

# [Youth unemployment: a walk along](https://assignbuster.com/youth-unemployment-a-walk-along/)

The main aim of the essay is to draw your attention to the unemployment problems faced by the youth all over the world and this problem gains recognition as financial crisis engulfs the lives of people, young and old alike. The methodology that I have followed focuses mainly on the hurdles that come across the Indian youth in their journey towards a safe future and how India, as a country dominated by people Below the Poverty Line, faces that extra sniff of trouble at the hands of job cuts and layoffs.

Many issues like –the ever increasing population growth, poverty, illiteracy, lack of exploitation of natural resources, the method of education, teaching and training, the narrow mindsets of the Indian people that makes employment a far cry- are all explored in greater detail and emphasis. The redressal of these grievances also demanded my attention to put forth certain proposals of action like vocational training, employment schemes like NREGA, participation in Indian Defense, flexibility in approach, Youth oriented workshops, youth development banks and retirement age reforms, which are all vital for the sustenance of young India.

The essay has also been peppered with certain key instances and anecdotes plucked out of reality, and this provides a true insight into the face of India that the world knows nothing of. The conclusion that I have recommended is that effective and efficient implementation of revolutionary reforms like the above will certainly be time consuming and may demand a particular degree of focus and a desire for transformation. But if implemented properly, the youth of our nation have the potential to drastically makeover a lusterless India to the “ Incredible India” that we aspire to be.

INTRODUCTION “ The youth of today are the citizens of tomorrow”-this statement has become cliched over the years, and has lost its significance with the passage of time. From time immemorial, the young blood that flows through the veins of a country has been given a priceless value and has been treasured and nurtured. Yet, the transitional strifes that we, as X- gen youth face, are countless and as I speak, there are millions of my Indian siblings roaming about the dusty streets of the overcrowded Mumbai and Delhi, trying to survive the day with a square meal.

As I do my MBA degree, sitting in the comforts of AC cubicles and comfy classrooms, with my mind set upon the day when I become the CEO of World Bank or Bank of America, my less fortunate peers of the slums of Dharavi try to balance their lives amidst the horrendous poverty that consumes them. A BRIEF OVERVIEW OF YOUTH UNEMPLOYMENT “ Youth unemployment” has always been a hot topic and still remains the million dollar term of the day. The unemployment rate all over the world has increased from a meager 8% in 1948 to an all time high of 18. % in 2009 with 4. 4 million youth unemployed. An analysis of the employed persons chart shows that 25% of employed youth i. e)4. 8 million worked in the leisure and hospitality industry, followed by 20%(3. 9 mn)in the retail trade industry, but financially viable sectors like agriculture, wholesale trade, construction, manufacturing, information, mining etc still remain largely unchartered territories as far our generation is concerned. Labor force participation rates for young people have gone down by 4 percentage points between 1993 and 2008.

This is an issue demanding serious and immediate attention as it points out to several factors like 1)The boom in school dropouts2) increase in number of students3) hesitation for the woman population in conservative countries like East Asia and Sub Saharan Africa to participate in the process and finally the most shocking revelation 4)an increasing number of children below the age of 12 being employed in hotel and cracker industries leading to an overall decrease in the youth labour participation rate.

And after the current economic crisis, the global youth unemployment rate has risen from 12. 1% in 2008 to 13. 4% in 2009. Footnote: labor force participation rate: ratio of the labor force-sum of employed and unemployed- over the total working age population. MY COUNTRY OF CONCERN : INDIA India has always been a land of paradoxes. You see the richest man in the world staying in a state-of-the-art mansion in the financial capital, Mumbai, but you also get to witness the poorest of the lot in another corner of the state, ” safely” tucked away under the flyovers and bridges in neat little hovels.

You get to revel in the wonders and luxuries of the high tech silicon valleys in India where the young generation hang out in Barista, with a Christian Dior dangling from their arms and a limo waiting to take them away to a mini Las Vegas for a night of poker, BUT as you wade through the bliss of an IT industry job, you are also forced to empathize with the miseries of the other side of the coin, 60% of unemployed youth, overburdened by the pressures of taking ample care of large families, without even a job at hand. India accommodates 16. % of world population, and has crossed the 1 billion mark according to census in 2001. And one of the nerve wracking figures is that about 192 million young people are unemployed and a much higher number are underemployed. But when we compare India with other nations of recent times, we will definitely be able to heave a sigh of relief as the youth participation rate has relatively decreased in the European Union(-. 4% ps), developed economies, Latin America and the Caribbean(-. 5%ps). Source: ILO , Trends Econometric Models, October 2009.

To comprehend the issue with all its seriousness we need to have a first hand knowledge about the problems starting from the grassroot level and we need to evolve a strategy, though time consuming and relatively difficult to implement, will have a long term impact and have the potential to revolutionize the global workforce. The three vitally essential questions of what , how and why need to be answered at this critical juncture. ISSUES: THE ‘ WHAT’ ASPECT 1) if we are to go systematically , we will be able to trace back the roots of youth unemployment and that basically is poverty.

