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Unemployment in India

Xavier Arakal
Loyola University Chicago

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UNEMPLOYMENT IN INDIA

By

Xavier Arakal

A Thesis Submitted to the Faculty of the Institute of Social and Industrial Relations of Loyola University in Partial Fulfillment of the Requirements for the Degree of Master of Social and Industrial Relations

June

1964
LIFE

Xavier Arakal was born in Manjummel, Kerala State, South India, on October 3, 1935.

He was awarded a Bachelor of Arts degree in 1959 from Madras University. While he was working on a Master of Arts degree at Kerala University, he was admitted to Loyola University, Chicago, Illinois. Since 1961, he has been studying at the University's Institute of Social and Industrial Relations.
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INTRODUCTION

India is undergoing a silent revolution of great magnitude. It is a revolution of more than 450 million to break their time immemorial "want, disease, ignorance, and squalor" in a non-violent way. This revolution is different from other revolutions of the East and West because of the great needs of the country and the means chosen to fulfill them.

"Millions of peasants still live on the margin of starvation, others fill up endless slums of Indian cities in misery and squalor unsurpassed anywhere in the world."°

India's great revolution is designed to break this chronic mass poverty, thereby to raise the living standard of her people. A unanimous opinion is that: "The Indian economy is the subject of what is, without doubt, the world's most fateful experiment."²

India achieved independence in 1947 with a "...stagnant agricultural economy, an excessive unemployment and underemployment, lack of financial and technical resources."³ These

1 "As Asia Goes", News Week, December 14, 1959, p. 66.
problems of newly independent India, described by the government as: "Poverty, unemployment, stagnant agriculture and industry, great inequalities of income and opportunity, a mounting population..."\(^4\), forced her to initiate various social and economic programs to feed, shelter, and clothe her children. Her survival depends on carefully planned use of her resources in meeting her problems.

The course of India's developments may have a significant mark upon other nations. The general opinion is: "The impact of its success or failure will spread beyond Asia to every other land where men and women are still desperately poor and are learning to look for a better life."\(^5\)

Underdeveloped nations, such as India, have many social, political, and economic problems. One of the most vexing problems is that of labor. As stated in the *International Labour Review*:

The displacement of labour by economic and technical progress and by measures for economic integration, unemployment among older workers, the shortage of highly skilled workers and technicians, the impending arrival on the labour market of the "big generation" of the young people born immediately after


\(^5\)"To Win the Fateful Duel in Asia," *New York Time Magazine*, November 8, Section 6, 1959, p. 15.
the second world war - to give only a few examples, are all problems that must be solved for social, economic, and psychological reasons. 6

Mass unemployment and underemployment are two of the main socio-economic and political problems of India and other underdeveloped countries. The very word "underdeveloped" reveals as well as conceals the problems of mass unemployment and underemployment. It is stated that: "...an underdeveloped economy has a large arrears of accumulated unemployment which has tended to settle down in the system in the form of ubiquitous phenomenon of disguised unemployment." 7 This is nothing but the naked truth. It is interesting to note that:

The people of the underdeveloped countries have been constantly told that the solution to the unemployment problem can be found only in the long run, and their conditions can be improved only provided they are not impatient and are prepared to wait for the required length of time. 8

The questions are asked: How and by what means are the underdeveloped nations going to solve unemployment? How long will they have to wait? How will they satisfy their present elementary human needs?


8Ibid., p. 385.
Unemployment fosters other problems. In a country where mass unemployment prevails, "Giant Evils of Want, Disease, Ignorance, and Squalor" circulate like vultures. Lord Beveridge has long ago pointed out that: "The greatest evil of unemployment is not physical, but moral, not the want which it may bring, but the hatred and fear which it breeds." 9

Besides a morbid and morass economic situation, unemployment generates great social evils such as hatred and fear among the people. If this is true, what will be the condition of India and other underdeveloped countries where mass unemployment and underemployment haunt the people? In the case of India, Lewis Fisher says: "Millions of unemployed and underemployed will swarm the cities, flood the slums, and create havoc for industry and agriculture." 10

Although India has enjoyed some social and economic progress since her independence, Mrs. Indira Gandhi maintains that: "...the biggest problem still remains, darkening the horizon and casting its shadows, in the future. This is the problem of poverty with its attending evil of unemployment." 11


11 Gandhi, Mrs. Indira, "India Today: A Progress for a Planned Democracy", The Yale Review, Spring, 1961, p. 18.
The same conclusion is reached by Welfred Malenbaum in *Prospects for Indian Development*.  

Employment opportunities will thus determine India's potential for progress and peace. The distribution of income through job opportunities permits universal participation in the development of the country. One of the goals of the Five Year Plan is to create as many job opportunities as possible. Employment is vital for the progress, peace, and tranquility of the nation. India has a large labor force and it is beyond its present capacity to absorb it in efficient production. It is stated that: "The Indian economy at this stage of its economic development is... limited in its ability to distribute the gains in the form of immediate income, except for those who benefit through employment."  

It is asserted that: "Unemployment and low wages are two of the most important sources of discontent and protest in the Indian labor force."  

A Western observer summarizes the present situation in the following words:

*Western visitors to India are always impressed by the many new factories and development works, but Indians themselves are more conscious of the fact that one-third of the entire work force is either unemployed or underemployed. Mr. Dhebar has admitted that the circle of the rich becoming richer*

---


and the poor becoming poorer remains unbroken. This is the sort of atmosphere that can destroy a political party or can even breed a revolution.

The author's purpose in this study of Indian unemployment is to analyze the problems in general so as to provide a barometer with which to assess the decline or progress of Indian employment opportunities and thus to help measure her economic progress. An attempt will be made to determine the causes of unemployment in India and to offer some practical solutions.

This study is divided into six chapters: an introduction; a historical survey of the problem; an examination of its composition; its causes; possible solutions; and a conclusion. The data were collected from various libraries in the Chicago area. Publications used were written by governmental as well as private agencies. Two national sample surveys and the employment exchange statistics are the main statistical materials of this report. All tables are copied from the originals; in a few cases, the titles were slightly modified to render them more intelligible.

Many difficulties have been encountered in this analysis because of lack of reliable, accurate, and complete historical data and figures of Indian unemployment.

In general, the sources used did not offer thorough research on all factors of the unemployment problem.

\[15\text{Grant S. McClellan, op. cit., p. 71.}\]
Another limitation of the study is that the validity of data may be questioned because of the lack of trained men to gather them. Sample surveys have great setbacks in India because of the great complexities of race, language, tradition, custom, etc. of the Indian culture. Employment exchange reports, for instance, are affected by the limitations of exchange numbers, communication facilities, transportation problems, and other factors.

Of great aid to the writer were articles on unemployment in India written by non-Indians. These were used to gain a fuller perspective of the problem.

Previous Research on the Subject

Research on Indian unemployment is practically negligible. The first investigation into this matter was conducted by the Royal Commission in 1931. This group believed that unemployment was due to a great economic depression. They found that farmers were especially hard hit by this great depression and were severely unemployed. The report of the Commission, as well as The International Unemployment Convention for 1919, 1921, and 1931, provided the impetus for India to initiate employment exchanges to cope with many of the recruiting problems, but, unfortunately, this step was not undertaken until 1945.

In 1949, the United Nations sent a questionnaire to its
member nations regarding the unemployment problem. India sent
the following reply: "The course of total or partial unemploy-
ment in India during this period can not be traced with any
accuracy because the machinery for collecting such information
has been developed only partially." The situation is no
different today. In 1950-51, an Agricultural Labour Inquiry
Committee, set up primarily to examine the problems of the
agricultural sector, revealed the existence of tremendous
underemployment in this branch of the Indian economy. In 1952
the Shiva Rao Committee (also called The Training and Employ-
ment Service Organization Committee) clearly pointed out the
lack of research and available data on unemployment. The
committee members said: "About unemployment, beyond the data
collected from the employment exchanges from time to time
(and the limitations of the data were well known), we had
practically no reliable information." Thus, the lack of
valid information hindered the investigation, assessment and
programming in the field of unemployment.

In September, 1953, the first National Sample Survey of
urban unemployment was taken. The Report On Preliminary Survey
of Urban Unemployment surveyed 23 towns, each having a popu-
ation of more than 50,000, but did not include Calcutta.

16 O. N., The Dept. of Economic Affairs, Implementation of

17 D. N. Datar, "Manpower Planning In India," International-
Bombay, Madras, and New Delhi, which are the largest cities of India. In spite of its limitations, the survey's findings are important. An Indian falls into one of three categories: he is either, a.) an earner who earns for himself and for other members of the family; b.) a dependent whose income adds to the earner's income but not enough to support himself; or, c.) a dependent who completely depends upon the above two categories. One-third of the population in the survey were earners while two-thirds were dependents. This brings out the great problems of unemployment in an Indian family. 55.85 per cent of the surveyed population belonged to the age group of 16-61, (29.40 per cent males and 26.45 per cent females). 84.04 per cent of those surveyed did not have any technical or professional qualifications. Only 34.79 per cent of the population belonged to the labor force. Since the survey embraced 57.45 million people, it clearly revealed the serious problem of urban unemployment in India.

In June, 1955, the Karve Committee (also called the Village and Small Scale Industries' Committee) started an inquiry into the unemployment problems of smaller industries. It was found that the problem of unemployment in these industries was caused by technology, mass production, lack of capital, insufficient raw materials, and inadequate demand. The Committee demonstrated the existence of acute unemployment in that section of the Indian economy, and suggested various
methods to protect small scale industries from decay.

In 1955, a Study Group was set up to examine the problems of unemployment of the educated class in India. This problem was recognized as early as 1927 when the United Province appointed a committee to examine such unemployment. The 1955 Study Group prophesied that between 1961 and 1966 unemployment among the educated would affect not less than 5.9 millions.

In 1956-57, another more comprehensive national sample survey on the unemployment problem was conducted. In addition to these national surveys, there were several city surveys. In 1957, and again in 1956, a survey of Poona was conducted, in which an attempt was made to ascertain the incidence of unemployment in the various communities of that city. In 1959, the Report On Socio-Economic Survey of Jamshedpur City examined the educational standards of the unemployed. Similar studies were undertaken in other cities. Designed to discover the changing pattern of the city population, rather than to analyze the unemployment problem, these studies investigated the economic position of the inhabitants rather than the impact of unemployment, per se. They did, however, reveal an increase in this problem.

No reliable data on unemployment in India exists because in that country, due to financial and technical problems, private agencies are not capable of conducting national surveys. The only agency at present equipped to do so is the
government. D. R. Gadgil, an Indian economist and a popular public figure points out that: "The existence of unemployment, for example, was not recognized to any significant degree by many in authority three years ago."18

Today, the magnitude of the problem and the inability of the states to collect data is recognized. Since the central government itself depends to a large extent on employment exchanges to furnish reports, this body has been broadened. A government publication states that: "The service will take the major part in collecting labour-market data, in developing employment counseling, in matching men and jobs, and in acting as a principal agency for achieving both order and movement in the labor force."19


CHAPTER 1

A HISTORICAL SURVEY OF INDIAN UNEMPLOYMENT

Trend in Population

The factors (both quantitatively and qualitatively) which make a nation powerful are its manpower, natural resources, technology, and its efficiency in utilization of these elements. India is a country of immense population. Figures taken from various census reports reveal the population growth since 1921.

<table>
<thead>
<tr>
<th>Year</th>
<th>1921</th>
<th>1931</th>
<th>1940</th>
<th>1951</th>
<th>1961</th>
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<tbody>
<tr>
<td>Millions</td>
<td>315</td>
<td>319</td>
<td>355</td>
<td>400 (est.)</td>
<td>388</td>
</tr>
</tbody>
</table>

In 1936, Burma was separated from the Indian sub-continent. In 1947 when India earned her independence, the country was divided into India and Pakistan. The first census of the free country was taken in the year 1951. At that time, India had 358 million people within an area of 1,266,900 square miles. A second census, taken in 1961, revealed an increase of 81 million people. In 1958, her government declared that: "India's greatest potential reserve is its 384 million people; its greatest challenge is to put their energies and skills to work, rebuilding the nation and fulfilling their own
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<table>
<thead>
<tr>
<th>Year</th>
<th>1911</th>
<th>1921</th>
<th>1931</th>
<th>1940</th>
<th>1951</th>
<th>1961</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millions</td>
<td>315</td>
<td>319</td>
<td>353</td>
<td>400 (est.)</td>
<td>358</td>
<td>439</td>
</tr>
</tbody>
</table>

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This aspiration to create more employment opportunities is still the concern of all her citizens. It is said that:

The central problem that is engaging the public mind in this country is the problem of employment which has assumed an enormous proportion because of the growth of population at the rate of 1.125 per cent per annum, and subsequent growth of potential workers, amounting to 1½ to 2 million per year. There is growing inequilibrium between the rate of growth of new activities and rate of growth of the work force.

**Trend in Labor Force**

Manpower is both an asset and liability in every modern state, including India. An increase in the population means an increase in the labor force. By definition, all persons between the ages of 16-61 belong to the Indian labour force with these exceptions: (1) family persons engaged in domestic work only; (2) pensioners; (3) beggars and persons living only on charities and remittances; (4) children, students, old and infirm persons.

The following census reports show that India has always had a great reservoir of labor:

<table>
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<tr>
<th>Year</th>
<th>1881</th>
<th>1911</th>
<th>1921</th>
<th>1931</th>
<th>1940</th>
<th>1951</th>
<th>1961</th>
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<tbody>
<tr>
<td>Millions</td>
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<td>149</td>
<td>146</td>
<td>156</td>
<td>170(est.)</td>
<td>139.5</td>
<td>188.4</td>
</tr>
</tbody>
</table>

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It is believed that India's labor force increases 2 percent per annum. It is also projected that within the next fifteen years, India will add some 70 million or more to the labor force.

