ECONOMIC OUTLOOK

Volume II

Department of Economics

NARASINHA DUTT COLLEGE

ECONOMIC OUTLOOK

AN ENQUIERY INTO INDIAN ECONOMIC ISSUES

DEPARTMENT OF
ECONOMICS

NARASINHA DUTT COLLEGE
HOWRAH, WEST BENGAL

Publisher : Department of Economics,
Narasinha Dutt College,
129 Belilious Road, Howrah – 711101

MAGAZINE COVER DESIGNER AND TECHNICAL ASSISTANCE : *MS. SNEHA NANDY*

YEAR OF PUBLICATION : *FEBRUARY, 2024* (THE SECOND ISSUE)

EDITORIAL

On behalf of the editorial board and all the faculty members of the Department of Economics, Narasinha Dutt college, I am delighted to present the second volume of the annual magazine of our department, '*Economic outlook : an enquiry into economic issues*'. The articles present in this volume reflects the responses and thoughts of the students of the department of economics, Narasinha Dutt college, to various relevant and important economic issues like 'unemployment', 'inflation', 'sugarcane production in India' and 'MSME'.

All the articles included in this volume as well as the cover designing of this magazine are done by students of our department. On this occasion, I would like to congratulate the students of our department, whose active participation could enable us to publish this volume. I would like to express my gratitude to all the faculty members of the department of economics, without whose active and enthusiastic participation the publication of this volume would not be possible. I am thanking all of our student contributor for submitting their articles for publication in this volume. Hope our endeavour would encourage more student contributors to contribute their articles in greater number in the future volumes of this departmental magazine.

On behalf of the editorial board,

Dr. Soumitra Kundu

Associate Professor & Head of the Department of Economics

Narasinha Dutt College

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UNEMPLOYMENT IN INDIA

Sneha nandy

B.Sc. economics honours, 6th semester

The tenacity of **unemployment** or joblessness is one of the most serious economic risks that scare us. Some consider unemployment to be an incredible risk to society. Unemployment is a worldwide and an unpreventable problem for all humankind. This problem is to a great extent due, in exceedingly industrialized countries, to a fundamental rebuilding of industry and the impacts of slower financial development countries. There is the issue of school dropouts. Measurably the school dropout has the most noteworthy rate of unemployment. The gap between the rich and poor is increasing drastically. As came into notice that most of them has improved their country's economy (developed countries) through modern ways such as public funding, privatization as well as restricting the cash flow in the hands of few and globalization. Also, the total women labour force is estimated about 27% whereas back it was just 19%.

Unemployment in India is a major social problem since 1960. Unemployment can be defined as a state where an individual who is fit and willing to work is not able to find a job. There are different type of unemployment :

1) ***Voluntary Unemployment*** – the unemployment in which an individual attains the state of unemployment because of his/her desire of not willing to work.
2) ***Involuntary Unemployment*** –

- *Casual unemployment* – the type of unemployment that is caused when an individual is offered temporary employment and they are terminated after their demand abates is called casual unemployment.

- *Frictional unemployment* – is generated when an individual is transitioning between jobs or searching for a job that best suits his skill set.
- *Seasonal unemployment* – unemployment that is caused due to any structural changes like industrial reorganization, technological changes, etc., is called structural unemployment.
- *Technological unemployment* – this type of unemployment is created with the advancement of technological mechanization which makes manual labour unnecessary.
- *Cyclical unemployment* – is related to the cyclical trends of business growth. Unemployment is created when the growth of business cycle is low.
- *Disguised unemployment* – unemployment where more than required number of individuals are employed in a job or organization is called disguised unemployment.
- *Educated unemployment* – is the unemployment where individuals with high and advanced skills are unable to find a job that matches their training.

India is the second most populated country in the world with 1.3 billion people and unemployment has been a major issue with rising population. With 6.1% as the unemployment rate, India has reached its highest jobless rate in the last 45 years. Even though the government has introduced various policies and schemes, it has failed to overcome the problem of unemployment. The age group clearly shows that the unemployment is usually higher in the age group from 15 to 25 years. So, we can conclude that it has become very difficult for the young people to get a job when compared to the people who are aged above 28.

