A Comparative Study of Unemployment in India and USA

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Abstract- Unemployment is a major problem in India. There are various factors that are the causes for this problem. The Government has taken various steps with regard to curb this problem. But then also this is increasing day by day. The present research has shown the status of unemployment in India, its comparison with USA, the status of educational unemployment, the rate of unemployment prevailing in various states and union territories of India, the growth of population and various types of unemployment prevailing in India. The paper has also tried to give some suggestions to fight with this problem. Continuous efforts are needed to get rid of this problem.

Index Terms- Unemployment, USA, India, Employment, Population.

I. INTRODUCTION

Unemployment is also known as joblessness. This is the situation of actively looking for employment, but not being currently employed. It is increasing day by day in India. In India, every people want to do a real job in their life but only some person is getting their satisfying jobs. It is the biggest problem behind the Indian poverty. It is one of the biggest challenges for Indian Government to curb it.

There are several causes behind this problem like day by day increasing population, joint family system, only one earner in a family, slow economic growth, agriculture: a seasonal occupation etc. In today's time, many companies do not want to spend their time and money in giving training to freshers. So, they appoint experienced persons as their employees. This results in unemployment. It is one of the main reasons behind decrease in development rate of any country. India has second highest population after China in the world. Population of India is increasing day by day and this is also one of the reasons behind increasing unemployment as all people do not get their satisfied jobs. The current population of India is 1364736834(2019) based on United Nations' estimates which is equivalent to 17.74% of total world population and unemployment rate of India (2019) is 7.2% . While the current population of USA is 328462485(2019) based on latest United Nations' estimates which is equivalent to 4.27% of total world population and unemployment rate of USA (2019) is 3.8%.

This problem results in increasing criminal activities, low standard of living, low economic development, less growth in GDP & national income of our country, poverty etc. According to data compiled by the Centre for Monitoring Indian Economy (CMIE), the unemployment rate rise to 7.2% in 2019, the worst in 28 months. The total no. of employed person in India in 2019 is estimated at 400 million as compared to 406 million in 2018 and 407.5 million in 2017. The Labour Force Participation Rate in India fell from 43.2% in Jan.2019 to 42.7% in Feb.2019.While the total no. of employed person in USA in 2019 is about 156.95 million as compared to 155.21 million in 2018 and around 153.34 million in 2017. The Labour Force Participation Rate of USA in Jan.2019 & Feb.2019 is same is 63.20%.

There are many factors which are the reason for unemployment such as caste system, slow economic growth, population increment, agriculture as seasonal occupation, joint family system, slow growth of Industrialisation, imbalance of saving and investment, expansion of universities, gap between the supply and demand of labour and immobility of labour.

II. REVIEW OF LITERATURE

Kumar Ashwani (2016) studied that unemployment in India was a serious social issue. He also stated that unemployment reports in India were kept by Ministry of Labour & Employment of India. He told about various types of unemployment, its causes & some solutions to curb it. Jabir Hasan Khan & Shamshad (2012) found that the level of unemployment was high in Northern Parts of India as compared to Southern Parts of India. They discovered the connection between unemployment (dependent variable) &socio-economic variables of deprivation (independent variables) in India. According to NSS (66th round) report from Ministry of Statistics & Programme Implementation, Government of India (2013) Kerala had the highest unemployment rate while Rajasthan and Gujarat had the least unemployment rate.

Ritu and Naresh Kumar (2013) analysed that Indian economy is the third largest economy in the world but at the same time its growth is very slow. At the end, they concluded that unemployment can be reduced by expansionary fiscal policies. Kirandeep Kaur (2014) focused on the relationship between unemployment, GDP Growth Rate, inflation rate and exchange rate in India. Data collection was done from secondary data like World Bank, Reserve Bank and Economic Survey of India from 1990 to 2013. This article concluded that inflation rate and exchange rate were suggestively affecting the unemployment. Bhavika Joshi and Serene Shek Nher (2015) focused on finding factors of unemployment, rural and urban unemployment scenario of India. As per the article, projected global youth unemployment rate was 12.6%. India takes seventh place in unemployment as compared to other countries in the world. The estimated rural and

urban unemployment was 16% and 34% respectively. This study concluded that the entrepreneurship would reduce the unemployment in India and it would lead to economic growth in India. Elena Philip and Anthonia K. Robin (2015) analysed globalization, Indian economy, employment and unemployment in India. As per the study, there were around 550 million people working as employees worldwide and at the same time 20% of employees were working as working poor in various situations around the world. Their daily wages were less than $1. This report showed that there is 2.8% of open unemployment and 4.41% of under unemployment. Overall unemployment rate was 7.32%. The Jawahar Rozgar Yojana & the Prime Ministers Gram Rozgar Yojana would hope to reduce the level of under unemployment.

