



**A STUDY UNEMPLOYMENT IN INDIA: CONCEPT, TYPES, TRENDS,  
GOVERNMENT INITIATIVES FOR EMPLOYMENT GENERATION**

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**ABSTRACT**

*Unemployment is a very serious issue not only in India but in the entire world. There are hundreds and thousands of people who do not have a job. Besides, unemployment problems are very severe in India due to the growing population and job demand. In a country like India, there are many reasons why a large segment of the population is unemployed. Some of these factors are population growth, slow economic growth, seasonal occupation, slow growth of the economic sector, and decline in cottage industry. India's unemployment rate rose to 10.3% in 2020, according to a periodic labour force survey conducted by the National Statistical Office (NSO). The high unemployment rate comes against the backdrop of the COVID-19 pandemic, which has suspended commercial activities for a long time, leading to people losing their jobs across the country. Data from the Periodic Labour Force Survey shows that the female unemployment rate in urban areas in India was 13.1% in the October-December quarter of 2020, higher than the national average of 10.3%, while the female labour force participation rate was 20.6% compared to the national level at a rate of 47.3%. The problem of unemployment in India has reached a critical stage. But now, the government and local authorities have taken the problem seriously and are working on it to reduce unemployment. Also, to completely solve the problem of unemployment, we have to tackle the main problem of unemployment which is the huge population of India. In this paper an attempt is made to analyse the concept of unemployment in India, various types unemployment in India, the trends of unemployment in India and various initiatives taken by Government of India for creation more employment opportunities.*

**Keywords:** Unemployment, Concept of Unemployment, Types of Unemployment, Trends of Unemployment, Government Initiatives and Schemes for Employment Generation.

**A) Introduction:**

Unemployment is a very serious issue not only in India but in the entire world. There are hundreds and thousands of people who do not have a job. Besides, unemployment problems are very severe in India due to the growing population and job demand. Moreover, if we neglect this problem it will become the cause of the nation's doom. Unemployment refers to a situation where skilled and talented people wanted to do a job. But a suitable job cannot be found for several reasons. We now know what unemployment is but



unemployment does not just mean that a person does not have a job. Similarly, unemployment also includes people who work in areas outside their area of expertise.

The different types of unemployment include disguised unemployment, seasonal unemployment, open unemployment, technological unemployment, and structural unemployment. Besides, some other unemployment is cyclical unemployment, educated unemployment, underemployment, frictional unemployment, chronic unemployment and episodic unemployment. Above all, seasonal unemployment, unemployment and disguised unemployment are the most common unemployment found in India.

In a country like India, there are many reasons why a large segment of the population is unemployed. Some of these factors are population growth, slow economic growth, seasonal occupation, slow growth of the economic sector, and decline in cottage industry. Moreover, these are the main cause of unemployment in India. Also, the situation has become so serious that highly educated people are ready to do sweeping work. Besides, the government is not taking his job seriously. If things continue along the current scenario, unemployment will become a major problem. Apart from this, the following things happen in an economy which are increase in poverty, increase in crime rate, labour exploitation, political instability, mental health and loss of skills. As a result, all of this will eventually lead to the demise of the nation.

### **B) Objectives of Study:**

- 1) To study the concept of unemployment in India.
- 2) To study the various types unemployment in India.
- 3) To understand the trends of unemployment in India.
- 4) To analyse various initiatives taken by Government of India for creation more employment opportunities.

### **C) Hypothesis of Study:**

Unemployment is serious issues facing by youth of India which affecting individual lives as well as nation progress its needs to more efforts for reduced it and create more opportunities of employment.



#### **D) Research Methodology:**

In this paper, “researcher has adopted descriptive study methods and secondary data. The data and information which is used in the paper is drawn from reliable and creditable resources such as related books by various authors, related research papers, various journals and articles on the unemployment in India regarding its concept, types, trends, and various employment generation schemes implemented by Government of India which are available on online and offline” mode.

#### **E) Concept of Unemployment:**

Unemployment is the phenomenon when individuals despite a willingness to work are not able to find work and employment. This can be attributed to a host of other reasons such as poor education and training, Labour demand-supply mismatch, etc. It can turn the demographic dividend of a nation into a demographic burden. Unemployment is a condition in which a person is actively looking for a job and is unable to find work. Unemployment indicates the health of the economy. The unemployment rate is the most common measure of unemployment. The unemployment rate is the number of unemployed persons divided by the employed population or persons employed within the labour force.

$$\text{Unemployment Rate} = (\text{Unemployed} / \text{Total Labour Force}) \times 100$$

The National Sample Survey Organization (NSSO) determines employment and unemployment in the following activity states of an individual. NSSO, an organization under MoSPI - Ministry of Statistics and Program Implementation measures unemployment in India through three approaches:

- **Daily Status Approach:** A person's unemployment status is measured under this approach for each day in a reference week. A person who does not work for pay even for one hour a day is described as being unemployed for that day.
- **Weekly Status Approach:** This approach highlights the record of people who did not have gainful employment or were unemployed for even an hour on any day of the week preceding the survey date.
- **Usual Status Approach:** Gives estimates for those people who have been unemployed or have not had gainful employment for a significant period during a 365-day period.



