



Evaluation Of Unemployment Problems In India With Special Focus To Consequences And Remedies

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ABSTRACT:

The greatest threat now facing India is unemployment. Both educated and industrial employees have been impacted by unemployment in metropolitan areas. The main issue in India right now is structural unemployment, which can manifest in both overt and covert ways. Every person needs to work in the economy to sustain their daily needs. A person is considered unemployed if they actively seek employment but are unsuccessful in doing so. The level of unemployment is a good indicator of the economy's health. The unemployment rate is calculated as the total number of unemployed people divided by the total labour force. The mobilization of resources, accelerated growth, selective pattern of investment, prudent choice of techniques, an appropriate spectrum of economic activities in rural and urban areas, and the accessibility of complementary factors of production all point to the need for a multifaceted approach to the problem.

Keywords: Unemployment, Problem, India.

INTRODUCTION:

A person is considered to be unemployed when they are actively seeking employment but are unsuccessful in doing so. Typically, unemployment is considered a proxy for economic health. Being without a job or receiving no compensation is what some people think of as being unemployed. [1] This might be partially accurate, but not completely. Such a concept would mostly be applicable to educated individuals who don't seem to be able to obtain employment or to individuals who return to urban areas in quest of employment. Due to the growing disparity between the number of individuals looking for work and the number of new employment prospects, unemployment may now be regarded as the most significant problem facing India right now. Unemployment is the state of being able to work, actively seeking employment, yet unable to do so. It's important to keep in mind that in order to be considered unemployed, a person must be actively looking for paid employment. In addition to experiencing very long periods of unemployment, rising economies like India are likely to also endure brief periods of unemployment due to the frequency of self-employment and casual wage work. As far as scope and severity go, unemployment in India is a significant

issue. [2] A person who can only obtain a job as a part-time employee, seasonal worker, or day or casual worker for shorter than normal periods of time is said to be underemployed. The expression could also be used to describe a circumstance in which workers are overqualified for their jobs as a result of their education or experience. [3]

PROBLEM STATEMENT:

In the rest of the globe as well as in India, unemployment is a big problem. It is crucial to research and comprehend unemployment in India in order to reduce the risk of unemployment. The unemployment rate and economic growth are the two main problems that beset the economies of all developing countries. India's main problem is unemployment. It gets more serious every day. When someone is actively looking for a job but is having no luck, they are considered to be unemployed. Increased unemployment is a result of several factors, including population growth, migration, a lack of practical knowledge, and unequal industrialization. As a result, social and economic inequalities, stress, poverty, and criminal activity have increased. a predicament where job seekers are unable to land a position. "Unemployment" is the proportion of the labour force that is unemployed. The number of unemployed people changes depending on economic and other factors. People who have actively searched for employment during the past four weeks but haven't found it are considered unemployed. [4] The complicated problem of unemployment has an impact on both the economic and social structures of a country. Despite a drop in the proportion of young people in the labour force as school and college enrollment rates have increased, youth unemployment and underemployment are likely to remain a major policy concern in India for many years to come. Many of the causes contributing to India's unemployment crisis are yet unknown. However, India's GDP and inflation rate are two of the key variables influencing its unemployment. Young people are an important source of human capital, powerful agents of social change, and the backbone of both economic and technical development. However, there is a big problem with successfully using these resources. The "youth dilemma" is seen as the most important issue with economic development in the twenty-first century.

TRENDS RELATED TO UNEMPLOYMENT IN INDIAN CONTEXT:

After independence, the topic of employment has reverberated differently depending on the Plan period. It was not anticipated that unemployment would become a significant issue during the early planning stages of development. In the 1950s and 1960s, it was expected that labor-intensive industries and a fair growth rate would keep unemployment from rising. [5] This expectation persisted from one Five-Year Plan to the next. While employment increased more quickly than the labour force, which grew at a faster rate than the economy (around 3.5% annually compared to the planned rate of 5%), doubling the number of

unemployed people between 1956-1972 from about 5 to 10 million and raising the unemployment rate from 2.6% to 3.8%.

1980- 2015:

- Between the 1980s and the middle of 2010, the official figures of the Indian government, which partially relied on the NSSO data, indicated that the country's unemployment rate was around 2.8%.
- The number of unemployed people in India climbed consistently between 1983 and 2005, from about 7.8 million in 1983 to 12.3 million in 2004–05, according to the various Indian governments.
- According to the World Bank report, the unemployment rate in India climbed from 7.3% in 1999–2000 to 8.3% in 2004–2005 using the current daily status definition.

2018-2019:

- A sizable majority of Indians, according to the Pew Research Center, view the lack of work possibilities as a "very big problem."
- In India, 18.6 million people lack jobs, and another 393.7 million are employed in low-paying, unstable jobs.
- The International Labor Organization (ILO), an organization of the United Nations, reports that unemployment is increasing in India and that the country's unemployment rate was 3.5 percent in 2018 and 2019.

