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## Unemployment Trends in India

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### ABSTRACT

*The increase in the young population due to demographic dividends or the rise in young people seems to be one of the sources of future economic growth in India. Although with the increase in school and college enrolment rates, the proportion of youth in the labor force has been declining their high proportions in the labor force indicate that the problem of youth unemployment and underemployment would remain a serious policy issue for many more years to come in India. During the last two & half decades, from 1983 to 2007-2008, it analyses labor and workforce participation rate trends. Unemployment, joblessness, working poor, growth and employment elasticities, etc. the poor employability of the workforce would hamper the advantages due to demographic dividend if measures are not taken to improve the educational attainment and skill development of the youth. The present paper has focused on the causes of unemployment, various types of unemployment, and possible measures have been suggested.*

**KEYWORDS:** *Unemployment, Rate of Unemployment, Trend in Unemployment.*

### INTRODUCTION

India's unemployment rate increased to 10.3% in 2020, according to periodic labor force survey conducted by the national statistical office (NSO). the huge unemployment rate comes against the COVID-19 pandemic postpone commercial activities for a long time, leading to people lost their works across the country. Data from the Periodic Labor Force Survey shows that the women's unemployment rate in city areas in India was 13.1% in the October-December quarter of 2020, more than the national average of 10.3%, while the women's labor participation lever at the 20.6%. compared to national level at the rate of 47.3%. The issue of unemployment in India has reached a critical stage. Unemployment is increasing gradually, currently most of the organization do not ready to spend much time, money for coaching for beginners. It is the primary cause which reduce the extinction of the nation. When all male and female get their job then there are no any issues will arise in the country. India has second densely populated in the world after China. India has 17.5 percentage population of the world and 1.21 crore people according to Indian census of 2011(ILO report 2005). India has around 18.3million jobless citizens in 2017 and 18.6 in 2018. In percentage term unemployment rate is 3.5 percentage in 2018. Labor minister Mr. Santosh Gangawar said in a written in Rajya Sabha, on the afraid of raising unemployment in 2018-19, that no objective has been place by the government (ILO report 2004:2005). The rural areas have 22.7 percent minimum unemployment rate comparison than urban areas in India. It is 22.7 percent at the age of 15 to 30 years in rural and urban areas 18 percent 6 union territory and 29 states. Tripura has highest unemployment rate and Gujarat has least unemployment in India. Kerala state has maximum female jobless people approx. 47.4 percent compared than male. India's unemployment rate

#### Meaning

Unemployment occurs when a person who is actively searching for employment is unable to find payable work.

#### Definition

As defined by the international labor organization "Unemployed workers" are those who are currently not working but are willing and able to work for pay, currently available to work and have actively searched for work.

### UNEMPLOYMENT COMPONENTS

- i. Working force
- ii. Unemployment
- iii. Labour forces

**Working force:** Total number of people engaged in a specific work.

**Unemployment:** The person with skills and ability to work but fails to find work.

Unemployment= Labor force - working force

**Labour force:** It includes both working force and unemployment, people may get job or may not get jobs

Labor force=working force + unemployment

### UNEMPLOYMENT IN INDIA

The national sample survey organization (NSSO) since its inception in 1950 does the measure of unemployment in India. A person working 8 hours a day for 273 days of the year is regarded an employment. Unemployment does not include people who are unable to work due to retirement, disability and higher education pursuits.

### UNEMPLOYMENT ESTIMATION IN INDIA

**B BHAGAVATI COMMITTEE**, it is set up by planning commission (1950) now it is known as **NITI AAYOG (2015)**

Gives 3 estimates of unemployment.

Usual principal status (UPS): person who remained unemployed for a major part of the year. It is also called as open unemployment.

Current weekly status (CWS): Person who did not find even an hour of work during the survey week.

Current daily status (CDS): During the survey week, person did not find work for some days.

During economic growth and prosperity periods, with many job opportunities available to the public, the unemployment rate is expected to decline. Rural areas the unemployment rate is decreased from 5.3% in 2017-18 to 2.4% in 2022-23, while for urban areas it declined from 7.7% to 5.45%

### UNEMPLOYMENT RATES UP TO 10 YEARS

Unemployment rate= Unemployed/ labor force \* 100

| Year | Unemployment rates |
|------|--------------------|
| 2010 | 5.5                |
| 2011 | 5.43               |
| 2012 | 5.41               |
| 2013 | 5.42               |
| 2014 | 5.44               |
| 2015 | 5.44               |
| 2016 | 5.42               |
| 2017 | 5.36               |
| 2018 | 5.33               |
| 2019 | 5.27               |
| 2020 | 8.00               |
| 2021 | 5.98               |
| 2022 | 7.33               |
| 2023 | 8.003              |
| 2024 | 6.67               |

### TYPES OF UNEMPLOYMENT

**Voluntary unemployment:** Many jobs are available, but the people are not interested to in being employed. This type is not coming under unemployment.

