



Emerging Trends of Rural Unemployment In India

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Abstract

The nature of unemployment in India differs from the one that prevails in industrially advanced countries. Lord Keynes attributes the cause of unemployment to a deficiency of effective demand. But in India unemployment is mainly due to the shortage of capital, the poor exploitation of natural resources and inadequate employment opportunities. This leads to large number of rural people to be unemployed. In Indian villages more than 80 percent of laborers are engaged in agricultural activities. Most of the rural laborers engaged in non-farm sector work in cottage industries as iron-smith, carpenter etc., and in different types of services. It is estimated that more than two third of rural workers are self-employed; just one-third of the workers work for others. Problem of involuntary unemployment is not much in rural areas. Unemployment creates social unrest in the economy. The people are not able to satisfy their basic needs therefore, they may resort to all sorts of undesirable methods of earning money. Crimes and terrorism may result in society.

Keywords: Unemployment, Rural, Poor, Economy, Social.

Introduction

Today, jobs are a critical concern across the globe. Some 200 million people including 75 million under the age of 25 are unemployed. As per the world development report, worldwide, more than 3 billion people have jobs, but the nature of their jobs varies greatly. Some 1.65 billion have regular wages or salaries. Another 1.5 billion work in farming and small household enterprises, or in casual or seasonal day labour, while 90 million people are working abroad; 115 million children are working in hazardous conditions and 21 million people are victims of forced labour, while 621 million youth are neither working nor studying. Looking forward, over the



next 15 years an additional 600 million new jobs will be needed to absorb burgeoning working-age populations, mainly in Asia and Sub-Saharan Africa. Unemployment means wastages of available resources in a country, which can be used for producing goods and services in an economy. Jobs are the cornerstone of economic and social development. Indeed, development happens through jobs. People work their way out of poverty and hardship through better livelihoods. Economies grow as people get better at what they do, as they move from farms to firms, and as more productive jobs are created and less productive ones disappear. Societies flourish as jobs bring together people from different ethnic and social backgrounds and nurture a sense of opportunity.¹

There has been a general notion since long that the traditional agriculture provides employment to many more persons than is necessary to produce a given level of output. The notion was very strong during the fifties and sixties particularly in India, and it was regarded as an almost established fact that the agricultural sector of developing country like India suffers from large scale disguised unemployment and/ or underemployment, which clearly indicates that the marginal productivity of labour in agriculture is zero or nearly zero. It has been further stated that the problem of disguised unemployment and/ or underemployment in the traditional agricultural sector is the problem of those landless agricultural labourers and small cultivators who are working on small plots, contributing virtually negligible or nothing to output but are sharing in the common joint family pool.

Types of Rural Unemployment

Broadly speaking, rural unemployment may broadly be classified into three categories:

Open unemployment: Open unemployment refers to that situation wherein although the worker is willing to work and he has necessary ability to work yet he does not get work. This type of unemployment is found among agricultural labourers. Agriculture in the Indian context is a seasonal occupation and there is always a heavy demand for labour at the time of sowing, wedding and harvesting whereas in slack season, demand for labour falls considerably.

Seasonal Unemployment: The period of seasonal unemployment in India varies from state to state, depending upon the methods of farming, nature of soil and possibility of multiple cropping. In off season agriculture farmers remain unemployed for four or six months in



a year. Because of illiteracy, poverty and poor health they are unable to avail some alternative employment opportunity during this period.

Concealed or Disguised Unemployment: In concealed unemployment, it is difficult to identify an unemployed person. This type of unemployment is also named disguised unemployment. According to the U. N. Committee of Experts, The disguisedly unemployed are those persons who work on their own account and who are too numerous relatively to resources with which they work, so that if a number of them were withdrawn to work in other sectors of the economy, the total output of the sector from which they were withdrawn would not be diminished even though no significant reorganisation occurred in this sector.²

Educated Rural Unemployment: The problem of unemployment among the educated rural youth is another major area of concern. The spread of education has created many unemployed young persons who are in search of jobs. But there is no job in the labour market for them. This sort of unemployment leads to very tragic consequences. It breeds frustration among some and discontent among others.