Unemployment, as characterized by Kimberly Amadeo is the origin which give data about the statistics of individuals who are right now unemployed and are searching for it. The current worldwide unemployment rate is 5.5% which has dropped from a year ago of 5.6%. Yet, the conditions for these unemployment rate will increase drastically as the population will increase in our country.

Dr. Veni Nair, Assistant Director of ITM Business School expresses his views that as indicated by world bank report Indian unemployment will increment from quickly and envisioning a developing India with such as enormous unemployment number is frightening. The elements contributing for such enormous issues are increasing population without proper education system framework and unskilled labours and so on. The most frightful thing is that our country is having the biggest population of youth on the planet yet with this joblessness war it might result in most exceedingly worst condition of the outcome anticipating. The administration center of our country is focusing on around good quality education is just very noteworthy or impressive yet simply concentrating on a several sections wont help in diminishing such huge issue. Additionally, they have to concentrate on dispersion of industrialization similarly all through locale with the goal that youth or people doesn't need to turn out for jobs. The primary source which a nation need to battle the unemployment is empowering people for small and large scale business and expressing their own business with new and creative ideas.

Unemployment is generally measured in terms of percentage – the number of individuals with no job to the total labour force in a country oe certain group. According to Fifth Annual Employment – Unemployment survey (2018 – 2019), Gujrat has lowest unemployment rate of 1.2% among Indian states. Next to Gujrat is Karnataka, Chhattisgarh, Maharashtra, Telangana etc., Tripura has the highest unemployment rate. 4.9% is the current unemployment rate of India.

According to the Constitution of India, the duty of providing employment opportunities to an individual lie within the state. The Government of India incorporated activities in Five-year plan (1950 – 1951) to provide employment opportunities. Later after few years, the Government of India developed some schemes and policies like NREGA, PMKVY, Deen Dayal Antyodaya Yojana(DAY – NRLM – NULM), MKSP etc., that helps offering employment opportunities to a specified group of people or any individual in our country.

These schemes and policies haven't been implemented effectively since many reasons influence unemployment in India. Some of the reasons are – rapid population growth, global competition, inadequate employment planning, illiteracy and defective education, etc. Unemployment rate in India is high since these reasons influence effectively. Unemployment effects the Indian Economy in many ways. Some effects on Indian economy are – slowdown of country's growth, low production, reduction in tax collection, reduction in per capita income etc. Some of the solutions to reduce unemployment rate in India are – rapid industrialization, encouraging self-employment, population growth control, revival of cottage and small-scale industries etc. These solutions may help in lessening the unemployment rate.

Quick development of the Indian economy may have profound impacts in certain territories yet in the area of unemployment it had battled a lot as referenced by Bengaluru based Azim Premji University. As the GDP of our country has been risen, but the difference between the development and unemployment of the general public or people have been raised. Based on the information in 1980s the GDP development of our country was estimated to be 3 – 4% with the employment of people increment by 2% consistently. However, with the progression of time and advancement of economy the proportion of the GDP to work has been ceaselessly draining and even came to 0.1% which is by all accounts disturbing stage for the entire nation. By adjusting new changes and presenting new example just as supporting the creating ideas and thoughts would assist any country with reaching its statures in any sector.

The Centre for Monitoring Indian Economy (CMIE) had released the unemployment status report of India for December 2021. According to the report, the unemployment rate in the country was 7.91% in December. It was 7% in November. The highest unemployment rates were reported in Haryana(34.1%), Rajasthan(24.1%), Jharkhand(17.3%), Bihar(16%), and Jammu and Kashmir(15%). On the other hand, states such as Karnataka(1.4%), Gujrat and Odisha(1.6%), Chhattisgarh(2.1%) reported the lowest unemployment rates in India.

The COVID-19 pandemic has had a detrimental effect on the labour market worldwide, causing many individuals to lose their jobs and businesses to close. The CMIE also reported that the unemployment rate for the urban areas increased from 8.21% to 9.3%, and from 6.44% to 7.28% in rural areas.

However, the COVID-19 pandemic can be only partly blamed. Since, the unemployment rate is one of the kye indicators used to assess the health of a country's economy, the report also indicated that India's current economic situation could not provide enough jobs for job seekers.

