

**UNEMPLOYMENT AMONG THE YOUTH IN INDIA:
A SOCIOLOGICAL STUDY**

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MASTER OF PHILOSOPHY

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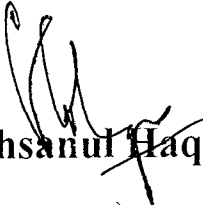
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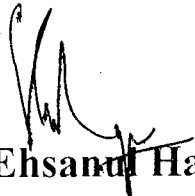
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CERTIFICATE

This is to certify that the dissertation entitled “ **Unemployment Among the Youth in India: A Sociological Study**” submitted by Niharika Lakha of Jawahar Lal Nehru University, for the degree of **Master of Philosophy** is her bonafide work. This dissertation has not been previously published or submitted for any other degree of this university.

We recommend that this thesis be placed before the examiner for evaluation.


Prof. Ehsanul Haq
(Chairperson)


Prof. Ehsanul Haq
(Supervisor)

***DEDICATED TO
MY PARENTS
AND
BROTHER MANEESH***

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PREFACE

This dissertation aims to study the problem of unemployment amongst youth in India. The problem of unemployment is causing immense anxiety and unrest amongst the Indian Youth, which hasn't been taken proper care at the economic, political and social levels. Since independence the leaders of our Nation have been facing this acute problem. Year after year policies and programmes have been formulated but the problem still stands with only meager changes. Being a student of sociology I always wanted to know why has there been a lag in the demand and supply of the work force in various areas of employment? How acute is this problem? What are the sociological reasons behind such a problem? What are the steps taken by the government so far in this regard? Why is this issue taking the form a chronic problem? Such recurring questions have inspired me to take up this particular topic as my area of study. Moreover, being a student who falls in the same category of youth this problem is of great concern to me as well.

Since the beginning of planning in India the youth have been recognized as "the most vital section of the community" (Planning Commission, 1952). Amongst the problems faced by the youth, particular reference has been made to unemployment. Quite appropriately, the problem of youth unemployment has been recognized as an aspect of the problem of pan-Indian unemployment. However, various youth welfare activities, including promotion of sports, have been designed and developed in a setting in which much higher relative incidence of youth unemployment has not received adequate importance. It is due to this that in 1985 the International Year of the Youth,

the department of Youth Affairs and Sports Ministry of Human Resource Development, Government of India, initiated a proposal to formulate a National Youth Policy. The National Youth Policy was tabled in the two Houses of Parliament in late 1988. It has recognized that “the most important component of the youth programme” has to be the “removal of unemployment, both rural and urban, educated and non-educated”. However, not much specific action has been initiated to implement the object of removing or even alleviating unemployment among the youth, incorporated in the National Youth Policy of 1988. More recently, the “National Agenda For Governance” prepared by the present government has proposed to harness the Youth Power (“Yuva Shakti”). The agenda envisages “all necessary steps to mobilize” this “most idealistic, inspired and energetic section of our society in the mission of nation-building”. For this purpose, the alliance partners propose to build a “national consensus for the creation of a National Reconstruction Corps aimed at environmental protection, ecological tasks, reclamation of waste land, including afforestation, and for spreading literacy”.

The reference to the idealism of the youth in the National Agenda noted above, probably needs scrutiny. The proposed National Reconstruction Corps could be one means of tackling the problem of unemployment among the youth. However, to help formulate a comprehensive approach to the problems of youth and to evolve the necessary measures to mitigate youth unemployment, a careful review of the available data base and the policy initiative taken so far is essential.

The problem of youth unemployment is one of the few problems that are common to both the developing and developed countries. It is now well established that

unemployment levels are higher for the young (age groups 15-19, 20-24 and 25-29 years) than for any other age group, in most countries, regardless of their level of development. Recent studies clearly show that “youth bulge” is a striking contemporary demographic reality in most of the developing societies of Asia (Xenos-Kabamalan-Westley, 1999). More importantly, this bulge is not likely to melt away for some more time. For example, the proportion of people in the age-group 15-24 years (the youth by a widely accepted convention) has steadily been increasing from 16.0 percent in 1961 to 18.3 percent in 1991 and to 19.7 percent in 2001, and is likely to hover around 20-21 percent during 2001-2011. It is only beyond 2011 that a slight decline is anticipated (Manpower Profile India, 2001).

It is thus, the emerging youth bulge in recent years, which is likely to persist for some decades, largely because of an extremely high reproductive capability associated with the youth. This creates a hiatus between the demand and supply of youth labour and lends extraordinary urgency to the employment needs of the growing army of youth in Asia. Although in more recent years, with an increase in the school-enrolment rate, the proportion of youth in the labour force has been declining. Their very high proportions in the labour force shows that the problem of youth unemployment and/or under employment would remain a serious policy issue for many more years to come in India as also in other parts of the developing Asia (Chadha, 1999).

Today, the role-played by the state has increased manifold with respect to its youth. In present day economies, only those who work for market related economies are considered to be in the labour force and, thus, all those who employ themselves in the home and hearth without remuneration are considered to be outside the labour force.

These are not the days when one can engage one -self in useful activities on ones own. In a system well entrenched with private ownership of means of production, where one has to produce for others, one has to depend on the system. Jobs have to be created by the society for its individuals, at least for those who seek it. If it fails to create enough jobs for everybody either because of technical rigidities, misdirected manpower formation, very high levels of productivity combined with low levels of activity or some other such reasons, jobs have to be equitably distributed. This will provide a good psychological feeling to the citizens that they are useful to the community, which is very necessary for any healthy society. The society must make best use of its human resources (Sharma, 1997) as non-utilization of labour involves the double cost of maintenance and loss of output. As society grows in civilization it should prohibit employing child-labour. Use of children in work is equivalent to denying them a childhood and stunting their growth as youth. It should be taken as a sin. It is not the parents who engage or force their children to work but the dire poverty for which the system at large is responsible. The theories that paint the parents as cruel and businessmen as greedy are basically flawed. Nevertheless, the children's right of not to work, even if it amounts to playing rather than schooling, must be respected. But when it comes to youth, they must participate in creative and productive activities and their society must allow them to do so. It is through such engagements that their energy and creativity finds expression. It is improper on the part of the society not to make good use of its youth force. It is improper again to turn them into dull adults and elders.

Youth holds great significance to the Nation at large. They are its future. So driving their energies in the right direction becomes an important task for the

government. Though there are many in our society, who feel that our youth are a misdirected lot and constitute a useless, unemployable and misemployed stock. But their number is quite less. Luckily, most of us have considered the youth to be a most vital part of the community (Planning Commission, 1952) and vanguard of progress and social change (CSO, 1998).

The youth have been known for their thirst for freedom from all shackles, impatience for quicker pace of progress, and passion for innovation, coupled with idealism and creative fervor (ibid.). The youth have been said to represent the hope and future of a country (ibid.). Yet, somewhere, we do mention those unlawful activities of the misguided youth (ibid.) It has to be established whether they are misguided or we are misguided not to make good use of their potential. It is in this backdrop that this dissertation considers the employment and unemployment scenario in terms of the distinct categories of rural-urban, male-female and educated-uneducated, in proper perspective so that the position of unemployment of the youth emerges in broad term.

The dissertation is divided into five chapters. The *first chapter* is an attempt to understand the concept of unemployment, its types, nature and scope.

Based on existing sources of labour market information, notably population census, and the manpower profile, the dissertation provides, in *chapter two*, an overview of the Youth Unemployment problem in the country. All unemployment estimates and associated aspects are broken down by gender, age and rural-urban residents.

Chapter three deals with the socio-economic causes of unemployment specifically with respect to the Indian youth and its inherent on the individual's personality, family, group and society.

Chapter Four takes note of the policies and programmes undertaken by the government of India for resolving and reducing unemployment among the youth. Apart from looking into the employment promoting content of the overall policies, initiatives and programmes, the chapter also examines the effectiveness of the programmes and schemes directly aimed at the youth.

Finally, in *Chapter five* there are suggestions in the direction of generating a durable and high quality employment for the youth.

OBJECTIVE OF THE STUDY

Youth constitute a universal phenomenon. In this period the individual is no longer a child but is ready to take many attributes of an adult and to fulfil adult roles. But is not acknowledged fully as an adult, a full member of the society. This is the stage at which the individual's personality acquires the basic psychological mechanism of self-regulation and self-control, when his self-identity becomes crystallized. In modern industrialized societies the major political, social, economic and religious functions are not performed by family and kinship units but rather by various specialized groups (political parties, occupational associations, etc.), which individuals may join irrespective of their family, kinship and caste. The individual's identification and close interaction with family members of other ages does not assure the attainment of full self-identity and social maturity on the part of the individual.

Gaining employment is one of the main aims of a youth in any society. For this purpose he attains different levels of education throughout his childhood period. But

what happens to our youth if besides all required efforts he is unable to get employment? It is generally believed that youth's search for identity, for finding some place of it's own in society, and it's potential difficulties in coping with the attainment of such identity have given rise to the magnified extent of the casualties observed in the numerous youth delinquents of varying types. Special social conditions surround the emergence of this problem. In general they are associated with a breakdown of traditional settings, the onset of modernization, urbanization, secularization, and industrialization.

In this light, this dissertation aims to study the unemployment situation that exists among the Indian youth and the sociological causes of youth unemployment and its overall impact on the individual's personality, group and society.

METHODOLOGY

The dissertation is based on the use of secondary sources such as the census report of India, Manpower Profile India, other important documents, books, magazines and journals. For this purpose the J.N.U. library and the library of I.L.O had been particularly of great help. A word about data and concepts used in the dissertation may be given at this stage. First, this dissertation is mostly based on National Sample Survey data, primarily because these are the best to draw upon for developing a temporal view of the problem. In the Indian NSS surveys, employment or unemployment estimates are based on three concepts: usual status, current weekly and current daily status (Employment and Unemployment Situation in India). The *current daily status* stands for the labour force person per day. *Current weekly status* stands for the labour force

person per week. However, the labour force measured in terms of *usual status* will include (a) persons who had, for a relatively longer part of the year, either worked or were looking for work and (b) also those persons from among the remaining population who had worked at least for some time with some regularity. Thus, on the basis of usual status two sets can be obtained-one set based on the principal status only and the other set considering both the principal as well as the subsidiary statuses. For most of our analysis, we go by the “usual-plus-subsidiary activity status” definition alone, both because inter-temporal changes in youth unemployment can be made much more firmly with this concept and also because the ‘usual status’ data give a more stable and enduring picture of unemployment than the one thrown up by weekly or daily status data.

Second, in India, two data gathering and survey systems operate side by side. Under one arrangement, employment/unemployment surveys are conducted quinquennially (every five years), using a big sample size covering the rural and urban areas of the whole country. Under the other arrangement, based on a smaller sample size (some selected aspects of employment/unemployment), estimates are worked out more frequently often every year. In this dissertation both these arrangements are used as and where required based on the availability of data.

CHAPTER I
INTRODUCTION

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 his livelihood and status. It also enables individual to support his family and fulfill his social obligations to society. It makes possible for him to achieve power, too. If a person, with a capacity to work, refuses to work or fail to obtain work, he not only fails to gain any status in society but also comes to suffer from several emotional and social problems. His plight affects himself, his family and the society too. No wonder, unemployment has been described as the most significant sociological problem in society. Opportunity for employment then becomes imperative 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 are two-pronged: one, to alleviate the status of the unemployed, and two, to abolish unemployment itself. After the independence of India, though the government-both central and state-have taken the problem into their hands, they have remained ineffective in tackling this problem and in providing assistance to persons unable to support themselves. Unemployment is still viewed as an economic rather than a social phenomenon (Ram Ahuja, 200i).

Definition of Unemployment

A society with full employment is one where an individual takes very little time to find remunerative work according to his capabilities and qualifications, is sure of finding remunerative work, the number of vacant jobs in the society exceeds the number of job seekers, and work is available on 'adequate remuneration'. A society is

believed to be in a “condition of full employment” if the period of forced idleness remains minimum. Unemployment has three elements: (i) an individual should be capable of working, (ii) an individual should be willing to work, and (iii) an 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 in charge of a *math*, considers it below dignity to work, or a beggar who does not want to work, cannot be included in a definition of unemployed persons.

What then is unemployment? If a man with a Ph.D. degree works as a petty clerk in an office, he will not be considered as an unemployed person. At most, he would be viewed as an ‘underemployed’ person. An unemployed person is “one who having potentialities and willingness to learn, 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 has defined it as “a condition in which an individual is not in a state of remunerative occupation despite his desire to do so”. Karl Pribram has written, “Unemployment is a condition of a labour market in which the supply of labour is greater than the number of available openings” (Bhushan and Sachdeva, 2002). According to Fairchild “Unemployment is forced and involuntary separation from remunerative work or the part of the normal working time, at normal wages and under normal conditions”. Naba Gopal Das (1960), has explained unemployment as “condition of involuntary idleness”. The Planning Commission of India has described a person as ‘marginally unemployed’ when he/she remains without work for six months

in a year. Against this, the ILO considers that person as 'employed' who remains with work for 15 hours (two days) in a week (of five days). This definition may be accepted in a developed country that provides social security to the unemployed but it cannot be accepted in a developing country like India, which has no Unemployment Insurance Scheme.

Types of Unemployment

Unemployment may be classified as rural or urban, or as seasonal, cyclical, and technological. Urban employment has been sub classified as educational and industrial (Ram Ahuja, 2001; 73). According to Chapman, unemployment is of two types: (i) Subjective unemployment, and (ii) Objective unemployment. Physical and mental diseases, as well as, attitudinal indifferences and preferences of individuals cause *subjective unemployment*, whereas *objective unemployment* is caused due to structural, social, and environmental problems, which are external to an individual. Objective unemployment is of *four* types: (i) Seasonal unemployment, (ii) Cyclical unemployment, (iii) Structural unemployment, and (iv) Normal unemployment. In addition to these forms of unemployment there is also agricultural unemployment.

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.

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 fewer profits or suffer from losses or their products remain unsold and piled up, they reduce the number of workers in their industries, which causes unemployment.

Structural Unemployment is defined as that unemployment that remains even after cyclical unemployment recovers. More than half (60%) of structural unemployment is composed of voluntary job quitters, labour force entrants, and re-entrants. The remainders are job-losers (International Encyclopedia of Sociology, p: 1431).

Normal Unemployment refers to that condition where an individual, though having the required qualifications, is not able to get a job for himself.

Technological Unemployment is caused due to introduction of automation or other technological changes in industry or other work places. It is also caused due to the reduction in manpower necessary to produce a finished product.

Industrial Unemployment is caused because of 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 lockouts, rationalization, and so on.

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 stated 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.

Agricultural unemployment is caused on account of number of factors. *First*, the land holdings are so small that the land does not absorb even the family members of the working age –groups. *Second*, the nature of work is seasonal. Broadly speaking, a cultivator in India remains unemployed for about four to six months in a year. R.K. Mukherjee 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 a half months in a year. The economists have estimated that of the total population in the rural areas, 29.4 percent people are self-supporting, 59 percent are non-earning dependants and 11.6 percent are earning dependents. This means that 29.4 percent people not only support themselves but they also support the remaining 70.6 percent people as well (Ram Ahuja, 2001).

