

UNEMPLOYMENT IN INDIA

INTRODUCTION

Unemployment in India remains a subject of concern since it was first recognized in 1950s. During that period; the Government of India had only few initiatives of employment generation until the first Five Year Plan was drafted in the year 1950-1951. This plan laid the foundation for overall and sectorial development in a medium term prospective for achieving the goal of employment growth and increasing the labour force. For the first time, in the Seventh Five Year Plan (1985-1990), employment was placed at the core of development strategy. In the Ninth Five Year Plan (1997-2002), employment was identified as one of the three important dimensions of state policy with others being quality of life and regional balance. The Eleventh Five Year Plan (2007-2012) mainly focused on 'inclusive' growth and conceived employment as the key element of the same. Thus unemployment has received great importance in the development agenda of India since Independence.

Despite these initiatives, The unemployment rate stood at 8.74 per cent in March, highest since August 2016 when demonetisation happened, CMIE data showed. In August 2016, the unemployment rate was 9.59 per cent. While the unemployment rate was recorded at 9.35 per cent in urban areas, it stood at 8.45 per cent in rural parts of the country, the data showed. In February, it was recorded at 7.78 per cent

CURRENT SCENARIO OF UNEMPLOYMENT IN INDIA

Among the states and Union Territories of India, Gujarat had the lowest unemployment rate of 1.2% followed closely by Karnataka at 1.8%, Maharashtra and Chandigarh at 2.8%, Madhya Pradesh at 2.9% and Telangana at 3.3% while Sikkim had the highest at 15.8%

Labour participation

The labour participation rate fell to 41.9 per cent in March, lowest since January 2016 (when CMIE started with this survey). The employment rate also fell to its worst of 38.24 per cent (lowest since CMIE began the survey). The number of unemployed people who were actively looking for a job was reported at 3.79 crore. This is the highest since October 2016, when 3.85 crore unemployed people were actively looking for a job. The labour force in India in March 2020 stood at 43.3 crore. Meanwhile, the Consumer Pyramids Household Survey was suspended during the week ended March 29 because of the lockdown.

GOVERNMENT INITIATIVES AND POLICY MEASURES

Government of India has taken several policy measures to fight the problem of Unemployment. Some of the measures are as follows:-

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was enacted by the Central Government in 2005, aimed at improving living standards of the rural poor and providing social security to them by giving the adult members of every household at least one hundred days of guaranteed wage employment of unskilled manual work in a financial year. The Act succeeded in generating employment in more than 300 districts since it was launched. In the financial year 2013-14, 3,81,26,455 households provided employment.³ Besides all these achievements there are many issues faced by the government which are related to this scheme. In April 2011, the Central and the State Level revised the policy and concluded that the budget of Rs.40,000 crore could have been utilized more efficiently with effective planning for curbing unemployment. Schedule one of this Act focuses on conservation of natural resources but evidences showed the

destruction of natural resources in some areas where contracting was allowed and machinery were involved. To add on to it, the lack of adequate administration and technical knowhow at Block and Gram Panchayat has adversely affected the preparation of plan, security, appropriate monitoring and measurement of work. With proper implementation of this policy, the rate of employment generation could have been higher as compared to the four fold increase in the budget for this scheme since 2005.