

Overall the
maharashtra was the
largest employer with



Overall unemployment rate for rural areas according to usual status approach was around 2 per cent (3 per cent for males and 2 per cent for females).

Urban rates were higher than the rural rates except for the CDS approach in which unemployment rates for rural and urban areas were almost equal (nearly 8 per cent). The unemployment rate, obtained by any of the approaches, was higher for females than that for males in the urban areas, but it was lower than that for males in the rural areas. The Registers of Employment Exchanges in India do not, however, give a correct picture of the magnitude of the problem of unemployment because the employment exchanges mainly cover the urban areas. As there are no Employment Exchanges in the rural areas, a precise estimate of the number of the rural unemployed is not available. A large number of people are either fully unemployed or semi-unemployed in rural areas; Landless labourers remain unemployed for most of the year. They get some work only during sowing or harvesting season.

There are also a number of farmers who hold only a small piece of agricultural land. They have no work to do for five to seven months in a year. The result is that such people migrate to big cities in search of employment. According to Economic Census 2005, rural India is far more enterprising than urban areas, as it accounts for 61.3% of the country's industrial units compared to just 38.7% in towns and cities. The Census document, released on June 12, 2006 notes that Tamil Nadu was top in terms of states with highest number of industrial units-44.

5 lakh Unemployment Problem In India while the Maharashtra was the largest employer with 1T 8 crore jobs. Even in average annual growth in employment, rural areas fared better than urban areas with 3-33% and 1 - 68%, respectively. The share of urban and rural area in total employment was 49% and 51 % respectively. Andhra Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal together account for 50% of the total enterprises in the country. The total number of people working in the enterprises is about 98. 97 million, which is more or less equally distributed in rural and urban areas. At the country level, hired workers account for about 52% of the total persons employed. Adult female workers are 19% of the total people employed and the corresponding figures in rural and urban areas are 24 and 14 per cent respectively.

At all India level, average employment per enterprise is 2. 35 and the figures for rural and urban areas are 1. 94 and 2. 99 respectively. The main reason of unemployment is that instead of starting their independent work, people run after Government jobs, especially white-collar jobs.

Even highly trained personnel like engineers, doctors, scientists, etc. face the problem of unemployment. Other causes of unemployment in India are growth in population, lack of vocational education, backwardness of our agriculture, inadequate attention to labour-intensive industries, etc. The problem of unemployment in India can be solved to a large extent by adopting a multi-pronged strategy. First of all, the present system of education should be changed.

Education should be job-oriented. Higher education should be open to talented students only. Other students should be diverted to polytechnics. The number of polytechnics should be increased substantially.

Secondly, the economy of the villages should be developed by setting up small-scale and agro-based industries. Thirdly, the pace of industrialisation of the country should be stepped up to create more jobs. Finally, more and more labour-intensive industries should be set up in the country.

Industrialists, who want to set up such industries, should be given liberal tax benefits and other concessions. Thus the problem of unemployment can be solved by adopting a package of measures. In the beginning of planning in the country the Government did not pay heed to the solution of unemployment problem, but it was given serious attention during the 4th plan. Eighth Five Year Plan allocated Rs.

30, 000 crore for rural development and it was increased to Rs. 42874 crore for the 9th Five Year Plan. 10th Plan also had sufficient allocations for rural development. Much priority has also been laid on rural development in the present 11th plan.

The current employment elasticity in India is 0. 15, which means that even if 100 million new jobs are created by 2020, an additional 170 million will be unemployed, according to India Labour Report 2006. The report points out that in 1999-2000, across all social groups, 85 to 90 per cent of the unemployed were in the age group of 15-29 years in both rural and urban areas.