**Disguised unemployment:** Indian agriculture suffer from disguised unemployment due to excessive pressure of population and in absence of other job opportunities available in the rural areas side by side. In disguised unemployment apparently it seems that everyone is employed but in reality sufficient full time work is not available for all.

Structural unemployment: It is a situation where the jobs available in the market and the skills having by an individual are not matched.

Cyclical unemployment: This Unemployment raised due to variations in the business cycle.

Technological unemployment: This Unemployment is created due to changes in technology. In 2016 world bank data predicted that the portion of jobs threatened by automation in India is 69% year on year.

Frictional unemployment: It exists in any economy due to people being in the process of moving from one job to another.

India has the largest population in the world. According to UNFPA Projections. The total population of country as per provisional figures of census 2011 is 1210.19 million, more than 672million people are of working age 15 to 59, 333million are youth aged 15 to 35, accounting for 27.5% of total population in 2011, contributing towards development of nation.

Population of youth is increasing it is creating the unemployment or underemployment problems for the nations. The people are not finding the job as per their qualifications and they are working under low pay, less skills, trapped under part time and seasonal employment without any carrier advancement both in rural and urban areas. Raising a greater number of unemployed youths is one of the most discouraging problems faced by developing and developed countries. It is major focus of the Millennium Development Goals (MDGs)and was reaffirmed by the ministers and heads of delegation participating in the high-level segment of substantive 2006 sessions of the economy and social council (ECOSOC). They committed to develop and implement strategies that give youth everywhere a real and equal opportunity to find full and productive employment and decent work.

The first national youth policy was formulated in 1998 in India identified that the most prime part of youth programme must be abolish of unemployment. Recently the National Council for Skill Development (NCSD) IN 2005 was constituted under the chairmanship of the prime minister. In this council government of India has made skill development a major national priority especially for youth. In this circumstance the president of India says” India is a nation of young people. India’s demographic dividends can be realized only if the country invests in developing skills to make our youth employee development, the country hold the potential to account for a fourth of the global work force by 2022, when India will mark 75 years of its independence”.

### LEVEL OF UNEMPLOYMENT

Unemployment is the major problem for both developed and developing nations. India also one among them as developing nation facing an unemployment problem. The unemployment rate in India is measured in 3 ways based on National Sample Survey (NSS)data: based on Usual Status (US), Current Weekly Status (CWS) and Current Daily Status (CDS).