What is the meaning of an increase in Indian labor force? Since India is predominantly an agricultural country, this implies an increase in the agricultural sector of the economy and in the number of unskilled and untrained agricultural workers. This is brought out by T. R. Sundaram.

During the first half of this century, India's total working force increased by about 117 to 142 million. The working force in agriculture also increased about 25 million (from 75 to 98 million) while that in non-agricultural occupations remained about the same as at the beginning of the century.23

An increase in the Indian labor force is accompanied by problems of keen competition for jobs, low wages, glut on the labor market, low productivity, and inefficiency. "Indian manpower is so plentiful in relation to capital and resources that it is cheap; and being so very cheap, it is wasted."24 Most of the manpower is wasted because it is surplus in relation to other factors of production and "tends to be squandered, inefficient, useless, and often symbolic work."25

25 Ibid., p. 283.
Unemployment

Unemployment, as described by T. R. Sundram, has at least three aspects.

(1) the existing size of unemployment in the urban and rural areas;
(2) the natural increase in the labor force;
(3) the size of the underemployment in agriculture and household occupations in rural and urban areas, requiring provisions for increased work opportunities. 26

In another source it is asserted that: "Unemployment is undoubtedly one of the problems with which the world is most preoccupied at this moment. But, though everyone is familiar with the existence of the problem, it is by no means easy to define in satisfactory terms." 27 A. C. Pigou has expressed the same opinion. "Unemployment is one of those many terms in common use, the general significance of which is understood by all, but what is nevertheless, somewhat difficult to define with accuracy." 28 This is evident in the case of India. The National Sample Survey of 1953 used the following definitions:

An unemployed person may be either a new entrant to the labor force and seeking a job for the first time, or may be currently lost his employment and may be seeking one. He may be identified as either


(1) unemployed, seeking employment for the first time, or as (2) unemployed, seeking employment not for the first time. 29

This definition was elaborated on in The Eleventh and Twelfth Round National Sample Survey. This survey classified the unemployed into "employee" or "non-employee", and also added "availability" to the definition. 30 Each survey offered its own definition of unemployment because of the complexity and diversity of the problem. For example, in the Poonas City survey, "An unemployed person was defined as one who was actively looking for work and who had no gainful employment, part-time or full-time, temporary or permanent, at the time of survey." 31 These definitions reveal many of the criteria of unemployment, and help to explain differences among survey results.

Table I in the Appendix, "Unemployment in India," illustrates the continuing increase of unemployment.

In 1951 it was stated in The Indian Labour Year Book that:

Unemployment in general, however, appeared to be on the increase towards the middle of 1950, mainly due to retrenchment in Government Services and influx of displaced persons. As reported in the previous


30 Ibid., p. 3.

issues of the Year Book, the year 1949 was characterized by increasing unemployment, diminishing employment opportunities and uncertainty about the future course of employment.32

This was the condition of unemployment in 1950. The First Five Year Plan was initiated in 1951 with an outlay of five billion dollars. As the beginning of the plan, the complexities of unemployment or underemployment were not fully understood. The problem began to attract increased attention as the unemployment figure in 1951 of 338,402 (according to Table I) rose to 749,099 at the end of the Plan period. It is said that the first Five Year Plan created 4.5 million jobs and left a backlog of 5.3 million. C. N. Vakil and P. R. Brahmand have gathered the figures regarding this backlog of 5.3 million. They are presented in Table II in the Appendix, "Arrears of Unemployment."

According to these writers there were 8.9 million unemployed in 1956. The accuracy of their estimates is debatable, but they do indicate a rising level of unemployment and the failure of the First Plan. V. V. Giri expressed the same view in his statement that:

The main aspect of manpower planning in India is the tackling of the problem of unemployment. The First Five Year Plan, drawn in the context of the consumer's goods, proved inadequate in tackling the growing unemployment.33

32 The Indian Labour Year Book: 1949-50, (Simla: Govt. of India Press, 1951), p. 22.
The Second Five Year Plan began in 1956 with double the expenditure of the First Plan. At this time the problem of unemployment was recognized by all. As asserted in the Second Five Year Plan:

The increase in investment in the First Plan had not been on a scale sufficient to absorb the new entrants to the labour market, and there is a backlog of unemployment and underemployment to be made good. In the Second Plan period, investment and employment have, therefore, to be increased more rapidly.34

The Second Plan embodied a Keynesian philosophy. Government thought greater investment would bring greater employment opportunities. The First Plan is believed to have created 4.5 million jobs, while the Second Plan, with its prime cost, would provide ten million jobs. The following table in the Appendix, Table III, "Planned New Employment Over the Second Plan," shows the predicted distribution of the estimated ten million jobs.

The bulk of the jobs, it was hoped would be in industries other than agriculture. The Second Plan was designed as an industrial plan rather than an agricultural plan in an attempt to create jobs in that sector of the economy.

Table IV in the Appendix, "Problem of Unemployment in Second Plan," shows the estimated labor force and its distribution among rural and urban areas. The table reveals that

34 Government of India, Second Five Year Plan, op. cit., pp. 5-6.
during the Second Five Year Plan 15.5 million persons would be added to the labor force. The Second Plan, as Table III indicates, was expected to create from 9.6 to 10 million jobs. This would mean that during the period of the Second Plan there would be a surplus of 5.3 million job seekers.

The original aim of the Second Plan was merely to absorb the two per cent increase of the labor force each year. "It will not reduce the size of India's present high unemployment backlog---an indication of how fast India has to run to stand still." The government admitted its inability to solve the unemployment problem of the country in these words:

Any basic solution to India's deep-seated problem can only be expected over a long period of time. The most that can be hoped for in the next five years is that the Second Plan will prevent worsening of unemployment; while India develops some basic and small and rural industries, and begins other large development works which will eventually step up full employment.

The Second Plan which started with great hopes and ambitions soon began to face difficulties. "In view of the success of the first, India approached the Second Five Year Plan with an understandable optimism that was soon to be proved false." The original outlay had to be cut by nearly 20 per cent mainly because of miscalculated population growth, lack of foreign

36 Ibid., p. 89.
aid, foreign exchange, monsoon failure, etc. Grant McClellan noted that:

The Plan has been saved from disaster, but it is still cut to the bone, and India's progress has been sadly slowed down. Indeed, the cuts announced at the beginning of May 1, 1958, were so severe that their full impact has been concealed from the Indian people from the fear of a serious drop in morale.38

What was the consequence of the failure of the Second Plan? The country's employment goals were shattered. "In fact, India had 10 to 15 million people unemployed in the technical sense in which it is understood in the West."39 This is merely an estimate of unemployment during this period; the actual extent of the problem is unknown.

The Third Five Year Plan, currently in operation, began in 1961 with an expenditure of 25.4 billion dollars. During the time span of the plan, some 17 million new entrants are expected to enter the labor market.

It is certain the Third Plan can not absorb all new entrants to the labor market. It is estimated that during this period 10.53 million jobs in the non-agricultural sector will be created, as well as 4 million in agriculture, a total of 15 million jobs.

Because of the failure of the two prior attempts, the Third Plan will have a different emphasis, as Mrs. Indira

38Grant S. McClellan, *op. cit.*., p. 13.

Gandhi points out:

After our experience with the Second Plan, the Third Plan has definite rural basis—Income and employment cannot rise sufficiently without industrialization, but industrial output cannot be increased without improvements in agricultural productivity.40

This means 2 million persons will be added to the 15 million backlog. Thus, at the end of the Third Five Year Plan there will be at least 17 million unemployed people in India.

The general impression of the two earlier plans is that they "...have failed to create full employment and also the volume of unemployment has been on the increase throughout the period..."41

...India has not been able to use so far its surplus manpower in the different fields in which it can be used. This is the task of the Third Plan, and if efficiently performed, it would be possible to over reach the income and investment targets visualized in the Draft Outline.42

Unemployment Of The Educated

Unemployment among the educated, acknowledged in 1927 by the United Province Survey, is today, one of India's most difficult unsolved problems. A definition of the term "educated" is in order. In this sense, it refers to persons with at least matriculation or equivalent education, and those with

40 Mrs. Indira Gandhi, op. cit., p. 43.
42 Ibid., p. 43.
higher level training. The problem of unemployment in this group has three aspects, namely: a backlog of the unemployed, the present increase of persons in this group, and the expected increase among the educated because of expanding educational opportunities.

The Indian government issued the statement that: "Unemployment among the educated has to be viewed as part of general unemployment in the economy...Rightly or wrongly there is an impression among the public that investment in education by an individual should yield him a return in terms of a remunerative job."\(^4\) In taking its stand the government recognizes that occupational opportunities for this group should be commensurate with their educational achievements.

A Study Group which was appointed by the Government in 1955 tabulated statistics for unemployment among India's educated. They are presented in Table V in the Appendix, "Distribution of Educated Unemployed in 1951." After a two months' investigation, the Study Group offered the following estimation of unemployment in this group:

The 1955 estimation shows a 41 per cent increase in those who matriculated, a 12 per cent increase in those who had two years intermediate school, and a 29 per cent increase over the

\(^4\) Govt. of India, The Second Five Year Plan, op. cit., pp. 120-121.
1951 census report in graduates who are unemployed. People with matriculate educational backgrounds had difficulty in obtaining employment. This was confirmed by the 1961 National Sample Survey, which emphasized the fact that every educated citizen of India faces serious obstacles when seeking employment. The Study Group projected that in 1960 there would be 6,650,000 educated unemployed in India, and that the number would continue to grow each year.

A glance at a state-wide study report will further illustrate the magnitude of this problem. The 1951 census conducted by the State Statistical Bureau of West Bengal reported that there were 125,000 educated unemployed in that state. The 1955 Employment Exchange Registration reported only 31,639, and the National Sample Survey estimated 78,000 in West Bengal. The Study Group estimated from 75,000 to 78,000. This estimate of the group was not less because of the growing unemployment of that period. In the case of Travancore-Cochi, the 1951 census indicated 162,000 educated among the unemployed. The 1951 Employment Exchange reported 10,331. The Study Group estimated 35,000 to 40,000 as a minimum number. The other estimations of the Study Group are: Andhra State—between 26,000 and 29,000; Bihar—28,000 and 31,000; Bombay—70,000 and 74,000; Madras—60,000 and 64,000; Punjab—22,000 and 25,000; and Uttar Pradesh—25,000 and 100,000. \(^4\)

Another estimate of the Study Group says that the number of educated unemployed rose from 3,500,000 to 5,250,000 during the Second Five Year Plan and that at the end of the Third Plan there will be 7,500,000. Some of the most vexing problems posed by the educated yet unemployed in India are discussed in the following:

Among the Indian unemployed, educated persons pose a difficult problem (particularly in urban areas where they have congregated) because their dissatisfaction has been directed at the existing social order. The situation seems incongruous in view of the government's efforts to increase educational opportunities at all levels and to wipe out illiteracy. The problem, however, is particularly cultured in that many educated Indians regard manual work as demeaning and seek white-collar jobs in order to maintain their social status.45

From a realistic point of view, Selig Harrison argues that:

You can train apprentices through Service Institutes, and through Extension Institutes, and through engineering colleges, you can provide all kinds of management training and theoretical training, but if there isn't any place where a person who has gained that knowledge can apply it—if there is no place for him to go, except to decide, "I'm going for a higher degree"; finally you run out of the degrees that you can get—you really haven't accomplished anything except having a lot of frustrated highly trained, highly educated people on your hands. There has got to be a factory, or a place that they can go to and apply this training and knowledge and increase it by practical experience.46


The problems of the educated in regard to employment opportunities are not confined to those who complete their education in India but also affects those who are educated in foreign countries. Because stimulating job prospects are few and far between, many are reluctant to return home after their advanced studies and training. A survey reveals:

The foreign educated who must find a job after their return are sub-divided roughly into one-third who had to rely largely on foreign qualifications and two-thirds who used influence in addition to their foreign training to help them get placed. On the average, it took persons without influence nearly a year to get a permanent job. 47

Influence, favouritism, nepotism, bribery, and other questionable techniques are used by the educated to secure positions when qualifications are not enough and there are too few jobs available or desirable to the highly educated.

Unemployment of the Rural Area

Nearly 73 per cent of Indians live in 358,069 villages.

A notable trend in the village labor force is that self-employment is greatly decreasing. This is mainly due to the lack of development of the agricultural and village economy. Self-sufficiency of the village family has decayed and almost entirely disappeared. Today, unemployment and underemployment

devastate village life. In 1949, the Government of India reported to the United Nations on the conditions of the rural areas' unemployment in these words:

"...contact with rural areas was extremely limited, hence the extent of unemployment in rural areas was not known." 48

In these sections of the country, the problem of unemployment is hidden and complex. "In rural areas, both unemployment and underemployment exist side by side; the distinction between them is by no means sharp. In villages, unemployment ordinarily takes the form of underdevelopment." 49

Another survey offered the same conclusion by stating that:

...Serious difficulties arose in the assessment of rural unemployment, firstly because in rural areas it is impossible to distinguish between unemployment and underemployment, and secondly, because there was a lack of reliable information. 50

T. R. Sundaram expressed the same opinion:

In rural areas the problem is one of both unemployment and underemployment, though it is difficult to distinguish between the two. However, the level of rural unemployment is estimated at 2.8 million and about 25 to 30 million peasants are severely under-employed. In other words, over one-third of the population is idle for half or more per day. 51

Thus, there appears to be no way of accurately measuring or arresting the unemployment of rural areas.

