



Unemployment in India – An Overviews:

KEYWORDS

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Introduction:-

Unemployment is the most dangerous problem of India now a day. Several speakers at a seminar on 'The government's policies to downsize employees' on Sunday blamed the central and state governments for growing number of unemployed youth in the country. Speaking at the seminar organised by the Democratic Youth Federation of India (DYFI), noted educationist C Reddy said that it was the duty of the government to generate employment opportunities. The government should not bank much on the proportionality between the rises in the gross. As we all know India is an agricultural country and its economy depends upon agriculture in old time but now its economy depends upon other professions also.

Definition:

Author: Geoff Riley Who is unemployed?

- The unemployed are people able, available and willing to work at the going wage rate but cannot find a job despite an active search for work
- Unemployment means that scarce human resources are not being used to produce goods and services to meet people's needs and wants
- Persistently high levels of joblessness have damaging consequences for an economy causing both economic and social costs
- Problems caused by unemployment occur across a country but are often very bad and deep-rooted in local and regional communities and within particular groups of society – for example in the UK, more than one in six young people are out of work. The figure is much higher in Greece and Spain.

Reasons for unemployed in India

(1) Rapid Population Growth:

It is the leading cause of unemployment in Rural India. In India, particularly in rural areas, the population is increasing rapidly. It has adversely affected the unemployment situation largely in two ways. In the first place, the growth of population directly encouraged the unemployment by making large addition to labour force. It is because the rate of job expansion could never have been as high as population growth would have required. It is true that the increasing labour force requires the creation of new job opportunities at an increasing rate. But in actual practice employment expansion has not been sufficient to match the growth of the labor force, and to reduce the back leg of unemployment. This leads to unemployment situation secondly; the rapid population growth indirectly affected the unemployment situation by reducing the resources for capital formation. Any rise in population, over a large absolute base as in India, implies a large absolute

number.

(2) Seasonal Agriculture:

In Rural Society agriculture is the only means of employment. However, most of the rural people are engaged directly as well as indirectly in agricultural operation. But, agriculture in India is basically a seasonal affair. It provides employment facilities to the rural people only in a particular season of the year. For example, during the sowing and harvesting period, people are fully employed and the period between the post harvest and before the next sowing they remain unemployed. It has adversely affected their standard of living.

(3) Economic Condition:-

Economic conditions are the main factor in unemployment. India is a developing country and its GDP growth is under developing condition. Once a company fails to pay its employees then there is no choice for them they have to leave job. With no reason to continue paying them, they lose their jobs as the job simply disappears. Due to weak economic conditions company become unable to pay its employees. Unemployment is a situation of not getting the work and wages with eligible conditions. People are getting education but not getting the jobs.

(4) New Technologies:-

As new technologies are increasing more and more people are facing unemployment problem. A single computer is doing the work of a team. This is the form of unemployment which happens during prosperous times when companies can afford to invest in new technologies. A single J.C.B. Machine is doing the work of a whole Labor in construction areas. So people have to face the unemployment problems. In old time there were fewer machines only people have to do work. But after the discovery of new machines Labor is being replaced by the machines. So, more people are getting out of work. Now company only wants an operator for its machine.

(5) Poor English:-

In modern time English has become most important for the job. In many causes a good student having good technical knowledge didn't get job because of his/her weak English. We are only getting education. We are not taking interest in realization of the facts. That's by after education we didn't get job. Personality development is also mostly required. Now a days most of the company has become global, they can transfer its employ to anywhere in India or in other countries also and English is general language which speaks everywhere that's by it is must for getting the job. If a perfect individual will apply for that job he will get selection certainly.

(6) Corruption:-

Corruption is another most Looks like a few more people will soon be out of work for a bit. This happens due to the investigation of the team leader. If he fined some mistake there then he makes quit for that particular employ. Any time you are out of work for any length of time you can qualify for unemployment benefits regardless of what you are told. Some people can't get hired because they don't have enough money and they are not qualified to do the work requirements. Most companies call a person's references and if they don't have a good work record they are not likely to get hired, case of unemployment. An eligible candidate could not get job while ineligible candidate get job by bribe. Hence government is also responsible for unemployment. Lack of knowledge about the vacancy is also the great case of unemployment. And it is due to lack of motivation. Fired for being or becoming disabled and unable to perform your regular work.

