



Mains Practice Question

Q. Discuss the unemployment scenario of India and what measures can be taken to tackle this unemployment wave. (250 Words)

10 Mar, 2022 GS Paper 3 Economy

Approach

- Introduce by writing the unemployment scenario of India.
- Discuss the reasons for large scale unemployment in India.
- Suggest measures can be taken to tackle this unemployment wave in India.

Introduction

Periodic Labour Force Survey (PLFS) data show an increase in the worker to population ratio (WPR) from 34.7% in 2017-18 to 38.2% in 2019-20. This is a reversal of the previous trend which showed a decline in WPR after 2004-05. The change also implies that employment has increased at a much faster rate than growth in population.

Body

Causes of Unemployment in India

- **Social Factors:** In India the caste system is prevalent. The work is prohibited for specific castes in some areas.
 - In big joint families having big business, many such persons will be available who do not do any work and depend on the joint income of the family.
- **Rapid Growth of Population:** Constant increase in population has been a big problem in India. It is one of the main causes of unemployment.
- **Dominance of Agriculture:** Still in India nearly half of the workforce is dependent on Agriculture. However, Agriculture is underdeveloped in India.
- **Fall of Cottage and Small industries:** The industrial development had adverse effects on cottage and small industries. The production of cottage industries began to fall and many artisans became unemployed.
- **Immobility of Labour:** Mobility of labour in India is low. Due to attachment to the family, people do not go to far off areas for jobs.
 - Factors like language, religion, and climate are also responsible for low mobility.
- **Defects in Education System:** Jobs in the capitalist world have become highly specialised but India's education system does not provide the right training and specialisation needed for these jobs.
 - Thus many people who are willing to work become unemployed due to lack of skills.

Way Forward

- **Rethinking Our Economic Development Models:** The rising share of industry and services in national income without a sizable increase in employment puts a serious question mark on the relevance of conventional models of economic growth and development.
- **Generating Employment in Manufacturing and Services:** There is also an urgent need to generate much more employment in the manufacturing and services sector compared to the number of jobs they have offered in the recent past. This should include:
 - Changes in labour laws which discourage industry to adopt labour-intensive production
 - Employment-linked production incentives
 - Special assistance for labour-intensive economic activities
- **Decentralisation of Industries:** Decentralisation of Industrial activities is necessary so that people of every region get employment.
 - Development of the rural areas will help mitigate the migration of the rural people to the urban areas thus decreasing the pressure on the urban area jobs.
- **More Investments:** The private sector investment rate in India is declining — almost in a linear manner — since 2011. The employment scene will improve only if private investment picks up.
 - The government should also align technical and vocational education and make enduring and long-term investments in human capital through good-quality education, skills, and on-the-job training, as well as in basic social protection.
- **Promoting Labour Intensive Industries:** There are a number of labour intensive manufacturing sectors in India such as food processing, leather and footwear, wood manufacturers and furniture, textiles and apparel and garments.
 - Special packages, individually designed for each industry are needed to create jobs.

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