For any economy, unemployment is a serious problem. It creates negative effects for the unemployed as they are unemployed and suffer from worse prospects of finding new jobs, and those who are employed feel less secure in the future to maintain their jobs. However, steps must be taken to increase productivity and improve living standards for the overall development of the economy, government and individuals. Even the government has proposed and started programs such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Mission Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Ministry of Micro, small and medium enterprises (MSME) and National Skill Development to increase the employment rate has improved to better conditions providing quality education and improvement, engaging workforce policies etc. The rate of unemployment will not be reduced until there are changes in the economic and social policies of the countries involved.

MICRO, SMALL AND MEDIUM ENTERPRISES (MSME, SINCE 2001)

Subhrajit sarkar

B.Sc. economics honours, 6th semester

Introduction:

Micro, Small and Medium Enterprises (MSME) have emerged as a highly vibrant and dynamic sector of the Indian economy over the last 5 decades and not only played crucial role in providing large employment opportunities at comparatively lower capital cost. It's also helped in industrialization of rural areas, thereby reducing regional imbalance and assuring more equitable distribution of national income and wealth.

What is small?

The distinction among industries of different sites – large, medium and small is based on capital resources and labour force employed. Distinction is also down between the small scale and cottage industries.

Two basic difference between these two types of industries are the

following:

(a) Firstly, while small scale industries are mainly located in the urban

centres as separated to agriculture and provide supplementary and off-season employment to the rural people (especially, the farmers).

(b) Secondly, while small scale industries produce goods with partially or wholly, mechanized equipment employing hired workers, (usually, 10 to 20 hands), the cottage industry involves operation mostly by hand. Such operation is largely carried out by the members of the family, either as a whole or a part-time occupation. The fixed capital investment per head of a artisan or worker of any village industries located in rural areas which produces goods with or without the use of power does not exceed Rs. 50,000.

Role and preference of SSIs in the Indian Economy.

During the post-independence period, small industries were expected to play an important role in the country's development process, especially in absorbing surplus labour and achieving an equitable income distribution, as has been articulated by I.N. Gange and M.P. Indeed, this is the traditional role assigned to this industry in literature. However, as time advanced, the country's zeal for the development of the large scale industries gathered more and more strength. Scare resources were needs to be required to give a trust towards industrialization. This resulted in a decline of SSIs. However, the Government of India, over the years have built up a set of policy measures and incentives to provide special protection and subsidy for the encouragement of SSIS. As a result, some small firms have expanded into medium and large scale firms; some have died while others have stayed competitive.

The performance of the small scale industries in terms of a few indicators can be presented in tabular form over the period, 2001-2002 to 2014-2015. The data that has been used here is called from the annual report, 2015-2016 of the Ministry of MSMEs and from the Growth and Future Prospects of MSME in India.

Commenting on the performance of the MSME the economic survey, 2015-16, adds with 3.6 crore units spread across the country, that employ 8.05 crore people, MSME have a contribution of 37.5 per cent to the country's GDP. This sector through more than 6,000 products contribute 8 per cent of GDP and 40 per cent to the exports of the country.

The MSME has shown constant growth rate around 11 per cent every year since 2007-08 till 2010-2011. A massive growth rate was achieved in 2011-12 (18.45 per cent) and 2015 (18.75 per cent). There are more than 6,000 products ranging from tradition to high-tech products manufactured by the MSMEs. The leading industries belong to retail trade (except motor vehicles and motor cycles), repair of personal and household goods (the share being almost 40 per cent). Some leading states in terms of the number of enterprises are Uttar Pradesh, West Bengal, Tamil Nadu, Maharashtra, etc. Obviously, the above states, in terms of employment, also occupy the same position.

Literature Review:

Mali(1998) observed that MSME have to face increasing competition in the present scenario of globalization. They have to specifically improve themselves in the fields of management, marketing, product diversification, infrastructural development, technological upgradation. Moreover, new small and medium enterprises may have to move from slow growth area to high growth area and they have to form strategic alliance with entrepreneurs of neighbouring countries.