Types of Unemployment in India**1) Structural Unemployment: -**

This type unemployment is associated with economic structure of the country. When demand for labour falls short to supply of labour due to rapidly growing population and their immobility, the problem of unemployment appears in the economy. Besides, due to growing population, rate of capital formation falls down which again limits the employment opportunities, this type of structural unemployment is basically related to this category of unemployment.

2) Under-Employment:-

Those labourers are under-employment who obtain work for but their efficiency and capability are not utilized at their optimum and as a result they contribute in the production up to a limited level. A country having this type of unemployment fails to exploit the efficiency of their labourers.

3) Disguised unemployment:-

If a person does not contribute any thing in the production process or in other words, if he can be removed from the work without affecting the productivity adversely, he will be treated as disguisedly unemployed. The marginal productivity of such unemployed person is zero. Agriculture sectors of underdeveloped/developing economics possess this type of unemployment at a large scale.

4) Open unemployment: -

When the labourers live without any work and they don't find any work to do, they come under the category of open unemployment. Educate unemployment and unskilled labour unemployment is included in the open unemployment.

5) Educated unemployment:-

Even when a person who is educated/trained and skilled, fails to obtain a suitable job suited to his qualifications, he is to be educated unemployed. Presently this type of unemployment has become a problem for developing economies, particularly for India.

6) Frictional unemployment: -

The unemployment generated due to the change in market conditions is called frictional unemployment. Agriculture is the main occupation in India. The supply condition still depends on weather's mood and similarly demand conditions depend on availability of resources. Any change arising either of any or both creates a diversion from the

equilibrium which results in frictional unemployment.

Remedies of unemployment in India

Recently UPA Government has come up with Rural Employment Guarantee program which aims to provide minimum days of employment to people living in the villages. This is a laudable program if implemented sincerely because it will provide employment to people during natural calamities like drought, floods etc. 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.

I. Population Control:

The growing population in India is a major cause of many socio-economic problems. Our population is growing on an average at the rate of 2.48% per year. We are adding every year more than 120 lakh to 130 lakh people to our population. At the same time, about 5 million people attain the employable position every year.

II. Promoting Economic Development:

The main solution for the problem lies in achieving substantial economic development. This can be materialized, only if attention is paid equally to agriculture and industry.

A. Promoting Economic Development:**(i) Irrigation Projects:**

The employment opportunities in the agricultural sector may be increased through the construction of major and minor irrigation projects, expansion and development of plantation, intensive agriculture and horticulture. Unutilised land may be brought under-cultivation.

(ii) Development of Fisheries:

The development of forest and fisheries and encouragement of animal husbandry [dairy farming, poultry, piggery, etc.] is also a major step in the direction of improving agricultural production.

(iii) Encouragement of Cottage and Household Industries:

In the Indian context, cottage and household industries which are often associated with agriculture play a vital role in the development of economy. Hence they should be given due encouragement. Basket making, brick-making, toy-making, beedi rolling, agarbati making, carpentry and furniture making, leather works, carving, smithery, and such other works are to be encouraged to keep our people engaged with work that fetch economic rewards.

(iv) Encouragement for Growing Commercial Crops:

Commercial crops can make agricultural tasks economically attractive. Commercial crops such as areca, coffee, tea, pepper, ginger, cardamom, cashew, tobacco, ground nut, vegetables and fruits, etc., can bring good income to the farmers. Due encouragement is to be given to the farmers to grow such commercial crops.

(v) Attractive Local Programmes and Projects:

Depending upon the local needs and feasibility new agricultural programmes and projects are to be launched so that the young people of the area get new opportunities to use their talents and energy for the developmental pro-

grammes. The U.P. Government, for example, introduced in 1990-91, a land army called "Bhoomi Sena". The Bhoomi Sainiks [young men of the local area] are given funds by the state government in the form of bank loans for the afforestation of land.

