



## UNEMPLOYMENT - GS III MAINS

**Q.** The education system in India often struggles to provide practical skills and job-oriented training, leading to a gap between education and employment. Examine (15 marks, 250 words)

**News:** *India's unemployment rate in 2023 dropped to 3.1%, shows NSO data*

### What's in the news?

- India's unemployment rate dropped to 3.1 percent in 2023 from 3.6 percent in the preceding year, reflecting continued improvement in the labour markets, revealed the latest employment-unemployment indicators report released by the National Statistical Office (NSO).

### Key takeaways:

- During the calendar year 2023 (CY23), the unemployment rate in both rural and urban areas declined to 2.4 percent and 5.2 percent, respectively, from 2.8 percent and 5.9 percent in 2022.
- The unemployment rate for rural women (1.9 percent) was lower than for rural men (2.7 percent) in 2023, whereas in urban areas, the rate was higher for women (7.5 percent) compared to men (4.4 percent).

### Unemployment:

- It refers to the situation where an individual actively seeking employment is unable to secure a job.

### Causes of Unemployment in India:

#### 1. Population Growth:

- The supply of labour surpasses the available job opportunities, leading to higher unemployment rates.

#### 2. Lack of Skill Development:

- There is often a mismatch between the skills possessed by the workforce and the skills demanded by the industries, resulting in high unemployment rates, particularly among the youth.

#### 3. Slow Industrial Growth:

- Limited investment in industries can lead to fewer job opportunities, exacerbating the existing situation.



#### 4. Agricultural Dependence:

- Overdependence on agriculture, coupled with limited diversification into other sectors, contributes to high unemployment rates.

#### 5. Technological Advancements:

- As technology replaces manual labour, certain jobs become obsolete, leaving workers unemployed.

#### 6. Economic Disparities:

- Some areas lack adequate infrastructure, industries and job opportunities, leading to higher unemployment rates in those regions.

#### 7. Inadequate Education System:

- The education system in India often struggles to provide practical skills and job-oriented training, leading to a gap between education and employment.

#### 8. Informal Sector Dominance:

- A significant portion of employment in India is in the informal sector, which lacks job security, social security benefits and stable income.
- Informal sector workers face uncertain employment prospects, contributing to overall unemployment.

### Impacts of Unemployment in India:

#### 1. Financial Difficulties:

- This leads to a lack of regular income, making it difficult for individuals to meet their basic needs and sustain a decent standard of living.

#### 2. Reduced Purchasing Power:

- It decreases personal purchasing power, as individuals have limited or no income to spend on goods and services.

#### 3. Social Stigma and Psychological Impact:

- It can result in social stigma and a sense of social exclusion. Individuals may face criticism, low self-esteem, and psychological stress due to the inability to find work.

#### 4. Increased Inequality:

- The lack of job opportunities and income disparities can widen the gap between the rich and the poor, leading to social unrest and dissatisfaction.

#### 5. Brain Drain:

- Qualified professionals may seek employment opportunities abroad, causing a loss of skilled workforce and hindering the country's overall development.



## 6. Social Unrest:

- Frustrations arising from a lack of jobs can manifest in protests, strikes, and demonstrations, demanding better employment opportunities and government intervention.

## 7. Economic Burden:

- The government has to bear the burden of providing social welfare programs, unemployment benefits, and job creation initiatives. Additionally the loss of productive human capital hampers economic growth and development.

## Government Initiatives:

### 1. Mahatma Gandhi National Rural Employment Guarantee Scheme:

- Unemployed individuals are guaranteed 100 days of employment in a year

### 2. National Career Service Scheme:

- It includes a web portal called the National Career Service Portal. Job-seekers and employers can use this platform to search for and update job information. It covers both private and contractual job opportunities in the government sector.

### 3. National Rural Employment Programme:

- This helps reduce the disparity in personal finances between rural and urban areas and prevents excessive migration to urban areas, which can strain urban management.

### 4. Deen Dayal Antyodaya Yojana;

- It aims to support the poor by providing them with skills recognized by industries.
- The goal is to alleviate urban and rural poverty by equipping individuals with the necessary skills to find well-paying jobs.

By following a comprehensive approach including skilling of people, better education, increased focus on labor-intensive sectors, etc. India will be able to decrease the unemployment rate substantially. It will contribute to economic and social upliftment and a brighter future for citizens.