

The Relationship Between Unemployment and Creating Work in India

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Abstract: *The creation of employment and the reduction of poverty have always been two of the growth strategy's main goals in India. It is often understood that attaining sustainable economic growth necessitates gradually modifying the socioeconomic structure of a country or community in order to eradicate poverty, unemployment, and inequality as well as illiteracy, famine, and destitution. The correct approach to eradicating poverty and promoting employment creation is being implemented by programmers who combat it. Using the concept of "poverty and employment generation," the present study examines the problems of poverty and job creation in each of India's states. The study examines the percentage of people living below the poverty line in each state to get an understanding of the number of poor and the poverty ratio as reported by the Rangarajan and Tendulkar committees. The study looks at the efforts made by India to lower poverty as well as the rise in employment in the economy, the unemployment rate, and the employment ratio in each of the major states of the nation. Only secondary data sources from the Planning Commission report, the Ministry of Labor and Employment of the Indian government, and other sources are used in this study. For the analysis, appropriate statistical techniques and instruments will be used.*

Keywords: Poverty, Employment generation and Poverty alleviation programmes

I. INTRODUCTION

Jobs and poverty have been key goals of India's development strategy from its inception. In recent decades, rural and urban governments have implemented different economic reforms to reduce poverty and create jobs. Employment, poverty elimination, and basic services initiatives have been initiated. Three components make up the anti-poverty strategy¹, and three factors explain India's employment problems². India is a major continental country, and poverty is the largest danger to humanity and one of the biggest economic issues. Poverty is complex and one of humanity's largest problems. In India, a normative poverty line defines the absolute minimum standard of life. Government policy prioritizes subsistence minimums and reducing absolute poverty. Poverty involves several facets of well-being deficit. It means being poor and unable to afford respectable living. The World Bank (2006) also lists poor achievement, health, physical security, and life-improvement chances.

Poverty is hard to quantify, although NSS household consumption expenditure surveys and per capita consumption spending are used. Tendulkar Committee estimates from 2011–12 put 269.9 million persons below the poverty level, or 21.9% of the population.

Two-thirds of the world's population lives below the \$1.90 per day worldwide poverty level. Dadabhai Naoroji proposed a poverty limit. Since independence, several efforts have been undertaken to compute the poverty threshold and count the poor. In 1962, the Planning Commission created a working group to calculate poverty using the ICMR's minimum calorie requirements of 2,200 for rural areas and 2,100 for urban areas. In 1960–1961 urban pricing, these calories cost Rs. 100 per month or Rs. 20 per capita for a family of five. In 1979, the Planning Commission created a Task Force to estimate poverty rates. The committee estimated monthly per capita expenses for all of India's rural and urban regions at Rs. 49.09 and Rs. 56.64, respectively, and set daily caloric intakes at 2400 and 2100 calories, respectively. The expert panel (1984) employed the task force committee estimate technique instead of redefining poverty estimation. To compute the monthly per capita income for rural and urban regions, Rs. 89.50 and Rs. 115.65,

and the percentage of persons living below the poverty line in each area—45.65% in rural, 40.79% in urban, and 44.48% nationally.

Later, the Tendulkar Committee convened a planning panel of experts. Following the Lakdawala expert group's method, the committee estimated monthly per capita income in rural and urban regions at Rs. 447 and Rs. 579, based on minimum calorie demands of 2100 and 1776, respectively. However, no poverty threshold was established. In 2012, the Rangarajan Committee calculated the average daily caloric needs of 2,155 kcal per person in rural areas and 2,090 kcal per person in urban areas to determine the percentage of people living below the poverty line in rural and urban areas and 29.5% in India. Over the previous several decades, poverty has decreased. By 2030, the World Bank aims to eliminate extreme poverty by reducing the number of people living on less than \$1.90 per day to 3%. The World Bank estimated in 2013 that 10.7% of persons earned less than \$1.90 per day.

II. LITERATURE REVIEW

This study by Filds S. Gary (1999) presents comparative data on how employment opportunities improve and eradicate poverty in mirror countries with disparity growth experience, examines labor market institutions, which are more likely to lead market output with living conditions in East Asia, and analyzes trade-labor synergy. In emerging nations, job creation is a major development driver. This study by Shukla S. Shubhendu and Mishra Ashutosh (2013) examines employment generation and poverty alleviation in developing countries with poverty alleviation programs and job creation with macroeconomic stability to speed up industry speed and increase productivity. Especially in rural regions, poverty reduction programs Anandha rajkumar.P & Suriyan.K (2014) This research addresses poverty reduction and methods to safeguard underprivileged groups, particularly rural regions. Though national and state governments in India adopted several programs, it never declined much. The Mahatma Gandhi national rural employment guarantee act is crucial to poverty eradication and job creation, according to Bisnoi India et al. (2012). Structured interviews were done in Khota Mahawa village of Babhani block, Uttar Pradesh, to analyze MNREGA performance and socio-demographic data of male and female beneficiaries.

