

NATURE AND CAUSES OF UNEMPLOYMENT IN INDIA

Unemployment is one of the major economic and social problems in India. It refers to a situation where people who are willing and able to work at the prevailing wage rate are unable to find suitable employment.

1. NATURE OF UNEMPLOYMENT IN INDIA

The nature of unemployment in India is complex and multidimensional. It exists in both rural and urban areas, and in different forms:

(a) Rural Unemployment

- Most common in villages due to dependence on agriculture.
- It includes **seasonal unemployment** and **disguised unemployment**.

(b) Urban Unemployment

- Found among educated and unskilled laborers in towns and cities.
- Includes **industrial unemployment** and **educated unemployment**.

(c) Open Unemployment

- People are willing to work but are unable to find any job.
- Common among educated youth and rural laborers.

(d) Disguised Unemployment

- More people are employed in a job than actually required.
- Common in agriculture—if some workers are removed, output remains the same.

(e) Seasonal Unemployment

- Employment is available only during certain seasons, especially in agriculture and allied activities.
- During the off-season, people remain jobless.

(f) Educated Unemployment

- Educated people, including graduates and postgraduates, fail to get jobs matching their qualifications.
- A major problem in urban areas.

(g) Structural Unemployment

- Caused due to structural changes in the economy, such as technological advancements or a shift from agriculture to industry.

(h) Cyclical Unemployment

- Arises due to economic slowdowns or recessions.
- Less severe in India compared to developed countries.

(i) Technological Unemployment

- Occurs when machines or automation replace human labor.
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2. CAUSES OF UNEMPLOYMENT IN INDIA

The causes of unemployment in India are both **economic** and **social**:

(a) Rapid Population Growth

- The population is increasing faster than employment opportunities.
- Every year millions of people enter the labor market, creating job pressure.

(b) Dependence on Agriculture

- Agriculture is overburdened and cannot absorb the growing workforce.
- Non-agricultural sectors are not developed enough to provide alternative jobs.

(c) Slow Industrial Growth

- Industrial development has not been fast enough to create sufficient employment opportunities.

(d) Low Economic Development

- The economy grows but not at a pace sufficient to provide jobs to all new entrants in the labor force.

(e) Defective Education System

- Education in India is more theoretical and not skill-oriented.
- There is a mismatch between education and industry requirements.

(f) Lack of Capital and Infrastructure

- Inadequate industrial and infrastructural facilities hinder job creation.

(g) Use of Labor-Saving Technology

- In many industries, machines are used in place of manual labor, leading to technological unemployment.

(h) Seasonal Nature of Work

- Many sectors like agriculture, tourism, and construction provide only seasonal employment.

(i) Lack of Entrepreneurship

- Fewer people take the initiative to start businesses, which reduces job generation.

(j) Underemployment

- Many people work below their potential or in low-paying jobs due to lack of suitable opportunities.

3. CONCLUSION

Unemployment in India is a serious issue that affects economic growth and social stability. To reduce unemployment, India needs:

- Faster industrialization and diversification of the economy,
- Promotion of skill-based education,
- Encouragement of entrepreneurship,
- Development of rural industries, and
- Implementation of employment-oriented government programs like **MGNREGA**, **Skill India**, and **Make in India**.