48 U. N. The Dept. of Economic Affairs, op. cit., p. 46.
49 Govt. of India, Third Five Year Plan, op. cit., p. 154.
Unemployment of the Urban Areas

Seventeen per cent of the Indian population live in the urban areas. The urban population is increasing at the rate of 4 to 5 per cent every year. This results from three factors: first, natural growth; second, migration from rural areas to urban centres; thirdly, changing pattern of suburban areas into urban areas.

Migration to cities may be precipitated by such factors as poverty, unemployment, underemployment, and overpopulation of rural areas. This exodus from rural areas to urban centres is called "draining the lifeblood of the villages," by Gandhi. Table VII in the Appendix, "Percentage Distribution of Urban Labor Force According to Migration Status," shows the migration trend and the unemployment rate of urban areas.

India's four largest cities are Calcutta, Bombay, Madras, and New Delhi. Table VII shows that out of 100 unemployed, 61.5 are migrants and only 38.5 are non-migrants in those four cities. In other cities, the problem of unemployment for migrants is not so acute as in these cities, but nevertheless, it still presents a problem. Most of the migrants are poor, unskilled, and untrained villagers. Their inflow into the urban labor market reduces the wage levels and creates other hardships. They also create large slums and social problems. The needs develop, therefore, for the rehabilitation of the urban centres, and for rural development to cut down the
migration to the cities.

There are many explanations suggested for this highly developed trend of migration to urban centres. Charles A. Myers says: "As an economically under-developed economy moves toward industrialization, some part of the rural labor force is either pushed or pulled toward growing industrial centres."

But Selig S. Harrison says:

Migration to the cities is more often impelled by the "push" of underemployment and overpopulation in the countryside than by the "pull" of assured employment in the city. Even the present urban population in India cannot be kept employed under the Second Five Year Plan. Yet urban centres continue to grow.

The International Labour Review offers still another explanation:

The extreme poverty of the rural areas drives many workers to find work in towns, but they are more attracted by the prospect of getting away from bad living conditions than by the incentive of industrial work.

It is believed that nearly 38 per cent of the labor force of the largest cities are unemployed while there is between 25 to 30 per cent unemployed in other cities of India.

52 Charles A. Myers, op. cit., p. 36.
55 Charles A. Myers, op. cit., p. 4.
problems are specific to the unemployment of urban areas. "The urban unemployed don't enjoy the security of the extended family system, nor are they subject so closely to tradition discipline. They, therefore, are apt to constitute a more serious social and political problem than rural unemployed."56

**Underemployment In India**

Closely related to her unsolved unemployment crisis is the equally grave problem of India's widespread underemployment. The *National Sample Survey, No. 6*, in its attempt to uncover the underemployment rate made the following statement:

> It becomes necessary to introduce the concept of volume of work and earnings. This is to say, underemployment may be assessed with reference to the actual work done as a fraction of "normal earning."57

A full-time job is not obtainable in many parts and occupations in India, so a great number are forced to accept part-time jobs which leave many idle hours in their days. Part-time workers complicate the attempt to define underemployment. For this reason the *National Sample Survey* introduced the concept of "normal earning" and "fraction of earning" in its definition of underemployment.

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56 Bauer, P. T. and Yamey, B. S., *op. cit.*., p. 79.

Many have considered all jobs other than full-time as underemployment:

In general terms, it can be said that basically it takes the following three forms: seasonal unemployment in agriculture, visible underemployment in all sectors (equivalent to the number of workers who could be withdrawn from these sectors without causing a fall in the production or changing existing methods), and latent underemployment in all sectors (equivalent to the additional number of workers who could be withdrawn through simple changes of production methods, not calling any considerable investment.\(^5^8\)

Broadly speaking, underemployment is a general term for all employment which is less than normal. Underemployment is sometimes classified as visible and invisible. Visible underemployment refers to the underemployment in industries; invisible, to agricultural underemployment.

Table VIII in the Appendix, "Percentage Distribution of Underemployed and Fully Employed in Each Industry," shows the number of underemployed in Indian industries in relation to the fully employed in each sector of the economy. Construction is the most underemployed industry in India. Nearly two-thirds of the laborers are affected in this industry. Ironically, the government depends upon construction industries to create more jobs and absorb a large number of presently unemployed. The second highest rate of underemployment is found in the manufacturing area where 33.29 per cent are underemployed.

Manufacturing has an unpredictable role to play in India's future. High underemployment adversely affects efficiency and production of this industry. It is going to be so for a long time since there are high rates of unemployment and underemployment in India.

Underemployment in transportation, storage, and communication is estimated to be 27.57 per cent; in electricity, water, gas, and sanitary services, it is estimated at 12.21 per cent. Another industry, agriculture, has the high underemployment rate of 28.09 per cent. Since it is a seasonal industry, dependent largely upon the vagaries of nature, an average farmer in India works only 82 days in the year. The average underemployment rate of all industries mentioned is 26.32 per cent. This is a very high rate for developing industries, especially when those industries which are in their initial stage of development are relied on to develop rapidly and bring forth social and economic progress of the nation.

It is an almost impossible task to secure data on the number of man-days worked in each industry in India. The 1953 National Sample Survey supplied some figures; i.e., 20 million people worked one hour or less per day, 27 million worked two hours or less per day, 45 million people worked four hours or less per day. Among the gainfully employed people, 30 million worked for five days or less a month; 40 million worked for ten days or less a month; about 55 million gainfully employed had
15 days or less a month. Nearly one-fourth of the gainfully employed were underemployed. The Indian government's estimation is that: "...those who have some work but are not willing to take up additional work cannot be precisely estimated, but are believed to be of the order of 15-18 million."  

Table IX in the Appendix, "Percentage Distribution of Underemployed and Fully Employed Persons by Income," shows the income level of both underemployed and fully employed. About 60 per cent of the underemployed earn up to Rs. 25, or less than $5.00 per month. Another 25.06 per cent of the underemployed have an income between Rs. 26 and 50 per month. Only 12.30 per cent have an income between Rs. 51 and 100. These figures are sufficient to illustrate the deplorable income level of the underemployed people of India. The Indian government maintains that: "In some areas chronic underemployment exists and earnings are too low even with reference to average standards of the country."  

The impact of underemployment and its effect on the income level is especially profound on agricultural families. It is estimated that only 5 per cent of these families have an income of Rs. 100 (less than $20.00) per month; another 16.89 per cent have Rs. 50; while nearly 60 per cent have Rs. 25 or less per month.

59 Govt. of India, Third Five Year Plan, op. cit., p. 156.
60 Govt. of India, Second Five Year Plan, op. cit., p. 119.
The underemployment crisis has received increasing attention under the Five Year Plan. During the period of the Second Plan, the government stated: "Today...the productive use of a vast unemployed and partially employed force of rural workers undoubtedly constitutes one of India's sharpest social and political challenges."\textsuperscript{61} It was further stated in 1949 that: "It is necessary to emphasize, in conclusion, that the primary nature of the employment problem in this country is the existence of a chronic state of underemployment of available manpower."\textsuperscript{62}

An American observation of the Second Plan period was that:

Even the creation of as many as 15 million jobs, however, would not solve the severe problem of underemployment in India. At the end of the first half of the Second Plan period, the evidence indicated that, although there has been an increase in the number of job opportunities, this increase has failed to keep pace with the number in the labor force, seeking employment.\textsuperscript{63}

Special emphasis has been given to underemployment in the Third Five Year Plan:

If employment opportunities do not develop sufficiently in the non-agricultural sectors, underemployment in agriculture will be further intensified, leading to lowering living standards in a section of the community upon whom the problem has already been born harshly.\textsuperscript{64}

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\textsuperscript{61} Govt. of India, \textit{The New India: Progress Through Democracy}, op. cit., p. 95.
\textsuperscript{62} U. N., op. cit., p. 50.
\textsuperscript{63} U. S. Dept. of Labor, op. cit., p. 4.
\textsuperscript{64} Govt. of India, \textit{Third Five Year Plan}, op. cit., p. 60.
\end{flushleft}
The underemployment of India is not an easy problem to solve. It has been rooted in the structure of the socio-economic life of India for many centuries. The question is well posed in the Indian Government's statement that: "India's dilemma--what Gandhiji called India's "problem of problems" is...how India can, by democratic means, organize a system which can use land and rural labour to secure higher production, higher income, and higher employment."65

A historical survey of Indian unemployment indicates that the present magnitude of the problem cannot be fully illustrated in any form or figure. The problem is one of concern to everyone, thus, more data can be expected in the near future. The above facts are quite enough to reveal the breadth of the problem from the historical point of view. One thing is certain, that unemployment is posing a great challenge to the Indian government and will continue to do so in the foreseeable future.

65 Govt. of India, Second Five Year Plan, op. cit., p. 120.
CHAPTER II

COMPOSITION OF UNEMPLOYED LABOR FORCE

An analysis of the composition of the unemployed will be inaccurate due to lack of proper figures. The examination of the available data is sufficient, however, to reveal the magnitude and ramifications of the problem.

Occupational Composition of Indian Unemployment

Table X in the Appendix, "Occupational Distribution of Applicants on Live Registers," reveals the registered unemployed labor force in various occupations from 1951 to 1959. During that period, industrial and supervisory groups have increased by 220.6 per cent; skilled and semi-skilled, 144.4 per cent; clerical, 283.7 per cent; educated, 1070.1 per cent; domestic, 308.5 per cent; unskilled, 517.7 per cent; others, 150.1 per cent. The total increase of unemployment during this period is 288.4 per cent. An analysis of this increase in various occupational groups indicates that the educated group has the highest percentage increase because of the great numbers graduating annually from various educational institutions. The astounding percentage increase among the educated unemployed shows the lack of facilities to properly apply advanced training and skills. The second greatest increase is seen
among the unskilled labor force. The percentage increase of unskilled is even greater when the nineteen million tribal people and fifty-one million untouchables at the bottom of the social and economic level are considered. The lowest percentage increase during that period is that of the skilled and semi-skilled. (though it is still an alarming increase because India needs these people for her economic development plans.) It is widely believed that India’s skilled and semi-skilled labor force is fully employed but this table on occupational distribution reveals the true situation of those groups of workers. Training for semi-skilled persons is considered too costly while there are still skilled persons who are unemployed. This is revealed in the report to the United Nations: "Demand for nearly all types of unemployed workers was, however, slackening. Highly skilled technicians were a minor exception to this, but semi-skilled personnel who needed further training were considered too costly."66

Table XI in the Appendix, "Unemployment by Occupational Groups", shows the impact of unemployment in some other occupational groups. This table re-states the fact brought out in the above mentioned Table II. It is interesting to see a decrease in professional, administrative, and clerical personnel, while the other categories show an increase during that period.

66 U. N. Dept. of Economic Affairs, op. cit., p. 46.
The increase in miners, workers in transportation, and craftsmen reflect the growth of an industrial and bureaucratic society. This table clearly reveals the growth of a middle class unemployed labor force in India.

Table XII in the Appendix, "Percentage Distribution of Unemployed By Usual Occupation and Activity Status," shows unemployment by occupational activity. Out of the total sample of 6,552 persons, the percentage distribution of unemployment is 0.56 per cent among distributive and financial operations; 79.66 per cent in agriculture, forestry, fishing, and hunting; and the remainder distributed in various other occupations. This sampling shows the greatest unemployment in the agricultural occupation which also has a higher underemployment level than any other sector of the economy.

Table XIII in the Appendix, "Trend in Industrial Composition of Labor Force in India," "...primary generally includes agricultural production, secondary covers manufacturing and mining, and tertiary the balance, consisting mainly of production of services such as training, transport, and personnel services." It is believed as the economy moves from a stagnant stage there will be a considerable change in the occupational picture. This table shows very little progress in changes of occupation. The Second Five Year Plan pointed out

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67 P. T. Bauer and B. S. Yamey, op. cit., p. 34.
There has not been any marked change in the occupational pattern in India over the last three or four decades in spite of considerable increase in industrial production.

This means that the secondary and tertiary sectors have not grown rapidly enough to make an impact on the primary sector; nor has the primary sector itself thrown up surplus which would create conditions favourable for expansion elsewhere.68

Tables XIV and XV in the Appendix give the technical or professional qualifications of the unemployed. In Table XIV, the unskilled constitute the greatest percentage, 61.35 per cent, having no technical skill, but do not have a degree or an equivalent diploma in a technological or professional field. These figures refute the belief that there is full employment of technicians in India. People in authority believe that there are technicians to fill the need of their development plans, but the sample survey reveals there is a good number of unemployed technicians and professionals in India. Though this sample survey was conducted in 1953, the situation is essentially the same today.

Table XV elaborates on the unemployment of those without any technical education in the various occupations. This sample survey was conducted in 1956-57. Some of these people do not require any special technical education, as the jobs are generally heritable or family occupations. Table XVI in the

68 Govt. of India, Second Five Year Plan, op. cit., p. 12.
Appendix is a city wide survey which gives the incidence of unemployment in various communities. This survey was conducted in 1954 in Poona City. The greatest incidence of unemployment is found among Mahans and Christians. These tables cover the magnitude of Indian unemployment.