Magnitude of Rural Unemployment

Rural problems particularly of educated unemployment are one of the burning problems that India has been facing since a long. Its magnitude has increased in the post reform period. There are wide inter-state variations regarding magnitude of unemployment in India. It is the lopsided educational system, lack of industrialization in rural areas, which are often being cited as main causes of rural unemployment. Even in agriculture, some components of the new technology have resulted in a decreased demand for labour. For example, combined harvesters and tractors, in themselves, have reduced the demand for labour. All these factors have led to an increase in the magnitude of rural unemployment. In India the unemployment is higher among the youth and the educated that are looking for better quality jobs. The unemployment among the age group 15–29 years for both males and females and in urban and rural areas is significantly higher than the average level of unemployment of all persons. Unemployment in India is structural in nature. In other words, productive capacity is inadequate to create a sufficient number of jobs. This is a chronic phenomenon.³

Causes of Rural Unemployment



Rapid urbanization and globalization is changing the composition of employment. More than half the population in developing countries is expected to be living in cities and towns before 2020. As a result, the growth of the non-agricultural labour force will vastly exceed the growth of the agricultural labour force. However, in India, most people are still engaged in agriculture and live in rural areas, so, increasing productivity in agriculture is a priority.

India has a large number of unemployed people. This is true of the rural as well as urban fields. According to the report, Rural Agricultural Commission, Indian Agriculturalists are unemployed for about 6 months in a year. There are various factors responsible for this situation. The factors that responsible for unemployment in the rural areas are:

- ❖ Excessive increase in population or population explosion;
- ❖ Limited land and great pressure on land;
- ❖ Seasonal nature of agriculture;
- ❖ Lack of subsidiary and village industries;
- ❖ Vagaries of monsoon;
- ❖ Use of traditional methods of agriculture;
- ❖ Lack of education and ignorance about scientific and modern means of agriculture;
- ❖ Lack of adequate means of agriculture;
- ❖ Poverty;
- ❖ Faulty system of education;
- ❖ Lack of occupational mobility;
- ❖ Disappearance of traditional occupation;
- ❖ Lack of employment policy;
- ❖ Small holdings and fragmentation of land; and
- ❖ Lack of adequate credit facility to agriculture.

Consequences

Open and disguised unemployment in rural areas leads to wastage of human resources. In the absence of industrial development in rural areas more and more people fall back on agricultural activities, which increases pressure on land; ultimately results in division of agricultural land. This adversely affects productivity of agriculture. The unemployed persons in



rural areas are unproductive consumers. They merely consume without any contribution to production. In the process, they eat away resources, which would have been mobilized for capital formation in rural sector. Absence of employment opportunities in rural sector forces people to migrate to cities in search of jobs. Migratory population crowds the cities. Slums grow rapidly. Environment gets polluted and cities become dens of vices.⁴

Another consequence of rising unemployment is increase in the number of crimes in the rural sector. In the past rural life was mostly peaceful but along with the increase in unemployment, criminal activities have registered a sharp increase and rural peaceful atmosphere has been considerably destroyed. Cases of drug abuse and drug pedaling unknown in the past have also increased. This has further aggravated rural unrest. Unemployment affects the social status, personal life and sentiments of the unemployed person. Loss of social status tends to isolate the unemployed person from the existing contacts. Prolonged unemployment makes unemployed persons either a delinquent or an antisocial. Even temporary unemployment has very serious consequences. It results in suicide, forcing women to immoral traffic and withdrawal from social relationships. This acts upon the morale and social life of the individual, family and community in a very subtle way.⁵

Government Policy towards rural unemployment

In order to reduce rural unemployment, government of India has launched rural development programmes cover employment through the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Pradhan Mantri Gram Sadak Yojana (PMGSY), Integrated Child Development Services (ICDS), National Rural Health Mission (NRHM), the National Rural Livelihoods Mission, housing via the Indira Awaas Yojana and other State schemes and bank support, sanitation through the Total Sanitation Campaign, provision of drinking water via the National Rural Drinking Water Programme, social security through the National Social Assistance Programme, watershed development via the Integrated Watershed Management Programme, road connectivity through the Pradhan Mantri Gram Sadak Yojana, and electrification via the Rajiv Gandhi Grameen Vidyutikaran Yojana. These programmes either deliver benefits directly to the poor and the excluded groups, or increase their ability to access employment and income opportunities generated by the growth process.



Pradhan Mantri Gram Sadak Yojana (PMGSY): The PMGSY has been introduced to improve connectivity between different regions of the country. The main strength of the PMGSY programme has been its ability to develop a strong national focus for rural roads development through the National Rural Roads Development Agency (NRRDA). The NRRDA has developed a common set of operating procedures that are applied nationwide through the dedicated State Rural Roads Development Agencies (SRRDAs) and their Program Implementation Units (PIUs). These operating procedures are set out in a series of PMGSY manuals covering overall operations, technical design, quality control and accounting. There is a systematic planning process in place, which has included the prioritisation of a 1.5 million km core rural road network, of which about 750,000 km are eligible for new connectivity and upgrading under the PMGSY programme.

