

AN ANALYSIS ON UNEMPLOYMENT IN INDIA: A BURNING ISSUE

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ABSTRACT

The word unemployment belongs to a state in which a respective actively seeks employment but is unsuccessful. It is said to be one of the critical measures of the economy's strength. The unemployment rate is the most generally used method to arbitrate a country's unemployment rate. This can be found by honestly dividing the number of people without jobs by the total population covered in a nation's labor force. National and local governments often effort to offer employment convenience to secure people who meet the acceptability criteria set by them. Commonly, work is availed for groups of particular upon a fixed minimum wage sufficient for bare continuance and provides further chances for them to find permanent jobs. These attempts are made to develop the country's growths and cut down the overall unemployment rate. The rate of unemployment in India has been expanding over the years. The current paper purpose to interpret the element leading to unemployment and its impact on the Indian economy. The study focal point on how employment rate performance a vital role in overall advancement of the economy. The study makes use of secondary data sources and point out on the present outline of unemployment in rural and urban areas. The paper interprets how an increase in population, poverty, illiteracy, inflation and lack of full employment can lead to a downturn in the hike of the economy. The paper deliberate the issue faced by the economy due to high rate of unemployment and prescribe strategies to improve the current status of employment in the country.

Keywords: *Unemployment, Labor, Skill Programmes, Secondary Data, Employment Rate.*

Introduction

Unemployment is a major economic benchmark because it shows the capacity (or incapacity) of healthy, educated, and willing respective to gain a livelihood. People unable to work for several reasons such as retirement, disability, pursuing higher study, etc. are excluded from this. The higher the country's unemployment rate, its economic growth is less productive. Even without employment, people still manage a steady utilization of resources. Voluntary unemployment refers to an individual's decision to leave previous employment to look for other forms of work out of their own volition with no outside circumstances. Involuntary unemployment is when an individual loses their job due to several reasons, such as being fired. Their employer is unable to manage employees and now must look for other sustenance. Unemployment can be a dangerous and atrocious life experience—like a serious automobile accident or a messy divorce—whose consequences only someone who has gone through it can fully understand. For unemployed respective and their families, there is the day-to-day financial anxiety of not knowing from where the next paycheck is coming. There are painful adjustments, like watching your savings account diminish, selling a car and buying a cheaper one, or moving to a less expensive place to live. Even when the unemployed person searches a new job, it may pay less than the previous one. For many people, their job is an important part of their self worth. When unemployment separates people from the workforce, it can affect domestic relationships as well as mental and physical health.

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Objectives of the Study

- To study the present Condition of Unemployment in Rural and Urban area.
- 2.To identify the Causes of Unemployment in India.
- To Examine the Government Programmers Unemployment.
- Suggestions and Findings.

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 labor market for supplementing the household income. The distress that most commonly occur in the agricultural sectors leads to lower income and stagnation. The paper shows that the income crisis that gripped farming led to employment growth in rural areas.

Bairagyalndraji (2018) shows that the rate of unemployment was higher among the educated than the uneducated and the rate of unemployment increases with higher education. The paper analyzes the factors responsible for higher rates.

The Indian Scenario

The great population in India has led to a greater need for employment convenience. However, the jobs available are lesser than the number of job-seekers in the country. The low level of education and vocational abilities of the people have further led to an increase in unemployment rate. The society does not receive adequate abutment from the government and poor infrastructural facilities has created a situation of crunch in the economy. As India is a developing nation with a greater number of populations living in the rural areas, people are more dependent on informal jobs that are irregular in nature with many health risks. In the primary level, a low productivity and lack of alternative convenience for agricultural workers makes it crucial for conversion from agricultural to industrial or services sector. A lower investment and incompetent growth of the manufacturing sector also restricts its employment potential. The problem of unemployment leads to lesser rate of growth and expansion in the economy. It increases the level of poverty and malnutrition due to low or no income for the population, thus affecting the health status of the people.

Unemployment Rate in India

Unemployment refers to the share of the labor force that is without work but available for and seeking employment.

- India unemployment rate for 2022 was 8.30%, a 2.32% increase from 2021.
- India unemployment rate for 2021 was 5.98%, a 2.02% decline from 2020.
- India unemployment rate for 2020 was 8.00%, a 2.73% increase from 2019.
- India unemployment rate for 2019 was 5.27%, a 0.06% decline from 2018.
- India unemployment rate for 2018 was **5.33%**, a **0.03% decline** from 2017.