Age Distribution of Unemployment

Some national sample survey tables reveal the age distribution of the unemployed. Table XVII in the Appendix, "Age Distribution of Labour Force According to Employment Status," shows the unemployed as compared with the fully employed. "One might consider all persons belonging to the age group 16-61 as comprising what may be called 'potential labor force'." 69

In Table XVII, the 16-17 age group has the greatest proportion of unemployment, while the 18-21 group is second, revealing the high rate of unemployment among the youths of India. The International Labour Organization observes:

Among the serious employment problems now facing the developing countries is the idleness of a large section of their youths; it is one of those causing most concern to the governments. This phenomenon is particularly apparent in towns, although there are large numbers of unemployed young people in the traditional section of the society. 70

69 Govt. of India, The National Sample Survey No. 6, op. cit., p. 27.

Among the many causes cited for the high unemployment of the young are economic stagnation; lack of skill, lack of jobs; lack of labor discipline; lack of education and training; and the lack of desire to do manual work. Other important reasons cited are: the baby boom after the Second World War, which is now adding large numbers to the labor market, and the fact that Europe was rebuilding her own economy after the war and did not take much interest in her colonies at that time.

The International Labour Organization has spoken on the effects of the unemployment of youths in the following words:

...idleness demoralizes the young and fosters anti-social behavior, which seriously handicaps them both as citizens and as workers. The situation is a constant source of instability and disorder which may take a political turn and endanger the social structure.**

Table XVIII in the Appendix shows the incidence of unemployment in rural and urban areas by age groups. In both areas the incidence is greatest in the 16-21 age group. In urban areas, the 57-61 age group has a greater incidence of unemployment than in rural areas, which means a serious problem of food and shelter for that age group.

Table XIX in the Appendix is a city survey which reveals the residential situation of the unemployed. The migrant youth has a slightly higher unemployment rate than those with permanent residence. Tables XVIII and XIX show two important facts:

the unemployment rate among youths and their migration to urban areas in search of jobs. Thus the rural areas are being depleted of their youth while urban centres are being filled with unemployed youths.

Table XX in the Appendix shows the age distribution of the unemployed among males and females in comparison with their total population. This table reveals the same facts of unemployment of youths for both sexes. High unemployment rate among females in the age groups 18-21 and 22-26 is also an indication of the rapidly increasing number of young women in the labor market. It can roughly be said that between the ages of 18 and 46 there is a high degree of unemployment for both males and females. In the Agricultural Labor Inquiry, the following summation of major problems was made:

The displacement of labour by economic and technical progress and by measures for economic integration, unemployment among older workers, the shortage of highly skilled workers and technicians, the impending arrival on the labor market of the "big generations" of young people born immediately after the Second World War—to give only a few examples—are all problems that must be solved for social and psychological reasons.72

Table XX provides figures on the age distribution of the sexes, for both employed and unemployed persons. As more people seek wages and employment outside the area of domestic work, more women will come into the labor market than before.

No data are available showing the increase of the unemployed labor force according to sex. Table XXI in the Appendix, "Sex Distribution of Unemployed in the First National Sample Survey," is taken from a National Sample Survey. In this sample survey, 7.76 per cent of the men and 6 per cent of the women are unemployed. This indicates the great problem of unemployment among women as well as men as wage earners. It is rather a new trend in the Indian labor market to see women competing with men. In this sample survey, 7.44 per cent males and 6 per cent females combined constituting 7.44 per cent of the unemployed labor force.

Table XXII in the Appendix shows the distribution of unemployed males and females in agricultural and non-agricultural positions. In agriculture work, more females are unemployed whereas, in non-agricultural work, more males are out of work. The total unemployed in agriculture is 6.46 per cent for both sexes and in non-agriculture, 1.2 per cent. This is mainly due to the nature of work and the seasonal employment in agriculture.

Table XXIII in the Appendix shows the marital status of the unemployed. Among the unemployed men, 48.5 per cent are bachelors, 47 per cent are married, and only 3.24 per cent are widowers; among the unemployed women, 38.2 per cent have never married, 45.7 per cent are married, and 24.15 per cent are divorced. This indicates the problem of single men in the Indian unemployed labor force, but the incidence of unemployment is greater among both the married males and females.
CHAPTER III

CAUSES OF UNEMPLOYMENT IN INDIA

Many of the causes for the high rate of Indian unemployment are socio-economic in nature. India's tradition, culture, religious beliefs, social climate, and the economic structure have contributed to this problem. Her large population, mass poverty, and high unemployment are progenies of a decayed and stagnated socio-economic life.

In addition to these internal causes, colonial rule has also contributed to the decay of the Indian economy. Raw materials have been exported; native industries ruthlessly suppressed; finished goods imported in abundance by the colonial powers. A short analysis of these and other causes will illustrate the magnitude of the causes of Indian unemployment problems.

Social Causes

In an ancient country like India, cultural factors have an inexplicable influence on economic activity, progress, and achievement. Commenting on religion as it affects the Indian economy, R. N. Saksena points out that: "Religion has played a very important role in the life of our country. It is the centre on which the whole Indian social life rotates."

without religion, India's social and economic activities have no meaning.

The Hindu religious beliefs and cultures are based on the philosophy of pre-destination. The following provides a sufficient description:

...in India the concept of karma, the belief that character is stamped by the deeds of the earlier lives of the soul, could only discourage hopes for social amelioration by alteration of the social and natural environment. The individual was pre-destined to a social station and only by diligent performance of ritual duty--largely the obligations of caste--could he hope for an eventual improvement in the status and rebirth into a higher stratum of society.\textsuperscript{74}

According to such religious beliefs and traditions, all activities are determined. Social and economic progress is greatly hindered because any change in customs usually brings about many social and economic disorganizations and repercussions. Most notable of the disturbing results of this cultural lag is unemployment.

Another important aspect of Indian religion and culture is the emphasis on individual achievement rather than group effort. It is said: "Every religion holds high some value which transcends worldly considerations. And the Hindu religion in particular, is supposed to place the highest value on the individual's own development."\textsuperscript{75}


\textsuperscript{75}R. N. Saksena (Ed.), \textit{op. cit.}, p. 106.
The religious climate fosters unemployment through its ideals and practices in India. Those who adhere to Hindu tenets are willing to suffer rather than work for social and economic improvements. They hope to achieve Nirvana by sacrificing their wants. Undoubtedly, this philosophy has great influence upon the idleness of the people. Under these conditions, it is quite natural to have a large backlog of unemployed.

In addition to the religious ideals and philosophy, the caste system has exerted great influence on the social immobility. The caste system began as an occupational function of the Indian society but later became a most rigid and orthodox social order.

As the system (caste) became relatively rigid, marked out by non-intermarriage of those identified with a different caste, the time came when the economic life of the village depended upon the fixity of the occupational destinations and upon the transmissions from father to son of special tasks, skills, and responsibilities which marked caste status.76

Each caste had been traditionally associated with a particular occupation, as had the economic interdependence of various classes. Thus, individual initiative was strangled by the social system. Another result was that manual work was considered appropriate for lower castes only. These untouchables were regarded as born to serve the superior classes.

This system kept a reservoir of millions of people in each

caste because those of one caste could not seek employment with those of another. In other words, Indian society was not suited to the complexities of the industrial society where there is open upgrading and promotion of personnel to job grades differing in status.

When the institutions of caste, religion, and other orthodox social life changed through political freedom and economic advancement, the employment problem became more evident in modern India. Gardner Murphy observes that: "Under the impact of economic forces, Western ideas, and specific historic events, the caste system, so important in the cohesion of social groups, has played a role in setting the stage for modern tension."77

Although there has been unemployment in India for generations, it did not become an acute problem until recently because of the family in India, which had greater cohesiveness than in Western countries. "Elderly, incompetent, or unemployed members of the family unit are taken care of by the others; the family, thus, represents the social security system."78

Today, most urban and suburban Indians do not enjoy this family protection and security. Modern education, political independence, social advancements, and economic developments, have greatly contributed to the decline of the joint family

77 Ibid., p. 62.
78 Charles A. Myers, op. cit., p. 38.
system in India. It is said, "...with the spread of education, land reforms, and the natural desire on the part of the youths for independent means of living, there is a new tendency towards seeking wage employment which brings unemployment more and more into the open."79

The majority of the Indian people are not yet prepared for an industrial civilization. Indian civilization and culture are typically those of an ancient agrarian society. When the population is composed of an agrarian labor force, the transformation to an industrial society creates a high percentage of unskilled unemployable labor.

A related factor is technological ignorance, a by-product of limited and scarce education; this is one of the foremost causes of mass unemployment in India.

In addition to these various external social causes, the character of the people also contributes to the unemployment. Indian people generally prefer to remain idle rather than to be dedicated to a job. John F. Lewis refers to this as "An Alleged Scarcity: The Will To Work."30 India lacks dynamic leaders who are capable of motivating her citizens. Lewis asserted that: "Development is always a tough job. It almost always takes extraordinary leadership and skills and some

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degree of dedication. There always are major obstacles to be
surmounted. No developing economy is ever completely "ready"
for the "big push"; if it were, the push already would have
occurred."81 The social aspects of unemployment in India will
continue to exert much influence in the future.

Economic Causes

Economic factors have also contributed to India's unem-
ployment problem. Many of these are the result of the social
changes in a country which has an out-modeled economic struc-
ture.

India has a population of more than 439 million people
and a per capita income of less than $70.00. From 1921 to 1951,
India's population increased by nearly 44 per cent. At present
it is estimated that India has an annual population increase of
2.5 per cent, or an additional 9 to 10 million people.

As a result of this tremendous population growth, India
has to invest heavily in primary needs, such as health, housing,
food, and clothing, to the neglect of industrial investment and
expansion. An increase in the population brings greater demand
for consumer goods, and less in industrial goods because of the
heavy demand for the former. This, in turn, creates more
unemployment:

81Ibid., p. 5.
It must be noted that:

Unemployment is not a necessary consequence of population pressure, but when population is backed upon the land for the lack of opportunities outside agriculture, when both capital and resources are extremely scarce in relation to manpower, full or partial unemployment is extraordinarily hard to avoid.\(^2\)

When land was plentiful, population and unemployment were not serious problems. As the population began to increase and land became more scarce, the problem of unemployment became a major challenge. This problem is magnified by the lack of capital and other resources.

Charles A. Myers says:

Rapid population growth, as economic development initially reduces death rate, is a central fact, facing economic planners in India. More employment, therefore, becomes a goal in itself in a nation already confronted with millions of unemployed adult citizens whose plight challenges political stability of government.\(^3\)

Capital is one of the vital factors of production.

India's scarcity of capital has resulted from the economic stagnation and degradation of many decades. Indian business people do not have sufficient funds to carry on their enterprises. A government publication indicates that:

There are ample historical reasons for the relative weakness of Indian capitalism. Without much increase in rural prosperity or the growth of internal and foreign trade, or the development of


\(^3\) Charles A. Myers, *op. cit.*, p. 174.
a modern financial system, Indian businessmen did not have any appreciable amount of capital on which they could draw to finance new enterprise.84

To raise capital internally would mean extracting blood from the poor peasants of India.

It takes capital to industrialize a country, and in a backward country like India, capital can only be raised by forced loans from the mass (which is what, in different ways, Russia did and China is doing) or by borrowing from abroad. If the Indian government were to raise money by squeezing its desperately poor peasants, it could not remain a democracy.85

The other source of capital supply is from the foreign countries. India holds the ideal of a "Socialistic Pattern of Society." It is said that:

In India, capitalism is a bad word; capitalism has been linked to colonialism; and Indians, like other Asian intellectuals, whether or not generally Marxian in their thought, have been deeply infected with the Marxian doctrine of economic imperialism. Socialism, on the other hand, is a good word, somewhat as "democracy", now in the world over.86

Under these circumstances, capitalistic countries hesitate to invest heavily in a "Socialistic Pattern of Society."

Americans are particularly suspicious of Indian economic policy. Economist John P. Lewis says: "Next to India's 'neutralism', Americans are most bothered about the role envisaged for private enterprise in its development schemes. Actually, their

86 John P. Lewis, op. cit., pp. 203-204.
anxieties are considerably exaggerated." 87 Today, capitalist countries have the largest foreign investment in India.

Socialistic countries are not generally in a position to help India because of their own economic problems. In recent years, however, Russia has granted some aid, but it is far from fulfilling the needs of the Indian economy.

The history of the foreign flow of capital to India is not encouraging. The great depression not only drastically affected the internal economy, but also the flow of the foreign capital to India. It has been stated that:

since the great depression of the early 'thirties, which led to the practical cessation of the international capital flows, the volume of private foreign investment has been extremely limited and in course of its moderate revival during the post-war years, has been restricted to a sector of economic development. 88

There have been many attempts to attract enough capital for India's economic plans, but many of them have not materialized. An observation of the situation is that:

The floatation of securities for foreign account, whether in the form of bonds or shares has been negligible; and the bulk of the outflow of new capital has been in the form of direct investments by existing enterprises, financed from the re-investment of income earned by the parent concern in the capital exporting country or by its branch or subsidiary abroad. 89

88 B. K. Madan, (ed.), op. cit., p. 36.
89 Ibid., p. 5.
Another major setback is that the rate of capital formation or accumulation is not sufficient to meet the great demand of the country. John P. Lewis refers to this scarcity of saving as "The Published Scarcity: Domestic Saving."90 He says the present rate of saving is not even enough to support the growth rate of the population.91 There are not even enough, or many, reasons for such a low rate of saving and investments in India. In villages, savings are mainly in kind, rarely converted to capital. In Indian society, one who hoards pecuniary savings is considered a miser. Contrary to American cultural traditions, status in Indian society is determined by the manner in which a person celebrates the social duties and functions, not by the amount of money one amasses.

The folkways of the Indian people cannot be changed easily, yet the capital has to be provided for the fulfillment of her social and economic needs. The willingness of all Indian citizens is necessary to achieve this goal. It is clearly stated that, "...capital formation requires the assent and active cooperation of a very large proportion of the population."92 Unless this atmosphere is created in India, capital formation will be at a low ebb.