UN ILO Report (2017) opined that in percentage terms, unemployment rate will remain at 3.4% in the year of 2017-2018 like as unemployment rate 3.8% in the year of 2011-2012. It was concluded that inflation & unemployment were positively associated with each other. Singh (2018) studied that inflation was found as insignificantly influential for GDP & unemployment with negative correlation. She concluded that inflation possess a role which is influential but for GDP and unemployment with insignificant levels in macroeconomic factors of India. Singh Rubee (2018) stated that India has 17.5% population of the world & 1.21 crore people according to Indian Census of 2011. The research study by various charts and data proved that unemployment is a major problem in India. It is one of the big challenge in the way of development of India. According to report Tripura has highest unemployment & Gujarat has least unemployment.

III.   RESEARCH METHODOLOGY

Our research methodology requires gathering relevant data from the specified documents & compiling databases in order to analyse the material arrive at a more complete understanding. We tried to shed light on the questions through my study. The present study is explanatory and descriptive. Data has been collected from secondary sources such as articles, journal and internet. Bar diagrams and percentage method has been used for analysis the data.
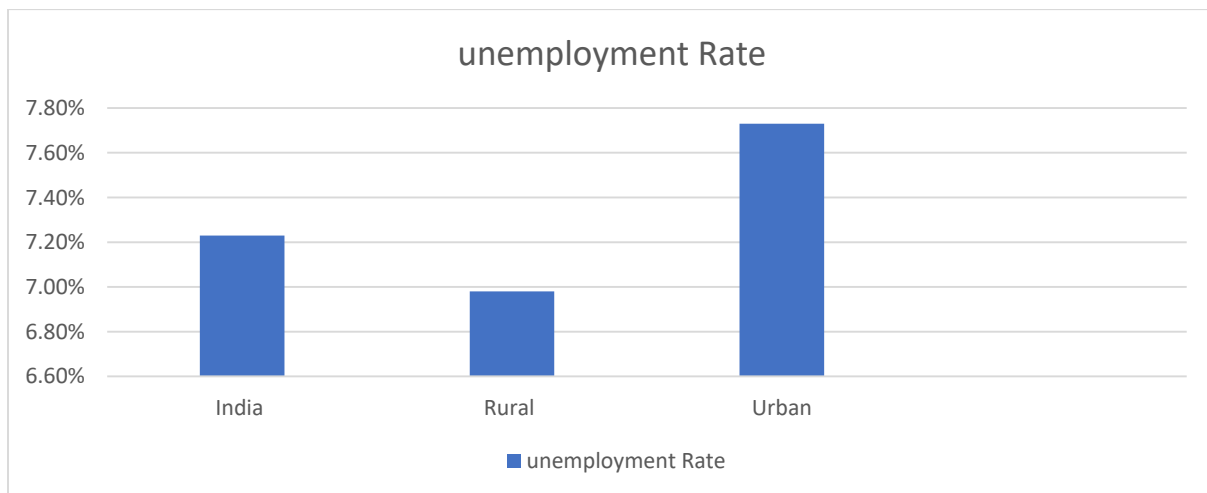
Following are the main objectives of this study:-

1)   To study the scenario of unemployment in India.

2)   To compare the unemployment in India with that in USA.

