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Unemployment

A man has to perform many roles in his life, the most crucial of which is that of an earning member. It is crucial not because a man spends approximately one-third of his lifetime performing this role but because it determines both livelihood and status and also enables the individual to support his family and fulfil his social obligations to the family and society. It also enables him to achieve power. If a person, with a capacity and potential to work, refuses to work or fails to obtain work, he not only does not gain any status in the society but also comes to suffer from several emotional and social problems. His plight affects not only himself but his family and society too. No wonder, unemployment has been described as the most significant sociological problem in the society. Opportunities for employment then becomes a must in all such cultures which claim to be democracies. Equal employment opportunity is a prerequisite for equal accessibility to achieved status. Attempts to deal with unemployment have hitherto been two-pronged, one, to alleviate the status of the unemployed and two, to abolish unemployment itself. Since local communities have proved unequal to cope up with the problem, the governments—both central and state—have taken the problem into their hands after Independence. However, the government has remained ineffective in tackling this problem and in providing assistance to persons unable to support themselves. It still views unemployment as an economic phenomenon rather than a social phenomenon.

What is unemployment? If a man with a Ph.D degree works as a petty clerk in an office, he will not be considered an unemployed person. At most, he would be viewed as an 'underemployed' person.

An unemployed person is "one who having potentialities and willingness to earn, is unable to find a remunerative work". Sociologically, it has been defined as "forced or involuntary separation from remunerative work of a member of the normal working force (that is, of 15-59 age group) during normal working time at normal wages and under normal conditions". D'Mello (1969 : 24) has defined it as "a condition in which an individual is not in a state of remunerative occupation despite his desire to do so". Naba Gopal Das has explained unemployment as "condition of involuntary idleness". The Planning Commission of India has described a person as 'unemployed' when he/she remains without work for one day in a week. Against this, the ILO considers that person as 'employed' who remains with work for 15 hours (about two days) in a week (of five days). This definition may be accepted in a developed country which provides social security to the unemployed but it cannot be accepted in a developing country like India which has no Unemployment Insurance Scheme.

Unemployment has three elements: (i) the individual should be capable of working, (ii) the individual should be willing to work, and (iii) the individual must make an effort to find work. On this basis, a person who is physically and/or mentally disabled, or who is chronically ill and unable to work, or a *Sadhu* who because of his status as an incharge of a *Math*, considers it below dignity to work, or a beggar who does not want to work, cannot be included in the definition of unemployed persons. A society is believed to be in a 'condition of full employment' if the period of enforced idleness remains minimum. A society with full employment has four characteristics: (i) the individual takes very little time to find remunerative work according to his capabilities and qualifications, (ii) he is sure of finding remunerative work, (iii) the number of vacant jobs in the society exceeds the number of job seekers, and (iv) the work is available on 'adequate remuneration'.

Magnitude

Though it is often repeated that there has been an alarming rise in unemployment in our country since Independence, the exact number of unemployed persons is not yet known, as no survey has been undertaken either by the Planning Commission or by the National Sample Survey (NSS), or the Central Statistical Organisation (CSO) or the Indian Statistical Institute (ISI). The figures given are based only on estimates. The estimates only take into consideration the number of

persons registered in the employment exchanges and these employment exchanges cover mainly the urban areas. Registration with the employment exchanges being voluntary, not all the unemployed register their names in the exchanges. Further, some of the registrants are already employed but register again to seek better employment. However, most of the social scientists are of the opinion that an enormous proportion of the working population is not regularly employed in our country and that these unemployed and under-employed people and their families are dependent upon their family members or kin for even their bare necessities.

While the number of unemployed persons in the country registered in the employment exchanges in 1952 was 4.37 lakh, in 1967 it increased to 27.40 lakh, in 1971 to 50.99 lakh, in 1976 to 93.26 lakh (*Surya*, January, 1979: 50-51), in 1981 to 178 lakh, in 1983 to 220 lakh, in 1985 to 263 lakh, in 1987 to 301 lakh, and in 1990 to 334 lakh (*India Today*, May 31, 1991: 117).

