

YOUTH UNEMPLOYMENT SCENARIO IN INDIA AND IMPACT OF COVID-19

Dr. Abhilasha Dhande

Assistant Professor,
Renaissance law College,
Indore

Dr. Suhas Dhande

Principal & Professor,
Chameli Devi Insrtute of professional Studies,
Indore

Abstract : Covid-19 has affected India's economy very badly. During the first wave of corona a huge part of workforce nearly 2 Crores working in industries migrated from metropolitan cities to their hometowns because of job loss. So many big industries have to lock up their businesses and thus these workers migrated. Especially in Haryana Tripura Bihar Jharkhand and Delhi where unemployment rate was between 23 to 32%. In this study the researcher has tried to energize the impact of covid-19 on youth employment in India which has gone up to 40.25% during January to April 2020. The study is based on secondary data which is taken from various websites and articles published in various newspapers and magazines. Study is basically descriptive in nature. The study concluded that youth unemployment is badly affected due to pandemic although the government has tried its best to provide jobs but still lot of records are to be put in this direction.

Keywords : Youth unemployment, Migration, COVID-19

Introduction:

The term used in this study the Unemployed Youth which refers to the workforce who are aged between 15 to 24 years and without a job but they are actively seeking the job. The percentage found between unemployed youth and active job seekers is termed as Youth Unemployment Rate. Generally worldwide it is found that youth unemployment rates are higher than the adult employment rates and India is also no exception to it. In India also youth unemployment rate is is remarkably higher than the national unemployment rate.

Covid-19 has affected the employment scenario also in our country. Already due to technology advancements, jobs for unskilled and semi skilled workers were immensely decreased. Special due to covid-19, workers working in agriculture, construction, manufacturing and service industries lost their jobs. According to the report of a study 80% of the workers lost their jobs working in these industries. Among these, daily wage workers,

street vendors, small enterprises, and retailers were completely choked for various reasons. Although after a gap of 3 to 4 months so many workers were called back by the industrialist but till then most of the workers migrated to their hometowns.

Objectives of the Study:

- To study the youth unemployment scenario in India in last 20 years.
- to study and analyse the impact of covid-19 on youth unemployment in past 2 years.
- To study the governmental efforts to cope up with the situation of unemployment in India.

Research Methodology:

Data Used: The information and data used for the study is purely secondary in nature. For fulfilment of the above mentioned objectives, the researcher had studied some articles published in various Newspapers and magazines. Data published on various websites has been used for analysis. Some research papers have been referred.

Research Design: India is the second most populous country in the world. As per data of census 2011, India has a workforce of 40 7.41 crores as per the last survey conducted by NSO in 2011-12. Out of these 33.6 9 crore were workers in the rural area and 13.7 to cross where in urban areas. Out of these 47.4 1 crore workers, 23.1 8 crore in agricultural and allied sector, 11.50 crore in industries and 12.7 3:00 in service sector.

Covid-19 is spread in India since January 2020 and has the situation observed by our prime minister had declared lok town in the country from 25th March 2020. The government had imposed this lockdown to curb the spread of the pandemic but this impacted economic and commercial activities and resulted in job loss and later on the Exodus of migrant workers which rocked the entire nation.

If we compare the data of last 20 years of youth unemployment rate in India published by World Bank in 2021, we find that in 1999 the youth unemployment rate was 17.75% which rose to 18.5% in 2009 and has gone up to 23.01% in 2019.

The following table shows a comparison of National Unemployment rate and youth unemployment rate of last 20 years:

Table#1

Year	National Unemployment Rates	Youth Unemployment Rates
1999	5.69%	17.75%
2004	5.73%	18.2%
2009	5.61%	19.74%
2014	5.56%	21.99%
2019	5.27%	23.01%

2020	7.11%	28.29%
------	-------	--------

Source: Statista 2021

If we compare the data of the world unemployment rate with India, we find that although in India the rate is 7.11% in 2020 which is above the global rate of unemployment 6.47%. In South Africa it is 33.4%, in Jordan 25%, in Spain 15.26%, in Greece 14.2%, in Iraq 13.74%. On the other hand in most of the European countries it is less than 4%. In Japan it is 2.8%.

