

Unemployment

Unemployment is a condition when a person who is actively searching for employment is unable to find work. Unemployment is often considered barometer of the health of the economy.

NSO defines employment and unemployment on the following activity statuses of an individual:

- ☑ Working (engaged in an economic activity) i.e., 'Employed'.
- ☑ Seeking or available for work i.e., 'Unemployed'.
- ☑ Neither seeking nor available for work.

The first two constitute the labour force and unemployment rate is the percent of the labour force that is without work.

Unemployment rate = $(\text{Unemployed Workers} / \text{Total labour force}) \times 100$.

Types of unemployment

Disguised Unemployment:

- ☑ It is a phenomenon wherein more people are employed than actually needed.
- ☑ It is primarily traced in the agricultural and the unorganised sectors of India.

Seasonal Unemployment:

It is an unemployment that occurs during certain seasons of the year. Agricultural labourers in India rarely have work throughout the year.

Structural Unemployment:

It is a category of unemployment arising from the mismatch between the jobs available in the market and the skills of the available workers in the market.

Many people in India do not get jobs due to lack of requisite skills and due to poor education level, it becomes difficult to train them.

Cyclical Unemployment:

It is a result of the business cycle, where unemployment rises during recessions and declines with economic growth. It is a phenomenon that is mostly found in capitalist economies.

Frictional Unemployment:

The Frictional Unemployment also called as Search Unemployment, refers to the time lag between the jobs when an individual is searching for a new job or is switching between the jobs. In other words, an employee requires time for searching a new job or shifting from the existing to a new job, this inevitable time delay causes frictional unemployment.

Causes of Unemployment in India

- ☑ **Defects in Education System:** Jobs in the capitalist world have become highly specialised but India's education system does not provide the right training and specialisation needed for these jobs. Thus, many people who are willing to work become unemployed due to lack of skills.
- ☑ **Rapid Growth of Population:** Constant increase in population has been a big problem in India. It is one of the main causes of unemployment.
- ☑ **Dominance of Agriculture:** Still in India nearly half of the workforce is dependent on Agriculture. However, Agriculture is underdeveloped in India. Also, it provides seasonal employment.
- ☑ **Fall of Cottage and Small industries:** The industrial development had adverse effects on cottage and small industries. The production of cottage industries began to fall and many artisans became unemployed.
- ☑ **Rise of service sector before sufficient rise of industrialisation**
- ☑ **Immobility of Labour:** Mobility of labour in India is low. Due to attachment to the family, people do not go to far off areas for jobs. Factors like language, religion, and climate are also responsible for low mobility.

- ❑ **Social Factors:** In India the caste system is prevalent. The work is prohibited for specific castes in some areas. In big joint families having big business, many such persons will be available who do not do any work and depend on the joint income of the family.

Solution

1. Wage employment scheme- MGNREGA
2. Self employment schemes
 - ❑ Prime minister's employment generation programme (PMEGP)
 - ❑ Pradhan Mantri MUDRA yojna (PMMY)
 - ❑ Pradhan Mantri Kaushal vikas yojna (PMKVY)
 - ❑ Deendayal Antyodaya Yojana (DAY-NRLM)
 - ❑ Deen Dayal antyodaya yojna- national urban livelihood mission(DAY-NULM)
 - ❑ Deen dayal Upadhyay Gramin kaushlya yojna (DDU-GKY)
 - ❑ Self Employment Scheme for Rehabilitation of Manual Scavengers
3. Promotion of start-ups
4. Skill development programme
5. Stand-up India
6. Promoting Labour reforms
7. Promoting economic reforms

MGNREGA

Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA) is an Indian labour law and social security measure that aims to guarantee the 'right to work'. Employment under MGNREGA is a legal entitlement. Apart from providing economic security and creating rural assets, it can also help in protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity, among others.

- ❑ It was earlier known as the National Rural Employment Guarantee Act or NREGA,
- ❑ It aims to enhance livelihood security in rural areas by providing at least 100 days of wage employment in a financial year to at least one member of every household whose adult members volunteer to do unskilled manual work.
- ❑ Women are guaranteed one third of the jobs made available under the MGNREGA.
- ❑ Another aim of MGNREGA is to create durable assets (such as roads, canals, ponds and wells).
- ❑ Employment is to be provided within 5 km of an applicant's residence, and minimum wages are to be paid.
- ❑ If work is not provided within 15 days of applying, applicants are entitled to an unemployment allowance.

