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Cell : 9595 359 435, Ph No: 02172372010 Email: ayisrj@yahoo.in Website: www.aygrt.isrj.org



K. Bhaskaru

Postdoctoral Fellow, Rayalaseema University, Kurnool Andhra Pradesh, India.



ABSTRACT

Unemployment is a serious problem of India. It is becoming more and more serious day by day. India has the population of about 1.20 billion. Many of the Indians are jobless. The problem of unemployment is rising fast. Every able bodied man and woman must get employment. If not, the problem of unemployment will create difficulties for the development of the country. In the good, old, golden days when the population of the world was smaller, there was hardly a person who was not



employed in some way or other to earn a living. But this situation no longer exists. In those days most people lived in the rural areas and depended on agriculture and cottage industries. But industrial civilization brought about a change in the situation. It is the responsibility of the state to provide work to the people .but the number of the unemployed persons in India is increasing at an alarming rate. More than one –third of the total population still lives below the poverty line.

In India, which has been experiencing impressive growth, this is in part due to the recognition that growth has not resulted in a commensurate reduction in poverty. One reason for insufficient poverty reduction that has been highlighted by both academics and policy makers is the inadequate generation of decent jobs. In fact the latest remarks that “a good job is the best form of inclusion.” Employment generation has been seen as imperative for tackling poverty and for effectively leveraging the “demographic dividend” – an issue that has attracted global attention. Consequently, it is important that the problems of unemployment and underemployment are adequately understood. Although there is considerable literature on unemployment in India, there is hardly any rigorous study on unemployment spells, chronic unemployment, and inequality among the unemployed.

KEYWORDS : *Unemployment, agriculture, industrial, opportunities, population, poverty line.*

1.INTRODUCTION :

Unemployment means excess supply of labour over the demand for labour . The problem of unemployment is the fundamental problem of economic development. The main aim of almost all the theories of economic growth is to remove unemployment by increasing level of employment Unemployment is very difficult to define. Professor A C Pigou defines it as “ A man is unemployment. Only when ge is not employed and desire to be employed, A man is willing to work but he is not getting

work. Therefore he is called unemployed. In developed countries unemployment generally assumes two forms, viz., the Keynesian involuntary unemployment and temporary frictional unemployment. Unemployment in developing countries is both open and disguised like all other under developed countries. Unemployment is more in number in underdeveloped countries like India. India is suffering chronic under-employment or disguised unemployment in the rural sector and also with the existence of urban unemployment among the educated classes. The emergence of a class of frustrated unemployed youth, especially the educated unemployed, has been a strain on our existing socio-economic structure.

2. OBJECTIVES:

- + To analyse the types of unemployment in India.
- + To analyse the causes of unemployment in India.
- + To analyse the solutions of the unemployment in India.

3. METHODOLOGY:

The present study is based on secondary data collected from Statistical offices in India. The Simple tables are used to analyze the data.

4. CONCEPTS OF UNEMPLOYMENT:

The national Sample Survey organization (N.S.S.O) evolved certain concepts and standardized them to measure employment and unemployment. They are:

4.1. Usual Status Concept:

This concept is used to measure chronic or long-term unemployment. It measures the activity status, i.e. a person who remains unemployed for most of the in the year. Thus, it appropriately measures open unemployment.

2.2. Weekly Status Concept:

It implies the measurement of the person who do not find work even for an hour on any day during the survey week. It is the appropriate measurement of 'seasonal unemployment.'

4.3. Daily Status Concept:

This concept measures the activity status of a person for each day of the preceding 7 days. A person who works at least for one hour but less than four hours or more during a day is considered employed for a whole day. It is an appropriate concept devised to measure under-employment. Out of these concepts of unemployment, the current daily status concept provides the most appropriate measure of unemployment.

5. UNEMPLOYMENT RATE IN INDIA:

Unemployment rate in India averaged 7.58 Percent from 1983 up to 2012, reaching an all time high of 9.4 percent in 2009 and a record low of 5.20 percent in 2012.

