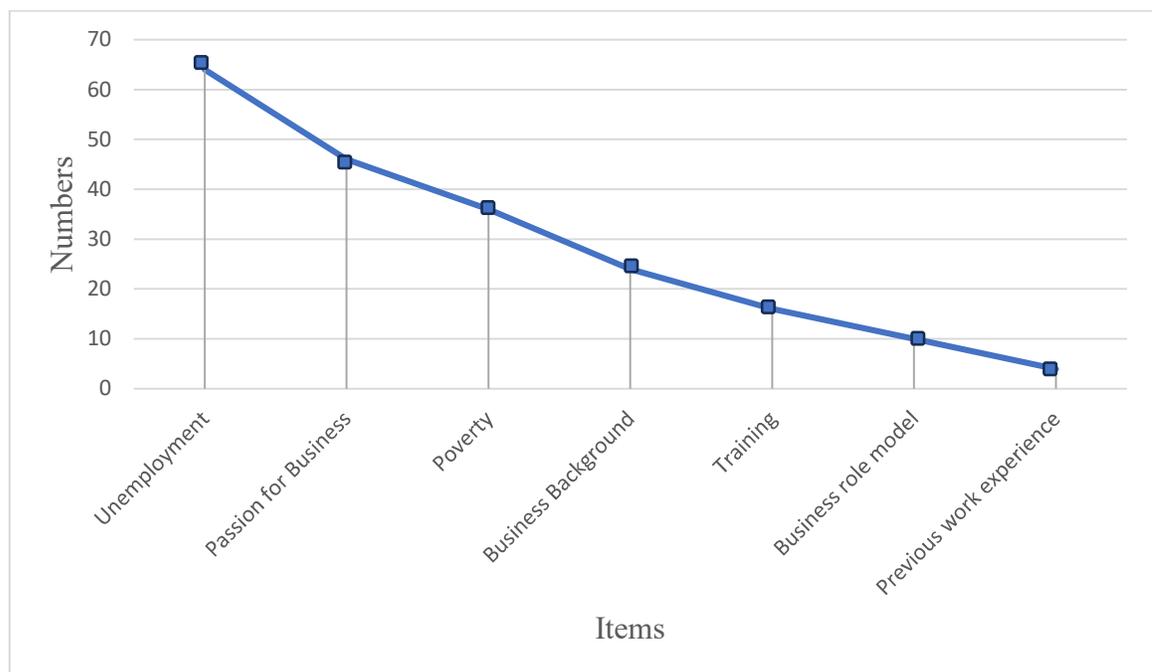
Table 5

Motivation to Start Business

S.N.	Their Own Business Factors	Frequency	Percentage
1	Unemployment	64	32
2	Passion for Business	46	23
3	Poverty	36	18
4	Business Background	24	12
5	Training	16	8
6	Business role model	10	5
7	Previous work experience	4	2
Total		200	100

Source: Field Survey, 2025

Figure 2: Motivation to Start a Business



The study shows that young people's decisions to launch businesses are influenced by a complicated combination of "push" and "pull" variables, and the particular percentages are crucial to this pattern. 32 percent of respondents mentioned unemployment as their main motivator, making it extremely difficult to find suitable job, particularly in metropolitan Nepal. According to the recession-push theory, young people are driven into self-employment by unemployment, job loss, and unstable employment when they believe that predicted entrepreneurial profits would make up for their dismal labor market prospects. Financial responsibilities, the need to effectively apply skills from prior employment, and the desire for self-employment as a more manageable source of income are all related concerns.

The second most important reason, which drives 23 percent of respondents, is a strong intrinsic ambition for business. This pull element, which is often strengthened by formal training, education, and early involvement in family or small businesses, shows goals to "do business," create local jobs, and contribute to community improvement. An additional 18 percent of motivations are related to poverty, especially among young people with lower incomes and less education. For these groups, microenterprise is an essential path to economic growth and upward mobility in situations where formal wage jobs are hard to come by, and research indicates that entrepreneurs from low-income households can achieve on par with those from more affluent backgrounds. Furthermore, a family company background motivates 12 percent of respondents, indicating how early exposure to business and parental entrepreneurship normalize business ownership and impart useful skills. The current limited significance of national education systems in directly inspiring entrepreneurial start-up decisions is highlighted by the fact that only a small residual proportion mention entrepreneurship education and training as their primary motive. The distribution of motivations 32 percent unemployment, 23 percent business interest, 18 percent poverty, 12 percent family business, and a small remainder related to entrepreneurship education indicates that youth entrepreneurship arises from a combination of opportunity (interest, family influence, and skills) and necessity (unemployment and poverty), highlighting the need for policies that both reduce labor-market constraints and methodically increase entrepreneurship education and support.

Obstacles When Setting Up Business

This research found that there were some key obstacles that youth entrepreneurs in Dhurkot Rural Municipality of Gulmi District countless when setting up their own business. The table below illustrates such obstacles.