Using 1952 as an index of 100, the following unemployment index points out how unemployment has increased markedly in India after Independence.

Unemployment Index
(1952 = 100)

Year	Index	Year	Index	Year	Index
1952	100	1976	2,134	1983	5,024
1967	627	1980	3,707	1985	6,011
1969	783	1981	4,082	1986	6,641
1971	1,167	1982	4,520	1990	7,894

Thus, when between 1952 and 1970 or in a period of about 18 years, the number of registered unemployed persons in the country had increased about eight times, between 1971 and 1990, the number increased 6.8 times. If we take the population of the country in 1991 to be 844 million, we can say that 5.3% of the total people are unemployed in our country. But this will be a wrong assessment because the number of people who are expected to be capable of working belong to the age group of 15-59 years. Since 498 million of the total population of 844 million in 1991 belonged to this (15-59) age group, we could claim that 6.4% of the working people (34.4 million out of 498 million) are unemployed in India.

In May, 1990, the highest number of persons registered in employment exchanges was in the state of West Bengal (4.63 million), followed by Bihar (3.16 million), Kerala (3.13 million), Uttar Pradesh (3.10 million) Tamil Nadu (3.05 million), Maharashtra (2.99 million), Andhra Pradesh (2.83 million), Madhya Pradesh (2.03 million), Karnataka (1.25 million), Assam (0.99 million), Gujarat (0.94 million), Rajasthan (0.93 million), Orissa (0.86 million), Delhi (0.80 million), Punjab (0.63 million), Chandigarh (0.20 million), Tripura (0.15 million), Jammu and Kashmir (0.11 million), Mizoram (0.08 million), Nagaland (0.04 million), and Meghalaya (0.02 million) (*Rajasthan Patrika*, October 15, 1990). In other words, about half (49.5%) of the total unemployed persons live in three states of northern India (West Bengal, Bihar and Uttar Pradesh) and two states of southern India (Kerala and Tamil Nadu).

Types

Unemployment may either be classified as rural and urban, or it may be classified as seasonal, cyclical, and technological. Urban unemployment has been sub-classified as educational and industrial.

Seasonal unemployment is inherent in the agricultural sector and certain manufacturing units like sugar and ice factories. The nature of work in a sugar factory or an ice factory is such that the workers have to remain out of work for about six months in a year.

Agricultural unemployment is caused because of a number of factors. First, the land-holdings are so small that even the family members of the working age-groups are not absorbed by the land. Second, the nature of work is seasonal. Broadly speaking, a cultivator in India remains unemployed for about four to six months in a year. According to one Land Revenue Commission appointed in Bengal, a cultivator (in Bengal) remains unemployed for about six months in a year. Keatings in *Rural Economy of Bombay Deccan* describes that a cultivator in Maharashtra works for 180 to 190 days in a year. Calvert is of the opinion that in Punjab, a cultivator does not work for more than 150 days in a year. R.K. Mukerjee in *Rural Economy of India* has said that an average cultivator in north India does not remain busy for more than 200 days in a year. Slater in *Some South Indian Villages* maintains that in southern India, cultivators remain busy only for five and half months in a year. Jack in *Economic Life of a Bengal District* explains that a jute worker remains unemployed for nine months and a rice-manufacturer for seven and a half months in a year. All these are

examples of seasonal unemployment which is caused because of the nature of work involved. Of the total population in the rural areas, only 29.4% people are self-supporting, 59.0% are non-earning dependents, and 11.6% are earning dependents. This means that 29.4% people not only support themselves but they also support the remaining 70.6% people as well.

