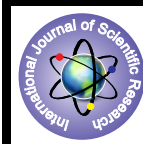


## Status and Causes of Rural unemployment in India



### Engineering

KEYWORDS :

<b>Prof. D. K. Parmar</b>	Applied Mechanics Department, B.B.I.T.V.V. Nagar
<b>Dr. A. K. Jain</b>	Civil & Environmental Department, NITTTR Bhopal
<b>Prof. V. K. Modi</b>	Mechanical Engineering Department, B.B.I.T.V.V. Nagar

### ABSTRACT

*India is a one of the developing countries of the world. A majority of its population is residing in rural areas and depending on agriculture and allied activities. In rural areas, most of them are weaker sections comprising of small and marginal farmers, landless labourers and artisans, besides the scheduled castes/tribes and backward castes. These people are characterized by lower levels of income, higher incidence of indebtedness, rurality, and illiteracy, fewer assets and concentration in traditional activities. A majority of them constitutes rural poor.*

### I. HISTORY

In traditional societies, salaried jobs did not exist, as money was not in use. These cultures lived off the land directly, and the land belonged to the tribe or to no one. Everyone knew how to build shelter and make food. When these cultures invented currency and moved to the cities, they began to depend on money to buy food from a middle man, instead of growing, gathering, or hunting the food directly from nature. Dependence on jobs to make money to buy food and shelter was the beginning of unemployment.

Because it has not always been acknowledged or measured systematically, there are limited historical records on unemployment. Industrialization involves economies of scale that often prevent individuals from having the capital to create their own jobs to be self-employed. An individual who cannot either join an enterprise or create a job is unemployed. As individual farmers, ranchers, spinners, doctors and merchants are organized into large enterprises, those who cannot join or compete become unemployed.

### II. INTRODUCTION

Unemployment is considered as one of the main causes of poverty in developing economies like India. The number of unemployed and underemployed has been increasing over time. Over 44 million families living rural India are reported to be below the poverty line. These families suffer from no work, less work and low productivity. Employment opportunities in rural regions where labour is mainly agriculture-oriented are limited unless special efforts are made to generate work. Eradication of poverty and hunger through employment in the community has been one of the main goals of planning in India.

Rural development strategy has been designed to improve the economic and social life of the poorer sections of the society. Though a large number of programmes beginning with community development programme, have been in operation for the development of the rural poor, significant achievement could not be achieved and did not cover the poorest people in rural areas spread over the whole country.

This is true of the rural as well as urban fields. In urban fields, there are a large number of educated unemployed, and in the rural areas, this is true of all the categories of people. Per-capita income in rural areas, this is true of all the categories of people.

According to the report, Rural Agricultural Commission, Indian Agriculturalists are unemployed for about Six months in a year. In rural areas, apart from the unemployed of the people, since months there are landless people who are unemployed. This number is about 10 to 50 crores. All these things go to prove that there is a good deal of unemployment in the rural areas

### III. UNEMPLOYMENT AND ITS TYPE

Unemployment can be define as a state of worklessness for a man fit and willing to work. It has classified in two heads.

#### 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 the wants higher wages or doesn't want to work at all. It is in fact social problem leading to social disorganization. Social problem 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 force 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 callable of earning his wages and is also anxious to earn them. Forms and types of unemployment according to Hock 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** - 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.

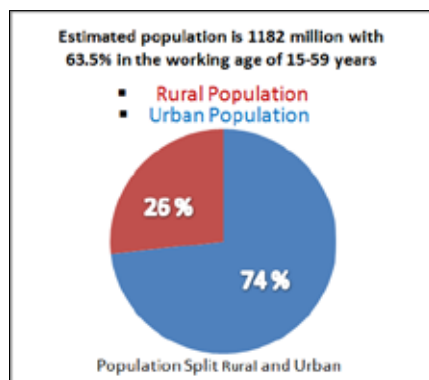
#### IV. UNEMPLOYMENT RATE

The unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of unemployed individuals by all individuals currently in the labour force.

#### V. INDIA'S UNEMPLOYMENT RATE

The Labour Bureau of the Government of India has conducted for the First time ever a survey on employment – unemployment and has come up with an unemployment rate based on that. The survey was conducted in 28 States/UTs spread across the country in which about 99 per cent of the country's population reside.

It estimates that the population of the country is 1182 million with 63.5% in the working age of 15 – 59 years, however, not everyone who is in the working age is interested in joining the work force, so the worker population ratio is much lower. There are an estimated 238 million household, of which 172 million are rural and 66 million are urban. Out of the total population of the states/UTs covered, 872 million person (73.8 per cent) live in rural areas and 310 million persons (26.2 per cent) live in urban areas.

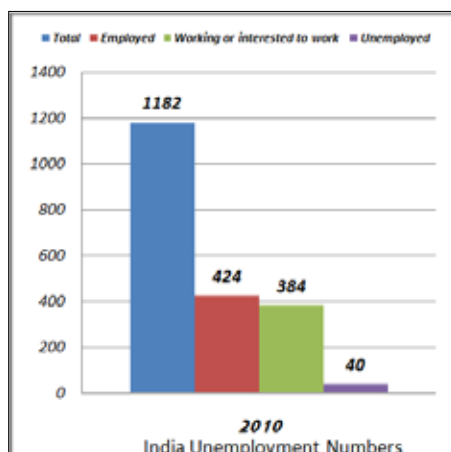


The overall unemployment rate is 9.4%, and it is split out as 10.1% in rural areas, and 7.3% in urban areas. Now, a key thing to remember about unemployment rate is that it is calculated as a percentage of labor force, and not the total population. So, this means that 9.4% of that part of population which is interested in working is unemployed, and not 9.4% of the entire population is unemployed.

