



Unemployment in India: A study

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Abstract

When someone is seeking for a job that pays well but cannot find one, they are said to be unemployed. The percentage of the labour force that is jobless is the country's official unemployment rate. Many varieties of unemployment exist, including underemployment, disguised unemployment, seasonal unemployment, voluntary unemployment, frictional unemployment, and structural unemployment. When a person of working age is unable to find employment while wanting full-time employment, they are said to be unemployed. Unemployment is the condition of someone who is seeking employment but is not currently employed. So, people like full-time students, retirees, kids, or those who aren't actively looking for a paying work are not considered to be unemployed.

Key Words: Unemployment, Poverty, Schemes, Job Security, etc.

INTRODUCTION:

When someone is seeking for a job that pays well but cannot find one, they are said to be unemployed. The percentage of the labour force that is jobless is the country's official unemployment rate. Many varieties of unemployment exist, including underemployment, disguised unemployment, seasonal unemployment, voluntary unemployment, frictional unemployment, and structural unemployment. The Indian government initiated numerous initiatives to combat unemployment, including the IRDP, NREP, RLEGP, TRYSEM, JRY, EAS, MNP, LAY, MWS, PMRY, JGSY, SGRY, and NREGS.

Unemployment is defined as a situation where someone of working age is not able to get a job but would like to be in full-time employment. Unemployment is the state of an individual looking for a paying job but not having one. As a result, unemployment does not include individuals such as full-time students, the retired, children, or those not actively looking for a paying job. It also doesn't count individuals who work part-time but would like a full-time job. Mathematically, the unemployment rate is equal to the number of unemployed people divided by the size of the labour force people who are jobless, actively seeking work, and available to take a job, as discussed above. The official unemployment rate for the nation is the number of unemployed as a percentage of the labour force (the sum of the employed and unemployed). Unemployment is defined by the Bureau of Labour Statistics (BLS) as people who do not have a job, have actively looked for work in the past four weeks, and are currently available for work. Also, people who were temporarily laid off and were waiting to be called back to that job are included in the unemployment statistics.

Types of unemployment:

1. **Demand Deficient Unemployment:** Demand deficient unemployment occurs in a recession or period of very low growth. If there is insufficient aggregate demand, firms will cut back on output. If they cut back on output, then they will employ fewer workers. Firms will either cut back on recruitment or lay off workers. The deeper the recession, the more demand deficient unemployment there will be. This is often the biggest cause of unemployment, especially in a downturn. This is also known as cyclical unemployment – referring to how unemployment increases during an economic downturn.

2. **Structural Unemployment:** This is unemployment due to inefficiencies in the labour market. It may occur due to a mismatch of skills or geographical location. For example structural unemployment.

3. **Real Wage Unemployment / Classical Unemployment:** This occurs when wages are artificially kept above the equilibrium. For example, powerful trades unions or minimum wages could lead to wages above the equilibrium leading to an excess supply of labour (this assumes labour markets are competitive) Keynesian analysis suggests a fall in AD can lead to real wage unemployment as wages are sticky downwards and a fall in AD doesn't lead to wages clearing.

4. **Frictional unemployment:** This occurs when workers are in between jobs e.g. school leavers take time to find work. There is always likely to be some frictional unemployment in an economy as people take time to find a job suited to their skills.

5. **Voluntary Unemployment:** This occurs when workers choose not to take a job at the going wage rate. For example, if benefits offer a similar take home pay to (wage – tax), the unemployed may feel there is no incentive to take a job.

6. **Seasonal Unemployment:** In certain regions, unemployment may be seasonal e.g. unemployment rises in winter when there are no tourists.

7. **Disguised unemployment:** Often unemployment statistics don't include certain types of workers. For example, those put on incapacity benefit may not be counted as unemployed,

8. **Natural Rate of Unemployment.** This is the level of unemployment when the labour market is in equilibrium. It is the difference between the labour force and those willing and able to accept a job at going wage rate. It encompasses the different supply side unemployment like frictional and structural unemployment.

9. **Under-employment:** This is when people have a job, but it is part time or temporary. They would like to work full time, but only have a part time income.



men increased to 4.1 per cent in 2013-14, from 4 per cent in 2012-13. Among women, it increased to 7.7 per cent last fiscal, from 7.2 per cent in 2012-13. However, the unemployment rate among women came down to 12.4 per cent in urban areas, from 12.8 per cent in 2012-13.