Table -1: Unemployment rates from 1977-78 to 2011-12

Year	Usual principal Status (UPS)			Current Daily Status (CDS)		
	Rural	Urban	All India	Rural	Urban	All India
1977-78	3.26	8.77	4.23	7.7	10.34	8.18
1987-88	3.07	6.56	3.77	5.25	9.36	6.09
1999-00	1.96	5.23	2.81	7.16	7.74	7.31
2004-05	2.5	5.3	3.06	8.28	8.28	8.28
2011-12	2.3	3.8	2.7	5.7	5.5	5.6

Source: planning commission, (2001) report of task force on employment opportunities NSSO 61 st Round (2004-05), NSSO, 66 th round NSSO 68th round (2011-12).

Unemployment as measured by UPS Orientation declined from 4.23 per cent in 1977-78 to 2.81 per cent in 1999 -2000 , but indicated an increase to 3.06 per cent 2004-05. In 2011-12 unemployment on UPS criterion is estimated to be 2.7 per cent. Unemployment in current daily status (CDS) declined from 8.18 per cent in 1977-78 to 6.09 per cent in 1987-88, but the declining trend reversed to 8.28 per cent in 2004-05, in 2011-12, rate of unemployment on CDS basis is estimated to be 5.6 per cent. It is obvious that the UPS rates are modest and the CDS rates are quite high. The major problem of the Indian Economy is not open unemployment but under – employment.

6. TYPES OF UNEMPLOYMENT:

Most of the unemployment in India is structural unemployment arises when there is a drastic change in the economic structure of a country due to abnormal in demand .presently ,we shall ignore Keynesian involuntary unemployment and the temporary frictional unemployment of the structural unemployment remains a greater cause of anxiety in India.

Unemployment is broadly defined into two types (1) unemployment in urban area and (2) unemployment in rural area and other types.

6.1. Two relatively important forms of Urban Unemployment are:

6.1.1. Educated Unemployment:

Educated Unemployment is, by and large, a part of urban unemployment. As per the planning Commission estimates, there were 68 lakh educated unemployment in 1992. No estimates of educated unemployment are available for recent years. The large number of educated unemployment shows, “ a measurement between the kind of job opportunities that are needed and that are available in the job market”.

6.1.2. Industrial Unemployment:

In Indian, the manufacturing sector has indeed expanded and employment in it has steadily increased. But, in percentage terms, its share in employment has failed to increase and has lowered from 10 to 12 percent over the years. One of the reason for this is the low employment increased. The other factors which have contributed to an increase in industrial unemployment over the years are many .. The industrial growth in India since independence has been very modest .Moreover, since early 1990s industrial growth has been jobless and has failed to absorb all those who migrated to cities with the hope of getting some job or other. The decay of cottage and small –scale industries in the country

side as further contributed to the growth of unemployment.

6.2. Unemployment in rural areas:

Most of this unemployment is agricultural unemployment which may be classified into:

6.2.1. Seasonal unemployment:

Seasonal unemployment in agriculture is a normal phenomenon in India. In India farmers cultivating approximately 75 percent of their land remain involuntarily unemployed for 3 to 4 months in a year and most of them fail to find some temporary employment in this period. The main reason for seasonal unemployment is lack of irrigation facilities.

6.2.2. Disguised Unemployment:

Indian agriculture is characterized by the existence of considerable amount of surplus labour. If they are withdrawn from the agricultural sector and put in other occupation or profession, it will not cause any decrease in agricultural output. In technological language, it is said that marginal productivity of such labour is zero. This kind of disguised unemployment is also comes under employment.

