



YOUTH UNEMPLOYMENT CONDITIONS IN INDIA



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ABSTRACT

Unemployment is a major macroeconomic issue that affects people severely as well as directly. If a person lose his/her job then his/her standard of living reduced and a psychological distress occurs. Unemployment is a major frequent debate that politicians often propose that they will going to reduce it. But India's demographic trend consists of more than 50% of its population in the age group 15 - 59 and 28% in the age group 15 -29. It is expected that India's population by 2020 will consists of more than 65% in working age group.

KEYWORDS: *Unemployment, Skill Development, Working Conditions, Demographic Disaster, Global Youth*

INTRODUCTION

This demographic dividend offers that India can increase its pace in the fast growing world in every sector. But with the pace in increase in population job creation of the youth is a major problem which is faced by both developed and developing countries of the world. Though education level in the recent years has increased but skill development is still a crucial issue. Moreover, poverty, limited access to skill based education, work experience are some of the major factors that lead to unemployment and underemployment. During recession, job freezing is the most common occurrence done by hiring remains high.

This paper mainly focuses on youth unemployment which is considered between the age group 15 - 29.

The available data shows that poverty and low levels of education are the biggest barriers for the decent employment opportunities for the youth. In every country there is large number of unemployed youth and in India according to 2011 census 28% of youth is here. Since the dependency ratio in India declining so the youth unemployment population is 10 per cent for males and 11 per cent for females. The lack of decent employment opportunities forces youth to take up self-employment and low paid contractual jobs with bad working conditions. This is evident from the fact that more than 93% of the workforce is employed in the informal sector. The youth employment has been recognized as a priority agenda of the government and policies are being framed for enhancing their employability.

Table-1, India's Youth Unemployment

2011 Census	0-14 Years	0-19 Years	15-29 Years
Numbers in million	372.4	492.9	333.3
Share	31%	41 %	28%

Source: Census of India 2011



According to International Labour Organization (ILO), nearly 75 million youth are unemployed around the world and global youth unemployment rate is projected at 12.6 per cent. The job crisis also forces the current generation of youth to be less selective about the type of job they are prepared to accept. A large number of youth is now turning to be available for part time jobs or find themselves stuck in temporary employment.

LABOUR FORCE PARTICIPATION RATE

This means the supply of labour in the country. The trend of LFPR in developed economies shows that LFPR for youth declines with development as more and more youth enrol themselves in education. The results shown are in the age groups between 15 - 19, 20 - 24, 25 - 29.

Table-2, Labour Force Participation Rate

Rural Male					
(years)	1993-94	1999-00	2004-05	2009-10	2011-12
15-19	598	532	529	390	333
20-24	902	889	891	813	788
25-29	980	975	982	975	963
All ages	561	540	555	556	553

Rural Female					
(years)	1993-94	1999-00	2004-05	2009-10	2011-12
15-19	371	314	331.00	195	164
20-24	469	425	435.00	314	297
25-29	530	498	530.00	404	369
all	330	302	333.00	265	253

Urban Male					
(years)	1993-94	1999-00	2004-05	2009-10	2011-12
15-19	404	366	381	263	256
20-24	772	755	769	682	664
25-29	958	951	957	947	951
all	542	542	570	559	563

Urban Female					
(years)	1993-94	1999-00	2004-05	2009-10	2011-12
15-19	142	121	144	85	89
20-24	230	191	250	197	197
25-29	248	214	261	222	253
all	164	147	178	146	155

Source: Various Rounds of NSSO Employment and Unemployment Surveys.

From the figures it is seen that male population is much higher in both the rural and urban areas. In the last 20 years, according to UPSS basis the LFPR declines in all both areas. But after 2004-05, the decline is much sharp in the rural areas. The withdraw of rural females is due to insufficient job opportunities or by some social conditions. In urban females, there is a non steady state viz there is a decline in the age group 15 - 19 years and in the age group 20-24 after 2004-05. There is an upward

trend in the age 25-29 years after 2009-10. This shows that there is a steeper decline in rural female workers.

UNEMPLOYMENT TREND AMONG YOUTH

According to NSSO 2011-12, unemployment rate was 2.4 percent and 3.7 percent for males and females respectively among all age groups, while the unemployment rate among the youth (15-29 years) varied between 6.1 percent to 15.6 percent across the different categories.