Nature of Unemployment in India

Though Unemployment is universal but in India it is more marked. India is a under-developed nation though a developing economy. The nature of unemployment, therefore, sharply differs from the one that prevails in industrially advanced countries. Lord Keynes diagnosed unemployment in advanced economies to be the result of a deficiency of effective demand. It implied that in such economies machines become idle and demand for labour falls because the demand for the products of industry is no

longer there. Thus Keynesian remedies of unemployment concentrated on measures to keep the level of effective demand sufficiently high so that the economic machine does not slacken the production of goods and services. This type of unemployment caused by economic fluctuations did arise in India during the depression in the 1930s, which caused untold misery. But with the growth of Keynesian remedies, it has been possible to mitigate cyclical unemployment. Similarly, after the Second World War, when wartime industries were being closed, there was a good deal of frictional unemployment caused by retrenchment in the army, ordnance factories, etc. These workers were to be absorbed in peacetime industries. Similarly, the process of rationalization, which started in India since 1950, also caused displacement of labour. The flexibility of an economy can be judged from the speed with which it heals frictional unemployment.

But more serious than Cyclical unemployment or frictional unemployment in an under-developed economy like India is the prevalence of chronic under-employment or disguised unemployment in the rural sector and the existence of urban unemployment among the educated classes. It would be worthwhile to emphasize here that unemployment in under-developed economies like India is not the result of deficiency of effective demand in the Keynesian sense, but a consequence of shortage of capital equipment or other complimentary resources.

Though it is often repeated that there has been an alarming rise in unemployment in our country since independence, the exact numbers of unemployed persons is yet not known, as no survey has been undertaken either by the planning commission or by the Nation Sample Survey (NSS), or the Central Statistical Organization (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 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 registered persons are already employed but register again to seek better employment. However, most of the social scientists are of the opinion that quite a large proportion of the working population is not regularly employed in our country and that these unemployed and underemployment people and their families are dependent upon their family members even for their bare necessities.

While the number of unemployed persons in the country registered in the employment exchanges in 1952 was 4.37 lakh, in 1976 it was 93.26 lakh, in 1990 it was 334 lakh (*India Today*, 1991) and in 1995 rose to 381 lakh (*The Hindustan Times*, 1997). Thus, while between 1952 and 1971 or in a period of about 19 years, the number of registered unemployed persons in the country has increased 11.7 times, between 1971 and 1995, the number increased 7.5 times. If we take the population of the country in 1995 to be 930 million, we can say that about 4.1 percent of the total people are unemployed in our country. But this will be a wrong assessment because the numbers 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, assuming that same proportion of people (59percent) belonged to this age group in 1995, we could claim that 6.8percent of the working people (37.2 million out of 548.7 million) are unemployed in India. According to the statement given in the Parliament by the Minister of State for Planing in March 1996, the number of the

unemployed people in the country upto August 1995 was estimated to be around 37.2 million (The Hindustan Times, 1996). This is not highly alarming and unnerving in comparison to many countries. In France, unemployment rate is 12 percent of the labour force, in Ireland 16.9 percent, in Spain 23 percent, in East Germany 8.1 percent, in West Germany 15.4 percent, in Belgium 9.7 percent, and in industrially advanced countries, it stands at 8.1percent (the Hindustan Times, 1994). According to the Labour Ministry's projections, there were to be as many as 54 million people unemployed at the end of the Eighth Five Year Plan (The Hindustan Times, May 10, 1995). According to the Union Labour Minister, more than 9 million additional employment opportunities per year will have to be generated to eventually meet the goal of reducing unemployment to 'negligible levels' by the year 2004, which is indeed a stupendous task (the Hindustan Times, 1994).

Some present features of unemployment in India have been identified as follows: the incidence of unemployment is much higher in urban areas than in rural areas; unemployment rates for women are higher than those for men; the incidence of unemployment among the educated is much higher (about 12 percent) than overall unemployment (of 3.85 percent); there is greater unemployment in agricultural sector than in industrial and other major sectors; and lastly, the growth of employment per annum is only about 2 percent.

India is one of those countries where political parties remain silent over the issue of unemployment. They continue repeating that unemployment is very high without ever telling how mush it really is. In a poor society, there is little scope for anybody to remain unemployed for any substantial part of the year. Further, despite the rhetoric

that unemployment is rising, the fact is that there is of late general decline in the incidence rate of unemployment in all categories defined by male female and rural urban divisions, irrespective of the concept by which one chooses to measure it. The poorer a society, the larger number will participate in the labour force. The poorer a section in an iniquitous society, the larger the participation in the labour force. And, for the same reasons that they cannot afford to be unemployed the lower is the incidence of unemployment in that section. They have less reservation for the type of work and no reservation for wage for employment.

In this light, it becomes imperative to focus on the demography of the youth with respect to their size, literacy and educational levels. The following section is an attempt at this.

Before I begin to present a holistic analysis of the problem, for the purpose of understanding, I shall define the word 'Youth'. It is difficult to define the concept of youth, especially it's age category: which specific bracket in the life span is to be designated as a period of youth?

Eisenstadt (1972) has defined period of youth as the period of transition from childhood to full adult status of full membership in the society. In this period the individual is no longer a child (specially from the physical and sexual point of view) but is ready to take many attributes of an adult and to fulfill adult roles. But he is not acknowledged as an adult, a full member of the society. Rather he is being 'prepared' or is preparing himself for such adulthood (Eisenstadt, S.N., 1972). Youth, as defined by

the United Nations, without prejudice to the definitions adopted by individual nations, as those between the age of 15 and 24(UNICEF News, 1984). Hence 15 are designated as the lower limit, below which the individuals constitute the child population, and 24 as the upper limit. In modern times the age period between 15 and 24 can be designated as period of youth. Thus, for this dissertation also the population in the age bracket 15 to 24 is taken as youth population.

YOUTH: Size, Literacy and Education

In our country, the official definition of the youth as laid down in the National Youth Policy includes persons in the age group of 15-35 while our statistical agencies may provide record only in terms of 15-34. Some of the data readily available may use the age group of 15-29 only and others just the age group of 15-24. We will be using all such data as are readily available irrespective of age groups used by them, in this section.

It can be seen from Table 1.1, that, the proportion of youth has started rising irrespective of precise age grouping and sex-category. They constitute more than one-third if we take a span of 20 years from 15, more than one-fourth if the age group of 15-29 is considered, but less than one-fifth if only those between 15 and 24 are to be counted, of the total population.

TABLE 1.1: AGE STRUCTURE OF POPULATION BY AGE GROUP AND GENDER

Age Group	1971		1981		1991	
	M	F	M	F	M	F
15-19	8.9	8.4	9.9	9.4	9.7	9.1
20-24	7.6	8.1	8.4	8.8	8.6	9.2
15-24	16.5	16.5	18.3	18.2	18.3	18.3
25-29	7.2	7.8	7.5	7.8	7.9	8.6
15-29	23.7	24.3	25.8	26.0	26.2	26.9
30-34	6.4	6.8	6.3	6.5	6.9	7.1
15-34	30.1	31.1	32.1	32.5	33.1	33.0

Note: M and F denote male and female respectively; 0.6 percent males and 0.5 percent female did not state their age in the Census of 1991. The table excludes Assam and Jammu & Kashmir from the 1981 and 1991 Censuses, respectively.

Source: CSO (1998).

The actual (1996 and 2001) and projected population by age and sex as on 1st of July for different years has been given below. The given table lays down the figures for the persons falling into the age group of 15-24 specifically:

YEAR	MALE	FEMALE	PERSON
1996	90169	83556	173715

2001	105924	94375	200299
2005	122759	113061	235819
2009	123680	115746	239426
2015	114414	119425	223839

The figures for 2001 show that the youth in the age group of 15-24 are about 20 percent. There have been many government programmes on family planning. But it will take some time for the people of India to adapt themselves to such programmes. Moreover, these days there has been a general rise in the age of marriage. Girls, unlike in past, are moving ahead and choosing their own distinct careers in distinct fields. This helps in reducing the overall reproductivity period of females thereby reducing the population. The projected population for the coming years is also given. The figures clearly state that the population in the given age group tends to gradually increase till the next ten to twelve years. It is only after 2015 and so that the projected population for the youth tends to decline as a result of above mentioned reasons. The other figures for 2001 show that the youth in the age group of 15-29 are about 29 percent, and in that of 15-34, about 35 percent.

If we take our population to be just 100 crore, then our youth account for 18.3 crore, 26.6 crore and 33.6 crore, depending upon the definition. Visaria (1998, p.9-10) has provided the absolute numbers of the youth in the age groups of 15-19, 20-24 and 15-24 for four censuses since 1961 by sex and area of residence. He states that out of the total 15.35 crore in 1991, 11.0 crore were rural (5.67 crore male and 5.33 crore female) and 4.35 crore urban (2.3 crore male and 2.05 crore female). If one takes into account

the factor of undercount (which is less than 1 percent), the number of the youth turns out to be 15.93 crore. According to the report of a Technical Group on Population Projections (constituted by the Planning Commission under the Chairmanship of the Registrar General of India), it may be noted that the number of persons in the age group of 15-24 was 17.27 crore on March 1, 1996 and 1.7 crore on March 1, 1997 (Visaria, 1998).

It may be further noted that the youth as a proportion of respective population, in the age group of 15-24, is 2.5 percent points higher in urban areas though, in absolute numbers, the rural youth are 2.5 times the urban youth. Juxtaposing this fact with the fact that the rural population is three times the urban population, it is clear that the urban population has more youth. Quite a large number of them, it may be conjectured, may be belonging to rural areas but inhabiting urban areas. Another significant feature is that youth proportions in male and female populations, which were earlier significantly different, are coming closer in both rural and urban areas. In rural areas, the youth proportion in the female segment was larger and in urban areas, that of the male segment was larger, which is quite understandable as relatively more rural youth members may be flocking to urban areas in search of jobs or in pursuit of education. However, while youth proportions are getting stable in both the areas, in urban areas the proportions were largest in 1981(as compared to 14.9 percent in 1961 and 21.4 percent in 1971 for the age group of 15-24).

TABLE 1.2: NUMBER OF YOUTH BY GENDER AND RESIDENCE (MILLIONS)

YEAR/ GENDER	AGE GROUP 15-24			YOUTH as % of Popt		
	Rural	Urban	All	Rural	Urban	All
1981: MALE	46.9	17.9	64.8	17.4	21.0	18.3
FEMALE	44.7	15.5	60.2	17.5	20.7	18.2
PERSONS	91.6	33.4	125	17.4	20.9	18.2
1991: MALE	56.7	23.0	79.8	17.7	20.2	18.3
FEMALE	53.3	20.5	73.8	17.7	20.1	18.3
PERSONS	110	43.5	154	17.7	20.2	18.3

Source: Visaria (1998)

It has further to be kept in mind that the proportion of youth has to go on increasing at least until 2011(as shown in the table before (and it will stabilize around 2021 at the present level. It is estimated to be around 20 percent (for age group 15-24) and 35 percent (for the age group 15-34). This is so because their growth rates will continue to be higher than the general overall growth rate.

Let us now consider their literacy and education position. Until 1981 Census, the age eligibility criterion used was five years, which changed to seven years in the Census of 1991. Without doing any correction for ensuring comparability, as we are not

considering the child population here, we present literacy rates by age and sex tables in the table below.

TABLE 1.3: LITERACY RATES BY AGE GROUP AND GENDER

Age Group	1981		1991	
	MALE	FEMALE	MALE	FEMALE
15-19	66.1	43.3	77.0	59.7
20-24	66.6	37.1	71.5	43.8
25-34	60.7	28.9	64.7	36.6

Source: CSO (1998).

We find from it that for the youth, male literacy is around 70 percent and female literacy rate is around 45 percent, leaving an overall rate of around 58 percent (for the age group 15-24). The Government of India, as others, thinks that education empowers individuals to think rationally and logically and that a low level of literacy among the youth is basically responsible for various social evils prevailing among them. They think, low level of literacy is also responsible for low employment or employment in low-paid and unskilled jobs which sometimes generate frustrations and lawlessness among the youth (CSO, 1998, p.44). Though many of these statements are contestable, we choose to ignore them as they perhaps indicate the will of the government to make things better in the sphere of literacy. They further think that programs like the Total

Literacy Mission and Adult Literacy Programs will be able to improve the situation in the near future, which again is contestable.

But what could be the causal factors that generate such low levels of literacy especially among the rural youth. One possible reason for this could be the poverty. Since many in rural India live on a hand-to-mouth subsistence, for them to think about education is not just possible. If they are able to read or write their name, they think that they are now literate. Moreover, it is a better option to make their children work. Since this will earn him/her instant reward in form of money through which they can at least survive. Secondly, in many villages there is no proper infrastructure for schools. If there is a building there is no competent teacher. As a result of which the final sufferer is the youth.

Many of our youth in the age group of 15-24, particularly those who are in the age group of 20-24, are enrolling in so called portals of higher education, partly because of the non-availability of jobs. Now, some of them are being denied both, jobs and education. But let us note their number in table 1. 4.

TABLE 1. 4: NUMBER OF STUDENTS ENROLLED IN HIGHER EDUCATION ('000)

COURSE	1981		1991		1996	
	B	G	B	G	B	G

Bachelor	1443	663	2329	1184	3051	1821
Master	169	76	257	124	296	165
Doctors	17	8	21	10	29	12
Engineers	354	24	457	54	579	107

Note: B and G denote boys and girls respectively. Engineers include graduates from polytechnics

Source: CSO (1998).

It shows that every year we are turning out 50 lakh graduates in the general stream of B.A./B.Sc./B.Com. and seven lakhs-engineering graduates (including those from polytechnics). Out of these, many will not go for further studies but try to find a job for themselves. The huge number indicated in the table itself explains this fact. And here comes the basic problem. Is the market in a position to absorb all of these? Will it be able to offer a good standard of living to all and whether these educated youth be able to utilize their graduate degree in securing their place in the Indian labour market? In addition, more than five lakhs with master or doctor's degrees pass out every year from various non-medical institutions. Girls are still only one-sixth in strength in engineering disciplines.

What happens to our educated youth? What is the estimate of total unemployment that exists among them? How much is the percentage of employed youth to the total population of the employed? What share is that of the female youth? All such questions and many more might come in one's mind after taking a look at the tables so far. Since youth hold a very important position in our society and play a

significant role in the over all development of a country, it becomes important to provide them with a secured future. How much secured is our Indian youth, in economic terms, is what I shall be looking at, in my next chapter.

CHAPTER II
UNEMPLOYMENT AMONG THE
YOUTH IN INDIA

We do not possess a precise estimate of the size of the problem. How many workers are generally unemployed in different types of labour market and for how long? Nobody could possibly give factual information with confidence. Neither the planning commission nor the Census report nor the Directorate general of Employment Exchanges nor any other agencies like the CSO or ISI or the NSS could give any dependable quantitative estimate of the magnitude of the problem. There exists conceptual as well as statistical difficulties in estimating the magnitude of unemployment. Some estimated are, however, available.

Of various government agencies/ministries and departments engaged in collecting data on unemployment, the data collection of National Sample Survey Organization (NSSO) of the Department of Statistics is by far the most comprehensive. But even such detailed surveys touch a very miniscule percentage of the total population, e.g., the 50th round of the NSSO survey on employment and unemployment, 1993-94, had a sample size of 5.5 lakh persons which constitutes roughly 0.7 percent of the total population (NSSO, 1993-94).

During the past two decades, there have been three full rounds of NSSO for which published data on employment-unemployment are available. These are the 38th (1983-84), 43rd (1987) and 50th (1993-94) rounds. This section draws heavily on these rounds and restricts itself to analyzing the extent and magnitude of unemployment among youth only. This has been done for mainly three reasons. Firstly, the bulk of total unemployment occurs in this age group but this aspect at times does not get as high lighted as it should be when we analyze the extend of unemployment for all age groups *per say*. Secondly, with the increase in the literacy rate the unemployment

among educated youth is ‘twice cursed’ for the economy since education (both primary as well as higher) is highly subsidized in our country. State expenditure in building this human capital goes waste. The third reason for analyzing youth unemployment is to highlight the political and social ramification of idle youth. Elementary empirical evidence suggests that the state of regions having high unemployment rates among youth have given rise to militancy, crying and separatist movements as idle youth is an easy prey for disrupted elements in society.

