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INCREASING UNEMPLOYMENT IN INDIA : A CHALLENGE

Dr. Dhede D. R.

**Assistant Professor & HOD , Depart of Economics ,
Yashwantrao Chavan Warana Mahavidyalaya, Warananagar, Tal.Panhala, Dis.Kolhapur.**

ABSTRACT:

Development of a country is in direct proportion to the utilization of manpower. The maximum use of man power boosts national development. But unfortunately day by day the problems of unemployment is growing serious in India. Every country aims at providing employment to everybody who is deserving and willing. Indian government is continually striving to reduce the rate of unemployment but it is not yet possible.

KEYWORDS: Development , providing employment , direct proportion.



INTRODUCTION:-

According to the survey conducted by centre for monitoring Indian Economy (CMIE), even though government, has started various Schemes like 'Make in India' and 'start up' for creating employment opportunities, the situation is not at all encouraging. During July 2017 to April 2018 there is immense growth in unemployment in the country. Before the financial year 2017-18 the percentage of job opportunities was 40,67,00,000, but in the present year it is 40,60,00,000. It means there is decrease of seven lakh in the number of employments. Because of the national man power is being wasted remarkably & it has created a prime challenge in front of our economy.

UNITED NATIONS

As per the report of United Nations there is prominent slack in the business opportunities in 2017-18 which has obviously reflected in shooting up of unemployment. New employments are not generated and it has resulted into augmentation of unemployment. In 2016 and 2017 the respective rate of unemployment was 17.7 million & 17.8 million. It is speculated that in 2018 this will be near about 18 million. On the other hand the percentage of unemployment in developed countries is on decrease in 2017. In 2016 there is reduction of 63% in unemployment and in 2017 it is 62%. In 2015-16 Tripura State in India had the highest unemployment rate, it was 19.7%, where as Gujarat had 0.9% as the lowest.

Women unemployment rate was 8.7% in comparison to men's 4.3%. Women unemployment rate is higher in rural India in comparison to Urban area. In India 15 to 64 age group is supposed to be the working age group.

OBJECTIVES OF STUDY

- 1) To study unemployment in India in relation to various time zones.
- 2) To study unemployment rate in India in relation to educational level.
- 3) To study reasons of unemployment.
- 4) To suggest remedies to reduce unemployment.

METHODOLOGY OF STUDY

The present study entitled 'increasing unemployment in India : A challenge' is totally

based on secondary data, which is collected through various reference books, magazines, newspaper, internet etc. Statistical and mathematical measures are used for collection, tabulation and analysis of data. Accurate statistics and figures are used where necessary.

HYPOTHESIS

Unemployment in India is intensifying and it has created a challenge in front of economy.

WHAT IS UNEMPLOYMENT

In spite of individual's ability and willingness to work and accept the offered proper remuneration, the individual is not able to get proper job or work. This is called unemployment. In short there is no availability of work even if a person is willing to accept it.

Rate of world unemployment (year 1983 to 2018)

Chart No 1

Unemployment Rate in various Countries in the World

Country	Final Year March 2018	Previous Year March 2017	Highest Rate	Lowest Rate	Unit
Spain	16.74%	16.55%	26.94%	4.4%	Quarterly
Brazil	13.10%	12.6%	13.7%	6.2%	Monthly
China	3.89%	3.9%	4.3%	3.89%	Quarterly
India	3.52% (Dec.2017)	3.57%	8.3%	3.41%	Annual

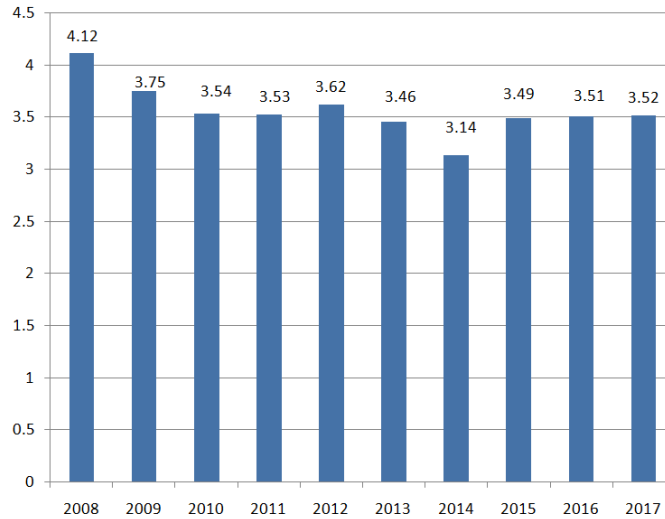
Source:- Trading Economics .com International Labour Organization

The above chart focuses on the unemployment rate in Various countries in the world. It shows the highest and lowest unemployment rate in Spain, Brazil, Italy, Turkey, Australia, Russia, Netherlands, China, India, Germany and Japan during 1983 to 2018. It also shows the highest and lowest unemployment in all these countries in march 2017 and march 2018. Except Turkey & Netherlands the percentage of unemployment in all countries in comparison to march 2017 & mach 2018 is on increase. In India it is increased from 3.51% to 3.52 during the same period.