90 John P. Lewis, op. cit., pp. 30-36.
91 Ibid., pp. 30-36.
92 Ibid., p. 21.
In underdeveloped countries such as India, most people are concerned only with the essentials. P. T. Bauer and B. S. Yamey have brought this fact out clearly in the following words:

It is widely believed that many people in underdeveloped areas, especially agriculturalists, respond to income in the rate of earnings by producing or working proportionately less, because they need only a money income sufficient to pay for their fixed or limited requirements.93

The economic policy of the government with regard to the plans for alleviating unemployment is questioned by many. Government is primarily concerned with investment in its Five Year Plans. This has a great impact upon the economy itself.

One Western observer states that:

In view of the tendency of some Indian plan documentation and also of much Western economic commentary to dwell almost exclusively on the capital formation aspect of the development process, it is worth insisting that this per capita real income and output target, not the investment total or any other magnitude, is the number around which the whole quantitative design of the program turns. Investment is only one among a variety of related means for achieving the need for higher product per capita.94

Another factor contributing to unemployment which may be attributed to the Indian government is the lack of enough public works to ameliorate the problem in both rural and urban areas. Such programs would have stopped the migration of rural

unskilled people to the towns and cities in search of jobs. A number of reasons are advanced for India's lack of public works project:

...partly because a public works dominated supplemented employment policy would have placed a great direct administrative burden upon the government, particularly at its local levels, but mainly...because the planning authorities thinking about development finance at the time still narrowly circumscribed by savings centered development theory. To be explicit: They shielded away from the public works solution in the belief that it would saddle the economy with unacceptable inflationary pressure.95

Rural India is not yet organized for any public works. To establish such a program, India has to first, determine what natural resources are available and secondly, to survey the occupational skills of her inhabitants.

Another very important factor in her high unemployment rate is the lack of skilled, trained, and equipped technicians and administrators to devise and carry out many social and economic schemes. A summation of these deficiencies can be illustrated in these words:

Widespread unemployment or underemployment of unskilled labor is a notable feature of the economics of many backward countries. Many people are unemployed or underemployed, not because they prefer idleness to work, but there is an insufficiency of cooperator factors of production to set them to work; unskilled or poorly skilled labor is without work because the supply of other complimentary factors of production is inadequate. The factor in insufficient supply may be either land, capital, or technical skill, administrative or entrepreneurial skills or a combination of all or some of them.96

95 Ibid., p. 62.
India not only lacks skilled technicians, but is also in need of efficient, well-trained, managerial personnel.

Their (Indian) enterprise, too often characterized by a management selected for reasons of family, caste, and status, by discriminatory employment policies, by radical inequalities, among the incomes they distribute, and by conspicuous entrepreneurial affluence, thus far have developed a much less socially responsible caste, on average, than American business has acquired during the last generation.97

These factors have a great impact upon the efficiency of the organization and in turn affect the employment opportunities of the country. In addition to the previously mentioned causes, colonial domination by England for more than one and a half centuries has had a share in depleting Indian economic resources.

The Industrial Revolution drained India of raw materials, as the imperial policy until World War I was that of suppressing indigenous industries. The ultimate result of these many inter-related forces was the stagnation and degradation of the Indian economy and her present raising high employment. The dominant cause of India's present catastrophic state cannot be isolated as all these factors are inter-woven.

97John P. Lewis, op. cit., p. 205.
CHAPTER IV

SOLUTIONS

It is not an easy task to find a solution to India's epidemic unemployment crisis since it is rooted in the entire socio-economic structure of the country. The ultimate solution must be designed to promote economic development in a logical, well-planned sequence of steps. Begin with an attempt to revolutionize the agricultural industry. The next stage could be to promote a small-scale industries in order to absorb "surplus" agricultural workers. The role of both small and large-scale industries must be examined in the Indian context. In addition to the projects mentioned above, India must re-orientate her educational system to meet the economic needs of the nation. This could be accomplished through the establishment of a youth brigade to train and discipline her young. India must also embark on a strong population control program, which will be acceptable to all the major religious faiths. These policies and practices should be adapted immediately, lest further decadence result.

agriculture

The roots of India's poverty and unemployment lie in the
fact that India is an agricultural country. It is estimated that in agriculture, there is an equal number of people employed and unemployed. At least 40 per cent of the farmers are surplus, 45 per cent of the families are in debt, an average of Rs. 47.

In the agricultural area, the government has taken many steps, the first of which was a program of land reforms. Two objectives were sought: "...firstly, to remove such impediments upon agricultural production as arise from the agrarian structure; and secondly, to create conditions for evolving, as speedily as may be possible, an agrarian economy for higher levels of efficiency and productivity."98 As a result of the land reforms, India abolished landlordism and intermediary systems of agriculture. Prior to 1951, some states enacted laws for this purpose. By 1952, all states had laws forbidding landlordism.

In taking this action, the central and state governments gave recognition to the rights and dignity of the poor tiller of the soil. Today, various states have bills or acts to control the distribution and size of the land so that there will be less fragmentation and uneconomic holdings of land. In addition, many states have put ceilings on the land on the basis of family holdings or units. A family unit has two

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98 Govt. of India, Second Five Year Plan, op. cit., p. 178.
aspects: "...(a) as an operational unit, and (b) as an area of land which can yield a certain average income." Some states have also enacted minimum wage laws in order to protect the farmers.

Both the central and state governments have given full support to co-operative farming. Results to date are not very impressive, as indicated by the following statement from the Second Five Year Plan: "There is general agreement that co-operative farming should be developed as rapidly as possible. The practical achievements in this field are, however, meagre." Illiteracy, conservatism, fear that the state may take away land, and the failure of the existing cooperatives to demonstrate tangible results have contributed to this.

Anyone familiar with the Indian co-operative movement might well be skeptical of its capacity for accepting such responsibilities. The movement already has been underway for more than a half century and, aside from a few striking exceptional components, has exhibited little of the dynamic now called for.

The solution to this problem is a sound and effective agricultural revolution designed to produce more food products for the country. A practical solution would be to group all scattered plots and fragmented land-pieces according to the

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99 Ibid., p. 195.
100 Ibid., p. 201.
101 John P. Lewis, op. cit., p. 162.
fertility of the soil. Efforts must be made to preserve land from waste, litigation, fragmentation, soil erosion, and to keep land in a condition of good fertility at a lower cost to the farmers. This would enable farmers to cultivate the land several times before allowing it to remain fallow. A mild mechanization is absolutely necessary in India to achieve a better cultivation and agricultural yield. Today, India's yield per acre of land is one of the lowest in the world; this must increase if she is to survive.

The success of an agricultural advancement program is dependent upon modern farming methods and a changed attitude of the people toward them. Today most of the farmers are members of the lowest strata of the society. "Agricultural workers belong mostly to one group of caste regarded as low and depressed while their employers belong to another that occupies a high position on account on being taken as more sacred."102 The people who cultivate the land are lower castes and a tribal people who are among the most backward classes of India and who are economically and socially depressed people.

Agricultural workers form the most disadvantaged economic group in India today. Their wages are typically low; conditions of work are often onerous; and employment frequently irregular. The living level which their earnings permit is very meagre. Their daily

lives, as it were, reflect the problems of under-
development, underemployment, and surplus popula-
tion which figure so prominently in current national
and international discussions.103

India can protect farmers by minimum wage laws, subsidies,
encouragement of co-operative farming, distribution of yield
by acreage, cooperative marketing, transport facilities, tax
concessions to the farmers, etc. A diversified commercial
cultivation program will help solve many economic problems of
farmers. More fertilizers, irrigation facilities and power at
cheaper rates must be supplied to the farmers.

Many of the social abuses and degradations can be affect-
ively met by establishing more agricultural colleges, training
centers, and agricultural factories in order to equip farmers
to cultivate more effectively and scientifically, and to give
more dignity to this profession. Agriculture is the backbone
of India and it will remain so for a long time. This means
that India has to give all possible facilities to the cultiva-
tion of land. When she is able to adequately train more agri-
cultural scientists and technicians, many of the social evils
will disappear. Unless and until the agricultural sector
advances socially and economically, India cannot afford an
industrial revolution.

The Indian government has tried to make changes in the
structure of agriculture economics, but her people have not

shown their willingness to accept them. Without a sound agricultural foundation, India's program in other sectors of her economy will be hampered, yet the signs are that an agricultural revolution of any consequence will prove to be a slow, tedious process.

Small-Scale and Large-Scale Industries

India must industrialize if she is to solve her many socio-economic and political problems because an agricultural revolution alone will not and cannot solve these dilemmas. An industrial revolution must not be abrupt, but must be introduced slowly to promote stability, proper training procedures, and steady progress. Small-scale industries are the best suited for this type of slow industrialization.

The term small-scale industry has two connotations in India. First, a small-scale industry means an industry with a capital of Rs. 500,000, employing less than 50 persons with some power machines. Secondly, it denotes traditional industries, such as handicrafts, handlooms, and other family-type industries. Small scale industry, as the term is used here, refers to the first type, which engages an estimated 29 per cent of non-agricultural workers. They produce 8 per cent of all goods and services in India. These industries have great potential employment opportunities in India if they are developed, encouraged, and protected by the government.
The Government of India has taken various measures to
insure the survival of these village oriented and small-scale
industries. Since the commencement of the Five Year Plans,
there are various committees and institutes to look into the
problems of these industries and arrive at acceptable solu-
tions. The government's interest in this section of the econ-
omy is evident in the following statement:

Village and small industries in their different
aspects are an integral and continuing element both
in the economic structure and in the schemes of na-
tional planning. The primary object of developing
small industries in rural areas is to extend work
opportunities, raise incomes, and standard of liv-
ing, and to bring about a more balanced and inte-
grated rural economy.\textsuperscript{104}

During the First Five Year Plan period, many of the
existing agencies were established. An all-India Board was
set up to deal with the problems of handlooms, khadi, village
industries, handicrafts, sericulture, the coir industry, and
the small scale industries.

Four Regional Industries Service Institutes were set up
with a number of branch units to provide technical advice and
assistance to various small-scale industries. The All-India
Khadi and Village Board founded at this time began technical
institutes which provided institutional training to the
village industrial workers. The All-India Handicrafts Board
began to assist those industries in forming new designs,

\textsuperscript{104}Govt. of India, \textit{Second Five Year Plan, op. cit.},
p. 429.
patterns, processes, etc. A store purchase committee was formed to encourage exclusive purchasing from these village and small-scale industries.

A National Small Industries Corporation was formed to organize the production processes of various small-scale industries and to assist in their manufacturing operations. Further, there are twelve State Finance Corporations to give monetary assistance to these industries.

The present form of government policy is based on the suggestions of the Village and Small-Scale Industries Committee, (also known as Narve Committee). This policy is designed to prevent further technological unemployment, to provide more employment opportunities, and to create a decentralized Indian economy. The Committee's suggestions include gradual transition to better skills, establishment of small units as "a pyramid of industry," technical and financial assistance to industry, rural community workshops, and industrial cooperatives. These suggestions were approved by The Industrial Policy Resolution of April 30, 1956.

Other protective measures include reservation of production spheres, non-expansion of capacity of large-scale industries, imposition of excise taxes on the products of large-scale industries, and the supplying of raw materials and equipments. Small Industries Institutes try to give its assistance in the purchase of machinery, establishing marketing
services, and sometimes undertake pilot projects. There are industrial estates which organize the production and marketing of various small-scale industrial goods.

Though there are various agencies to assist village and small-scale industries, the financial problem is still grave. The Government of India admits this: "Existing arrangements for provision of finance are far from satisfactory." This is due to the lack of coordination of different agencies. If the government can overcome this obstacle, many other problems would be solved in turn.

The reasons which favor small-scale industries as a solution to the problem of unemployment and industrialization in India are:

1. Small industries require relatively little capital to operate. This is very important in a country where capital is scarce.

2. They are the only means by which all resources of the country can be fully utilized.

3. Small industries do not require great skill in operating or management procedures. This is very important in a country of mass unskilled people.

4. In small-scale industry, workers are able to repair and improve the machines. This assures a variety of work tasks, thus reducing monotony.

5. Smaller scale industries tend to develop self-reliance and confidence among workers and managers alike, thus encouraging them to produce more.

105 Govt. of India, Second Five Year Plan, op. cit., p. 630.
6. Small-scale industries will be able to absorb some of the jobless of the agricultural sector.

7. Employment will tend to be steady in a small-scale industry as workers will not be displaced because of technology, low supply or demand, or other economic or non-economic causes.

8. Small industries will solve many of the organizational problems of the Indian economy through decentralization of the production and distribution processes.

An examination of some of the problems of small-scale industries is necessary. The first and foremost is the organizational and coordinational problems of various smaller industries. This must be done by grouping industries according to their products on a regional, state, and central basis. The state and the central offices must distribute or allocate raw materials and orders while the regional office must have a greater role in planning, production, and management. The state must function as a link between regional and central control. Central offices must help to assess demands, financial resources, and proper management. This division, coordination, and organization will promote smooth industrial functioning. "Industrial Estate", which has a similar function, must be extended. Greater availability of capital can be achieved through easy loans, credits, tax concessions, etc., from government agencies. Private sources must also be encouraged to invest money in small-scale industries.

Marketing of goods is considered another major problem. Many small-scale industries deteriorate because of lack of
markets. The state and central offices must help to create markets by encouraging the public to purchase the finished products of these industries.

A co-operative facility will be useful in certain cases, such as transportation. Once transportation facilities increase, the demand for these services will also increase.