In India COVID-19 decease started to spread from January 2020 and it showed its major impact in the month of March. Immediately after that our Ministry of health came in to action and with consultation of Ministry of Home Affairs our Prime Minister declared complete Lockdown in the country. All the industries, businesses, services were ordered to stop their working. Only emergency services were allowed to work with 50% employees.

Because of this so many workers became Jobless and ultimately they were bound to go back to their hometown. Although government made some initial efforts to protect them but these efforts were very less and insufficient. The unemployment rate was continuously increasing day by day which we can see in the below given table.

The following table shows the month wise unemployment rates in India along with the unemployment rate in Urban and Rural area.

Table#2

Month	National Unemployment Rate	In Urban Areas	In Rural Areas
August 2021	8.22%	9.78%	7.64%
July 2021	6.96%	8.32%	6.34%
June 2021	9.17%	10.08%	8.75%
May 2021	11.84%	14.72%	10.55%
April 2021	7.97%	9.78%	7.13%
March 2021	6.50%	7.27%	6.15%
February 2021	6.89%	6.99%	6.85%
January 2021	6.52%	8.09%	5.81%
December 2020	9.06%	8.84%	9.15%
November 2020	6.50%	7.07%	6.24%
October 2020	7.02%	7.18%	6.95%
September 2020	6.68%	8.45%	5.88%

Source: Statista 2021

Efforts made by Government:

Government was also very much worried about the situation of Unemployment in the country. To reduce the intensity of this problem Government introduced certain schemes with the help of Ministry of labour. Some of the steps taken by the government are as under-

Aatmanirbhar Bharat Rozgar Yojana (ABRY):

According to labour ministry data, around 16.5 lakh people have benefited from the which was launched in October to encourage hiring in the country amid the COVID-19 pandemic till March 9,2021. The scheme was introduced on October 1, 2020, to incentivise the creation of new employment along with social security benefits and restoration of loss of employment during the pandemic.

This scheme, being implemented through the Employees Provident Fund Organisation (EPFO), reduces the financial burden of the employers of various sectors/ industries and encourages them to hire more workers. Under the ABRY, Government of India is crediting for a period of two years both the employees' share (12 per cent of wages) and employers' share (12 per cent of wages) of contribution payable.

Under the ABRY, about 16.5 lakhs beneficiaries registered themselves with the Scheme from October 1, 2020 and out of this, approximately 13.64 lakhs are new joiners with UAN (universal account number) generated on or after October 1, 2020, and approximately 2.86 lakhs are re-joiners who were rendered un-employed during the pandemic from March 1, 2020 to September 30, 2020, and rejoined from October 1, 2020, onwards. The experts said that the government intends to create 50 lakh to 60 lakh jobs through the ABRY in two years' time, but it required close monitoring and well-planned implementation to achieve the desired objective.

Under Pradhan Mantri Garib Kalyan Yojana (PMGKY) :

Government of India has contributed both 12 per cent employer's share and 12 per cent employee's share under Employees Provident Fund (EPF), totaling 24 per cent of the wage for the wage month from March to August 2020, for the establishments having up to 100 employees with 90 per cent of such employees earning less than Rs 15,000. Under the PMGKY scheme, Rs 2,567.66 crore was credited in EPF accounts of 38.82 lakhs eligible employees.

Conclusion:

After analyzing the above it can be concluded that in our country already the unemployment rate was between 5.5%-6% and due to this pandemic the situation became worst. Due to job loss it impacted the incomes and savings of the people. Parallely the reduction in consumption is also observed which ultimately is going to affect the GDP of the country. Although government has put lots of efforts to handle the situation but it is a matter of fact that only providing assistance to unemployed persons is a temporary remedy, More and more efforts are to be put to create jobs so that these unemployed people may be able to GDP of the Country.

References:

- <https://www.statista.com/statistics/812106/youth-unemployment-rate-in-india/>
- <https://economictimes.indiatimes.com/jobs/one-year-since-covid-19-lockdown-india-still-recovering-from-unemployment-blow/articleshow/81664834.cms?from=mdr>
- <https://tradingeconomics.com/country-list/unemployment-rate?continent=as>