



## **A Descriptive Study on Unemployment Scenario in India**

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### **Abstract :**

This paper aims to analyse the problem of unemployment and socio-economic impoverishment in India. Poverty in India is a remarkable problem that hinders the growth of our nation. It leads to other issues like unemployment, low education, malnutrition etc. Indian society is confronting with the problem of unemployment. The unemployment problem is a global phenomenon and ILO predicts that in India the rise in unemployment in coming years. Due to demographic dividend, the increase in the share of youth people is considered as an indicator of future economic growth. But in India, harnessing these resources is a big issue. The youth challenge is regarded as the most serious in the 21<sup>st</sup> century's economic growth. Although the Government is concerned about creating job opportunities for youth but these initiatives are not sufficient for India. This paper also recommends some measures to overcome the current situation of poverty and unemployment in India.

**Keywords :** Unemployment, Demographic dividend, economic growth poverty, youth people

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### **Introduction :**

Unemployment has been a crucial and major issue from a long time in India. Unemployment is described as a situation in which an individual is actively looking for a job but not able to find work. Unemployment can be broadly divided into two categories i.e., voluntary and involuntary unemployment. In case of voluntary unemployment, a person refuses to work in low payment and searching for better opportunity. But involuntary unemployment occurs where a person is willing to find work in the prevailing wage rate but unable to find work. One of the immediate causes of unemployment is the absence of suitable jobs for all people, mainly full-time jobs. Increase in population is another noticeable factor which leads to unemployment in India. Different factors affect the economic growth and unemployment in any country. In general, when the economic growth rate of a country increases, then it is expected that the opportunity of employment will rise and the rate of unemployment will decrease. This paper analyses the trends of unemployment in the current scenario in India and there are various measures which are helpful for the measurement of unemployment, weekly status unemployment, current daily status unemployment etc.

**Review of Literature :**

Rubee Singh (2018) has mentioned that the problem of unemployment leads to economic loss and also some social issues such as poverty, violence against women on the workplace, acid attacks etc. The percentage of population in India is 17.5 percent of the world, according to 2011 India Census (ILO Report 2005).

Hassan and Nassar (2015) have determined that unemployment rate is negatively related to economic growth. As unemployment rate increases, the growth and development of the economy falls.

Indrajit Bairagya (2015) has identified that the unemployment rate is high among uneducated people than educated people. In India, NSSO gives the definitional difference between the proportion unemployed and unemployment rate.

**Objectives :**

- To study the current scenario of unemployment in India.
- To analyse the causes of unemployment in India.
- To study about the relationship between economic growth and unemployment rate in India.
- To analyse the causes of unemployment in India.

**Methodology :**

The information are collected from secondary sources such as journal, magazines, books and research papers etc. The data related to population are assembled from National Sample Survey Office (NSSO) and census of India.

**Current scenario of unemployment rate in india :**

Every nation has been dealing with the issue of unemployment. India is one of those nations. India's rapid population growth and work market structure have made unemployment as a serious problem among the general public and politicians. The unemployment rate of India has been historically high and it is predicted to increase in the next years. The Organization for Economic Cooperation and Development (OECD) estimates that India's jobless rate will increase from 4 percent to 8 percent by 2022. From a 6% unemployment rate in India in 2017, this rate would increase to 8.3% by 2022. According to this measurement, 10 million more people will join in the unemployed ranks over next four years. Government also predicts that although there will be 1 million job vacancies over the period, but it won't be sufficient to prevent the population expansion.

