



LAW AND SOCIAL
POLICY REVIEW

VOLUME 1 AND ISSUE 1 OF 2023

INSTITUTE OF LEGAL EDUCATION



Law and Social Policy Review [ISBN - 978-81-960677-7-9]

(Open Access Journal)

Journal's Home Page - <https://Ispr.iledu.in/>

Journal's Editorial Page - <https://Ispr.iledu.in/editorial-board/>

Volume 1 and Issue 1 (Access Full Issue on - <https://Ispr.iledu.in/category/volume-1-and-issue-1-of-2023/>)

Publisher

Prasanna S,

Chairman of Institute of Legal Education (Established by I.L.E. Educational Trust)

No. 08, Arul Nagar, Seera Thoppu,

Maudhanda Kurichi, Srirangam,

Tiruchirappalli - 620102

Phone : +91 94896 71437 - info@iledu.in / Chairman@iledu.in



© Institute of Legal Education

Copyright Disclaimer: All rights are reserve with Institute of Legal Education. No part of the material published on this website (Articles or Research Papers including those published in this journal) may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher. For more details refer <https://Ispr.iledu.in/terms-and-condition/>



KEYWORDS: *unemployment, Covid-19, economy, poverty, under-development*

CHAPTER I: INTRODUCTION

CAUSES AND EFFECTS OF UNEMPLOYMENT WITH SPECIAL EMPHASIS TO COVID-19 SCENARIO

Author - SHAURYA SHRESTHA AWASTHI, Student of National University of Study and Research in Law, Ranchi.

Best Citation - SHAURYA SHRESTHA AWASTHI, CAUSES AND EFFECTS OF UNEMPLOYMENT WITH SPECIAL EMPHASIS TO COVID-19 SCENARIO, *Law and Social Policy Review*, 1 (1) of 2023, Pg. 1, ISBN - 978-81-960677-7-9.

ABSTRACT

Unemployment refers to a situation when a person is willing to work but does not get a job at the existing wage rate. Today, our country is witnessing many serious problems and among one of them is unemployment. The problem of unemployment results in many other problems such as poverty, malnutrition, under-development of economy etc. Unemployment is one of the most serious problems for both developing and developed countries. Despite many policy initiatives and programmes, India continues to suffer from the problem of unemployment. In the Covid-19 scenario, the unemployment rate significantly increased. The impact of lockdown and many other supporting factors significantly rised the rate of unemployment in the country. Moreover, the problem of unemployment also posed various challenges in Covid-19 scenario. In this research paper, the researcher tends to analyse the usual causes and effects of unemployment. Moreover, the researcher also specifically analysed the different causes and effects of unemployment in Covid-19 scenario. At last, the researcher will try to suggest some solutions for dealing with the problem of unemployment in an effective manner.

Unemployment refers to a situation when a person is willing to work but does not get a job at the existing wage rate. Today, our country is witnessing many serious problems and among one of them is unemployment. The problem of unemployment results in many other problems such as poverty, malnutrition, under-development of economy etc. Unemployment is one of the most serious problems for both developing and developed countries. Despite many policy initiatives and programmes, India continues to suffer from the problem of unemployment.

The unemployment rate refers to the percentage of the persons who are unemployed to the total number of persons who are there in the labour force (labour force includes both employed and unemployed persons). It tells about that portion of labour force which is unutilised. The problem of unemployment is increasing day-by-day in India. The unemployment leads to the unutilisation of human capital which in turn affects the productivity of a country and creates many other social and economic problems.

In the Covid-19 scenario, the unemployment rate significantly increased. The impact of lockdown and many other supporting factors significantly rised the rate of unemployment in the country. Moreover, the problem of unemployment also posed various challenges in Covid-19 scenario.

The research in this research paper aims to analyse the usual causes and effects of unemployment. Moreover, the researcher also specifically analysed the different causes and effects of unemployment in Covid-19 scenario. At last, the researcher will try to suggest some solutions for dealing with the problem of unemployment in an effective manner.



CHAPTER II: LITERATURE REVIEW

1. Unemployment in India: Causes and Solutions, By Dr. Shambhu Nath Singh.

The author tried to examine the causes of Unemployment and what can be the solutions to solve such problem. The main causes of unemployment which the author identified are: slow growth of Indian Economy, high Population Growth Rate, emphasis on capital intensive technique etc. The author also suggests some solutions such as giving more emphasis on self-employment, relaxation in interest rates so that people can set up their businesses.

2. Covid-19- Related Financial Hardship, Job Loss and Mental Health Symptoms: Findings from a Cross-Sectional Study in a Rural Agrarian Community in India, By Sangeeta Chatterji & Anita Raj.

The author in this article tries to examine the financial hardships caused in Covid-19. The author also examined the problem of job loss in Covid-19. People suffered huge financial losses because of job loss. Job loss also impacted the mental health of the people. The author stressed upon improving the mental health services in rural areas.

3. Unemployment and Poverty Paradox in India, By Raj Kishna & Sanchit Kumar.

The author in this article analysed the problem of unemployment and poverty. The author discussed about the nature of poverty in India, the causes and effects of unemployment and the measures taken by the government for solving the issue of poverty and unemployment. Moreover, the interrelationship between poverty and unemployment has also been discussed. In the conclusion part, the author discussed about the solutions to deal with the problem of unemployment.

4. A Study on Impact of Covid-19 Pandemic on Employment in India, By Mohd. Akhter Ali & M.Kamraju.

In this research paper, the author analysed the impact of Covid-19 on unemployment. The lockdown imposed in Covid-19 pandemic has increased the rate of unemployment to a significant level. The study specifically talks about the increased unemployment rate in the informal sector as well as the persons working in private sector.

Research Gap: The research paper only highlights the effect of lockdown in increasing the unemployment rate in India. It fails to analyse the other supporting causes along with lockdown which increased the unemployment rate in Covid-19.

5. Pandemic-induced Unemployment in India: Criminal Activities on the Rise, By Suyash Das & Soumya Bhowmick.

In this article, the author discussed about the increased crime rates in Covid-19 scenario because of rising unemployment rates. The unemployment in Covid-19 increased the rate of organized crimes, cybercrimes etc. The study also shows that the Red Zones where the economic activities were closed altogether has more crime rates than the Orange and Green Zones.