Another important problem is the competition between goods produced in large factories with those produced in small scale plants. If the small-scale industries are not well organized, this could become a monumental issue. Protection to small-scale industries must be given until they are well established in the economy. A strong government policy can help small scale industries in many ways. The mode of production ought to be labor centered because of high unemployment rates and scarce capital. It is difficult to make use of all the available labor in India because it generally is lacking in necessary skills. It would seem that small-scale industries are the best suited to training of India's labor force, and may thus represent the best industrial solution to Indian unemployment.

A sound balance must be created and maintained. As it was pointed out, preference must be given to small-scale industries whenever and wherever possible. The government of India is aware of this problem. "India has to work out an acceptable balance between those which use a large amount of
capital and those using a large amount of labour, choosing as nearly as it can those which give the best return not only in production, but in employment. Small-scale industries represent the best solution and preference must be given to them.

Large-Scale Industries and Their Role

The Indian government is aware of the many problems facing large-scale industries. Various agencies have been set up to aid these industries financially. The National Industrial Development Corporation (NIDC), and the Industrial Credit and Investment Corporation of India (ICICI), began to function around 1954-1955. Another agency, The Industrial Finance Corporation of India (IFCI) will provide loans in excess of Rs. 50,000,000.

The government has also endorsed the decentralizing of large-scale industries. The Planning Commission has explicitly stated that:

Though the second plan will not provide a solution to the problem of existing unbalanced growth of industries as between different regions, the problem has been kept in view and through stress on research, mineral surveys, and decentralization of production, particularly in regard to agricultural processing industries, the correct trends of development are being set in motion.

It is hoped that such a program will provide overall economic growth and employment opportunities, aid in stabilizing...
the economy, and ameliorate other problems affecting the Indian culture.

Nobody questions the role of heavy industries in the process of Indian industrialization. In an unemployed agricultural country, industrialization is a necessity. Yet large-scale industries cannot completely solve the problem. Some vital questions must be examined. The first question is the expansion of existing industries in the same region. Usually the expansion of existing industries cannot employ as many as would the construction of entirely new industries. It is estimated that 57 per cent of the Indian industries have worked at 60 per cent of capacity for a period of three or more years and later declined. Under these circumstances, it would be unwise to expand such industries, as this would only bring about concentration of power in certain areas. Since India has nationwide unemployment problems, she must decentralize her large-scale industries.

Another important question is the technique to be used in production. "One intricate problem in planning of the industrial sector is the conflict between the small-scale and large-scale sectors which arise out of the preference in the choice of techniques for economic development."107 "Rationalization without tears" is the cry of labor but management wants to use.

modern techniques as much as possible. The Government is caught in the middle of the controversy. Under the present conditions of a large unemployed labor force, lack of skilled workers, technicians, administrators, and sufficient capital, it is uneconomic to use modern techniques. They also replace workers. There is little use in investing large sums in modern machinery until people are adequately trained to use them.

**Population Control**

In order to achieve any substantial economic progress, India must first solve her explosive population problem. India cannot support her present population growth rate of two or more per cent per year. Charles A. Myers maintains that: "The conclusion is obvious that an industrially underdeveloped and highly populous country like India needs to devote more resources to the spread of birth control measures if it hopes to make substantial economic progress."108

The magnitude of this problem has been the cause of concern to the government, which takes the stand that India's social and economic program lies in her ability to control population growth. It was asserted in an American periodical that: "...after many years of delays, bitter disputes, false starts, incredible meetings, India was at last embarked on one

108 Charles A. Myers, op. cit., p. 7.
of the fateful experiments in human history—a nationwide
attempt to control sky-rocketing population as a matter of
government policy. 109

In September, 1956, the Central Family Planning Board was
founded. Some of its objectives are:

...(a) to obtain an accurate knowledge of factors
contributing to the rapid increase of population
in India; (b) to discover suitable techniques of
family planning and device methods by which knowl-
dge of these techniques can be widely dissemi-
nated; and (c) to make advice on family planning as
an integral part of service in Government hospi-
tals and public health agencies. The family plann-
ing policy aims at reducing birth rates to stabil-
ize the population at "a level consistent with
requirements of national economy." 110

There is opposition to this program but the government
is vigorously trying to create favorable public opinions for it.

There has been tremendous progress in this direction. The
First Five Year Plan introduced 113 family clinics, and 19
research schemes, while the Second Five Year Plan had a total
of 300 urban and 2,000 rural family clinics. Under the current
Plan, a minimum of Rs. 270,000,000, and a maximum of Rs.
500,000,000, has been allotted to family planning. If the aims
of the clinics are realized, population growth will be control-
led in India.

109 Milton and Margaret Silverman, "Land of Too Many
110 Govt. of India, Ministry of Information and Broadcast-
111 Albert Nevett, Too Many of Us, (Poonai Institute of
Today most of the educated lack mental stability, agility, confidence, and sense of responsibility to assume jobs commensurate with their educational backgrounds. The solution to the problem of the unemployment of the educated lies in the re-orientation of the entire educational system to the nation's great economic need for technicians, scientists, and skilled workers to fill posts in agriculture and industry. This means that India has to create more agricultural colleges, engineering colleges, basic training centres and factories, and place less emphasis on the humanities. India also has to impress upon her youth that there is dignity in manual labor—a concept which is now absent among educated people of India. Another method of preparing youth for agricultural jobs might be to offer practical experience, such as field work, during crop seasons, supplemented by instruction in scientific agricultural principles. In general, it may be stated that, "Training with Study", must be the slogan of modern Indian educational systems.

The Indian government has done little to combat the problem of unemployment among the educated. Any actions which might aid this group were designed to alleviate the general problem of unemployment. The 1955 Study Group, however, suggested that small-scale industries, transport work orientation camps, and the schemes of the public authorities might assimilate some of this group. In actual practice, these
suggestions have not been acted upon to date.

Youth Brigade

In this writer's opinion, one of the best solutions to India's unemployment problem lies in the creation of a Youth Brigade. This Youth Brigade should be divided into agricultural, industrial, and home sectors, so that each would concentrate on one of these specialized areas. For example, those in the agricultural sector would study soil preservation, fertilization, control of erosion, scientific method of cultivation, etc. In the industrial sector, there should be training in skilled jobs, field work, supervision, accounting, marketing, management, etc. In the home sector, study of nursing, sanitation, first aid, home budgeting, etc. should be mandatory. These three sectors must include all the necessary subjects for the social and economic advancement of the country. It should be compulsory for boys 18 and over and girls 16 and over to join in one of these sectors after taking an aptitude test. The period of training must be for one year for both sexes and considered a prerequisite to marriage and/or graduating. During their training period, a stipend should be paid so that the youths also learn sound financial principles through practical experience. The best method of financing this Youth Brigade would be through the central and state governments, under the direction of the Planning Commission. A new branch
in the Department of Labor and Education, responsible to the Ministry of Labor and Education, must assume the administration of such a program.

The youths trained under such a system should be given preference in hiring, both in public and private sectors of the economy.

At present, India does not have any such scheme in practice, and the government does not seem to be contemplating any as a solution to the problem of youth unemployment. This would seem to be an optimal time to devise a plan of this nature, as the number of educated unemployed youths are increasing.

Role of Government in India

In the paternalistic Indian atmosphere, everybody looks upon the government for aid. The actions the government undertakes have a tremendous significance upon a people who are characteristically dependent.

As it has been indicated: "...in the Indian context, the government is of critical importance. What the state does or does not do is vital in development of any society; but its special role in an industrially underdeveloped country like India needs particular emphasis." 112 The government must take the lead in the industrialization process, as it is the only agent capable of carrying out the major task of industrializing

112 Charles A. Myers, op. cit., p. 173.
the country, solving unemployment, and the urban discontent of India. The reason that, "Much of the development of natural resources in underdeveloped countries, including India, could be undertaken only by the state," is because, "for private enterprise has neither the financial resources nor access to the technical resources adequate to the magnitude of the task." Government alone is able to collect capital, land, labor, and organizational factors in India.

Since the government has such an important role to play in the development of India, it is hoped that programs initiated under its auspices will take into account local interest, needs, and resources. Decentralization is essential for the success of the Plans. This must be the cornerstone of all programs of India for an overall healthy development of the nation. The government has to put aside political, social, and regional sentiments or favors, or expediency for economic needs.

In conclusion, the author must state his belief that: (1) India's unemployment problem cannot be separated from other problems, and (2) that the forementioned suggestions would be the best solutions for the many inter-related problems plaguing that country, as they could easily be administered.

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CHAPTER V

CONCLUSION

India is undergoing many great crises. Unemployment is only one of them. The prognosis is that these problems will only become greater in the near future and will affect all socio-economic and political segments of the country's economy.

No practical solution is foreseen under the present government policy. The nation's problems must be approached in a more realistic manner, especially in formulating plans and executing them. Progress and prosperity have to be achieved through pragmatism—the idealistic approach will not be effective. Magic words will not cure any problem.

India's failure to create sufficient employment opportunities in proportion to her population growth, indicates the economic failure. Billions of dollars have been poured into various plans but there have been only very meagre tangible results.

It is an unhealthy sign to find so many unemployed people in a domestic country. It is essential for the survival of the Indian democracy that she devise a workable means of giving her people more employment opportunities, though the final solution to the problem will probably not be possible for many
decades. India's progress since independence has not been very impressive in terms of employment opportunities. As a matter of fact, the percentage of skilled unemployed persons will increase if the country does not industrialize in the near future. If her educated and skilled population is unemployed, it stands to reason that there exists still less work available for her unskilled.

The greatest challenge facing rural India can only be met by introducing scientific agricultural methods so that this vital industry can attract able employees.

Through the fostering of small-scale industries, the Indian government has made some progress in aiding economically distressed villages. Much still remains to be done, however.

In finding solutions to any of these socio-economic problems, it is essential to have complete and accurate data. Collecting necessary information is a major task facing various governmental agencies.

It would appear, that India at the present time has not been able to reach any practical solutions to the economically destructive forces which are affecting the nation, and the indications are that she will not solve them in the near future. This writer cannot help but be very pessimistic in regard to India's chances for a bright future.
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37. America, "India's Crucial Years", April 30, 1960, p. 183.


TABLE I

UNEMPLOYMENT IN INDIA

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Registered Applicants for Work</th>
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<tbody>
<tr>
<td>1948</td>
<td>224,900</td>
</tr>
<tr>
<td>1949</td>
<td>293,043</td>
</tr>
<tr>
<td>1950</td>
<td>314,336</td>
</tr>
<tr>
<td>1951</td>
<td>338,402</td>
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<tr>
<td>1952</td>
<td>383,992</td>
</tr>
<tr>
<td>1953</td>
<td>477,575</td>
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<tr>
<td>1954</td>
<td>562,319</td>
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<tr>
<td>1955</td>
<td>647,109</td>
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<td>1956</td>
<td>749,099</td>
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<td>1958</td>
<td>1,049,176</td>
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<tr>
<td>1959</td>
<td>1,314,204</td>
</tr>
<tr>
<td>1960</td>
<td>1,502,491</td>
</tr>
<tr>
<td>1961 (June)</td>
<td>1,755,491</td>
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</table>

Note: Table I figures only for those who are registered in various employment exchanges for work. It excludes those who did not or could not register. Thus, these figures provide an incomplete picture of Indian unemployment.


### Table II

**Arrears of Unemployment (in millions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Addition to Work Force</th>
<th>New Employment in Non-Agricultural Sector</th>
<th>Arrears</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948-49</td>
<td>1.80</td>
<td>.89</td>
<td>.91</td>
</tr>
<tr>
<td>1949-50</td>
<td>1.80</td>
<td>1.02</td>
<td>.78</td>
</tr>
<tr>
<td>1950-51</td>
<td>1.90</td>
<td>.80</td>
<td>1.10</td>
</tr>
<tr>
<td>1951-52</td>
<td>1.90</td>
<td>.37</td>
<td>1.53</td>
</tr>
<tr>
<td>1952-53</td>
<td>1.90</td>
<td>.62</td>
<td>1.08</td>
</tr>
<tr>
<td>1953-54</td>
<td>1.90</td>
<td>.96</td>
<td>.94</td>
</tr>
<tr>
<td>1954-55</td>
<td>2.00</td>
<td>.68</td>
<td>1.32</td>
</tr>
<tr>
<td>1955-56</td>
<td>2.00</td>
<td>.75</td>
<td>1.25</td>
</tr>
</tbody>
</table>

### TABLE III

**Planned New Employment Over the Second Plan (in thousands)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Employment (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>2,100</td>
</tr>
<tr>
<td>Industries and Minerals</td>
<td>750</td>
</tr>
<tr>
<td>Cottage and Small Scale Industries</td>
<td>450</td>
</tr>
<tr>
<td>Professional &amp; Governmental Services</td>
<td>434</td>
</tr>
<tr>
<td>Rural Development, Forestry, Fisheries, and Allied Agricultural Programs</td>
<td>413</td>
</tr>
<tr>
<td>Education</td>
<td>310</td>
</tr>
<tr>
<td>Railways</td>
<td>253</td>
</tr>
<tr>
<td>Other Transport and Communications</td>
<td>130</td>
</tr>
<tr>
<td>Other Social Services</td>
<td>142</td>
</tr>
<tr>
<td>Health</td>
<td>116</td>
</tr>
<tr>
<td>Irrigation and Power</td>
<td>51</td>
</tr>
</tbody>
</table>

**Plus "others", including Trade and Commerce (52% of total of all above)** 2,704

**Agriculture 1.6 to 2 million**

**Total 9.6 to 10 million**

---

### TABLE IV

**Problem of Unemployment in Second Plan (in millions)**

<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>For new entrant</td>
<td>3.8</td>
<td>6.2</td>
<td>10.0</td>
</tr>
<tr>
<td>For the backlog of unemployed</td>
<td>2.5</td>
<td>2.8</td>
<td>5.3</td>
</tr>
<tr>
<td>Total Unemployed</td>
<td>6.3</td>
<td>9.0</td>
<td>15.3</td>
</tr>
</tbody>
</table>


---

### TABLE V

**Distribution of Educated Unemployed in 1951**

<table>
<thead>
<tr>
<th>Educational Standard</th>
<th>Total Figures in 100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matriculates</td>
<td>21.57</td>
</tr>
<tr>
<td>Intermediate in Arts &amp; Sciences</td>
<td>4.66</td>
</tr>
<tr>
<td>Degree or Diploma Holders</td>
<td>3.74</td>
</tr>
<tr>
<td>a. Professional</td>
<td></td>
</tr>
<tr>
<td>b. Others</td>
<td>8.02</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>37.99</td>
</tr>
</tbody>
</table>

---

**x** High School Standard

**xx** Two Years Education in College

**xxx** Includes some diploma holders who have not obtained matriculation standard.

**xxxx** "Professional" refers to degree or diploma holders in teaching law, engineering, agriculture, and medical areas.