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS): The most significant rural development initiative of the Eleventh Plan period was the Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA). Over the last six years, MGNREGA has delivered the largest employment programme in human history, which is unlike any other in its scale, architecture and thrust. Its bottom-up, people centred, demand-driven, self-selecting, rights-based design is new and unprecedented. Over the last six years, MGNREGA has generated more than 1,200 crore person days of work at a total expenditure of over Rs.1,66,760 crores

Pradhan Mantri Adarsh Gram Yojana (PMAGY): This centrally sponsored scheme was launched in March 2010 as a pilot scheme for integrated development of 1,000 scheduled caste (SC) majority villages. The scheme is presently being implemented in five states viz. Assam (100 villages), Bihar, Himachal Pradesh, Rajasthan and Tamil Nadu (225 villages each). The objective of the Scheme is to ensure integrated development of the selected 1,000 villages with more than 50 per cent SC population into 'model villages'. Integrated development of selected villages is to be achieved primarily through implementation of existing schemes of the Central and State Governments. Each village covered was provided with Rs.10 lakh as the Central assistance.

Swarnjayanti Gram Swarozgar Yojana (SGSY): The SGSY was launched in 1999 by



restructuring the Integrated Rural Development Program (IRDP). The cornerstone of the SGSY strategy was that the poor need to be organised and their capacities built up systematically so that they can access self-employment opportunities. In the 10 years of implementing SGSY, there is a widespread acceptance in the country of the need for poor to be organised into self-help groups (SHGs) and SHG federations as a prerequisite for their poverty reduction. A major problem identified by the Radhakrishna Committee on Credit Related Issues under SGSY (2009) is that most of the SHGs remain crowded in low productivity, primary sector activities. The success of the programme depended on raising their abilities to diversify into other high productive activities. Even in the better performing state of Andhra Pradesh, the income gain to a swarozgari from enterprise activities under SGSY was a mere Rs.1,228 per month. The small income gain was due to low productive, traditional activities in which they were engaged and due to low absorption of technology. It was in the backdrop of these limitations of the SGSY that the Government of India approved restructuring of SGSY as the National Rural Livelihoods Mission.

National Rural Livelihood Mission (NRLM): Many studies show that the impressive figures on the formation of self-help groups (SHG) under Swarnjayanti Gram Swarozgar Yojana (SGSY) hide a lot of poor quality work. The potential power of the National Rural Livelihoods Mission (NRLM) lies in the economies of scale created by SHG Federations (comprising 150–200 SHGs each). This is evident, for example, in bulk purchase of inputs (seeds, fertilizers and so on) and marketing of outputs (crops, vegetables, milk, and so on). They can also provide larger loans for housing and health facilities to their members by tying up with large service or loan providers. More clusters and federations of women SHGs will be promoted to enable women to operate on a larger scale and avail benefits of aggregation. Women will be provided with information on marketing and business skills including pricing, budgeting, and access to pension and insurance products.

Sampoorna Gramin Rozgar Yojana (SGRY): Sampoorna Gramin Rozgar Yojana is a single wage employment programme. Unlike Jawahar Rozgar Yojana and Employment Assurance Scheme, wherein the benefits would accrue to the people by way of direct transfer benefits through wage payments with some indirect benefits accruing through the creation of



rural infrastructure. Under the SGRY the payment of wages would be partly in food-grains and partly in the form of cash, which would ensure a minimum level of food security for the poor.⁶

Conclusion

Present paper concluded that Unemployment creates social unrest in the economy. The people are not able to satisfy their basic needs therefore, they may resort to all sorts of undesirable methods of earning money. Crimes and terrorism may result in society. In fact for the first time since the Census of 1921 within the last decade, that is, 2001 to 2011 Census, the increase in the urban population has been greater than the increase in the rural population over the decade. This may be because workers migrate from rural to urban but only for temporary periods during the lean season for agriculture and move back during the peak season. Therefore, this workforce is not available for work in manufacturing or modern services due to lack of appropriate skill set. Their migration reflects rural distress, driven by the fact that 84 percent of India's farmers are small and marginal, tilling less than 2.5 acres of land.

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