

UNEMPLOYMENT AND HUMAN CAPITAL WASTAGE IN THE YOUTH (AGED 15-29) OF BIHAR WITHIN THE PAST 3 DECADES

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Abstract

Over the last three decades, there has been a dramatic increase in the number of young people forced to navigate the complex world where global economic forces coexist with nationally and regionally portrayed financial strategies. Plans for the labor market from the late 1990s through the early 2020s, with a focus on the years 1999/2000, 2009/2010, and 2020/21, will be examined in this research. According to data from the International Labor Organization (ILO), the youth unemployment rate has been rising steadily since roughly 2011. This comes after it had declined noticeably from its high point at the start of the global economic collapse. By 2013, it will be more familiar to 28 million young people. (ILO 2012). As a result, starting in roughly 2011, there has been a consistent increase in the general young unemployment rate, which is estimated at 12.6% (in 2011) and reached 12.8% by 2018. Among those aged 25 and older, the unemployment rate in 2013 was 4.6%; nonetheless, most were still earning some money. (ILO 2012). This study analyses two potential solutions to the "problem" of youth unemployment: training and strict regulation of the labor market.

Paper Identification



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INTRODUCTION

Anyone between the ages of 15 and 24 is considered "young" in India as shown by India's Census 2011 and The United Nations (UN). According to the annual survey of 2011, one in five people who are healthy and productive adults, are over the age of thirty. In Bihar, (India) 44.2% of young people are poor, and 28 million of them are living in extreme poverty. Roughly four million children in Bihar, (23%), are underweight.

Although the unemployment rate is far higher in the developing world, it is a growing concern in developed nations as well. In the 1960s, the United States and Canada were the only industrialized countries with young unemployment rates over 10%; by the 1980s, many more countries had youth unemployment rates in the double digits. Throughout Europe and North America, the 2008 financial crisis had a profound impact on teen

entrepreneurship. Paid work dropped by a noticeable amount or more in all of the 17 local areas pay nations examined during the disaster. Following the financial crisis that shook Latin American nations in 2008, many young people searched for work in the leisure and "faint" industries.

According to the "Third Annual Work and Jobless Framework 2012-13" released by the Work Office on Thursday (November 29, 13), the youth unemployment rate is lower among non-school-ready adolescents than among school-ready adolescents. According to a correlation analysis of the most recent report from the Work Division, the unemployment rate in 2012-13 was higher than in 2011-12.

For people between the ages of 15 and 29, Bihar's unemployment rate was 3.7% in 2012-2013, a significant decrease from the 1.2% rate maintained the previous year.

Additionally, the rate of unemployment among college graduates increased from 19.4 percent in 2011-2012 to 32.6 percent in 2012-2013. Research findings indicate that a higher rate of active unemployment is linked to lower levels of education and training. (Regardless of where you fall on the age spectrum, 15-24-year-olds, 18-29-year-olds, and 15-29-year-olds all have valid points of view).

REVIEW OF LITERATURE

In the context of monetary forecasting, there are three non-obvious connections between accessibility and productivity. Research has demonstrated that the impact of orientation on commercial opportunities varies across the terrain and in the opposite way. With the exception of one aspect of planning, Halchuk (2006) found a favorable correlation between women's education and employment opportunities for those living in Australia's major cities. In rural areas, women's educational levels have a little impact on their productivity.

However, studies have demonstrated that a young person's employability is governed by their degree of teaching and coordination. Wald (2000) provides useful information for promoting youth employment via training and organization. As the producer becomes bigger, younger delegates don't have the same incentives that their more seasoned grownup coworkers get, such as years of experience in the industry and the organization. Therefore, planning is the crucial component that fundamentally affects boost their employability in spite of a lack of these traits. The relationship between education and salary is complex. Factors such as the scope of the occupation and the location of the post being sought may influence whether or not a certain endeavor searcher is picked, regardless of their level of training. Gaining potential and financial benefits, despite setbacks associated with variables like education level and career path will exhibit the growth of the country. Rather than decreasing linearly with education level, researchers in Australia (Halchuk, 2006) and Germany (Berlin and Isengard, 2003) showed that unemployment rates vary depending on whether or not a person has an expert declaration. Although Pastore (2005), Van et al. (2005), and Berlin and Isengard (2007) do not answer the question definitively, there is no correlation between finishing an advanced degree and improved employment chances in Vietnam or the Unified Space (2003). In the end, the World Bank uses information from countries with significant dominant improvement; such as Germany, Austria, and Switzerland, to rank the importance of fit arranging in the process of skill development (2007).