IV.   DATA ANALYSIS AND INTERPRETATION

A.   Unemployment rate in India

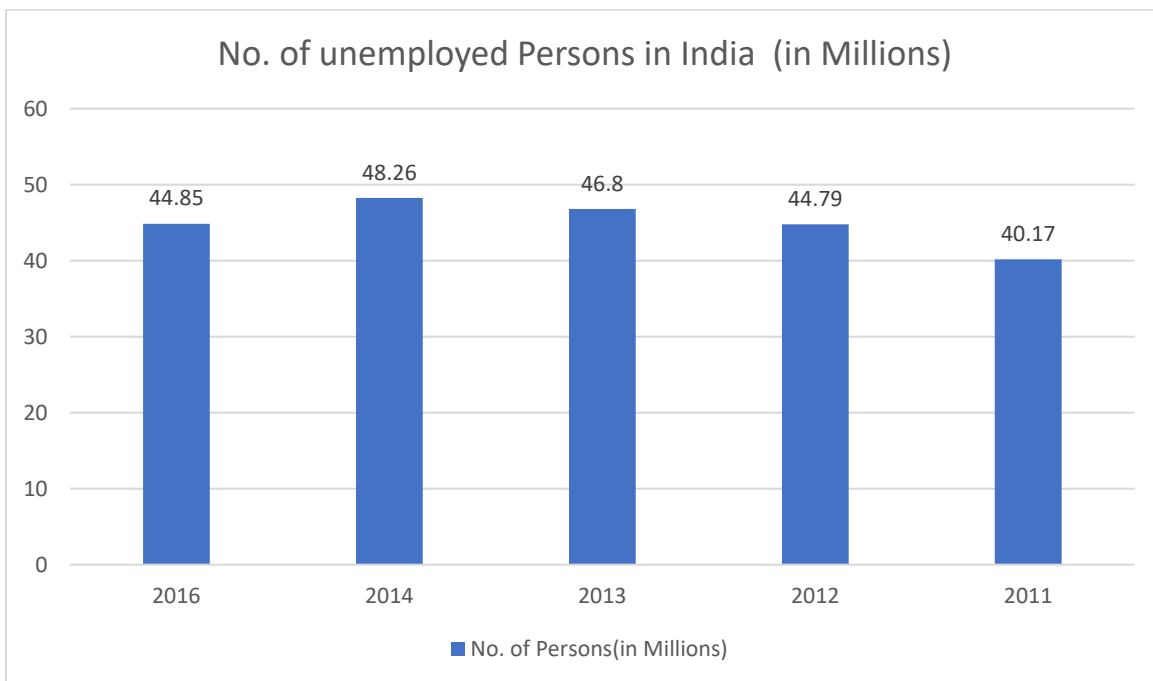| Month	India Unemployment Rate	Rural Unemployment Rate	Urban Unemployment Rate
Feb 2019	7.23%	6.98%	7.73%

Interpretation:-

The above table and diagram helps us to interpret following points:

•   The unemployment rate in India is 7.23% .

•   The rural unemployment rate in India is 6.98% while urban unemployment rate in India is 7.73% .

•   This means that the unemployment in urban areas is more than that in rural areas.

B. Unemployed persons in India across different years

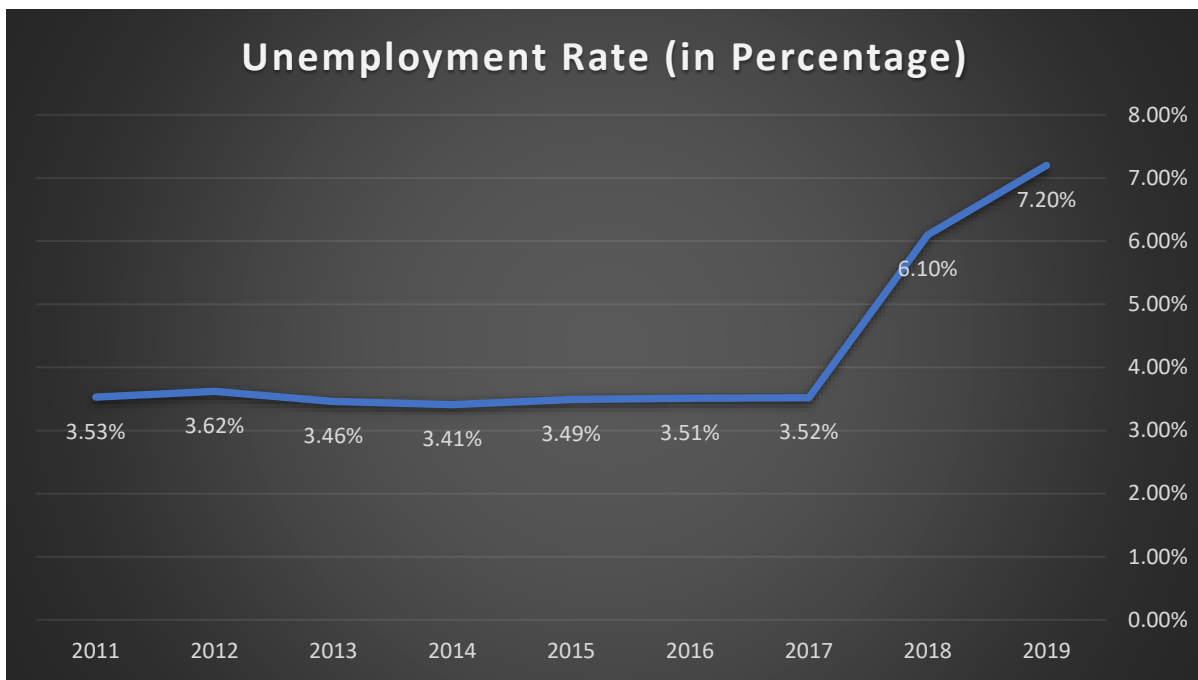| Year	No. of Persons(in Millions)
2016	44.85
2014	48.26
2013	46.80
2012	44.79
2011	40.17