How can such two issues at extremities converge will be the single most important doubt that crops in our mind. Yet spare it a thought. India has always been touted as the land of the snake charmers and beggars. My nation has always been in the dark looming shadows of poverty and because of this, scores and scores of Indian youth have lost ample opportunities for education, which would otherwise have guaranteed them a sure seat among the blue-collared lot. This factor has proven to be a discouragement for youth, who for the sustenance of their families have been deprived of one of their basic necessities of life. ) Poverty inevitably leads to illiteracy/ignorance. The Government had even implemented a noon meal scheme to help the impoverished youth and motivating them to take up studies and the constitution provides scheme for free education for children below the age of 14. Yet these opportunities are not exploited fully because of societal conditions in India, that makes the rich richer and the poor poorer. 3) Population growth is one vital factor that stems out of illiteracy and ignorance. India is only the second country in the world after China to cross the one billion mark.

This demographic transition has brought in a huge impetus on the unemployment aspects of our country. While the urban youth continue to get jobs in the mushrooming service industry, it is the rural youth in parts of Bihar, Orissa and Bengal who have to face the aftermath of this gargantuan problem. It is in the construction and building industry that several of this youth gets employed as construction workers or in some firecracker industry where they are paid less for more work to be done and that too for menial labor. ) Agricultural sector has taken a total backfoot. Take the case of another developing or almost developed country like China. The mindsets of the people in the two countries are exactly opposites. While India is struggling to achieve a 6% GDP growth, the nation still looks upon agriculture as the GDP provider and not the services or the manufacturing or the banking sectors as providers of the same. The Government budget of 2010 has claimed that unless there is a 9% growth in agriculture, there will be no 8%GDP growth as well.

And for this several reforms have been brought in as well. The four-pronged growth in this sector focuses attention on 1) farm output2) reduction in wastage of produce3) credit support to farmers4) thrust to the food processing sector. (Source: Union budget 2010, Speech : Pranab Mukherjee, Finance Minister of India). The thrust on agriculture is the predominant factor in the context. Yet in India, we find a lack of social interest in taking up a job as a farmer/agriculturalist.

It is considered as a derogatory profession to take up in an age in which virtual “ Farmvilles” and “ Golden Farmer” have the upper hand. 5) Now taking the case of skilled young graduates, whether it be in the Engineering, Medical, Airline or any other sector, we find a continuing outflow of such talented youth to foreign countries like the U. S, U. K and Australia. As a result, we lose valuable minds and brainy techies from the IITs and IIMs to the well developed nations where they are nurtured and taken care of with a luxurious lifestyle, fat pay package and a king size board room.

So what remains in India, is the countless youth whose energies and talents are sapped away by the mushrooming call centers and BPOs ( Business Process Outsourcing) resulting in talent outsourcing to the rich and developed nations. Although BPOs have helped in creating job opportunities even to the rural graduates, they have equally played a part in making India a slave to the Greta Masters-U. S, U. K and such countries. A self sufficient India thus remains only in the dreams of our millions.

The impact of this dependency manifested itself post recession, where layoffs, jobcuts, perk cuts etc were in the air. Most of the call center employed youth fell prey to the financial crisis, and many of their jobs were laid off even without prior intimation leading to the overall increase in unemployment percentage and it was 10. 2% in 2009 in the U. S. recessionary eras are inevitable and so the PSUs (Public Sector Undertakings) of India are better equipped to handle such crisis than the privately held companies where incidentally more and more people are getting placed. ) Though this reason doesn’t top the charts among the vital reasons for youth unemployment, placements and offers for internships in professional colleges have been both advantageous as well as disadvantageous to the students. Many students from the prestigious institutes like IITs and IIMs get PPOs( Pre Placement Offers) in top notch financial institutions and investment banks like Merrill Lynch, Bank of America, J. P Morgan etc in the U. S, Hong Kong or U. K resulting in ‘ brain drain’ from our country to foreign nations.

And when we consider where the millions of other students are placed, we find that most of them get offers in software/management companies where their talents are not explored, instead they are locked up in AC cabins(each barely one square foot!!! ) and given jobs completely unrelated to their fields of industry. This makes several of them to opt for a relatively cheap education from Indian Universities and to accept job offers from abroad, where they are rewarded with decent perks, pay packets and are not expected to do the floor work unlike Indian companies.

The Indian Government sets apart millions of rupees for the improvement of educational standards of IITians and IIMians and when these techies go after the foreign job jungle, it is a huge national waste of money and resources that we incur. And no wonder it also creates a huge void in the employment sector of India. Now we will come to the most important part of how we can address all these grievances by putting forth certain proposals of action. The feasibility of these proposals may be under the scanner.

Yet if reform is the end destination, then it should start from the grassroot level. PROPOSALS OF ACTION 1) One of the most viable proposals would be youth entrepreneurship. 21st century is an age in which the youth is generally risk taking and we find lots of cases such as : the Surat based Akrosh Sharma, an IIM –A graduate, who launched an online vegetable store after running a vegetable retail business for two years as a trial run. But in how many cases, can we find the youth taking such unchartered territories??

