

## **ANALYSIS OF CAUSE OF UNEMPLOYMENT IN CURRENT MARKET SCENARIO**

**Dr Sachchidanand Yadav**

PhD in Economics, LNMU Darbhanga & Assistant Teacher, D S Higher Secondary School,  
Sukhasan-Manhara, Madhepura, Bihar

### **Abstract**

This paper examines the cause of unemployment in India in current market scenario. Government is rightly concerned about creating jobs for youth and rising levels of youth unemployment because of not only direct economic costs but also social issues related problems like as poverty, acid attacks, violence against women on her working place, drugs, labour force, inadequate education planning, inappropriate education system, new-liberal economic policy, various causes of poor placements. This paper also suggests some measure to overcome of these burning problems of unemployment. According to ILO & UN Report the present unemployment rate is 3.5 percent in 2017. The paper also suggests and recommends some points to overcome of this current situation of unemployment prevailing in India.

**Keywords-**Youth Unemployment, Unemployment Rate, Skill Development, Joblessness, Literacy etc.

### **I. Introduction**

Unemployment is increasing day by day in India, here every people want to a real job in his life but some person is getting their satisfying jobs. In today time most of companies do not want to spend more time money for training of fresher. It is the main reasons which decrease the development of the country. When all men and women get their job then no any problem will be India. India has second largest population in the world after China. India has 17.5 percent population of the world and 1.21 core people according to Indian Census of 2011 (ILO Report 2005).

## II. Objectives of the Study

- To examine the current scenario of unemployment in India.
- To suggest ways to reduce unemployment.
- To analyze the government initiatives for reducing unemployment

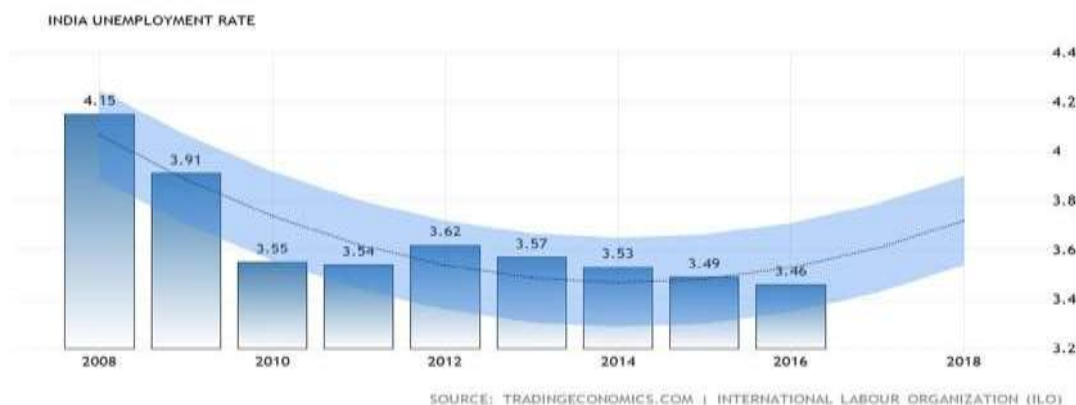
## III. Present Situation of Unemployment in India

In current scenario, India has around 18.3 million unemployed people in 2017 and 18.6 in 2018. It will remain few high in 2019 approx 18.9 comparisons than 2017-18 ILO flagship report 2018. In percentage term unemployment rate is 3.5 in 2018. Labour Minister Mr Santosh Gangawar said in a written in Rajyasabha, on the fears of increase in unemployment in 2018-2019, that no target has been set by the government (ILO Report, 2004;2005).

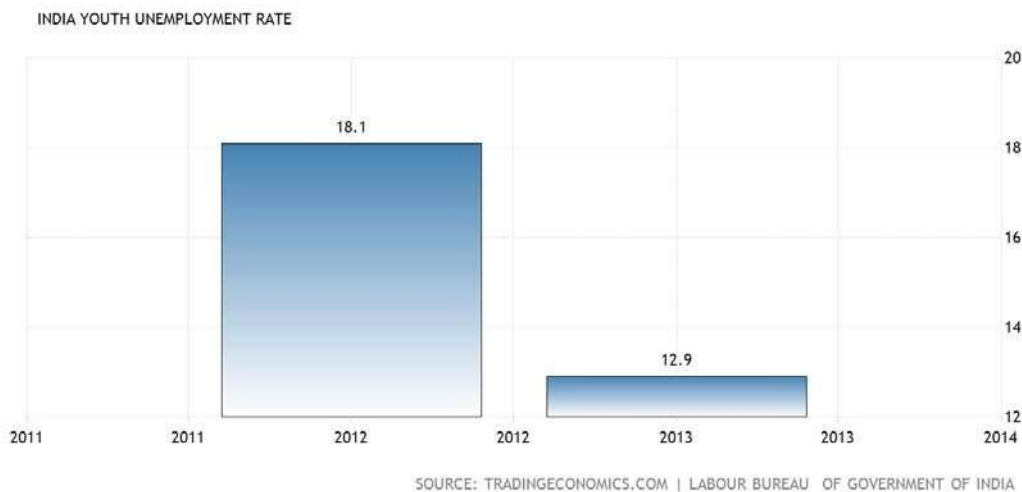
Rural areas have 21.7 % highest unemployment rate comparison than urban areas in India. It is 21.7 per cent at the age of 15 to 29 year in rural and in urban areas 18 per cent. Including 6 UT and 29 states Tripura has the highest unemployment rate and Gujarat has least unemployment. In India, Kerala state has has high qomen unemployment i can say approx 47.4 % compared than men which has approximate (ILO Report, 2004; 2005).