Cyclical unemployment is caused because of the ups and downs in trade and business. When the entrepreneurs earn high profits, they invest them in business which increases employment, but when they get less profits or suffer from losses or their products remain unsold and pile up, they reduce the number of workers in their industries which causes unemployment. A boom is generated when investments exceed savings, and similarly a depression results when savings exceed investment. This is probably an over simplification of the concept of cyclical unemployment but it is still basically true.

Industrial unemployment is caused because of a large-scale migration of people from rural to urban areas, losses incurred by industries, slow growth of industries, competition with foreign industries, unplanned industrialization, defective industrial policies, labour strikes or employer's lock-outs, rationalisation, and so on.

Technological unemployment is one caused due to the introduction of automation or other technological changes in industry or other work places. It is also caused due to the reduction of man power necessary to produce a finished article. Throughout the course of economic development, particularly since the industrial revolution, man has been forced to adjust himself to the processes of mechanization. An increase in mechanical skills has both its advantages as well as its disadvantages. Machine production has multiplied the number of commodities consumed by average man. This has meant a constantly rising standard of material comfort and a concomitant increase in the consumption of luxury goods. Certain items which were at one time considered as luxury items for one class of people have today become items of necessity for them. On the other hand, the industry has diminished the average man's economic security since every advance in technology has meant a displacement of human labour. In fact, new inventions do more than merely displace labour. They create poverty which results from the destruction of old investments and, therefore, restricts the market for new productions. A vicious circle is thus created. In the long run, it is true that technological improvements may increase employment in related service industries (Elliott & Merrill,

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1950: 607-8). Nevertheless, continued improvements in mechanical devices mean that employment opportunities have to increase proportionately or there will be an added residue of unemployment.

Educational unemployment is caused because the system of education is largely unrelated to life. In fact, one of the University Grants Commission (UGC) Annual Reports laid out clearly that the present system of education is generating much waste and stagnation. The (education) system is irrelevant because of the stress it lays on higher education which can be given only to a small minority, most of whom would in any case be unemployed or unemployable once they graduate. The education is of little relevance to the needs of the nation. The Kothari Commission (1964-66) also admitted that there is a wide gulf between the contents of the present education and purposes and the concerns of national development. According to a study made by the UGC in 1977, a majority of the courses taught in the universities have not been revised for the last 30 years and are obsolete. Scores of expert committees—in fact more than 50 panels appointed after Independence—have delved into the problems and churned out tonnes of pompous reports and memoranda, but nothing seems to have really changed.

The main obstacles to a radical reform of the curriculum in higher education are the university teachers. Such changes would require teachers to constantly update their education and keep abreast of the latest developments in their respective fields. A good number of teachers remain indifferent to studies or are so bogged down in tuitions, part-time business, and university/college politics that education has become a business rather than a profession for them.

The irrelevance of the educational system is also manifest in the rise in the rate of unemployment among the educated youth. During 1965-77 the number of unemployed graduates rose at the rate of 21.0% annually (from 9 lakh in 1965 to 5.6 million in 1977). Then during 1980-88, their number rose at the rate of 23.0% every year, and between January, 1988 and January, 1989, the percentage increased by 19.2.

The highest number of unemployed degree holders is found in the state of West Bengal (27.21% of the total unemployed), followed by Bihar (24.85%), Kerala (21.10%), Karnataka (18.49%), Punjab (13.7%), Tamil Nadu (12.96%), Uttar Pradesh (9.96%), Gujarat (9.23%), Maharashtra (7.68%), Rajasthan (6.54%) and Nagaland (4.42%).

The expansion of the various faculties of the universities bears no relationship to the needs of the economy. While the number of arts graduates between 1980 and 1988 increased by 13.0% a year, the rate of unemployment among them increased by 26.0%. In the case of science graduates, the corresponding percentage were 12.9 and 33.0; for commerce graduates 16.4 and 27.4; for engineering graduates 4.6 and 29.0; and for medical graduates 12.2 and 37.0.