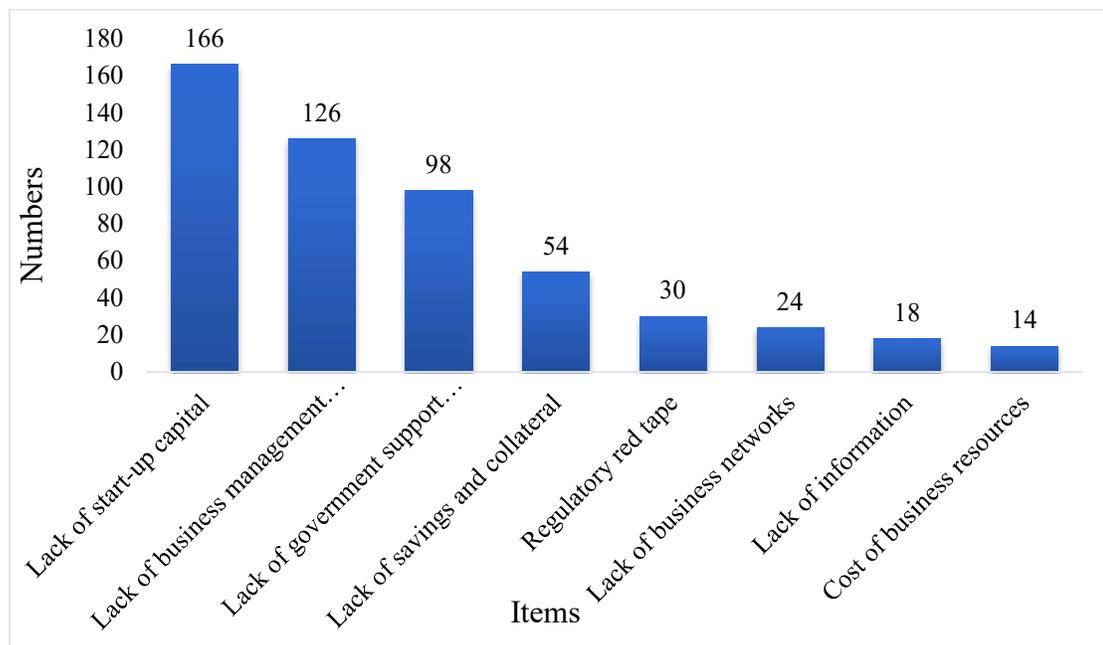
Table 6

Obstacles When Setting Up Business (MCQ)

S.N.	Factors	Respondent number	Percentage
1	Lack of start-up capital	166	83
2	Lack of business management experience	126	63
3	Lack of government support services	98	49
4	Lack of savings and collateral	54	27
5	Regulatory red tape	30	15
6	Lack of business networks	24	12
7	Lack of information	18	9
8	Cost of business resources	14	7

Source: Field Survey, 2025

Figure 3: Obstacles When Setting Up Business



According to the study, young entrepreneurs in Dhurkot face a variety of obstacles. According to 83% of respondents, the biggest obstacle is a lack of startup capital. Additionally, 27% of respondents report having insufficient funds and collateral, which restricts their ability to obtain formal financing. A significant barrier to starting and operating businesses successfully, according to 63% of respondents, is a lack of business management expertise. Institutional and regulatory factors also impede entrepreneurship: 15% cite bureaucratic red tape in registration and compliance, while 49% allege inadequate government support services. Even though they are less common, other limitations

nonetheless have an impact on results: 12% lack business networks, 9% have restricted access to pertinent information, and 7% deal with expensive company resources and inputs. When combined, these findings demonstrate that financial, managerial, institutional, and informational deficiencies simultaneously limit young businesses in Dhurkot, highlighting the necessity of extensive, well-coordinated support structures to promote youth entrepreneurship.

Conclusion

The findings of this study clarify the complex nature of young employment issues in Dhurkot Rural Municipality of Gulmi District and are in connection with the goals of the study, which were to examine skill mismatches, labor market circumstances, and the effects of migration on local employment. Because of the limited ability of the local economy to create formal job possibilities, the majority of youth roughly 80 percent are employed in informal sectors and subsistence farming. A substantial skills gap makes this structural limitation worse; more than 60 percent of young people without jobs say their education and training are not up to speed with the expectations of the labor market, especially in terms of practical, digital, and entrepreneurial abilities. This disparity highlights the urgent need for educational reform in order to improve employability and relevance.

More than half of households have members who work in low-skilled jobs abroad, making labor migration an essential economic strategy. Nonetheless, the study shows that returnees continue to experience difficulties reintegrating, including a lack of institutional assistance, restricted financial resources, and a lack of appreciation for their foreign-acquired talents. These circumstances make it difficult for them to transition into long-term local jobs, highlighting how inadequate the policies and resources in place are to fully utilize remittances and the experience of migrants for local development. Youth employment results are further hampered by institutional weaknesses, since the effectiveness of interventions is reduced by disorganized coordination and low knowledge of national initiatives. Furthermore, women and Dalits are among the marginalized groups whose access to employment is disproportionately restricted by deep-rooted societal inequities, underscoring the necessity of inclusive policy frameworks. All of these results point to the need for a comprehensive strategy that integrates education and skill development specific to local economic contexts, strengthens institutional capacity for coordinated employment governance, and provides targeted reintegration support for young migrants in order to address youth unemployment. To increase youth employability and economic inclusion, it is strategically necessary to boost digital literacy, encourage entrepreneurship, and improve practical training.

The study concludes by emphasizing the need for demand-driven, context-specific policies that promote social fairness, assist migrant reintegration, and bridge educational gaps and labor market realities in order to address the adolescent employment crisis in Dhurkot Rural Municipality. To achieve sustained socio-economic development in the area, it is crucial to support local government, match vocational training with sectoral growth prospects, and broaden inclusive support systems.

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