Subrahmanya (2004) highlighted the impact of globalization and domestic reforms on smallscale industries sector by emphasizing that small industry had suffered in terms of growth of units, employment, output and exports. He also suggested that the focus must be turned 10 technology development and strengthening of financial infrastructure in order to make Indian small industry internationally competitive and contribute to national income and employment. Sudan (2005) described the challenges in Micro and Small Scale Enterprises Development and policy issues by raising different questions related to MSMEs. Rathod (2007) analysed the growth and pattern of the SSI sector and identified the reasons for success and failures, evaluated the impact of globalization on SSIs and export opportunity and identified the barriers and constraints that SSIs were facing to cope with globalization. Singh, Verma and Anjum (2012) analyzed the performance of MSMEs in India and focused on policy changes which have opened new opportunities for this sector and concluded that MSME sector has made good progress in terms of number of MSME units, production and employment levels.

Venkatesh and Muthiah (2012) found that the role of MSMEs in the industrial sector is growing rapidly and they have become a thrust area for future growth. They emphasized that nurturing MSME sector is essential for the economic well-being of the nation. Srinivas (2013) analysed about the performance of MSMEs, their contribution in India's economic growth. identified the number of enterprises. employment in MSMEs and concluded that MSMEs play a significant role in inclusive growth of Indian economy.

Objectives:

To study the pattern of growth of output, employment and importance in the MSME sector in India during the period 2001-2015.

Data and Methodology:

I have collected the data on number of MSME units, employment generated in MSME units and share of GDP and export of the country produced by the MSME units, given during the period under consideration, from MSME Annual Reports, Ministry of Micro, Small and Medium Enterprises, Government of India, various issues and from Zanjurne (2018).

I have used various statistical tools like tabular representation of data, measures of central tendency, regression analysis, etc.

Results and Discussions:

MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In recent years, the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. In accordance with the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 MSMEs are classified in two categories— manufacturing and service.

I. Manufacturing Enterprises—The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation) Act, 1951. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery.

Il. Service Enterprises—The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

Let us now observe the growth and performance trends of MSMEs in Indian Economic Development. We can see that the total number of MSMEs has increased from 105.21 lakh units in 2001-2002 to 510.57 lakh units in 2014-2015. Here we can also see that there is a steady growth of employment from 249.33 lakh units in 2001-2002 to 1,171.32 lakh units in 2014-2015.

We can conclude that from the year 2001 to 2015, the compound annual growth rate (CAGR) for total number of MSMEs is 15.52 and the employment that comes from the increase of MSMEs is 15.03. From this growth we can say that there has been a considerable increase in the MSME sector of India for the last 15 years, both in the number of enterprises and the employment that comes with it. The increase in MSME, enterprises has played a significant role in the exports of the Indian Economy. So an increase in the MSMEs means an increase in exports also. In the given data above we can also see that MSMEs has also played an important role in generating employment as there has been growth of 15.03 CAGR. This shows us how much employment opportunities have been created by MSMEs and its role in the future.

In order to find out how much employment is increasing with the increase in working enterprises. Let us take employment as the dependent variable and working enterprises as the independent variable. After working with the above data we are left with a Coefficient at 2.228631, Std. Error at 0.016852 and t-Statistics at 132.2499. With this information we can say that with every increase in new enterprise there is an increase of net 2.228631 in employment generation. From here we can see that there is a positive relation between increase in enterprises with employment generation.

The results of the data we have collected, Coefficient as -0.004259, Std. Error as 0.001489 and t-Statistic as -2.860200. From this data we can say that there is an inverse relation with employment per unit enterprise as coefficient is -0.004259. After further calculation we find out that EXP(COEFF) is 0.995750057 and Compound Annual Growth Rate (CAGR) is -0.424994332. From this we can see that with time the Growth Rate of employment per unit enterprises is decreasing as the CAGR is -0.425.

Here we can see that the problem of industrial sickness is persisting in MSMEs despite its appreciable performance and significant contribution in Indian economy. The MSMEs should be considered as sick if it has at the end of any accounting year accumulated losses to or exceeding 50% of its peak net worth in the immediately preceding five accounting years.

Summary and Conclusion:

From the previous Data and analysis, we can conclude that MSMEs in India is increasing considerably which is also generating employment. But, along with the growth in the MSME sector we are also finding a negative growth in the employment per unit of enterprise which is occurring due to fragmentation of the existing units into smaller segments, which is a distress for the MSME sector.