### TABLE VI

**ESTIMATION OF EDUCATED UNEMPLOYED IN 1955**

<table>
<thead>
<tr>
<th>Educational Standard</th>
<th>Total Figures in 100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matriculates</td>
<td>30.46</td>
</tr>
<tr>
<td>Intermediate and Equivalent</td>
<td>5.25</td>
</tr>
<tr>
<td>Graduate Degree or Diploma Holders</td>
<td>15.28</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>50.99</strong></td>
</tr>
</tbody>
</table>


### TABLE VII

**PERCENTAGE DISTRIBUTION OF URBAN LABOR FORCE ACCORDING TO MIGRATION STATUS**

<table>
<thead>
<tr>
<th>Workers</th>
<th>Four Large Cities</th>
<th>Other Large Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employed</td>
<td>Unemployed</td>
</tr>
<tr>
<td>Non-migrants</td>
<td>31.4</td>
<td>38.9</td>
</tr>
<tr>
<td>Migrants</td>
<td>68.6</td>
<td>61.5</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### TABLE VIII

**PERCENTAGE DISTRIBUTION OF UNDEREMPLOYED AND FULLY EMPLOYED IN EACH INDUSTRY**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Under Employed Persons</th>
<th>Fully Employed Persons</th>
<th>Not Recorded</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, animal husbandry, forestry, fishing, &amp; hunting</td>
<td>28.09</td>
<td>71.48</td>
<td>0.43</td>
<td>100.00</td>
</tr>
<tr>
<td>Mining &amp; quarrying</td>
<td>11.76</td>
<td>88.24</td>
<td>0.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Manufactures</td>
<td>33.29</td>
<td>65.90</td>
<td>0.81</td>
<td>100.00</td>
</tr>
<tr>
<td>Construction</td>
<td>65.17</td>
<td>34.83</td>
<td>0.50</td>
<td>100.00</td>
</tr>
<tr>
<td>Electricity, water, gas and sanitary services</td>
<td>12.21</td>
<td>87.79</td>
<td>0.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Distributive services</td>
<td>18.95</td>
<td>80.71</td>
<td>0.34</td>
<td>100.00</td>
</tr>
<tr>
<td>Transport, storage, and communication</td>
<td>27.57</td>
<td>72.13</td>
<td>0.30</td>
<td>100.00</td>
</tr>
<tr>
<td>Other services not covered above</td>
<td>17.57</td>
<td>82.29</td>
<td>0.14</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>26.52</strong></td>
<td><strong>72.93</strong></td>
<td><strong>0.75</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

### TABLE IX

PERCENTAGE DISTRIBUTION OF UNDEREMPLOYED AND FULLY EMPLOYED PERSONS BY INCOME

<table>
<thead>
<tr>
<th>Income Group (Rs. per mo.)</th>
<th>Underemployed</th>
<th>Fully Employed</th>
<th>Total</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 25</td>
<td>60.05</td>
<td>26.24</td>
<td>35.10</td>
<td>100.00</td>
</tr>
<tr>
<td>26 - 50</td>
<td>23.06</td>
<td>26.95</td>
<td>25.92</td>
<td>39.95</td>
</tr>
<tr>
<td>51 -100</td>
<td>12.30</td>
<td>29.94</td>
<td>25.30</td>
<td>16.89</td>
</tr>
<tr>
<td>101 -150</td>
<td>3.16</td>
<td>9.66</td>
<td>7.96</td>
<td>4.59</td>
</tr>
<tr>
<td>151 -300</td>
<td>1.29</td>
<td>5.46</td>
<td>4.39</td>
<td>1.43</td>
</tr>
<tr>
<td>301 -500</td>
<td>0.07</td>
<td>0.98</td>
<td>0.73</td>
<td>0.14</td>
</tr>
<tr>
<td>Above 500</td>
<td>0.07</td>
<td>0.77</td>
<td>0.60</td>
<td>0.07</td>
</tr>
</tbody>
</table>

Total: 100.00 100.00 100.00 100.00 100.00 100.00

Note: Rs. = approximately 20 cents.

**TABLE X**

**OCCUPATIONAL DISTRIBUTION OF APPLICANTS ON LIVE REGISTERS (1951-59)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Educated</th>
<th>Industrial Supervisory</th>
<th>Skilled and Semi-Skilled</th>
<th>Clerical</th>
<th>Domestic</th>
<th>Unskilled</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>5,811</td>
<td>3,654</td>
<td>40,519</td>
<td>86,798</td>
<td>11,991</td>
<td>164,274</td>
<td>25,355</td>
<td>338,402</td>
</tr>
<tr>
<td>1952</td>
<td>7,061</td>
<td>4,054</td>
<td>43,853</td>
<td>106,611</td>
<td>21,876</td>
<td>184,498</td>
<td>25,018</td>
<td>382,991</td>
</tr>
<tr>
<td>1953</td>
<td>10,437</td>
<td>4,052</td>
<td>47,340</td>
<td>134,311</td>
<td>15,760</td>
<td>233,807</td>
<td>31,418</td>
<td>477,575</td>
</tr>
<tr>
<td>1954</td>
<td>16,626</td>
<td>5,379</td>
<td>52,118</td>
<td>161,737</td>
<td>19,613</td>
<td>269,987</td>
<td>36,857</td>
<td>562,307</td>
</tr>
<tr>
<td>1956</td>
<td>28,368</td>
<td>4,879</td>
<td>56,908</td>
<td>213,473</td>
<td>25,556</td>
<td>380,089</td>
<td>37,816</td>
<td>749,099</td>
</tr>
<tr>
<td>1958</td>
<td>54,662</td>
<td>7,418</td>
<td>78,326</td>
<td>287,278</td>
<td>38,925</td>
<td>532,435</td>
<td>59,132</td>
<td>1,049,176</td>
</tr>
<tr>
<td>1959</td>
<td>67,994</td>
<td>11,349</td>
<td>99,026</td>
<td>337,351</td>
<td>48,979</td>
<td>686,697</td>
<td>65,405</td>
<td>1,314,204</td>
</tr>
</tbody>
</table>

TABLE XI

UNEMPLOYMENT BY OCCUPATIONAL GROUPS

<table>
<thead>
<tr>
<th>Date</th>
<th>1960</th>
<th>1961</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>VI</td>
<td>IX</td>
</tr>
<tr>
<td>Professional, technical, and related works.</td>
<td>81,930</td>
<td>80,706</td>
</tr>
<tr>
<td>Administrative, executive, and managerial works.</td>
<td>3,525</td>
<td>5,482</td>
</tr>
<tr>
<td>Clerical, sales, and related works.</td>
<td>98,774</td>
<td>89,107</td>
</tr>
<tr>
<td>Farmers, fishermen, and related works.</td>
<td>9,036</td>
<td>8,857</td>
</tr>
<tr>
<td>Miners, quarrymen, and related works.</td>
<td>1,659</td>
<td>1,719</td>
</tr>
<tr>
<td>Workers in transport and communications operations</td>
<td>30,475</td>
<td>34,024</td>
</tr>
<tr>
<td>Craftsmen, production process workers, laborers not classified elsewhere.</td>
<td>192,328</td>
<td>210,567</td>
</tr>
<tr>
<td>Service Workers</td>
<td>62,313</td>
<td>69,048</td>
</tr>
<tr>
<td>Workers not classified elsewhere.</td>
<td>981,955</td>
<td>1,085,553</td>
</tr>
</tbody>
</table>

TOTAL: 1,461,925 1,584,868 1,606,242 1,561,166 1,755,491

* applicants for work on the "live" register.

<table>
<thead>
<tr>
<th>Usual Occupation Group</th>
<th>Unemployed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and technical</td>
<td>0.43</td>
</tr>
<tr>
<td>Administrative</td>
<td>--</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>0.49</td>
</tr>
<tr>
<td>Other sales and financial operations</td>
<td>0.07</td>
</tr>
<tr>
<td>Distribute and financial operations (items 3-4)</td>
<td>0.56</td>
</tr>
<tr>
<td>Farmers (crops)</td>
<td>0.89</td>
</tr>
<tr>
<td>Cultivators</td>
<td>13.09</td>
</tr>
<tr>
<td>Share-croppers</td>
<td>1.86</td>
</tr>
<tr>
<td>Agricultural laborers</td>
<td>62.90</td>
</tr>
<tr>
<td>Farm machinery operators</td>
<td>0.01</td>
</tr>
<tr>
<td>Other agricultural (non-crops) and hunting occupations</td>
<td>0.53</td>
</tr>
<tr>
<td>Fishing and forestry</td>
<td>0.38</td>
</tr>
<tr>
<td>Agricultural, forestry, fishing and hunting (items 6-12)</td>
<td>79.66</td>
</tr>
<tr>
<td>Mining, quarrying, well drilling, and mineral ore treating</td>
<td>0.11</td>
</tr>
<tr>
<td>Transport and communication operations</td>
<td>0.72</td>
</tr>
<tr>
<td>Crafts and productions processes</td>
<td>5.53</td>
</tr>
<tr>
<td>Services</td>
<td>1.46</td>
</tr>
<tr>
<td>Unskilled workers</td>
<td>0.65</td>
</tr>
<tr>
<td>Occupations unidentifiable</td>
<td>0.24</td>
</tr>
<tr>
<td>Not recorded</td>
<td>10.64</td>
</tr>
<tr>
<td>Total (items 14-20)</td>
<td>19.35</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

## TABLE XIII

**Trend in Industrial Composition of Labor Force in India**

<table>
<thead>
<tr>
<th>Figures in Millions (Figures in brackets indicate percentages)</th>
<th>1941</th>
<th>1951</th>
<th>1956</th>
<th>1961</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary</strong></td>
<td>86.1</td>
<td>100.3</td>
<td>109.5</td>
<td>111.0</td>
</tr>
<tr>
<td></td>
<td>(70.0)</td>
<td>(70.04)</td>
<td>(72.04)</td>
<td>(68.00)</td>
</tr>
<tr>
<td><strong>Secondary</strong></td>
<td>16.4</td>
<td>16.7</td>
<td>16.0</td>
<td>20.7</td>
</tr>
<tr>
<td></td>
<td>(13.33)</td>
<td>(11.66)</td>
<td>(10.52)</td>
<td>(12.64)</td>
</tr>
<tr>
<td><strong>Tertiary</strong></td>
<td>20.5</td>
<td>26.2</td>
<td>26.5</td>
<td>31.3</td>
</tr>
<tr>
<td></td>
<td>(16.67)</td>
<td>(18.30)</td>
<td>(17.43)</td>
<td>(19.20)</td>
</tr>
<tr>
<td><strong>Total Work Force:</strong></td>
<td>123.0</td>
<td>143.2</td>
<td>152.0</td>
<td>163.0</td>
</tr>
<tr>
<td></td>
<td>(100.0)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

### TABLE XIV

PERCENTAGE DISTRIBUTION OF UNEMPLOYED PERSONS BY TECHNICAL OR PROFESSIONAL QUALIFICATIONS

<table>
<thead>
<tr>
<th>Technical or Professional Qualifications</th>
<th>Unemployed persons seeking employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For The First Time</td>
</tr>
<tr>
<td>No technical or professional qualifications</td>
<td>73.43</td>
</tr>
<tr>
<td>Professional or technical skill without any degree or equivalent diploma and not covered by 4.</td>
<td>24.05</td>
</tr>
<tr>
<td>Certificate or diploma in typing, stenography, nursing, midwifery, or pharmacy.</td>
<td>1.68</td>
</tr>
<tr>
<td>Degree or equivalent diploma in any technology or profession.</td>
<td>0.84</td>
</tr>
<tr>
<td>Not recorded.</td>
<td>0.00</td>
</tr>
<tr>
<td>Total:</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Number of Sample Persons:

- 237
- 291
- 528

<table>
<thead>
<tr>
<th>Skill</th>
<th>Unemployed % of Sample Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typist, stenographer</td>
<td>0.14</td>
</tr>
<tr>
<td>Fisherman</td>
<td>0.12</td>
</tr>
<tr>
<td>Miner, quarryman</td>
<td>0.13</td>
</tr>
<tr>
<td>Spinner</td>
<td>0.11</td>
</tr>
<tr>
<td>Weaver</td>
<td>0.75</td>
</tr>
<tr>
<td>Tailor, cutter</td>
<td>0.38</td>
</tr>
<tr>
<td>Shoemaker, cobbler</td>
<td>0.38</td>
</tr>
<tr>
<td>Carpenter</td>
<td>0.61</td>
</tr>
<tr>
<td>Mason, bricklayer</td>
<td>0.89</td>
</tr>
<tr>
<td>Moulder</td>
<td>0.03</td>
</tr>
<tr>
<td>Machineman</td>
<td>0.04</td>
</tr>
<tr>
<td>Die-maker, fitter</td>
<td>0.05</td>
</tr>
<tr>
<td>Welder</td>
<td>0.00</td>
</tr>
<tr>
<td>Blacksmiths</td>
<td>0.23</td>
</tr>
<tr>
<td>Goldsmiths, silversmiths</td>
<td>0.13</td>
</tr>
<tr>
<td>Electrician</td>
<td>0.01</td>
</tr>
<tr>
<td>Motor vehicle driver, tractor driver</td>
<td>0.09</td>
</tr>
<tr>
<td>Boatman</td>
<td>0.05</td>
</tr>
<tr>
<td>Potter</td>
<td>0.03</td>
</tr>
<tr>
<td>Nurse, midwife</td>
<td>0.46</td>
</tr>
<tr>
<td>Persons having none of the above skills:</td>
<td>95.37</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Number of Sample Persons:** 6558

TABLE XVI

INCIDENCE OF UNEMPLOYMENT IN DIFFERENT COMMUNITIES
IN 1937 AND 1954

Percentage of unemployed to total earners in each community group

<table>
<thead>
<tr>
<th>Community</th>
<th>1937 Survey</th>
<th>1954 Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mahana</td>
<td>5.0</td>
<td>9.8</td>
</tr>
<tr>
<td>Artisan Group</td>
<td>3.5</td>
<td>8.9</td>
</tr>
<tr>
<td>Brahmins</td>
<td>6.0</td>
<td>5.7</td>
</tr>
<tr>
<td>Weaving Castes</td>
<td>-</td>
<td>2.9</td>
</tr>
<tr>
<td>Other Depressed Classes</td>
<td>-</td>
<td>8.1</td>
</tr>
<tr>
<td>Marathas</td>
<td>-</td>
<td>8.0</td>
</tr>
<tr>
<td>Muhammadans</td>
<td>-</td>
<td>7.9</td>
</tr>
<tr>
<td>Christians</td>
<td>-</td>
<td>9.6</td>
</tr>
<tr>
<td>Other Minority Communities</td>
<td>-</td>
<td>39.1</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age Intervals</th>
<th>Gainfully Occupied Persons</th>
<th>Unemployed Persons Seeking Employment</th>
<th>Total Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-6</td>
<td>-</td>
<td>-</td>
<td>100.00</td>
</tr>
<tr>
<td>7-15</td>
<td>90.68</td>
<td>9.32</td>
<td>100.00</td>
</tr>
<tr>
<td>16-17</td>
<td>78.36</td>
<td>21.64</td>
<td>100.00</td>
</tr>
<tr>
<td>18-21</td>
<td>79.44</td>
<td>20.56</td>
<td>100.00</td>
</tr>
<tr>
<td>22-26</td>
<td>91.24</td>
<td>8.76</td>
<td>100.00</td>
</tr>
<tr>
<td>27-36</td>
<td>95.31</td>
<td>4.19</td>
<td>100.00</td>
</tr>
<tr>
<td>37-46</td>
<td>96.45</td>
<td>3.55</td>
<td>100.00</td>
</tr>
<tr>
<td>47-56</td>
<td>95.78</td>
<td>4.22</td>
<td>100.00</td>
</tr>
<tr>
<td>57-61</td>
<td>97.97</td>
<td>2.03</td>
<td>100.00</td>
</tr>
<tr>
<td>62+</td>
<td>98.10</td>
<td>1.90</td>
<td>100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-15</td>
<td>4.91</td>
<td>8.25</td>
</tr>
<tr>
<td>16-17</td>
<td>7.26</td>
<td>17.12</td>
</tr>
<tr>
<td>18-21</td>
<td>7.75</td>
<td>17.38</td>
</tr>
<tr>
<td>22-26</td>
<td>6.47</td>
<td>8.30</td>
</tr>
<tr>
<td>27-36</td>
<td>5.63</td>
<td>5.01</td>
</tr>
<tr>
<td>37-46</td>
<td>5.90</td>
<td>4.78</td>
</tr>
<tr>
<td>47-56</td>
<td>5.16</td>
<td>4.62</td>
</tr>
<tr>
<td>57-61</td>
<td>5.00</td>
<td>6.64</td>
</tr>
<tr>
<td>16-61</td>
<td>6.10</td>
<td>7.43</td>
</tr>
<tr>
<td>62 and above</td>
<td>5.33</td>
<td>2.83</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>5.97</td>
<td>7.35</td>
</tr>
</tbody>
</table>

## TABLE XIX

**UNEMPLOYED PERSONS ACCORDING TO AGE GROUPS**

(\textit{in percentages})

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Residents</th>
<th>Migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td>71.36</td>
<td>75.29</td>
</tr>
<tr>
<td>25-34</td>
<td>17.62</td>
<td>19.90</td>
</tr>
<tr>
<td>35-44</td>
<td>7.93</td>
<td>4.71</td>
</tr>
<tr>
<td>45-54</td>
<td>3.09</td>
<td>2.10</td>
</tr>
<tr>
<td>Total:</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

### Table XX

**AGE DISTRIBUTION OF THE UNEMPLOYED FROM THE SAMPLE SURVEY OF 1961**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Males</th>
<th>Males, Total</th>
<th>Females</th>
<th>Females, Total</th>
<th>Persons</th>
<th>Persons, Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-6</td>
<td>0.16</td>
<td>20.61</td>
<td>-</td>
<td>21.06</td>
<td>0.13</td>
<td>20.83</td>
</tr>
<tr>
<td>7-15</td>
<td>4.74</td>
<td>21.73</td>
<td>5.65</td>
<td>20.04</td>
<td>4.90</td>
<td>20.92</td>
</tr>
<tr>
<td>0-15</td>
<td>4.90</td>
<td>42.34</td>
<td>5.65</td>
<td>41.10</td>
<td>5.03</td>
<td>41.75</td>
</tr>
<tr>
<td>16-17</td>
<td>5.18</td>
<td>3.55</td>
<td>10.74</td>
<td>3.72</td>
<td>6.14</td>
<td>3.63</td>
</tr>
<tr>
<td>18-21</td>
<td>26.66</td>
<td>7.64</td>
<td>20.20</td>
<td>7.94</td>
<td>25.54</td>
<td>7.79</td>
</tr>
<tr>
<td>22-26</td>
<td>18.59</td>
<td>9.28</td>
<td>18.00</td>
<td>10.21</td>
<td>18.49</td>
<td>9.72</td>
</tr>
<tr>
<td>47-56</td>
<td>7.23</td>
<td>6.60</td>
<td>8.53</td>
<td>6.75</td>
<td>7.45</td>
<td>6.68</td>
</tr>
<tr>
<td>57-61</td>
<td>3.71</td>
<td>2.22</td>
<td>2.22</td>
<td>2.69</td>
<td>3.46</td>
<td>2.44</td>
</tr>
<tr>
<td>62 &amp; Above</td>
<td>0.82</td>
<td>3.14</td>
<td>1.02</td>
<td>3.81</td>
<td>0.86</td>
<td>3.46</td>
</tr>
<tr>
<td>Not recorded</td>
<td>0.29</td>
<td>0.19</td>
<td>0.17</td>
<td>0.03</td>
<td>0.23</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

| No. of sample persons | 673 | 16,869 | 133 | 15,357 | 786 | 32,226 |

**Source:** Govt. of India, The Cabinet Secretariat, *The National Sample Survey Number 52, Tables 7 (6) and 7 (7),* (Calcutta: The Manager of Publications, 1961), pp. 201 and 207.
<table>
<thead>
<tr>
<th>Number of Sample Persons</th>
<th>5,565</th>
<th>1,232</th>
<th>7,097</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Force (in percentages)</td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>Those seeking work:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For the first time:</td>
<td>3.47</td>
<td>2.60</td>
<td>3.33</td>
</tr>
<tr>
<td>Not for the first time:</td>
<td>4.29</td>
<td>3.20</td>
<td>4.11</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>7.44</td>
<td>6.00</td>
<td>7.44</td>
</tr>
<tr>
<td>Gainfully Employed Persons:</td>
<td>92.24</td>
<td>94.00</td>
<td>92.56</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

## TABLE XXII
### DISTRIBUTION OF UNEMPLOYED BY SEX IN SAMPLE POPULATION OF 1956-57

<table>
<thead>
<tr>
<th>Activity Status</th>
<th>Agricultural Labour</th>
<th>Non-Agricultural Labour</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Males</td>
<td>Females</td>
</tr>
<tr>
<td>Gainfully employed persons</td>
<td>49.22</td>
<td>24.58</td>
</tr>
<tr>
<td>Unemployed persons with a job or enterprise at a future date.</td>
<td>2.85</td>
<td>3.26</td>
</tr>
<tr>
<td>Unemployed persons without a job or enterprise at a future date.</td>
<td>3.23</td>
<td>3.61</td>
</tr>
<tr>
<td>Unemployed persons (items 2-3 above)</td>
<td>6.06</td>
<td>6.87</td>
</tr>
<tr>
<td>Persons in labor force (items 1 and 4 above)</td>
<td>55.28</td>
<td>31.25</td>
</tr>
<tr>
<td>Persons not in labor force</td>
<td>44.42</td>
<td>68.30</td>
</tr>
<tr>
<td>Not recorded</td>
<td>0.30</td>
<td>0.45</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
</tr>
<tr>
<td>No. of sample persons</td>
<td>45,575</td>
<td>44,790</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activity Status</th>
<th>Never Married</th>
<th>Married</th>
<th>Widowed</th>
<th>Divorced and Separated</th>
<th>Not Recorded</th>
<th>Total</th>
<th>Number of Sample Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Males- with job or enterprise at future date.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. seeking work for first time</td>
<td>68.63</td>
<td>30.89</td>
<td>0.48</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>144</td>
</tr>
<tr>
<td>b. seeking work not for the first time</td>
<td>34.63</td>
<td>58.00</td>
<td>5.47</td>
<td>1.90</td>
<td>-</td>
<td>100</td>
<td>252</td>
</tr>
<tr>
<td>c. not seeking but available</td>
<td>27.15</td>
<td>66.37</td>
<td>5.47</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>52</td>
</tr>
<tr>
<td>Unemployed persons with job or enterprise at future date (a-c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Males- not with job or enterprise at future date.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. seeking work for first time</td>
<td>78.16</td>
<td>20.36</td>
<td>1.48</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>221</td>
</tr>
<tr>
<td>b. seeking work not for the first time</td>
<td>58.17</td>
<td>57.64</td>
<td>2.91</td>
<td>1.28</td>
<td>-</td>
<td>100</td>
<td>358</td>
</tr>
<tr>
<td>c. not seeking but available</td>
<td>55.51</td>
<td>36.79</td>
<td>5.63</td>
<td>2.07</td>
<td>-</td>
<td>100</td>
<td>34</td>
</tr>
<tr>
<td>Unemployed males not with job or enterprise at future date</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL UNEMPLOYED MALES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>43.47</td>
<td>47.02</td>
<td>3.24</td>
<td>1.00</td>
<td>-</td>
<td>100</td>
<td>1061</td>
</tr>
</tbody>
</table>

* Those who expect a job in the near future.
<table>
<thead>
<tr>
<th>Activity Status</th>
<th>Never Married</th>
<th>Married</th>
<th>Widowed</th>
<th>Separated Divorced and</th>
<th>Not Recorded</th>
<th>Total</th>
<th>Sample Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B. Females— with job or enterprise at future date.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. seeking work for first time</td>
<td>47.19</td>
<td>42.84</td>
<td>9.97</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>16</td>
</tr>
<tr>
<td>b. seeking work not for the first time</td>
<td>21.88</td>
<td>46.64</td>
<td>23.76</td>
<td>7.72</td>
<td>-</td>
<td>100</td>
<td>45</td>
</tr>
<tr>
<td>c. not seeking but available</td>
<td>12.39</td>
<td>78.80</td>
<td>8.81</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>17</td>
</tr>
<tr>
<td><strong>Unemployed females with job or enterprise at future date (a-c)</strong></td>
<td>24.86</td>
<td>51.78</td>
<td>18.48</td>
<td>4.88</td>
<td>-</td>
<td>100</td>
<td>81</td>
</tr>
<tr>
<td><strong>Females— not with job or enterprise at future date.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. seeking work for first time</td>
<td>50.62</td>
<td>16.46</td>
<td>26.12</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>45</td>
</tr>
<tr>
<td>b. seeking work not for first time</td>
<td>14.78</td>
<td>55.59</td>
<td>29.63</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>61</td>
</tr>
<tr>
<td>c. not seeking but available</td>
<td>13.13</td>
<td>56.80</td>
<td>25.07</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>24</td>
</tr>
<tr>
<td><strong>Unemployed females not with job or enterprise at a future date.</strong></td>
<td>30.42</td>
<td>41.70</td>
<td>27.88</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td><strong>TOTAL UNEMPLOYED FEMALES:</strong></td>
<td>28.21</td>
<td>45.70</td>
<td>24.15</td>
<td>1.94</td>
<td>-</td>
<td>100</td>
<td>211</td>
</tr>
</tbody>
</table>

APPROVAL SHEET

The thesis submitted by Xavier Arakal has been read and approved by three members of the faculty of the Institute of Social and Industrial Relations.

The final copies have been examined by the Director of the thesis and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the thesis is now given final approval with reference to content, form and mechanical accuracy.

The thesis is therefore accepted in partial fulfillment of the requirements for the Degree of Master of Social and Industrial Relations.

May 15, 1964
Date

Julian Rent
Signature of Advisor