Table-3, Unemployment trend among Youth

Age Group	1999-2000	2004-05	2009-10	2011-12
Rural Male				
15-19	6.5	7.9	10.0	11.4
20-24	6.2	6.2	6.4	6.9
25-29	3.2	2.3	2.2	2.8
15-29	5.1	5.2	5.5	6.1
Rural Female				
15-19	3.1	6.7	7.4	8.0
20-24	4.9	9.3	8.6	9.9
25-29	2.4	5.2	4.5	5.8
15-29	3.7	7.0	6.5	7.8
Urban Male				
15-19	15.4	14.0	13.2	14.4
20-24	13.9	12.5	10.1	11.6
25-29	7.5	5.8	4.4	5.3
15-29	11.5	10.0	7.9	8.9
Urban Female				
15-19	15.5	15.6	14.3	15.3
20-24	22.6	25.8	21.7	21.9
25-29	11.5	15.8	14.6	10.8
15-29	16.6	19.9	17.2	15.6

Source: NSS Report No.554: Employment and Unemployment Situation in India, 2011-12.

The unemployment rates among different age groups increased significantly. While unemployment rate among the rural male (15-29) increased only marginally by 1 per cent, among rural females it doubled to reach a level of 7.8 per cent. In contrast, in the urban areas, while the unemployment rate of urban males declined by 2.6 per cent that of urban females reduced by 1 per cent. High unemployment rate among females may possibly be due to the family support to remain unemployed for a longer period of time as compared to that of males. High unemployment rate in the initial years (15-19) could

be due to the mismatch between job expectations and availability of jobs. In terms of sectoral participation, the Labour Bureau data suggests that proportion of youth engaged in agriculture was 50 per cent, followed by secondary 20.6 per cent and tertiary 29 per cent in 2012-13. Creation of job opportunities in rural areas would also increase the female labour force participation rate which at present is below 20 per cent due to non-availability of suitable job opportunities in rural areas outside of agriculture. A look at the unemployment rate among the educated youth shows that unemployment rate is high among the educated.

Table-4, Unemployment Rate as per Education level for year 2011-12

General Education Level	Unemployment Rate (15-29 years)			
	Rural		Urban	
	Male	Female	Male	Female
Not literate	2.3	0.8	2.5	1.6
Literate & up to Primary	3.2	0.6	4.8	4.3
Middle school	4.2	4.6	5.1	5.8
Secondary	4.6	8.6	5.5	15.1
Higher Secondary	6.5	13.8	12.0	14.6
Diploma/certificate	15.9	30.0	12.5	17.3
Graduate& above	19.1	29.6	16.3	23.4
All	5.0	4.8	8.1	13.1

General Education Level	Unemployment Rate (15-29 years)			
	Rural		Urban	
	Male	Female	Male	Female
Not literate	0.5	0.2	0.9	0.7
Literate & up to Primary	1.2	0.3	1.9	1.6
Middle school	1.9	2.5	2.2	3.5
Secondary	2.0	6.0	2.3	6.4
Higher Secondary	3.3	8.8	4.6	9.1
Diploma/certificate	8.5	19.7	5.2	10.2
Graduate& above	7.5	18.9	5.3	12.8
All	1.9	10.1	3.1	5.5

Source: NSS Report No.554: Employment and Unemployment Situation in India, 2011-12.

This table shows the unemployment scenario both among the youth and other population. Among the two demographic groups, the trend of unemployment is the same, indicating higher unemployment among the educated that progressively increases with the level of education. Further, educated unemployment among females is higher than the males among both the demographic groups.

PROBLEMS FACED BY YOUTH

Approximately 600 million populations in India are younger than 25 years of age and close to 70% of the total population is less than 40 years of age. Near about 40% of the Indian population is aged between 13 to 35 years that is defined as youth according to the National Youth Policy. Such a huge population of young is not only exceptional in India but also in the World. In case, this demographic dividend is not used properly then it may result in demographic disaster in India. The youth then will not be on right track. Also if we look at the median age

of the country and the average age of our leaders then it is clear that country's median age is 25 years whereas the average age of our cabinet ministers is 65 years. Hence there exists a gap in age which leads to a gap between thoughts. Today's youth are mainly prone to frustration and lack of interest to do something. The reason may be unnecessary burden in the form of competition, unemployment and lack of job skills. Indian Youth at present is also facing acute pressure in every field from getting job to performance at the job.

Concerns for today's youth

- Education: First and the foremost concern of today's youth in India is education. Indian youth demands for better education, employment driven training and brighter future. Youth also want that skill based education and job placement should be a part of every higher institution.