6. Economic and psychological impact of Covid-19 lockdown. Strategies to combat the crisis, By Jwalant Chag, Suprakash Chaudhary and Daniel Saldanha.

In this research paper, the researchers tried to analyze the economic and mental effects of lockdown. The researcher specifically focused upon the economic and psychological effect of unemployment in Covid-19 scenario in India. Moreover, the unemployment rate in specific sectors has also been discussed in this research paper.



CHAPTER III: THEORETICAL FRAMEWORK

Sociology is the study of human society. The subject-matter of sociology includes behavior of humans in social contexts, social relationships, social institutions, social change and development. That's why; unemployment is an important issue for sociologists. The issue of unemployment has very wide effects in the different areas of society. The society is stratified by on the basis of age, race, class, gender, ethnicity, sex and disability and the problem of unemployment further segregates the society in terms of status, social class, economic level, wealth. As a result of this, huge inequality persists in the society. Moreover, this inequality creates frustration and anger among those who are unemployed. It is very important to analyse the sociological perspective of unemployment so that effective solutions can be developed to deal with the problem of unemployment at a societal level.

Let's discuss the two sociological theories related to the problem of unemployment:

1. Conflict Theory-

This theory is given by Karl Marx. This theory explains about the conflicts that arise between the proletariat or the lower class and the bourgeoisie or the upper class. The society is divided into 'haves' and 'have-nots'. The upper class have the power and resources and they exploit the lower class. Because of exploitation and inequality, conflicts arise between them which can take the shape of revolution.

The problem of unemployment can be related to Conflict Theory of Karl Marx. The problem of unemployment creates inequality in terms of income, status, wealth in society. The unemployed persons do not able to afford better services and because of this they resort to illegal methods to fulfil their needs. Moreover, a long effect of unemployment leads to

violence in society. The Conflict Theory viewed unemployment as evidence of those in a powerful or privileged position exploiting others.

2. Social Stratification Theory:

The social stratification is a process by which a society is divided not only on the basis of age, class, gender, sex, and ethnicity but also on the basis of income, wealth, education, occupation, status etc.

The problem of unemployment creates income inequality in the society. Moreover, this inequality also raises illiteracy and poverty among unemployed persons. It is mostly seen that persons who are illiterate, poor and marginalized are more prone to unemployment than those who have good social status, income level.

CHAPTER IV: STATEMENT OF RESEARCH PROBLEM

The Researcher in this Research Topic is concerned about determining 'the usual causes of Unemployment', 'the usual effects of Unemployment'. Moreover, the Researcher specifically wants to focus upon 'the causes of Unemployment in the Covid-19 scenario' and 'the effects of Unemployment in Covid-19 scenario' both at the individual and societal level.

Unemployment is a big problem in India and a large section of the society suffers from it. The Study in this Research Topic will help to know the ground realities, the essence of the problem of Unemployment specifically in the Covid-19 scenario. Moreover, the mechanism which needs to be developed to solve the persisting issue at the individual, societal and governmental level.



CHAPTER V: RESEARCH METHODOLOGY

RESEARCH OBJECTIVES

- To know about the types of Unemployment.
- To study about the usual causes and effects of Unemployment.
- To study about the unemployment level in Covid-19 scenario.
- To analyze the causes of unemployment in Covid-19 scenario.
- To analyze the effects of unemployment in Covid-19 scenario.
- To ascertain what can be the possible solutions to deal with the problem of unemployment in an effective manner.

METHOD OF DATA COLLECTION

a. The Methodology adopted by the researcher:
Doctrinal Research

b. Sources of Data: For this research, the author of the present article will depend upon Secondary Sources of Data. The researcher would rely on the books and articles discussing various websites and newspaper articles.

CHAPTER VI: DATA ANALYSIS AND DISCUSSION

ABOUT UNEMPLOYMENT AND ITS TYPES

Unemployment refers to a situation when a person is willing to work but does not get a job at the existing wage rate. Today, our country is witnessing many serious problems and among one of them is unemployment. The problem of unemployment results in many other problems such as poverty, malnutrition, under-development of economy etc. Unemployment is one of the most serious problems for both developing and developed countries. Despite many policy initiatives and programmes, India continues to suffer from the problem of unemployment.

The unemployment rate refers to the percentage of the persons who are unemployed to the total number of persons who are there in the labour force (labour force includes both employed and unemployed persons). It tells about that portion of labour force which is unutilised. The problem of unemployment is increasing day-by-day in India. The unemployment leads to the unutilisation of human capital which in turn affects the productivity of a country and creates many other social and economic problems.

Types of Unemployment:

There are various types of unemployment prevalent in India. Some of this are-

1. Frictional Unemployment: In this kind of unemployment, a person remains unemployed for a span of time while moving from one job to another job. Usually, this kind of unemployment is for a short span of time. This unemployment exists because of the lack of adjustment between demand and supply of labour force. Frictional unemployment is usually seen in developed countries but it also now occurring in developing countries.

2. Structural Unemployment: This type of unemployment occurs when there is a difference between the worker's skills and the jobs in the market. In India, many people don't possess that skill set which is required for the job. This can be because of the poor education level of the persons who are seeking jobs. Training can be one way to improve the skill set which can match with the required job.

3. Open Unemployment: This kind of unemployment refers to the situation when a person is willing to work and also has the required ability to work but does not get work.

4. Disguised Unemployment: In this kind of unemployment, a person seems to be employed but in reality he is unemployed. His contribution to the output is zero and if he stops



doing the work then the output will not get affected. Agriculture being the family occupation is one of the best examples of disguised unemployment.

5. Under Unemployment: It refers to a situation when the employed person contributes to production less than what he is actually capable of.

6. Seasonal Unemployment: In this kind of unemployment, people remain unemployed for particular time in the year or season. Seasonal unemployment is most found in agriculture, tourism etc.

7. Technological Unemployment: It refers to the situation when people lose their jobs because of advancement in technologies or automation. Ex. - In 2016, the World Bank predicted that the jobs threatened by automation in India are about 69% year on year basis.

