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Unit IV:- Urban Issues And Problems

URBAN UNEMPLOYMENT:-

Most of the unemployment in urban areas is open and disguised. Unemployment of this kind is not only painful at personal level but it is also a source of social tension, which often threatens the whole fabric of society. According to the 61st round of employment and unemployment for July 2004 to June 2005 carried out by the National Sample Survey Organization, the unemployment rate — the number of person unemployed per 1,000 persons in the labour force — was 17 in the rural areas and 45 in the urban areas. Moreover, the survey also found that the unemployment rates for females was higher than that for males and was highest among urban females. Broadly speaking, urban unemployment may be classified into:-

- (i) Industrial unemployment, and
- (ii) Educated unemployment/ underemployment.

i) Industrial Unemployment: -The size of the industrial unemployment is not known because the necessary data for its estimation is not available. A disquieting phenomenon, however, is that over the past years unemployment in the industrial sector has increased. This is the result of extremely low growth rates of employment in the organized manufacturing sector. It is observed that employment elasticity has significantly declined in manufacturing during the last two decades. There are many factors that have contributed to this decline. First, there has been a large increase of the economically active population in the country, while the economy has failed to grow at the pace commensurate with the growth of labor force. Secondly, 41 population in the urban areas has grown faster than in rural areas, because Urban Unemployment of migration on a large scale from villages to cities. The

industrial growth in India has been very modest, and thus could not absorb all those who migrate to cities with the hope of getting some job or the other.

ii) Educated Unemployment:- Educated unemployment is, by and large, a part of urban unemployment. It is a very serious and menacing problem, yet the size of the unemployment remains largely unmeasured. Not only are their conceptual difficulties in estimating it, but the kind of statistical information that is required for its estimation is also not available. Hence the quantitative base for analyzing the problem of educated unemployment is weak. Nonetheless, on the basis of fragmentary information available, it is not difficult to understand the basic issues involved in the problem.

According to the Ministry of Labor and Employment, the number of educated unemployed was around 2.44 lakh in 1951. It rose to 9.2 lakh in 1966 and to 32.8 lakh in 1972. The Planning Commission's estimates suggest that at the beginning of 1980, approximately 34.72 lakh-educated persons were unemployed. Using the same approach as in the Sixth Plan, unemployment among the educated people works out to 47 lakh in 1985 and 68 lakh in 1992. According to Ninth Five Year Plan- "National Sample Surveys shows that over the period 1983 to 1993-94, the proportion of those educated to a level of secondary school or higher among the unemployed persons increased from 47 per cent to 64 per cent. While a high proportion of the literates among unemployed shows un-utilization of scarce resources put in for education of the people, it also indicates a mismatch between the kind of job opportunities that are needed and those available in the job market. Clearly the increase of literates among the unemployed and further among the literate unemployed, of those with higher level of educational attainment points to the need for skilled jobs rather than the simple low productive manual labour that an illiterate has to resort to for a living".

Thirdly, there are emerging trends of underemployment of those who are seeking job on part-time basis, while they pursue their studies. Such job seekers, if they do not get jobs of their satisfaction, could be called underemployed. There could be many others, who have completed their education, but are not able to get job to the best of their abilities and capacities.

There are many causes of educated unemployment. The defective educational system, with its theoretical bias, lack of aptitude and technical qualifications for various types of work among job seekers and maladjustment between demand and supply of educated workers are some well-known causes of educated unemployment. Our education does not prepare the minds of young generation to become self-employed, on the contrary, it makes them dependent on government vacancies which are hard to come. Five year plans has introduced several employment generating schemes and programmes over the years but in the absence of proper implementation and monitoring have failed to achieve the required targets.

The Causes of Unemployment at Urban Areas:-

Some of the Causes of Unemployment at Urban Areas are as follows:

According to Madan, the causes of unemployment can be divided into three categories, namely:

(i) Personal factors:

Personal factors refer to the physical disability, weak mentality, accidents, defective education and training. Elliott and Merill have explained the following under the personal factors.

a. Age factor:

The very young and old persons are at a disadvantage in securing employment due to inexperience and inefficiency, respectively.

b. Vocational unfitness:

Many young people have no understanding of their own abilities or interests and have no particular task in mind when they have to get their training. Willingness to do anything may seem to indicate a worthy desire on the part of the person seeking work. Employers, on the other hand, may seek qualified and competent trained workers. Similarly,

there may be more men trained in a particular profession than required. The demand is less than the supply and hence unemployment.

c. Illness or physical disabilities:

A number of workers may be temporarily unemployed because of illness or physical disabilities. Illness may be caused due to conditions in the occupation and disabilities may arise due to accidents.

(ii) Technological and economic factors:

Another important factor causing unemployment is disorganization in the economic structure and the dislocation in industries. Due to advancement in science and technology, a high specialization in the division of labour takes place. Due to this, able-bodied and capable men remain unemployed. The unemployment generated under this category is due to trade cycles, technological advancement, seasonal variations and lack of mobility among the labour force. Unemployment is a result of both technological changes and cyclical variations of business and trade, which are deeply connected with the production process.