- ii) Job: Youth unemployment in India is on rise. According to the World Development Report 2013, 9% of males and 11% females aged between 15 to 24 years are unemployed. As per data of 2009-10, 9.7% of young men and 18.7% of young women in India were unemployed. At global level, chances of youth being unemployed is three times more than adults. Global financial crisis hit youth first then adult. Also as per NSSO survey, youth unemployment among illiterate is less as compared to educated youth. Because illiterate youth is willing to do all sorts of work whereas educated ones look for jobs in their respective field only. Young graduates suffer the most as far as getting job is concerned.
- iii) Corruption: Today's youth is concerned with the issue of corruption more than anything else and that is why most of the protestors in the recent Anna Hazare's campaign against corruption were the Indian youth. Mr Ratan Tata once said, "The youth of today will need to recognize that they shoulder a great responsibility. They will need to fight for rooting out corruption, for ensuring that no one is above the law and uniting the citizens of India as 'India first' instead of communal or geographic factions". Though fighting against corruption is the responsibility of every citizen but youth by virtue of their nature and energy participate more in this cause. Corruption should be rooted out of country. Youth in India must know what they want and how they want because good and bad co-exist in the society. Today we relate everything related to success in terms of money. But success is more than this. Youth must derive inspiration from their role model and live life with proud.

Creating new jobs is a challenging task and also plays a very important role in the economy of a country. Creating new jobs is a challenging task and also plays a very important role in the economy of a country. Similarly, the unemployment amongst the graduate youth that happened to be at 19.4 per cent in 2011-2012 increased to 32 per cent during 2012-2013. In 2011, the unemployment rate was 3.5 per cent while it was 3.6 per cent in 2012 and rose to 3.7 per cent in 2013. As per a TOI report, "Statewise unemployment figures reveal that while most states have approximately the same proportion of households with some member unemployed

as the national average, some states have much higher rates. These include Jammu & Kashmir with about 48% households having unemployed persons, Bihar (35%), Assam (38%), West Bengal (54%), Jharkhand (42%), Odisha (39%) and Kerala (42%). At the other end, Maharashtra (14%), Gujarat (12%), Andhra Pradesh (18%) Karnataka (14%) and Tamil Nadu (18%) all seem to be doing much better than other states in providing jobs. These are states with high degrees of industrialization and of urbanization."

One out of every three graduates is unemployed in India by report of "Youth Employment-Unemployment scenario, 2012-13, based on a survey of Labour Bureau in Chandigarh.

CHALLENGES FACED BY YOUTH

India is in a situation where there is youth unemployment and industry and service sectors are lacking skilled workers. This mismatch results in unemployment. The training institutes need to educate as per industry's requirements so that demographic dividend can be tapped fruitfully. It is expected that in a decade, 40 per cent of the 15-29 age group will enter the labour force, which needs to be provided with decent employment opportunities. Further, the manufacturing employment in India has not increased to the extent desired. There is also a need to increase formal employment, which presently constitutes about 8 percent of the labour force to circumvent more youth joining low paid sector and remaining working poor. This poses the question: Is India ready for this challenge?

CONCLUSION

Unemployment means waste of resources. Unemployed workers have the potential to contribute to national income but are not doing the right thing. With the pace of increasing number of population as well as youth jobs are not available instantaneous. The government also cannot easily make job available to everyone. Change was the buzzword during the campaigning for 2014 Lok Sabha election. Boosting the job market topped the list of changes Modi promised during his campaigning. Reports have said that five years of Atal Bihari Vajpayee-led Government (between 1999-2004) created 5.4 crore Jobs while the first seven years of Congress-led UPA regime (between 2004-11) could manage to generate merely 1.5 crore job. India needs to create over one million Jobs annually for its unemployed youths while the International Labour Organisation (ILO) stated in its recent report that unemployment rate in

India has been on rise in the recent years. ILO also estimated that India's unemployment rate could be 3.8 per cent in 2014. Unemployment not only has financial impact but also has many social impacts like increase in cases of theft, violence and other criminal activities. And not to forget poverty which is directly linked with unemployment as well as inequality. Job creation is vital for the growth of the economy which means that majority of India's population will be out of poverty.

POLICY IMPLICATIONS

To increase youth employment their quality of education, job training, skills should be increased. However for this more and more non-farm sectors jobs should be created.

- i) Create funding mechanisms and help them in financial education.
- ii) Target tax and business incentives to help young entrepreneurs.
- iii) Planned development by accelerating industrialization, remove deficiency of demand, stabilize domestic investment.
- iv) Providing temporary work for those who have lost employment.

- v) Government Grants should be increased to Public Sector Companies.
- vi) Improving Pay Scales to Reduce Unemployment by Choice.
- vii) Government should allow more foreign companies to open their unit in India, so that more employment opportunities will be available.
- viii) Provide the ecosystem for success.

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