Interpretation:-

The above chart and table helps us to know the following points:

•   The no. of unemployed persons was highest in India in 2014 and least in 2011.

•   The no. of unemployed persons was increasing in India.

C. .Population of India and Unemployment Rate

Year	Population (in Millions)	Unemployment Rate (in %)
2011	1247.44 M	3.53%
2012	1263.58 M	3.62%
2013	1279.49 M	3.46%
2014	1295.29 M	3.41%
2015	1311.05 M	3.49%
2016	1326.80 M	3.51%
2017	1342.51 M	3.52%
2018	1358.13 M	6.1%
2019	1364.73 M	7.2%

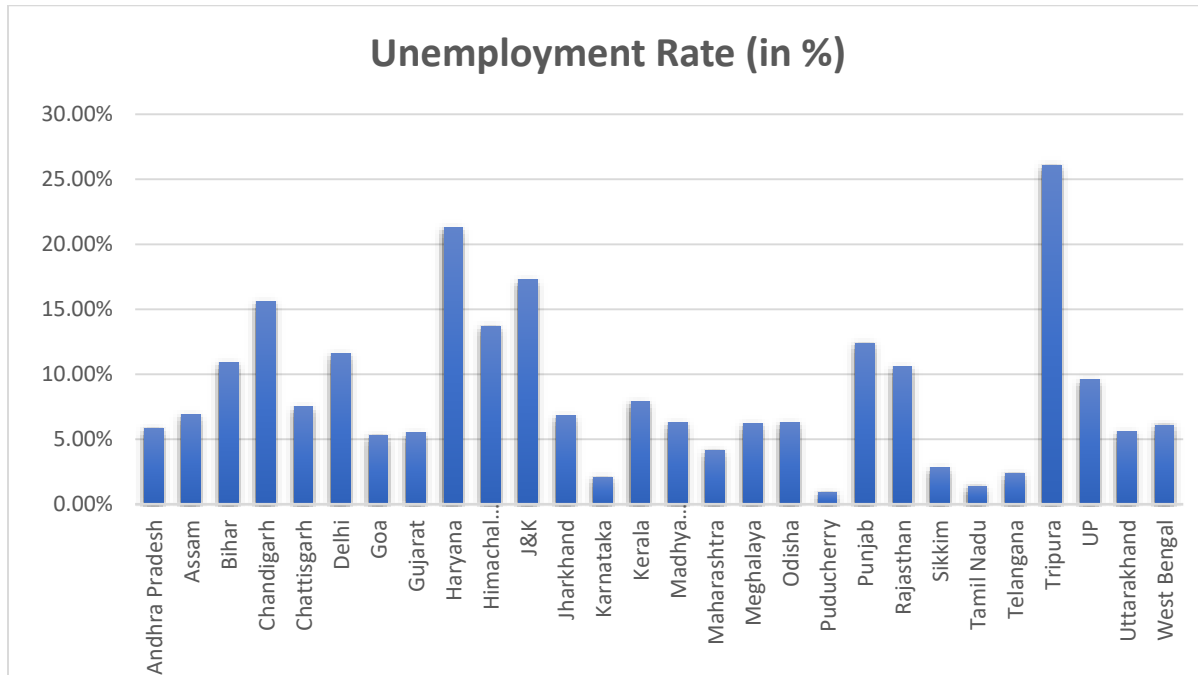## Unemployment Rate (in Percentage)

Interpretation:_

The above chart and table helps us to know the following things :-

- ❖ The population of India was increasing every year.