INFLATION, THE RISE PRICE LEVEL

Aditya Kumar Rajak

B.Sc. Economics Honours, 4th Semester

Inflation a lighted word in our daily life has become a concerning matter towards the world in every sector. Households, which are the final consumer of all the goods and services suffer most, which compelled the heads to restructure its expenditure. In general, we define inflation as a rise in price level of goods and service. To be more correct, inflation is persistent rise in the general price level rather than a once-for-all rise in it.
The main causes of inflation can be grouped into three broad categories:

1. Demand -pull,
2. Cost-push,
3. Inflation expectations.

DEMAND PULL INFLATION

Demand-pull inflation arises when the total demand for goods and services (i.e., 'aggregate demand') increases to exceed the supply of goods and services (i.e., 'aggregate supply') that can be sustainably produced. The excess demand puts upward pressure on prices across a broad range of goods and services and ultimately leads to inflation – that is, it 'pulls' price level higher.

There are usually a few interrelated forces working in tandem that cause demand-pull inflation. These can include:
● A strong economy: When the economy is booming and unemployment is low, consumers tend to earn more income and

spend more money, which drives up levels of aggregate demand throughout an economy.

Supply shortfalls: Higher income and more spending drive growing demand, and companies respond by trying to increase supply to keep up. Waves of demand for raw materials, subcomponents and labour ripple through an economy, and it may take time for production to meet the demand.

● A rapid increase in the supply of money. One of the jobs of the Central Bank is to monitor and influence the supply of money. Occasionally, the Fed will print too much money, though—during times of severe economic stress, for example—and this rapid increase in liquidity can drive higher demand for goods and services. Demand-pull inflation occurs when businesses can't increase their supply to match demand.

● Inflation expectations. The rate at which people expect prices to rise in the future is referred to as inflation expectations—actual inflation often follows a similar trajectory. If consumers expect inflation to rise in the near future, they may preemptively start buying more things now to avoid paying what they expect will be higher prices later. This can lead to a problem with supply, leading to demand-pull inflation.

● Government policy. Fiscal policy responses to economic conditions—like providing a stimulus during an economic downturn or providing tax breaks for certain products—can also lead to higher level of consumption, as people tend to spend more on goods and services.

<u>COST PUSH INFLATION</u>

Cost-push inflation occurs when the total supply of goods and services in the economy which can be produced (aggregate supply) falls. A fall in aggregate supply is often caused by an increase in the cost of production. If aggregate supply falls but aggregate demand remains unchanged, there is upward pressure on prices and inflation – that is, inflation is 'pushed' higher.

As stated earlier, an increase in the cost of input goods used in manufacturing, such as raw materials, for example, if companies use copper in the manufacturing process and the price of the metal suddenly rises, companies might pass those increased costs on to their customers.

Increased labour costs can create cost-push inflation such as when mandatory wage increases for production employees due to an increase in the minimum wage per worker. A worker strike due to stalled contract negotiations might also lead to a decline in production; and as a result, lead to higher prices.

Unexpected causes of cost-push inflation are often natural disasters, which can include floods, earthquakes, fires, or tornadoes. If a large disaster causes unexpected damage to a production facility and results in a shutdown or partial disruption of the production chain, higher production costs are likely to follow. A company might have no choice but to increase prices to help recoup some of the losses from a disaster. Although not all natural disasters result in higher production costs and therefore, wouldn't lead to cost-push inflation.

Other events might qualify if they lead to higher production costs, such as a sudden change in government that affects the country’s ability to maintain its previous output. However, government-induced increases in production costs are more often seen in developing nations.

Government regulations and changes in current laws, although usually anticipated, may cause costs to rise for businesses because they have no way to compensate for the increased costs associated with them. For example, the government might mandate that healthcare be provided, driving up the cost of employees or labour.

<u>INFLATION EXPECTION</u>

Inflation expectations are the beliefs that households and firms have about future price increases. They are important because expectations about future price increases can affect current economic decisions that can influence actual inflation outcomes. For example, if firms expect future inflation to be higher and act on those beliefs, they may raise the prices of their goods and services at a faster rate. Similarly, if workers expect future inflation to be higher, they may demand higher wages to make up for the expected loss of their purchasing power. These behaviours, sometimes called 'inflation psychology', can contribute to a higher rate of actual inflation so that expectations about inflation become self-fulfilling.