The period chosen for the study is from 1983-1984 to 1993-94, mainly because of the availability of data. Apart from the NSSO database, other sources have not been incorporated much because such an exercise often turns futile as different sources differ in their conceptual-definitional framework.

The period selected for the study also shed some light on the nature of youth employment for the immediately preceding as well as immediately succeeding years of liberalization. Besides taking a macro view of unemployment, the ‘miso’ analyses data related to rural-urban, male-female and educated-uneducated unemployment. The youth unemployment estimates have been calculated for usual status, weekly status and daily status for the three rounds (38th; 43rd and 50th) of the NSSO.

Labour Force Participation Rates of the Youth

Labour force, or in other words, the “economically active” population, *refers* to the population, which supplies or seeks to supply labour force for production and, therefore, includes both ‘employed’ and ‘unemployed’. On the other hand *the labour*

force participation rate (LFPR) is defined as the number of persons in the labour force per 1000 persons. For measuring the labour force participation, all the three measures adopted for classification of the population, i.e., usual status, current weekly status and current daily status are used here.

Non-participation in labour force (in the defined sense of the term) is partly a function of age and sex composition of the population, in which cultural practices handed down through the ages also play a vital role. It is partly a function of engagement in non-work activity like studies. But it also partly caused by a non-availability of jobs, which forces many members to choose other values or to fool themselves as being engaged elsewhere. Very few may have some reservation to wage or hesitation for certain types of work. Still, some openly admit that they are engaged nowhere, are just idling and are available for work without reservation. Only persons in this last category are counted as unemployed. All others are counted among the employed. The employed are counted in the labour force and workforce both, and openly and confusedly the unemployed are counted in the labour force but not in the workforce.

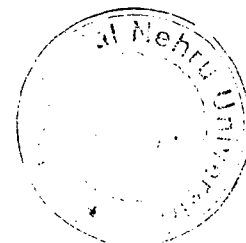
The table given presents the data collected by the National Sample Survey Organizations in its various rounds.

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TABLE 2. 1: LABOUR FORCE PARTICIPATION RATES BY GENDER AND AREA

Years of Rounds	RURAL		URBAN		INDIA	
	Male	Female	Male	Female	Male	Female



1977-78	56.5	34.5	54.3	18.3	56.0	31.0
1983	55.5	34.2	54.0	15.9	55.1	30.0
1987-88	54.9	33.1	53.4	16.2	54.5	29.0
1993-94	56.1	33.0	54.3	16.5	55.6	28.7
1995	59.2	26.6	51.4	11.6	57.5	23.6

Source: NSSO, Various rounds on employment and unemployment

Consistent with the usual expectation, a fairly high proportion of the youth wishes to take up jobs. The proportion of job seekers is much higher among the young males than among their female counterparts. From the table it can be seen that around 45 percent in rural areas and 36 percent in urban areas are participating in the labour force. Staggering the data for males and females as well as rural and urban sections, we find that rural male and female participation rates are 56 and 33 percent respectively, while urban male and female participation rates are 54 and 16 percent, respectively (for the year 1993-94).

It is rather surprising that female participation is somewhat reducing irrespective of the area of residence though 1993-94 figures show some improvement over 1987-88. The possible reason for a decrease in the labour force participation rates among the females can be attributed to the Indian set up in which our women live. In India not much emphasis is made to the women's work with respect to her working out. She is not considered, as the primary earning member of the family and her main duty is to take care of her husband an/or children.

It may be recalled that 1987-88 was a drought year. Some analysts think that the survey results were unduly influenced by the severe drought (Visaria and Minhas, 1990, quoted in Visaria, 1998). This may project a depressing picture of employment growth during 1987-88 and a rosy picture for it during 1993-94. Similarly, on the basis of 1993-94 results, some people opined that the reforms initiated in 1991 did adversely affect the employment situation in India in both rural and urban areas.

The possible reason for this could be the growing inclination towards higher education amongst the urban youth. With the growing needs of urban middle class families in urban areas, especially after liberalization, the youth feel that entering into the labour market just after completing school will not fetch them a good salary. This in turn would not help them to raise their standard of living and to meet numerous demands in this changing world. On the other hand in case of the rural youth, the labour force participation rate is quite high in comparison to the urban youth. Since there are not many avenues to resort to, a youth placed in the rural area tends to finally look towards the labour market to at least make him and his family survive.

In 1997 nearly 67 percent of the young males were looking for employment against 31 percent of the young females. The proportion of job seekers among both the young males and females has been declining in varying proportions. The decline is bit sharper among young females than among males. This has come down among the young females, from 39 percent in 1987-88 to 34 percent in 1997 against that from 72 percent to 67 percent among the males. The decline in LFPR for the youth is in sharp contrast to the increase or no change discernable for all senior age group. For example, between 1987-88 and 1997, the LFPR declined from 76 percent to 71 percent in the case

of rural male youth, against a mild increase from 92 to 92.9 percent for the non-youth (30+ age groups), and from 45 percent to 37 percent in the case of rural female youth, against 51 to 56.7 percent for their non youth counter parts. A similar trend is discernible for urban India as well. It is crucial to point out that in 1997, in general, nearly 4.3 percent of young males in rural India, and 3.7 percent of young males in urban area, were looking for jobs against one female (Government of India,1998).

It can be concluded that the youth are tending to withdraw from the labor market, either because of formal job search in the labor market is becoming too burdensome and uncertain in outcome, or they are turning around to non market channels to create their own employment niches, and so on. This generalization would perhaps be a hasty conclusion for two reasons. First, the young adolescents (15-19 years old) are unmistakably staging a big withdrawal from the labor market, both in rural and urban areas primarily because educational facilities have witnessed an extraordinary expansion in recent years, and many more of them stay on for completing their school education. This can be seen from the fact that enrolment at the high/higher-secondary school level increased from 8.8 million in 1981 to as much as 18 million in 1997. At the middle school level from 20.7 million to 41.1 million and at the primary school level, from 73.8 million to 110.4 million (Chandra, 1999,). Yet one more redeeming fact is that the enrolment of girls at the high/higher secondary school level increased nearly two and a half fold against less than two folds for boys, between 1981-87. Second, no significant decline in LFPR is discernable in respect of the senior male job aspirants. For example, it remained 98 percent in 1997 against 98.1 percent in 1987-88 for rural areas, declined marginally from 96.7 to 94.4 percent for urban areas

and stayed constant around 97 percent for India as a whole. In contrast, the decline in the case of senior females seems to be continuous and all pervasive.

Youth Employment: Sources and Status

We now look into the sectoral pattern of youth employment. From the table given on the youth employment in different sectors, it is clear that in rural India, agriculture has a dominating status for males and females including the youth. This is primarily the same thing as 'self employment' dominating over other avenues of employment. Further while young rural males have a presence in every other major economic sector their female counter parts have a low presence in the tertiary sector; their mere total absence from the construction and transport communication sectors is underlined by many other studies as well. In comparison, the young urban female workers are well spread over secondary and tertiary sectors. Their increasing presence in diverse tertiary sector activities is a clear indication of the rising dichotomy between the young rural females and their urban counter parts.

TABLE 2.2: DISTRIBUTION OF WORKING YOUTH AMONG MAJOR SECTORS BY RURAL-URBAN RESIDENCE, SEX AND AGE GROUP

Local sex	Primary Sector		Secondary sector		Tertiary Sector	
	1993-94	1997	1993-94	1997	1993-94	1997
Rural						
Male	75.3	75	12.4	11.8	12.3	13.2
Female	84.5	86.2	11.0	10.6	4.5	3.2

Urban						
Male	9.7	8.0	37.3	39.8	53	52.2
Female	23.4	19.4	39.8	46.1	36.8	34.5

Source: 1) Government of India, employment and unemployment in India, 1993-94, Report No.409, NSSO, March 1997, p.A112 – A 117

2) Government of India, House hold Consumer expenditure and employment Situation in India, 1997, Report No. 442, NSSO, August 1998, p.A18-A23

The youth in the urban area are heavily concentrated in the secondary sector followed by the tertiary and the primary sectors whereas their seniors are fairly evenly divided between the secondary and tertiary sector. The possible reason for this could be the multiplicity of their interests and involvement which offers multiple choices for the urban youth to create their own employment opportunities and/or pursue wage paid employment. With respect to the rural youth the proportion of the young workers involved in non-farm activities has not been increasing, like it did steadily during the 70's and 80's.

As the labour absorbing capability of agriculture reaches its ultimate limit, more and more reliance has to be put on non-agricultural avenues of employment. Given the wide diversity of such activities, most notably the varying levels of technology in use managing and marketing skills needed, quality and price consciousness etc, they offer a wide range of solution to the problem of youth unemployment in as much as the youth in India differ widely in their educational, skill and training capabilities, as also in their

socio-economic background. The need is to evolve and sustain a balance between the two sides of the labor market.

So far we have seen that the rural youth tend to take up jobs in the primary sector as compared to their urban counterparts, who are readily absorbed in secondary and tertiary sectors. Another observation, which has come up, is that in the rural areas it is the women who largely participate in the agricultural work than the males. We shall take both these issues one by one so as to understand the underlying reasons for such variations. For this purpose we divide the socio-cultural independent variables into five broad heads and try to find out their relationship with the occupational aspirations of college going youth in India.

Youth and Occupational Aspirations

Occupation reflects combined influence of a number of factors linked to social status. By putting bounds to the source of income, it affects the class position of the individual and by limiting the income, it influences his style of living. There is thus “an intimate historical association between social class...and type of occupation”. It also determines status in the sense that whether occupation is prestigious or not depends on its functional significance and the amount of skill, training, and knowledge required for it. An inquiry into the occupational aspirations of student-youth has, therefore, special relevance in a developing context like that of Indian Society. The economic changes

initiated during the post independence period have set in motion certain processes having a substantial impact on aspirations of youth. New industries, new jobs and new techniques inevitably affect traditional roles and relationships and create new ones. Since all the major roles are to be shouldered by the youth, a study of their occupational aspirations will be an important clue to understand as to why a large portion of youth works in one sector as compared to the other; and whether they are being adequately motivated to accept the ideals and values of the society in making, or they are still holding fast to values of the passing society.

In one of the studies conducted by Rajendra Pandey on occupational variations, it was found that greater variations appears when the job choices are compared on variables like parental education, caste, income and occupation of the father. At the two ends of parental education high and low, the urban youth tend to show greater liking for professional-technical occupations than their rural counterparts, except at the medium level where the rural students outnumber the urban. This shows that more urban students choose to go in for professional-technical occupations than do the rural. Variation also appears in the choice for independent occupations. At both high and medium level of parental education, more urban students choose to go in for independent professions than the rural. Possible explanations include the relatively low rate of educational achievement among parents and difference in the background. The study reveals the fact that those choosing independent professions are the largest among the lower educated group. This suggests that the less educated do not consider education of much use in running independent professions-such as business in cities and agriculture in rural areas. The urban youth going in for in for independent professions

suggest that probably this is the only alternative left after facing failure in all other walks of life.

We look next at the relationship between caste and choice of occupations. Due to lower economic position the low caste people are not able to bear the expenses of professional-technical education. As a result of which there is a tendency among the rural youth to go in for white-collar jobs. On the other hand, with the rise in caste status, the liking for independent professions rise.

Another variable often assumed to be associated with the choice of occupation is income. Youth with a low-income background tend to settle for those jobs, which does not demand high amount of money. That's one possible reason as to why larger number of rural youth appear in primary sector than other sectors. The lower income group finds it difficult to meet the cost of professional-technical education. As against this, the middle income group consists of relatively educated parents who are likely to encourage their children for such occupations and to pool their resources at this end. The differences in background also explain as to why rural people like to go for agriculture. Rural youth at the lowest income levels are inclined towards agriculture or small business, whereas urban youth at high-income levels may like to look after their own business. Almost similar is the case with social service occupations. In contrast, more rural people would like to go in for agriculture or blue collar jobs.

There is marked and significant relationship between the fathers' occupation and the occupational aspirations of the youth. The highest proportion of youth choosing professional-technical jobs among urban youth comes from two occupational groups, namely, professional and service, whereas among rural youth, business and

professional-occupational group sends the highest proportion of students to these jobs. This means that the largest proportion of youth going for the professional-technical jobs come from professional groups. As against this, in both the youth groups, the lowest proportion of students choosing these occupations comes from agricultural and unskilled occupational group. In general, more urban youth compared with the rural want to go in for professional-technical occupations. This variation may be explained in terms of difference in higher education and sound economic condition of the professional, service and business classes compared with that of the agriculturist and unskilled classes. The differences in choice may be attributed to the variation in the backgrounds of the two.

As for the status of youth employment, in India three types of employment are defined: self-employment, regular-salaried jobs and casual labour. In rural India, self-employment and casual labor are the only two major avenues of employment for people in general and the youth in particular. Male female differentials are rather minor. In urban India, all the three avenues are open to the youth, just as they are to the people in general. A sizeable presence of the urban youth could be seen in regular, salaried job show on one hand the increasing job complexities and skill requirements in the urban labor market and on the other hand the difficulties of the rural youth to compete with them for such jobs owing to their educational qualification.

In rural areas, very high reliance on self-employment is prevalent because of the family based farming system. A fairly high and increasing involvement of them in

casual labor both in the rural and urban areas accounts for their increasing marginalization which can be seen amongst the workers of higher age groups as well. In plain terms, increasing casualization is general rather than an age specific phenomenon in India.

Educational Background of Unemployed Youth

In order to decide whether the problem of youth unemployment is largely a problem of the educated unemployed, we need to look at the educational backgrounds of the youth. Many labor market issues can be understood more clearly if the youth labor force is stratified in terms of educational achievements.

TABLE 2.3: EDUCATIONAL BACKGROUND OF UNEMPLOYED YOUTH BY AGE GROUP AND RURAL-URBAN RESIDENCE, 1993-94

Resident/Sex	Not Literate	Primary level	Middle Level	Secondary level	Graduates and above
Rural					
Males	25.4	15.6	25.1	21.7	1.7
Females	52.5	11.9	14.4	10.6	0.8
Urban					
Male	11	12.5	25.2	37.3	5.9
Female	20.4	12.2	20.8	32	7.9

Source: Government of India, Employment and unemployment in India 1993-94 report no.409, NSSO, March 1997, p. A112-A117

Note: Secondary includes higher secondary level of schooling; graduate and above include graduate in agriculture, engineering, technology, medicine, arts, etc

It is true that fairly high proportion of rural youth most visibly, the rural women among them are unemployed because they are a bunch of illiterate and/or uneducated people. The illiterate among the rural young females makes up around 53% percent of the total. The attitude of people towards women's education is less likely to show a drastic shift from traditional attitude; the urban youth however, tend to have more liberal and modern values as compared with the rural youth and have higher aspirations for women's education as compared to their rural counterparts. Moreover, higher the caste of youth higher is the level of education aspired for women. Lastly, the level of education aspired for a woman is likely to rise with a high parental income and level of education of the parents. In light of these explanations, one can understand as to why rural women bear such low literacy levels thereby affecting their overall employment status.

For rural men the percentage is 25.4 while for urban females it is about 20 percent. Unluckily the fact of low literacy among rural youth in general and rural females in particular, does not seem to be getting mitigated for the future generations of the rural labor force. For example 88.4 percent of the rural young females and 72.2 percent of the young rural males are not attending any educational institution presumably because they have 'finished their education' and are already hunting for jobs.

