

# Unemployment A Problem for Country's Progress

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## ABSTRACT

When workers who are prepared and able to work choose not to hunt for job, it is said that there is unemployment. It is expressed as a percentage of the total number of unemployed persons to the total labour force. The National Sample Survey Organization (NSSO) and the Labor Bureau in India calculate employment and unemployment. The world's largest concentration of young people lives in India, in 2015, the unemployment rate for people aged 18 to 29 was approx. 13.1%. Each year, a large number of adolescents participate in the activity advertisement. However, when compared to the previous year, according to the NSSO finance data, work creation eased down by roughly 6-7% in January 2019. This has had a negative impact on young people's employment prospects. The estimated unemployment rate for 2017-18 was approx. 6.0%, the highest in the previous 45 years. This is comparable to a job emergency, a shortage of competent talent, and open business opportunities.

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## INTRODUCTION

When someone is actively looking for work and is considered to be employable, they are said to be unemployed. Persons in the workplace who are employed but do not have suitable jobs are included in this group. Unemployment is one of the key indicators of a nation's economic health and is typically expressed as the unemployment rate, which is calculated by dividing the number of jobless persons by the number of people in the labour force.

Since Independence, the problem of unemployment has grown, especially for adolescents. India may have the highest percentage on the planet, with over approx. 30% of its children not being used for any sector, in 2015.

Numerous causes have contributed to India's unemployment issue-

- Rapid population expansion
- Economic growth is proceeding slowly.
- A joint family structure,
- The advent of technology,
- Caste hierarchy,
- Agriculture's prevalence
- Decline of rural and small businesses
- The sluggish expansion of industrialisation
- India's lack of coal, raw materials, and electricity.

A major issue is unemployment. It denotes a circumstance in which there are significantly fewer open positions than there are job applicants nationwide. In spite of their willingness and ability

to work, unemployed people may struggle to find fulfilling or well-paying employment. Therefore, unemployment causes a significant loss of labour resources.

### Types of Unemployment

- 1. Open Unemployment-** When the number of jobs that are available are insufficient to cover the population, it results in the most legitimately noticeable case of unemployment. In terms of the total number of unemployed persons, this type of unemployment can be observed and included. The expansion of the labour force outpaces the economy's rate of economic growth. Therefore, not everyone gets jobs.
- 2. Covert Unemployment:-** More people are working than are actually necessary in the situation. No matter how many are dragged back, generation doesn't last. Ultimately, it alludes to a situation of job including excess labour where a few specialists have zero tiny efficiency.
- 3. Seasonal Unemployment:-** The unemployment only occurs at certain times of the year. Production activities only take place during specific seasons in some businesses and professions, like agriculture, event resorts, ice manufacturing, and so forth. So they only offer labour for a limited period of time each year. People who engage in these kinds of activities may not find employment during the off-season.
- 4. Periodic Unemployment-** At regular intervals, professional cycles are what cause it. Entrepreneurial economies are typically susceptible to market cycles. The decline in corporate activities results in unemployment. Repeated unemployment is frequently a one-hit wonder.
- 5. Educated Unemployment-** In addition to open unemployment, many informed people are underemployed since their capacity doesn't match the available work. The majority of the reasons why educated young people in India are

unemployed are a deficient educational system, mass production, a propensity for clerical work, a lack of employable skills, and a decline in formal salaried occupations.

- 6. Structural Unemployment-** The monetary structure of a country undergoes drastic changes that lead to this type of unemployment. These developments might either affect a factor's inventory or generate interest in a factor of generation. Basic business is a typical outcome of the rapid global financial improvement and mechanical progress and advancement that is taking place in every circle.
- 7. Prolonged Unemployment-** It is referred to as persistent joblessness when unemployment continues to be a long-term problem for a country. The main causes of ongoing unemployment are the population's rapid growth and the lack of financial improvement caused by an everlasting cycle of need.
- 8. Frictional unemployment-** Frictional unemployment is brought on by an unsuitable shift in the demand for and supply of labour. This type of unemployment is brought on by the fixed nature of employment, a lack of accurate and useful information, and the sporadic nature of employment.

### Government of India's methods for calculating unemployment

#### 1. Regular Status Method

- The Regular Status Method to calculating unemployment uses a reference time of 365 days, for instance, one year prior to the date of the NSSO study for estimating unemployment.
- The Usual Position method of estimating unemployment also examines the worker's status in terms of essential movement and auxiliary action.
- Assuring the person's Principal Regular Action Status is the first step in this methodology's evaluation of the number of employed people and the unemployment rate.

## 2. Present Weekly Situation

- The reference period used in the Current Weekly Status (CWS) method for assessing unemployment is seven days prior to the research date.
- If a person engages in at least one productive activity for at least an hour on any day of the reference week, that person is regarded as being employed. However, if a person has already been looking for work or is available for it but doesn't pursue any constructive employment, they are deemed to be unemployed.

## 3. Everyday Situation

- The present-day situation Finding out a person's mobility status each day of reference week is one method of assessing unemployment. It summarises a person's time attitude for each day of reference week. This means that each day of reference week has its own quantitative time power record in addition to the movement that is being sought after.