The rates of unemployment in agriculture are falling very rapidly by year to year like as 7.5 % in 2004-2005 and 5.9

% in 2014-2015. In tertiary sector like engineering, medical, laws, rate of employment is higher than primary and secondary sector. Due to fall of agriculture sector most people of rural areas remain unemployed approx 5 month. Manufacturing sector has 20.4 per cent total employment (Chandrasekhar *et al.*, 2006).



**Figure 1:** Unemployment Rate of India in Percentage (%)



**Figure 2:** Youth Unemployment Rate of India

#### IV. Cause of Unemployment

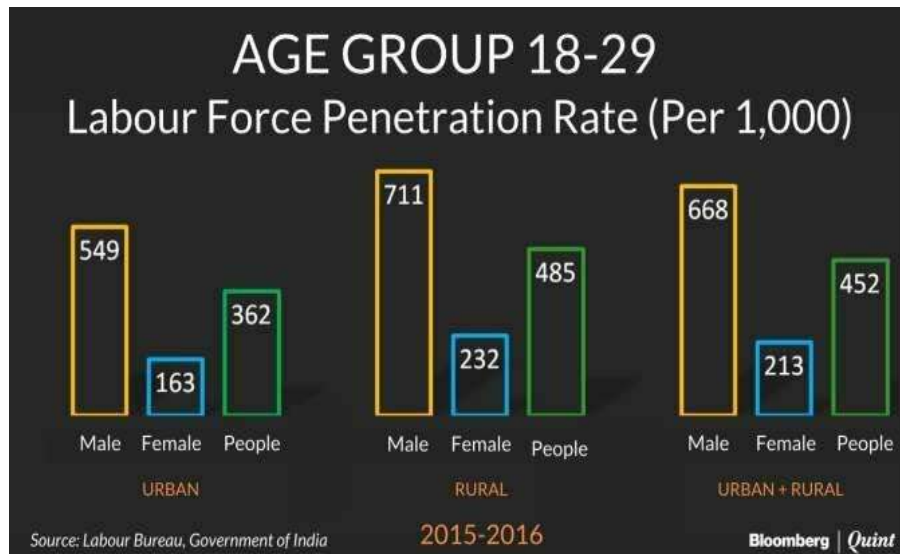
**Population Growth:** Population growth is day by day increasing in India. India has large youth employment and unemployment. In my opinion it is both common in all country in whole worlds but in India most people approximate 68.8 % are belonging from rural areas. And in our defective education system around 70 % students are belonging from villages. Everyone knows that rural areas people having lack of skills, English language, this is main reason of youth employment. Mostly people have not any knowledge about stopping the population. It is affected by the population (Godfrey *et al.*, 2003).

**Educated Youth Employment:** Due to broad knowledge of the educated youth lack of professional skills, training, job search ability. They are not getting the right job after giving the interviews. Most students are not able to design their own resume and to write an application for a particular job (Lam, 2006; GOI, Planning Commission Report, 2010).

**Labour Force Participate Rate:** Labor force participation rate indicates about the percentage of population who are already engaged any kinds of works and those who are ready to works (Huggins,2008).



**Figure 3:** Labour force Participation Rates (LFPRs) in India



**Figure 4:** Labour Force Penetration Rate (LFPR) in India by Age Group (18-29)

**Poverty:** Poverty is also a main reason for unemployment. There are many people poor in this country. So they do not have any sources for the study, that's why they are the backward in the society on the topic of employment (Pasha, 2003; ILO, 2004; 2005; 2006).

**Illiteracy:** In our country most people are uneducated they are main dangerous causes for unemployment. Uneducated people only involve in primary sector in large number and wrong work which very harmful for our society. They are living without the job which is big problem for them (ILO, 2004; 2005; 2006).



**Figure 5:** Work Population Ratio in India by Age Group (Per 1000)

## V. Conclusion and Suggestions

India is a fast growing economy. There are has been enormous improvement in the unemployment scenario the time. It was recognized as a challenge. The wide spread skill development programmers have gained popularity across thenation. With better enforcement of the strategies mentioned above, the employment level can be significantly improved. Unemployment is the grave problem of India. There is lack of work facility among thepeople. The country is not developing just because of the unemployed people. Such system only few people get the job remains becomes unemployed. Hence, there is the major unemployment problem inIndia. It is seen that around 4-5 years back institutions were not allowed to admit students even up to 45 per cent of marks means low grade students are admitted in various professional courses. It become utmost difficult for institutions to develop desired skills up to the level which is required to grab the job in any good industry.

