



To Study of Unemployment in India

Dr. Savita Madhavrao Gire

Vice Principal, Assistant Professor

Dadasaheb Jotiram Godse Arts Commerce Science College, Vaduj

Dist. Satara -415506.

Corresponding Author - Dr. Savita Madhavrao Gire

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Abstract:

The rate of unemployment in India has been increasing over the years. The current paper aims to analyze the factors leading to unemployment and its impact on the Indian economy. The study focuses on how employment rate plays a major role in overall development of the economy. The study makes use of secondary data sources and focuses on the present scenario of unemployment in rural and urban areas. The paper analyzes how an increase in population, poverty, illiteracy, inflation and lack of full employment can lead to a slowdown in the growth of the economy. The paper discusses the problems faced by the economy due to high rate of unemployment and recommends strategies to improve the current status of employment in the country. Keywords: unemployment, population, growth, development.

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Unemployment is a serious problem in contemporary times for India and for many countries around the world. The current paper demonstrates the Problem of unemployment in India. Unemployment can be defined as a state of workless for a person who is fit and willing to work at the current wage rate. It is a condition of involuntary and not voluntary idleness. Simply stated an unemployed person is the one who is an active member of the labor force and is seeking work, but is unable to find the same. In case of voluntary unemployment a person is out of job on his own accord or choice, doesn't work on the prevalent or

prescribed wages. Either he wants higher wages or doesn't want to work at all. The involuntary unemployment on the other hand is the situation when a person is separated from remunerative work and devoid of wages although he is capable of earning his wages and is also anxious to earn them. It is the involuntary idleness that constitutes unemployment. Involuntary unemployment can be further divided into cyclical unemployment, seasonal unemployment, structural unemployment, frictional unemployment, natural rate of unemployment, disguised unemployment and under employment. Most of the unemployment in India is

definitely structural. It is associated with the inadequacy of productive capacity to create enough jobs for all those able and willing to work. During the 1951-2011 periods, population in India increased at an alarming rate around 2.1 percent annum and with it the number of people coming to the labour market in search of jobs also rose rapidly, whereas employment opportunities did not increase most of the time correspondingly due to slow economic growth. Hence, there has been an increase in the volume of unemployment from one plan period to another. This unemployment, on account of its very nature, can be eliminated only by introducing certain radical reforms in structure of the economy. Basically India's unemployment is structural in nature. Apart from structural unemployment, there is Keynesian involuntary unemployment which can be eliminated by increasing effective demand, as is done in developed economies. Unemployment is not a temporary phenomenon in the sense that it will pass off on its own after a lapse of time. It is chronic. It requires for its solution the application of long-term measures for remedying the defects in the economic structure. Is the development of the economy alone that can take care of unemployment?

Review of literature:

Abraham Vinoj (2009) shows that when there is a distress, level of income falls below the sustenance level, and the proportion of population that is not working must enter the labour market for

supplementing the household income. The distress that most commonly occurs in the agricultural sector leads to lower levels of productivity, lower income and stagnation. The paper shows that the income crisis that gripped farming led

Objectives:

1. To find the reasons for unemployment in India.
2. To Analyze Problems and give their solutions related to unemployment in India.

Research Methodology:

This study is of analytical nature and makes use of secondary data. The required & relevant secondary data are collected from various publications of Government of India, census data, from the data of Five Year Plans, relevant books on the topic of research, seminar write-ups, journal, magazines, newspapers, and bulletins and various other websites.

Causes of Unemployment In India :

In India, the rate of unemployment has been increasing over the past few years in both rural and urban areas. This has led to a slow rate of growth in the economy and hinders economic development. The following are the main reasons for unemployment in India:

Population of India has been growing rapidly population growth rate has somewhat declined in recent years, it continues to be very high some states of India. Accordingly, size of the labour force is increasing while employment

opportunities are not increasing at the same pace. So unemployment is increasing over the years.

Higher population:

The rate of growth of population is increasing continuously for the past decades. The number of people in the country, especially the youth population, is much greater compared to the number of jobs available. This creates a situation of unemployment in the economy.

Poverty and Illiteracy:

One of the main reasons for unemployment is due to a lesser number of people being educated and literate. As they do not possess the skills necessary for employment due to low levels of income and standard of living, they often find it difficult to obtain jobs in the formal sector.

Inflation:

A continuous rise in prices without a proportionate increase in goods and services produced, leads to fall in real income in the hands of the public. When there is an increase in population, supply of labour is greater than the demand which has an adverse impact on wages. This leads to more people being unemployed as they are not satisfied with the current wages being offered to them.

Agricultural workers:

The people who are employed in the agricultural sector are employed only up to a certain period of time and are unable to find jobs for other parts of the year.

Conclusion:

The study by means of data from diverse sources and the existing literature turns up at certain conclusions. Firstly, the current status of the unemployment rate questions the Make in India as a success. Male and female unemployment rate is increasing. Less than fifty percent of the population is participating in work. Women worker participation rate is lesser than the participation rate before the initiation of policy. Due to social and other obstacles, there was less participation of women in jobs, but if there are not sufficient job vacancies, it worsened the situation of women. Education based work participation rate describes the role of present education in the current employment situation. A

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