Unemployment rate in India during 1983 to 2017

Unemployment rate in India in 2016 was 3.51% which increased up to 3.52% in 2018. The average unemployment rate in India during 1983 to 2017 is 4.11%. tn 1983 it was highest as 8.30% and in 2014 it was lowest as 3.41%. The following bar diagram illustrates this more clearly.

Figure No. 1
Unemployment rate in India.



Source:- trading Economics.com International labour organization.

Source:- trading Economics.com International labour organization.

The above bar diagram makes it clear that there is always fluctuation in the percentage of unemployment in India. In 2008 it was 4.12% which gradually decreased upto 3.53% in 2011. In 2012 it shot up to 3.62%. In 2014 the percentage of unemployment was lowest as 3.14%, but after that, in 2015, 2016, 2017 it raised to 3.49%, 3.51%, 3.52% respectively. It is clear that after 2014 the unemployment rate in India is constantly shooting up which results into the wastage of huge manpower.

Rate of unemployment in India from July 2017 to April 2018

a) Scholars have studied the problem of unemployment in India during the period of ten months viz. July 2017 to April 2018. It is clear from the below given chart that during this period there was immense growth in the unemployment.

Chart No. 2
The Rate Of Unemployment in India

No	Month	Rate Of Unemployment
1	July 2017	3.39%
2	October 2017	5.04%
3	December 2017	4.78%
4	January 2018	5.04%
5	February 2018	6.06%
6	March 2018	6.23%
7	April 2018	6.25%

Source: Daily 'Sakal' dated 25th April 2018

From the above chart it is clear that except December 2017, from July 2017 to April 2018 the unemployment rate is continually on remarkable increase. In July 2017 it was 3.39% which went up to 5.04% in October 2017. In December 2017 there was a marginal decrease up to 4.78% but afterwards, from January 2018 to April 2018 it rose up to 5.04%, 6.06%, 6.23% and 6.25% respectively. To conclude, there is enormous growth in the percentage of unemployment from January 2018 to April 2018, and it is escalating since July 2017. It is a grave problem in front of the country.

b) Percentage of unemployment as per the Educational level

Unemployment rate means the ratio of the people who are capable and willing to work but don't get employment to the number of total population. The chart No.3 denotes rate of unemployment in India in relation to age group and educational level.

Chart No. 3
Percentage of Unemployment as per the Age group and Education

Education Level	19 To 29 Years Age		Total
	Male	Female	
Illiterate	4.0	6.2	4.9
Below Primary	4.8	5.8	5.1
Primary	5.5	8.0	6.2
Secondary/ Higher Secondary	9.2	17.1	10.4
Pre-graduation level certificate courses	21.3	31.3	23.5
Graduation level Diploma	20.9	33.1	23.0
Post graduation level courses	29.7	47.7	34.8
Total	11.3	20.0	13.2

Source: Report given by Indian Labor Department regarding employed and unemployed youths : volume II, 2015-16

The above chart makes it clear that the percentage of unemployment is higher in educated youths. It is more in the youths who have completed higher education. The percentage of unemployment is higher in females in comparison to in males. It is 47.7% in the women who are post graduates. In case of women the problem of unemployment is severe because employment opportunities for women are less in India and the places where these opportunities are available, lack even basic minimum facilities for women.

REASONS OF UNEMPLOYMENT

There are many reason of augmentation of unemployment, out of them the major reasons are listed below-

1) Imbalance in Demand And Supply

When demand of labour is lesser than the supply, when demand and supply of labour is in adverse proportion, problem of unemployment aggravates.

2) Diminishing of Employment Exchange Centers

Employment exchange centers try to coordinate demand and supply of the labour. They try to provide appropriate man power according to the need of the industries. Inappropriat functioning or diminishing of such mediator centers creates unemployment.

3) Drought, Untimely Rains

50% population of India is dependent on agriculture. Due to drought or untimely rains, agriculture comes in problems & those who are dependent on agriculture have to face unemployment.

