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How India can solve the unemployment crisis in India

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The article deals with the problem of the Unemployment crisis in India and how to deal with it. The author tries to cover the various facets such as causes of unemployment, types of unemployment, and the impact of the pandemic on unemployment in India. The paper also suggests some solutions for solving this crisis and leads to the conclusion. This is one of the biggest crisis our country is facing right now as it affects the livelihood of crores of Indians. It is faced on daily basis by all strata of our society. Be it a person holding a degree of Ph.D. or an uneducated one. The rates of unemployment got worse after the pandemic from 7% to 46% percent. The increasing population in the country is one of the leading causes of increasing unemployment and decreasing economy because it increases the competition for resources that are limited in nature.

Keywords: *unemployment, crisis, gdp, pandemic.*

INTRODUCTION

India is a large country consisting of a population of 140 crores of people. This data is based on the latest united nations data “world meter elaboration”. Therefore, the population of India is approximately equal to 17.7% of the world’s total population. There is a theory in the Evolution chapter of Biology known as conflict theory, firstly given by Karl Marx, which says that society will always be in constant Dispute because of competition for limited resources.

Conflict theory says that social order is maintained by domination and power, rather than harmony and Allegiance.¹

Although I may not agree with the need for domination and power, no one can deny the fact that resources are limited. To make it simpler, let's understand with a simple example, "There is a hotel room designed and maintained for the comfort of 2 people. But the room soon gets acquired by 4 people, which creates some imbalance. But the situation becomes unmanageable when the room is acquired by 10 people. Now the situation in India is the same as in this bedroom. In 2020, the crowdedness of the Indian population was a total of about 464.15 occupants per square foot kilometers.² And According to a news published recently, 33% of Indians live in a lesser space than US prisoners live.³

CAUSES

There are several factors responsible for the unemployment crisis in India, but the primary causes are -

1. **Increase in population** - Anticipated to overtake China by 2024, India will perhaps be the most crowded nation for the whole of the 21st- century. And the country's commercial advancement cannot keep up with the growing population⁴, which leads to a larger percentage of society being out of work.
2. **Insubstantial Economic progress** - Indian economy is backward and the role of economic growth is weak. This passive progress fails to provide abundant job opportunities to the rising population. This means that as the number of citizens increases, the economy cannot keep up with requirements for employment and a

¹ Adam Hayes, 'Conflict Theory' (*Investopedia*, 22 June 2022) <<https://www.investopedia.com/terms/c/conflict-theory.asp>> accessed 25 June 2022

² Aaron O'Neill, 'India: Population density from 2010 to 2020' (*Statista*, 9 February 2022) <<https://www.statista.com/statistics/271311/population-density-in-india/#:~:text=In%202020%2C%20the%20population%20density,464.15%20inhabitants%20per%20square%20kilo%20meter>> accessed 25 June 2022

³ Atul Thakur, '33% of Indians live in less space than US prisoners' (*The Times of India*, 25 November 2008) <<https://timesofindia.indiatimes.com/india/33-of-indians-live-in-less-space-than-us-prisoners/articleshow/3753189.cms>> accessed 25 June 2022

⁴ 'India may overtake China as most populous country sooner than UN projections of 2027: Report' (*The Economic Times*, 12 May 2021) <<https://economictimes.indiatimes.com/news/india/india-may-overtake-china-as-most-populous-country-sooner-than-un-projections-of-2027-report/articleshow/82576669.cms>> accessed 25 June 2022

growing share of people are not able to find a job.⁵ The result is unsatisfactory levels of employment in the country.

3. **Lack of proper Education** - Although the Indian Education structure is one of the biggest education structures in the world. It is majorly corrupt and due to that either the cost of education becomes too high for some, or the act of education does not take place. Which affects the future of children as well as of the country.
4. **Patriarchy** - India is a country with the male dominant society. This affects the economy of the country in many ways because women constitute 49% population of India and in 2022, according to World Bank Data, only 9% have contributed to economic output⁶. Rest 40% of women are either in Urban and Rural areas, Educated or Uneducated thriving under the pressure of society.
5. **Caste system** - A social stratification of society is becoming a barrier to increasing economic output because often a certain job is given to a person of higher caste and suffering is caused to lower caste people.
6. **Corruption** - India is a highly corrupt country, and corruption weakens the roots of the nation thus it affects employment, economic growth, education, and everything.

