

COMBATING UNEMPLOYMENT: A CHALLENGE TO INCLUSIVE GROWTH

Sarbari Behera

P.G. Department of Public Administration

Utkal University

Bhubaneswar

Odisha, India

Abstract

Today India is reflected as one of important rising economics in the global world. We have an impressive growth rate. The literacy rate is also increased remarkably. But our employment condition remains poor. Educated unemployment situation dominate the roots of sustainable development. We are experiencing inadequate employment opportunities last one and half decades. The critical problem is now creation of productive employment. Employment generation may tackle the problem like poverty and unequal distribution of wealth. It will also strengthen our market economy. In recent days inclusive growth have emerged as an important public policy for national developmental agenda. Employment is an important source of economic security and inclusive growth. Now it is a great challenge to achieve inclusion in social development. Our numbers of working poor are engaged in unorganised sectors. So it needs a serious attention. Appropriate policies and skill development will lead a step towards solving the unemployment issue.

Key Words: Unemployment, Skill development, Inclusive growth, Poverty, Population growth.

Introduction

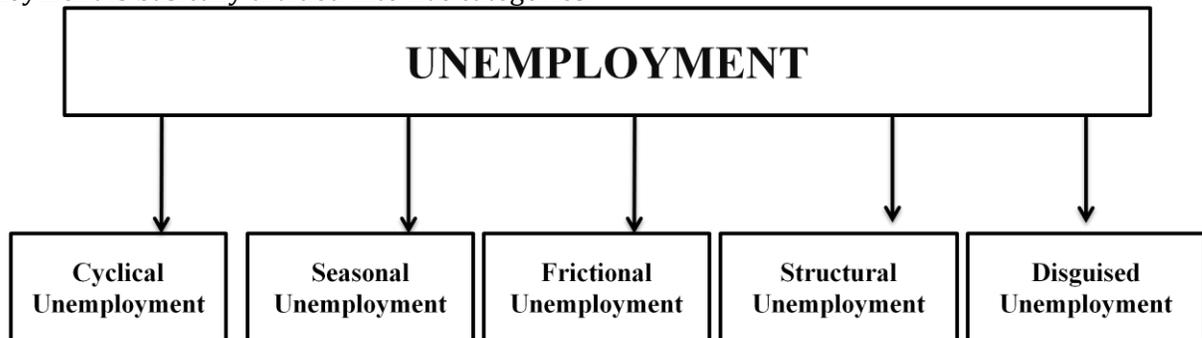
The rise of unemployment in developing countries remains one of the serious issues of sustainable development. It also a central concern in economic breakdown. The world's largest democracy faced the problem of unemployment. Since independence unemployment becomes a dominant feature in India. India is a developing country. Its economy is mainly based on agriculture. After independence the percentage of agriculture is declining. Now a days unemployment is a serious social problem of the country. It is a key factor of economic health of the nation. It determines the standard of economy. Negatively it is a powerful measuring rod which shapes the governmental policies and growth rate of economy. Unemployment may not be a pleasurable result of social view point but economically it becomes an addition to increase efficiency of national economy.

According to ILO, a person is unemployed if she/he is not working, currently available for work and seeking for work. Generally unemployment is a situation in which a person wants to work existing wage rate without any bargaining but he did not get it. Labour is an important factor for developing economy particularly those economics whose development depends on human resource. . Around 900 million adults are unable to earn enough to their family in developing countries. During 1973 to 1983 the rate of unemployment in India excelled from 8.35% to 9.22%. After 1993 it decreased to 6.06%. Again in 2005 the rate of unemployment is increased to 8.28%. Further in 2010 the rate of unemployment growth was 9.09%. About 2million graduates and half million post-graduates are unemployed in India. Unemployment is also increase with the raising

rate of education. The unemployment rate is 3.6% at primary level, 5.02% at matriculation level, 8% at graduate level and 9.03% at post-graduate level. The rate of unemployment is high among the professional degree holders in our country. The engineering graduates are more unemployed than general graduates.

Types of unemployment

The working period population of a country can be divided into two categories; one is employed another is unemployed. Unemployment is an important principle of macro economics. When demand for work falls and the supply of labour force became less unemployment arises. Unemployment is basically divided into five categories.



Cyclical unemployment

According to Keynes, cyclical unemployment occurs when there is a lack of effective demand to attract the aggregate production. That means there is a decline in aggregate demand of production. Due to the natural human tendency scarcity of demand originates. It is only because of saving more and spending less. Basically it occurs in recession period. This type of unemployment is a part of business cycle. It is related to the cyclical variation of economic activities. Cyclical unemployment is one type of full time unemployment. At that time people are not buying the goods and services, workers are laid off.

Seasonal unemployment

This type of unemployment usually found in agricultural sector. Here the production depends upon the weather. It is also a time bound employment sector. Seasonal unemployment is found in both developed and under developed countries. The production is completely seasonal. This is short term unemployment. For example a rice meal, sugar factories etc. But under this phase of unemployment the worker are likely to be reemployed when the planting season starts. Generally under developed countries are suffering from seasonal unemployment. Professionally these sectors are completely seasonal.