8. Educational Unemployment: Educated unemployment refers to a situation when a person is educated but does not able to get a suitable job for himself. Today, educated unemployment is one of the most serious types of unemployment faced by people in India.

USUAL CAUSES OF UNEMPLOYMENT

The causes of unemployment tell about the probable reasons or factors which could be held accountable for the ever-increasing problem of unemployment. In order, to address and solve the problem of unemployment in an

effective manner, a deep-analysis of the causes of unemployment is required. So, the probable causes of unemployment are as follows-

1. Slow Economic Growth: India's economic growth rate is slow and because of this employment opportunities have not been provided to the increasing population. Moreover, the labour force is much more than the available employment opportunities present now.

2. Rapid Population Growth: It is one of the most significant reasons for the problem of unemployment. The population is increasing day-by-day in India. Because of this, the size of the labour force is also increasing. There are not enough employment opportunities available which can cater such a large size of labour force. India has the largest share of youth population in the world and the youth population is the major chunk of the labour force. If population of India keeps on increasing in the same manner then the future generations will have to face more severe problems of unemployment.

3. Seasonal Occupation: In India, agriculture is the primary occupation and it provides employment to a major part of the population. But it is seasonal in character and does not able to provide employment for the whole of the year. Moreover, the disguised unemployment is majorly seen in agriculture. The rate of disguised unemployment in India is about 15% of the total working population.

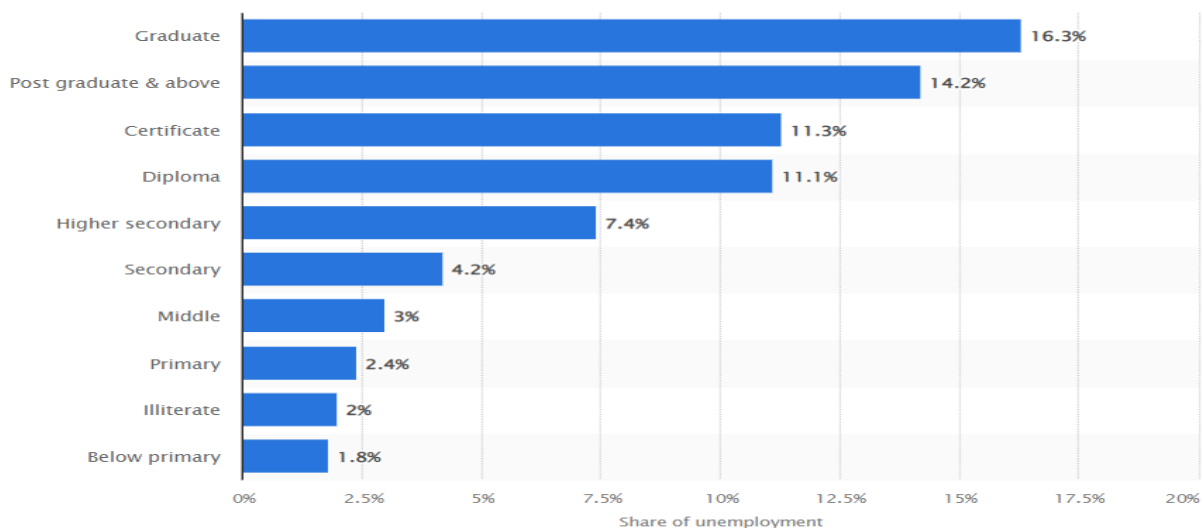
Season	Unemployment days per worker	
	Days Count	%
Kharif	34.86	19.55
Rabi	46.81	26.24
Summer	96.67	54.22
Total	178.35	100

The seasonal nature of agriculture is indicated by the above table. As per the table, a worker in the Khari season remains unemployed for around 34.86 days. In the Rabi season, a worker remains unemployed for around 46.81 days. In summer season, a worker remains unemployed for around 96.67 days. The summer season accounts for 54.22% of the total unemployment in a year. The unemployment is more in summer season than in kharif and Rabi seasons because of the lack of agricultural work in summer season.

4. Decline of Cottage Industries: In rural India, apart from agriculture, cottage industries also provided employment opportunities to major part of the rural population particularly to

landless people. These people depend upon cottage industries for earning their livelihood. But because of industrialization and modern factories, technologies, these cottage industries have to suffer a lot. They could not compete with these modern factories. As a result, these cottage industries got winded up and a lot of people engaged there got unemployed.

5. Defective Education System: The present-day education system seems to be defective as it is more degree-oriented rather than job-oriented. The education is confined in the four walls of the classroom only. Moreover, it is more general and theoretical rather than technical and practical. As a result, many job-seekers lack the practical skill set that is needed for the particular job which in turn leads to unemployment and under-employment.



The above graph shows that unemployment is higher among educated people like graduates, post-graduates, certificate, diploma etc. One of



the main reasons for high unemployment among educated people is the defective education system.

6. Poverty and Illiteracy: Poverty and Illiteracy are both inter-related concepts. Poverty and illiteracy both significantly contribute to the problem of unemployment. If people are poor and under poverty then they do not have sufficient means to get education which in turn leads to illiteracy. Now, this lack of education makes them unemployed or get them employed in casual work.

7. Inadequate Employment Planning: The employment planning done by both central and state governments is not adequate in comparison to the population growth. Providing employment opportunities to such a vast labour force is a very difficult task on the part of the Government. Also, the government from time-to-time has not taken adequate steps in this direction. The poor employment planning on the part of the government exacerbates the problem of unemployment to such a great extent. The various governmental schemes have not been able to work as it was expected.

8. Lack of Infrastructural Development: A poor infrastructural development reduces the productive capacity of different sectors and also the economic growth of the country which in turn leads to inadequate generation of employment opportunities.

9. rural-Urban Migration: The rural to urban migration results in unemployment in urban areas. Lack of adequate employment opportunities in rural areas forces the people to migrate to urban areas. In urban areas, the adequate employment opportunities are not there which can cater the needs of migrated labour force. As a result, unemployment increases in urban areas.

10. Lack of Stock of Physical Capital: All economic activities require physical capital for production purposes. A farmer requires a

plough, tractor and other machines. An industrialist requires land, machines, minerals etc. All of this amounts to physical capital. India does not have sufficient stock of physical capital to fulfil the demands of increasing population.