| Year                 | Rural and Urban |          |          | Rural    |          |          | Urban    |          |           |
|----------------------|-----------------|----------|----------|----------|----------|----------|----------|----------|-----------|
|                      | P               | M        | F        | P        | M        | F        | P        | M        | F         |
| <i>1</i>             | <i>2</i>        | <i>3</i> | <i>4</i> | <i>5</i> | <i>6</i> | <i>7</i> | <i>8</i> | <i>9</i> | <i>10</i> |
| <b>Usual Status</b>  |                 |          |          |          |          |          |          |          |           |
| 1972-73              | 1.6             | 1.9      | 1.0      | 0.9      | 1.2      | 0.5      | 5.1      | 4.8      | 6.0       |
| 1977-78              | 2.6             | 2.2      | 3.3      | 1.5      | 1.3      | 2.0      | 7.1      | 5.4      | 12.4      |
| 1983                 | 1.9             | 2.3      | 1.2      | 1.1      | 1.4      | 0.7      | 5.0      | 5.1      | 4.9       |
| 1987-88              | 2.7             | 2.6      | 2.9      | 2.0      | 1.8      | 2.4      | 5.4      | 5.2      | 6.2       |
| 1993-94              | 1.9             | 2.2      | 1.4      | 1.1      | 1.4      | 0.8      | 4.4      | 4.0      | 6.2       |
| 1999-2000            | -               | -        | -        | -        | 2.1      | 1.5      | -        | 4.8      | 7.1       |
| 2004-05              | 2.9             | -        | -        | 2.5      | 2.1      | 3.1      | 5.3      | 4.4      | 9.1       |
| 2007-08              | 2.2             | 2.4      | 1.7      | 1.6      | 1.9      | 1.1      | 4.1      | 3.8      | 5.2       |
| <b>Weekly Status</b> |                 |          |          |          |          |          |          |          |           |
| 1972-73              | 4.3             | 3.7      | 5.9      | 3.9      | 3.0      | 5.5      | 6.6      | 6.0      | 9.2       |
| 1977-78              | 4.5             | 4.4      | 5.0      | 3.7      | 3.6      | 4.0      | 7.8      | 7.1      | 10.9      |
| 1983                 | 4.5             | 4.4      | 4.8      | 3.9      | 3.7      | 4.3      | 6.8      | 6.7      | 7.5       |
| 1987-88              | 4.8             | 4.8      | 5.0      | 4.2      | 4.2      | 4.3      | 7.0      | 6.6      | 9.2       |
| 1993-94              | 3.6             | 3.5      | 3.8      | 3.0      | 3.0      | 3.0      | 5.8      | 5.2      | 8.4       |
| 1999-2000            | -               | -        | -        | -        | 3.9      | 3.7      | -        | 5.6      | 7.3       |
| 2004-05              | 4.4             | 4.2      | 5.0      | 3.9      | 3.8      | 4.2      | 6.0      | 5.2      | 9.0       |
| <b>Daily Status</b>  |                 |          |          |          |          |          |          |          |           |
| 1972-73              | 8.3             | 7.0      | 11.5     | 8.2      | 6.8      | 11.2     | 9.0      | 8.0      | 13.7      |
| 1977-78              | 8.2             | 7.6      | 10.0     | 7.7      | 7.1      | 9.2      | 10.3     | 9.4      | 14.5      |
| 1983                 | 8.3             | 8.0      | 9.3      | 7.9      | 7.5      | 9.0      | 9.6      | 9.2      | 11.0      |
| 1987-88              | 6.1             | 5.6      | 7.5      | 5.2      | 4.6      | 6.7      | 9.4      | 8.8      | 12.0      |
| 1993-94              | 6.0             | 5.9      | 6.3      | 5.6      | 5.6      | 5.6      | 7.4      | 6.7      | 10.5      |
| 1999-2000            | -               | -        | -        | -        | 7.2      | 7.0      | -        | 7.3      | 9.4       |
| 2004-05              | 8.2             | 7.8      | 9.2      | 8.2      | 8.0      | 8.7      | 8.3      | 7.5      | 11.6      |

**Note:** Usual Status includes both principal and subsidiary.

**Source:** Visaria (1998) and NSS Employment and Unemployment Survey Reports.

The paper is dependent on National Sample Survey organization (NSSO) quinquennial round of employment and unemployment survey data during the period of 1972- 1973 to 2004-2005. Both published data as well as unit record data related to NSS employment and unemployment is used for the analysis.

## **FINDINGS**

The number of the youth population between 15 to 24 age group has raised three times in the last 40 years of 20<sup>th</sup> century. The unemployment rate in India has raised from 6.5million in 1993-94 to 9.5million in 2004-05 in this 61% are from rural areas in that 70% are male. Joblessness (27%) is greater than unemployment rate. In exact number, of the total 203.6million adolescent(youth). Payment level of teenager employed are lower than those of mature person (grown person). 26% of youth employed endure from scarcity (around 22million). Around 40% of youth citizens weakness. They include 11% of needy, 4% of unemployment and 25% not busily try to find piece of work.

## **RECOMMENDATION**

### **Appropriate macro policies**

These are prime for creating employment. Investment are major for soaring(higher) extension which can upgrade employment if investment in labor intensive sector, one cause for the poor growth in employment in the post reform period could be poor growth in public investment. Monetary(financial) sector liberalization guided(controlled)to diminish in credit to agriculture sector, compact(small) and minor(marginal) farmers and weaker section in the post reforms.

### **Improvement in education**

Some of causes in education are as follows  
Approach to elementary education for the inaccessible and tribe (social group).  
Subjectively upgrade the knowledge acquirement.  
Set about high abandon back out and low holding.

### **Active labor market policies**

Through expertise and professional training, the employability will raise. The government of India has understood the needs of skills. The midterm appraisal of 11<sup>th</sup> plan says that "improved training and skills development has to be critical part of the employment strategy. A Coordinated Action plan for skills development has been approved by the cabinet to have a target of 500million skilled persons by 2022".

A triple institutional structure consisting of minister's national council on skill development.

The national Prime skill development coordination board.