Structural unemployment

Structural unemployment occurs due to the mismatch between job seeker and job opportunity. This is also called as technological unemployment. Here the physical capital not matching with the growth of working force. This type of unemployment is mainly affects the under developed countries. The technological advancement required new level of skills. So the unskilled workers are displaced from the existing job. It means the rapid economic growth and changing management techniques may creates unemployment problems.

Frictional unemployment

Frictional unemployment shows due to the temporary nature of the work. Sometimes the people quit one job. They tried to get the next best opportunity. When the workers get more attractive salary and job, they prefer to quit the former work. So it is called as frictional unemployment. The unemployment situation prevails until the new workers find their new employment. This is short term unemployment.

Disguised unemployment

This type of unemployment is concerned with the under developed countries particularly in rural sector. It occurs when so many workers are working out of their task. When 10 workers are needed in a certain workplace, 13 workers are working. The extra 3 workers are working in a disguised form. But naturally they are creating unemployment situation. A UN study showed that many regions of India, Pakistan Indonesia and Philippines the surplus rural workers are more than 10 to 20%. This type of unemployment can be cured by expanding unit of production.

Reason behind increasing unemployment

After independence death rate has declined. The population growth rate has increased highly. As a result the labour force has also increased. With the improvement of education attitude towards employment of the people also changed. In rural areas unemployment increased in a disguised form. The urban areas are reflected with number of educated unemployment. In the developing countries most of the unemployment is structural in nature. Due to mismatch between employee's aspiration and job opens the rate of unemployment increased in accelerating rate. Our educational system is highly responsible to enhance unemployment. We have an education system which invoke and number of executives. It is not designed to develop the human resource. The vocational education is highly introduced in any higher education institutions. Technological advancement is also contributes a large to enhance unemployment. Recession and inflation are the economical cycle which directly responsible to unemployment situation. Rural urban migration is another prominent factor of creating unemployment in India. The family pressure sometimes creates unemployment problems. Our trendy attitude also supplies a helpful reason to increase rate of unemployment. Some other reasons behind unemployment in our country are:-

- Inadequate educational system
- Attitudes towards employers
- Running behind the demanding trend
- Increasing labour force

Effects of increasing unemployment

Unemployment creates a barrier to our socio-economic life. It leads to man in emotional and mental stress. The national economic growth has been reduced. Continuous or long term unemployment drags towards the vicious circle of poverty. It attracts the youth towards criminal activities. Unemployment breaks the peace and harmony of society. The alcoholic and suicidal tendencies became a common factor among the youth.

Distribution of persons by educational classification (in 000) based on Usual Principal Status Approach for the age group 15-29 years. Tab.1

Educational qualification	Employed	Unemployed	Not in labour force
Not literate	440	17	544
Below primary	434	18	548
Primary	478	29	494
Middle/Secondary/ Higher Secondary	305	42	653
Diploma	273	91	636
Graduate & Above	343	159	498

Source: Report on youth employment – unemployment scenario 2012-13

This table shows that how unemployment rate increase with the increasing rate of educational qualification. In all India level youth unemployment rate is estimated to be 13.3%. So it proves that inclusive growth needs all round development of the people. Only educational development is not a solution to inclusive growth of the nation. Qualitative workforce shall be developed.

Average annual long-term growth rates of labour force. Tab.2

Measuring Unit	Year	Rural	Rural	Urban	Urban
		Male	Female	Male	Female
Usual status	1983-2010	1.57	0.86	2.95	2.62
Weekly Status	1983-2010	1.71	1.75	3.05	3.38
Daily status	1983-2010	1.71	1.47	3.07	3.34

Source: Estimation of labour force during the Twelfth Five Year Plan

Efforts to reduce unemployment

India follows the mixed economy model. The private and public sector contributes a lot in increasing unemployment. Our government has also emphasized on youth friendly employment sector. In the Second Five Year Plan employment was treated as goal of national development. It continued in Third and Fourth Plan also. The Fifth Five Year Plan emphasizes to eradicate poverty and unemployment. The Sixth Five Year Plan aimed at reducing under employment and long-term unemployment. The government has taken some measures to eradicate unemployment. Numbers of employment programmes are under taken by the government. The programmes like Integrated Rural Development Programme (IRDP), The National Rural Employment Programme (NREP), The National Scheme of Training Rural Youth for Self Employment (TRYSEM), The Operation Flood Project etc introduced for eradicating unemployment. In Seventh Five Year Plan employment became the core of national development strategy. Several

poverty alleviation programmes are introduced in this plan period. The programmes like Rural Landless Employment Guarantee Programme (RLEGP), Integrated Rural Development Programme (IRDP) are also introduced. The Ninth Plan focused on sectoral and technological development which was labour intensive in nature. So the GDP of the country increased from 5.2% to 6.7% in 1999 to 2000. In the Tenth Plan rate of unemployment increased to 8%. The Eleventh Plan emphasized on inclusive growth of the nation. It ensures rapid growth of qualitative employment. But the targeted growth rate of employment was failed due to ill performance programmes. According to 66th round NSSO report only 18 million of job opportunity could be created in this plan period. So the inclusive growth model of the nation has not been successful. In Twelfth Five Year Plan the government gave priority on manufacture development. It will positively leads to generation of employment. It also focuses on skill development of the human resource.