11. Labour Mobility: Low labour mobility leads to unemployment in India. People do not migrate to places where their skills can be better utilised because of language and culture barriers, family bonds etc.

12. Preference Given to a Regular Salaried Job: In India, many people want a regular salaried job especially government jobs but the capacity is limited for salaried jobs especially government jobs. So, many people remain unemployed. People in India prefer such jobs because salaried jobs provide regular earnings and secured, risk-free life. They do not want to get engaged in self-employment as it requires investment and the regular earning is not there as chances of both profit and loss exist.

USUAL EFFECTS OF UNEMPLOYMENT

Unemployment is one of the most severe problems which India is witnessing today. The magnitude of the effects of unemployment is very wide. It does not only pose economic effects but it also poses social, moral and political effects. The problem of unemployment does not only affect the livelihoods and economic growth of the country but it also affects the social fabric of the country. Therefore, a deep-analysis of the effects of unemployment is very much required so that appropriate steps could be taken.

The probable effects of unemployment are as follows-

1. Economic Effects: The unutilisation of manpower resources because of unemployment results in a permanent loss for the society. There



is loss of goods and services that could have been produced during the period of unemployment. Because of this the country suffers the economic consequences in the form of low economic growth.

The utilisation of man-power resources also lead to loss of human capital. Thereby, the money and the resources that have been invested in education, training etc. get wasted. Moreover, unemployment results in poverty or low standard of living which in turn lowers the quality of life.

2. Political Effects: A continued economic insecurity and unemployment leads to frustration, hatred and a sense of discontentment against socio-political system. A high-level of unemployment rate might lead to a prevalence of anarchy in the country. The unemployed people are likeier to be a part of radical organization. One of the best examples of this is the Naxalite Movement.

3. Moral Effects: A continued unemployment may force the people to resort to immoral or illegal activities. An empty stomach may force the people to resort to many types of moral vices. A person in order to fulfil needs can resort to theft, gambling etc.

4. Social Effects: It lowers the quality of life because of the low standard of living. Moreover, unemployed persons are easily exploited and they are forced to work on lower wages.

The problem of unemployment results in social unrest in the country. It also results in the increase in the crime rates. According to various

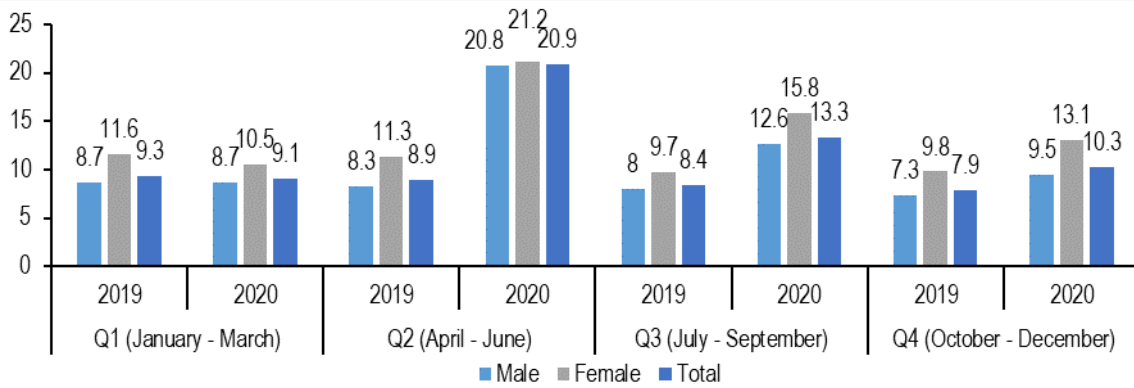
studies, low wages and unemployment more likely forces the people to engage in crimes.

UNEMPLOYMENT AND COVID-19

The havoc created by the Covid-19 pandemic has forced the countries across the world to impose lockdown. In India, the nationwide lockdown was imposed on 25th March, 2020. During the lockdown, all other establishments remained closed except those which deals in essential goods and services and also those involved in agricultural operations. Essential goods comprised of items like food, medicine and electricity. Essential services include banking services, pharmaceuticals and telecommunications. The closure of various establishments and factories due to imposition of lockdown forced the workers to migrate from densely-populated urban areas to their homes which are situated in rural areas. These migrant labourers remain stranded as buses and trains remain suspended because of lockdown. They walked several kilometres in order to reach their villages.

The imposition of lockdown and closure of establishments and factories lead to sudden rise in the unemployment rates. Moreover, many establishments and businesses lay-off their workers because of reduced profits in Covid-19 times.

Unemployment rate in urban areas across all age groups as per current weekly activity status (Figures in %)

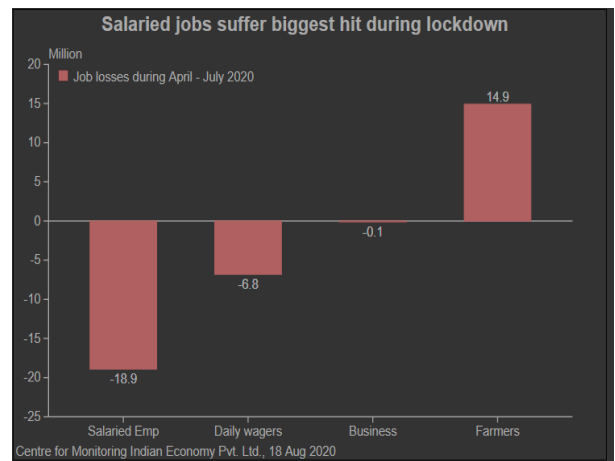
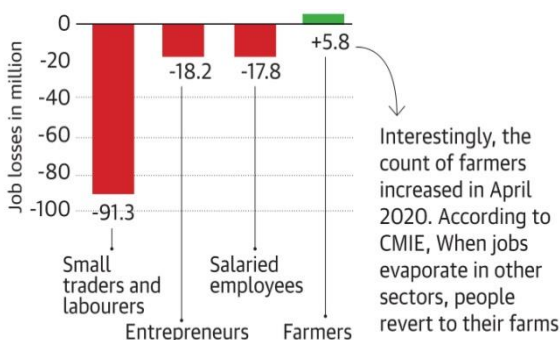


Note: PLFS includes data for transgender among males.