The national skill development cooperation has been set up to take forward the skills development mission

Unemployment in India is a major social issue. In India unemployed persons are individuals who are not having a job and actively finding a work. According to India skills report launched in the 3<sup>rd</sup> CII National conference.

## **REASONS OF UNEMPLOYMENT**

### **Theoretical education**

Our education is too theoretical. It turns too many arts graduates and too few engineers to compose this inefficiency government has started many technological institutes in various states of India.

### **Lack of alternative opportunities for agricultural workers**

In the rural India agriculture is the basic habitation of the greater part of rural people. However, agriculture engaged in cultivation is very less part of the year.

### **Poor condition of cottage industries**

In villages unemployment is due to lack of cottage industries. The cottage industries are in closing stage. They provide complete time occupation to only a minimum of people who rely on them.

### **Other factors**

Over load people on farming  
the peoples of India are growing quickly  
low efficiency and effectiveness in agriculture sector  
poor economic planning

## **SOLUTIONS OF UNEMPLOYMENT**

Raising more investment in large scale industries. Investment in large scale in basic industries and consumption goods industries should be raised and that will provide more employment opportunities.

Improvement in cottage and small-scale industries and providing subsidies for private sectors.

Motivate for starting own business

Raising the nations prosperity through industrialization.

India the world's largest democracy, attaining independence in 1947 was faced with the double problems of unemployment and poverty. It embraces the socialist form of development to prevail over these problems. Accordingly, it launches a system of central planning to attain balanced overall growth while fighting poverty and unemployment.

However, 3.5% annual growth proved insufficient in July 1991, by launching the new economic policy (NEP). India implemented a fundamental shift in its economic policy. The NEP opened international trade and investment deregulation, institution of privatization, tax reforms and inflation controlling measures, the most important objective higher economic growth and to overcome unemployment and poverty.

Following is the global financial crisis in India during the 2008-2009 6.8%, but subsequently recovered to 7.4% in 2009-2010 the annual GDP growth rate fell to around 6.5% for their 2011-2012 fiscal year and to 5.37% by May 2012 the increasing population of qualified young Indians.

### INDIAN LABOR MARKET

In the year of 2001 march the popular of India was 1.2billion 17.5% of global population, from 2001 to 2011, its population increased by 181million, about 60% of population reside in rural areas.

### REASONS FOR YOUTH UNEMPLOYMENT

The economic survey in the year 2012 stress that to achieve inclusive growth, India must create adequate employment opportunities. The number of employments is large and there are more youth entering in the job market.

Difficulty to collect the details of youth and employment.

Very difficult to identify the facts that impede the availability of employment opportunities for them.

Inappropriate educational system and lack of human resources planning.

Unemployment among young people in India is the highest compared to other age groups.

### CHALLENGES ABOUT YOUTH EMPLOYMENT

In India economy there is large increasing costs of living and nonexistent social protection of a young worker is condemned to find for him or herself and to provide for dependents.

Most of the jobs are without any rights they are made to work for longer hours, paid much less salary and can be terminated without any notice.

The major challenges of the workers are facing insecurity at the work place.

The young people in India face an environment that is not rendering the desired support for the government.

These are the major challenges faced by the youth in Indian economy.

Community does not collect enough champion from the authority and underprivileged structure premises has generated circumstances of contingency in the society. As a country like India is an expanding nation with a major part of residents in the village locality.

### GOVERNMENT SCHEMES

The related are the schemes bought by the government to raise the employment opportunities in the society.

Integrated rural development programme (IRDP): came in to force in the year 1980. The main objective of this strategy is to generate complete job opportunities in the remote areas.

Training for rural youth for self-employment (TRYSEM): this policy introduced in the year 1970, motive is to make jobless young people in remote area in the middle of 18-35 years to procure self-employment skills.

Mahatma Gandhi national rural employment guarantee act (MGNREGA): this policy begins in 2005, objective at distribute social safety by promising for base 100 days of wage employment.

Pradhan Mantri Kusal Vikas yojana (PMKVY): this policy came into force in the year of 2015, objective to enhance a greater number of young people in the nation to increasing the skills and training.

Stand up India scheme: this policy came into existence in 2016, the aim of this policy was to give bank loans from rs.10lakh to rs.1crore for SC or ST drawee per branch of the bank to set up a greenfield enterprise.