- ❖ The unemployment rate of India was first increasing, then start decreasing and then again start increasing.

- ❖ The unemployment rate was highest in 2019 and it was least in 2014.

D. Unemployment Rate in India across different States in 2019

States	Unemployment Rate (in %)
Andhra Pradesh	5.8%
Assam	6.9%
Bihar	10.9%
Chandigarh	15.6%
Chattisgarh	7.5%
Delhi	11.6%
Goa	5.3%
Gujarat	5.5%
Haryana	21.3%
Himachal Pradesh	13.7%
J&K	17.3%
Jharkhand	6.8%
Karnataka	2.1%
Kerala	7.9%
Madhya Pradesh	6.3%
Maharashtra	4.1%
Meghalaya	6.2%
Odisha	6.3%

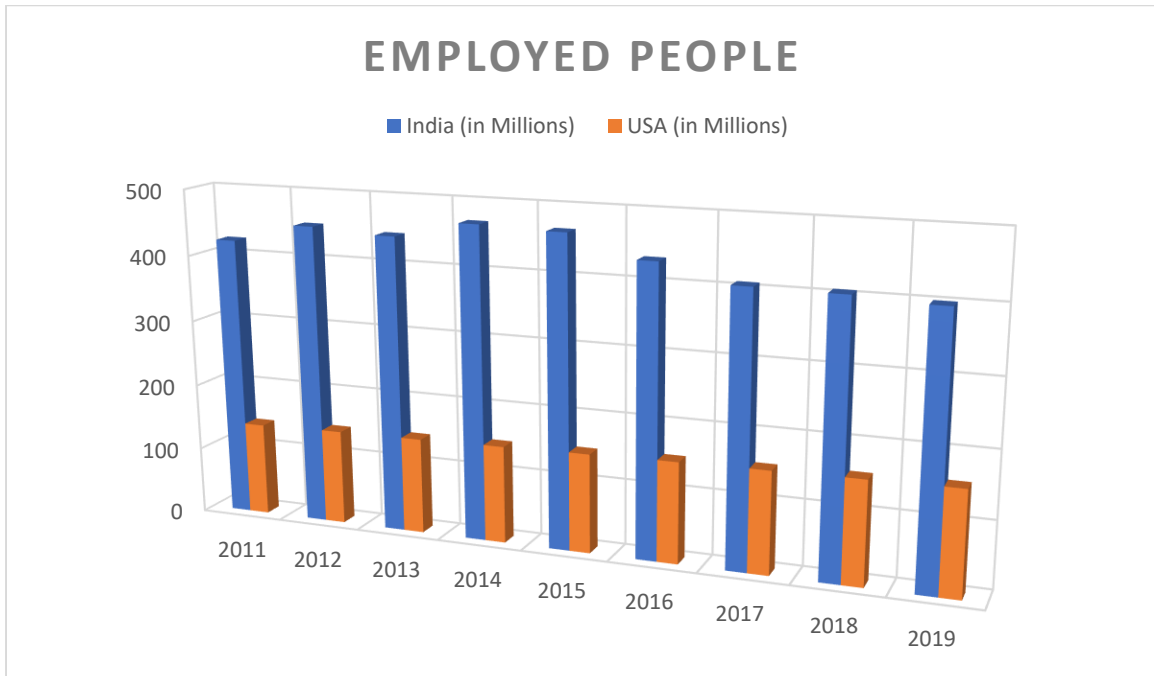| Puducherry	0.9%
Punjab	12.4%
Rajasthan	10.6%
Sikkim	2.8%
Tamil Nadu	1.4%
Telangana	2.4%
Tripura	26.1%
UP	9.6%
Uttarakhand	5.6%
West Bengal	6.1%

Interpretation:-

The above statistics helps us to know the following things:-

•   The unemployment rate across different states and union territories in India is different.

