



Unemployment in the Context of Liberalisation

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Unemployment, Complicated issues, Countries, Economists

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ABSTRACT *Unemployment seems like a complicated issue as people attempt to take complicated formulae into account. Really, it's caused by the same three things it has always been caused by. Poor economic conditions, new technological advances, and an increasing population have and always will continue to perpetuate the problem of unemployment. A country may experience immigration from countries with high and rising unemployment. This is beneficial for countries with an ageing population and a shortage of labour but may soon become overbearing and place burdens on healthcare, Transport and housing*
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India as a nation is faced with massive problem of unemployment. It is a world-wide reality. The developed countries also suffer from this problem, but it is more pronounced in India. With the passage of time it has become worse. It has become a threat to India's economic well-being and social development. It is one of the major causes of our poverty, backwardness, crimes and frustration among the people. They are forced to remain idle.

Unemployment can be defined as a state of worklessness for a man fit and willing to work. Economists and social thinkers have classified unemployment into various types. Generally unemployment can be classified in two types:

(1) Voluntary unemployment

In this type of unemployment a person is out of job of his own desire doesn't work on the prevalent or prescribed wages. Either he wants higher wages or doesn't want to work at all. It is in fact social problem leading to social disorganization. Social problems and forces such as a revolution, a social upheaval, a class struggle, a financial or economic crisis a war between nations, mental illness, political corruption mounting unemployment and crime etc. threaten the smooth working of society. Social values are often regarded as the sustaining forces of society. They contribute to the strength and stability of social order. But due to rapid social change new values come up and some of the old values decline. At the same time, people are not in a position to reject the old completely and accept the new altogether. Here, conflict between the old and the new is the inevitable result which leads to the social disorganization in imposed situation. In economic terminology this situation is voluntary unemployment.

(2) In voluntary unemployment

In this type of situation the person who is unemployed has no say in the matter. It means that a person is separated from remunerative work and devoid of wages although he is capable of earning his wages and is also anxious to earn them.

There are millions of young men and women waiting and waiting for job opportunities. There is massive unemployment among educated, well-trained and skilled people, and it is also there among semi-skilled and unskilled laborers, small and marginal farmers and workers.

Forms and types of unemployment

According to Hock forms and types of unemployment are:

a. Cyclical unemployment: This is the result of the trade

cycle which is a part of the capitalist system. In such a system, there is greater unemployment and when there is depression a large number of people are rendered unemployed. Since such an economic crisis is the result of trade cycle, the unemployment is a part of it.

- b. Sudden unemployment: When at the place where workers have been employed there is some change, a large number of persons are unemployed. It all happens in the industries, trades and business where people are employed for a job and suddenly when the job has ended they are asked to go.
- c. Unemployment caused by failure of Industries: In many cases, a business a factory or an industry has to close down. There may be various factors responsible for it there may be dispute amongst the partners, the business may give huge loss or the business may not turn out to be useful and so on.
- d. Unemployment caused by deterioration in Industry and business: In various industries, trades or business, sometimes, there is deterioration. This deterioration may be due to various factors. In efficiency of the employers, keen competitions less profit etc. are some of the factors responsible for deterioration in the industry and the business.
- e. Seasonal unemployment: Unemployment can be due to seasonal layoff particularly in agricultural sector. Certain industries and traders engage workers for a particular season. When the season has ended the workers are rendered unemployed. Sugar industry is an example of this type of seasonal unemployment.

The problem of unemployment has becoming a colossal. Various problems have caused this problem. There are individual factors like age, vocational unfitness and physical disabilities which restrict the people. External factors include technological and economic factors. There is enormous increase in the population. Business field is subject to ups and downs of trade cycle and globalization. Economic depression or sick industries are often close down compelling their employees to become unemployed. Technological advancement contributes to economic development. But unplanned and uncontrolled growth of technology is causing havoc on job opportunities. The computerization and automation has led to technological unemployment. Strikes and lockouts have become inseparable aspect of the industrial world today. Due to these industries often face economic losses and production comes down. Since workers do not get any salary or wages during the strike period they suffer from eco-

conomic hardships. They become permanently or temporarily unemployed. Today young people are not ready to take jobs which are considered to be socially degrading or lowly. Our educational system has its own irreparable defects and its contribution to the unemployment is an open truth. Our education does not prepare the minds of young generation to become self-employed on the contrary it makes them dependent on government vacancies which are hard to come. The remedial measures for reducing unemployment may lay greater emphasis on creation of opportunities for self-employment, augmentation of productivity and income levels of the working poor, shift in emphasis from creation of relief type of employment to the building up of durable productive assets in the rural areas and instead of attempting to revert somewhat to protectionist policies the pace of privatization may be accelerated.

