



Growth of unemployment in India

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ABSTRACT

Unemployment is a serious problem of India. It is becoming more and more serious day by day. Unemployment is a phenomenon that occurs when a person who is actively searching for employment is unable to find work. There are six types of unemployment. Cyclical unemployment occurs due to cyclical fluctuations in the economy. Frictional unemployment exists when there is lack of adjustment between demand for and supply of labor. Structural unemployment occurs due to lack of the co-operant factors of production, or changes in the economic structure of the society. Technological unemployment is that "which is not due to improvements in the technique of production but in the technique of organization." Disguised unemployment is prepared to work but they are unable to find work throughout the year due to the lack of complementary factors. The causes of unemployment is due to increase in population, migration, lack of practical knowledge, industrialization is not equally distributed. This lead to increase in poverty, stress, increase in crime rate and imbalance in social and economic status. Proper training can be conducted by the government to reduce unemployment rate in India.

KEY WORDS: Unemployment, Education, Government, Economic Status & Industrialization.

INTRODUCTION

An economic condition marked by the fact that individuals actively seeking jobs remain unhired. Unemployment is expressed as a percentage of the total available work force. The level of unemployment varies with economic conditions and other circumstances. It is define as people who do not have a job, have actively looked for work in the past four weeks, and are currently available for work.

Types of Unemployment Cyclical unemployment

Cyclical unemployment arises due to cyclical fluctuations in the economy. They may also be generated by

international forces. A business cycle consists of alternating periods of booms and depressions. For example, during the Great Depression, the unemployment rate surged as high as 25 %. That means one out of four people were willing and able to work, but could not find work! Most of this unemployment was considered cyclical unemployment. Eventually, unemployment came down again. As you can see, at least part of unemployment can be explained by looking at the cycles, or the ups and downs of the economy.

Frictional Unemployment

Frictional unemployment exists when there is lack of adjustment between



demand for and supply of labour. This may be due to lack of knowledge on the part of employers about the availability of workers or on the part of workers that employment is available at a particular place. It is also caused by lack of necessary skills for a particular job, labour immobility, breakdowns of machinery, shortages of raw materials, etc. The period of unemployment between losing one job and finding another is also included under frictional unemployment.

Structural Unemployment

Structural unemployment results from a variety of causes. It may be due to lack of the co-operant factors of production, or changes in the economic structure of the society.

Technological Unemployment

Technological unemployment is that "which is not due to improvements in the technique of production but in the technique of organization." It pertains to making management more efficient which may decide upon modernizing existing facilities or closing down obsolete plants.

Disguised Unemployment

Disguised or concealed unemployment or underemployment is a notable feature of underdeveloped countries. People are prepared to work but they are unable to find work throughout the year due to the lack of complementary factors. Such unemployment is found among rural landless and small farmers due to the seasonal nature of farm operations and inefficient land and equipment to keep them fully employed.

EMPLOYMENT GENERATION

The government has a key role to play in employment generation in the country. In fact, it must persevere to increase the employment levels of the country. In the light of this, governments in the past have acted to deal with unemployment in India. The **National Rural Employment Guarantee Act (NREGA)** was passed in 2005. The NREGA seeks to provide 100 days of guaranteed wage employment to rural households willing to perform unskilled manual work. It makes special provisions for women and for the distance within which the job must be available to job-seekers for convenience.

State and federal governments, over the years, have played a key role in enacting other social security programmes, providing unemployment allowances and conducting training programmes and encouraging on-the-job training to absorb more skilled labour into jobs.

The government has also strived to provide direct employment in government departments and offices at various positions and levels. It also helps in indirect employment through the production of goods and [services](#) that aid the ability of the private sector to invite more job applicants and create opportunities. One of the main allied objectives of these policy programmes is the idea of *poverty alleviation*, with other emphases on health, nutrition, a standard of living, education, road-building, infrastructure and rural development.

The following are the main causes of unemployment

- The caste system.
- Increased population growth



- Slow economic growth
- Slow industrial growth
- Seasonality of agricultural occupations
- Joint family system
- Loss of small-scale/cottage industries
- Low rates of saving and investment

UNEMPLOYMENT RATE IN INDIA



SOURCE: TRADINGECONOMICS.COM | CENTRE FOR MONITORING INDIAN ECONOMY

India Unemployment Rate

In India, the unemployment rate is estimated by directly interviewing a large sample of randomly selected households. Centre for Monitoring Indian Economy Consumer Pyramids panel of households includes over 174,405 households including over 522,000 members who are over 15 years old.

CAUSES OF UNEMPLOYMENT

- ❖ Population explosion and the lack of vocational and technical education, are the leading cause of the problem.
- ❖ People from rural areas have developed a tendency to migrate to the cities for office jobs. They find little interest in self-employment schemes.
- ❖ Due to the lack of practical knowledge, thousands of graduates, post graduates, qualified engineers remain idle after completing their jobs.
- ❖ Many people are physically weak and unfit for hard manual labor.
- ❖ Many people shy at this hard job of factory labor.
- ❖ Some people have a weakness for white collared job. They prefer the security of a clerkship on small salary. They are against joining business that requires them to put some capital at risk. The uncertainties of business frighten them.
- ❖ There are various social prejudices against certain profession. The son of a rich man will think that his prestige will be lowered if he sets up a shop in a street corner.
- ❖ Though India has good progress in the sphere of industrialization, it has not equally distributed



across diverse geographical locations of India. Under industrialized regions cannot absorb many people.

- ❖ There are few technical schools for vocational education. Therefore, the young men without specialized training cannot get jobs that require technical skill.
- ❖ Some of the young men are turning to be anti-social out of their formation.

EFFECTS OF UNEMPLOYMENT

- ❖ Unemployment and poverty goes side by side. The problem of unemployment gives rise to the problem of poverty.
- ❖ Young people after a long time of unemployment find the wrong way to earn money.
- ❖ To get rid from the unemployment stress, they accept alcohol or drugs.
- ❖ Unemployed youths accept suicide as the last option of their life
- ❖ Increase rate in Crimes. As the employed youth don't have anything to do they start doing robbery, murder etc.
- ❖ Health issues (i.e.) it affects mentally as well as physically.
- ❖ The standard of living of people remains low because of unemployment.
- ❖ Unemployment aggravates social unrest and economic imbalance of the country.
- ❖ Unemployment is the leading cause for depression among youth.

- ❖ Poor people, who are unemployed, find it difficult to manage the rising cost of basic necessities.

SUGGESTIONS

- Population explosion is one of the most important factor for the present unemployment problem, since the government may take an initiative for the awareness of population control among the public's.
- The Government should open more training centers for vocational education. Young men with special training from these centers can easily fit in any industrial undertaking.
- The Government should try for rapid industrialization in under-industrialized regions of the country and create more opportunities for employment.
- The village and cottage industry should be developed. If the villages become sufficient in their economy the villagers would not run to the cities in search of jobs.
- Our young men should build up new industries, form co-operative societies and go in for agriculture.
- Rural people should be taught better methods of agriculture. The cultivators can earn more by increasing the quantity and quality of crops. This can be done by implementing better irrigation methods, high quality seeds, etc.
- Loan facilities should be extended among the unemployed youths so that they may set up small industries.



CONCLUSION

Unemployment is the situation when people are unable to find a suitable job or any kind of other occupation for earning the monthly income needed for the survival of their family. It's time for giving attention to this major issue of unemployment which can be the reason of destruction of a family and our country. Self-help is the best help. We must admit the bitter fact that no government can provide employment to all the unemployed youths. Mere government measures cannot solve such an enormous problem. Still, the government should adopt measures to create opportunities for self-employment.

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