India is one of less developed nations with one of the worst unemployment rates. However, India's unemployment issue is not the result of a lack of Effective demand, as defined by Keynes, is a result of a lack of capital equipment and other resources coupled with a rapid pace of population expansion.

### An explanation of the government's numerous plans to promote job growth

- **The Integrated Rural Development Programme (IRDP)**
  - Launched in 1978
  - The Integrated Rural Development Programme (IRDP) was combined with allied programmes to become Swarnajayanti Gram Swarozgar Yojana (SGSY) on April 1, 1999. A
- **Jawahar Rozgar Yojana/Jawahar Gram Samridhhi Yojana**
  - In April 1989, the NREP and RLEGP combined under the Jawahar Rozgar Yojana (JRY). Through the development of economic infrastructure and communal and social assets, the JRY was intended

to create chances for meaningful employment for the unemployed and underemployed in rural areas.

- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005**
  - Every rural household is guaranteed 100 days of employment per year under the Act. Women would only be eligible for one-third of the planned positions. National Employment Guarantee Funds will also be established by the federal government.
- **Pradhan Mantri Kaushal Vikas Yojna**
  - On March 21, 2015, the cabinet approved a plan to train 1.4 million youth in skills with a total investment of Rs. 1120 crore. Through the National Skill Development Corporation, this plan is carried out with assistance from the Ministry of Skill Development and Entrepreneurship.

### Government Policies and Other Contributing Unemployment Factors

- Unprecedented disruptions caused by global protectionist policies, rising crude oil prices, geopolitical unrest, unexpected Supreme Court interventions, and unforeseen market forces as a result of innovations have guzzled up the most well-run corporations with ferocity, eroding profitability and the potential to generate
  - a. **Real estate** - The real estate sector is a major contributor to employment and work, boosts retail sales, and acts as a multiplier for approximately 200 other businesses. Due to dishonest manufacturers and designers abusing homebuyers' assets and bank advances, manufacturers are mostly to blame for the self-imposed debt crisis that has led to stock growth and project failure.
  - b. **Aviation Industry**- More than 2.2 lakh people receive direct employment from the aviation industry. Despite the fact that sound traveller traffic is growing at a rate of 21%, the industry is unable to raise tolls due to extreme difficulty and interpret the growth to produce more significant returns. open space Even Jet Airways' private division, the second-

largest carrier, reported a staggering loss of Rs 1040 crores, keeping Air India in the red with a debt of over Rs 52,000 crore and no bidders for the contract.

**c. Telecom industry-** Due to Reliance Jio's aggressive pricing, the telecom industry has also suffered, harming more established players like Airtel, Vodafone, and Idea Cellular. The telecom industry, which generates approx. 7% of the country's GDP and employs 4,000,000 people, has seen pressure on net incomes as a result of continued declination in modification

**d. Banking Sector** - Nationalized banks are among the top activity generators, but they have been plagued by inheritance problems for the past 15 years, as evidenced by the 33 percent increase in gross non-performing assets (NPAs) at 19 nationalised banks, with SBI, the largest bank, reporting its largest-ever quarterly loss of Rs 7,718 crore, account for 63.3% of defaulters.

**e.** Supreme Court rulings on telecom wireless transmissions, mining and coal assignment cases where licences were abruptly revoked due to unlawful acts, as well as the Zenith Court's restriction on alcohol distribution on national interstates that has had an impact on employment.

### Conclusion

1. The unemployment rate rose to 7.7 in 2020, with young unemployment standing at 10.41%
2. A combination of poorly implemented government policies and the global economic environment is to blame for this astronomically high rate.
3. These are further compounded by the dearth of in-demand skills, inadequate educational resources, and ineffective worker performance.
4. The decline of jobs in the private sector is also greatly concerned by consumer dissatisfaction with big markets like the automotive and real estate.

5. Additionally, people are preferring to save money rather than invest it or spend it, which is reducing their consumption patterns.
6. Another reason for layoffs and fewer open positions is the dependence of sectors on AI and automation.
7. Additionally, there is a critical lack of government employees, including approx. 2.2 million doctors, 4000 judges, 2 lakh police officers, and 5 lakh teachers etc.

### Measures to prevent unemployment

1. **Modification of industrial technique:** Production methods should be adjusted to the needs and resources of the nation. It is crucial to promote labor-intensive technology instead than capital-intensive technology.
2. Multiple cropping systems in agriculture should be used to prevent seasonal unemployment. It's important to promote a mix of plantations, horticulture, dairying, and animal husbandry.
3. **Systemic transformation in education:** It is necessary to alter the educational model. Admission to colleges and universities should be given to those who are interested in higher education. The importance of vocational education should be emphasised. A competent engineer should launch their own modest business.
4. **The proper support for SMMEs needs to be emphasised:** These people should receive financial assistance, as well as raw materials and technical training. They are involved in agriculture, trade, cottage and small-scale enterprises, among other activities.
5. **Increased oversight of industries including banking and real estate:** Since these industries are the backbone of the economy, they require adequate oversight and governance.

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