6.3. Other Types of Unemployment:

In addition to the above the following are also will be considered as unemployment of other types:

6.3.1. Cyclical Unemployment:

If unemployment occurs as a result of trade cycles, it is called cyclical unemployment. Trade cycles refer to the frequent booms and depression, up swings and low swings. During the depression periods, the volume of employment is reduced and some people those who are in the work force become unemployed. Keynes said that cyclical unemployment is the result of the deficiency in effective demand, Therefore, if effective demand increased, the level of employment can also be increased.

6.3.2. Structural unemployment:

: Structural state is one among the most varieties of state inside Associate in Nursing financial system. It focuses on the structure drawback inside Associate in Nursing economy and inefficiencies in labour MARKETS. Structural state happens once a labour market isn't ready to give jobs for everybody United Nations agency is seeking employment. there's a pair between the abilities of the pink-slipped staff and therefore the skills required for the roles that ar out there. it's typically wedged by persistent cyclic state.. For example, when an economy experiences long – term unemployment individual become frustrated and their skills become obsolete.

6.3.3. Under- employment:

Labour that falls under the unemployment classification includes those workers that are highly skilled but working in low paying jobs Workers that are highly skilled but work in low skill jobs and part –time workers that would prefer to be full- time .This is different from unemployment in that the individual is working g bur is not working at theist full capacity.

6.3.4. Frictional unemployment:

Frictional state: resistance state is associate degree other sort of unemployment among an economy . it's the period between jobs once a employee is checking out or transitioning from one job to a different . resistance state is often gift to some extent in associate degree economy . It happens once there's a match between the employees and jobs. The match may be associated with skills, payment, work time, location, seasonal, industries, attitude, style and different factors. Frictional state is influenced by voluntary deblockedion to figure supported every individual' s valuation of their own work and the way that compares to current wage rates moreover because the time and energy needed finding employment.

7. EMPLOYMENT AND UNEMPLOYMENT IN INDIA

Table-2: Employment and Unemployment in India 1983 to 2011-12

1	2	3	4	5	6
Year	Population	Labour Force	Work Force	No.of Unemployed(3-4)	Unemployed Rates(%)
1983	718.20	261.33	239.57	21.6	8.33
1993-94	894.01	335.97	315.84	20.13	5.99
1999-00	1003.97	363.33	336.75	26.58	7.32
2004-05	1092.83	419.65	384.91	34.74	8.28
2009 -10	1174.1	428.9	400.8	28.1	6.6
2011 -12	1227.4	440.4	415.7	24.7	5.6

Source: Planning Commission (2002), Report of Special Group on targeting ten Million Employment Opportunities per year, NSSO 61st Round, NSSO 66 TH ROUND ,NSSO 68th Round.

The above table 3.7 reveals that on the basis of the NSS date, the SP Gupta special group estimated the number of unemployed to be of the order of 24.7 millions in 2011-12 as against 20.13 millions in 1993-94 (current daily status basis) .The unemployment rate was 8.33 per cent in 1983 which declined to 5.6 per cent by 2011-12.

8. CAUSES FOR UNEMPLOYMENT IN INDIA:

Obviously, widespread and growing unemployment is not due to any single factor, but it is the cumulative of many causes discussed below:

8.1. Rapid rate of population Growth:

The most fundamental cause of widespread unemployment in India is the rapid rate of population growth which leads to increase in labour force. The rate of population growth rose to 2.2 per annum during the 1960s, and as a consequence the rate of of increase in labour force also rose to 1.9 per cent per annum. As the population increased from 718.2 millions in 1983 to 1227.4 millions in 2011-12, correspondingly the labour force also increased from 261.33 million to 440.4 million respectively and the net increase in labour force is 179.07 millions. This is too big a number to be provided gainful employment at the present rate of growth fo the economy.

8.2. Jobless Growth:

During the first three decades of economic planning the GDP growth rate was as low as 3.5 per

cent per annum. In this period, employment increased at a moderate rate of 2 percent per annum. The rate of growth of employment picked up considerably to 2.90 percent per annum during the five year period 1999 -00 to 2004 -05 but again declined to almost zero percent over the next five years i.e from 2004 -05 to 2009 -10 . thus the country could create only one million jobs during 2004 -05 to 2009 -10 .this is despite the fact in this year s period (2005 -06, 2006 -07, 2007 -08) the rate of growth of GDP exceeded 9 per cent annum . This shows that India as witnessed a phenomenon of jobless growth.