2.1 OBJECTIVES

- To comprehend India's poverty.
- To comprehend India's Employment Generation Status.
- India's programs to combat poverty and create jobs.

III. DATA AND METHODOLOGY

Information for the study project will be gathered from secondary sources, including the Planning Commission report, the Ministry of Labor and Employment of the Government of India, and both public and unpublished data. Statistical methods and tools will be used to tabulate and analyze the gathered data.

POVERTY IN INDIA

Poverty is a global issue that mostly affects the countries of Asia and Africa. It is the greatest challenge that mankind faces. India is a complex phenomenon that stands out for its diverse diversity. Even with the recent economic upturn, the extent and intensity of poverty continue to rank among the most critical problems facing the country. Poverty estimates are derived from a range of exercises and are consistent with independent statistics on state GDP, real wages in agriculture, and per capita expenditure. A thorough examination of India's poverty is crucial as widespread poverty still exists in many regions of Asia, Africa, and Latin America, despite the fact that several governments and international organizations have taken numerous efforts to combat global poverty. Tendulkar Committee estimates for 2011–12 state that 269.9 million people, or 21.9% of the population, are living in poverty. Based on purchasing power parity (PPP), the worldwide poverty line is set at \$1.90 per day, and two-thirds of the world's population live below it.

Table No: 01 Number of Poor and Poverty Ratio in India

Committee	Year	Poverty Ratio			Number of Poor (Million)		
		Rural	Urban	Total	Rural	Urban	Total
Rangarajan	2011-12	30.9	26.4	29.5	260.5	102.5	363
	2009-10	39.6	35.1	38.2	325.9	128.7	456.6
Reduction		8.7	8.7	8.7	65.4	26.2	91.6
Tendulkar	2011-12	25.7	13.7	21.9	216.7	53.1	269.8
	2009-10	33.8	20.9	29.8	278.2	76.5	354.7
Reduction		8.1	7.2	7.8	61.5	23.4	84.9

Source: Planning Commission Government of India 2014 Report

The chart above illustrates how the Rangarajan and Tendulkar Committee assessed Indian poverty in the years 2009–10 and 2011–12. According to the Rangarajan report, in 2011–12, the ratio of poverty in rural and urban areas was 29.5%, with the former having a poverty rate of 39.6% and the latter having a poverty rate of 35.1% and both areas having a poverty rate of 38.2% in 2009–10. Between 2009–10 and 2011–12, the average decrease in the poverty ratio was 8.7% in rural areas and 8.7% overall. The Tendulkar committee report's estimate of the actual poverty ratio, or the number of people living below the poverty line, is higher than the state-wise average performance. The results are displayed in Table No. 02, which is the state-wise percentage of the population living below the poverty line as of late, according to estimates from the Rangarajan and Tendulkar committees.

EMPLOYMENT GENERATION IN INDIA

From the first five-year plan to the present, creating jobs has been identified as the single most essential aspect in ending poverty. The primary, secondary, and tertiary sectors' growing job generating scenario is indicative of a tendency toward more work options. The allocation performance of job creation in economic sectors is shown in the table below.

Table No: 02 Growth of Employment Generation in Economic Sector (in Millions)

Years	1983	1993	2001	2010
Primary Sector	208.99	245.16	239.83	228.43
	69%	65.50%	60.40%	55.07%
Secondary Sector	41.66	55.53	66.91	78.12
	13.80%	14.80%	16.80%	18.82%
Tertiary Sector	52.11	73.76	90.26	108.35
	17.20%	19.70%	22.70%	26.11%
Total Employment	302.76	374.45	397	414
	100%	100%	100%	100%

Source: S.S Shukla & A. Mishra (2013)

The scenario of millions of people and the proportion of employment generated by sector, as shown in Table No. 03 above, increased between 1983 and 2010. The expansion or development of the secondary and tertiary sectors is to blame for the primary sector's decline in employment generating % between 1983 and 2010. The total number of jobs created in 1983 was 302.76 million in 2010, and this number increased to 374.45 million in 1993, 397 million in 2001, and 414 million in 2010. Between 1983 and 2010, there was an approximate growth of 111.24 million jobs across all industries.