TYPES OF UNEMPLOYMENT IN INDIA

1. **Disguised Unemployment**⁷- This is a type of worklessness where people who are working are more than needed. Disguised worklessness is seldom copied to disorganized areas or agricultural areas.
2. **Structural Unemployment** - This worklessness emerges when there is an imbalance between the employee's talents and the opportunity for jobs in the market. Many people in India do not get work according to their talents or they do not get jobs

⁵ Gaurav Datt & Martin Ravallion, 'Is India's Economic Growth Leaving the Poor Behind?' (*Open Knowledge Repository*, May 2002) <<https://openknowledge.worldbank.org/handle/10986/14798>> accessed 25 June 2022

⁶ Noor Anand Chawla, 'How young India is tackling the unemployment crisis' (*The New Indian Express*, 19 June 2022) <<https://www.newindianexpress.com/magazine/2022/jun/19/how-young-india-is-tackling-the-unemployment-crisis-2466386.html>> accessed 25 June 2022

⁷ 'Unemployment in India' (BYJUS) <<https://byjus.com/govt-exams/unemployment-in-india/#Types-Of-Unemployment-In-India>> accessed 25 June 2022

because of their poor literacy, so it becomes necessary to support them with related practice.

3. **Seasonal Unemployment** - That type of worklessness emerges when people fall short of work during certain periods annually, such as labourers of India hardly have stable work all over the year.
4. **Vulnerable Unemployment** - People are regarded as jobless under this work deprivation. People are holding down a job but casually i.e. without proper job agreement and therefore documentation of their work is never kept in existence. It is one of the major types of worklessness in India.
5. **Technological Unemployment** - the circumstances when people suffer the loss of their work due to development in machinery and technologies. In 2016, The World Bank statistics anticipated that the percentage of jobs at risk by mechanization in India is 69% annually.
6. **Cyclical Unemployment** - Joblessness is caused due to the trade cycle, where the percentage of jobless people increases during an economic decline and decreases with the advancement of the economy. Cyclical joblessness statistics in India are insignificant.
7. **Frictional Unemployment** - This is a circumstance when individuals are jobless for a brief span while looking for new work or while interchanging work. Frictional joblessness is also known as exploring joblessness, it is the interval between the works. Frictional joblessness is reflected as unpaid joblessness because the reason for joblessness is not the scarcity of jobs, but in fact, the workers themselves resign their jobs in search of greater opportunities.

IMPACT OF PANDEMIC ON UNEMPLOYMENT SITUATION IN INDIA

As of the current situation, the unemployment rate has decreased to as it was in last month, which was nearly 7%, which is also approximately the same as the unemployment rate before the pandemic in 2020. During the Covid pandemic, the percentage of households unemployed

reached 46%.⁸ This means almost 64 crores of people lost their jobs, business, and economy. This cost the most damage to the lower strata of society. People working in different cities had to migrate in lockdown. Conditions got worse and it led to starvation and death eventually.

The loss of the economy in India was terrible. Almost all the sectors were adversely affected such as edible stuff and Farming, Air travel and Touristry, media, medicine, Oil, Gas, etc. The country also noted a sharp drop in GDP (24.4%) which was the largest in history. Both prosperity and earnings imbalance has been rising in India. Rough calculations suggest that in 2020, the topmost 1% of the citizens were responsible for 42.5% of the total treasury, while the bottom-most 50% had only 2.5% of the total treasury. After the pandemic, the calculation of poverty-stricken people in India is estimated to have been increased-twofold and the calculation of people in the middle-income category to have decreased by a third.⁹

In the course of India's first severe federal lockdown between April and May 2020, individual salaries decreased by roughly 40%. The lowest grade of households lost three months' earnings. Therefore, we can understand that pandemics affected us dreadfully.

SOLUTIONS FOR THE UNEMPLOYMENT CRISIS

Need for population control - This point was taken forward by Our very own Hon'ble Prime Minister in his speech on Independence Day and guided us to have a deeper understanding of family planning. Once upon a time, we were the foremost nation on the globe to ever adopt a strategy for the rising population. Now is the time to adopt it once again. Excessive inhabitants affect the quality of human life, environment, and economy. In India even today a section of the inhabitants lives below the earnings of 80rs and crores of youngsters don't have a job. The individuals who can't make their ends meet indeed have more children in their families to increase helping hands increase the earnings. But due to limited or no education, they are unable to grasp the point of "Population is inversely proportional to development". And

⁸ Sanyukta Kanwal, 'Impact on unemployment rate due to the coronavirus (COVID-19) lockdown in India from January 2020 to May 2022' (*Statista*, 8 June 2022) <<https://www.statista.com/statistics/1111487/coronavirus-impact-on-unemployment-rate/>> accessed 25 June 2022

⁹ Swati Dhingra & Maitreesh Ghatak, 'How has Covid-19 affected India's economy?' (*Economic Observatory*, 30 June 2021) <<https://www.economicsobservatory.com/how-has-covid-19-affected-indias-economy>> accessed 25 June 2022

because India is a developing country, here the jobs per individual are limited. Due to the rising amount of inhabitants, the competitiveness in the market is rising even for the most unskilled jobs. In this era of the pandemic, millions of people have lost their work. According to the “CMIE”, the rate of underemployed people in the urban areas is approximately 10.07% and in rural areas, it is almost 8.75%. With the rising population, the figures for joblessness are about to rise even more.¹⁰ And don't we see many people in our daily lives, who hold a degree of Ph.D. or M.SC but are still unemployed and sitting at home? This shows the increased level of competition for resources. Therefore, strict measures are needed to be taken by the government toward population stability which will eventually have a positive effect on the unemployment crisis.