Table 1: Rate of Unemployment in India (in %) till 2022

Year	Unemployment Rate	Annual Change
2015	5.44 %	0.00 %
2016	5.42 %	- 0.01 %
2017	5.36 %	- 0.07 %
2018	5.33 %	- 0.03 %
2019	5.27 %	- 0.06 %
2020	8.00 %	2.73 %
2021	5.98 %	- 2.02 %
2022	8.30 %	2.32 %

Source: Centre for Monitoring Indian Economy (CMIE).Jan 2023

Table 1 Show that Unemployment rate in India rose to 8.30 per cent in December 2022, India unemployment rate for 2022 was **8.30%**, a **2.32% increase** from 2021, the highest in 16 months, according to data from Centre for Monitoring Indian Economy (CMIE).

According to recent CMIE statistics released on 1st January 2023, here is a complete list of the Unemployment Rate in India State-wise in December 2022.

Table 2: Unemployment Rate State Wise: Till December 2022

State	Unemployment Rate (%)
Andhra Pradesh	7.7
Assam	4.7
Bihar	19.1
Chhatisgarh	3.4
Delhi	20.8
Goa	9.9
Gujrat	2.3
Haryana	37.4
Himachal Pradesh	7.6
Jammu & Kashmir	14.8
Jharkhand	18.0
Karnataka	2.5
Kerala	7.4
Madhya Pradesh	3.2
Maharashtra	3.1
Meghalaya	2.7
Odisha	0.9
Puducherry	4.7
Punjab	6.8
Rajasthan	28.5
Sikkim	13.6
Tamil Nadu	4.1
Telangana	4.1
Tripura	14.3
Uttar Pradesh	4.3
Uttarakhand	4.2
West Bengal	5.5

Source: Centre for Monitoring Indian Economy (CMIE) released on 1st January 2023.

Table 2 Show that Highest Unemployment Rate of India since January 2022, the employment rate has grown, reaching a record high of 37.1% in December 2022. With 28.5% in Rajasthan, 20.8% in Delhi, and 37.4% in Haryana, the unemployment rate increased in December 2022, as per the CMIE recent Report.

Table 3: Unemployment Rate Rural and Urban : till December 2022.

Month	India	Urban	Rural
Dec 2022	8.30	10.09	7.44
Nov 2022	8.00	8.96	7.61
Oct 2022	7.92	7.34	8.19
Sep 2022	6.43	7.71	5.83
Aug 2022	8.028	9.57	7.68
July 2022	6.83	8.22	6.17
Jun 2022	7.83	7.32	8.07
May 2022	7.14	8.24	6.63
April 2022	7.83	9.22	7.18
Mar 2022	7.57	8.28	7.24
Feb 2022	8.11	7.57	8.37
Jan 2022	6.56	8.14	5.8

Source: Centre for Monitoring Indian Economy (CMIE) released on 1st January 2023

Table 3 Show that CMIE's Data on Unemployment Rate in India The Centre for Monitoring Indian Economy, a private organization (CMIE), estimates India's unemployment rate in India is around 8.3% at present. It is 10.09% in urban India whereas only 7.44% in rural India. India's daily and monthly unemployment rates are made public by CMIE on 1st January 2023.

Employment Generation Schemes/ Programmes of Government of India

Employment generation coupled with improving employability is the priority of the Government. Accordingly, the Government of India has taken various steps for generating employment in the country. The efforts comprise of various long term schemes/ programmes/ policies for making the country self-reliant and to create employment opportunities. A brief on Employment Generation Schemes/ Employment Promotion Programmes of the Government alongwith their website detail is given below:

Employment Generation Schemes/ Programmes of Government of India

1	Atmanirbhar Bharat Rojgar Yojana (ABRY)	Ministry of Labour and Employment	Aatmanirbhar Bharat Rojgar Yojana (ABRY) was launched with effect from 1 st October, 2020 as part of Atmanirbhar Bharat package 3.0 to incentivize employers for creation of new employment along with social security benefits and restoration of loss of employment during Covid-19 pandemic. The website link for the scheme is https://labour.gov.in/aatmanirbhar-bharat-rojgar-yojana-abry
2	Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)	Ministry of Labour and Employment	Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) was launched with effect from 1.4.2016 to incentivise employers for creation of new employment. The beneficiaries registered upto 31st March, 2019 will continue to receive the benefit for 3 years from the date of registration under the scheme i.e. upto 31st March, 2022. The website link for the scheme is https://pmrpy.gov.in/
3	National Career Service (NCS) Project	Ministry of Labour and Employment	Project for transformation of the National Employment Service to provide a variety of career related services like job matching, career counselling, vocational guidance, information on skill development courses, apprenticeship, internships etc. This project consists of three important components namely - (i) NCS Portal (www.ncs.gov.in); (ii) Model Career Centres; and (iii) Interlinking of Employment Exchanges. The website is https://www.ncs.gov.in/
12	Pradhan Mantri MUDRA Yojana (PMMY)	Ministry of Finance	Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched by the Hon'ble Prime Minister on April 8, 2015 for providing loans up to 10 lakh to the non-corporate, non-farm small/micro enterprises. These loans are classified as MUDRA loans under PMMY. These loans are given by Commercial Banks, RRBs, Small Finance Banks, MFIs and NBFCs. The borrower can approach any of the lending institutions mentioned above or can apply online through this portal www.udyamimitra.in . Under the aegis of PMMY, MUDRA has created three products namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth. The website for the scheme is https://www.mudra.org.in/
13	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	Ministry of Skill Development and Entrepreneurship	Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development and Entrepreneurship (MSDE) implemented by National Skill Development Corporation (NSDC). The objective of this Skill Certification scheme is to enable Indian youth to take up industry relevant skill training that will help them in securing a better livelihood. The details of the scheme is at the website: https://www.pmkvyofficial.org/home-page

14	National Apprenticeship Promotion Scheme (NAPS)	Ministry of Skill Development and Entrepreneurship	National Apprenticeship Promotion Scheme (NAPS) was launched in August 2016 by Government of India to promote the Apprenticeship in the country by providing financial incentives, technology and advocacy support. The scheme has the following two components, viz., (i) Sharing of 25% of prescribed stipend subject to a maximum of Rs. 1500/- per month per apprentice with the employers and (ii) Sharing of basic training cost up to a maximum of Rs. 7,500 per apprentice. The details of the scheme is at website: https://msde.gov.in/en/schemes-initiatives/apprenticeship-training/naps Other details of the scheme is also at website: https://www.apprenticeshipindia.gov.in/
15	Production-Linked Incentive (PLI) Scheme	13 Ministries	Hon'ble Finance Minister, Smt Nirmala Sitharaman has announced an outlay of INR 1.97 Lakh Crores for the Production Linked Incentive (PLI) Schemes across 14 key sectors, to create national manufacturing champions and to create 60 lakh new jobs, and an additional production of 30 lakh crore during next 5 years. The details of the scheme is at website: https://www.investindia.gov.in/production-linked-incentives-schemes-india
16	PM GatiShakti - National Master Plan for multi-modal connectivity	At present 21 Ministries/ Departments are involved.	PM GatiShakti National Master Plan (PMGS-NMP) was launched on 13th October 2021 for providing multimodal connectivity infrastructure to various economic zones. Cabinet Committee on Economic Affairs (CCEA) accorded approval for the implementation of PM GatiShakti National Master Plan on 21st October 2021. PM GatiShakti is a transformative approach for economic growth and sustainable development. The approach is driven by 7 engines, namely, Railways, Roads, Ports, Waterways, Airports, Mass Transport and Logistics Infrastructure. The details is at website: https://dpiit.gov.in/logistics-division

Source: https://dge.gov.in/dge/schemes_programmes (Directorate General of Employment (DGE) Ministry of Labour and Employment .

Recommendations and Suggestions

The following are the suggestions made in order to reduce the problem of unemployment in India and to improve the status of workers:

- By providing competent skill-based and vocational drill unemployed youth can achieve jobs in industrial and services sector.
- An increased investment from the government and diversification in the agricultural sector will not only develop productivity but also helps to diminish unemployment.
- Labour- intensive technology has to be alienated by the formal and informal sectors in order to increase employment convenience in both rural and urban areas.
- An expanded and frequent growth in services sector can create greater employment convenience for highly-skilled workers and improve the standard of life in the society.
- Enhancement in education and health care services boost human capital formation and provides more employment convenience to the public.
- On-the Job training and employment subsidies can be provided to the present employees to improve their current skills and to increase job satisfaction and reduce shift from one job to another.

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