8.3. Inappropriate Technology:

In India, while capital is a scarce factor, labour is available in abundant quantity. Under such circumstances, if market forces operate freely and efficiently, the country would have adopted labour – intensive techniques of production. however , not only in industries , but also in agriculture , producers are increasingly substituting capital for labour .W .A Lewis asserts that investment in such a situation in capital equipment may be profitable to individual capitals , but it is certainly not beneficial to the society , because it is increase unemployment and not production.

8.4. Lack of Rural Industrialization:

With regard to large rural unemployment and under employment, the underlying cause is the very heavy pressure of population on land and the back ward nature of our farming. As a result, agriculture cannot provide employment opportunities for the far too numerous rural population.

8.5. Inappropriate Educational System:

The educational system in India is defective it is , in fact the same educational system which Macaulay had introduced in the country during the British period according to Gunnar Myrdal India's educational policy does not aim at development of human resources . it merely products clerks and lower cadre executives for the government and private concerns . any educational system which fails to develop human resources properly will not be able to provide employment to all those who have received it .

8.6. Lack of Manpower Planning:

The intake into various courses is not being planned on the basis of the projections of the demand for skilled manpower in future.

8.7. Social Factors:

Since Independence, education among women has changed their attitude towards employment. Many of them now compete with men for jobs in the labour market. The economy, however, failed to respond to these challenges and the net result is continuous increase in unemployment backlog.

8.8. Lack of self – employment Opportunities:

The rural marginal and landless households. Continue to remain unemployed or underemployed due to lack of self- employment, the well educated youth lacking entrepreneurship qualities waiting for years to gather to get government jobs at meagre wages.

8.9. Decline of Cottage Industries:

In rural India, village or cottage industries are the only means of employment particularly of the

landless people; they depend directly on various cottage industries for their livelihood. But, now –a- days, these are adversely affected by the industrialisation process. Actually, it is found that they cannot complete with modern factories. As a result of which the village industries suffer a serious loss and gradually closing down. Owing to this, the people who work there remain unemployed and unable to maintain their livelihood

9. SOLUTIONS:

Unemployment is too serious an evil to be ignored. For each main type of unemployment, obviously separate sets of measures will be needed.

9.1. Rapid Economic Development:

This will open new avenues of employment. Especially for the educated person and skilled workers, and by diverting surplus population agriculture to industries, can be reduced rural unemployment.

9.2. Liberal Intuitional finance for the self- employed:

If adequate facilities are made available, millions of people may take one business of the other productioning goods are services . that holds out a great scope of the expansion of employment opportunities .

9.3. Promoting Small Scale Industrial Sector :

In the manufacturing sector , major contributor to employment is the small scale and informal sector . If the government provides much higher amount of credit as suggested by the nayak committee and also recently supported by the S.P Gupta study group on development of small scale enterprises., it would go a long way in enlarging employment .

The large corporate sector has a total employment potential of 3.63 millions according to annual survey of industries (1997 – 98) whereas the small sector had an employment of 17 . 9 millions in 1999 – 2000.

10. MAJOR GOVERNMENT EMPLOYMENT PROGRAMMES:

The Government of India implemented number of programmes for employment generation as discussed below:

10.1. The Integrated rural Development Programme (IRDP):

It was launched during 1978-79 to provide self employment in a variety of activities like sericulture, animal husbandry and land- based activities in the primary sector, weaving, handicrafts etc. In the secondary sector and business activities in tertiary sector.