B. Industrial Development:

Planned development of industries is essential for creating more and more job opportunities. Development of industries may include: (a) large-scale industries, (b) small scale industries, and (c) village and cottage industries including handicrafts. Proper balance should be maintained between agricultural growth and industrial development, so that industry would not destroy handicrafts and household industries. The unchecked process of mechanization and the domination of multinational companies are adversely affecting the creation of new job opportunities. In the name of industrial growth new labour-saving machine are installed which are taking away the jobs of men. Gandhiji had opposed the process of mechanization in this regard. Sufficient care should be taken to see no new machine takes away the jobs of existing workers.

The process of economic liberalization let loose by the central government recently has given new scope for the multinational companies to establish their domination over the indigenous industries. The governmental invitation for these companies may erode the job opportunities for millions of people.

III. Education Reforms:

Education has much to do with employment and unemployment. Our education is not much job-oriented, it is degree-oriented. It caters more to urban needs rather than to rural requirements. It has not completely come out of the British colonial bias. Hence, it has failed to create an army of self-reliant, self-dignified young men and women. It very badly requires a thorough overhauling.

Throughout the country, primary education should be made more popular and effective. Much publicized slogan "operation black-board" must be transformed into reality. Our villages should become the centres of concentration in this regard. At the same time, some control has to be established over higher education. Long back in 1957, the then chairman of the UGC, Sri C.D. Deshmukh, had reiterated that we shall have to restructure university education by and large to the number of university educated men and women that the country will be needing from time to time.

Due practical training should be given to our educated youths to help them to pursue one or the other vocation, and proper guidance and information should be given to them regarding new job opportunities. Employment guidance bureaus and employment exchange agencies can play a vital role in this regard.

IV Five-Year Plans:

Almost all the Five-Year Plans have given utmost importance to generate as much employment opportunities as possible. They have given priority to agricultural growth, industrial development and creation of vast employment opportunities. Expansion of employment opportunities by making use of the available man power and natural resources was indeed, the main aim of the Third Five-Year Plan. Though the Govt. had spent about Rs. 180 crores for creating employment opportunities in the First Five-Year Plan, there were about 5.3 million unemployed people at

the end of the Plan period.

From the beginning of the First Plan [1951 -56] till the completion of the 10th Plan in 2007 the number of the unemployed people went on increasing in spite of the efforts made by the planning system to provide maximum number of jobs. It was estimated that during the Tenth Plan [2002-07], the new entrants to the labour force would be around 35 million. Adding to this, the backlog of 35 million unemployed people, the job requirements of the Tenth Plan would be around 70 million. "Since the economy at least would be able to create 50 million jobs, the backlog of 20 million will remain at the end of the Tenth Plan. But if proper policies are pursued, the rate of unemployment which was 9.21% in 2001-02 would decline at 5.11% in 2006-07

Employment Requirements during the 11th Plan:

On account of the increasing participation of females, the total increase in labour force will be around 65 million during the 11th Plan. To this may be added the present backlog of about 35 million. Thus, the total job requirements of the 11th Plan work out to be 100 million. The planners intend to provide 65 million additional employment opportunities. Even then, the 11th Plan will not create full employment, but it will at least ensure that the unemployment rate falls somewhat.

Promotion of Employment Generation in the 11th Plan:

The 11th Plan intends to generate additional employment opportunities mainly in the services and manufacturing sector. Measures would need to be taken in the Plan to boost, in particular, labour intensive manufacturing sector such as food processing, leather products, footwear, textiles and service sectors such as tourism and construction. The planner's state. "Organised sector employment would double over the 11th Plan... but this would leave about 55 million new workers for the unorganized sector to absorb." "The 11th Plan aims to increase private organized sector employment ambitiously by at least 10 million. Along with the public sector, organized sector jobs would then expand by over 15 million, a growth rate of about 9% per annum. This would still leave nearly 50 million new workers to be absorbed in non-agricultural unorganized employment".

Generation of Employment Opportunities by Information Technology [IT]:

It is heartening to note that information technology [IT] has opened enormous opportunities for educated youth in the country. It is estimated that one segment of IT industry that is, computers which includes – both hardware and software, computer engineers and systems analysts is having a million jobs at present. In addition to this, the IT sector provided 2.2 million jobs to computer professionals and other related personnel engaged in IT sector. It is estimated [as per NASSOM-McKinsey Report 1999] that by the end of the year 2008, IT enabled services will provide 11 million jobs and generate a revenue of 17 to 18 billion U.S. dollars. In this sense, IT industry has great future in expanding employment opportunities.