## **F) Types of Unemployment:**

Unemployment can be classified into different types based on the nature of work, structure of the economy, nature of seasons, technological advancement in the economy, etc. Different types of unemployment are discussed below.

### **Frictional Unemployment:**

It occurs when there is the least amount of unemployment prevailing in the economy due to workers leaving their previous jobs and looking for new ones. One of the main reasons for the occurrence of frictional unemployment is the lack of information about the availability of jobs and the unwillingness to move on the part of the workers (that is, the workers are not willing to travel to a remote location or a new state of employment). A frictional unemployed person remains unemployed for a very short time.

### **Cyclical Unemployment:**

It occurs during the cyclical trends of booms and busts in the business cycle. This type of unemployment mainly occurs due to deficiency or decrease in effective demand from consumers which in turn leads to lower production and lower demand for labour. This type of unemployment occurs for a long period of time and workers remain unemployed during the entire deceleration phase. An example of this is the unemployment crisis caused by the 2008 financial crisis

### **Voluntary unemployment:**

It occurs when workers are not looking for work or moving from one job to another. Voluntary unemployment is present all the time in the economy. As there will always be some workers who have left their previous jobs in search of new ones

### **Involuntary unemployment:**

It is when workers are actively looking for work and are willing to work but are unable to obtain employment. Involuntary unemployment occurs in the economy during a depression and decreases in the total demand for goods and services.

### **Structural Unemployment:**

Refers to a situation that arises as a result of a change in the structure of the economy. For example, when an economy transforms itself from a labour-intensive to a capital-intensive economy, structural unemployment occurs due to skills mismatch. As a result, the workers who do not know how to operate the new and advanced technologies will be removed. This



type of unemployment occurs because existing workers do not have the skills required by their employers.

**Seasonal Unemployment:**

This happens during specific seasons of the year. It is more prevalent in sectors and occupations such as agriculture, tourist resorts, etc., where production activities take place only in some seasons. Therefore, they offer employment opportunities only for a certain period of a year. Persons engaged in seasonal activities may remain unemployed during the off-season

**Open Unemployment:**

It is a state where there is no work for people to do. Also known as naked unemployment. People here are able to work and they are also willing to work but there is no work for them. They are found more frequently in major cities and less frequently in villages. Most of these individuals come from the villages in search of jobs or they may hail from the cities themselves. This work can be seen and calculated in terms of the number of such persons. Hence the term open unemployment.

**Underemployment:**

It is a scenario where the employees contribute to producing less than they are capable of. It can be estimated in terms of time, which shows a shortage of labour or type of work, which is an invisible underemployment. Part-time workers fall into this category.

**Disguised Unemployment:**

It occurs when a person is someone who appears to be working but actually isn't. His/her contribution to the total output is either zero or negligible. When more individuals engage in a job than the number actually required, it leads to a situation of disguised unemployment. It appears mostly in rural areas such as agricultural activities

**Technological Unemployment:**

It is unemployment that occurs as a result of job losses due to changes in technological developments. According to World Bank data, the percentage of jobs threatened by automation in India is 69% year on year.

**G) Trends of Unemployment in India:**

**After independence:**

After independence, the employment issue had different resonances during the different plan periods. In the early years of development planning, unemployment was not expected to



emerge as a major problem. It was assumed that a reasonable rate of growth and labour-intensive sectors would prevent any increase in unemployment and this expectation continued from one five-year plan to another during the fifties and sixties. However, the economy grew at a slower pace (about 3.5% versus a planned rate of 5% annually) and the labour force grew more quickly than the increase in hiring doubled unemployment figures over the period 1956-1972, from about 5 to 10 million and increased the unemployment rate. from 2.6 to 3.8 percent

### **From the 1980s to 2015:**

According to official statistics of the Indian government between the 1980s and mid-2010s, based in part on NSSO data, the unemployment rate in India was around 2.8%. In absolute numbers, according to various Indian governments between 1983 and 2005, the number of unemployed people in India increased steadily from about 7.8 million in 1983 to 12.3 million in 2004-2005. Using the present-day situation definition, India's unemployment rate has increased from "7.3 percent in 1999-2000 to 8.3 percent in 2004-5," according to a World Bank report.

### **2018-2019:**

According to the Pew Research Centre, the vast majority of Indians consider the lack of job opportunities a "very big problem." About 18.6 million Indians were unemployed and another 393.7 million working in poor quality jobs were at risk of displacement. According to the International Labour Organization (ILO) – a United Nations agency, unemployment is on the rise in India and the unemployment rate in the country was 3.5 percent in 2018 and 2019

### **Current Situation**

India's unemployment rate rose to 10.3% in 2020, according to a periodic labour force survey conducted by the National Statistical Office (NSO). The high unemployment rate comes against the backdrop of the COVID-19 pandemic, which has suspended commercial activities for a long time, leading to people losing their jobs across the country. Data from the Periodic Labour Force Survey shows that the female unemployment rate in urban areas in India was 13.1% in the October-December quarter of 2020, higher than the national average of 10.3%, while the female labour force participation rate was 20.6%. compared to the national level. at a rate of 47.3%. Moreover, while 67 percent of all working-age men work, only 9 percent of



all working-age women work. Overall, women face a much higher unemployment rate of 17 percent compared to 6 percent for men.