Sources: Quarterly Periodic Labour Force Survey Reports, Ministry of Statistics and Program Implementation; PRS.

As per the Quarterly Periodic Labour Survey Reports, unemployment rate in urban areas rose to 20.9% during the April-June, 2020 Quarter which is more than double the unemployment rate in the same quarter in the previous year (i.e. 8.9%).

The rural sector showed a strong resilience in the first wave of covid-19. The continuance of agriculture and its allied activities and fewer covid-cases in rural areas kept the rural economy alive in first wave. But the reverse-migration somewhat disrupted the rural employment levels. The reverse-migration in large sums and the lack of employment opportunities in rural areas rose the unemployment rate in rural areas. The major source of dependence of people in rural areas was only MGNREGA in the first wave.



As per data released by Centre for Monitoring Indian Economy (CMIE), during April, 2020 121.5 million jobs were lost out of which 91.3 million jobs were the informal ones, 18.2 million employment loss of entrepreneurs and 17.8 million loss of salaried jobs whereas agriculture sector witnessed a growth of 5.8 million jobs The data also shows that as soon as the lockdown

restrictions were released and economy opened up, the jobs came back especially in the informal sector. Out of 91.3 million jobs lost in April, 2020, 14.4 million came back in May, 44.5 million jobs in June and 25.5 million in July. As per the data, only 6.8 million jobs were left to return after July, 2020.

The CMIE data show that during April, 2020 to July, 2020, hardest hit category was of salaried employees. The loss of salaried jobs increased to 18.9 million in July, 2020 from 17.8 million in April, 2020. Such loss of salaried jobs is a very threatening sign for any developing country. Informal jobs once lost can be retrieved easily but the retrieval of salaried jobs is very difficult if it gets lost.

The hardest hit sectors in terms of job loss were manufacturing, construction, travel and tourism, automobiles, retail(organized and unorganized), media and entertainment, telecom services.

Unemployment Rate (UR) (in per cent) according to current weekly status for different States

age group: all

State	October-December 2019	January-March 2020	April-June 2020	July-September 2020	October-December 2020
(1)	(12)	(13)	(14)	(15)	(16)
Andhra Pradesh	10.0	12.6	26.0	13.9	9.3
Assam	9.8	9.6	15.6	9.9	8.5
Bihar	8.6	10.0	12.8	11.1	9.0
Chhattisgarh	9.7	9.3	16.1	15.4	14.5
Delhi	10.2	12.9	17.9	12.0	8.0
Gujarat	3.3	3.7	10.5	4.5	4.0
Haryana	6.8	7.0	13.3	9.9	11.7
Himachal Pradesh	7.4	12.8	14.9	8.6	7.5
Jammu & Kashmir	15.5	17.3	18.2	17.4	17.8
Jharkhand	7.5	11.8	32.0	19.8	16.0
Karnataka	4.3	4.3	13.0	7.4	7.1
Kerala	12.5	16.4	27.3	18.9	16.7
Madhya Pradesh	11.5	12.5	28.9	14.9	11.3
Maharashtra	5.5	6.3	35.6	22.6	13.7
Odisha	10.8	11.3	22.9	16.5	15.0
Punjab	9.8	9.4	13.3	10.8	9.2
Rajasthan	10.4	12.7	24.6	15.1	12.8
Tamil Nadu	7.4	8.6	17.4	10.3	8.9
Telangana	11.5	12.1	25.5	15.4	10.6
Uttarakhand	9.3	9.6	26.8	10.9	11.6
Uttar Pradesh	8.8	9.7	16.7	13.4	11.2
West Bengal	5.5	7.0	16.5	10.7	6.7
all-India	7.9	9.1	20.9	13.3	10.3

Note:

1. S. includes Transgender

2. Figures given against Jammu & Kashmir pertain to the combined Union Territories of Jammu & Kashmir and Ladakh (erstwhile State of Jammu & Kashmir)

The above table is from the PLFS Quarterly Survey Bulletins. As per PLFS Quarterly Reports, most of the states saw a double-digit unemployment rate. In the April-June, 2020 Quarter, most of the states witnessed the drastic increase in their unemployment rate with Jharkhand having the highest unemployment rate (i.e. 32%). In the Quarters of July-September, 2020 and October-December, 2020, unemployment rate decreased significantly because of the easing of lockdown restrictions.

In the second wave of Covid-19, both urban and rural areas suffered from unemployment. As per CMIE data, in the second wave of Covid-19, more than 2 crore jobs were lost in April, 2021 and May, 2021. However, in the second wave, urban men suffered more job losses than woman. In the first wave, urban woman accounted for more job loss than men. Urban women accounts for 3% of the total employment while their share was 39% in the total job loss. During the first wave. However, urban men account for 28% in the total employment while their share was 30% in the total job loss in the Quarter which ended on



June, 2021. Urban male jobs were considered to be better quality jobs than urban woman jobs. Loss of urban male jobs results in much greater fall of income. Moreover, in the second wave, rural unemployment also increased a lot. As per CMIE data, within a span of one week in May, 2021 it just got doubled from 7.1% to 14%. The main reason for such increase in rural unemployment is the spike in covid cases in rural areas which in turn disrupted the rural economy.

CAUSES OF UNEMPLOYMENT IN THE COVID-19 SCENARIO

In the previous chapter, we have discussed about the spike of unemployment rates in both the waves (i.e. first wave and second wave) of covid-19 in India. There are various probable factors that could be held responsible for the drastic increase in unemployment rates in covid-19 scenario. Some of them can be 'Improper planning and sudden imposition of lockdown', 'not enough support and grants provided to businesses and industries' etc. A deep analysis of all the probable causes is necessary so that effective measures should be taken to tackle the crisis of unemployment. Moreover, analysis of the probable causes will make the country prepared to tackle such crisis of unemployment in subsequent waves.