In the Indian context, - 359 persons per 1,000 are either working or interested to work, and this is called the labor Force Participation Rate.

So, out of an estimated population of 1,182 million – 424 million persons are either employed or interested in working.

The unemployment rate of 9.4% means that out of those 359 persons per thousand, or 424 million people – there are 9.4% or about 40 million who were unemployed. Here are the numbers in millions.



For males, the unemployment rate 8% whereas for females the unemployment rate is 14.6%. The rural unemployment rate is 10.1% and the urban unemployment rate stands at 7.3%.

#### VI. CAUSES OF UNEMPLOYMENT IN INDIA

There are various factors responsible for unemployment. The Factors because of which there is unemployment the rural areas, may be studied under the following heads.

##### 1) Excessive increase in population or population explosion:

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.

It means large additional expenditure on their rearing up, maintenance, and education. As a consequence, more resources get used up in private consumption such as food, clothing, shelter and son on in public consumption like drinking water, electricity medical and educational facilities. This has reduced the opportunities of diverting a larger proportion of incomes to saving and investment. Thus, population growth has created obstacles in the way of first growth of the economy and retarded the growth of job opportunities.

##### 2) Limited land:

Land is the gift of nature. It is always constant and cannot expand like population growth. Since, India population increasing rapidly, therefore, the land is not sufficient for the growing population. As a result, there is heavy pressure on the land. In rural areas, most of the people depend directly on land for their livelihood. Land is very limited in comparison

to population. It creates the unemployment situation for a large number of persons who depend on agriculture in rural areas.

##### 3) 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.

##### 4) Lack of Subsidiary and other village industries:

We have just now seen that for at least 4 to 5 months in a year village people remain unemployed. Their standard of living can improve only when they employed this period in a gainful manner. Such a thing can happen when cottage industries and other industries pertaining to agriculture are set up in the village. So far this thing has succeeded on the other hand, the village and cottage industries have deteriorated and so large number of people still remains unemployed.

##### 5) Fragmentation of land:

In India, due to the heavy pressure on land of large population results the fragmentation of land. It creates a great obstacle in the part of agriculture. As land is fragmented and agricultural work is being hindered the people who depend on agriculture remain unemployed. This has an adverse effect on the employment situation. It also leads to the poverty of villagers.

**6) Backward method of Agriculture:**

The method of agriculture in India is very backward. Till now, the rural farmers followed the old farming methods. As a result, the farmer cannot feed properly many people by the produce of his farm and he is unable to provide his children with proper education or to engage them in any profession. It leads to unemployment problem.

**7) Lack of adequate means of irrigation:**

We have just now seen that agriculture in India very much depends on nature. There are no adequate means of irrigation. Whatever means existing are hardly sufficient to provide water to all the fields. Because of dearth of irrigation facilities the agricultural yield is not at all sufficient to help the agriculturist to live respectably. It also has an adverse effect on employment position which in its turn has an adverse effect on the standard of living.

**8) Too much Dependence on nature:**

Agriculture in India depends too much on nature particularly for irrigation. If there is lack of such at the proper moment, the crop gets a set back. If there is inclement weather at the time of harvesting, the agriculture again gets a set back. All these factors create problems of unemployment.

**9) Defective education:**

The day-to-day education is very defective and is confirmed within the class room only. Its main aim is to acquire certificated only. The present educational system is not job oriented, it is degree oriented. It is defective on the ground that is more general than the vocational. Thus, the people who have getting general education are unable to do any work. They are to be called as good for nothing in the ground that they cannot have any job here, they can find the ways of self employment. It leads to unemployment as well as underemployment.

**10) Lack to transport and communication:**

In India particularly in rural areas, there are no adequate facilities of transport and communication. Owing to this, the village people who are not engaged in agricultural work are remained unemployed. It is because they are unable to start any business for their livelihood and they are confined only within the limited boundary of the village. It is noted that the modern means of transport and communication are the only way to trade and commerce. Since there is lack of transport and communication in rural areas, therefore, it leads to unemployment problem among the villagers.

**11) Inadequate Employment Planning:**

The employment planning of the government is not adequate in comparison to population growth. In India near about two lakh people are added yearly to our existing population. But the employment opportunities did not increase according to the

proportionate rate of population growth. As a consequence, a great difference is visible between the job opportunities and population growth.

Their may be some other factors are:

Recessions, Inflation, Corruption, Disability to do the job, Nepotism, Demand of high Skilled labours.

**VII. CONCLUSION**

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. Every year India adds to her population afresh. More than this every year about 5 million people become eligible for securing jobs. 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 economic 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. Our State right from the beginning of Five year plans has introduced several employment generating schemes and programmes over the years but in the absence of proper implementation and monitoring have failed to achieve the required targets. Recently Government of India has come up with Rural Employment Guarantee program which aims to provide minimum days of employment to people living in the village. This is a laudable programme 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.

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