A Study of Educated Unemployment in Live Register of Employment Exchange in India

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Abstract: Youth is an asset for any nation and productive employment of youth is essential for them to contribute to its economic development. Especially, for a young nation like India on verge of the demographic dividend phase, achieving high rate of youth employment is of paramount importance. Youth unemployment often impose significant economic and social costs on a country. Employment Exchanges play a significant role in assisting the youth in finding employment in paid jobs. They also assist them in starting Self-Employment Ventures through Vocational Guidance activities. Registering the applications of job-seekers and notifying them about vacancies, collection and dissemination of Employment Market Information, Vocational Guidance to students and the youth are the major functions of Employment Exchanges.

Keywords: Employment Exchange, Productive Employment

Introduction

Employment Exchanges play a significant role in assisting the youth in finding employment in paid jobs. They also assist them in starting Self-Employment Ventures through Vocational Guidance activities. Registering the applications of job-seekers and notifying them about vacancies, collection and dissemination of Employment Market Information, Vocational Guidance to students and the youth are the major functions of Employment Exchanges. Employment exchanges are responsible for collecting regularly information about employment in the Private Sector as well as in the Public Sector. This is being done by what is known as ‘establishment reporting’ system. Under this system, all establishments in the Public Sector and selected establishments in the Private Sector engaged in non-agricultural activities are required to furnish regularly details about the number of persons they are employing, vacancies that have occurred therein and the type of persons they find to be in short supply. The information is collected from all establishments in Public Sector and those employing 25 or more persons in the Private Sector under the provisions of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 which has made it obligatory on them to render to the local Employment Exchange employment and Occupational returns prescribed under the Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960. Information from smaller establishments employing 10-24 persons is in the Private Sector is, however, collected on voluntary basis.

Youth is an asset for any nation and productive employment of youth is essential for them to contribute to its economic development. Especially, for a young nation like India on verge of the demographic dividend phase, achieving high rate of youth employment is of paramount importance. Youth unemployment often impose significant economic and social costs on a country. In this regard, governments are rightly concerned about rising levels of youth unemployment and underemployment because of not only the direct economic costs (include financing unemployment benefits, retraining schemes and other active labour market policies, and the loss in potential output resulting from lower employment rates), but also due to the social impact of joblessness as manifested by increased crime, mental health problems, violence, drug taking and social exclusion (Mitra & Verick, 2013).

Youth unemployment and underemployment is prevalent around the world because young people lack skills, work experience, job search abilities and the financial resources to find employment (United Nations, 2003; ILO, 2006; Matsumoto et al., 2012 as cited in Mitra & Verick, 2013). Moreover, young Indians face major barriers because of poverty and low levels of human capital (Mitra & Verick, 2013). In case of India the unemployment rate among youth is generally higher than the rest of the population and it increases with the level of education. Thus youth employment deserves special attention due to specific challenges faced by the youth in the form of lack of experience, heightened vulnerability during economic downturns in terms of difficulty in finding jobs and high chances of being laid off (‘last in first out’).
Employment Exchange Scenario

According to the report, there were 978 Employment Exchanges including University Employment Information and Guidance Bureaux at the end of December 2014.

Live Register

According to the report, 482.61 lakh persons were reported to be total job seekers on the live register of employment exchanges in the country at the end of December 2014.

Among 482.61 lakh job seekers, 170.78 lakh jobseekers were women.

Among 468.03 lakh job seekers as on 31.12.2013, 72.92 lakh job seekers belonged to Scheduled Castes, 24.87 lakh job seekers to Scheduled Tribes and 114.14 lakh to Other Backward Classes.

Total physically handicapped job seekers on the live register were 7.17 lakh at the end of December 2013.

Total job seekers belonging to youth (15-29 years) on the live register were 302.53 lakh at end of December, 2013.

Total job seekers belonging to Minority Communities on the live register were 57.49 lakh at the end of 2013.

Educated Live Register

Total number of educated job seekers (10th standard and above) on live register of employment exchanges at the end of December, 2013 was 400.15 lakh.

Among 400.15 lakh educated jobseekers, 148.41 lakh were women.

Educated job seekers amongst the Scheduled Castes were 66.01 lakh.

Educated job seekers amongst the Scheduled Tribes were 19.80 lakh.

Vacancies Notified

Total number of vacancies notified during the year 2014 (January to December) was 7.6 lakh.

Number of reserved vacancies notified for scheduled castes was 20.44 thousand in 2013.

Number of vacancies notified for scheduled tribes was 16.6 thousand in 2013.

Number of vacancies notified for other backward classes was 32.9 thousand in 2013.

Educated Job-Seekers (10th standard above)

The major share of job-seekers awaiting jobs in the Employment Exchanges was that of educated persons. Year-wise details of the educated job-seekers are given in Table-5.

Around 50.1 lakh educated jobseekers got registered themselves with the Employment Exchanges during the year 2013.

The percentage of educated job-seekers to the total job-seekers has increased from 70.0% at the end of 2004 to 85.5% at the end of 2013. This is an indicative of the fact that over the year’s educational profile of jobseekers is continuously improving.

While educated Live Register is around 85.5% of the total live register, educated placement is around 67.3% of total placements.

A graphical presentation of year wise registration of educated job-seekers for the period 2004-2013 is given on next page.

Table-6 shows the number of educated job-seekers according to their levels of education. It is clear from the table that

The maximum number of job-seekers (187.60 lakh i.e. 46.9 %) was educated up to Xth.