The Indian Government launched programmes:

Poverty and Unemployment Alleviation Programmes:

1. Integrated Rural Development Programme (IRDP): The Integrated Rural Development Programme (IRDP) was started in 20 selected districts in the country in 1976-77. Later on in 1980, the programme was extended to all the districts of the country. The scheme was funded by centre. The funds for the scheme are shared by centre and State Govt. on equal basis. The objective of the scheme is to create productive assets for the families in rural areas living below poverty line. Bank Loans are provided to create productive assets to take up self-employment activities. They include agriculture horticulture, animal husbandry, poultry and weaving etc. This programme was being implemented by the District Rural Development Agencies (DRDA). IRDP was merged with Swarna Jayanti Gram Swarozgar Yojana (SGSY) in 1999.

2. National Rural Employment Programme (NREP): This programme was launched in 1980. The main aim of the programme was to create employment opportunities by building and maintaining community assets like village roads, ponds and wells etc. The scheme was expected to generate additional gainful employment to the extent of 30 to 40 crore man-days per annum and to develop community assets. In this programme, food grains are given for the work. NREP was merged with Jawahar Rozgar Yojana (JRY) in 1989.

3. Rural Landless Employment Guarantee Programme (RLEGP): This programme was started in 1983. Its main objective was to provide 100 days of assured employment in a year to rural landless labour families. They were to be employed in -j creating community assets. This scheme was sponsored by Union Govt. In 1989, this J scheme was merged in JRY.

4. Training of Rural Youth for Self-Employment (TRYSEM): This scheme was started in 1979. The objective of the scheme was to help unemployed rural youth between the age of 18 and 35 years to acquire skills for self-employment. Priority was given to SC/ST Youth and Women. After the completion of training, credit was provided to the trained youth to set up their own business and trade 3.6 lakh youth were trained under TRYSEM in 1996-97.

5. Jawahar Rozgar Yojana (JRY): This scheme came into existence in April 1989. The previous schemes NREP and RLEGP were merged into this scheme. The main objective of JRY was to create additional employment for rural under-employed and unemployed.

The basic feature of this programme was that the funds would be released directly to the village panchayats which would launch the employment programme according to the local needs of the people. It was a Central Govt. sponsored programme and expenditure was shared between the centre and states in the ratio of 80:20. The



panchayats. Contractors were not allowed to execute the projects. In 1999, JRY was renamed as Jawahar Gram Samridhi Yojana.

6. Employment Assurance Scheme (EAS): This scheme was launched in 1994 in 1752 blocks where modified public distribution system was in operation. It aims at providing 100 days' work for unskilled physical workers especially in rural areas during slack agriculture season. It is a scheme to remove the seasonal unemployment. The funds for the scheme are shared by the central and states on 80:20 ratio basis. Employment is given on demand.

7. Small and Cottage Industries: Special measures have been taken by the Government to develop small and cottage industries with a view to removing poverty and unemployment. Large amount is being spent to promote self-employment.

8. Minimum Needs Programme (MNP): Minimum Needs Programme was launched during fifth plan to raise the standard of living of the poor. The programme covers primary education, adult education, rural health, rural water supply, rural roads, rural electrification, rural housing and ecological improvement & urban slums.

9. Indira Awas Yojana (LAY): Indira Awas Yojana was started in 1985-86 to provide residential units free of cost to SC and ST and freed bonded labour. This scheme was extended to Non SC/ST Categories from 1993-94. In 1995-96 families of armed forces and paramilitary forces killed in action brought under this scheme. DRDA is the coordinating agency.

10. Million Wells Schemes (MWS) : Million wells scheme was launched on 1st January 1996. The main aim of this scheme was to increase the irrigation facilities and assist in the development of the land of the marginal farmers belonging to SC/ST castes. In 1999, this scheme was merged with Swarn Jayanti Gram Swarozgar Yojana.

