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PSYCHOLOGY PAPER 6 PROJECT PSYCHOLOGICAL IMPACT OF UNEMPLOYMENT 2011-2012 Chndra Baid ROLL NO. 251 TYBA DECLARATION This is to certify that the project entitled ‘ Psychological impact of unemployment’ which is submitted by me in partial fulfilment of the requirement for the T. Y. B. A. in Organizational Psychology, University of Mumbai, comprises only my work and due acknowledgement has been made in the text to all other material used. 22/12/2011 Chandra Baid ACKNOWLEDGEMENT It would have been impossible to complete this project without the vast and ready resources of the Internet and the constant support of my family and friends And of course, the support from my subject teacher, Ms. A. Lobo through her endless support and suggestions. INDEX INTRODUCTION I had selected the topic ‘ psychological impact of unemployment’ as I could relate to it as most of the people are facing the problems of unemployment due to the economic global crisis which affected most parts of the world three years back. The late 2000 recession is a major global economic problem that showed signs in end of 2007 and spiralled since September 2008. It has affected the entire global economy with certain countries facing more damage than the others. Along with recession comes the major problem of unemployment. Many jobs have been lost worldwide and this has affected millions psychologically and physically. Though improvement has been shown in the employment rates, unemployment still seems to be a great factor in many people’s lives. Organisations have downsized tremendously and many people have been left unemployed and in are bad situations for many years now. This has lead to many people having terrible psychological breakdowns which have ended in violence and suicide. It is therefore very important to study and understand the impact of unemployment and thus my topic is very relevant to today’s present conditions. ABSTRACT DEFINING UNEMPLOYM ENT Unemployment often results from a complex and interwoven set of economic, social, or political forces that are well beyond the reach of the medical practitioner. The health care system as a whole can only respond to the effects of this external pressure. Thus, interest in joblessness as a public health concern has grown rapidly since the mid-1970s, reflecting the widespread and sustained growth in levels of unemployment in most industrialized countries. In reference to psychological effects of involuntary unemployment, the ‘ unemployment’ has various connotations. The lack of employment for individuals who possess the capacity to perform work may meet the most common definition. However, this grouping of individuals cannot be taken in its entirety, as not all individuals capable of work are actively seeking jobs. For example, a 19-year-old college student half-heartedly looking for summer work may be ''unemployed'' in the standard sense of the word but may not suffer the same psychological stress as a mid-level manager who is laid off unexpectedly after many years on the job. Some individuals, particularly in dire economic circumstances, may find themselves “ underemployed" in positions below their capacity or training level. This latter group would not be included as unemployed but may suffer similar stress factors such as inadequate financial compensation, lack of benefits, or loss of prestige. A recent college graduate who has taken an unpaid internship during the day while waiting tables at night may suffer psychological stress that is indistinguishable from that experienced by the unemployed. Defining psychological well-being is difficult as it may mean different things for different people and different situations. Studies of the effects of unemployment on mental health look at behaviors that are thought to demonstrate psychological distress, ranging from emergence of mental disorders and substance abuse to the commission of violent crimes and suicide. Studies also look at less overt indications, and these, too, cover a wide range, from changes in an individual's sense of self-worth to distress severe enough to require psychotropic medication. Standardized interview protocols and questionnaires that are designed to gauge an individual's psychological state are widely used in studies of the unemployment. Unemployment is often used as a measure of the health of an economy. The most frequently cited measure of unemployment is the unemployment rate. This is the number of unemployed persons divided by the number of people in the labour force. History of Unemployment In the period of 1960-1973, unemployment in G4 Europe (France, West Germany, Italy, and UK) was 2. 6%. Reflecting a steady rise in the absolute and percentage numbers of unemployed, G4 Europe posted 9. 4% unemployment between 1990-2000. In the USA unemployment was very high during the 1930’s. It was known as the depression. It ended with the coming of war and by 1943 there was full employment. However in the early 21st century unemployment rose the day Lehman Brothers filed for bankruptcy leading to the domino effect. In India, unemployment has been caused by various factors, distinct in both rural and urban sectors. According to NSSO survey, the overall unemployment rate in rural areas was 7. 3% in 1999-2000, the unemployment in rural areas was 7. 2% and that in urban area was 7. 7%. As it can be seen unemployment has been consistent through the decades and seems to be getting worse with each passing decade. It is therefore important to know the impact and study them in detail.