The educational infirmity of the rural compared with the urban youth and more so of the rural females compared with rural males on the one hand and their urban sisters on the other poses formidable challenges to policy makers in India. This is because, firstly, the present lot of rural female children do not seem to be getting over with such infirmities through higher school enrolment and secondly, the future job market even in rural areas would become more hostile to them unless a dramatic improvement occurs in the female education policy in the very near future.

Finally a point that often gets repeated is that unemployment has existed side by side with shortage of labor in different segments of the economy. It is also pointed out that there has been a mismatch between existing labor skills and the needs of the employers as well as the aspirations of those waiting for jobs and employment opportunities that are available (Lakshman, 1998). Poor quality of education, especially in the rural areas is often believed to jeopardize the employability of the general mass of the youth against a selected few that obtain their education from special schools. Nonetheless a structural weakness of the existing educational systems, that is overwhelming enrolment for general against vocational courses is well recognized.

We can see through the table that there exist large variations in the educational background of our unemployed youth. What could be the possible reasons for this? Most probably the social structure in which they are born that shapes the social perception of an individual. Marx postulated that it is men's "social existence which determines their consciousness". Durkheim maintained that social image, the "collective representations", in some fashion reflect a social reality: although "it does not follow that the reality which is its foundation conforms objectively to the idea which

believers have of it". Mannheim emphasized that the ideas expressed by the subjects are regarded as functions of his existence". These general orientations were, however, suggestive. They did not directly suggest which feature of social existence, which aspect of social reality, which social factor, which social location may have determined the different aspect of social reality. But they did suggest that the sociological roots of the different types of social behavior are to be found in the structure of community in which men are enmeshed.

The Social Structure and Educational Aspirations

In the attempts to find out the relationship between social structure and educational aspirations of youth, such sociologically significant independent variables as contextual background, class position, education, and occupations of parents have been used at one time or another to explain the variations in the educational aspirations of youth. The profession of urban youth choosing professional degrees is higher as compared with the rural youth. However, the direction is reversed in the case of high academic degrees : more rural than the urban youth intend to obtain high academic degrees. A clear and marked association between the background and educational aspirations could be seen. Among those who aspire for low academic and low professional education, there is a significant difference between youth belonging to parents with high and low educational levels. The aspiration for low academic and low professional degrees rises as the educational level of parents' decreases. On the other hand, the largest proportion among those whose parents have high and medium

educational level, aspire for high professional and high academic education. Again, the majority of both the rural and urban youth with parents having high, medium and low level education aspire for high academic degrees, but the majority of urban youth with a similar parental background aspire for high professional degrees and rural youth for high academic degrees.

It can be concluded that the education of parents is a vital factor in determining the educational aspirations of youth. It is reasonable that the parents with high level of education should motivate their children to obtain high academic and high professional education than the parents with low level of education. It is also seen that a larger percentage of those, whose parents have a low level of education, aspire for high professional and high academic education. This is suggestive of the fact that the parents, who are dissatisfied with their own achievement, encourage their children to take the school seriously.

Caste is another variable related with the educational aspirations of youth. In the urban areas, more high caste students aspire for high professional education while the lower caste youth for high academic education. But in the rural areas, more low caste students are seen to be aspired for high professional education as compared to the high caste students, signifying that low caste students in the rural areas think in terms of high professional education although equal proportions of low caste rural youth desire for high professional and high academic education. It is rather surprising to find such differences between two caste groups with the same background. But in the sense that education is subject to achievement, and since it is a source of upward social mobility, it is not unnatural for rural low caste students to aspire for professional

education. Caste is thus not a reliable index of class although it is often positively associated with class status.

Another social factor often regarded as relevant to educational aspiration is income. There is a general rise in the aspirations for low professional and academic education as the income declines. In the study conducted by Rajendra Pandey on the relationship between income and the educational aspirations of youth, it was seen that largest proportion of those aspiring for low professional and low academic education found in the income bracket of Rs.200 and less per month were in the rural area. On the contrary, more urban youth in every income bracket aspire for high professional education. Thus we can see that when educational aspirations are correlated with income, there is a significant positive relationship between the two.

The next variable to be considered is the occupation of the father. We find that more urban youth as compared to their rural counterparts like to achieve high professional education in all occupational groups. Also, more rural youth like to aspire for low academic and low professional education in all occupational categories. More rural youth of agriculturist and professional groups like high academic education and more urban youth from occupational groups such as business, teaching service and unskilled work want to get high academic education.

Besides all these factors that affect the educational aspirations of youth, there is another very important variable that needs to be studied. This is the peer group pressure and the process of socialization. A rural youth, as he grows up, learns different things from his environment in which he lives. He gets socialized in his own distinct setting. This further contributes in making his ideas and thoughts. We have seen earlier

that man is a social animal who learns a lot from his environment. This explains us the differences between the educational aspirations of rural and urban youth. Also since both the rural and urban categories will have different set of friends their ideas will also be moulded differently depending upon the available avenues and their standards of living.

All these aspects affect the educational aspirations, which further motivate the individuals to take up education upto different levels. This in turn affects their overall employment and unemployment status.

Unemployment Rates amongst the Youth

The youth suffer a much higher proportion of unemployment, which accounted for as many as 65.4 percent of all unemployed people in 1997. For every non youth that remained unemployed, there were nearly 6 youths that suffered this fate in rural India and 7 in urban area (Government of India, 1998). The available evidence thus clearly states that in India the problem of unemployment, in a substantial measure, is a problem of youth unemployment. More young males are unemployed compared to young females, and the male female differences have tended to widen during the past decade or so. For example, in 1997-88 for every unemployed young female, there were 2.0 unemployed young men in rural and 2.8 in urban India; in 1997, the figures rose to 4.3 for the rural youth and 3.7 for the urban youth. The proportion of the unemployed

youth for the urban is higher compared to that in the rural areas and this is truer for males than females. Over the years the youth have added to their numeracy in the army of the unemployed because during 1987-88 and 1997 employment expanded at a much faster pace (24.7 percent) for the non-youth than for the youth (11.8 percent). But the unemployment declined much more mildly (14.6 percent) in the case of the youth compared with the substantially higher (65.5 percent) decline for the non-youth. The possible reason for this could be that the backlog of the young unemployed has been increasing over the years.

The table depicts the temporal profile of open unemployment. It sketches the unemployment profile not only for the specified age group (15-24), but also for the senior age group (25-29) to throw up youth-nonyouth contrasts in bold relief.

TABLE 2.4: Unemployment Rates among the Youth

Age group	Share in total persons persons	Rural		Urban		India	
		'88	'97	'88	'97	'88	'97
15-24	Total males	17.7	18.4	20.7	20.1	18.3	18.8
	Unemployed males	65.6	60.1	71.0	67.4	68.0	63.6
	Total females	18.3	17.9	20.3	20.0	18.7	18.5
	Unemployed females	42.5	70.1	66.3	61.9	48.7	65.7
	Total persons	18.0	17.4	20.2	19.9	18.3	18.0
	Unemployed persons	55.9	64.0	69.9	66.7	61.3	65.4
25-29	Total males	7.5	7.8	8.6	8.3	7.7	7.9

	Unemployed males	16.8	26.2	16.8	21.1	16.8	23.7
	Total females	8.2	8.6	8.9	9.2	8.4	8.7
	Unemployed females	16.9	13.4	19.7	23.6	17.5	18.7
	Total persons	7.8	8.2	8.7	8.7	8.0	8.3
	Unemployed persons	16.8	23.9	17.5	21.7	17.1	22.8

Source: For 1987-88, Government of India, Sarvekshana, Special Number, September 1990, NSSO, p. S188-S193. For 1997, Government of India, Household Consumer Expenditure and Employment Situation in India, 1997, Report No. 442, NSSO, August 1998, p. A18-A23.

The unemployment rates are significantly higher for the whole group of youth (aged 15-24), compared to those in the senior age groups, for males as well as females, both in rural and urban areas. Clearly, this tendency has persisted over time. The unemployment rate among the job seekers is a marginal phenomenon most discernibly in the rural, and, to a lesser extent, in the urban areas. The youth-nonyouth contrasts stand out most vividly in the urban areas where in 1997, the young male job seekers faced as high an employment rate as 12.3 percent, against 5.5 percent by those in the age group of 25-29 years and only 0.6 percent for the 30+ job seekers. The respective figures for their female counterparts were 12.4, 8.5, 1.7 and 0.9 percent.

It is an extremely crucial fact that the unemployment rate among the urban youth is much high compared to the rural youth. The possible reason for this could be well understood. In India, a sizeable proportion of the rural people, including the youth, have family-based agriculture and allied activities acting as a sponge for employment.

The main problem faced by the rural youth is perhaps not of the open unemployment, as is in the case of urban youth, but that of under employment. The gap between the urban and rural unemployment rates among the youth has tended to widen more in some states like Bihar, Uttar Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu and West Bengal where the weak agricultural base tends to act as a push factor behind the exasperating urban labour market.

The intensity of the urban unemployment problem seems to begin with the young adolescents, and disappears only when the job-aspirants enter into their thirties. In the more competitive and formal urban economic environment, the transition from “schooling to employment” is not that easy for the young adolescents nor is it for the young adults who have to muster “experience for winning a niche in the formal urban job market”. The youth many a times impose upon themselves a waiting period in search of good job openings. This waiting period or in other words the spell of unemployment is different for youths residing in different areas. Gender is another factor that adds to different rates of waiting time experienced by the youth before they are finally employed. On a general platform, it is observed that this spell falls shorter for those in rural areas. This may be because many have some family based economic activity to fall back upon as a result of which they don’t have to wait for that long for getting a ‘suitable job’ as much as their counterparts in the urban labour market.

Many adolescents in urban areas do not wish to wait for long. The stakes for them are not too high since they are just about to enter into their working careers and for especially those who have just moved out of their educational careers any job that comes their way readily meets their earning excitement. On the other hand the choice

for the youth aged 20-24 years are shaped by a different set of circumstances. Being at the prime of their life, a bit of professional adventurism is in order. For the educated among them, especially those with technical education and training, the trade-off between accepting the less remunerative but readily available jobs and more remunerative ones to follow after 'some waiting' is clear, and worth striving for. The urban economic environment prepares them well 'to keep on competing' because opportunities are more and diverse and age, knowledge and expectations are all on their side. In brief, while many of the aspiring urban adolescents do not wish to wait, their seniors think it worthwhile doing so.

Another problem that operates quite intensely among the employed youth is the change of jobs. There is no doubt that the proportion of the young employed persons, both male and female, in rural as well as urban areas, changing jobs, is slightly higher than among senior employed persons. One would expect this to be happening in a growing economy since the youth, especially those with a higher level of education, technical skill and adaptive ability, are ever more enthusiastic to venture into new avenues of employment and earnings, compared to older people. It is not the age alone that prompts them to switch over to fresh jobs; it is their educational accomplishments that facilitate their switch over decisions. More than 40% of the urban employed young males and nearly 20% of their females counter parts, report changing of jobs due to 'lack of job satisfaction' of 'search for more remunerated jobs'. The non-youth-employed persons give these explanations also, but their ratio is significantly lower, both among the males and females in rural as well as urban areas. At the other extreme the illiterate employed youth have a considerably subdued tendency to walk out of their

present jobs. In some, it is the combination of youth and education that drives a very high proportion of young persons to seek fresh jobs.

CHAPTER III

**CAUSES
AND
CONSEQUENCES
OF
YOUTH UNEMPLOYMENT**

The term “Involuntary Unemployment’ is emotive. It is similar to the concept ‘hunger’; for while hunger and fasting may cause the same degree of pain to the human body, hunger is regarded, as something to be prevented whereas fasting is not. ‘Hunger’ connotes an involuntary condition whilst ‘fasting’ is deemed to be, even in the most severe case, an essentially voluntary act. Similarly we feel that people ought not only to be unemployed if they have been able to choose to be. It is involuntary unemployment, which is undesirable (economic and political weekly, April 2003).

CAUSES OF YOUTH UNEMPLOYMENT

Economists have explained Unemployment in terms of lack of capital, lack of investment, and high production. Some believe that Unemployment has its root 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 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.

One reason for the Youth Unemployment is the inability of our economy to create enough jobs to keep pace with the growth in the labour force. In recent years, the exhaustion of land resources and depression in agricultural commodity prices have constrained agricultural growth and limited employment opportunities. At the same time, employment growth in the industrial sector has lagged, partly because of the

labour-displacing technology used. The outlook for employment growth is not so promising. While agricultural growth continues to be constrained, the development of automated production systems in the industrialized countries threatens the developing countries, which may well have to adopt such technologies to survive. 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. They say that the remedy for unemployment lies in lowering the wage rate. But how much down the wages could be brought? Could the labour be denied the minimum living standard to which it had got accustomed, and which in fact was its due? If that were done, how much suffering and misery would it cause? This led the Cambridge professor John Maynard Keynes to enunciate a theory in 1936 (in his book *General Theory of Employment, Money and Interest*) which stated that national output, effective demand, and employment were interrelated and that total volume of employment in an economy at any point of time, depended upon the level of effective demand which meant total volume of the country's output of goods and services. If national output were rising constantly, employment would be doing so. However, at times there could be some distortions in this framework. If savings exceeded investments, effective demand for goods and services would decline and with that would decline the demand for labour. This would result in some amount of unemployment. However, this could be remedied, so goes the Keynes's theory, by the state intervening and stimulating investments through proper fiscal measures and raising consumption level by injecting into the market new purchasing power, by producing deficit budgets.

After this, as after Second World War full employment came to be accepted as the goal of the monetary policies to be pursued by governments, budget deficits came to be looked upon as not only legitimate but also the most desirable instrument for 'social engineering'. However, this was nothing but the distortion of Keynesian theory, which made inflation a perennial feature of economic scene both in developed and developing economies.

The *new classical school* believes unemployment to be the result of overproduction. Overproduction reduces the prices of the commodities, which necessitates reducing the workers, which in turn increases unemployment.

The impact of the minimum wage on the general employment situation depends on various factors; it depends particularly on the degree of enforcing the minimum wage in the labour market, the divergence between the specified wage and the perceived value of the labour, and the degree of feasibility in substituting labour for machinery. In India, the minimum wage is more likely to be enforced by government in the modern industrial and service sectors than in the rural or urban, informal sectors, in which case any subsequent reduction in employment by the modern sectors will push the workers into other sectors and aggravate the existing underemployment situation.

The worsening unemployment situation is going to fall disproportionately upon youth. The minimum wage being set for the entire labour force is likely to exceed what employers are willing to pay youth in view of their relative lack of experience and unproven expertise. Employers prefer to hire older, more experienced workers, who are more likely to be committed to their jobs. Unless serious consideration is given to changing employers' discriminatory attitudes towards youth, minimum wage policies

will inadvertently continue to lead employers to employ the more reliable adult worker or cheaper child labour than young work

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 to the unemployed status for no fault of their own. Less demand is the result of slow rate of development in early years, or are postponing investments due to poor trade and commerce, and/or shift (or investment) from the industrial to the non-industrial sector. Young workers usually bear the brunt of economic downturns because when it comes to deciding who should be dismissed, most firms usually attach great significance to seniority. A firm is not likely to dismiss veteran workers, because they are familiar with the operations of the firm.

Lionel Edie (1926:422) is of the opinion that unemployment is caused by the disruption of the economic structure. Elliot and Merill (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 specialized division of labour also make it possible 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 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.