**The Statewise unemployment rate in india , 2022**

STATES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
ANDHRA PRADESH	6.2	7.1	9.2	5.3	4.4	4.5	5.8	6	4.8
ASSAM	8.5	10.2	7.7	1.2	8.2	17.2	3.7	NA	0.4
BIHAR	13.3	13.9	14.4	21.1	13.3	14	18.8	12.8	11.4

CHHATTISGARH	3	1.7	0.6	0.6	0.8	1.2	0.8	0.4	0.1
DELHI	14.1	9.3	8.9	11.2	13.6	10.2	8.9	8.2	9.6
GOA	11.6	12	12.7	15.5	13.4	5.5	13.7	13.7	10.9
GUJARAT	1.2	2.5	1.8	1.6	2.1	3	2.2	2.6	1.6
HARYANA	23.4	30.9	26.5	34.5	24.6	30.5	26.9	37.3	22.9
HIMACHAL PRADESH	13.8	11.8	11.7	0.2	9.6	10.7	6.3	7.3	9.2
INDIA	6.6	8.1	7.6	7.8	7.1	7.8	6.8	8.3	6.4
JAMMU & KASHMIR	15.2	13.2	25	15.6	18.3	17.2	20.2	32.8	23.2
JHARKHAND	8.9	15	14.5	14.2	13.1	12.1	14	17.3	12.2
KARNATAKA	2.9	2	1.8	2.7	4.3	3.7	3.5	3.5	3.8
KERALA	5	5	6.7	5.8	5.8	5.3	4.9	6.1	6.4
MADHYA PRADESH	3	2.8	1.6	1.6	1.7	0.5	1.9	2.6	0.9
MAHARASHTRA	4.2	4.3	4	3.1	4.2	4.8	3.7	2.2	4
MEGHALAYA	1.5	1.4	2	2.2	4.1	2.3	1.5	2	2.3
ODISHA	1.8	1	9.7	1.5	2.6	1.2	0.9	2.6	2.9
PUDUCHERRY	7.8	3.7	4.2	5.6	5.6	0.8	2.8	5.2	7.3
PUNJAB	9.3	9	6.9	7.2	9.2	8.5	7.7	7.4	7
RAJASTHAN	18.9	32.4	24.5	28.8	22.2	29.9	19.6	31.4	23.8
SIKKIM	NA	NA	NA	8.7	7.5	12.7	6.5	NA	NA
TAMILNADU	5.3	3.2	4.1	3.2	3.1	2.1	3	7.2	4.1
TELANGANA	0.7	12.9	6.5	9.9	9.4	10	5.8	6.9	8.3
TRIPURA	17.1	9.8	14.1	14.6	17.4	9.4	13	16.3	17
UTTAR PRDESH	3	2.7	4.4	2.9	3.1	2.8	3.3	3.9	4
UTTARAKHAND	3.5	4.6	3.5	5.3	2.9	8.7	NA	NA	0.5
WEST BENGAL	6.4	6.3	5.6	6.2	5.8	5.2	6.3	7.4	3.3

**Types of Unemployment :**

The term unemployment implies to a situation where an individual searches for employment but unable to find jobs. More unemployed workers refer to less economic production. On the basis of the characteristics and environment, unemployment can be classified under following types –

**Seasonal Unemployment :**

Here, people are unable to find work during some months of the year. Seasonal unemployment is when an individual who work in seasonal activities become unemployed when the demand for labour falls. This commonly occurs when a specific period ends or a new period begins. The seasonal unemployment is prevalent in those business which are inhabited with periodic manufacturing activities.

**Frictional Unemployment :**

Frictional unemployment is a nature of permanent feature subsisting every type of economy in respect of people shifting employments and areas. This type of unemployment reflects the

characteristics of voluntary unemployment. Here, a person is voluntarily searching a new job or new career opportunity. It reflects the gap between an individual voluntarily leaving a job and finding another better job.

**Structural unemployment :**

Structural unemployment occurs where there is mismatch between the skills having by the unemployed people and the availability of jobs in the market. It is a long-lasting condition which is caused by structural and fundamental changes in the economy. The factors mainly related to structural unemployment are innovation, government policy, technology etc.

**Cyclical Unemployment :**

It arises due to depression or recession phase of business cycle and disappears when the economy begins to recover and go ahead to a Period of boom. It is temporary in nature and during recession, the rate of cyclical unemployment is high.

**Disguised unemployment :**

It implies a situation where more than needed people are engaged the work or job. Here, marginal productivity tends to be zero and the total production does not effect it some people are withdrawn from the workplace. It refers to that part of population which are not employed at full capacity.

