



Mains Practice Question

Q. Define Unemployment and various forms of unemployment and discuss the various reasons for unemployment in India.

14 Sep, 2022 GS Paper 3 Economy

Approach

- Start your answer by giving a brief about Unemployment.
- Discuss various types of unemployment.
- Discuss various reasons for Unemployment in India.
- Conclude your answer by giving a way forward.

Introduction

Unemployment occurs when a person who is actively searching for employment is unable to find work. Unemployment is often used as a measure of the health of the economy.

Main Body

Types of Unemployment in India

- **Disguised Unemployment:** It is a phenomenon wherein more people are employed than actually needed. It is primarily traced in the agricultural and the unorganised sectors of India.
- **Seasonal Unemployment:** It is an unemployment that occurs during certain seasons of the year. Agricultural labourers in India rarely have work throughout the year.
- **Structural Unemployment:** It is a category of unemployment arising from the mismatch between the jobs available in the market and the skills of the available workers in the market.
- **Cyclical Unemployment:** It is a result of the business cycle, where unemployment rises during recessions and declines with economic growth.
- **Technological Unemployment:** It is the loss of jobs due to changes in technology.
- **Frictional Unemployment:** Frictional Unemployment, also called as Search Unemployment, refers to the time lag between the jobs when an individual is searching for a new job or is switching between the jobs.
- **Vulnerable Employment:** This means, people working informally, without proper job contracts and thus sans any legal protection.
 - These persons are deemed 'unemployed' since records of their work are never maintained.
 - It is one of the main types of unemployment in India.

Causes of Unemployment in India

- **Social Factors:** In India the caste system is prevalent. The work is prohibited for specific castes in some areas.
 - In big joint families having a big business, many such persons will be available who do not do any work and depend on the joint income of the family.
- **Rapid Growth of Population:** Constant increase in population has been a big problem in India. It is one of the main causes of unemployment.

- **Dominance of Agriculture:** Still in India nearly half of the workforce is dependent on Agriculture. However, Agriculture is underdeveloped in India. Also, it provides seasonal employment.
- **Fall of Cottage and Small industries:** The industrial development had adverse effects on cottage and small industries. The production of cottage industries began to fall and many artisans became unemployed.
- **Immobility of Labour:** Mobility of labour in India is low. Due to attachment to the family, people do not go to far off areas for jobs. Factors like language, religion, and climate are also responsible for low mobility.
- **Defects in Education System:** Jobs in the capitalist world have become highly specialized but India's education system does not provide the right training and needed for these jobs. Thus, many people who are willing to work become unemployed due to lack of skills.

Way Forward

- **Promoting Labour Intensive Industries:** There are a number of labour intensive manufacturing sectors in India such as food processing, leather and footwear, wood manufacturers and furniture, textiles and apparel and garments.
 - Special packages, individually designed for each industry, are needed to create jobs.
- **Decentralization of Industries:** Decentralisation of Industrial activities is necessary so that people of every region get employment. Development of the rural areas will help mitigate the migration of the rural people to the urban areas thus decreasing the pressure on the urban area jobs.
- **Drafting National Employment Policy:** There is a need for a National Employment Policy (NEP) that would encompass a set of multidimensional interventions covering a whole range of social and economic issues affecting many policy spheres and not just the areas of labour and employment.

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