Related studies provide explanations for why and for how long certain persons struggle to find work after completing their formal education. There is a correlation between educational attainment and joblessness. The odds of being unemployed decrease

with increasing levels of education. As a result, training focuses on a person's chances of securing and sustaining a profession, as well as their capacity to make ends meet in the event that they do so. In addition to Europe (Fernando et al., ND); Belgium, England, Italy, Portugal, Spain, and the Netherlands; and Ethiopia (Serneels, 2007); Bosnia and Herzegovina (Tiongson and Charges, 2007); Poland (Pastore, 2005); Germany and the Bound together Region (Berlin and Isengard, 2003); and Ethiopia (Serneels, 2007); (Rita and Ruiz-Quintanilla, 1996). Lam et al. (2008) use probit analysis to demonstrate that educational establishment and basic welfare influence early-work pay. A 16 percentage point advantage in the secret four years after graduation was shown for those who left school with a secondary school confirmation or above compared to those who left school with just a secondary school confirmation or below. People with lower reading and numeracy skills were found to be compensated more in the gig economy, whereas the average impact of preparation was shown to be less.

EFFECTS OF UNEMPLOYMENT

1. Loss of Human Resources: Human capital is lost due to unemployment. It's a waste of time for job seekers to keep looking when they're not going to find anything.

2. Increase in Poverty: When a person is out of work, s/he has no way to make money. That's why s/he is getting poorer and poorer. Consequently, unemployment causes poverty.

3. Social Problems: Many societal ills, such as dishonesty, wagering, bribery, theft, etc., may be traced back to the presence of high unemployment rates. There is a threat to social security benefits because of the current unemployment rate.

4. Political Instability: The political stability of a nation erodes when its workforce is disenfranchised.

The unemployed are a prime target for antisocial groups because of their vulnerability. They completely abandon hope in liberal ideals and nonviolent solutions. Government is useless in their eyes since it cannot guarantee them employment.

5. Exploitation of Labor: Without a job, women are abused to the fullest degree imaginable. Those workers who are able to find jobs do so at low pay and in difficult conditions.

How this reflects on workers' productivity is a major factor in the distribution of available jobs across the country. Those who are economically disadvantaged waste their resources and contribute nothing to society.

1. More Emphasis on Capital Intensive Techniques: Bihar suffers from a lack of resources while at the same time being awash with workers. Because of the current economic situation, the nation has to use labor-intensive manufacturing methods. It has been noted, however, that there is a marked growth of capital over labor in many fields than manufacturing.

Capital is plentiful in western countries, thus the use of automated machinery and other hi-tech tools is understandable there, but in India, where labor is plentiful, these investments are often wasted, leading to high unemployment rates.

2. Weak Education System: Our country's educational system has also failed to address the generational divide. It teaches nothing useful or relevant to real life and instead focuses on broad, theoretical concepts.

Bihar's educational system is weak, turning out only clerks and entry-level executives for both public and private sectors. Because of this open-door policy, the number of unemployed college graduates who are qualified for only white-collar work has skyrocketed.

3. Slow Growth of Tertiary Sector: Development in the Tertiary Sector is sluggish because it has

closed down, and the informal sector (which comprises commerce, commerce, transit, etc.) can no longer absorb more workers. There has been a clear correlation between the high unemployment rates experienced by professionals like engineers, and doctors, and those with scientific or technological backgrounds.

4. Decline of Cottage and Small Scale Industries:

Artisans, crafters, and also other non-farm employees in rural regions formerly relied heavily on traditional handicrafts as their major source of income.

Partially as a result of adverse policies by British colonizers and partly as a result of stiff competition with computer items, many rural traditions have been lost or significantly weakened. These employees have been out of jobs ever since. A large portion of them took up nomadic life as agricultural laborers.

5. Inadequate Financial Resources: People living in rural and semi-urban parts of the nation have limited adequate financial resources to establish their own enterprises, which is a barrier to producing new employment.

Unlike their counterparts who are state lawyers, government bureaucrats, and other highly skilled persons, these persons lack the financial means needed to launch their own profitable firms. They're on the lookout for a job that will help them out financially.