Prime Minister's Employment Generation Programme (PMEGP)

- ❑ The scheme aims to generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises.
- ❑ seeks to provide continuous and sustainable employment to all segment of traditional and prospective artisans and rural / urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas.
- ❑ The scheme also focuses to increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.
- ❑ The Scheme is implemented by Khadi and Village Industries Commission (KVIC), as the nodal agency at the National level. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks.
- ❑ The maximum cost of the project/ unit admissible under manufacturing sector is Rs.50 lakh and under business/service sector is Rs.20 Lakh.

MUDRA YOJANA (PMMY)

MUDRA VISION "To be an integrated financial and support services provider par excellence benchmarked with global best practices and standards for the bottom of the pyramid universe for their comprehensive economic and social development."

MUDRA MISSION: "To create an inclusive, sustainable and value based entrepreneurial culture, in collaboration with our partner institutions in achieving economic success and financial security."

Pradhan Mantri MUDRA Yojana (PMMY) : PMMY is a scheme launched in 2015 for providing loans up to 10 lakh to the non-corporate, non-farm small/micro enterprises. These loans are classified as MUDRA loans under PMMY. These loans are given by Commercial Banks, RRBs, Small Finance Banks, MFIs and NBFCs. The borrower can approach any of the lending institutions mentioned above or can apply online through this portal www.udyamimitra.in. Under the aegis of PMMY, MUDRA has created three products namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur.

Start-up India

Launched in 2016 by Department for Industrial Policy and Promotion (DPIIT) The Startup India Initiative has rolled out several programs with the objective of supporting entrepreneurs, building a robust startup ecosystem and transforming India into a country of job creators instead of job seekers. These programs are managed by a dedicated Startup India Team

Under the Startup India initiative, eligible companies can get recognised as Startups by DPIIT, in order to access a host of tax benefits, easier compliance, IPR fast-tracking & more.

Criteria for a company to be considered eligible for DPIIT startup recognition.

- ❑ **Company Age:** Period of existence and operations should not be exceeding 10 years from the Date of Incorporation
- ❑ **Company Type:** Incorporated as a Private Limited Company, a Registered Partnership Firm or a Limited Liability Partnership
- ❑ **Annual Turnover:** Should have an annual turnover not exceeding Rs. 100 crore for any of the financial years since its Incorporation
- ❑ **Original Entity:** Entity should not have been formed by splitting up or reconstructing an already existing business
- ❑ **Innovative & Scalable:** Should work towards development or improvement of a product, process or service and/or have scalable business model with high potential for creation of wealth & employment

Key Pillars of Support for Startups

Under the Startup India Initiative



Simplification and Handholding

Easier compliance, easier exit process for failed startups, legal support, fast tracking of patent applications and a website to reduce information asymmetry.



Funding & Incentives

Exemptions on Income Tax and Capital Gains Tax for eligible startups; a fund of funds to infuse more capital into the startup ecosystem and a credit guarantee scheme.



Incubation & Industry-Academia Partnerships

Creation of numerous incubators and innovation labs, events, competitions and grants.

Benefits under start up policy

- ❑ **Section 80-IAC:** Income Tax exemption for 3 consecutive year out of 10 years
- ❑ **Section 54GB:** Capital gain on transfer of residential property
- ❑ **Section 79:** Carry forward and set off of losses
- ❑ **Section (56)(2)(viib)** -apply to inbound investments into India from any non-resident who invests in equity shares of a closely-held Indian company.
- ❑ Sections 156, 191 and 192: Deferment of tax liability on ESOPs
- ❑ Startup India Seed Fund Scheme (SISFS) -954 cr allocated for financial assistance for proof of concept, prototype development, product trials, market entry and commercialization.
- ❑ Self-certification under 9 Labour & 3 Environment laws. No inspection for 5 year under Labour law and no clearance under environment law for 36 white category industry for 3 year.
- ❑ Fund of Funds for Startups (FFS) - 10000 cr under SIDBI.
- ❑ Faster exit for Startups -wind up operations within 90 days vis-a-vis 180 days for other companies.
- ❑ Relaxation in Public procurements norms - regarding Prior Turnover, Prior Experience, Earnest Money Deposit.
- ❑ Intellectual Property Rights (IPR)- fast tracking of patent application and 80% rebate in filing fees.