4) Out dated Education System

There are many flaws in the present Indian education system. It is old and outdated it could not inculcate proper technical, vocational and administrative skills & so increase unemployment even in educated people. It is not possible to inculcate confidence, vocational skill, enterprise skill etc. in the students with such outdated education system.

5) Slow Growth of Small Scale and Cottage Industries

Cottage and small scale industries are labor oriented and could create employment opportunities on large scale. In India growth of such industries is very slow. Even there is less promotion of cottage and small scale industries in government Five Years Plans. This reflects into less employment opportunities and ultimately results into augmentation of unemployment.

6) Deterioration of Business and Trade

India accepted new economic policy in 1991 which emphasizes more on Globalization, Liberalization and Privatization. Because of this Indian trade and business have to face cut throat global challenges, resulting into deterioration of trade and business. This reflects into the growth of percentage of unemployment.

7) Scarcity of Capital

Due to scarcity of capital there is lack of enough investment in various sectors of economy. Because of the wide spread poverty in India, the government gets less revenue in the form of taxes. Obviously government could not invest enough in all sectors. On the other hand, because of stringent rules and conditions & higher taxes foreign investors are not easily willing to invest in India, obviously there is less investment and increasing unemployment.

MEASURES TO REDUCE UNEMPLOYMENT

1) To Increase number of salary earners

Last year prime minister Mr. Narendra Modi made a statement that due to Mudra Yojana, even a small vendor can embark upon a small enterprise. Even though this statement invited a lot of debate, the world Bank is of different opinion. The World Bank mentioned on the Report on Indian Economy that India should try to increase the number of salaried jobs up to extent so that the hands willing to work would get employment.

2) To have desired change in Education System

Indian education system is still the same age old system that was introduced by British government to produce clerks. It is necessary to metamorphose this system and make it more employment oriented. The emphasis must be on technical and vocational skills, so that after completion of the education students would get employment.

3) To change Salary law

Salary law is formed considering the then situation. It is necessary to reform it so as to suit the changing time and make it able to boost employment.

4) To run special Policy on Unemployment

It is necessary to run special policy for reduction of unemployment. This policy should be separate for unemployment in rural and urban areas. Then only it will help to reduce unemployment.

5) To increase facilities given to the workers

It is essential to enhance facilities and emoluments given to the workers. Because of this the workers actual salary will increase and they will live comfortable life.

6) Development of basic infrastructure

Development of basic infrastructure like Irrigation, roads, railway, electricity supply, health services and education encourages development of industries, agriculture and trade and enhance the employment opportunities. So that it is necessary that government should put more emphasis on development of basic infrastructure.

7) Encouragement to Self employment

Unemployment will be reduced if there is increase of self-employment in the country. The country should soften the policy for encouragement to self-employment. It is necessary to provide capital on concessional interest rate, electricity supply, technical and vocational training to the self-employed people.

8) Increase Employment Exchange Centers

Presently there are 965 employment exchanges in India. It is a dyer need to increase the number of employment exchanges, because these exchanges co-ordinate the demand and supply of labor. They provide employment information to the unemployed which results in reduction of unemployment.

SUMMARY

The Problems of unemployment is being grave in India because employment opportunities are less in comparison to availability of labour. As per the labour report of United Nations, because of the less business opportunities in India there is increase in unemployment. The unemployment rate in December 2016 and December 2017 was 3.51 % and 3.52% respectively. From 1983 to December 2017 the average unemployment rate in India was 4.11%. In 1983 it was highest as 8.30% and in 2014 it was lowest as 3.41%. There is remarkable increase in it during the period of ten months viz. from July 2017 to April 2018. In July 2017 it was 3.39% which raised up to 6.25% in April 2018. Furthermore, as per the all educational levels of the age group 18 to 29, the rate of unemployment of women and men in 20.0% and 11.3% respectively. The rate of unemployment of men and women together is 13.2%. It means that in different times zones, as per the different educational levels and gender the figures of unemployment vary and there is increase in it. There are various types of unemployment such as willing, unwilling, temporary, technical, frictional, educational, circular, hidden etc. To reduce rate of unemployment it is necessary to co-ordinate demand of supply of labour, increase number of employment exchanges and salary earners, and reform education system and labour law. The government must employ special policy for unemployed people. There must be enhancement in facilities and emolument provided to the workers. It is also almost necessary to develop basic infrastructure and encourage self-employment. Then only the situation will change.

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