What is disturbing in the present economic situation is that IT education is very costly and IT jobs are being grabbed by the relatively rich section of the society. The Government here has a major role to play in expanding computer education to rural areas in the country so that the capabilities of the people are developed to acquire better quality jobs in the IT sector. To conclude, it could be said that the

planning Commission has optimistic view of the economy's employment potential. As per its report, "as against 3.9 million employment opportunities created during 1993 and 1999, additional employment generated during 1999 and 2002 averaged 8.4 million per year. There is need to increase it to 10 million per year."

Employment Guarantee Act – 2005 [National Rural Employment Guarantee Act]:

Under the National Common Minimum Programme of the UPA Government adopted in Sept 2004, and as per the advice of the National Advisory Council, the Govt, passed the National Rural Employment Guarantee Act in 2005. The main features of the Act are as follows:

1. Every household in rural India will have a right to at least 100 days of guaranteed employment every year for at least one adult member per family.
2. The employment will be in the form of casual manual labour at the legally fixed minimum wage that is, Rs. 60/- per day.
3. Work should be provided in the local area, that is, within the radius of 5 K.M.

For whatever reason, if work is not given, the person shall be paid a daily unemployment allowance. This allowance will be at least 1/3 of the minimum wages.

For non-compliance with rules, strict penalties have been laid down.

The gram sabha will monitor the work of the gram panchayat by way of social audit.

The District Collector / Chief Executive officer will be responsible for the programme at the district level.

Probable Cost of this Employment Guarantee Programme:

It is estimated that employment Guarantee Programme will cost at least 1% of the GDP [Gross Domestic Product], The calculations reveal that the said – programme will cost Rs. 100/- per person per day at 2004-05 prices. This includes 60/-Rs. as wages and Rs 40/- for the non-labour costs [including materials and administrative costs]. Thus, the total cost for providing 100 days of employment in a year per person will be Rs. 10,000/-. As per 2001 Census, there were 20 crores of people that is, 4 crore households, living below the poverty line. Thus, the programme per year will cost Rs. 40,000/- crores [Rs. 10,000/- per person multiplied by 4 crore households].

As per this scheme, the Centre will bear 80% of the total cost [that is, 60% as wage component and 20% as share in materials component] and the State Govt. will share the remaining 20% of the total cost. The Centre is however, conscious of the fact that once the programme gathers momentum, democratic pressures are bound to enlarge the programme to all unemployed and also to withdraw the limit of 100 days and make it a programme operative throughout the year.

Critical Remarks about the Programme:

An important aspect of this Employment Guarantee Act is that, it gives a legal right to the people enforceable in court. This will increase the bargaining power of the people. It also makes administration accountable for if the jobs are not provided; unemployment allowance will have to be paid. The critics have raised their own doubts about

the practical benefits of this Act. The experience of Maharashtra is also not encouraging. This programme has been implemented in Maharashtra for the past 30 years costing the State more than Rs 9,000 crores and generating 370 crore mandays. But the programme has not produced adequate results other in terms of poverty reduction or reduction in unemployment.

The programme still continues after 30 years without any decline in the demand for unskilled wage work under this scheme. No dramatic achievements have been made in poverty reduction or in unemployment reduction in the state. Critics also say that in fact, Maharashtra has done poorly as compared with other states. Noted economist Lord Meghan and Desai considered this NREGA scheme as only a "palliative" a temporary measure and not a cure for the problem. Dr. C.H. Hanumanth Rao commented that the scheme was a failure in Maharashtra because it was not linked to the building up of rural infrastructure, such as rural irrigation, rural roads, etc.

Conclusion

National rural development programme Act is half – way measure in its present form its scope has to be universalized to conclude all unemployed, and the programme must continue throughout the year instead of being a learn season programme. The selection of assets should be carefully done so that really productive assets are created which in turn should accelerate agricultural as well as rural growth. In the initial stage, wages paid to automatic selection of the poor. As the growth process gathers momentum wages may be gradually raised ultimately to reach the goal of decent work for all. Both the central and states should Endeavour to provide financial support for the programme, if the target of poverty eradication along with full employment.