•   The unemployment rate was highest in Tripura which was 26.1%.

•   The unemployment rate was least in Puducherry which was 0.9%.

E. Employed people in India and USA across different years

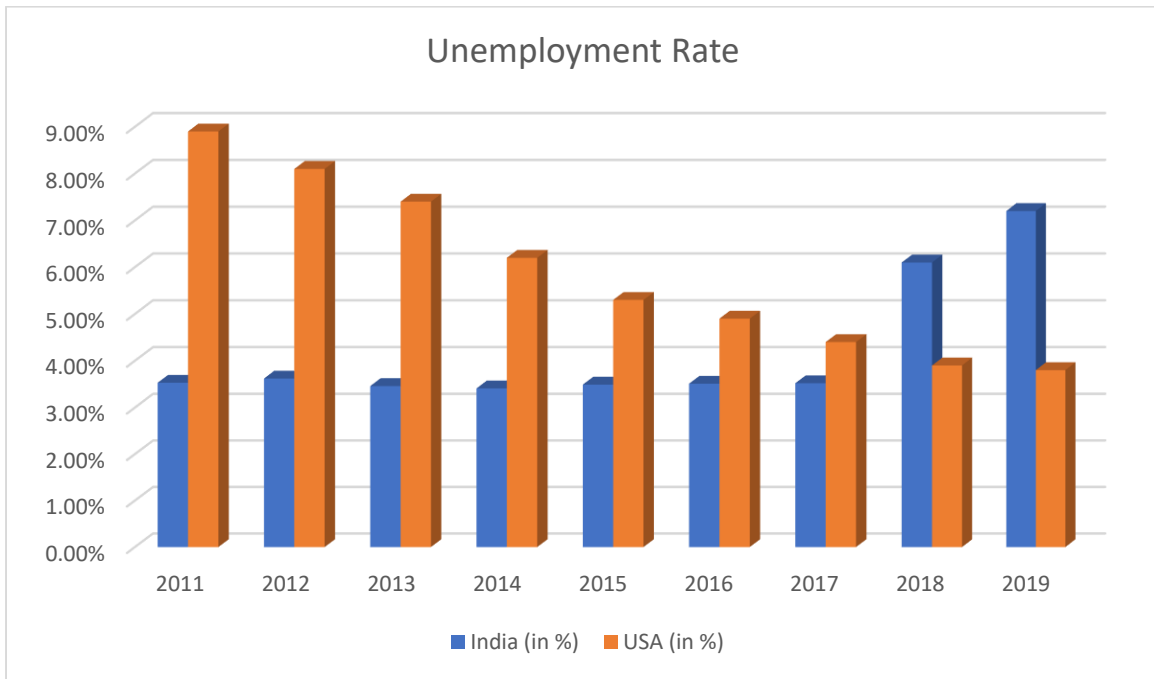| Year	India (in Millions)	USA (in Millions)
2011	423.1	139.89
2012	451.56	142.48
2013	444.78	143.94
2014	469.65	146.32
2015	465.8	148.85
2016	433.6	151.44
2017	407.5	153.34
2018	406	155.21
2019	400	156.95

Interpretation:-

The above provided information let us know the following facts:-

• Here we have done the comparision of trend of no. of employed persons in India and USA.

• The no. of employed person in India first decrease, then increase and then starts decreasing while that in USA was increasing every year.

• The no. of employed person was highest in India in 2014 while that in USA was in 2019.

• The no. of employed person was least in India in 2019 while that in USA was in 2011.