Continues search for employment require that the job or income that is being sought should more than compensate for the costs of such search, including the income

lost from rejecting other positions. Youth may be slower to adjust their employment objectives than adults, and persist in their job searches because they have higher expectations arising from less experience. Another reason is that equivalent salary gains to youth and adults mean more to youth since the expected income stream over their longer working lives is higher. Older workers are more reluctant to change their jobs because they often have seniority, have acquired skills that may be specific to their current jobs, have family obligations, and have shorter working lives left to make job changes worthwhile.

The income status of the job seeker has two contrasting effects. On the one hand, greater wealth causes the seeker to have higher aspirations, and be willing to remain unemployed longer. On the other hand, greater opportunities or good associations are associated with wealth, increasing the likelihood of obtaining the desired job. Additional research is thus needed on the income characteristics of youth and their impact on job search. It was found in one of the studies that those who had waited longer generally obtained better jobs than those who entered the labour force immediately after school. However this finding may simply reflect the fact that those who waited could afford to wait and possessed better skills. Regardless of the reasons, prolonged search for a job can have detrimental results on the employment prospects of the job seekers. Work habits may deteriorate from lack of use. Employers may be wary of applicants who have no current experience and may become apprehensive of the capability and reliability of such applicants.

SOCIAL CAUSES OF YOUTH UNEMPLOYMENT

Several scholars have now maintained that unemployment cannot be ascribed only to economic factors. Social and Personal factors equally contribute to unemployment. In India the basic factor that leads to unemployment is prejudice which is inbuilt in our Indian System and is more profound in the case of women. We have seen so far in our discussion that the female youth are treated in a different manner than their male counterpart. And this has its implication on the unemployment rates that exist among them. But why is that there is prejudice? There are many reasons that answer to us this question. According to the Article 15 of the Indian Constitution the women would suffer no discrimination on the basis of sex in education, public service and social status. With such legal provision and constitutional guarantee, Indian women youth are asserting for equal status with men, and some of them have become magistrates, district magistrates, chief minister and even the Prime Minister. Apparently, the picture seems to be better but, in fact, the cases of those few privileged women give nothing but a distorted image.

The Indian women youth are despised and looked down as a weak link. Male child is given preference over female in each and every sphere of social life. Legislature alone has failed to bring in improvement and the position of Indian women youth, even after so many years of independence, has not changed significantly. They are being kept backward, illiterate and unskilled. Their percentage in legal, medical, educational, administrative and other services is much lesser than their numbers would suggest.

Women are considered to be a bad influence and chiefly on this account the employers do not engage them when they may be better qualified than men. The middle class women have to go a long way to achieve emancipation, as they are still afflicted with old orthodox and conservative values and traditional irrational attitudes. Even the modern educated women complain that they are not treated with dignity both at home and/or at the office. Two separate yardsticks are used in the treatment of boys and girls. For example, a male offender has a whole of time but an erring female loses her respectability for all times to come. The ever-increasing cases of eve teasing, rape and the difficulties in getting a girl married amply demonstrate that men have not shed their anti- women attitudes. All these reasons pull back a female youth to get a descent job for herself. Her main problem is not only to get a job but also that assures her security. And to get such a combination becomes difficult at times.

What could be the basic reason that men develop such prejudice in them? Is it that to some extent our society is to be blamed for this and why is it so prominent in our Indian set up? There have been some researches to answer to such questions. Several Indian researches have indicated the relationship between parental discipline and prejudice. Murphy has observed that prejudices in India may be associated with child-rearing practices that are most typically characterized by emphasis on dependence and obedience to authority. Authors like Kali Prasad, Koesitder and Taylor have held that Indian Society is basically an authoritarian society characterized by hierarchical caste structure and joint family system. In an Indian family, children are exposed to non-permissive and authoritarian parental discipline where they constantly see that the main role is played by the male head and the female just listen and agree to whatever is

told to them by their male counterparts. They have practically no say of their own and are seen doing basically the household work. Male children see this since their childhood and their socialization takes place in such an environment, which probably gives rise to prejudice in them.

Caste system and unemployment

Caste, as an equivalent term for 'jati', may be defined as an inherited endogamous group or segment of society, membership of which is determined by birth alone. The caste system in India divides the people into four broad groups out of which Brahmins acquire the top most position and harijans the last. Admittedly, the concept of pollution and caste rituals is decreasing but there seem to be no decline of the influence of the caste system in social life. Brahmins still occupy a higher position not only because of ascription, but also because they are occupationally better, more educated and wealthier than the harijans, the ex-untouchables. Roy (1970) in his paper, "*Caste and political recruitment in Bihar*", published in *Caste in Indian Politics* and edited by Rajani Kothari has shown that certain upper caste dominate not only the field of education but also politics and economy of the state. This accounts for economic inequalities with respect to land ownership. One of the sample surveys was conducted by the All India Agriculture Labour Inquiry over the entire country to discover the caste basis of agricultural occupation. In that it was revealed that Brahmins and Rajputs, the two upper caste, owns 78.16 percent of land in Bihar and 96.70 percent of agricultural force comprised of backward class. They owned little land and were largely dependent upon the land owning Brahmins and Rajputs for their livelihood.

Even today in rural areas such caste distinction can be seen. A lower caste youth will not be employed in works that are performed by a higher caste person. Many don't have a choice but to stick to their own ancestral work that does not even earn them a 'descent' earning for a day. Moreover, youth who belong to higher caste refuse to work with those who belong to lower caste. This result in higher unemployment rates among such people since they keep on waiting till that time when they can find 'the' apt job for themselves.

Further in sociological terms, unemployment can be described as the product of a combination of social factors like de- grading 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 consider the IAS, IPS and teaching in the university to be prestigious jobs and teaching in schools, salesmanship, and typing to be jobs of 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 befool 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 and aptitude to such examinations. Sometimes young persons refuse to accept

certain jobs because they consider their family's position too high for them to accept the job they have been offered. In a public opinion survey conducted in four metropolitan cities on the occupational aspirations of the youth, 52 per cent of the respondents gave preferences to government jobs and college lectureship (*Career Aspiration: The Conflict with realities, 1968*). 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 a 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 standpoint of the welfare of democratic nations. She 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 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 is approximately 5 per cent of the total budget. The benefit of education is confined to a minority comprising middle and high-income groups and has not been able to help young persons find employment. Ironically perhaps, it even makes them unemployable by turning their minds into a duffel bag crammed with textbook theories, which are out of date and inappropriate for India's development.

A major cause of unemployment among the educated in India is the imbalance between the training provided and the skills required in the market. Underemployment of the Educated arises from the natural preference of people to accept jobs with lower skill or educational requirements instead of being unemployed. Those with higher educational qualifications displace those with lesser education or

training. At the other end of the educational spectrum, the failure to promote secondary education may lead to the marginalization of those with only primary education, as they are confined to the lower paying segments of the labour market. Primary education has been criticized as too oriented towards urban lifestyles and focusing on preparing students for continuing education through training in literacy, foreign languages and numeracy, even though a majority of students, particularly those in the rural areas, discontinue upon completion of primary education. Such emphasis upon the academic rather than vocational training has been attributed to the lack of facilities and qualified teachers, particularly in the rural areas. Vocational training generally suffers from lack of the necessary facilities and up-to-date equipment to enable students to practice what they have learned in the classroom. As a result students are equipped with the theoretical knowledge and little technical expertise.

Another flaw of the educational system is its orientation towards the sequential preparation of students, with each stage being a prerequisite for the next. Less consideration is given to the re-absorption of the school quitters, who are often unable to meet the requirements.

In India, the high rates of attrition from the educational system aggravate the unemployment problem and dampen the earning potential of young school-quitters in the long run. The predominant reason given by the school-quitters is the need to earn a livelihood owing to inadequate financial support from their families. The higher the age group, the more important it becomes to work. While the relative importance of the various motivations of school quitters over time has hardly changed for the rural

areas, there has been a significant rise in the proportion of respondents citing financial constraints. There has occurred despite lower fertility rates and fewer children. With the greater capability that comes with age, the higher the age the smaller the proportion of youth who will cite lack of financial support as a reason for leaving school. Rather, with the increase in age, a higher proportion of youth will cite the need to earn a livelihood. A better appreciation of education accompanies maturity and, with the increase in age, a smaller proportion of youth will leave school because of a lack of interest in studying. From many of these youths who are not attending school, nearly half are working. Surprisingly the rates of labour participation of the school quitters hardly differ between the rural and the urban areas. However, higher proportions of school quitters in the urban areas are looking for work than in the rural areas. Compared to the urban youth, a higher proportion of the rural youth not in school are engaged in unpaid family labour and a smaller portion in housework. The proportion of young school-quitters engaged in house work or unpaid family labour declines with age, as they obtain or employment outside the household. In rural areas, the relative importance of such factors on the withdrawal of youth from school has changed little over years.

The pre-mature entry of the youth into the labour market clearly limits their economic opportunities. Although the proportion of school-quitters at work rises with age, only about half are at work even in the more dynamic urban areas. The rest may be regarded as unemployed or under employed, since they are engaged in unpaid family work or household work, or are seeking employment. The inability to secure work in the labour market is much more severe in the rural areas. The miniscule

proportion of those seeking work reflects the lack of economic opportunities and possible outward migration.

The migration that result due to unemployment in rural India has it's own consequences. *Rural youth in an urban setting* is torn between the two worlds: rural- physically abandoned but culturally owned and the urban- physically owned but culturally abandoned. By their own admission, betterment of employment prospects is the major goal of higher education. Acquisition of knowledge comes only next. In a sample survey conducted by P.K.Gandhi it was found that being far from academic the educational effort of the rural youth is characterized as narrowly practical in motivation, unintellectual, and not without certain degree of academic nervousness and deviance.

The transfer to another group during the period of adolescence or youth is likely to constitute a supreme crisis. Since his emotional life, his system of values, his objectives and goals are likely to be in rather rigid conformity with. As a result they may be defeated by the new situation, may cast aside old patterns too rapidly and face personal disorganization. Or they make adjustments far below the level of ability because of their lack of training and skills and of social attitudes.

Although female youth comprise about half or more school-quitters, the rates of their participation in the labour force is generally lower than that of their male counterparts. The main reason for this can be attributed to our Indian social set up. In India females are not seen as the primary sources of economic earnings. They are more associated with taking care of their children and/or husband, if they are married, or learn to do household work so that they can be 'good' housewives once

they are married. Moreover, parents are apprehensive to send their daughters out to work. This is seen more among the families belonging to lower caste of rural India. Though they are poor, they still prefer to keep their female counterparts in house for the fear of them being mistreated by other men, especially those belonging to higher caste. Owing to corruption and redtapism that exist in Indian governing body, people are unsure about the fact that if something happens to their daughter will they be given justice or that it will be denied to them. This is also one strong reason why girls are married at a very young age, especially in the rural areas. Besides all this, unemployment also occurs among the women as a result of the nature of job. There are jobs, which require the worker to work in odd hours. And that becomes very unsafe. Also owing to early marriages and the male being given preference in almost all-important aspects of life, the literacy rates among the females are also quite low, especially in the rural areas. People do not consider it important to teach the girl child as according to them the prime function of a woman is to sit at home and do the housework rather than 'wasting' her time in studies, which will be of no use to her. Thus with no educational qualification there chances of a good job gets all the more limited. So a woman has very limited job opportunities and in that unlimited competition, which makes this problem of unemployment quite a common feature among the women of India.

Youth unemployment may also occur as a result of prolonged job-hunting owing to half hearted attempts or dissatisfaction with previous offers. Inefficient job searches by youth arise from their inexperience in the labour market. As first time entrants into the labour market, youth are generally unsure of their ability to apply

what they have learned at school. They attach more importance than adults to having “good connections” showing that they lack confidence in the quality of their education. The unemployed tends to rely on the mass media and approach employers directly. In one of the studies that assess the search methods of the unemployed in India, it was found that one half rely on government and private placement agencies and the mass-media, while the other half search through friends and relatives or through direct contact with employers.

As regards the personal factors, lack of experience of a 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.

Social Consequences of Youth Unemployment

Youth unemployment has economic repercussions that affect both the young people and the society. In the advanced industrialized countries, such public programs as unemployment insurance and income maintenance lighten the hardships on an individual and his/her family. At the aggregate level, these programs also lessen or even counter shortfalls in demand that underlie unemployment. In fact, at times, the unemployed are even able to maintain their former consumption spending. The opposite occurs in the developing countries. The lack of such public assistance forces the unemployed to rely on their families for income support, whether in the form of income transfers or through the sharing of the work burden that in effect reduces the output and remuneration per worker. This may be the only recourse open to youth,

owing to their age. Thus the depressing impact of unemployment on the economic activity extends beyond the employed much more than in the developed countries.

The economic consequences of youth unemployment are associated with social pressures on individuals, their families and the society. Studying the influence of economic conditions on families require that we develop a set of measures that would adequately capture relevant dimensions of economic hardship. For this purpose we choose four dimensions of economic hardship that focus on the economic experience of families.

The first construct, per-capita income, represents the current economic state of the family, a construct found in most contemporary research on poverty and families (Duncan, 1984; Duncan and Brooks-Gunn, 1997). The second, unstable work comes from the research tradition on employment and job disruptions. The third construct, the ratio of family debts to assets, is used by rural social scientists such as Murdock as an important indicator of family hardship. Changing economic circumstances of families are captured by the fourth construct, income loss (Elder, 1974). These four constructs are used in the conceptual model to represent conditions of family hardship hypothesized to predict economic pressure.

It is well documented that adolescence is a time of rapid and complex developmental changes involving biological, psychological and social pressures. Thus, adolescence may represent a period of particular vulnerability to economic stress and its negative impact on family relationships. Adolescents living in a family situation disrupted by economic concerns may be at an increased risk for experiencing

detrimental outcomes such as depressed or anxious mood, poor school performance and other problem behavior.

Economic hardships have an adverse affect on the psychological well being of family members and the quality of family relationships. The Family Stress Model of economic hardships postulates that severe income loss or sharp increases in resource demands leads to economic pressure 90difficulties in dealing with stressful economic conditions such as the inability to pay bills or to meet basic material needs of food, clothing etc.). it is these day to day frustrations associated with hardship that affect family life. Thus the model indicates that parents experiencing these economic difficulties may subsequently become frustrated, angry and otherwise emotionally distressed.

This fundamental connection between economic pressure and emotional distress draws upon Berkowitz's (1989) reformulation of the frustration-aggression hypothesis. Berkowitz demonstrates that many stressful, frustrating, punishing or painful events and conditions are lawfully related to increased emotional arousal that varies from despondency to anger in humans. Consistent with our interpretation of Berkowitz's reformulation of the frustration-aggression hypothesis, then, the Family Stress Model proposes a direct path from economic pressure to emotional distress (i.e. depressed mood, symptoms of anxiety, and angry and hostile feelings of adults and parents). Berkowitz also proposed that it is the emotional distress or negative affect that results from aversive life experiences that increase risk for withdrawal and irritability in social interactions as suggested by the paths from emotional distress to marital conflict and disrupted parenting.

According to Coyne and Downey (1991) this, the stressful life experiences, like economic hardships, have their most negative impact on individual well being through disruptions in close personal relationships. Though not all families or individuals are likely to be equally influenced by economic stress. Werner and Smith (1992), for example found that youth who were sociable, conscientious in their studies and who had significant support from an adult in their lives were relatively resilient, even to a background of severe damage.

The Family Stress Model provide support for the idea that adolescents are at risk for developing problems such as depressed mood, anti social and delinquent behaviors, poor school performance and other related problems when they or their parents experience disruptions in their lives associated with economic changes and uncertainty.