**Causes of Unemployment in India :**

Unemployment happens when a person is effectively searching for a job but can't find the work. Unemployment is computed by the unemployment rate, which is expressed as the number of people who are unemployed to the total labour force. The causes of unemployment are explained below –

**Rapid growth population :**

When population of a country increases very rapidly, then the job market cannot provide jobs to many people, thus some people leaving unemployed. As the country's economic activities cannot keep up with the raising population growth, this leads to higher share of being unemployed.

**Inadequate Economic Growth :**

Since the economy of India is underdeveloped so the role of economic growth is not adequate. This growth fails to supply employment opportunities to the rising population. An increasing share of population are unable to find job .

**Migration :**

People migrate from rural to urban areas for better employment opportunities but the urban areas are facing large number of unemployed persons that the urban areas cannot created enough jobs  
To absorb the excess candidates.

**Agriculture is a seasonal occupation :**

India is a agriculture based economy. Most of the people are engaged in agricultural activity. However, agriculture provides employment facility for a large segment of people but

this is only for certain periods of the year. As a result disguised unemployment prevails in the economy.

### **From the perspective of economic growth and unemployment rate in India :**

The empirical evidence indicates that there is a long-run relationship between the unemployment rate and economic growth. This relationship reflects that unemployment rate affects adversely to the economic growth. Unemployment is a significant challenge in developing countries. The high unemployment rate implies that the country has not been using its resources efficiently. If unemployment rates fall, then economic growth increases. So it is desirable for the country to prevent the high unemployment rate. The inverse relation between unemployment rate and economic growth is empirically studied by Okun's law. This law shows that there is a negative and reciprocal correlation between the growth rate i.e., GDP and change in unemployment rate. If unemployment rate falls by 1%, then the real Gross Domestic Product rises by 3% and vice versa. An increase in real GDP leads to a rise in employment opportunity. Since economic growth is the main objective of the government which enhances the quality of living standard and poverty reduction. So, government should adopt various policy measures in order to curb the high unemployment. And again when economic activity of a country is poor, then firms reduce their job opportunity, workforce which leads to an increase in unemployment. In that case, unemployment is countercyclical, implies that unemployment increases when economic activity is low and vice-versa.

### **Unemployment in India after Covid-19 Pandemic :**

The problem of unemployment has become very serious after the COVID-19 pandemic. The urban unemployment rate is higher than the rate of unemployment in rural areas. The decline in unemployment in villages is due to two reasons. Firstly, people migrate to cities from villages. Secondly, the government provided employment to village people through MGNREGS. In India, unemployment hit a high record in December, 2021. In September, the rate of unemployment is 6.9% and in December it became 7.9%. After the COVID-19 pandemic, various bad effects are being seen in different fields. The number of unorganized workers falls by 14.5% in 2020-21 compared to 2019-20. Unemployment has risen in all sectors namely business, jobs and unorganized sectors except in the agriculture sector.

Haryana has the highest unemployment rate in the country counted as 34.1% in December, 2021. Then second highest in Rajasthan i.e., 27.1%. At that same time, Karnataka has the lowest unemployment as 1.4%. The Budget 2022 announced that the next of India is to create 60 lakh jobs in the upcoming 5 years.

### **Conclusion :**

India is a fast growing economy. There are various provisions for the improvement of the unemployment situation. It was considered as a big challenge. The problem of unemployment is severe in India due to growing population and increasing demand for jobs. Unemployment not only affects people but it also hinders the development of a nation. Due to high rate of unemployment various issues are arising in the economy such as increase in crime, low level of living, political turbulence, difficulties with mental health etc. Although the government has adopted measures to control this problem but these efforts have not been successful.

implemented. The government should not be limited with start programmes and policies but also monitor their achievement and accordingly make necessary steps.

From the above study, it is also found that there is a negative relationship between unemployment and economic growth. In order to bring down the issue of unemployment, the focus should be made on boosting the economic development and growth. And the government can be resolved the unemployment problem by imparting education in such a way that people of the country get the necessary skills

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