11. Prime Minister's Rozgar Yojana (PMRY): Prime Minister's Rozgar Yojana (PMRY) was launched in 1993. It is a self-employment scheme meant for the educated unemployed youth. It is meant for poor families having income less than Rs. 25,000 per annum. Each educated unemployed youth is eligible for a loan of Rs. 1 lakh to start a small business. 22.5% reservation is given to SC/ST candidate and 27% reservation is given to OBC 15% of total amount is given as subsidy.

12. Jawahar Gram Samridhi Yojana (JGSY): Jawahar Gram Samridhi Yojana was started on 1st April 1999 to create rural infrastructure, like roads, bridges etc. The main objective was to create wage employment for the unemployed rural youth. DRDA was the co-ordinating agency. The scheme was sponsored by Centre Govt. The expenditure was shared between centre and state in the ratio of 80:20.

13. Sampurna Gramin Rozgar Yojana (SGRY): This scheme was started in Sept. 2001 by Prime Minister. The main objective of this scheme was to provide gainful employment & food security to villagers. Employment Assurance Scheme (EAS) and Jawahar Gram Samridhi Yojana (JGSY) have been merged in this



14. Swarna Jayanti Gram Swarozgar Yojana (SGSY): Swarna Jayanti Gram Swarozgar Yojana (SGSY) was launched on 1st April 1999. It is the single self-employment programme for rural poor.

It replaces the earlier self employment programmes:(i) Integrated Rural Development Programme (IRDP).(ii) Training of Rural Youth for Self-Employment (TRYSEM).(iii) Development for Women and Children in Rural Areas (DWCRA).(iv) Supply of Improved Tool kits to Rural Artisans (SITRA).(v) Ganga Kalyan Yojana (GKY).(vi) Million Wells Scheme (MWS).These programmes are merged in SGSY.

The main features are as follows: (i) The objective of SGSY is to provide the opportunities of self employment to rural poor.(ii) It aims at establishing a large number of small enterprises in rural areas.

These enterprises will cover all aspects of self- employment: (a) Organisation of rural poor into self-help groups.(b) Infrastructure building.(c) Technology.(d) Credit

(e) Marketing.(iii) Persons assisted under this programme will be called Swarozgaris.(iv) Scheme will organize rural people into self-help Groups (SHG).

Woman must be given representation in each SHG.(v) The programme will provide bank credit and Govt. subsidy for starting a business.(vi) Subsidy under SGSY would be uniform.

15. National Rural Employment Guarantee Scheme (NREGS): This scheme has been launched in Feb. 2006 in 200 rural districts of the country and will be extended to 600 districts throughout India. The main objective of this scheme is to provide at least 100 days of unskilled manual work to one person from each rural family at the minimum wage fixed by the State Govt. If the manual work is not provided to beneficiary within 15 days, he will be given unemployment allowance. Labour oriented tasks like rain water harvesting, rural roads, irrigation channels, renovation of traditional water-bodies, soil conservation and land reclamation etc. will be undertaken under this scheme. Contractors will not be allowed to execute the work. The expenses will be shared by centre and state Govt. in the ratio of 90: 10 respectively. Out of total workers employed, one third must be women. Centre Govt. allotted Rs. 11,000 core for this scheme. The Government of India has taken several steps to decrease the unemployment rates like launching the Mahatma Gandhi National Rural Employment Guarantee Scheme which guarantees a 100-day employment to an unemployed person in a year. It has implemented it in 200 of the districts and further will be expanded to 600 districts. In exchange for working under this scheme the person is paid 150 per day.

Conclusion:

Agriculture is the most labour absorbing sector of the economy. In recent years, there has been a decline in the dependence of population on agriculture partly because of disguised unemployment. Some of the surplus



appearing like biotechnology, information technology and so on. The government has taken steps in these sectors for the PMEAC which was constituted on 29 December 2004, headed by Suresh Tendulkar resigned upon the completion of the then Union government's term on 21 May 2009 disguised unemployed people in these methods

The Government of India has initiated National Career Service Scheme whereby a web portal named National Career Service Portal (www.ncs.gov.in) has been launched by the Ministry of Labour and Employment (India). Through this portal, job-seekers and employers can avail the facility of a common platform for seeking and updating job information. Not only private vacancies, contractual jobs available in the government sector are also available on the portal.

Prime minister Modi revived the body on September 25, 2017. Currently PMEAC chairman post is held by Bibek Debroy

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