### **H) Recent Initiatives of Government for Employment Generation:**

Providing job opportunities along with improving employment opportunities in the country including rural areas and small towns is the government's priority. Multipronged strategies are being taken by the government to address issues related to employment opportunities through centrally sponsored schemes. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Deendayal Antyodaya Yojana - National Rural Living Mission (DAY-NRLM), Deendayal Upadhyay- Gramin Kaushalya Yojana (DDU-GKY), Pradhan Mantri Gram Sadak Yojana (PMGS Mission, National Vocational Service (NCS) etc.

Moreover, the Government of India has taken various steps to generate employment opportunities in the country. The Government of India has announced the Aatmanirbhar Bharat Package to provide incentive for business and mitigate the negative impact of Covid 19. Under this package, the government is providing financial incentives of more than Rs. Twenty-seven lakh crores. This package consists of various long-term plans/programs/policies to make the country self-reliant and create job opportunities.

Government launched 125-day Garib Kalyan Rojar Abhiyan (GKRA) on 20 June 2020 to enhance employment and livelihood opportunities for returned migrant workers and similarly affected people including youth in rural areas, in 116 selected districts across 6 states of Bihar, Jharkand, Madhya Pradesh, Odisha and Rajasthan. and Uttar Pradesh. Abhiyaan achieved job generation of Rs. 50.78 crore per day with a total spend of Rs. 39,293 crores.

Aatmanirbhar Bharat RojgarYojana (ABRY) has been launched from 1 October 2020 as part of the Atmanirbhar Bharat 3.0 package to incentivize employers to create new job opportunities along with social security benefits and restore job losses during the COVID-19 pandemic. This scheme, which is being implemented through the Employee Provident Fund Organization (EPFO), seeks to reduce the financial burden on employers and encourages them to hire more workers. The deadline for recipient registration has been extended from 30.06.2021 to 31.03.2022. Rs 3,435 crore benefits have been extended to 46.89 lakh beneficiaries through 1.26 lakh institutions till 29.01.2022.



PM SVANidhi's AtmaNirbhar Nidhi (PM SVANidhi) scheme was launched on 1st June 2020 to provide working capital loans to street vendors, urban vending, to resume their business, which has been adversely affected due to COVID-19. Under this scheme, credit worth Rs. 3054 crore to 30.2 lakh street vendors as on 30.11.2021

Pradhan Mantri Mudra Yojana (PMMY) is implemented by the government to facilitate self-employment. Under PMMY, collateral-free loans amount to Rs. 10 lakh, extended to micro/small business enterprises and individuals to enable them to set up or expand their business activities. Till 21.01.2022, loans worth Rs. 32.12 crore have been sanctioned under the scheme. Production-linked incentive schemes implemented by the government have the potential to create 60 new jobs.

PM Gati Shakti is a transformational approach to economic growth and sustainable development. This approach is driven by seven drivers, namely roads, railways, airports, ports, mass transit, waterways, and logistics infrastructure. This approach is powered by Clean Energy and Subka Prayas which leads to huge job and entrepreneurship opportunities for all.

Government of India encourages several projects involving large investments and public expenditures on schemes such as Prime Minister's Employment Generation Program (PMEGP) of Ministry of Small, Medium and Micro Enterprises, Deen Dayal Antodaya Yojana - National Urban Living Mission (DAY-NULM) Ministry of Housing and urban affairs and others to create jobs.

Besides these initiatives, many of the government's flagship programs such as Make in India, Digital India, Smart City Mission and Atal Mission for urban renewal and transformation, housing for all, infrastructure development and industrial corridors are also geared towards job creation.

## **I) Conclusion:**

Unemployment is a serious problem among young people. There are thousands of people who do not have any work to do and cannot find work for themselves. Unemployment refers to the situation in which a person desires to work but cannot find work in the labour market. One of the major causes contributing to unemployment is the large population in India and the limited resources available. The government has taken the





problem very seriously and has taken measures to slowly reduce unemployment. Some of these schemes include IRDP (Integrated Rural Development Programme), DPAP (Drought Prone Areas Programme), Jawahar Rozgar Yojana, Employment Guarantee Scheme, Labour Exchange, Employment Guarantee Scheme, Organized Sector Development, Small and Home Industries, Employment in Forged States, and Jawahar Gram Samridhi Yojana and a few others. Besides, these schemes also make the government some flexible rules, so that job opportunities can be created in the private sector as well. In conclusion, we can say that the problem of unemployment in India has reached a critical stage. But now, the government and local authorities have taken the problem seriously and are working on it to reduce unemployment. Also, to completely solve the problem of unemployment, we have to tackle the main problem of unemployment which is the huge population of India.

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