Prolonged unemployment can further discourage youth. According to one of the seminars conducted by the ILO on youth unemployment revealed that approximately two thirds of the unemployed between the ages 15 and 19 believe that there is no work available. The proportion of disheartened workers is smaller in the urban areas than in the rural areas, but it still accounts for over a half.

Since youth comprise major proportion of the unemployed in India and, due to their age, are more likely to turn to their families for assistance, the incidence of youth unemployment has economic ramifications for the society. Few youth are the primary breadwinners of their families, as most are single and still live with their families this leads to the diversion of family resources and/or work, which further aggravates the economic conditions of the families, particularly the poor.

Another economic effect of youth unemployment lies in the sectoral distribution of workers. Discrimination in the labour market may cause workers to be concentrated in certain sectors, in particular agriculture. Although self-employment, particularly in the “informal urban” sectors, as often been viewed as an escape valve for labour denied work in others sectors, it may be a less viable alternative for youth than for adults. Urban self-employment is not without preconditions in terms of entrepreneurial expertise and capital requirements. Further more, the “ Informal” nature of such activities means that the entrepreneur must contend with municipal regulations and prohibitions, ”informal” exactions, an ethnic barrier. Since the accumulation of the necessary capital and expertise tends to come with age, youth are less likely to engage in self-employment.

Unemployment affects an individual, family, as well as society, or it may be said that unemployment causes personal disorganization, family disorganization, and social disorganization. When a person loses his job due to capital intensive projects or any other reason, it leaves an impact not only on has personal life but on all others who are related to him directly or indirectly. As a result of unemployment, the children have to give up their dreams of college, careers and at times can also lead in the breakdown of families. The couples need to get divorced, as they can no longer withstand the stress and strain of economic pressure. The development of adolescents also suffers because of the negative pressures within their families, schools and communities.

From the point of view of *personal disorganization*, the unemployed person faces disillusionment and falls easy prey to cynicism. Having no outlet to release their depression, young persons tune their creative energies into wrong channels, which

explains the rise of the number of youthful bandits, highway robberies and bank hold-ups. Youth unemployment also aggravates social deviance as restless and frustrated turn to drugs or crime. These anti-social activities offer a chance to the undisciplined 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 lack of working opportunities makes it impossible for them to support their dependents. Their 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 unlawful activities like smuggling and drug trafficking rather than squarely facing up the actual 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 (Bakke, 1940).

Family disorganization because of unemployment is easy 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 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 so 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 disorganization caused by unemployment is hard to measure. Social disorganization 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 (Colcord, 1941). Unrest may well erupt as unemployed youth look for reasons and press government for solutions. The relative deprivation theory propounded by Samuel Stouffer in 1949 states that a group feels “deprived” if it is prevented from using a goal/object it regards as attractive or desirable, but it feels “discontented” when it had been anticipating the pleasure to be achieved with object and then cannot fulfill this expectation. Relative deprivation is the perspective that one “as a group” is less well off than others to whom it “the group” compare itself” (Myres 1988:402 and 408). It, thus, talks of the gap between expectations and realizations. Youth in India feel that lack of opportunities,

unemployment, reservations on caste basis, and limitations on higher education, particularly technical and professional education, adversely affect intellectual ability, and as such are avoidable. They long for better jobs, economic security, promotional opportunities, social mobility and all those things that many others enjoy. They hunger for these treasures but have little real understanding of what it takes to produce them. The existing social structure and the power elite have little hope with keeping up with the youth's expectations. Thus, when young people become most miserable, agitation seems most likely to occur.

The dependence of the unemployed youth on their families compels other breadwinners to work more, or at least to reduce their share of the consumption benefits of their own work. Besides straining the family cohesiveness such reallocation of family resources may also deprive the other members of the household, particularly children. It has been observed that married youth labour or independent youth labour have lower unemployment than other youth labour, though such rates are still higher than for older adults. One interpretation is that unmarried youth living with their families are better able to prolong their search for employment. Yet another possible explanation is that the married youth represents "success cases", while those who remain with their families do not. 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.

Another social effect originates from the acceptance of low paid, labour intensive jobs by desperate young seekers. Such jobs usually lack health precautions of insurance. The agricultural and labour intensive manufacturing sectors contain a

higher proportion of youth workers than other sectors. Young and inexperienced, they are even more prone than adults to occupational hazards and injuries.

Looking at such grave consequences of youth unemployment which affects the society at large one needs to think different ways of reducing unemployment among youth in India. In order to understand what steps have been taken by the government in this respect so far, I have taken into consideration various employment generation programmes and their sociological implications, which I have discussed at length in my next chapter.

CHAPTER IV

**EMPLOYMENT
PROGRAMMES
AND
POLICIES**

For a typical developing economy one can visualize two sets of employment- promotion policies. One stems from the macro economic policy changes that have their attendant indirect bearing on employment and are called as indirect promotion policy. The second set consists of direct employment promotion policy. The second has two subsets, the first dealing with employment for people in general and the youth beneficiaries in particular, while the second focus mainly on the youth. For understandable reasons, greater attention has been provided to the direct employment promotion policies.

There is along chain of macro economic policy instruments used by India to strengthen both the demand and supply sides of the labour side. On the demand side, the main strategy has been to step up the growth rate in the economy so that the accelerated pace of economic growth yields expanding avenues of employment, benefiting both youth and non-youth job seekers. Encouragement to labour intensive economic enterprises, through a wide range of policy interventions including protection and subsidization, has been one of the major thrust areas of macro economic management in India.

- **Pattern of growth in employment**

It needs to be said at the very outset that the effect of economic growth on employment, including employment for the youth, could not be uniform across various regions of India primarily because of different characteristics and labor policies followed from time to time. In particular policy for Human Resource Development, agricultural modernization based on a strong infrastructure base, non-farm development in rural areas, most essentially the *de facto* promotion of labor intensive,

small-scale rural enterprise stand out as formidable, necessary and sufficient conditions governing the relation between economic growth and employment. In the early years of planning, the overall approach to employment was to emphasize the utilization of labour for development as against putting the solution of unemployment as an express goal of development. With its Hindu Growth Rate of 3.5 percent per annum during the 1960's and 1970's, coupled with a fast growth in the labour force, the magnitude of unemployment increase, roughly from 5 million in 1956 to 11 million in 1977-78. This raised doubt about the efficacy of growth alone in dealing fully with twin problem of unemployment and poverty. Consequently, a number of programs for generation of self and wage employment were initiated. More concretely, the Eight Five Year Plan (1992-97) aimed at bringing employment into a sharper focus into a medium term perspective with a goal of reducing unemployment to a negligible level within the next ten years. Accordingly, the plan emphasized a structure of growth with a larger contribution from sectors having a high employment content of output and the use of production techniques favoring the use of labour to enhance the employment-generation potential of growth. The overall approach of the ninth plan (1997-2002) was that the employment should be generated in the growth process itself by concentrating on sectors, sub-sectors and technologies which are more labour intensive; accordingly, great emphasis was placed on agriculture, small industries and the creation of self-employment opportunities. In brief, the growth plus strategy hammered out in the preceding decade or so, would continue to guide India's effort towards the alleviation of unemployment and poverty (Government of India, 1999a).

India's case clearly certifies that economic growth reduces unemployment. The incidence of open unemployment in general and that for the youth in particular, has been relatively much lower in India than in most Asian economies (Chadha, 1999a). The growth-plus strategy seems to have worked well towards a significant decline of the educated unemployment. For example, the unemployment rate among the educated (secondary education-plus) youth declined from 15.4 percent in 1977-78 to 11.8 percent in 1987-88, and further down to 9.6 percent in 1993-94 while their share among the unemployed rose from 28.8 percent in 1977-78 to as high as 62.0 percent in 1993-94.

The former is due to the fact that the rate of growth of employment among the educated has been higher than the overall growth in employment. This is firstly, because economic growth picked up well since the early eighties, and, secondly (perhaps more importantly), because there were significant sectoral shifts in the growth process that readily absorbed an increasing population of the educated labour force. But then, the rising share of the educated among the unemployed is a reflection of a longer stay in educational institutions or the unwillingness on the part of educated youth to accept low-income jobs with low productivity.

That a very high proportion of the unemployed youth in India is educated does not imply that the problem of unemployment does not exist among the uneducated youth (Singhvi, 1977). The uneducated unemployed youth are located largely in rural areas, and females constitute a preponderant majority among them. The relevance and purposefulness of the special employment schemes are to be seen in this light, not that such schemes preclude the educated unemployed.

By their very nature, the small and medium enterprises were expected to be less capital-intensive, and were, therefore, capable of creating a larger number of workplaces for a given amount of capital. For a capital-scarce economy, this was foreseen as a highly rational resource-allocation arrangement and a remarkable strategy of employment-promotion, on a long-term basis. Thus, employment expansion *per se* received the most heightened policy attention and the fact that their development can play an equally significant role in the growth process was not sufficiently appreciated (Chadha, 1996).

India's industrialization strategy of walking on two legs, with one leg on the modern factory sector and the other in the rural and cottage industries, endured for nearly four decades, most certainly because of the state protection extended in many different ways. It is only during the 1990s that the need to promote rather than protect these industries is openly admitted as an essential macro policy change. The SMEs as also enterprises in general, in the developing Asia including India, have seen vicissitudes in their fortune, partly due to domestic developments and partly due to competitive pressures imposed by the economy's increasing globalization and liberalization.

The problems of obsolete technology and skills, inadequate credit, lack of access to market and raw materials, low level of productivity and earnings etc. are identified as general weaknesses of SMEs in India. It seems clear enough that a sizeable proportion of the workforce clings to such enterprises possibly because alternative employment opportunities just do not exist for them. Employment for them goes hand in hand with a substantial degree of underemployment. In the opinion of some analysts,

if the past trends provide any indication to the future, a substantial part of the traditional industrial activity is bound to disappear, inspite of all the protection and support it is provided with. In terms of their capabilities and relative strength, it is fairly obvious that a substantial part of the traditional and the rural industries just cannot withstand domestic and, much more so, international competition. On the other hand, the more dynamic performance of the small-scale sector holds out enough promise of output and employment-growth, as also of absorbing foreign competition in specified product lines. Today, it contributes around 40 percent of value-added in manufacturing and for about 45-50 percent of total exports (The World of Work,2002).

It cannot be denied that the small-scale industry in India has come of age because of certain protectionist policies adopted by the government. The most conspicuous example is of product reservation; more than 800 specified industrial were reserved for small-scale industry way back in the 1960s, to protect them from undue competition. The policy has stayed on although, in recent years, certain items have been removed from the reservation list and, following the Abid Hussain Committee Report, a debate about replacing 'reservation' by 'promotional support' has arisen in policy circle. If that happens, the small-scale industry would emerge stronger, its employment potential would expand, per-worker productivity will increase and under employment would go down. Clearly, such advantages would not be available to traditional industrial enterprises. One hard lesson that India should learn from herself, and perhaps from some other developing countries, is that the potential of SMEs should not be seen in terms of sheer addition of numbers to the workforce; their contribution to the overall growth should also be understood and planned for. It has taken nearly four

decades for India to understand this reality. It should not be difficult for policy administrators to see that there are many missing links in India's policy regime, industrial dispensations and public-private partnerships.

Human Resource Development Policies

Ever since 1951 India has witnessed a phenomenal expansion of education at varying levels. Expanding educational facilities have changed the character of youth unemployment; gradually, it became largely a problem of educated youth (Example in 1993-94, nearly unemployed youth were educated). The educated youth in India are not prepared to take up all sorts of jobs; the mismatch between what they want and what the formal labor market offers to them consistent with their qualification, capabilities and aptitude is not a universally recognized phenomenon. And, this mismatch has been in existence for a fairly long time now. Accordingly, it was essential to think of reorienting the educational system towards various vocations so that the job seeking youth could respond better to the job requirements as soon as they move out of the school. Vocationalisation of education thus became an equally important policy in the area of employment.

In India, the reform of the education and training system, has been an on-going process, *albeit slow*. The accelerated pace of economic reforms and structural adjustment programs in recent years, especially those affecting the scale of production and employment in the organized sector, has added an element of urgency. The fact that the formal sector is dominated by the public sector, whose importance has been gradually eroded by restructuring programs has spurred public action to enhance the

effectiveness and relevance of education and training. Improving the higher education system is also being targeted with a view to meeting the rising need of high technology and business services.

However, major problem is the lack of adequate resources needed for improving the quality of human resources. The poor quality of India's labour force both existing and the one coming up in the near future, can be gauged from two simple facts. One, that in the rural work force 45 percent male and 80 percent of female are totally illiterate, that 29.4 percent of male and only 14 percent of female workers have education upto the primary level and that only 12.8 percent of male and 2.5 percent of female workers have attained secondary and higher levels of education. Second, that about one-third of rural persons in the age group of 10-14, and 68 percent of them in the age group of 15-19 years, were not attending any educational institution in 1993-94; their counter parts in urban India were 16 and 46 percent respectively (A.Kunda, 1996). Enhancing women access to education and training with a view to enabling them to compete in the job market and make their rightful contribution to National growth and development should also be a priority consideration. Again, to look at the distressing situation in India, 44, 44.2, and 79.2 percent of rural females in the age groups of 5-9, 10-14, and 15-19 years were not attending any educational institution in 1993-94.

As far as skill up gradation of the work force is concerned, the system followed in India is 'supply-led' as opposed to 'demand-driven'. For example, only about 5 percent of secondary school level students opt for the vocational stream against a target of 25 percent set during the Eight Five Year Plan (Government of India, 1999) against

more than 40 percent in the Republic of Korea and 28 percent in Japan. Training system suffers from limited flexibility, poor curricula and weak links with industry. One of the more serious flaws is that training is mostly focussed on the organized sector. Given the limited capacity of the sector to provide employment-opportunities (example less than 10%), and the fact that most of the work force is involved in agricultural and the non-formal sector, the demand for improving the relevance and effectiveness of national training system is both timely and justified.

The response for the national authorities has led to several innovative approaches, and a conscious effort is being made to provide a supportive environment, which fosters skill up gradation. The Indian government policy paper on “ Technology Vision- 2000 aims to strengthen indigenous efforts in science and technology. The quantum leap made by the software industry in this country demonstrates the success that can be achieved. To take a view of the governments own initiatives in this important area of human resource development, the Nine Five Year Plan (1997- 2002), after taking cognizance of structural weaknesses of India’s educational and vocational training programs, contemplates that, to meet the growing man power needs as well as improve the quality of technical education, the intake capacity of the IITs, other reputed engineering institutions and IIMs will be doubled, particularly in high demand areas like software engineering and information technology; that vocational education at the secondary and under graduate level will be expanded and restricted so as to have strong linkages with the industry and improved employability; that the scheme of Vocationalisation of education at the 10+2 stage will be restructured so as to divert atleast 25 percent of the students at that stage into self employment or wage

employment, while providing them with vocational competence in a field of their choice, and so on (Government of India, 1999a). Nonetheless, under the present form of the National Vocational Training System, many issues that need immediate attention relate to over-emphasis on producing training services by government, a weak regulatory role of the government in insuring training quality, a mismatch between available trained man-power *vis-a-vis* the requirement of the economy, poor flexibility of the training programs, inadequate coverage of the service sector which is really expanding at a phenomenal rate; non-coverage of the unorganized sector, inadequate involvement of industry in the training programs, and so on .

A structural adjustment program often creates an adverse impact on employment, atleast in the short run, usually in the form of labour redundancy in the organized sector. Usually, the impact of redundancy is much more adverse on the young working hands who are usually the first to move out. Redundancy may arise as sick industries close down. Downsizing of firms and the adoption of different production strategies and management styles may also cause redundancy. Privatization of public enterprises usually results in entrenchment of excess labour (C.S.Venkataraman, 2002). In India, this contingency was dually visualized when economic reforms came in July 1991. A National Renewal Fund (NRF) was created under which, *inter alia*, retraining and redeployment of redundant workers was provided for. A recent study shows that NRF initiative has not yet taken off; hardly 3000 workers could be retrained in 1998-1999 (ILO, 2000).