F. Unemployment Rate in India and USA across different years

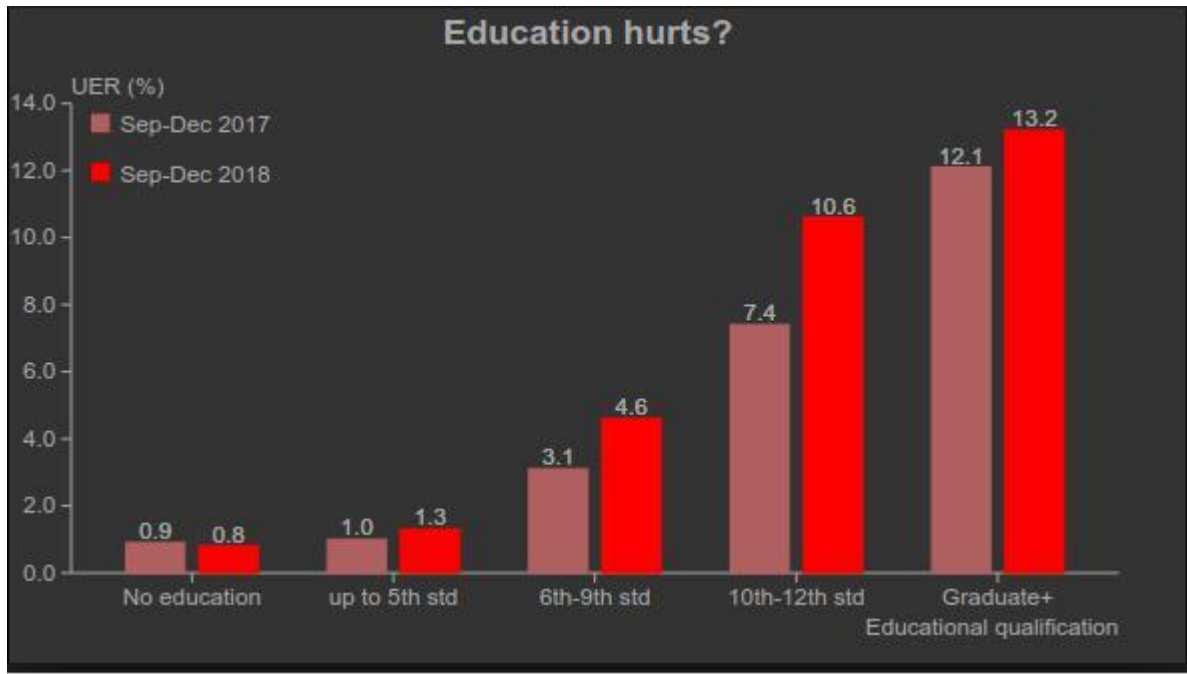| Year	India (in %)	USA (in %)
2011	3.53%	8.9%
2012	3.62%	8.1%
2013	3.46%	7.4%
2014	3.41%	6.2%
2015	3.49%	5.3%
2016	3.51%	4.9%
2017	3.52%	4.4%
2018	6.1%	3.9%
2019	7.2%	3.8%

Unemployment Rate

Interpretation:-

The above given information tells us following things:-

•   Here we have done the comparison of the trend of unemployment rate prevailing in India and USA.

•   The unemployment rate in USA was decreasing every year while that in India first increase, then decrease and then starts increasing again every year.

•   The unemployment rate in India was highest in 2019 while that in USA was in 2011.

•   The unemployment rate in India was least in 2014 while that in USA was in 2019.