In the case of postgraduates, the situation is even worse. During the Fifth and Sixth Plans, only five out of 10 postgraduates found jobs. The gravity of the situation is reflected in the case of a nationalised bank which received 15,000 applications from graduates and postgraduates for 100 posts of clerks-typists. Though, the government spends about Rs 40,000 to educate an engineer, about 20,000 of them were looking for jobs in 1989.

Unemployment among the educated youth, on the other hand, poses another set of problems. It makes the youth so angry and frustrated that they become militants, rebels and a threat to the unity of the country. The widespread and gruesome agitation that followed the announcement of the acceptance of the Mandal Commission recommendations in August-September, 1990 provides good testimony of the deep emotions that the question of employment stirs among the youth.

Causes

Economists have explained unemployment in terms of lack of capital and lack of investment, and high production. Some believe that unemployment has its roots in the decline in the business cycle following a period of industrial prosperity. A few hold that dislocations in the industries and an inability to forecast the market have put a sizeable proportion of men out of work. Yet others are of the opinion that sudden economic deflation and impersonal forces of economic competition cause loss of work. Improvements in machine technology, over-production, falsely stimulated speculation, social emphasis upon monetary success and the inevitable depressions—all these make for crippling disruption in the demand of labour. The classical school of thought places the essential cause of unemployment on the 'Wage Fund Theory', according to which the wages of the workers are fixed in advance but because of lack of capital the manufacturers engage only a small number of workers which results in unemployment. The new classical school believes unemployment to be the result of 'over-

production'. Over production reduces the prices of the commodities which necessitates reducing the workers, which in turn increases unemployment. Keynes (1952 : 18-22) has talked of the 'desire for saving' as the cause of unemployment. People invest little because they want to save more. Small investments cause low production which causes more unemployment. Some economists have referred to the imbalance between demand and supply as the cause of unemployment. When effective demand declines for the products of industry, prices drop, factories close down, wages stop, and men are shifted from the employed to the unemployed status through no fault of their own. Less demand is the result of slow rate of development in early years, or postponing investments due to poor trade and commerce, and/or shift (or investment) from the industrial to the non-industrial sector. Lionel Edie (1926 : 422) is of the opinion that unemployment is caused by the disruption of the economic structure. Elliott and Merrill (1950 : 606) have said that unemployment is primarily a result of the decline in the business cycle following a period of industrial prosperity. Advances in technical skills and highly specialised division of labour also make it impossible for able-bodied and capable men to secure jobs. Bartlett (1949 : 6-9) has said that the virtually monopolistic industries, like iron and steel industry, have been major factors in producing depressions. These industries, he charges, do not lower their prices sufficiently during the period of declining price levels in other industries to make it possible to keep up their production.

Several scholars have now maintained that unemployment cannot be ascribed only to economic factors. Social and personal factors equally contribute to unemployment. In sociological terms, unemployment can be described as the product of a combination of social factors like degrading social status, geographical immobility, rapid growth of population, and defective educational system; and personal factors like lack of experience, vocational unfitness, and illness and disability.

Degrading social or work status causes unemployment in the sense that some people consider it below their dignity to take up certain jobs and prefer to remain unemployed. For example, the youth considers the IAS, IPS and teaching in the university to be prestigious jobs and teaching in schools, salesmanship, and typing to be low-status and low-profile. They prefer to remain unemployed rather than accept the latter. Many students though uninterested in doing research and working for a Ph.D degree prefer to accept scholarships of Rs. 400, Rs. 600 or Rs. 800 per month for two or three years rather than accepting a clerical or

a typist's job only because it gives them social acceptance and the status of a 'research scholar'. They stall their friends and relatives by claiming that they are "preparing for the competitive examinations" knowing fully well that they neither have the necessary potential nor the interest to undertake such examinations. Sometimes young persons refuse to accept certain jobs because they consider their family's position higher to the job they have been offered. In a public opinion survey conducted in four metropolitan cities on the occupational aspirations of the youth, 52.0% of the respondents gave preferences to government jobs and college lecturership (*Career Aspiration: The Conflict with Realities*, Vol. 14, No. 1, October 1968, 14-15). It is good to have high aspirations and a growing desire for a high standard of living but it is unwise to refuse to accept substitute interests and preferences.