In India, there is all decision should be proper for decrease the unemployment. Government

agencies should ensure for quality of education being provided by institutions. The various policies should merely not to be on papers, these should reflect through results. This may not be possible until unless there is proper and regular watch on institutions. An intermediate or graduation level, there should be a counseling facility for students so that they are in a position to choose the best career option available for students. Parents will also be able to do some justice for willingness of their wards in identifying better suitable education. Instead of forcing for a particular course, parents must try to find the interests and caliber of their wards and must help in choosing the best available option for them. Educated people must follow government good policies which are especially for family planning and control to population. How to reduce the population from the good campaign is given below. Everyone should have the knowledge for being the little family; there is the little family always is the happy family.

Everyone should do the help, who are well settled people; they can help to the unemployed people to start the new business. The Placement activities provided by colleges are not enough. The basic concept of colleges that to be education providers not placement agencies are to be changed in current market scenario. The government has to make the big employment opportunity for everyone. There should be done the big industries in the India for developing the country. Then, it will bring the good work in India. One important thing to build up to investigate passion which is very necessary for all students. But in today time most of our students lack of passion.

## References

- ADB Asian Development Outlook 2008. Asian Workers. *Asian Development Bank, Hongkong*.
- Chamber, R., Lake, A. 2002. Youth Business International: Bridging the gap between Unemployment and Self- employment for Disadvantaged Youth. *ILO Skills Working Geneva: International Labour Organisation*. Paper No. (3).
- Chandrasekhar, C.P., Jayati, G., Roychowdhury, A. 2006. The Demographic Dividend and Young India's Economic Future. *Economic and Political Weekly*, 41(49), 5055-5064.
- Godfrey, M. 2003. Youth Employment Policy in Developing and Transition

Countries – Prevention as Well as Cure.

- *World Bank Social Protection Discussion Washington, DC: The World Bank. Paper No. (320).*
- GOI, 2010. Mid- Term Appraisal of Eleventh Five Year Plan. *Planning Commission, Yojana Bhavan, Government of India.*
- Higgins, N. 2008. Youth Labour Markets in Indonesia. *The Philippines and Thailand, Mimeo, University of Salerno.*
- ILO, 2018. World Employment and Social Outlook 2018: Greening with jobs. [http://www.ilo.org/global/publications/books/WCMS\\_628654/lang-en/index.htm](http://www.ilo.org/global/publications/books/WCMS_628654/lang-en/index.htm), report accessed on 14, March 2018.
- ILO, 2004. Global Employment Trends for Youth, *Geneva: International Labour Office.*
- ILO, 2005. Youth Employment: From a National Challenge to Global Development Goal, Background paper contributed by the *ILO to the G8 Labour and Employment Ministers.*
- ILO, 2006. Global Employment Trends for Youth, *Geneva: International Labour Office.*
- *Labour Ministry Government of India Report, 2018.* [https://labour.gov.in/sites/default/files/ANNUAL\\_REPORT\\_2017-18-ENGLISH.pdf](https://labour.gov.in/sites/default/files/ANNUAL_REPORT_2017-18-ENGLISH.pdf), report accessed on 10 March 2018.
- Lam, D. 2006. The Demography of Youth in Developing Countries and its Economic Implications, World Bank Policy Research Working. *Washington DC: The World Bank. Paper No. (4022).*
- Pasha, H.A., Palanivel, T. 2003. Macro Economics of Poverty Reduction: An Analysis of the Experience in 11
- Asian Countries, Discussion. *UNDP Asia-Pacific Regional Programme on Macro Economics of Poverty Reduction. Paper No. (3).*
- Rao, C.H.H. 2005. Agriculture, Food security, Poverty and Environment. *Oxford*



*University Press, New Delhi.*

- Rosas, G., Giovanna, R. 2005. Guide for the Preparation of National Action Plans on Youth Employment. *Geneva: International Labour Organization.*
- Shetty, S.L. 2003. Credit Flows to Rural Poor (mimeo), Mumbai: *EPW Research Foundation, ILO, New Delhi.*
- Sundaram, K., Tendulkar, S. D. 2004. The Poor in the Indian Labour Force: Scenario in the 1990's. *Economic and Political Weekly*, 39(48), 5125–5132.
- UN Report, 2007. Understanding Youth Issues in Selected Countries in the Asian and Pacific Region. *Economic and Social Commission for Asia and the Pacific, New York: United Nations*, [http://www.youthpolicy.org/wp-content/uploads/library/2007\\_Understanding\\_Youth\\_Issues\\_Asia\\_Pacific\\_Eng.pdf](http://www.youthpolicy.org/wp-content/uploads/library/2007_Understanding_Youth_Issues_Asia_Pacific_Eng.pdf), report accessed on 12, March 2018.
- UN Report 2018. World employment and Social Outlook: Trends 2018. <https://news.un.org/en/story/2018/01/1000901>, report accessed on 10, March 2018.