Current Situation:

- According to the National Statistical Office's (NSO) periodic labour force survey, India's unemployment rate increased to 10.3% in 2020.
- The COVID-19 outbreak, which temporarily halted business activity and resulted in job losses across the nation, provides the backdrop to the rising unemployment rate.
- According to data from the quarterly labour force survey, urban India's female unemployment rate for the October-December 2020 quarter was 13.1%, higher than the country's average of 10.3%, while women's labour force participation was 20.6%, lower than the average of 47.3%.
- Furthermore, only 9% of women and 67% of men who are of working age are employed.
- Overall, women (17%) have a far greater jobless rate than men (6%).

NATURE AND CLASSIFICATION OF UNEMPLOYMENT IN INDIA:

In India, the majority of the issue is structural unemployment. It is related to the economy's inability to provide enough jobs to employ all those who are able and ready to work. The population of India was expanding at an alarming rate, and with it, the number of people entering the labour market in search of jobs, even as employment opportunities generally increased less often due to lackluster economic growth. As a result, the number of unemployed people has increased from one plan period to the next. Because of the nature of this unemployment, it can only be entirely abolished by making fundamental changes to the economic system. In essence, structural reasons are a part of the unemployment problem in India. Keynesian involuntary unemployment coexists with structural unemployment. Raising effective demand, as is done in industrialized economies, can end this form of unemployment. Unemployment is not a fleeting phenomenon in that it won't go away on its own once some time has passed. [6] The solution to the economic system's problems requires the application of long-term plans.

The classification of unemployment in India are hereunder:

- Cyclical Unemployment
- Disguised Unemployment
- Frictional Unemployment
- Technological Unemployment
- Vulnerable Unemployment
- Seasonal Unemployment
- Structural Unemployment
- Open Unemployment
- Under Employment
- Educated Unemployment

UNEMPLOYMENT REASONS AND MINIMIZATION OF UNEMPLOYMENT THROUGH GOVERNMENT SCHEMES:

The unemployment reasons in Indian context are hereunder:

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- Excessive burden of population on cultivation
- Rapidly increasing population i.e., large population
- Low productivity in agricultural sector
- Defective education system
- Defective economic planning
- Large scale production and mechanization
- Inappropriate technology
- Seasonal Agriculture
- Economic Condition
- New Technologies
- Poor English
- Corruption
- The working population's lack of trade skills or low educational levels
- Sectors with high labour costs are experiencing a slowdown in private investment, especially after demonetization.
- The difficulty of transitioning across the three sectors is exacerbated by the poor productivity of the agriculture sector and the dearth of alternatives for agricultural employees.
- Small businesses are made unviable by legal complications, insufficient governmental support, and poor infrastructure, financial, and market connections, which drive up costs and cause compliance delays.
- The manufacturing sector's low investment levels and inadequate infrastructure growth limit the secondary sector's ability to create jobs.
- The vast majority of the workforce in the nation works in the informal sector because they lack the necessary education or skills, and employment statistics do not account for this information.

- The education offered in schools and colleges is not in line with the needs of the industries, which is the biggest contributor to structural unemployment.
- Regressive social norms that discourage women from entering or remaining in the workforce

The unemployment discussions are hereunder:

1. Rapid Population Growth:

India's current population growth has led to an imbalance between supply and demand on the labour market. Due to the fact that technological advancements, capital formation, the exploitation of natural resources, etc., are not occurring at the same rate as population growth, more people are going without work and the unemployment rate is rising.

2. Agriculture's Uncertainty:

Agriculture in India is still reliant on the whims of nature even today, despite the advancement of science. Due to droughts, floods, and other natural disasters, millions of workers are forced to quit their jobs every year, which leads to uncertainty in agriculture and unemployment.

3. Poor Attitude:

The need for employment among the educated population in this nation is one of the primary causes. They do not wish to establish a separate production facility. This poor attitude has increased unemployment as well.

4. Women's Employment:

Very few women were employed between 1950 and 1960, but today their number and percentage have increased. As a result, men's unemployment has increased.

5. Larger Gap between Wages and Productivity:

Prices continue to rise as a result of ongoing inflation in the nation. As a result, the labourers demand higher wages and incentives, which raises the cost and price of commodities while lowering demand. This comes after decreased output and hence rising unemployment.

6. Improper Planning:

Since the country's independence, planning has been ongoing, although it has been ineffective. According to academics, this has contributed to a rise in unemployment.

7. Irrational Mechanization:

With the growth of heavy industries in mind, the government has purposefully promoted labour replacement activities, which have hampered the expansion of employment prospects. It is undeniable that the unemployment rate would inevitably rise as a result of irrational mechanization replacing labour.