Major governmental interventions to eradicate unemployment

SGSY - Swarnajayanti Grama Swarozar Yojona is a self employment programme for the rural poors. It has been restructured as the National Rural Livelihood Mission (NRLM), which aims to reducing poverty.

JGSY - Jawahar Grama Samridhi Yojona aims at generating employment for the rural poors. This programme shall be given to Below Poverty Line (BPL) families.

JRY - Jawahar Rozgar Yojona was one of the new wage employment schemes. It also provides employment opportunities to rural poors.

PMRY - Prime Minister Rozgar Yojona was also provides self employment to the educated unemployed youths.

EAS - Employment Assurance Scheme aimed at providing 100 days work to the unskilled labours. This programme was universalised. It was applicable to all the rural poor's of the country.

MGNREGS - Mahatma Gandhi National Rural Employment Guarantee Scheme was introduced in a planned manner. This programme provides a social safety net towards the rural poor's. Under this programme women workers also benefitted. It strengthens the natural resources and increasing workers participation of the disadvantaged groups.

SHGs - Self Help Groups are also emerging as an effective supplement to the women. It is widely accepted as an innovative employment programme. It uplifts the marginalised peoples.

DPAP - Drought Prone Area Programme aims to reducing unemployment at a large. It has proved successfully removal of seasonal unemployment. In the sixth plan DPAP has provided employment opportunity to crores of people.

Small and Cottage Industry has been developed by the government. It increases skill power of the people. So directly it reduces unemployment. The development of cottage industry increase self employment level of the nation. It breaks the continuity of unemployment chain. The male and female both workers may engage in cottage industry. It also will reduce inequality from the society.

Kisan Credit Card - Government has launched credit card to farmers for rapid financial help. It facilities the farmers in short-term agricultural activities. It also results immediate progress in rural credit system.

Sworozgar Credit Card - Due to unhealthy financial condition of people unemployment increases. Under this programme the government provide timely loan for constructive work.

Kaushal Vikas Yojona - It is a central government scheme which would create 5000 skill development centres in national boundary. Our government has set up near about 890 employment exchanges to provide information about vocation of work.

Conclusion

Unemployment needs a serious thought to achieve inclusive growth of the nation. The policy makers of the country must emphasize to eradicate unemployment from the developing society. According to the report of UNESCO, education should design as learning to gain knowledge, learning to live and earn something for livelihood. The skill development is highly needed to eradicate unemployment. Rapid industrialisation may minimize the problem in some extent. The workers should provide integrated counselling for their proper development. Skill development is one of the driving forces of social development. In the era of globalisation improvement of technical skill is very essential. So the training institutes should be upgraded.

Reference

A.Kundu, (2006), "Globalization and the Emerging Urban Structure: Regional Inequality and Population Mobility", India: Social Development Report, Oxford, New Delhi.

Bimal Jalan, (2004), "The Indian Economy: Problems and Prospects", New Delhi.

D. Nayyar, (2006), "Economic Growth in Independent India: Lumbering Elephant or Running Tiger?" Economic and Political Weekly, April 15.

Economy: Problems and Prospects, New Delhi, Viking, Penguin Books India (P) Ltd.

Employment Opportunities, New Delhi, Government of India.

GOI, Report on Employment & Unemployment Survey: (2012-13). Ministry of Labor and Employment. Labour Bureau, Chandigarh.

GOI, Report on Youth Employment & Unemployment Survey: (2012-13). Ministry of Labor and Employment. Labour Bureau, Chandigarh.

Himansu (2007), "Recent Trends in Poverty and Inequality: Some Preliminary Results" Economic unemployment rate and Political Weekly,

<http://www.dif.mp.gov.in/schemes.htm>

Inclusive Growth and Income Inequality in India under Globalisation: Causes, Consequences and Policy Responses, Country Policy Dialogues on Inequality, UNDP Regional Office, (2009), Colombo.

Planning Commission (1956): Second Five Year Plan, New Delhi, Government of India.

Planning Commission (2008), Eleventh Five Year Plan 2007-2012, Government of India, New Delhi.

Planning Commission, (2011), "Data tables – Statistics". www.planningcommission.gov.in

R. Jackman, and S. Roper (1987), "Structural unemployment", Oxford Bulletin of Economics and Statistics, Vol. 49.

S. Ray, And R., Chand, Socio-Economic Dimensions of Unemployment in India, NSSO, New Delhi.

S., Mahendradev, (2002) Employment Guarantee Scheme in Maharashtra: Lessons for Development Policy. Centre for Economic and Social Studies.

Selected Educational Statics, (2007- 08), MHRD, Government of India.

T.S. Papola, (1992), "The Question of Unemployment".

The UN System Task Team on The Post 2015 UN Development Agenda.

V.K. Puri, S.K.Mishra, (2013), "Indian Economy- Its Development Experience", Himalaya Publishing House, Mumbai.