Stand-Up India Scheme

- ❑ Scheme of financing for setting up a new enterprise by **SC/ST/Women entrepreneur**.
- ❑ Composite loan (inclusive of term loan and working capital) between 10 lakh and upto 1 crore is available under this scheme . The loan is repayable in 7 years with a maximum moratorium period of 18 months.
- ❑ The objective of the Stand-Up India scheme is to facilitate bank loans to at least one Scheduled Caste or Scheduled Tribe borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise.
- ❑ This enterprise may be in manufacturing, services, agri-allied activities or the trading sector.
- ❑ In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

SKILL INDIA

“Skill India” or the National Skills Development Mission of India is a campaign launched by govt of india for skilling Indian workforce for future challenges. It is managed by the National Skills Development Corporation of India.

Skill India campaign was launched in 2015 to train over 40 crore people in India in different skills by 2022.

Initiative under SKILL INDIA

Various initiatives under this campaign are:

- ❑ National Skill Development Mission
- ❑ National Policy for Skill Development and Entrepreneurship, 2015
- ❑ Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
- ❑ Pradhan mantri yuva yojna (PM YUVA)
- ❑ National initiative for promotion of upskilling of Nirman workers (NIPUN)
- ❑ SANKALP (Skill Acquisition and Knowledge Awareness for Livelihood Promotion Programme): It is another big initiative under skill India mission . government will invested ₹ 4000 crore in it. Through this it aims at providing market relevant training to 350 million young Indians.
- ❑ the government would set up 100 India International Skills Centres that will conduct advanced courses in foreign languages to help youngsters prepare for overseas jobs.

- ❑ SKILL India international center (SIIC) development at Varanasi by NSDC International (NSDCI) to provide skills as per the international standard demand.
- ❑ Funding of reskilling Revolution initiative - an initiative of world economic forum to provide 1 billion people with better education, skills and economic opportunities by 2030
- ❑ Digital spilling programme for skilling, reskilling, and upskilling in emerging and future technologies - it involves ministry of education, NSDC, AICTE, and more than 100 technology corporate/ manufacturing firms.
- ❑ Bharat skills Forum, a digital knowledge sharing platform for ITI trainees, trainers and industry
- ❑ PM DAKSH Scheme
- ❑ Global skilling collaboration under skill India mission by national skill development corporation (NSDC) by roping in foreign universities (harvard BUSINESS SCHOOL, MIT etc.)

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

- ❑ PMKVY is the flagship outcome-based Skill Training Scheme of the Ministry of Skill Development & Entrepreneurship (MSDE).
- ❑ It aims to train 10 million youths by 2020 pan India both in Rural and Urban areas. MSDE does not maintain any segregated data for rural and urban areas.
- ❑ There are three training routes under the scheme:
 - Short term Training for fresh skilling of school / college drop outs and unemployed youth,
 - Recognition of Prior Learning (RPL) to recognize the existing skills and
 - Special Projects to address skilling requirements of groups which are under represented or require special initiatives and efforts. RPL only provides orientation to the already skilled workforce, and does not mandate placements.

Pradhan Mantri Yuva Yojana (PMYY)

- ❑ The PMYY is a flagship scheme of the Ministry of Skill Development and Entrepreneurship. It was launched in 2016.
- ❑ under this scheme the Ministry will impart entrepreneurship education to the youth of the country in the coming five years.
- ❑ This scheme has been launched for creating an India where youngsters do not search for jobs but instead are the ones to create more job opportunities.
- ❑ To help the youth of the country in becoming successful entrepreneurs, the Ministry has decided to partner with various institutions and to impart entrepreneurship education and training to the youth. By doing so the youth will be able to open up and manage own businesses and will slowly the country will overcome the problem of unemployment

Important features of the scheme- YUVA

- ❑ The scheme has been launched for five year which means from 2016-17 till the financial year 2020-21. Cost of the project would be around Rs.499.94 crore.
- ❑ The Ministry has targeted to reach out to around 7 lakh students across the country and train them with the help of 3050 institutes that the Ministry will partner with.
- ❑ two of the institutes that were a part of this Yojana are NIESBUD and IIE. These two institutions have provided entrepreneurship training to over 7 lakh student across the world
- ❑ For imparting entrepreneurship education to the students around 2200 institutes of higher learning, 500 ITIs, 50 entrepreneurship development centres.
- ❑ schools will be made a part of this Yojana. Together massive Open Online courses platform will be created and the students will be trained.
- ❑ state governments will be given Rs.7000 crore so that they can team up with the local skill development centers of their state for this Yojana.