10.2. The Scheme of Training Rural Youth for Self Employment (TRYSEM):

This was initiated in 1979 with the objective of tackling unemployment problem among the rural youth. It aimed at training about 2 lakh rural youth every year to enable them to become self - employed. The TRYSEM was merged into Swarnajayanti Gram Swarozgar Yojana in April 1999.

10.3.The rural landless employment Guarantee Programme (RLEGP):

It was strted on 15th August 1983, with the objective of expanding employment opportunities

for the rural landless. The programme aimed at providing guarantee of employment to at least one from each landless household for about 100 days in a year.

10.4. Self employment to the educated urban youth (SEEUY):

This programme was launched in 1983. The objective is to provide self employment to the urban educated youth between 18 to 35 years. Loans are provided to the beneficiaries with a subsidy of 25 per cent by the Government of India.

10.5. Self employment programme to the urban poor (SEPUP):

This programme was launched in 1986, with an aim of enabling the urban poor to set up their own economic enterprise. Loans up to Rs.50,000 to 2,00,000 are provided. Out of the total unit cost 10 per cent of the amount must be contributed by the beneficiary. Bank should provide 65 per cent of the unit cost a loan. A subsidy of 25 percent will be given by the Government of India. This programme has been merged with scheme of urban enterprises under NRY.

10.6. Jawahar Rozgar Yojana (JRY) :

This programme was started in February 1989 for intensive employment creation in 120 backward districts of the country. Later NREP and RLEGP were merged into a single rural employment programme on April 1, 1989 into the Jawahar Rozgar Yojana (JGSY). The aim of this programme was creation of infrastructure and durable assets at the village level so as to increase opportunities for sustained employment to the rural poor.

10.6.The National Rural Employment Programme(NREP):

The National rural employment programme started in the sixth plan was meant to help that segment of rural population which largely depends on wage employment and has virtually no source of income during the lean agriculture period.

10.7.The Employment Assurance Scheme (EAS) :

The EAS at providing 100 days of unskilled manual work on two members in the age group of 18 to 60 years in the agricultural lean season. during 1996 – 97 to 1999 – 2000, a total of 1,5333.7 million man-days employment was generated under the scheme.

10.8.The Swarna Jayanti Sahari Rozgar Yojana (SJSRY):

This scheme provides gainful employment to the urban unemployment and underemployed poor, by encouraging the setting up of self – employment venture and also by providing wage employment and utilizing their labour for construction of socially and economically useful public assets. A total of 4,06,947 beneficiaries have been assigned in the year 2012 – 13.

10.9. Prime Minister Rozgar Yojana (PMRY):

It was designed to provide self – employment to more than a million educated unemployed youth by setting up seven lakh micro – enterprises under the eighth five year plan. This scheme provided employment to 7.4 lakh persons.

10.10. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):

This scheme was launched from 2nd October, 2009. MGNREGS seeks to provide at least 100

CAUSES AND SOLUTIONS OF UNEMPLOYMENT IN INDIA

days of guaranteed wage employment in financial year to at least one member of every rural household whose adult members volunteer to do unskilled manual work. At least 33 percent of the beneficiaries are to be women. Under MGNRES, wage disbursement through bank and post office is mandatory. This is likely to help in the financial inclusion of the poor. MGNRES provides a wage rate of Rs 100 per day to a worker. This act is also a significant vehicle for strengthening decentralization and deepening the grass root democratic structure. The total expenditure under this scheme was 39,661 crores in 2012 – 13 and generated 229.93 crore person – days of employment.

CONCLUSIONS:

Conclusion: Educated youth is the pillar of a nation's future destiny. A nation, whose educated young men walk pillar to post in search of a petty clerk's job, cannot make progress in the substantial sense of the term. India's is a newly-born independence. We have to build her up from very scratch. It is the educated young men and women, on whose shoulder lies the great responsibility of making India an ideally socialist state. Our young men, on their own part, must make it a principle that they should not run after the outwardly shine of urban life, rather they should settle in villages, thereby contributing their quota of services in the build-up of our villages.

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