STEPS TO ELIMINATE UNEMPLOYMENT

Even if "Prof. Mahalanobis' Strategy for Fundamental and Core Industries is based on capital-intensive" procedures, our state should strive to **use technologies** for new areas of production.

Expanding industries and manufacturing factories are the keys to reducing industrial unemployment, which may be achieved through improving productivity in the sector. Because of this, it is critical that both current industries grow and that new ones be created. In order to get started, it's important to

establish a number of foundational businesses, including those related to iron and steel, military, chemicals, power production, and atomic and renewable energy sectors.

The **population of Bihar** is growing at an alarming rate, which is a major concern. Unemployment cannot be effectively addressed until this issue is resolved.

The production of both **agriculture and industry** has to be boosted. Because of this, additional work has to be done to guarantee the success of the family planning program, especially in the country's rural and impoverished regions.

Bihar has to **realign its educational system** to reflect the state's evolving economic and social climate if it is to solve the problem of educated people finding themselves unemployed in urban regions.

Certain **fields of study** need to be prioritized again. Young men and women, especially those living in rural regions, should be encouraged to further their education so that they may start the cottage industries and small businesses they envision for themselves.

Bihar's education system, healthcare infrastructure, and other service **delivery mechanisms** continue to lag behind those of western industrialized countries. Therefore, effort must be made to provide these resources to those in economically poor rural regions.

People tend to move from rural regions and smaller towns to bigger cities in search of greater employment opportunities, as shown by historical trends. Due to this, urbanization and population expansion have emerged as critical problems. In such a situation, **decentralizing** should focus on businesses close to smaller towns, preferably those that can make use of the region's natural advantages.

Because these mechanisms provide opportunities for individuals, **small and medium-sized enterprises** should get substantial support. Provide them with easy access to capital, iron ore training facilities, transportation and trade facilities, etc.

Fortunately, the Sixth **Five-Year Plan** (1980–1985) took into account the need to offer these services as part of the self-employment program. The Eighth Five-Year Plan (1992-1997) proposed similar measures.

Economists are in agreement that **guiding centers and further employment exchanges** should be established to assist job seekers in both rural and urban regions. And ideas for self-employment should also inspire them.

Since the majority of people still live in rural areas and work in agriculture as their main source of income, **rural development plans** are desperately needed.

Spending extensively on **land reform** and integrating attempts to cut science and engineering into conventional farming and some other **non-urban modes of production** is seen as the only viable answer.

HIGHLIGHTS OF THE THIRD ANNUAL EMPLOYMENT & UNEMPLOYMENT SURVEY 2012-13

The Labor Bureau, a sub-department of the Department of Manpower and Employment, has released the results of the state's Third Estimated total Employment & Unemployment Survey for 2012-13. Each individual district for each state and territory has been assessed. Some major takeaways from the survey are as follows:

In all of Bihar, the Usual Principal Status (UPS) method predicted an unemployment rate of 4.7%.

The unemployment level was 4.4% in remote areas and 5.7% throughout urban areas when using the UPS technique.

Using the conventional main status method, it was estimated that between the ages of 15 and 29, a labor force participation rate of 39.5% and an unemployment rate of 13.3% in the prime working years of the young.

According to the UPS method, the corresponding estimates for the Unemployment Rate (UR) “in the 15- to 24-year-old, 18- to 29-year-old, and 15- to

29-year-old age” brackets in the state of Bihar were 18.1, 13.0, and 13.3 percent, respectively.

From what we are certain, most people who enter the workforce between the ages of 15 and 29 do so as dependent and independent contractors or in temporary roles.

For those in the labor force between the ages of 15 and 29, 41.3% are classified as self-employed, 34.7% as casual workers, and 24.0% as wage/salaried employees or contract workers, according to the typical principle status method.

The poll found that unemployment rates for those aged 15 to 24, 18 to 29, and 15 to 29 increased with increasing levels of education.

According to the survey findings using the standard principle status technique for the age range of 15-29, one out of every three people who have completed high school or above and possessed a degree were without work.

Table 1: Table showing unemployment rates among different age groups as per report on employment and unemployment 2012-13, Government of Bihar

Approach	15-24 Year	18-29 Year	15-29 Year
Unemployment Rate (UR)			
UPS	18.1	13.0	13.3
UPSS	15.3	11.0	11.3
CDS	17.2	12.7	13.0
CWS	16.0	11.7	12.0

*SOURCE: www.labourbureau.gov.in *Usual Principal Status (UPS) approach, Usual Principal and Subsidiary Status (UPSS) approach, Current Weekly Status (CWS) approach and Current Daily Status (CDS) approach.*

Graduates and above in the age range of 15–29 were expected to have a 36.6% higher unemployment rate in rural regions than those living in urban areas, where the figure is 26.5%.