Promote “Creating Jobs” Rather than “Seeking Jobs” – This initiative should be taken from the very talented and hard-working young generation of India. Instead of waiting for a job opportunity in the government sector, adapt entrepreneurship for themselves and thus create a company for themselves and job opportunities for others.

Changing of learning system – patterns for education should be entirely changed. Students who have a liking for higher studies should be admitted to colleges and universities. Emphasis should be given to vocational education. Also, a new type of education system could be started simultaneously, in which an individual irrespective of what his/her education is, can learn a skill according to their talent and those diplomas should be enough for a start-up or for seeking jobs.

Women empowerment – Contributing to women's economic and financial empowerment sets a straight path toward gender equality, poverty eradication, and economic growth. Women make enormous contributions to economies, whether in businesses, on farms, as entrepreneurs or employees, or by doing unpaid care work at home.¹¹ But they also remain disproportionately affected by poverty, discrimination, and exploitation. Gender

¹⁰ Ashutosh Verma, 'Population Control: Need and Way Ahead' (*Legal Service India*) <<https://www.legalserviceindia.com/legal/article-7551-population-control-need-and-way-ahead.html#:~:text=Due%20to%20the%20increasing%20number,rural%20area%20it%20is%208.75%25>> accessed 25 June 2022

¹¹ 'Economic empowerment' (*UN Women*) <<https://www.unwomen.org/en/what-we-do/economic-empowerment>> accessed 25 June 2022

discrimination means women often end up in insecure, low-wage jobs, and constitute a small minority of those in senior positions. It curtails access to economic assets such as land and loans. It limits participation in shaping economic and social policies.

Change in Industrial Technique - If labour markets are bendable, then technological change will not cause unemployment. However, if there are labour market inflexibilities, then it can cause unemployment – at least, for a certain period. For example, due to technological change, coal miners may lose their jobs. However, due to occupational and geographical immobility, they may be unable to take new jobs in the service sector. (e.g., a miner may not have skills to work in computers; he may find it hard to relocate).¹² In this case, technological change can cause a temporary increase in unemployment – which will last until the coal miners develop greater skills and the ability to move.

Making of policies concerning seasonal employment - such as in Agriculture and Agro-based industries, steps should be taken to remove it by promoting Multiple Cropping. Plantations, horticulture, dairying, and animal husbandry should be encouraged, and Cottage industries should be encouraged. Utmost importance to Employment Programmes is necessary-The programs like flooding, pavement, fight over control, electricity, farming, and countryside electrification can provide better employment to people.¹³

CONCLUSION

Solving the unemployment crisis is not a one-day job. It will take years to see some growth in this field. Tremendous effort from government and officials is required to work for our country and its people. It was heartbreaking to see people dying and starving due to poor economic conditions. Unemployment increased domestic violence during the pandemic and many developed serious mental illnesses. And if certain measures were not to be taken seriously, in some time all these conditions will be back, and this time without a pandemic. And it is not only the duty of government but all skilled and successful people to help the

¹² 'Technological Unemployment' (*Economics Help*)

<<https://www.economicshelp.org/blog/glossary/technological-unemployment/>> accessed 25 June 2022

¹³ Pooja Mehta, 'Suggestions to Solve Unemployment Problem' (*Economic Discussion*)

<<https://www.economicdiscussion.net/articles/suggestions-to-solve-unemployment-problem/2287>> accessed 25 June 2022

needy ones by creating jobs, or even helping a single person to provide a small job will create a difference.

We all need to fight together towards the unemployment crisis in our country. Working towards employment for the Youth of India will make a major difference in this crisis because these are the ones who are the future of India and study shows that- The young generation in today's India is not likely something we've seen previously. Not only are they conscious of their responsibilities, but they are also especially talented and skilled. Being accomplished makes a person substantially better at their work and also builds trust and confidence in the person, and that is exactly why the country has confidence in this immense talent, this age group is soon to become eye-catching. With immense power to change the fate of the country, this age group has the potential of doing extraordinary work that is sure to bring the country on the pathway to advancement and wealth. This generation is skilled and that is why it is highly advantageous for our country.¹⁴

¹⁴ Nandini, 'Indian Youth Has Immense TALENT' (*Indian Youth*) <<https://www.indianyouth.net/indian-youth-has-immense-talent/>> accessed 25 June 2022