Higher Secondary and Under Graduate or XIIthpass accounted for 121.13 lakh (30.3%) and Graduate and above were 91.42lakh (22.8%).

Among the Graduates and Post Graduates, maximum number of jobseekers (37.02 lakh) 40.5% of total Graduates & Post graduates were from Arts discipline. Science and science related subjects’ job-seeker’s number was comparatively less.

Live Register of Educated Job-Seekers

Table 1.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Women</th>
<th>Scheduled Caste</th>
<th>Scheduled Tribe</th>
<th>Total Educated Live register</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>9689.0 (33.2)</td>
<td>4608.2 (15.8)</td>
<td>1655.5 (5.2)</td>
<td>29174.8</td>
</tr>
<tr>
<td>2010</td>
<td>10015.6 (31.7)</td>
<td>5036.2 (15.9)</td>
<td>1795.2 (5.7)</td>
<td>31627.3</td>
</tr>
<tr>
<td>2011</td>
<td>11676.5 (36.3)</td>
<td>5450.0 (16.9)</td>
<td>1824.7 (5.7)</td>
<td>32105.3</td>
</tr>
<tr>
<td>Year</td>
<td>Registration</td>
<td>Place-ment</td>
<td>Educated Live Register</td>
<td>Total Live Register</td>
</tr>
<tr>
<td>------</td>
<td>--------------</td>
<td>------------</td>
<td>------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>2004</td>
<td>4141.5</td>
<td>71.7</td>
<td>28313.7</td>
<td>40457.6</td>
</tr>
<tr>
<td>2005</td>
<td>4130.9</td>
<td>95.3</td>
<td>27948.5</td>
<td>39347.8</td>
</tr>
<tr>
<td>2006</td>
<td>5199.0</td>
<td>99.4</td>
<td>30691.1</td>
<td>41466.0</td>
</tr>
<tr>
<td>2007</td>
<td>4275.9</td>
<td>195.4</td>
<td>30649.6</td>
<td>39974.0</td>
</tr>
<tr>
<td>2008</td>
<td>4324.8</td>
<td>208.3</td>
<td>29253.8</td>
<td>39114.9</td>
</tr>
<tr>
<td>2009</td>
<td>4211.5</td>
<td>156.3</td>
<td>29174.8</td>
<td>38152.2</td>
</tr>
<tr>
<td>2010</td>
<td>4936.2</td>
<td>385.0</td>
<td>31627.3</td>
<td>38826.9</td>
</tr>
<tr>
<td>2011</td>
<td>5292.9</td>
<td>333.7</td>
<td>32105.3</td>
<td>40171.6</td>
</tr>
<tr>
<td>2012</td>
<td>8743.7</td>
<td>281.4</td>
<td>37497.4</td>
<td>44790.1</td>
</tr>
<tr>
<td>2013</td>
<td>5010.1</td>
<td>227.8</td>
<td>40014.5</td>
<td>46802.5</td>
</tr>
</tbody>
</table>

The above Fig 1.2 shows that the total number of applicants registered with employment exchanges stood at 40.4 million in 2004-05, which increased to 44.8 million by 2012-13. And, from contributing 21% of the formal sector workforce additions in 2004-05, employment exchange placements accounted for 55% of the workforce additions in 2012-13. While there have been sharp yearly fluctuations in the numbers, the broad trend has been positive over the past few years.

Fig 1.3

STATE-WISE EFFECTIVENESS OF EMPLOYMENT EXCHANGES

The graph shows the top 5 states according to their share of overall placements in 2012. Gujarat and Maharashtra together accounted for almost 82% of the country’s placements through the employment exchanges.
Gujarat and Maharashtra have adopted more modern techniques such as outreach programmes and job fairs,” said a senior labour ministry official, who declined to be identified. “The other states are not so proactive, still relying on traditional methods. Another key factor why these states are doing better is because they are placing people in the private sector, while the others cater only to the government and public sector.

Maharashtra’s success is partly owing to the fact that the exchanges have effectively served the need of migrants to the state, according to Shyam Sundar. Mumbai has the highest number of job seekers, he said, and the bulk of them still rely on employment exchanges rather than online portals.

According to the labour ministry official cited above, employment exchanges can become more effective if they follow the example of those in Gujarat and Maharashtra. It is the overall ineffectiveness of exchanges coupled with the regional imbalance in their performances that has prompted the latest exchange modernisation drive. The labour ministry is looking to bring all the processes—registration, counselling, assessment and job matching—under a single centre, turning them into one-stop job shops.

But before the modernisation drive begins, the labour ministry must focus on getting correct data on effectiveness of exchanges across the country. If state governments continue to misreport data, we will have no way of measuring the true impact of the latest exchange reforms.

Educated unemployment is a big problem for any nation. Youth is an asset for any nation and productive employment of youth is essential for them to contribute to its economic development. Especially, for a young nation like India on verge of the demographic dividend phase, achieving high rate of youth employment is of paramount importance. The Government has undertaken numerous initiatives to boost the youth employment scenario in the country. Noteworthy among these are the ‘Start-up India’, ‘Make in India’ and ‘Skill India’ initiatives. The ‘Start-up India’ initiative seeks to unleash the entrepreneurial potential of young entrepreneurs and turn them from job seekers to job creators. The Government is also targeting growth of the employment intensive manufacturing sector through ‘Make in India’ initiative which will generate employment and self employment opportunities for the growing young population.

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