EMPLOYMENT PROMOTION PROGRAMS

We now turn our attention to policies and programs directly concerned with employment-promotion. As already stated we have two sets of employment-promotion programs: one dealing with employment-promotion for people in general, which includes the youth of the country, and the second set directly, and exclusively, approaching the problem of youth unemployment.

GENERAL EMPLOYMENT PROMOTION SCHEMES

There are a number of employment-promotion programs under the auspices of poverty-eradication scheme, directed at people at general. A few of them are discussed below.

a). *Integrated Rural Development Program (IRDP)*

IRDP and its allied programs, TRYSEM, are major self-employment programs for poverty alleviation. The basic objective of IRDP is to enable the identified rural families to create avenues of self-employment through the acquisition of credit-based productive assets and inputs, which generate additional employment on a sustained basis. Assistance is given in the form of subsidy by the government and term credit by the financial institutions for income-generating activities. The scheme has been in operation since 1980 (Ram Ahuja, 2001).

This is centrally sponsored scheme funded on a 50:50 basis by the centre and the states. It is stipulated that atleast 50 percent of the assisted families should belong to the scheduled caste/tribe categories; it is also required that atleast 40 percent of those assisted should be women. Between 1980-81 and November 1988, 53.5 million families have been covered. The per-family level of investment has also gone up substantially over the years.

Although the program is open to all age groups, in its actual operation, it has not been of much avail to the youth in particular, especially in recent years with the arrival of a few youth-specific interventions. Given the nature and content of the program, and the fact that, in rural India, the heads of the "household economic units" are usually not the young boys/men or girls/women, IRDP has largely bypassed the youth.

b). Employment Assurance Scheme (EAS)

EAS is a demand driven scheme whose primary aim is to provide 100 days of unskilled manual work for up to two members of a family in the age-group of 18-60 years, normally residing in villages, during the lean agricultural season, within the blocks covered under the scheme, at statutory minimum wages. The secondary objective is the creation of economic infrastructure and community assets for sustained employment and development. This program is particularly tailored to strengthen watershed development, minor irrigation works, water and soil conservation including local afforestation, agro-horticulture and silvipasture. In addition, funds are also

earmarked for link roads and public community buildings in rural areas, as per the felt needs of the districts. It is a centrally sponsored scheme.

The village panchayats are compulsorily involved in the registration of persons seeking employment. The panchayats co-ordinate and monitor the work. Being a demand driven program, no fixed allocation is made to districts at the commencement of each financial year and, thereafter, depending on the demand for supplementary employment and the actual utilization of funds, the district can request for additional funds. During the Eighth Plan (1992-97), a total of 1068.6 million mandays of employment was created which were about 82 percent of the set target. Subsequently, in 1996-97 alone, it generated a total of 404 million mandays of employment, which increased to 471.7 million mandays during 1997-98. In 1998-99, the employment created was to the tune of 237.61 million mandays upto November 1998.

Since age distribution of the beneficiaries is not given in any document or evaluation studies, it is difficult to make a firm assessment of the benefits accruing to the youth. Nevertheless, going by the nature of the activities involved and the share of rural youth in the total population, namely 9-10 percent, in all likelihood, the youth would not constitute more than 15-20 percent of the EAS beneficiaries.

c). Jawahar Rozgar Yojna (JRY)

This program was launched on April 1, 1989, as a centrally sponsored scheme. Its main objective is the generation of additional gainful employment for the unemployed and underemployed people, both men and women, in the rural areas

through the creation of rural economic infrastructure, community and social assets, with the aim of improving the quality of life of the rural poor which include the beneficiaries themselves (2003-2004). At least 30 percent of the employment is to be provided to the women. In practice, the program is self-targeting. Given that employment is offered at minimum wages for unskilled labour and that these wage-rates are generally lower than the prevailing market wage-rates, only those planning to do manual work for the prescribed wage-rate would seek employment at these public works. While works under the scheme can be taken up during any part of the year whenever the need for generating employment is felt, preference is given to the works being started during the lean agricultural season.

After three years of its implementation, a review of the program in 1992-93 revealed that per person employment generated was inadequate in terms of the requirement and did not provide enough income to the poor. It was also perceived that the resources under JRY were too thinly spread and adequate attention was not given to the backward areas of the country. Accordingly, the strategy for the implementation of JRY was modified from 1993-94 with the introduction of the second and third streams of the JRY. The second stream was specifically targeted at 120 identified backward districts in 12 states, which had large concentration of the poor and the underemployed. The third stream on the other hand, aimed to take up special and innovative projects aimed at preventing the migration of labour, enhancing women's employment and undertaking special programs through voluntary organizations for drought proofing etc.

A concurrent evaluation of JRY was conducted from June 1993 to May 1994. It brought out the positive and negative aspects of the program. On the positive side, it was found that nearly 82.2 per cent of the available funds were spent on community development projects; that construction of rural link roads received the highest priority; that muster rolls were duly maintained by 87 per cent of the village panchayats; that the average wages paid per man-day of the unskilled workers were more or less on the lines of the minimum wages stipulated under the Act; that, of the assets created, 77 per cent were created by the village panchayats and 76.1 per cent of these assets were found to be in good condition; that as many as 69.4 per cent of the workers were satisfied with the benefits they received under JRY; and so on.

On the negative side, it was reported that 57.4 per cent of the elected panchayat heads had not been imparted any training for the implementation of JRY works; that the share of women in employment generated was only 16.6 per cent, and 49.5 per cent of the works could not be completed on time because of shortage of funds; that there were visible differentials in the wages paid to male and female workers; that locally-available materials were not used in a large number of JRY works; and so on.

Since the inception of JRY in 1989-90 till 1996-97, as against a target of 6581 million mandays of employment, the actual employment generated was 6585 million mandays; a cent-per-cent achievement of the employment, target, is thus a happy feature of JRY. In more recent years—say, during the Eighth Plan period (1992-97)—the same performance was reported. The latest available information for 1997-98 also repeats the same story; actual employment being 3883.7 million mandays against the target of 3864.9 million mandays.

Since April 1, 1999, Jawahar Rozgar Yojana (JRY) has been renamed Jawahar Gram Samridhi Yojana (JGSY). The new JGSY programme will be dedicated entirely to the development of rural infrastructure at the village level and will be implemented by the village panchayats. The new decentralized arrangement may work better from the point of view of village development, including the creation of local infrastructure with its more effective long-term employment benefits. Employment benefits to the rural youth may not, however, witness much improvement since, in many cases, the rural youth are not the favorite choice of the gram panchayats, the sole implementing agency under the new arrangement, keeping aside the dubious working of the top elected officials of the panchayats reported from time to time(Gaiha,1998) .

The program is open to all age groups, and the age-distribution of the actual beneficiaries is not known. Yet, on the basis of the rural youth's share in total population, and the objective conditions governing economic and social life in rural India, it can be summarized that not more than 20 per cent of the JRY beneficiaries would be the rural youth in the age group of 15-24 years.

(d) Swarna Jayanti Shahari Rozgar Yojna (SJSRY)

This program came into operation on December 1, 1997. Its aim is to provide gainful employment to the urban unemployed or underemployed poor by encouraging them to set up self-employment ventures (under the Urban Self-Employment-

promotion component of SJSRY) and/or to provide them wage-employment (under the Urban Wage-Employment component of SJSRY). There is no minimum educational qualification prescribed for the beneficiaries. However, to avoid an overlap with the PMRY scheme, for the self-employment component, this scheme does not apply to beneficiaries educated beyond the ninth standard. For the wage-employment component, there is no restriction of educational qualifications whatsoever.

Under the self-employment component, where the identified activity requires skill or training of a special kind, it will be provided before extending financial support. Training is provided in a variety of activities (e.g. construction, trade and allied services such as carpentry and plumbing, manufacture of low cost building materials based on improved local technology, and so on). Training institutions like ITIs/polytechnics/engineering colleges and other training institutes run by the government, private or voluntary organizations are to be utilized for training and skill-development purposes. Groups of urban poor women setting up self-employment ventures are eligible for subsidy up to 50 per cent of the project cost. On a rough assessment, keeping in view all pros and cons, most strikingly the diverse base of the urban economy, the youth should make up around 40-45 per cent of the beneficiaries of the program.

Under the wage-employment component, the prevailing minimum wage rate, as notified from time to time in each local urban area, is to be paid to the beneficiaries. Works are to be executed through urban community development societies, under the general control and supervision of the urban local bodies, as far as possible. For overseeing the progress of works, a community organizer, preferably a woman, is

appointed for about 2000 identified beneficiary families. Since other avenues of employment, including private-sector jobs on a more continuing (although less remunerative) basis are available in the diversified urban economic setting, not more than 30-35 per cent of the urban youth should turn to wage-employment under this program.

(e) Restructuring in 1999-2000

Two major changes introduced in 1999-2000 need to be mentioned. Under the first, introduced on April 1, 1999, both self-employment and wage-employment programs have been restructured. It was observed that, until recently, the multiplicity of self-employment programmes being viewed separately from each other, resulted in a lack of proper social intermediation, absence of desired linkages amongst them and the implementation being more concerned with achieving individual targets rather than focussing on the substantive issue of sustainable employment expansion. To rectify the situation, the government has decided to restructure the self-employment programmes. A new programme known as Swarnjayanti Gram Swarozgar Yojana (SGSY) was launched on April 1, 1999. This is a holistic programme covering all aspects of self-employment under one scheme. For example, there is a strategic shift from an individual-beneficiary approach to a cluster approach. The SGSY would service the identified beneficiary-group through a package approach, wherein the group would have enhanced access to credit, training as per requirements, upgradation of technology, access to inputs, related infrastructure and marketing tie-ups in an

integrated manner. The gram panchayats would have a mi. greater role to play in SGSY.

The second change, introduced in April 2000, is the launching of the Pradhan Mantri Gramodaya Yojna (PMGY). PMGY has two components: a rural roads program whose primary objective is to provide some additional employment to the rural people; and other sectoral programs aimed at improving elementary education and literacy, family welfare, drinking water, etc. The PMGY has yet to show its impact on the ground.

The first measure adopted to contain unemployment was the introduction of Prime Minister's cash program in 1972-73 (during the Fourth Five Year Plan). In the same year, the Maharashtra government also introduced an Employment Guarantee Program. The introduction of various wage employment programs in the 1970s and the 1980s like Kam Ke Badle Anaj program in 1977-78, the IRDP in 1978-79, NREP in 1980-81, the RLEGP in 1983, and JRY in April 1989 were very significant to tackle the growing rural unemployment. The Narasimha Rao government's Prime Minister Rozgar Yojna was started in 1993-94.

Our policy planners brought employment generation into focus in the Eighth Five Year Plan with other parameters so set as to achieve a 3 per cent 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 included the backlog of 9.2 million at the out set of the Plan. The plan envisaged that there would be 3.99 per cent growth in the overall employment in the five-year period. In particular, the Plan envisaged that the

special employment programs of the NREP, RLEGP and Jawahar Rozgar Yojna would generate 2.26 million man-days of employment in 1989-90. Similarly, the IRDP was envisaged to generate work of 3 million mandays, concentrating mainly on agriculture. However JRY could create only 7821.02 lakh mandays employment in 1992-93, 10258.40 lakh 'in 1993-94, 9517.09 lakh in 1994-95 and 3616.861akh in 1995-96. The Prime Minister's Rozgar Yojna could create only 0.45-lakh mandays employment in 1993-94, 125 lakh in 1994-95 and 145 lakh in 1995-96.

The Government of Uttar Pradesh took some innovative steps in 1990-92 to solve the pressing problem of unemployment. These steps were expected not only to help the rural people to get jobs in different regions but 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 organized. 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 per cent 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

organized in the state (Uttar Pradesh) to create work and help landless laborers to lead a life of economic self-sufficiency. The state government earmarked about 52 per cent of the state budget for the development of the rural sector every year. Of this, a good amount is spent on the Bhoomi Sena alone. It was estimated that Rs. 219 crore will be spent on land reclamation schemes by 1997, benefiting nearly 1,80,000 landless laborers. Till February 1991, nearly 14,370-hectare barren land was identified for reclamation and the reclamation work was going in 12 districts including Varanasi, Kanpur, Etawah, Ghaziabad, Raebareli, 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 a year made under the Adarsh Gram Yojna to remove unemployment in every district in the state.

In India, there are many other poverty-alleviation programs (e.g. DWCRA, MWS, DPAP, DDP, etc.). Employment-promotion is not, however, the main emphasis of these programs; we have, therefore, kept them out of our discussion.

Youth Employment Promotion Schemes

India has a fairly rich experience of initiating and implementing employment-promotion schemes, expressly directed to the youth. Two major schemes, Training of Rural Youth for self-employment (TRYSEM) and the Prime Minister's Rozgar Yojna (PMRY), need to be critically examined. Incidentally, in official parlance, these are

described as schemes for the youth but the youth here are not in the age group Of 15-24 years. For example, people in the age-group of 18 to 35 years are treated as youth under both TRYSEM and PMRY. There is no way we can separate the impact of these schemes on the youth in the age- group of 15 to 24 years.

(i) TRYSEM

TRYSEM is a facilitating component of another poverty-eradication program, called IRDP, which aims at providing basic technical and entrepreneurial skills to the rural poor in the age-group of 18 to 35 years to enable them to take up self- or wage-employment. At least 40 per cent of the beneficiaries have to be women. Training is imparted through both training institutions and through the non-institutionalized mode, e.g. master craftsmen functioning from their own place of work. Every TRYSEM trainee becomes eligible to avail of assistance under IRDP for setting up a self-employment enterprise. Going by official claims, during the Eighth Plan (1992-97), 15.28 lakh youth were trained under TRYSEM, of whom 34.2 per cent took up self-employment and 15 per cent wage-employment, while the remaining 51.8 per cent remained unemployed (Govt. of India, 1999, p. 14). The situation was not quite pleasing during the earlier years either. For example, over the 16 years between 1980 and 1996, nearly 3.9 million rural youth were trained but only 53 per cent of them got employed almost a quarter of whom had found work as wage-employees rather than as self-employed 'entrepreneurs' (Visaria, 1998).

Because of this depressing outcome of the program, it failed to pick up in recent years. For example, against a target of 2.9 lakh beneficiaries for 1998-99, only 0.8 lakh came under the program net, till November 1998-99. All this happened in spite of a number of initiatives taken during the Eighth Plan to strengthen the program, most notably through an increase in the stipend and honorarium rates and exploring the possibilities of setting up production groups from amongst TRYSEM trainees for undertaking ancillary activities like the manufacture and assembly of modern items of production, and so on. An earlier 1993- evaluation report had more depressing facts to reveal, and it seems, tangible improvements have not come about since then.

(ii) PMRY

This program, launched on October 2, 1993, had been designed to provide self-employment to more than a million of educated unemployed youth in the age-group of 18 to 35 years, by setting up seven lakh micro enterprises during the Eighth Plan, through the industry, service and business routes. The scheme also sought to associate reputed NGOs in the implementation of PMRY, especially in the selection and training of would-be entrepreneurs and in the preparation of project profiles. It began as an urban program in 1993 but just after one year, it encompassed both rural and urban areas. Projects up to Rs. 1 lakh were covered under the scheme in the case of individuals. If two or more eligible persons joined together in a partnership, projects of higher cost would also be covered. For availing financial assistance for the project, the prospective entrepreneur was required to contribute only 5 per cent of the project cost;

the rest came through institutional loans. The Central government provides a subsidy @ 15 per cent of the project cost subject to a ceiling of Rs. 7500 per entrepreneur. The scheme stipulates compulsory stipendiary training for a period of 15 to 20 working days for the industry sector and 7 to 10 working days for service! Business sectors, after the loan is sanctioned. The Department of Small-scale Industries had framed suitable training modules for industry and service/business sectors.