Causes of Unemployment:

Unemployment seems like a complicated issue as people attempt to take complicated formulae into account. Really, it's caused by the same three things it has always been caused by. Poor economic conditions, new technological advances, and an increasing population have and always will continue to perpetuate the problem of unemployment.

Initially, many young humans aren't yet old enough to need the economy to enlarge itself. It will take at least 20 years before the economy needs to respond to growing demand. Children generally don't figure in the size of the economy or the need for jobs, on a large scale. It's only when they become adults' things starting to change. And it doesn't always keep pace with the number of adults in society. There are simply not enough employment roles for the number of applicants.

New technology and an increasing population generally go hand-in-hand. If technology remained the same the increasing population wouldn't matter as the jobs would form naturally. The rescinding in the number of roles from multiple sides overwhelms the employment market and we finish with a shortfall in jobs. New technology also has an impact. As conventional tasks become more automated and more convenient, some employees find their posts obsolete. With no reason to continue paying them, they lose their jobs as the job simply disappears. It's why the Swing Riots occurred in Britain during the 1830s. Workers fought against the introduction of threshing machines which would make many traditional jobs disappear. In the 21st century, the main threats are robotics and increasingly intelligent computers. Professional filing systems which require teams of people to maintain are now on a single computer server controlled by a single person. This is the form of unemployment which happens during prosperous times when companies can afford to invest in new technologies.

Economic conditions are the main factor in unemployment. Sometimes, it reduces its size in waves of redundancies or it simply shuts down.

Increasing populations often lead to unemployment at a slower rate. The numbers of unemployed have increased over the past few decades as the population has accelerated. To an extent, the increasing demand for goods and trade balances out the population increase, but businesses often fail to deal with the short-term consequences.

Among the various socioeconomic problems, which our country is facing today, the problem of unemployment is one of the most serious. Unemployment is defined as condition of a person who is willing to work but unable to find a paying job.

There are various factors that are responsible for unemployment in the country. It can be due to technological changes in an automated industry or due to lack of adequate skills by the workers. Unemployment can also be due to fluctuation in the economy. All these factors add to the problem of unemployment. And because of this unemployment problem we are wasting our valuable human resource.

The benefits of unemployment

For some, unemployment gives people time to search for more rewarding occupations. It also allows firms to expand their businesses through the potential increase in recruitment. A decrease in the number of workers can lead to a fall in the general price level. In addition, workers are discouraged to take industrial action or push for wage rises in a high unemployment economy because they can be replaced for someone who is willing to work for a lower pay.

Some features of unemployment

1. The incidence of unemployment is much higher in urban areas than in rural areas.
2. Unemployment rates for women are higher than those for men.
3. The incidence of unemployment among the educated is much higher than the overall unemployment.
4. There is greater unemployment in agricultural sector than in industrial and other major sectors.

The significance of unemployment

Unemployment is only significant if it is at relatively high levels and if it lasts for a long time. If this is the case, governments will have to spend more money on providing benefits to combat this. This means that they are presented with a huge opportunity cost regarding budget spending.

Five-Year Plans, Government has taken several steps for increasing the employment opportunities and eventually eradicating the unemployment problem. Some of the centrally sponsored programmes are PMGSY (Pradhan Mantri Gram Swarozgar Yojana), SEEU (Self Employed Scheme for Educated Unemployment Youth), Jawahar Rozgar Yojana, etc., stands testimony for this.

Conclusion

The foremost thing we have to do arrest the high rate unemployment and provide employment opportunities to our masses is to check the population growth. As the gap between the employment opportunities created in the country and yearly output from the educational institutions is too wide, it is very difficult to absorb the large number of fresher. Even though the Government is spending crores of rupees towards control of population through the various schemes, the rate of population growth has not drastically reduced. The liberalization of the economy, we can see a new lot of foreign companies investing in our country. Our education should be work-oriented. It should be such as enables a person to stand on his own feet instead of depending on others.