**Table: Unemployment Rate Among Youth in Rural Areas (In Percentages)**

| YEAR      | MALE | FEMALE |
|-----------|------|--------|
| 2012-2013 | 3.9  | 4.2    |
| 2013-2014 | 4.7  | 4.6    |
| 2014-2015 | 5.0  | 4.8    |
| 2015-2016 | 7.9  | 5.8    |
| 2016-2017 | 9.6  | 6.7    |
| 2017-2018 | 17.4 | 13.6   |

The table says about the rate of unemployment youth among in rural areas. The percentage of male in the year of 2012-2013 was 3.9 percentage, in the year 2017-2018 it was increased to 17.4 percentage. The percentage of female in the year 2012-2013 was 4.2 percentage, later it increased to 13.6 percentage in the year 2017-2018.

**Table: Unemployment Rate Among Youth in Urban Areas (In Percentage)**

| YEAR      | MALE | FEMALE |
|-----------|------|--------|
| 2012-2013 | 8.8  | 14.9   |
| 2013-2014 | 7.5  | 14.3   |
| 2014-2015 | 8.1  | 13.1   |
| 2015-2016 | 7.9  | 5.8    |
| 2016-2017 | 9.6  | 6.7    |
| 2017-2018 | 18.7 | 27.2   |

The table says about the rate of unemployment among in urban areas. The percentage of male in the year 2012-2013 was 8.8 percentage, then it was increased to 18.7 percentage in the year 2017-2018. The percentage of female unemployment in the year 2012-2013 was 14.9 percentage later it was increased to 27.2 percentage in the year of 2017-2018.

### **CAUSES OF UNEMPLOYMENT IN INDIA**

In India, the percentage of jobless young people has been raising over the few years in remote areas and cities. This led to a less rate of increasing in the economy and block the boom.

The related are the leading cause for jobless in the country

Higher population: the raising crowded numerous populated over last period of 10 years. The citizens of the nation's mainly the young people are larger than contract to the job offered.

Poverty and illiteracy: the primary reason for jobless is few numbers of people being upskill.

Inflation: an endless raising part in goods and services produced, led to decreases in the actual revenue of a people of a country. when there is a growing in residence of country, manpower supply is more than the demand which has a negative impact on remuneration.

Agricultural workforce: the individuals who are working in the farming or cultivation are working only up to specific period and leave behind works for future part of the years.

### **RECOMMENDATION AND SUGGESTIONS**

By giving proper knowledge based and occupational or professional coaching, the workless young people can get jobs in the manufacturing and service sector.

Raising the funds from the government and branch out in the farming sector will not only raising creativeness but also supports to decrease employment.

Labor incentive technology must be taking up by the conventional sector to shoot up the employment chances in both cities and remote areas.

In development in the literacy and wellness program raises manpower creations and gives more employment options to the citizens.

On the work place hiring and employment financial aid can be given to the present workers to develop their knowledge and to arise carrier contentment and decreases from one work to another.

### **FINDINGS**

Growing of residence of India gradually. India has maximum youth employment and unemployment. It is common for all over the world around 69 percent are belonging to remote areas and in our poor education system approx. 70 percent learner are belonging from remote areas having lack of skills.

Due to unskilled, effective speaking skills, coaching, seek out job opportunities the youth are not accomplish real job after giving interviews. Majority of the graduate are not having the ability to prepare their own resume.

Financially distressed or poor is the primary reason for unemployment. There are many poor residences in this nation. So, they do not have any root for education, that's why they are the separate in the community on the topic of employment.

Major issues of employees are suffering from insecurity at the work place.

Shifting from rural areas to cities in finding of better sustenance.

In the short while ago, increase of jobs in the unorganized sector (excluding agriculture) is greater than in the organized sector. This may be due to privation in the public sector units.

Poor development in the cottage industries.

In India majority of people are illiterate they are hazardous effect for unemployment. Illiterate people only participating in agriculture and related sector is more number and bad job which very injurious for the community or public.

## CONCLUSION

we live in an increasingly interdependent world, there is growing awareness of this following the global financial crises from 2008 on, the ever increasing size of the youth workforce, both skilled and unskilled in an environment of job security means more young people are faced with limited employment opportunities, causing them to be either underemployed or unemployed India youth, in the absence of any formal social security is thus faced with the challenge of survival and limited growth prospects. To check unemployment among the youth in India. Various measures have been initiated India has introduced a few employments generating schemes, including those under MNREGA-similar works. India has created measures to impart skills as part of a major effort and is receiving assistance from various countries like Germany. the national measures may prove insufficient in overcoming the challenges of youth unemployment. global organizations need to put special emphasis on the problem of youth unemployment to enhance employability and employment opportunities.

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