The upsurge in the birth rate or the *rapid growth of population* is the factor which immensely affects the availability of work. Gunnar Myrdal (1940), the eminent Swedish sociologist and an authority on population, considered the problem of population from the standpoint of the weal of democratic nations and said. "To my mind, no other factor—not even that of peace or war—is so tremendously fatal for the long time destinies of democracies as the factor of population. Democracy, not only as a political form but with all its content of civic ideals and human life, must either solve this problem or perish". The greater the number of unemployed children in the family, the greater is the dependency to be borne by the parents; the greater the number of unemployed persons in the society, the greater is the responsibility to be assumed by the government. For a number of reasons, the pattern of responsibility to be borne by the joint family system has been changing. Maintaining unemployed dependents by nuclear families is not economically feasible for most families. This detachment not only weakens the family ties but also creates many problems for the society. The increasing unemployment due to the unchecked growth of population, thus, not only increases the responsibilities of the society but also leads to degradation as well as loss of social esteem for the unemployed individual.

Unemployment is triggered off by *geographical immobility* too. There is surplus labour in one place and inadequate labour in another place, when people refuse to move from one region to other. The immobility may also be due to the lack of information regarding the availability of jobs in other cities or because of the language problem or family responsibilities.

Last, unemployment is also a result of the *defective educational system*. The educational system introduced more than 150 years ago by the British to train *babus* for their burgeoning bureaucracy, can no longer be described as 'purposeful' today. The education system is inadequate because it does not give due priority to primary education and what it imparts at the higher levels, at a great cost to the exchequer, does not instill attitudes needed for nation building. The education industry is truly gigantic. Its annual budget of Rs. 2,500 crore is second only to that of defence. The benefit of education is confined to a small middle and high income group and has not been able to help young persons find employment. Ironically perhaps, it even makes them unemployable by turning their minds into a duffle-bag crammed with text book theories which are out of date and inappropriate for India's development.

As regards the personal factors, the lack of experience of the person (seeking a job) because of his young age, old age affecting one's capacity to work, lack of vocational training, physical disabilities and illness—all go against the unemployed and the unemployable.

Consequences

Unemployment affects the individual, family, as well as the society, or it may be said that unemployment causes personal disorganisation, family disorganisation, and social disorganisation.

From the point of view of *personal disorganisation*, the unemployed person faces disillusionment and cynicism. Having no outlet to release their depression, the young persons tune their creative energies into wrong channels which explains the rise of the number of youthful bandits, highway robberies and bank holdups. These anti-social activities offer a chance to the indisciplined and recalcitrant youth to extract a living. Most of the criminals are undoubtedly recruited from boys with a history of earlier delinquencies but there has been an increase in the number of daring criminals with the decrease in work opportunities. On the other hand, the plight of an earning person who loses his job is equally sad. Ex-wage earners are more liable to physical illness, tension, suicide and crime, because the lack of working opportunities makes it impossible for them to support their dependents. Their own dependency on others is very often morally sapping because of the humiliation that follows. Some people in this state are even known to turn to illegal occupation like smuggling and drug trafficking rather than facing up to the true situation. During economic

depressions, the reduction in wages and the increase in part-time jobs is further frustrating. Wages are often unbelievably low because of the competition for jobs, and the increase in unemployment further reduces the chance of finding a job and depreciates the wages. The underemployed and underpaid are subjected to nearly as many difficult adjustments as those who are completely out of work (Wight Bakke, 1940).