- ❑ state has to coordinate with the center in order to maintain the standards of training under this Yojana.
- ❑ Sector Skill Councils (SSCs) will work together with the local authorities in order to figure out job aggregation.
- ❑ Under this scheme the students who want to become entrepreneurs will be provided with a convenient access to the information and mentoring network that will be created as a part of this scheme.

National initiative for promotion of upskilling of Nirman (NIPUN)

- ❑ The basic motive of the project is to train over 1 lakh construction workers, through fresh skilling and upskilling programmes.
- ❑ The project NIPUN is an initiative of the Ministry of Housing & Urban Affairs (MoHUA).
- ❑ This project is running under the flagship programme of the Deendayal Antyodaya Yojana- National Urban Livelihoods Mission (DAY-NULM)
- ❑ The transformational impact of the National Urban Livelihoods Mission (NULM) has reduced the vulnerability of urban poor households by providing upskilling and employment opportunities to urban dwellers, especially the youth.
- ❑ NSDC will be responsible for the overall execution of training, monitoring and candidate tracking.

The project implementation is divided into three parts:

- ❑ Training through Recognition of Prior Learning (RPL) at construction sites. Onsite skill training will be provided to approximately 80,000 construction workers through industry associations under the RPL certification, co-branded with MoHUA.
- ❑ Training through Fresh Skilling by Plumbing and Infrastructure Sector Skill Council (SSC). About 14,000 candidates will receive fresh skilling through plumbing and infrastructure Sector Skill Council (SSC) in trades having promising placement potentials.
- ❑ International Placement through industries/ builders/ contractors. It is also envisaged that NSDC will place approximately 12,000 people in foreign countries such as the Kingdom of Saudi Arabia, UAE and other GCC countries.

The courses are aligned with the National Skills Qualifications Framework (NSQF). It will be imparted at accredited and affiliated training centers only.

Social security: It will provide trainees with 'Kaushal Bima', a three-year accidental insurance with coverage of INR 2 lakhs, digital skills such as cashless transactions and EPF.

PM-DAKSH Scheme

Ministry of Social Justice and Empowerment has launched 'PM-DAKSH' (Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi) Portal and 'PM-DAKSH' Mobile App to make the skill development schemes accessible to the target groups -Backward Classes, Scheduled Castes and Safai Karamcharis.

Deendayal Antyodaya Yojana (DAY-NRLM)

- ❑ Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) is a flagship poverty alleviation program implemented by the Ministry of Rural Development, Government of India.
- ❑ It aims to reduce poverty by enabling the poor household to access gainful self-employment and skilled wage employment opportunities resulting in sustainable and diversified livelihood options for the poor. This is one of the world's largest initiatives to improve the livelihoods of the poor.

Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM)

- ❑ To reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self employment and skilled wage employment opportunities,

- ❑ It would result in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level institutions of the poor.
- ❑ The mission would aim at providing shelters equipped with essential services to the urban homeless in a phased manner.
- ❑ In addition, the mission would also address livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit, social security and skills to the urban street vendors for accessing emerging market opportunities.
- ❑ The Mission seeks to achieve its objective through investing in four core components viz.,
 - (a) social mobilization and promotion and strengthening of self-managed and financially sustainable community institutions of the rural poor women;
 - (b) financial inclusion;
 - (c) sustainable livelihoods; and
 - (d) social inclusion, social development and access to entitlements through convergence.

The Mission seeks to reach out to around 10 Crore rural poor households in a phased manner by 2022-23 and impact their livelihoods significantly.

Deen Dayal Upadhyaya Grameen Kaushalya Yojana(DDU-GKY)

- ❑ The Ministry of Rural Development (MoRD) announced it on Antyodaya Diwas in 2014.
- ❑ It is a demand-driven placement linked skill training initiative working under the National Rural Livelihood Mission (NRLM).
- ❑ It uses skill training and placement in wage employment as a tool to diversify income and enable sustained upward movement out of poverty.

Beneficiaries: DDU-GKY is uniquely focused on rural youth between the ages of 15 and 35 years from poor families.

Objective:

- ❑ Adding diversity to the incomes of rural poor families
- ❑ Cater to the career aspirations of rural youth.

Significance:

- ❑ DDU-GKY and integrated farming initiatives for rural development across the country are important for greater success in skilling and placing the rural youth.
- ❑ DDU-GKY has played a significant role in the context of Atmanirbhar Bharat through skilling.
- ❑ As a part of the Skill India campaign, it plays an instrumental role in supporting the social and economic programs.