During the Eighth Plan, a total of more than eight lakh cases were sanctioned of which loans were disbursed in about 5.7 lakh cases. For 1997-98, against a target of 2.2 lakh enterprises, loans were disbursed for 1.8-lakh cases, although shortfalls in employment generated are reported to be fairly substantial. Nonetheless, in total terms, the scheme seems to have done fairly well in creating additional avenues of self-employment for the educated youth. The scheme is continuing in the Ninth Plan with suitable modifications in its crucial parameters so as to ensure greater participation of the educated youth.

Although the program is officially open to all people in the age group of 18-25 years, in actual practice, a very small proportion of persons in the age-group of 18-24 years avails of it; it is largely swamped by senior (25+) persons, thanks to the peculiarities of economic life and the social setting in rural India. A recent study of Bangalore City shows that as high as 89 per cent of the beneficiaries of this program were in the age group of 25-35; lack of maturity in decision-making was described as the main reason for keeping out the youth below 24 years (Mahadeva, 2000).

CHAPTER V
SUMMING UP

On the whole, it is evident that different types of policy interventions are being explored in India primarily because the problem of unemployment as such, particularly in the rural areas, is given a high place of importance, especially since the late 1950s. Nonetheless, it emerges equally clearly that, given the enormity of the unemployment problem among the youth, most markedly from the point of view of their very high share among the unemployed, the youth-specific employment-promotion schemes are relatively far and few, and, in my opinion, grossly inadequate to mitigate the problem of rising unemployment and marginalization among the youth. Only two employment-promotion schemes (TRYSEM and PMRY) have been expressly directed at the youth. But then, the working of even these two youth-specific schemes shows that the youth do not turn out to be the sole beneficiaries; the non-youth (25+ age-group) take away a much larger share of the benefit even under such schemes.

Be that as it may, let us look into what has been done under the two sets of employment- promotion programmes. For an in-depth assessment of the assorted group of programmes that we have in India, some objective norms need to be evolved. For example, for any specific scheme, one would like to frame ideas about its external efficiency (in terms of the nature of jobs found for/by the youth, or the nature of skills developed, facilitating future employability) and/or internal efficiency (measured in terms of costs and benefits), or its adverse effects on other categories of people. For this type of rigorous analysis, data and time requirements are rather heavy, which could not be arranged for the present study, as it is based on secondary data alone. Nonetheless, piecing together the available information, evaluation reports and our own impressions,

we evolve broad judgments about the content, direction and relative performance of these programmes.

The Indian experience bears adequate (although sobering) testimony to the most fundamental and indispensable pre-requisite of economic growth as a source of employment expansion. Macro-economic policy initiatives undertaken from time to time by Indian policy-makers have been responsible for the employment-expansion in the economy much more satisfactorily than in many other contemporary developing economies of Asia and elsewhere. But then, we are equally persuaded to believe that the enabling approach by itself has not been sufficient to meet the employment needs of the expanding labour force. The hiatus has been particularly large in respect of job-requirements for the growing army of educated people dominated by the youth. The economic policy has succeeded significantly in achieving breakthroughs in educational expansion; it has also succeeded, but only up to a point, in creating additional jobs for the educated, so that the demand-supply hiatus in the labour market could not be fully bridged. The 1990s posed more difficult problems. It was, therefore, rightly felt with reference to the Ninth Five-Year Plan that, for managing the problem of unemployment, the facilitating approach alone would not suffice. The question that needs to be posed, therefore, is how much needs to be done, in addition to the general enabling macro-economic environment, to make the labour market more responsive to the problems of unemployment in general, and of youth unemployment in particular. Plainly, it's not a question of this against that approach.

Many useful insights are forthcoming from the employment-promotion schemes launched from time to time. First, a disparate organizational pattern exists among the

youth- employment-promotion schemes. Some schemes begin and end with the provision of short- term training in different trades, often unrelated to the trend and growth of the local economy. In a majority of cases, no follow-up is built into the scheme. What proportion of the trained youth actually get employed, and the type of employment that they get, if at all, are not the questions that bother the programme-makers. Then we have schemes that put more reliance on the provision of subsidized credit as if there is not much to be known about the pre-production, production and post-production regimes. Questions relating to the technology of production and marketing are almost totally glossed over. It is these types of self- employment-promotion activities that invite their own failure in the open and competitive market economy. We are not aware of any scheme under which there is a technological hook-up with modern industrial enterprises, where a putting-out system is a general rule, where financial institutions do not work with the usual collateral arrangements, and so on.

Second, in the main, the government is the key agency for formulating the policies and implementing the programmes based on those policies. But experiences vary from scheme to scheme in terms of the involvement of agencies outside the government. In general, the more the government keeps its role confined to specific aspects and draws upon the expertise of people/agencies from outside, the more durable and successful the programme is likely to be. For example, under the Youth Employment-Promotion Programmes (YEPPs), NGOs and local panchayats (people's democratic institutions at the grass-roots level) are called upon to play a more decisive role in PMRY when compared to TRYSEM. A similar story unfolds in respect of

GEPPs. For example, the government has been entrusting more and more responsibility to local panchayats in EAS while, in contrast, the governments own involvement in the IRDP programme has been far too deep for many years to begin with. As a matter of fact, the whole programme worked as a 'closed door' endeavor between the local beneficiaries and local government agencies. The weaknesses of the programme, most notoriously the identification of the beneficiaries and the provision of credit, have been a matter of great public debate. It should not cause surprise that, during the Eighth Plan, of all those 'trained' under the IRDP, as many as 52 per cent remained unemployed and only 34 per cent could manage to take up self-employment. There are many studies to show that self-employment under IRDP is low-quality employment; many cases of indebtedness were reported from different regions, from time to time. The point to be emphasized is that public accountability must be built into such programmes, and the multi- agency approach is a much better organizational outfit to draw upon. in this regard. Official claims, especially for programmes launched by and for governments, need to be cross- checked through a non-government watch. Again, for example, the claim that cent-per-cent success was achieved in terms of the mandays of employment created under the JRY ever since its inception in 1989 is, at best, a claim on paper; an inquiry by a non-government agency might show a much lower rate of success.

There can be no cut-and-dried prescription for the content of the direct employment promotion programmes. The Indian experience shows that each intervention has to meet the specific requirements of the specified target-groups. For some categories of people, self-employment is the right answer while, for others, wage-

employment needs to be propped up. For promoting self-employment, training and skill-upgradation seem to suffice in some cases. But in, some, capital assistance is a must while in a few other situations, market support remains the most crucial element, and so on. For wage-employment, interventions have varied from direct job-creation through public employment and infrastructure- investment projects to special education-cum-training support for enhancing employability, in both the public and private sectors. Unluckily, we do not have solid empirical evidence to critically assess the success or failure of the assorted mixture of programmes that have been operating in India. Nonetheless, we wish to emphasize three important points that, in our view, emerge from the Indian experience, especially when mirrored through regional development processes.

First, special employment-promotion programmes cannot operate in a vacuum. For making a success of these programmes, whatever their orientation, content or clientele, normal economic growth is an inescapable prerequisite. Even the most powerful and well- intentioned special employment-promotion programmes flounder in areas or during times of slow economic growth. In an environment of general economic backwardness, as is typically the case with certain regions in India, direct employment-promotion programmes have made a limited impact. Second, as pointed out earlier, the government should not take upon itself more than what it can absorb. The Indian case clearly shows that people's organizations at the grass-roots level, public-private sector partnership, decentralized functioning of government agencies, etc. are important elements to ensure the success of these programmes. Third, public awareness is extremely important. It can be aroused in many different ways. One of these, coming as

it does from our study, is to go by the group- approach which, apart from enhancing awareness, ensures a fairly high degree of accountability and transparency. In administering many of these programmes, corruption and leakages are reported in an overwhelming majority of cases. That is how India is now putting its ultimate faith in people's organizations at the village level.

We must also share our perceptions about the circumstances that make youth employment-promotion programmes (YEPPs) work better and those under which the general employment-promotion programmes (GEPPs) deliver better results; admittedly, our impressions are highly conjectural as well as tentative and need to be firmed up through more in-depth studies.

First, there are considerable leakages in YEPPs; a fairly high proportion of beneficiaries under the YEPPs turn out to be non-youth. We suspect this is intentionally done by the policy administrators, perhaps for reasons of their own. This cannot, however, be an argument for winding up all types of YEPPs or merging them with GEPPs. On the contrary, efforts must be made to plug the gap between the status of a programme and its implementation.

Second, most of the YEPPs cater to the rural youth while GEPPs are open to both rural and urban areas. In other words, the urban youth have rather limited support under YEPPs. The relatively larger coverage of rural areas and rural youth is understandable in countries such as India but then, in recent years, India has witnessed a heightened pace of urbanization including the rural-to-urban migration of the youth as a consequence of which unemployment among the urban youth has been increasing far more sharply than among their rural counterparts. Perhaps, this policy

disorientation may partly be responsible for making a limited success of the YEPPs, evaluated in terms of their overall performance. It is time that policy interventions are spread out to more sensitive urban locales.

Third, following what has just been said, it is better to target youth as a separate category when dealing with urban unemployment which, in a large measure, would be educated unemployment. An urban youth in the developing world of today as a dominant partner in the urban society, is far more conscious of his economic surroundings, and is politically far more articulate than what he was, say, 2-3 decades back. Unlike his rural counterpart, in the formal social environment of the urban society, he usually does not have the support of family enterprise into which he gets absorbed readily. At the same time, he can be an alert watchman of the working of such programs, and can assure a higher degree of success. The case for youth oriented employment programmes is thus stronger and more justified for the urban youth. Needless to say, the presence of such programmes is likely to reduce the incidence of social unrest, crime, drug addiction, etc. which are far more real with the unemployed youth in the urban areas than the rural.

Fourth, our analyses prompt us to suggest that two separate sets of interventions are not needed for wage-employment; GEPPs can look after both youth and non-youth job-seekers. In fact, for a wide variety of wage-paid activities, the youth, particularly the seniors among them (in the age-group of 20-24 years) are often the preferred choices of the employers. On the other hand, YEPPs are a must, for self-employment, especially those based on the prerequisites of intensive training on skill-upgradation, market intelligence, economic laws and institutions, all leading to entrepreneurial

development. This is especially the case for the IT-based enterprises and industries, which are currently swarming the urban-commercial centres in India as in most of developing Asia. Again, this is also the area in which the government does not have to be involved in each aspect of the intervention. It can stay back as a facilitator while the private sector, in partnership with financial and educational institutions, plays a decisive role. Such collaborations may plug many of the loopholes and weaknesses usually observed in government-sponsored and government-implemented interventions. The Korean model has many good lessons to offer.

Fifth, for poverty-driven employment-promotion programmes, especially those of the wage-employment type, GEPPs alone may work better. It is likely that GEPPs may work well for certain types of self-employment interventions also; most significantly, the enterprises that involve the household as a whole. Village handicrafts, cottage industries, agro-processing, retail trade, etc. fall under this category.

Finally, in general, there are marked differences in the educational background, skills, maturity, intelligence, and, above all, the 'exigency of getting a job' between the junior youth (age-group of 15- years) and their senior brethren (age-group of 20-24 years). The young adolescents need interventions of a different kind, most ostensibly those connected with improving their access to education while, for those in their early twenties, enhancing their competing capabilities vis-à-vis the 25+ age people, should be the main guiding principle. Similarly, as it came up again and again in our study, the male-female and rural-urban differentials among the youth themselves should figure somewhere in shaping the content and direction of policy interventions.

Before concluding, we make a few general remarks. It is a happy situation that the state in India has not diluted its faith in the potency of the overall economic growth towards employment-promotion. On the contrary, greater reliance is now being put on the normal working of the labour market. Unluckily, however, the advantages of labour-intensive techniques are not being fully exploited. There is, thus, a clear need for delineating sectors and activities that must necessarily go by labour-intensive methods, and throw up plenty of additional employment. This question must be posed separately for different regions within the country since the sectoral composition of the local economies is quite different, and the future thrust for employment expansion must be in conformity with local resources and growth potential.

The question of human resource development is the most vexatious from the employment point of view. It is bound to become more vexatious in the coming years as globalization grows apace and India opens more of its doors to international trade and investment. Many things are already happening and more are likely to happen. For example, if privatization of public enterprises takes place, it may result in the retrenchment of excess jobs, a scenario most likely to overtake India in the near future. If direct foreign investment comes in a big way, the structure of employment may undergo drastic change. But then, the short-term dangers of job-losses may be more than compensated for through the medium-term potential of job-expansion. We have already entered the I.T. age and the I.T. revolution is likely to get more intensified when India steps into the next millennium. The new jobs will be highly education-and skill-intensive; the importance of education in general and technical education in particular needs, therefore, to be underlined, As our analysis in Section I assures us, the response

of the national authorities has led to several innovative approaches, and a conscious effort is being made to provide a supportive environment in skill upgradation. For example, the Indian government's policy paper on 'Technology Vision-2000' reflects many positive steps in the nation's preparedness for meeting the forthcoming challenges in human resource development.

Still, a disturbing element is also evident. In recent years education has been passing out of the state sector and the high cost of education in the private sector is most certainly discriminatory against the weaker sections. The differentiated labour market may get more segmented unless public investment in the social sector goes up sizably. There is more talk but less substance to it. Providing more equal access for poorer individuals to high-quality education through loan and scholarship programmes could drastically reduce the social cost of unemployment. Further, broadly on the lines of what Indonesia has recently started a greater effort to give on-the-job experience to students during their final years of education, could reduce the duration of job-search for which a liaison with employers in the major growth centres/industries for providing practical training, would have to be established.

Policies on small and medium enterprises need much reorientation. Until now a coherent policy framework has been lacking in many countries; the only common factor has been that programmes for micro-level assistance, most ostensibly in the area of credit support have been in existence. The regulatory framework for the operation of SMEs has been either non-existent or inappropriate, technology has been their Achilles' heel, very little has been done to promote their linkages with large enterprises, and so on. Consequently, the SMEs have remained precarious providers of low-quality jobs

rather than become dynamic agents of economic growth and employment expansion, on a sustained basis.

Two broad observations are made for improving the SME sector. Firstly, they must be treated as a potent source of growth and productive employment, and all related policy regimes reoriented accordingly. It is time that the developing world creates conditions for the SMEs sector to become a partner of the main economic sector; but, for that, a thorough policy overhaul is called for. Secondly, the real advantages of labour-intensive production, price competitiveness and export-led growth must also be realized through this sector, through a right combination of policies. Taiwan's model has many useful lessons to offer. India's recent thinking to switch over from protection to promotion strikes the right note.

There is much else that one can say on general policy regimes. But we only wish to append three brief points before closing our discussion. First, the youth in many countries including India have a feeling that selection to public sector job is not fair. To a large extent, transparency in systems of recruitment is, therefore, likely to remove frustration among the youth. Second, female discrimination in the job matters is an acknowledged fact in most of the developing world. Ironically, even equipped with higher or matching levels of education, Indian female job seekers remain back benchers. Perhaps, a legislative intervention, followed by other democratic methods is called for. Lastly, the rural-urban gaps, in practically each aspect of human existence, including employability of young men and women, must be closed completely.

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