Table No: 03 Unemployment at Current Daily Status (CDS) in Million

	Sector	Male	Female	Total
2004-05	Rural	17	7.8	24.8
	Urban	6.9	2.6	9.5

	Total	23.9	10.4	34.3
2009-10	Rural	14.6	6.3	20.9
	Urban	5.2	1.9	7.1
	Total	19.8	8.2	28
Source: Ministry of Labour and Employment, Govt. of India.				

The table no. 04 above illustrates the present daily decline in unemployment among millions of men and women living in both rural and urban regions. The percentage of unemployment rate also indicates a decline from 2004–05 to 2009–10. 34.3 percent of CDS employees were unemployed in 2004–05; 23.9 percent of those employed were males and 10.4 percent were women. At CDS, the unemployment rate was 28% in 2009–10, with 19.8% of males and 8.2% of women unemployed. The distribution of persons by state-wise absolute employment ratio in millions in India's key sectors between 2004–05 and 2009–10 is shown below story number 05.

ANTI-POVERTY AND EMPLOYMENT GENERATION PROGRAMS IN INDIA

The greatest task ahead of us is to end poverty, a scourge that has to be lifted as quickly as possible for humanitarian and moral grounds. Still, there's a strong commercial argument to be made for funding programs that fight poverty. The eradication of poverty has been a primary objective of planned development since India's independence. A substantial amount of study on the connection between growth and poverty has led to a general opinion that although the proportion of the poor has declined over time, it has not done so fast enough. In India, prioritizing the provision of essential services like water supply, sanitation, health care, and education has been a key element of the strategy for decreasing poverty, as has creating employment via economic growth. One of the main goals of development strategy has been to reduce poverty ever since India's planning history started. For many years, India has implemented a number of initiatives designed to reduce poverty, create employment, and provide basic utilities. The ongoing shifts prioritized eradicating poverty, with a focus on large-scale state-to-state disparities and the rural-urban split. The many initiatives geared at the underprivileged have been improved and made simpler throughout the last year.

- **Integrated Rural Development Programme (IRDP):** Introduced in 1978–1979, the Integrated Rural Development Program I was designed to help the impoverished in rural areas by providing work possibilities and a structure of bank loans and subsidies to increase the ability of the poor to generate revenue. Later, on April 1st, 1999, this initiative combined to become the Swarnajayanti Gram Swarozgar Yojana (SGSY).
- **Jawahar Rozgar Yojana (JRY)/Jawahar Gram Samrudhi Yojana:** The Jawahar Rozgar Yojana was introduced on April 1st, 1989, and was the result of the combination of the National Rural Employment Programme of 1980 and the Rural Landless Employment Guarantee Programme of 1983. This program's main objectives are to lessen poverty in rural areas and to provide employment by developing a rural economy.
- **Rural Housing-Indira Awaas Yojana/Pradhan Mantri Grameen Awaas Yojana:** One of the most significant social welfare programs, the Indira Awaas Yojana, attempts to provide free housing amenities to rural low-income households. This role will be based on a shared foundation that will be established by the federal government and state governments at a ratio of 75% and 25%, the northeastern states at 90% and 10%, and the union territories at 100% of the federal government. Later, in 2015, this program combined with the Pradhan Mantri Grameen Awaas Yojana to offer housing facilities for all of India's rural poor by the year 2022.
- **Employment Guarantee Scheme:** Early in the 1970s, Maharashtra implemented this program. is a cutting-edge anti-poverty solution that offers job security to any adult willing to do unskilled manual labor on a price-rate basis.
- **National Food for Work Programme:** The nationwide "food for work" initiative was introduced by the Indian government's Ministry of Rural Development on November 14, 2004. The most 150 underdeveloped regions in India are included in this initiative, which aims to create additional wage jobs only for the impoverished and unskilled laborers.
- **Samporna Grameen Rozgar Yojana (SGRY):** The debut date of this program was September 25, 2001. By combining the criteria of the Jawahar Gram Samrudhi Yojana (1989), the Employment Assurance Scheme,

and the Food for Work Programme. The supply of women, Schedule Caste, Scheduled Tribes, and parents of children reserved from hazardous vocations from households below the poverty line is a particular feature of this initiative. This initiative established district, intermediate, and gram panchayats as the means of sharing 75% and 25% of the Central and State governments, respectively.