8. Extensive Employment Policy Lacking:

India has never had a comprehensive or immediate employment policy. It is true that the problem of unemployment is impossible to solve until a strong employment-oriented development policy is developed and implemented by a stable government in the country. Aside from this, the issue of unemployment is getting worse due to challenges in the production process, the social environment, societal ills, religious superstitions, political unpredictability, and industrial discontent.

Government schemes initiatives for minimization of unemployment are:

- National Rural Employment Programme (NREP)
- Integrated Rural Development Programme (IRDP)
- Rural Development and Self-Employment Training Institute (RUDSETI)
- Rural Landless Employment Guarantee Programme (RLEGP)
- Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA)
- Training Rural Youth for Self-employment (TRYSEM)
- Jawahar Rozgar Yojna (JRY)
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
- Nehru Rozgar Yojna (NRY)
- Jawahar Gram Samridhi Yojna (JGSY)
- Sawarnajayanti Gram Swarozgar Yojna (SGSY)
- Sawarnajayanti Sahari Swarozgar Yojna (SJSTY)
- Prime Minister's Rozgar Yojna (PMRY)

REMEDIES:

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1. Investment in consumer products and heavy and fundamental industries should be boosted. In addition to increasing the supply of consumer products, they also increase employment.
2. Because they employ labor-intensive methods, cottage and small-scale enterprises should be expanded because they generate more employment.
3. It is important to build communication and transportation methods.
4. Family planning and welfare programmes should be implemented to slow the population's rapid growth.
5. There should be mechanization and modernization of agriculture.
6. The educational system needs to be altered. The importance of vocational education must be emphasised.
7. The private sector should get subsidies and other incentives.
8. Employment exchanges and information centres on employment should be established.
9. Programs for rural construction should be expanded.
10. Funding for self-employment should be provided to young entrepreneurs.
11. The economy's infrastructure has to be developed.
12. Plans for promoting employment should be created and put into action. Extension of agro-services is necessary.
13. Raising capital formation.
14. Training and refresher programmes should begin.

Discussions:

Implementation of Labor-Intensive Technology:

- If enough jobs are to be created in the rural and urban sectors of the economy, both the organized and unorganized sectors must adopt labor-intensive technology.
- The employment elasticity of agricultural output growth has decreased as agriculture becomes more mechanized in various states.

- Of course, labor-intensive methods used in agriculture and industry may result in workers becoming less productive, slowing the development of output.

Therefore, there may be a similar trade-off between employment and output growth.

Increasing Agriculture Investment:

- A lack of investment or capital formation in agriculture has also been a significant factor in the slow expansion of employment in agriculture and the rural sector.
- It is important to remember that investments have a multiplier effect that works through backward and forward connections in addition to directly creating jobs.

Agriculture's diversification:

- Crop cultivation must urgently give way to more labor-intensive and lucrative industries like horticulture, vegetable production, floriculture, animal husbandry, fisheries, etc.
- Additionally, there is a lot of employment potential in the promotion of agro-processing industries for export.

Generations of employment, health, and education:

The expansion of health and education services will increase employment prospects in addition to fostering the accumulation of human capital, which in turn encourages growth in output.

The improvement of rural areas:

This will lessen the burden on jobs in urban regions caused by rural residents migrating to urban areas.

Reform of the educational system:

- The government must closely monitor the educational system and work to create novel strategies for producing a skilled labour force.
- According to this viewpoint, industry partnerships, vocational training, and raising educational standards may be the way ahead.

National Employment Policy (NEP):

- This would include a series of multifaceted initiatives encompassing a wide variety of social and economic challenges impacting many different policy realms, not simply those related to employment and labour.
- The policy would be a vital weapon in helping to significantly advance the 2030 Agenda for Sustainable Development's objectives.

Decentralized Growth:

- It has been noted that the unemployment rate is particularly high in some areas.
- The government should offer tax advantages to businesses to encourage them to locate operations in these locations in order to address this regional discrepancy.

Needed urban MGNREGA:

A parliamentary standing committee has advised the Union government that India should create an urban version of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in order to aid in the recovery of those who have experienced severe job and income loss as a result of the coronavirus outbreak.

CONCLUSION:

The biggest and most serious problem India is currently facing is unemployment. In a lot of places, things are pretty grim. [7] Numerous factors contribute to unemployment, such as underdevelopment, inadequate employment planning, rapid population expansion, etc. Numerous recommendations have been made regarding the matter, including population control, raising the bar for education at all levels, including primary, secondary, and higher education, picking a field of study and a university where appropriate training is supported by the government, and increasing exports relative to imports. [8] Instead of wasting their time searching for services and jobs all around, the educated youth should change their perspectives and think about starting their own business. This could significantly lessen the grave issue of unemployment. [9] The government must create programmes and policies in order to successfully handle this issue. Employment generation has been regarded as vital in order to effectively utilize the expected rise in the nation's percentage of working-age people, known as the "demographic dividend," a subject that has attracted attention from all around the world. [10] There have been some encouraging developments recently in terms of the employment situation.

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