In the poll, those who could not read or write any language had the third-lowest unemployment rate (3.7% for those between the ages of 15 and 29 throughout Bihar).

Table 2: Table showing Unemployment Rate (UR) (Male & Female Percentage)

	MALE	FEMAL	P	MALE	FEMAL	P	MALE	FEMAL	P
	E	E		E	E		E	E	
UPS	40	58	44	42	128	57	40	72	47
UPSS	33	42	35	39	117	53	35	56	40
CDS	48	61	51	42	116	56	46	784	52
CWS	39	52	42	39	113	54	39	64	45

Source: Report on third employment and unemployment survey 2012-13, Govt. of Bihar, Volume I



Unemployment Rate based on different approaches

In accordance with the customary primary category methodology, the poll estimated that 47 out of every 1000 people in Bihar (those aged 15 and above) were without gainful work. Assuming the standard main status method, the unemployment rate for males in Bihar is projected to be 40 per 1000, while the rate for women is calculated to be 72.

HIGHLIGHTS OF THE 12TH FIVE-YEAR PLAN (2012-2017) AND YOUTH EMPLOYMENT

Employment Patterns: Expanding Industries in the Service Sector, Including IT, Financial, Travel, and Commerce and Trade. An effort was made to make the manufacturing sector the engine of job growth, which produced an extra 10 Million Jobs by the end of the 12th Five-Year Plan.

The key to unlocking the program's full potential is ensuring the right mix of courses lead to a job-ready graduate and made it possible for ten million more people to find gainful employment in the industrial and service sectors. The 11th Five-Year Plan aimed to create 18 million jobs, and between 2004-05 and 2009-10, 18 million jobs were actually created on a CDS basis.

From 2004–2005 (on a CDS basis) to 2009–2010 (on a UPSS basis), the unemployment rate fell from 8.28% to 6.6%, and from 2.3% to 2%.

Table 3: Table showing Employment rates as per National Sample Survey (12th Five-Year Plan)

	UNEMPLOYMENT RATE		
YEARS	1999-2000	2009-10	2020-21
RURAL	1.5	1.7	1.6
URBAN	4.7	4.5	3.4

Source: NSS 55th 61st and 66th round.

Table 4: Table showing employment rates as per NSS, 12th Five Year Plan (in %)

Year	Employment Rate
1983	9.22
1993-94	6.06
1999-2000	7.31
2004-05	8.28
2009-10	6.6

Source: 12th five year plan, volume III

(NSS round)

Table 5: Table showing a comparison of the last five-years total population and unemployment rates in Bihar.

Country	2007	2008	2009	2010	2011	2012
Population	1,129,866,000	1,147,996,000	1,166,079,000	1,173,108,000	1,189,173,000	1,205,074,000
Unemployed Youth	86,434,749	121,113,578	189,487,837	196,378,279	189,197,424	177,025,370
Unemployed Youth (in %)	7.65%	10.55%	16.25%	16.74%	15.91%	14.69%

CONCLUSION

Nowadays, everyone is interdependent and everything is intertwined. This necessity was felt especially after the 2008 financial crisis. More and more young people are underemployed or jobless

because of the growing number of young people entering the labor force and the lack of available jobs in this competitive labor market. In light of the lack of institutional social protection for young people in Bihar, the youth contend with the struggle of daily life and the danger of stunted development. Several initiatives have been started in Bihar to reduce young unemployment. Bihar is a leader in the implementation of programs like MNREGA that provide jobs for the local population. In the case of skilled employees, a similar set of policy efforts has been put in place. As part of a larger initiative, Bihar has developed programs to teach new skills, and it is getting aid from other nations, including Germany, to do so. However, the effects of these efforts have been modest. In order to better our own job guarantee and social security policies, we must study the policies of other states and countries as well. Since the causes of unemployment are becoming more interconnected and international in scope, it is possible that national solutions may not be enough. The issue of young unemployment requires international attention. It is imperative that international bodies prioritize young unemployment in order to improve youth employability and job prospects.

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