Family disorganisation because of unemployment is easier to measure. Unemployment affects the unity of interests of family members, the unity of objectives, as well as the unity of personal ambitions. The disharmonious functioning of the members creates discord within the family, which means that not only do the tensions between the unemployed husband and wife increase but conflicts between parents and children also arise. Sometimes the wife of an unemployed person wants to take up a job but the idea of a wife taking up a job irritates the husband with traditional and conservative values so much that there is tremendous conflict within the home. Many husbands object to any substantial assumption of authority by their wives in the fields which they (the husbands) consider traditionally their own. On the other hand, the conflict between husband and wife may arise when the unemployed husband wants his wife to take up a job and the wife is reluctant to do so because of the presence of small children at home.

Social disorganisation caused by unemployment is harder to measure. Social disorganisation is a breakdown of the social structure, or change because of which old forms of social control no longer function effectively, or a process by which social relationships between members of a group are broken or dissolved. The activities of the unemployed are so restricted and their attitudes so bitter that in this phase of disillusionment and discouragement, they lose their desire to work and their skills may deteriorate with a resultant loss to the whole community (Joanna Colcord, 1941). In a brave effort to manage the family with a little saving and/or borrowing in cash or kind, many families suffer slow starvation by resorting to unbelievable economy in food and other necessities of life.

Measures Taken to Control Unemployment

Our policy planners have brought employment generation into focus in the Eighth Five Year Plan with other parameters so set so as to achieve a 3.0% growth a year in employment. The overall magnitude of

employment to be generated in the Seventh Plan (1985-90) was estimated at 48.58 million which included the backlog of 9.2 million at the out set of the Plan. The plan envisaged that the overall employment would grow from 186.7 million standard person year (SPY) in 1984-85 to 227.06 million SPY in 1989-90, implying a growth of 3.99%. In particular, the Plan envisaged that the special employment programmes of the NREP and RLEGP would generate 2.26 million SPY of employment in 1989-90. Similarly, the IRDP was envisaged to generate 3.0 million mandays, concentrating mainly on agriculture.

The Uttar Pradesh Government has recently taken some innovative steps to solve the pressing problem of unemployment. These steps will not only help the rural people get jobs in different regions but will also reclaim most of the large areas of barren and uncultivable land, making it possible to distribute this reclaimed land among the landless villagers. Towards this end, a land army called 'Bhoomi Sena' has been organised. The 'Bhoomi Sainiks' are given funds by the state government in the form of bank loans for the afforestation of land. If a loan is repaid within two years, the liability to pay 10.5% annual interest on such loans does not operate. It costs nearly Rs. 10,000 on the afforestation of one hectare of land. The belief is that the accumulation of salt above and under the land, makes it barren. By a year-long accumulation of water, the land is washed and then made even. The salt settles down and ceases to affect the roots of plants, it is said. The barren piece of land is, thus, rendered cultivable. Likewise, land lying along rivers remains uncultivable because of the overflowing river water. By checking the overflow of river water, this land could be made useful for planting trees and raising crops. Similarly, by preventing soil erosion, the land could be reclaimed for intensive cultivation. The 'Bhoomi Sena' has been organised in the state (Uttar Pradesh) to create work and help landless labourers to lead a life of economic self-sufficiency. The state government has earmarked 52.0% of the state budget for the development of the rural sector. Of this, Rs. 38 crore was spent in 1990-91 and Rs. 27 crore are to be spent in 1991-92 on the 'Bhoomi Sena' alone. It has been estimated that Rs. 219 crore will be spent on land reclamation schemes during the Eighth Plan period, benefiting nearly 1,80,000 landless labourers. Till now, nearly 14,370 hectare barren land has been identified for reclamation and the reclamation work is going in 12 districts including Varanasi, Kanpur, Etawah, Ghaziabad, Raibareli, Unnao, Sultanpur and Fatehpur. One *sainik* gets one hectare of land for afforestation. Till February, 1991,

about one thousand hectare land was distributed for afforestation to about one thousand *sainiks*. This is besides a provision of Rs. 6.3 crore made under the Adarsh Gram Yojna to remove unemployment in every district in the state.