(iii) Mass migration:

Mass migration is an important cause for unemployment in urban areas. People migrate from rural areas in large groups when there is drought or when any other unfavourable conditions occur. A city or town can ill-afford to provide employment opportunities to all of the migrated people, thus, causing mass unemployment.

The problem of unemployment that exists in India is an outcome of several cumulative factors such as the British rule and its policies, the Zamindari system, which exploited the farmers, the policy of laissez faire and free trade, which hindered the progress of rapid industrialization, the rapid growth of population, the decay of small-scale and cottage

industries, which led to a large-scale migration from rural to urban areas, and the low levels of investment that resulted in the slow expansion of the secondary and tertiary sectors.

POLICIES AND PROGRAMMES TO REDUCE UNEMPLOYMENT :-

With this background, to solve the problem of unemployment and underemployment following measures are required to be considered seriously.

First, there is an urgent need to rethink the pattern of investment and choices of technology.

Second; the promotion of micro and small enterprises will be crucial for a labour surplus country like India.

Third, there is a need to create small industrial clusters, new growth centers in small towns and villages, which can increase employment opportunities and provide flexibility to the economy.

Fourth, reorientation of educational system in terms of its content and quality will also be an important remedy for unemployment problem. Needless to mention that public expenditure on education and skill development should be enhanced.

Fifth, the scope and reach of public work programmes need to expand. A balanced blend of active measures (i.e., policies designed to improve the access of the unemployed to the labour market and jobs, job related skills and training to 48 Urban Poverty and Inequality improve their employability) and passive measures (i.e., unemployment insurance and related social security benefits) need to be formulated.

However, effective implementation and monitoring these policy changes will be of utmost importance to accomplish the desired outcomes. Various government schemes have been undertaken in India to tackle the problem of urban unemployment. But these programmes have multiple objectives comprising the reduction of poverty, generation of employment, and the provisioning of crucial basic services. The employment programmes can broadly be categorized into two types: self employment, and wage

employment programmes. Some of the important employment generation programmes are described below:

Recent Initiatives by the government:-

a) Revised Swarna Jayanti Saheri Rozgar Yojana (SJSRY) :-

The SJSRY programme that began in December 1997 was built upon the successful strategy of community organization in the UBSP Programme. SJSRY is aimed at providing gainful employment to the urban unemployed and underemployed poor through encouraging the setting up of self-employment ventures or provision of wage employment.

It identifies three instruments for employment generation: capacity building and credit assistance for micro enterprises, opportunities for earning wages under municipal works, and intermediation in household savings.

b) Kudumbashree Kudumbashree:-

The State Poverty Mission of the Government of Kerala, aims at empowering women from poor families by improving their skills, identifying economically viable micro-enterprises, providing access to credit for the enterprises and establishing market linkages to ensure sustainability of incomes. The inclusion of socio-economic parameters into social development efforts also suggests a shift in government thinking towards recognizing other forms of vulnerability, particularly of housing, basic services and education.

Under this program, which is regarded as a highly successful framework for poverty alleviation and built upon the entrepreneurship model and the strategy of community organization developed under Urban Basic Services Programme (UBSP) and SJSRY, Community Development Society (CDS) groups from low-income settlements are provided loans for a range of group enterprises through NABARD (National Bank for Agricultural and Rural Development) and commercial banks. Also, funds under both SJSRY and National Slum Development Programme (NSDP) are utilized under the program to complement local and State resources, to provide housing with basic sanitation services at household level to all the urban poor. Housing and other services are provided using various loan options, both with and without subsidy and with flexible payment plans.

Some Examples of Successful NGO Initiatives :-

a) Self Employed Women's Association (SEWA):-

A large number of NGOs have been engaging with city governments to improve the city's environment in partnership with communities. Self Employed Women's Association (SEWA), established in 1972 as an Urban Unemployment independent trade union comprising of women workers, is an offshoot of the Textile Labor Association, country's oldest and largest union of textile workers founded by Mahatma Gandhi. The Association provides support to self-employed women and mobilizes them to organize into sustainable groups and collectively demand their rights. Its activities include banking, cooperatives, home based production, trading, marketing, housing, health care and child-care.

b) Sri Padmavathy Mahila Abyudaya Sangam Sri Padmavathy Mahila Abyudaya Sangam (SPMS)

This is a federation of poor women self help groups (SHGS), set up in 1992, with the objective of promotion of savings, credit and income generation activities for poor women through self-help groups.

Conclusion:-

Rising unemployment and underemployment are two crucial problems that many developing economies face. The problem of unemployment has serious socioeconomic implications. While at the individual level, unemployment leads to malnutrition, illness, mental stress, depression, and deterioration of human values, at the level of the economy it implies underutilization of existing human capital. A high incidence of unemployment adversely affects growth, not only via social unrest and political instability, but also through various other means.