G. Educated Unemployment in India

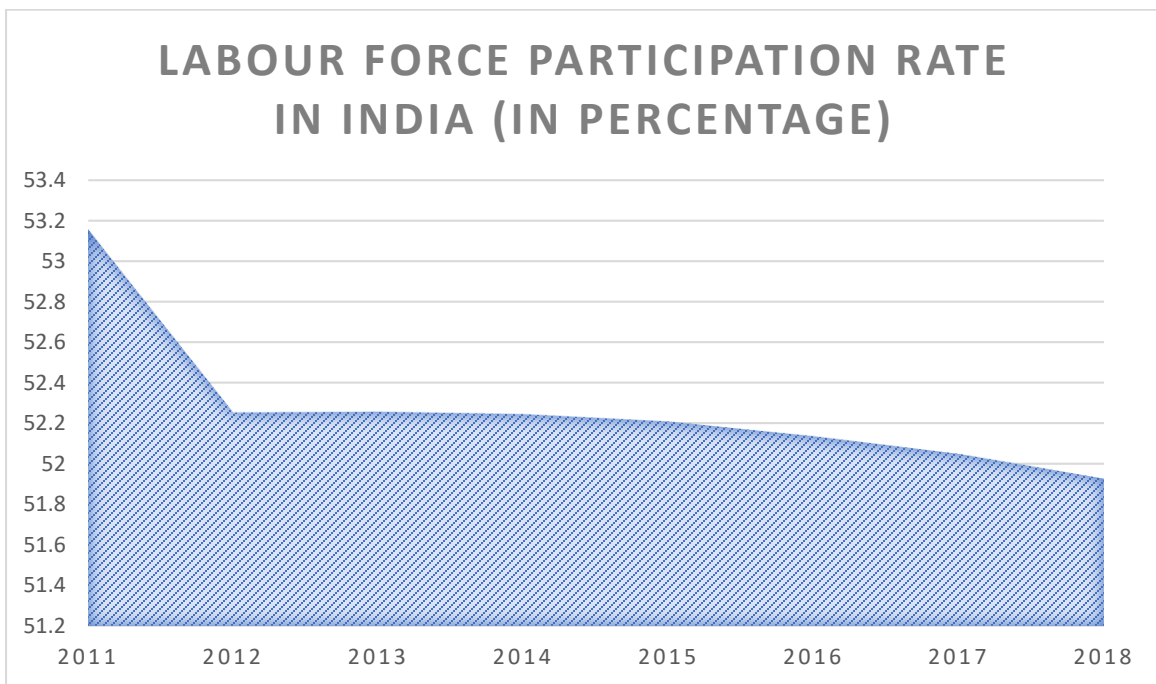| Education Qualification	Sept.-Dec.2017	Sept.- Dec.2018
No Education	0.9	0.8
Upto 5th Standard	1.0	1.3
6th -9th Standard	3.1	4.6
10th-12th Standard	7.4	10.6
Graduate+	12.1	13.2

Interpretation:-

The above information tells us following things:-

• The unemployment rate in India having Educational Qualification more than Graduation is highest.

• The unemployment rate in India having No Education is least.

• As the educational qualification increase the unemployment rate also increase in India.

H.   India's Labour Force Participation Rate across Different Years

Year	LPR(in%)
2011	53.155
2012	52.252
2013	52.256
2014	52.244
2015	52.208
2016	52.135
2017	52.048
2018	51.926

Interpretation:-

The above information tells us following things:

•   Generally the labour force participation rate of India is declining yearly.

•   The labour force participation rate was highest in 2011 which was 53.155%.

•   The labour force participation rate was lowest in 2018.

V.   FINDINGS

Followings are the facts found in the research: -
- It was found that the unemployment rate in urban areas is more than that in rural areas.
- It was found that the number of unemployed persons in India is increasing every year.
- Then it was found that as the population of India has increased from 1247.44 million to 1364.73 million so the unemployment rate in India has increased from 3.53% to 7.2% from 2011 to 2019
- Then it was found that the unemployment rate is highest in Tripura while it was least in Puducherry in 2019.
- When we did the comparison of employed people in India to that in USA it was found that the no. of employed people in India is decreasing while that in USA is increasing from 2011 to 2019.
- Later it was found that the unemployment rate in India is increasing while that in USA is decreasing
- Then it was found that the person having educational qualification more than Graduation are having maximum educational unemployment.
- Then it was found that the labour force participation rate is decreasing every year in India

VI.   RECOMMENDATIONS

Unemployment is a major problem behind the slow development of the country. Following are some of the recommendation to solve it such as
- There is need to change the technique used in industry specially labour intensive technology.
- There is requirement to amend the policy related to the seasonal employment in agricultural sector by applying various strategies such as multiple cropping, cotton industries and animal husbandry should be encouraged.
- There is necessity for the reforms in the educational system specially in vocational study.
- There is need to open more employment exchange so that this will help to minimize the gap between the supply and demand of employment.
- More policies should be framed for self-employed people. Development of small and cottage industries should be encouraged.
- There should be encouraged to industries in co-operative sector. Like Keral government has set up a policy to minimize the co-operative society.

VII.   CONCLUSION

It was concluded from the project that unemployment is a big problem in India. The unemployment rate in India is continuously increasing in India and its one cause is continuous increase in population of India and as a result continuous increase in no. of unemployed persons. Educated unemployment is one of the type of unemployment prevailing in India. The unemployment in urban areas is more than that in rural areas. When the unemployment in India is compared to that in USA, it was found that it is increasing in India while it is decreasing in USA.

The government and even though the people of India needs to do their contribution to solve this problem in India. It is necessary to do this to make our country India a developed country.

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