

UNEMPLOYMENT IN INDIA



CONTENT

- Definition
- Types of unemployment
- Causes of unemployment
- Costs of unemployment
- Measurement
- Solutions

DEFINITION

- Unemployment refers to situation in which the workers who are capable of working and willing to work do not get employment.

Types of unemployment

- Frictional unemployment
- Structural unemployment
- Cyclical unemployment
- Seasonal unemployment

Frictional Unemployment

- It occurs when a worker moves from one job to another. It is a result of imperfect information in the labor market, because if job seekers knew that they would be employed for a particular job vacancy almost no time would be lost in getting a new job, eliminating this form of unemployment.

Structural Unemployment

- It arises when the qualification of a person is not enough to meet his job responsibilities. Conversely, structural unemployment arises when the salary offered to a person falls short of the minimum wage that can be paid for the concerned job

Cyclical unemployment

- Cyclical or demand deficient unemployment occurs when the economy is in need of low work force. The demand for labor increases with the economy in the growth phases. Again, when the economy passes through depression and extra workers are released as the unemployed labor force.

Seasonal Unemployment

- Seasonal unemployment occurs when an occupation is not in demand at certain seasons.

CAUSES OF UNEMPLOYMENT

1. High Population Growth
2. Absence of employment opportunities
3. Seasonal Employment
4. Joint Family System
5. Slow Developing of Industries
6. Low per capita income

Costs Unemployment

- Individual: Unemployed individuals are unable to earn money to meet financial needs. Failure to pay installment or to pay rent may lead to homelessness through eviction. Unemployment increases chances of malnutrition, illness, mental stress, and loss of self esteem, leading to depression.

- Society: An economy with high unemployment is not using all of the resources , i.e, labor, available to it. Since it is operating below its production capability it could have higher output if more people are usefully employed

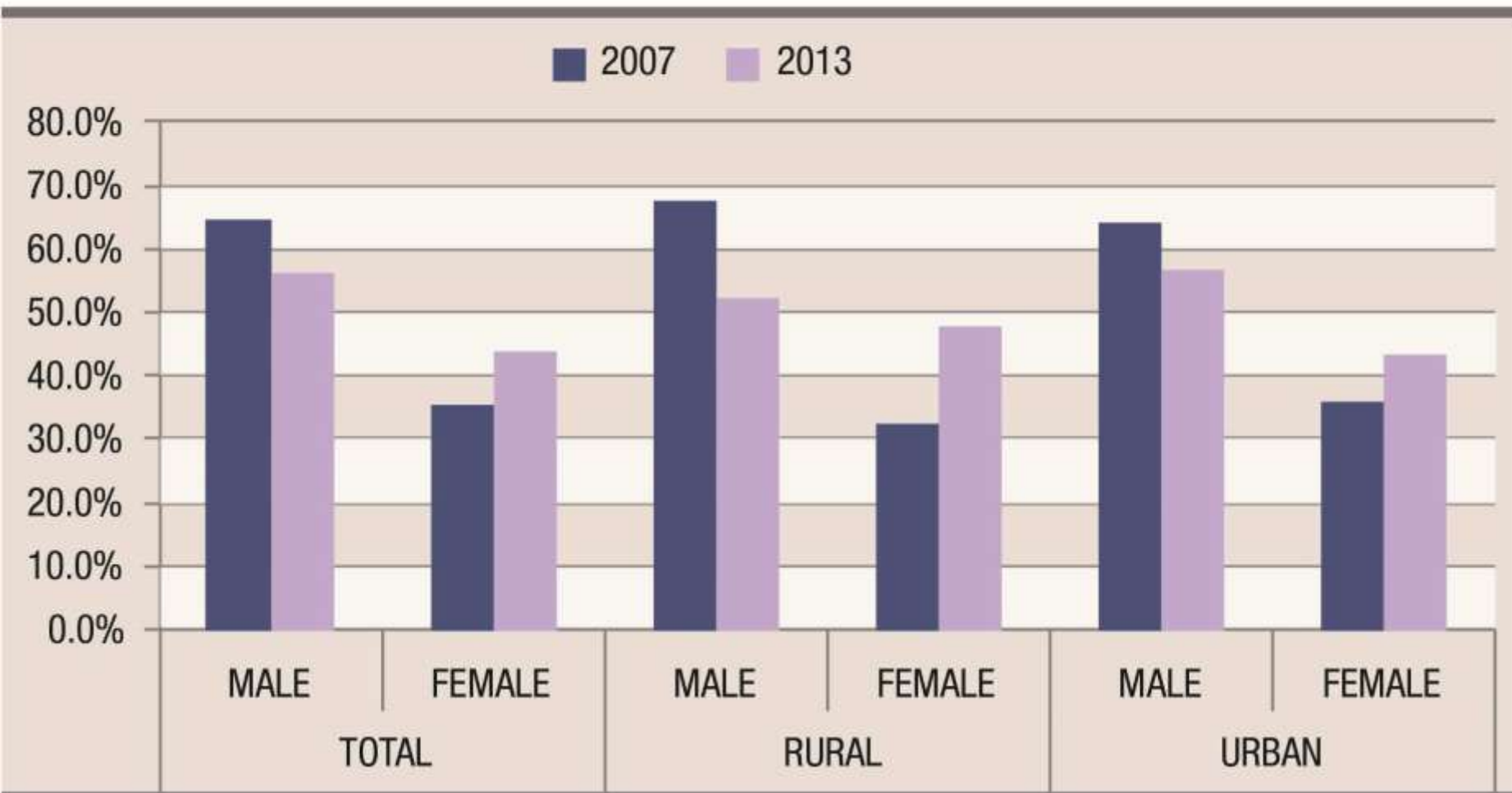
Measurement

- The *unemployment rate* is calculated as the percentage of the labor force that is unemployed.
 - Unemployment Rate= $(\text{Unemployed}/\text{Labor Force}) * 100$
- The *labor-force participation rate* is the percentage of the adult population that is in the labor force.
 - Labor-force Participation Rate= $(\text{Labor Force}/\text{Adult Population}) * 100$

Solutions

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DIMINISHING GENDER GAP AMONG THE LONG-TERM UNEMPLOYED, 2007 AND 2013



THANKING YOU