If we take a headcount, it can be said for certain that the number will be really meager may be just ten out of thousand students who pass out every year. But with the dawn of the financial crisis, and the breakdown of the reputed investment banks and other financial institutions, more and more students are turning down offers from niche consultancy domains and are instead taking up the roles of private venture capitalists and a majority of them have showed a spurt of interest in relatively low key sectors like agriculture.

But entrepreneurship is not a field where everyone can shine and progressively grow. It requires a heavy initial investment of capital and above all requires a positive mindset tilted to it and the advantage is the absence of entry barriers / level play for all. For the youth to seriously think about entrepreneurship as a carrier option, training and incentives should be provided from school level etc. The future looks forward to many more new employment opportunities and with the ever increasing population, entrepreneurship seems the only way out. ) Vocational Training: This is one area where India lags behind other developed nations because of the negative mindsets of the ‘ desi’ people. The growing trend among us, is to push the students after the completion of secondary school into the technical jungles and mazes from where the poor souls get no escape. 60% of the graduates in India are in the Humanities, Arts or the Science streams, which are basically considered as non- professional streams of subjects, at least in the Indian context.

These students must be provided with ample vocational training all the three years of their study lives like for example in manufacturing, Engineering, industrial and software sectors which are booming continually, so that these individuals can be better equipped and confident enough to face the rough edges that future holds for them. In foreign nations like the U. S and the U. K, students take up summer jobs or part time jobs to fund for their own education giving rise to suitable exposure to the real world opportunities and threats.

But in India, even this concept was considered as a social taboo, but now with the evolution of hundreds of management and Engineering institutes, summer internships and placements have become one too many to handle. But more emphasis must be placed on the development of more Industrial Training Institutes( ITI) and polytechnic colleges so as to give a greater impetus to the inclusion of rural youth also into the employment schemes. 3) NREGA: (Mahatma Gandhi National Rural Employment Guarantee Act) : This is an Indian job guarantee scheme enacted by legislation on August 25, 2005.

The scheme provides a legal guarantee for hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage of Rs. 60 per day and the central Government has set apart an outlay of Rs. 39100 crores in 2009-2010. This act was set up to improve the purchasing power of the rural people primarily semi or unskilled work to people living in rural India, whether or not they are below the poverty line. Source: Wikipedia, the free encyclopedia.

As a result of NREGA, several rural youth were given free computer education, soft skills development and even call centers were opened with the aim of giving them employment. It has even helped in enhancing the livelihood security of people in rural areas through this process. But NREGA has not been efficiently implemented as yet in many states and so people do take advantage of the scheme because it guarantees payment of wages. But NREGA in states like Kerala has borne fruit and has provided good results. 4) Participation in Indian Defense:

Though the field will be restricted to the adult male population, this is a field that can open up enormous opportunities for the job seeking millions. Reluctance and hesitancy to take up a risky job can become turnoffs to the employment seeking youth. Yet we must look up to other countries like Israel, where even the adult female population is encouraged and administered to join the military and defense programmes. 5) Flexibility in approach: The youth of today are technologically well trained and so their enormous potential can be tapped and put into positive Net Present value projects if utilized wisely.

Here is where Governments can play an important role. i. e) the youth who get jobs in the PSUs (Public Sector Undertakings) must be provided with a flexible timing scheme, where he is allowed to settle down and innovate for the good of the organization. 6) Youth oriented workshops: Many workshops targeted at the development of the personalities of the X gen youth are being conducted today. In such an instance, seminars and presentations can be conducted to communicate the limitless arenas in different sectors to the unemployed youth and thus act as counseling centers in an indirect manner. ) Youth Development Banks: This can be an innovative scheme in which many co-operatives are set up especially targeted at the young population with the aim of economic inclusion of the unemployed population. This can be done on an international scale so as to have a wider scope for improvement. 8) Retirement Age reforms: At present the retirement age of the Indian population is hovering around 55-60 , which is a major hindrance to the employment of scores of other unemployed youth , who are better equipped with globalized knowledge and much better exposed to the technicalities of modern day lives.

Many strikes and protests have been raised against this issue, yet no steps have been taken to address it. Many Government organizations have atleast 80 % of their staff above the age of 50or baby boomers. This seriously ceases the organization from performing efficiently though it definitely adds experience to the organization. India is a country which will mostly be a youth populated one in 10 years or so and hence I think this is one of the issues to be given due diligence.

To put it in a nutshell, the redressal of youth unemployment ultimately depends on poverty reduction strategies and checks on population growth, which ultimately depends on Entrepreneurial training, vocational training, soft skills training, and several other national and international human development programmes. This may take some time for effective implementation, yet grass root reforms today will bring a drastic makeover for a lusterless India and step it up to the “ Incredible India” status as the world knows it.