

Examrace

Competitive Exams Essay: The Scourge of Unemployment

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One of the principal manifestations of and factors contributing to the low levels of living in developing nations is their relatively inadequate or inefficient utilization of labor in developed nations. Underutilization of labor is manifested in two forms. First, it occurs as underemployment those people, both rural and urban workers working less than they could. Underemployment also includes those who are normally working full time but whose productivity so low that they would have a negligible impact on total output. The second form is open unemployment those people who are able and often eager to work but for whom no suitable jobs are available. It is this form of underutilization of labor which is of our concern here.

Open unemployment, often includes skilled workers highly trained in sophisticated technologies within its ambit. This involves a colossal waste of the nation's human resources. On a different plane, such unemployment causes unfathomable trauma and alienation on the person thus affected.

The number of unemployed persons in a developing country depends primarily on the size and age composition of its population. In this context two observations, are of the prime significance. Developing countries like India succeeded in substantially reducing the death rates without bringing about a commensurate reduction in the birth rates but also created high present dependency ratios and rapidly expanding future labor ratios. The second observation relates to the impact of fertility decline. Even if fertility rates were to decline its impact on labor force size and age structure would be visible after a considerable period of time.

Having made these observations we now turn towards the aim of development for developing countries with special reference to India. In developing countries most of the unemployment is structural, here the demand for labor falls short of employment account of agricultural backwardness, underdevelopment of industries and small size of the service sector. Like all other underdeveloped countries, India presently suffers from structural unemployment which exists both in the open and disguised forms.

Apart from structural unemployment the phenomenon of industrial recession in the last couple of decades has also introduced, what is called cyclical unemployment. However, this type of unemployment can be removed by antirecessionary policies and by raising effective demand. Hence, structural unemployment remains our principal ailment. For analytical purposes unemployment in the country may be thought to exist in two forms: Urban and rural. Urban unemployment includes industrial unemployment and educated unemployment while

rural unemployment can be either open or disguised. An important section of rural unemployment in India is seasonal in nature.

Most of the unemployment in urban areas is open and undisguised. Industrial unemployment in urban areas is on the rise despite the phenomenal expansion of the industrial sector during the Plans. The circumstances which led to such an eventuality are many. First, there has been a rapid increase in the economically active population which has far outpaced the growth of economy. Secondly, population in urban areas has grown faster than otherwise warranted because of a large influx of rural migrants. The slow growth of industries has retarded the capacity of urban centers to absorb this surplus labor.

The education system in India continues to churn out lakhs of matriculates and graduates every year. These people have little or no vocational training and they are unfit for any skilful employment. The consequence of this is that they all hanker for white collar jobs and other low paid unskilled jobs. It is not uncommon, therefore, to find graduates and others with still higher qualifications competing for unbecoming jobs. The imperfect education system with its theoretical bias, lack of aptitude, maladjustments between demand and supply of educated workers are some well documented causes of educated unemployment.

Let us now look at some aspects of rural unemployment. Seasonal unemployment in the farm sector is a normal occurrence in India. Indian agriculture being a gamble with monsoons and the existence of a very small proportion of irrigated land ensures that the persons working on unirrigated tracts remain unemployed during the dry months unless they get some employment elsewhere which is very difficult.

A widely acknowledged fact about Indian agriculture is that it is characterized by the existence of considerable amount of surplus labor. In green revolution belt, demand for wage labor has increased and agricultural laborers have had to be brought in to meet this demand.

As already mentioned most of the unemployment in India is structural. Its main causes need a deeper insight.

Evidently, the demographic factor has played a major role in contributing to the rapid growth of labor force in the country since independence. However, in the Indian context social factors affecting the supply of labor are as important as demographic factors. The emergence of educated women has added a new dimension to the supply of labor force. These women have a changed perception of employment and they have come forward in a big way to compete with men for the few jobs available. The breakdown of the Jajmani system of tradition order, upcoming new occupations and the expansion communication and transport facilities have increased the mobility of labor. This has resulted in an exodus from rural dwellings to urban locales thereby expanding the labor supply in urban areas. Evidently, economic development in cities has failed to cope up in providing additional jobs to these new urban entrants. Thus, in a way, at least some unemployment in the cities can be definitely characterized as a spillover of unemployment in the countryside.

The size of employment in any country depends considerably on the level of development. As the country develops a large proportion of workhorse gets absorbed in the secondary and tertiary sectors. This has happened in India too but not at the desired rate because barring a few exceptions the actual rate of growth of national income has fallen short of the targeted rate in all successive Plans.

Moreover, the Indian planners seem to have overlooked the argument that in the early phase of development there exists a real conflict between the objectives of economic growth and employment. Another argument relates to the choice of technology mix. Though no longer very fashionable, the argument rests on the premise that for a labor abundant country like India labor intensive techniques of production should have been employed which has not happened. The situation has been because of stewed administering of factor prices in favor of capital. The distorted factor price. Structure encouraged greater capital absorption at the cost of labor.

As already mentioned the education System in India is also responsible for our predicament. We have been following the Macaulay scheme which makes no attempt at development of human resources. It is structured to provide clerks and lower level executives to the government; And government's needs are limited. Thus, those who receive this kind of education are according to Gunnar Myrdal, not only, inadequately educated but also wrongly educated.

Unemployment has a very high linkage with 1 poverty and income distribution. It not only leads to tremendous economic hardships but also a traumatized individual existence. It reduces the self esteem of the individual and inevitably leads to his alienation from the society. The roots of the current problems of youth unrest, juvenile delinquency and growing crime rates can to a large extent be traced back to the problem of unemployment. As already mentioned unemployment underemployment in the countryside leads to urban migration. This put and immense strain on civic amenities in these areas thereby reinforcing the spirit of despondency and alienation.

The Government is awake toward this scourge on civilization and it has launched various schemes like Jawahar Rozgar Yojana, Nehru Rozgar Yojana, etc. But these Yojanas though necessary because they open direct assault on poverty need to be streamlined and supplanted. Streamlined because these plans have a tendency to overlap, they are manned by unmotivated, uncommitted and corrupt personnel and they do not have a clear line of action, as such they are incapable of rising to the challenge. In any case, they have to be supplemented by a vigorous attack at the root of the disproportionate rise in labor force problem viz. Population explosions. However, even the most effective population control drives will take a long time to overcome the 'population momentum' Therefore in the short run the need of vocationalizing of education and expanding self-employment cannot be overemphasized.