- **Training Rural Youth for Self-Employment** This program was started in 1979 as a unique national initiative for training rural adolescents between the ages of 18 and 35. Its goal was to provide rural kids from low-income families access to basic technical and vocational skills so they could pursue self-employment and wage work.
- **warna Jayanti Shahari Rozgar Yojana:** The Indian government launched this scheme in 1997 with the goal of eradicating urban poverty by giving rural residents in underdeveloped areas access to productive employment through self-employment encouragement, support for skill development and training programs, and empowerment of the community to take on the problem of urban poverty through appropriate self-managed community structures like Neighborhood Groups, Community Development Societies, etc. This program replaced three previous initiatives to reduce urban poverty.
- **National Rural Employment Guarantee Act or MGNREGA 2005:** After four years, our former prime minister Manmohan Singh rebranded the national rural job guarantee plan as the Mahatma Gandhi national rural employment guarantee legislation. By giving at least 100 days of benefits to each eligible adult family in a fiscal year, it seeks to improve job security in rural regions. This program offers financial stability and develops rural assets to aid in the eradication of poverty, preservation of the environment, empowerment of rural women, and decrease in both rural and urban migration. According to the 2014 World Development Report, this program is the biggest and most dynamic social security and public system in the world. Under this program, 12,34,82,673 job cards out of 12,60,29,673 were issued in the most recent fiscal year, 2015–16, and the total amount of work completed, in lakhs, was released at 2,65,20,39,70,412. Gram panchayats are solely responsible for carrying out this initiative.
- **Pradhan Mantri Jan Dhan Yojana (26th Jan 2015):** intends to achieve financial inclusion to guarantee access to financial services and to eradicate the impoverished's financial untouchability by giving them bank accounts. This is the global record for the number of bank accounts established nationwide on the first day—1.5 crore.
- **ROSHNI Skill Development Scheme for Tribal Youth (7th June 2013):** This program, started in Jammu and Kashmir by the Ministry of Rural Development, aims to employ 50,000 youngsters in the 10- to 35-year-old age range on average, as well as tribal youth in 24 districts afflicted by Naxal.
- **MUDRA (Micro Units Development and Refinance Agency 8th April 2015):** help finance small enterprises that are not companies. There are three methods to release cash using this technique. In terms of business, Tarun is the third with Rs. 5 to 10 lacking, Kishore is second with Rs. 50,000 to 5 lacks, and Shishu is first with Rs. 50,000. Under this program, loans with an allowed value of Rs. 81721.09 crore were issued to 2,17,93,908 persons in FY 2016–17, while loans totaling Rs. 13744.27 crore were given to 3,48,80,924 people in FY 2015–16.
- **Deen Dayal Upadhyaya Grameen Kaushalya Yojana 25th Sep 2014:** This initiative specifically targets kids from BPL and SC/ST families who are between the ages of 15 and 35 in order to enhance job generation via skill-building. During the 2016–17 fiscal year, a total of 688 training facilities taught 1,17,077 individuals, placing 63,830 of them. While 1,096 training centers taught 2,70,399 individuals and placed 1,34,744 people in FY 2015–16.
- **Digital India 1st July, 2015:** The Indian government is implementing a program whose primary goal is to improve literacy in rural areas by providing high-speed internet access. The initiative's ultimate goal is to promote inclusive development in electronic services, manufacturing, goods, and employment possibilities.
- **National Rural Livelihood Mission (NRLM-2011):** The government of India's Ministry of Rural Development developed programs aimed at eradicating severe poverty, with an emphasis on fostering more self-employment, skill-wage employment, and rural poor organization. It is one of the biggest global initiatives

to raise the standard of living for the underprivileged and supports the World Bank with a \$1 billion credit for this program, which Deen Dayal achieved. Yojana Antodaya On September 25, 2015

IV. CONCLUSION

India's poverty is still a major problem today, despite the fact that many nations and international organizations have taken countless efforts to eliminate global poverty. The creation of employment and the reduction of poverty have always been two of the growth strategy's main goals in India. For a few decades now, there have been programs in place to fight poverty and generate employment. As economic reforms have advanced, so too have the attempts to do so, albeit there have been notable variations in both rural and urban areas throughout the states. Because the Rangarajan committee included both food and non-food items from the basket along with another important component, the growth of employment by sector, their estimate of poverty was higher than the Tendulkar committee report's poverty ratios. Severe poverty has been eradicated since the Government of India started a number of programs to combat poverty in both rural and urban areas. These programs include MGNREGA, rural housing, youth training, skill development, and self-employment.

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