Evaluation of Measures Adopted

Unemployment has been a major election plank of the parties which have been in power in the last two decades but a satisfactory solution still eludes the policy planners. The important reason is that in most cases employment generation schemes are not backed up with adequate resources.

Rural Unemployment

Take the question of rural unemployment. For a number of years now, the state governments have announced a number of employment guarantee programmes, perceiving them as poverty alleviation strategies. There was the Food-for-Work Programme, renamed the National Rural Employment Programme (NREP). Then came the Rural Landless Employment Guarantee Programme (RLEGP) and the Jawahar Yojna. To this, the National Front government added the Employment Guarantee Scheme in March, 1990, but the scheme never took off despite periodic announcements about adopting the Maharashtra model, said to be functioning well.

Why have these schemes failed? Let us take up the RLEGP launched in 1983 and funded fully by the Central Government. The basic objective of this programme was to improve and expand employment opportunities in the rural areas for the landless labour, guaranteeing employment to at least one member of a rural landless household upto 100 days in a year. From 1989, the programme stood merged with the Jawahar Rozgar Yojna. The Comptroller and Auditor General of India (CAG) found in the test audit that against the assessed annual requirement of the Rs. 3,750 crore for providing employment guarantee to the extent envisaged, the annual availability of funds ranged between Rs. 100 crore and Rs. 762 crore during the years 1983 to 1989. The release of Rs. 762 crore in 1988-89 would have been adequate to provide employment for only 22 days. Worse still, it now turns out that the total release of funds from 1983 to 1989 was only Rs. 3,140 crore, short of even the annual requirement of Rs. 3,750 crore, and even from this the utilization was only Rs. 2,797 crore. So, not only

were the necessary funds not released but whatever little was made available was not fully utilized.

The report has some illuminating details. From the available funds, as much as Rs. 26.50 crore got diverted to other schemes and spent on —of all things—cars, jeeps, air-conditioners, video cameras and for investment in term deposits and the National Savings Schemes. Foodgrains meant for distribution under the RLEGP found their way to the public distribution agencies and other organisations. But, surprisingly despite all these shortcomings, the programme generated some 14,72 lakh mandays during 1983-89 exceeding the official target of 13,310 lakh mandays. The CAG, however, does not accept these figures as authentic and reliable. It found the method of calculating mandays wrong. Instead of compiling the generated mandays on the basis of actual muster rolls, many states (like Andhra Pradesh, Bihar, Kerala, Karnataka, Madhya Pradesh, Punjab, Nagaland and West Bengal) were compiling employment generation figures on a notional basis by dividing the wage component of the outlay by the prescribed minimum daily wage rate. In one district of Maharashtra, it was found that the figures of mandays created were being worked out by dividing the actual expenditure (including the non-wage component also) by the minimum wage rate, thus inflating the figures.

If this is illustrative of the rural employment schemes, little wonder that more than four decades after Independence, the country still carries the burden of 36.0% of the population under the poverty line.

What has been the job scheme for the educated unemployed? The important scheme is that the banks sanction loans to the educated unemployed for self employment. The Central Government provides capital subsidy for this purpose and routes it through the Reserve Bank of India. But like the rural employment scheme, the scheme of loans for self-employment has also failed. The number of educated persons getting loans is decreasing, and so is the subsidy released by the Central Government. There was a gradual decline in the achievement of yearly targets set for the self-employment scheme in the Seventh Five Year Plan. When in 1985-86, 2.20 lakh unemployed youth against the target of 2.43 lakh were sanctioned loans, the number in 1986-87 was 2.16 lakh against 2.50 lakh and in 1987-88 was only 50,000 against the target of 1.25 lakh. Thus, the number of beneficiaries continuously went down. If the self-employment scheme flops, as the trend shows, the employment calculations of the Five Year Plans are bound to be badly affected. Besides, the law and order machinery, the political

system would also come under greater strain in the years to come because of the rising unemployment.

