



A Study of Rising Unemployment of Youth in India: Questions and Challenges

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Abstract:

Creating jobs for young people is a major challenge around the world, which has been further exacerbated by the global financial crisis that hit this group hard. In this broader global context, this paper presents a detailed profile of youth employment and unemployment in India, which has the world's largest youth population. Young Indians face major barriers because of poverty and low levels of human capital. Though educational attainment has risen quickly in recent years, gaining a foothold in the labour market remains elusive for many young Indians. In rural and urban areas, young males are usually employed in casual jobs, while their female counterparts tend to be self-employed.

Keywords: Youth employment and unemployment, Barriers, unemployment.

Introduction:

Youth unemployment and underemployment is prevalent around the world because young people lack skills, work experience, job search abilities and the financial resources to find employment. In this regard, governments are rightly concerned about rising levels of youth unemployment and underemployment because of not only the direct economic costs, but also due to the social impact of joblessness as manifested by increased crime, mental health problems, violence, drug taking and social exclusion. Compared to advanced economies, overall rates of unemployment in developing countries are generally lower than observed in developed economies because most individuals cannot support themselves and their families through social protection schemes. However, at the same time, unemployment tends to be higher among youth. In this regard, the open unemployment rate in India, particularly in the age brackets 15-19 and 20-24, is extremely high among both males and females. As witnessed in many developing



countries, the unemployment rate increases with the level of education, which substantiates the fact that youth without education often belong to low income households and hence, cannot afford to remain unemployed for long.

Over the past year, several million have lost their jobs. As a result, as of January 2021, India had only about 400 million employed. At one level this is good news because far more had lost jobs and many seem to have regained employment as the economy has started recovering. But at another level, the 400 million number also underscores the stagnancy in India's employment levels.

In other words, even with India's economy growing, albeit at a decelerating pace, before the Covid crisis, the employment situation was getting worse. That is why the total number of openly unemployed people became 35 million. If over the past 12 months, the total number of employed people has fallen then it stands to reason that the total number of unemployed people will be anywhere between 40 to 45 million today. It must also be kept in mind that each unemployed person is part of a larger family implying millions of families suffering from the lack of employment opportunities.

Questions and Challenges of unemployment of youth in India:

- The reasons for the rise in unemployment are many. One of the main reasons is that the Indian economy is not witnessing a sustained rate of high growth because investment is subdued and the manufacturing sector, which creates the maximum jobs, is growing at a snail's pace.
- The growth of employee count of India Inc. has been the lowest in 2017-18 in the last 3 years.
- In the agricultural sector, young people wanting to leave farming and work in towns and cities are getting more and more disappointed. Around 16 per cent of educated youth are unemployed today.
- India also has mostly poor quality jobs and hence training is needed for people to get better jobs. Skill certification is needed as well as a focused industrial policy and a national employment policy. There is also need to foster domestic competition and protect domestic industries against foreign competition. This is necessary because many of our small scale industries have been destroyed by the



huge influx of Chinese products. The government has to promote vigorous export promotion and undertake some import substitution.

Conclusions:

The human capital is considerate the most important resource both at the level of an economic organization or a country. A category that should be taken into consideration is that of the young population, to whom the society and the state must ensure the basis of a successful start in building a career. India also has mostly poor quality jobs and hence training is needed for people to get better jobs. Skill certification is needed as well as a focused industrial policy and a national employment policy. There is also need to foster domestic competition and protect domestic industries against foreign competition. This is necessary because many of our small scale industries have been destroyed by the huge influx of Chinese products. The government has to promote vigorous export promotion and undertake some import substitution.

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