The probable causes of unemployment in the Covid-19 scenario are as follows-

1. Improper Planning and Sudden Imposition of Lockdown: A 21-days national lockdown was announced in order to curb the covid infections. All the establishments, businesses were closed except those dealing in essential services. The national lockdown was imposed suddenly and without proper planning. The people of this country haven't been taken into confidence before announcing a national lockdown. In India, 90% of the workforce is in the informal

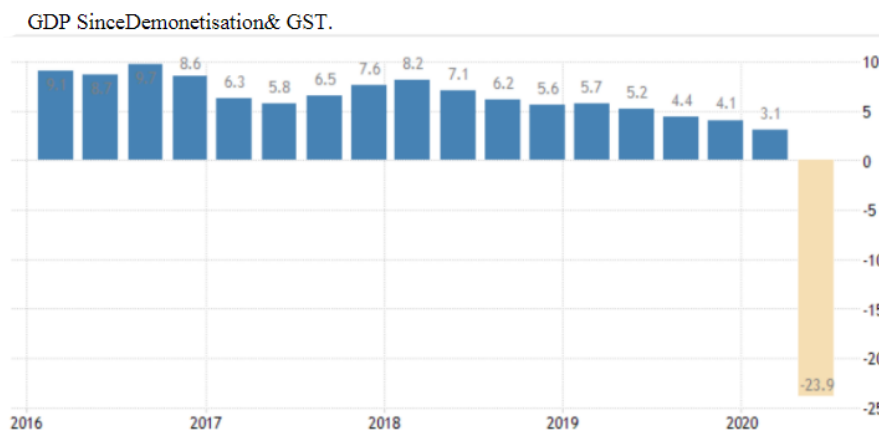
sector. This informal sector constitutes of daily-wage earners, labourers, and casual workers etc. who fill their empty stomach by earning on a daily basis. The unplanned national lockdown left these people as unemployed. With the closure of manufacturing sites, construction sites, various other factories and businesses, the workers and labourers who were working there become unemployed and lose their livelihoods. The loss of livelihood forced these workers to migrate back to their villages.

2. Not Enough Support/Grant provides to Industries, Businesses and MSME Sector:

With the imposition of national lockdown, various industries, large and small businesses closed down. These businesses also suffered huge losses as no production of goods and services were going on. So, in order to save themselves and reduce the losses, the employers of these businesses tried to lay-off their workers. Moreover, many small businesses were closed down permanently because of the huge losses.

The Government hasn't provided enough support because of which the unemployment rate in these industries, businesses drastically increased. The Aatmanirbhar Bharat package didn't helped these industries and businesses much.

3. Influence of Pre-Covid Scenario: The drastic increase in the unemployment rate is not solely based upon Covid-19 scenario. The pre-covid scenario in the form of demonetisation, faulty implementation of GST and slow economic growth are also responsible for unemployment. The demonetisation and faulty implementation of GST caused a lot of troubles and losses to businesses. As a result, unemployment level rate in 2017-18 rose to 6.1% which was highest in 45 years. All these pre-covid scenarios along with covid-19 fuelled the unemployment rate of the country.



Source: Tradingeconomics.com | Ministry of Statistics and Programme Implementation (MoSPI)

As per the graph given above, it can be seen that the position of GDP growth after demonetisation and GST is not stable. From 2018-19 the GDP is consistently falling except in one Quarter where it registered a growth of 0.1% in comparison to previous quarter.

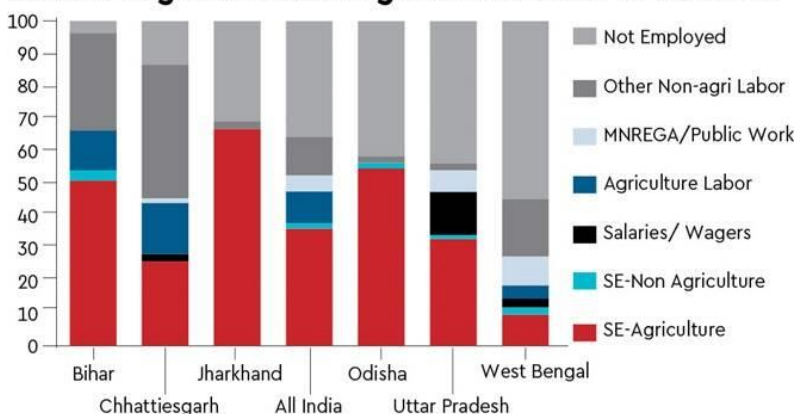
4. Impact of Online Working and Setup: Many professionals because of government restrictions and for maintaining social distancing have adopted the online working mode. Online working in offices particularly in the IT Sector, online education, online hearings etc. can be some of the examples of adopting the online working mode.

The online working setup has eliminated the role of unrequired staff like peons, other supporting workers etc. In the physical working mode, these supporting staffs carry out the routine activities.

With the online set up, some of these supporting staff became unemployed. Moreover, with the online hearings in courts, the advocates and lawyers in the lower courts had suffered a lot. Many of these advocates do not have regular clients and they earn their livelihood by doing petty legal works in the form of making affidavits etc. Many advocates suffered a lot because of the disruptions caused to these physical workings.

5. Lack of Employment Opportunities in Rural Areas/Small towns: With the closure of various establishments, industries and factories, lakhs of migrant labourers and workers came back to their villages. These areas don't have enough employment opportunities. It is very difficult for the rural areas to employ such large sums of migrant labourers. Many of them remained unemployed or even if they got employment, it was more basically like of disguised unemployment.

Employment status of migrants at native place after reverse migration resulting from 1st wave of Covid-19

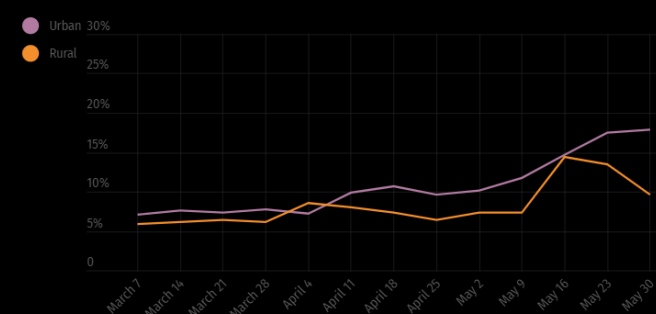


The above survey was conducted by Inferential Survey Statistics and Research Foundation (ISS&RF) in collaboration with ICRIER. As per the survey, at All India level, the migrants who left cities and industrial towns for their native villages and small towns, 35.4% had no employment, another 35.8% were involved in agriculture as self-employed (SE) labour, perhaps on their joint family farms, 9.7% worked as agriculture labour, 4.6% in MNREGA and other public works and 12.2% as casuals in other non-agriculture work.