The Janata Dal promised a new carrot of 'Right to Work' in its election manifesto in 1990. This meant that the government was to so shape its economic policies so as to create productive, useful jobs for all those who wanted them and to ensure that all those who wanted to work were provided the opportunity to do so. But before it could take up this challenge, the government had to quit in November, 1990.

The question is : In the present situation of our country, is the guarantee of the Right to Work feasible ? With cold hard statistics, can a concrete blueprint of an employment generation programme be worked out or will it remain another piece of populism ? My feeling is that this is nothing but a digressive, escapist, tangential, flippant, and a comic proposal. Mere making a promise or making a provision in the constitution is not likely to provide work for anyone, except perhaps for the politicians who are experts in making impossible promises. They find nothing wrong in adding one more promise of 'Right to Work' without giving substantial thought to comprehensive economic policies, innovative employment generation schemes, efficient organisation of the economic system, and other pragmatic and result-oriented techniques. The 'Right to Work' is neither viable nor enforceable without massive inputs. It is a distant fantasy and an empty shibboleth. Where are the resources and billions and trillions of rupees to give jobs to about 50 million unemployed persons, considering the large amount of money that is needed per year to create even one job ? Will this slogan not lead to wholesale frustration and disillusionment all around ? Is not 'Right to Work' linked with obtaining a mandate from a court of law to get a job and the right of employer to terminate the employee's services, collective bargaining, and so forth ? Is it not contradictory to the right of reservation (A M Singhvi, 1990) ? Do we, therefore, not find a pathological fallacy in the thinking of politicians who give such populist slogans and promises ?

Remedy of the Problem

One solution to the problem of unemployed educated people would be to regulate the admissions at a higher level, keeping in view the economy's manpower requirements. Long back (in 1957), even the then chairman of the UGC (Shri C.D. Deshmukh) had reiterated that we shall have to restructure university education by and large to the number of university educated men and women that the country will be

needing from time to time. Unfortunately, despite this need, the universities continue to proliferate to a situation where jobs would have to be created for about 7 million of graduates by 2000 A.D. just to clear the backlog. If the current rate of growth of the number of graduates and technical personnel continues at a compound rate of 10.0% a year, then by 2000 A.D. about 10 million graduates would be unemployed. A single job requires roughly Rs. 22,000 per year. At that rate and at the conservative estimate of a total 50 million unemployed in the country, the government of India has to dole out Rs. 11,00,000 million. Do we have this astronomical figure of more than Rs. one hundred thousand crores per year to spare for the unemployed alone? Why does not the government, therefore, control higher education? Perhaps, the crux of the matter is that not only the government but the politicians, teachers, students, public—all have a vested interest. The teachers like their sinecures. Students want a haven where the spectre of unemployment can temporarily be kept at bay. The elite want to hog the largest piece of the cake at the expense of the poor. The politicians prefer large universities spawning hoards of idle and frustrated and ill-educated students, for they are the ones who steel their political muscles.

Another reason why jobs aren't growing fast enough is the labour law. In India, it is virtually impossible to retrench labour, hence businessmen often prefer contract labour to permanent staff. Not surprisingly, the number employed by the private organised section has remained more or less constant over the last decade at around 7.4 million. Only public sector jobs have been on the rise, but even here the rate of growth has slowed down from over 6% in the early 60s to just over 2% in the late 80s. The anti-employment ethos created by rigid laws therefore needs to be tackled by the government.

The solution, if any, to unemployment does not lie in making Indian industry more labour-intensive as has been tried in the past. Instead, in the growing service sector lies the hope of absorbing more and more of the educated youth, provided the right training and the required institutional help in the form of financial assistance is forthcoming. For the rural areas, development of the village as an integrated unit could partly answer the problem.

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