6. Severe Disruptions Caused to Rural Economy Because Of Second Wave: The rural sector in the first wave showed a strong resilience. It was the backbone of the country's economy in the first wave and save the livelihoods of many people. But in Second wave, the employment rate in rural areas decreased because this time the rural areas were hit very badly with covid-19. Huge disruptions were caused to the rural economy which in turn disrupted the working of MGNREGA, agricultural sector and thereby increasing the unemployment rate.

Weekly Unemployment Rates in India

In the week ended May 16, 2021, rural unemployment doubled to about 14% within a week

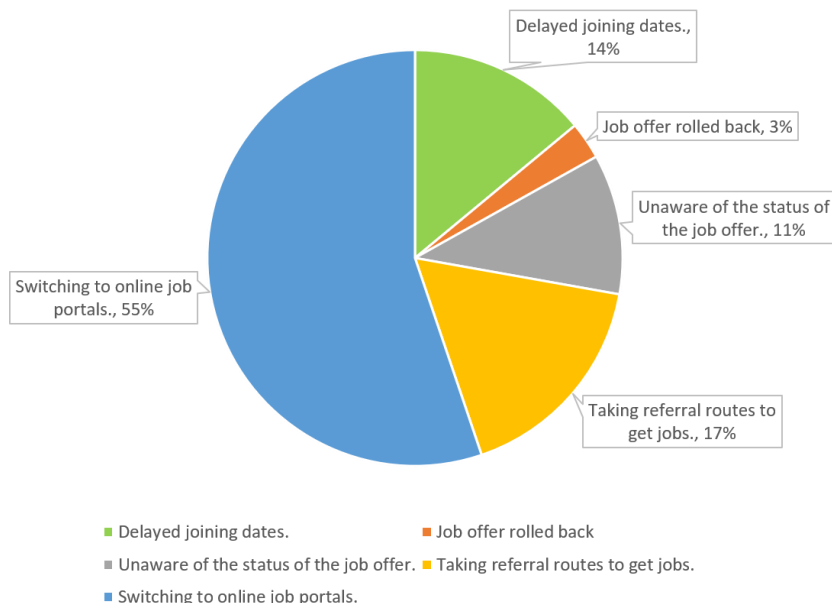


Source: Centre for Monitoring Indian Economy - Graphic: Utkarsh Shrivastava, Gulal Salil

As can be seen from the graph, during second wave within a span of one week i.e. from May 9, 2021 to May 16, 2021, the rural unemployment just got doubled from 7.1% to 14%.

7. Lack of Demand of Fresh Graduates: There is not enough demand of fresh graduates in the market. The companies in order to reduce losses which they suffered because of covid-19 laid off their already-existed employees. These employees are more experienced and capable than the fresh graduate. Therefore, it is pretty much clear that when the companies are laying off their previous employees, the demand of fresh graduates will not arise.

Job Status of Fresh Graduates



The above survey was conducted by Naukri.com to find the data about hirings of fresh graduates in Covid-19 scenario. The data shows that (i)joining dates of about 14 % people got delayed, (ii)job offers of 3% people got rolled back,(iii)11% of the people were unaware about the status of job offers,(iv)17% people took referral routes to get jobs and (v)55% people switched to online job portals for finding jobs.

EFFECTS OF UNEMPLOYMENT IN COVID-19 SCENARIO

In Covid-19 scenario, people in India faced diverse effects of unemployment. The problem of unemployment in covid-19 scenario has affected the lives and livelihoods of people in a very severe manner. It does not only pose economic challenges but also posed psychological, social and moral challenges. It is very important to analyse all these effects so that effective strategy could be developed to solve such issues.

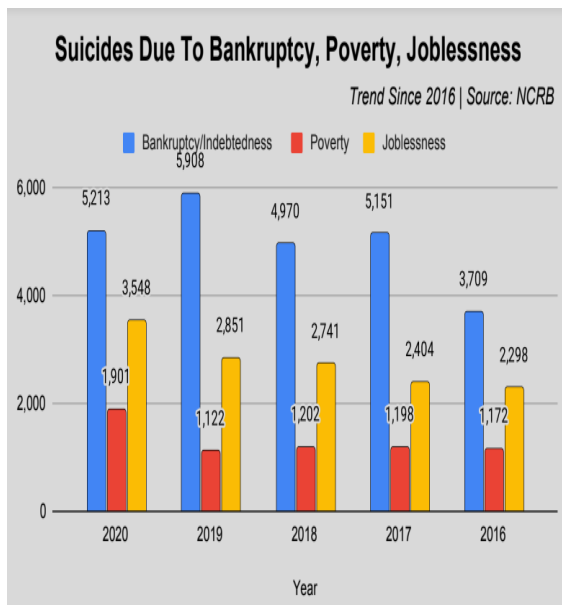
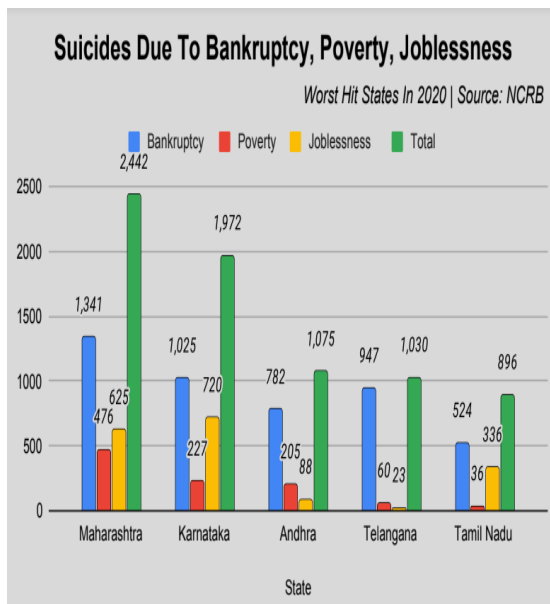
The probable effects of unemployment are as follows-

1. Economic Effects: A large part of the workforce was either became unemployed or forced to work at are reduced wage rate. As a result, these people faced severe financial hardships. According to the data of CMIE, the income of 97% households had declined in covid-19 scenario. Moreover, because of jobless people were not able to afford the expensive health care facilities in Covid times. This unaffordability of healthcare services makes them more vulnerable.

The country also faced severe economic challenges because of the large level of unemployment. The economic growth rate of the country reduced drastically. The GDP growth rate of the country crashed 23.9 % in April-June, 2020 Quarter. In the whole year i.e. 2020-21, the GDP sharank 7.3%.

2. Psychological Effects: Because of unemployment, people suffered a huge mental trauma. They were experiencing: symptoms of depression and anxiety, constantly remain in stress, have sleeping disorders, suffering from excessive fears and worries. These unemployed persons were worried about their lives and livelihoods. They think about what will happen tomorrow or in future. As a result of this mental

trauma, the suicide rates in India also got increased in Covid-19 times.



As per NCRB data, the suicide rates because of unemployment increased to 3548 in the year 2020 in comparison to 2851 in the year 2019. Moreover, as per NCRB data, the worst hit states in 2020 in terms of suicide rates due to joblessness were Maharashtra, Karnataka, Andhra Pradesh, Telangana, Tamil Nadu.

3. Social Effects: The unemployment caused because of covid-19 has increased criminal activities in India. According to one study,

criminal activities due to high unemployment rate grown from 7 % (before the lockdown) to 27.11% in April, 2020. The unemployment has increased the rates of organised crimes. Moreover, the rate of cybercrimes has increased drastically in covid-19 times. It has increased more than double to 22,99,682 incidents in April-June, 2020 Quarter as compared to 8,54,782 in Quarter 4 of 2019. The cybercrimes are basically attributed for financial motives, so, it is attributed that the increase in cybercrimes is because of job loss.

CHAPTER VII: SUMMARY OF FINDINGS

- The issue of unemployment is one of the most severe problems that India is currently facing.
- The problem of unemployment posed different challenges like economic, political, moral and social.
- The unemployment rate increased drastically in Covid-19 times. It rose to more than 21% in April-June, 2020 Quarter.
- The informal sector belongs to 90% of the workforce and it accounted for major part of the unemployment rate. One of the interesting finding is that with the passage of time in April-June, 2020 Quarter, unemployment in informal sector decreased but in formal sector it got increased.
- Improper planning and sudden imposition of lockdown is the main reason for rising unemployment in covid-19 scenario.
- Unemployment in covid-19 scenario posed many psychological challenges which in turn increased the suicide rates in the country. In 2020 the suicide rates because of unemployment increased to 3548 as compared to 2851 in 2019.
- The crime rates also increased drastically because of job losses in Covid-19 scenario.

CHAPTER VIII: RECOMMENDATIONS AND CONCLUSIONS

The problem of unemployment is a burning issue in India. It is destroying the lives and livelihoods it poses severe economic, social and moral challenges. In past, the country has adopted several policy measures to fight with the problem of unemployment like MGNREGA, MSME Act, 2006, National Skill Development Mission, Swarna Jayanti Shahari Rozgar Yojana. These policies attempted to reduce the unemployment to a certain level but because of ineffective implementation of these policies the problem of unemployment is again and again arising.

Moreover, the problem of unemployment aggravated drastically in Covid-19 scenario. The government in covid-19 times has adopted the policy named 'Atmanirbhar Bharat Rozgar Yojana' to boost the employment level and generate new employment opportunities in the country.

Most of the above-mentioned policies are intended to tackle the problem of unemployment on a short-term basis. But in order to effectively tackle the problem of unemployment and its effects on a deeper level, some solutions and strategies need to be developed on a long-term basis. Therefore, some of these probable strategies or solutions can be-

1. Development of more employment opportunities in rural areas. Adequate assistance should be given to revive the cottage industries and diversify the agricultural sector.
2. Reforms must be done in the education system and it should be made job-oriented instead of degree-oriented.

3. The youth of the country should be encouraged to become job-givers instead of job-seekers.

4. A detailed framework for employment planning on regular basis is laid down. A permanent taskforce should be appointed to review the framework for employment planning on a regular basis in the country. The detailed framework for employment planning should also contain the provisions about how to tackle the unemployment situation in extraordinary circumstances like in pandemic.

5. Any decision taken in extraordinary circumstances should be well planned by keeping in minds the needs and requirements of all the levels of population.

6. Proper counselling should be given to those persons who are suffering from mental health issues because of unemployment. Moreover, unemployed persons in covid-19 times should be given unemployment allowances so that they can face these tough times effectively.

REFERENCES

- Singh, Shambhu Nath (2021). Unemployment in India: Causes and Solutions, International Journal of Humanities and Social Science Invention (IJHSSI), vol. 10(04), pp 45-48. Journal DOI10.35629/7722.
- Chatterji, S.; McDougal, L.; Johns, N.; Ghule, M.; Rao, N.; Raj, A. (2021). COVID-19-Related Financial Hardship, Job Loss, and Mental Health Symptoms: Findings from a Cross-Sectional Study in a Rural Agrarian Community in India. Int. J. Environ. Res. Public Health 2021, 18, 8647.
- Raj, Kishna; Kumar Sanchit (2016). Unemployment and Poverty Paradox in India, Journal on Contemporary Issues of Law (JCIL), Vol. 2 Issue 10.
- Chag J, Chaudhury S, Saldanha D (2020). Economic and psychological impact of



COVID-19 lockdown: Strategies to combat the crisis, *Ind Psychiatry J* 2020; 29:362-8.

- Saini, Gaurav (2018). Analysis on Season Wise Agricultural Labourers' Employment and Unemployment, *Journal of Advances and Scholarly Researches in Allied Education*, vol. XV, Issue No. 5, July-2018, ISSN 2230-7540.
- 1. Bansal, Sapna; Jain, Chandna (2019). An Analytical Study of Unemployment in India, *Research Review International Journal of Multidisciplinary*, vol. 4 Issue 5.