Given that inflation expectations can influence actual price and wage setting, the extent to which inflation expectations are 'anchored' has implications for future inflation outcomes. For example, if households' and firms expect that inflation will return to the central bank's inflation target at some point in the future, regardless of what current inflation is, we describe their expectations as being 'anchored' to the inflation target. When expectations are anchored, a period of higher inflation – perhaps resulting from a cost-push event – will not cause households and firms to change their behaviour and, as a result, inflation is likely to eventually return to its target. But if the inflation psychology of households and firms shifts and inflation expectations move away from the central bank's inflation target (i.e., they become 'unanchored'), a period of higher inflation will become persistent because households and firms will expect inflation to be higher in the future and adjust their behaviour accordingly. Consequently, it is much easier for a central bank to manage inflation if inflation expectations are anchored rather than unanchored.

<u>How policymakers deal with inflation</u>

The right set of anti-inflation policies, those aimed at reducing inflation, depends on the causes of inflation. If the economy has overheated, central banks—if they are committed to ensuring price stability—can implement contractionary policies that rein in aggregate demand, usually by raising interest rates. Some central bankers have chosen, with varying degrees of success, to impose monetary discipline by fixing the exchange rate—tying its currency to another currency and, therefore, its monetary policy to that of the country to which it is linked. However, when inflation is driven by global rather than domestic developments, such policies may not help. In 2008 and then in 2011, when inflation rose across the globe on the back of high food and fuel prices, many countries allowed the high global prices to pass through to the domestic economy. In some cases, the government may directly set prices (as some did in 2008 to prevent high food and fuel prices from passing through). Such administrative price-setting measures usually result in the government accruing large subsidy bills to compensate producers for lost income.

Central bankers are increasingly relying on their ability to influence inflation expectations as an inflation-reduction tool. Policymakers announce their intention to keep economic activity low temporarily to bring down inflation, hoping to influence expectations and contracts' built-in inflation component. The more credibility central banks have, the greater the influence of their pronouncements on inflation expectations.

UNEMPLOYMENT

Sumanta Sarathi Sharma

B.Sc. Economics Honours, 2nd Semester

Unemployment is a very serious issue not only in the India but the whole world also. There are hundred and thousands of people out there who do not have employment. Besides, the problems of unemployment are very severe in India because of the growing population and demand for jobs. Moreover, if we neglect this problem then it will be going to become the reason for the doom of the nation.

What is Unemployment?

Unemployment refers to a situation in which a skilled and talented people wanted to do a job. But cannot find a proper job due to several reasons.

Types of Unemployment

Now we know what is unemployment but unemployment does not only mean that the person does not have a job. Likewise, unemployment also includes people working in areas out of their expertise.

The various types of unemployment include disguised unemployment, seasonal unemployment, open unemployment, technological unemployment, structural unemployment. Besides, some other unemployment is cyclic unemployment, educated unemployment, underemployment, frictional unemployment, chronic unemployment, and casual unemployment.

Above all, seasonal unemployment, under unemployment, and disguised unemployment are the most common unemployment that is found in India.

- ***Open unemployment***

In this type of unemployment, a large section of the labour force does not get a job that may yield them regular income.
Here, the labour force expands at a faster rate than the growth rate of economy, due to which all people do not get jobs.

- ***Disguised Unemployment***

In disguised unemployment, more people are doing work than actually required.
In this situation, even if some people are withdrawn, production does not suffer.
In other words, it refers to a situation of surplus manpower in which some workers have zero marginal productivity.
In India, the most common example of disguised unemployment is agriculture sector.

- ***Seasonal Unemployment***

Seasonal unemployment occurs during certain seasons of the year.

In sectors like agriculture, tourism, economic activities take place only in some seasons.
These sectors offer employment for only a certain period of time in a year, and people engaged in such type of activities may remain unemployed during the off-season.

Cyclical Unemployment

Cyclical unemployment is the impact of economic recession or expansion on the total unemployment rate.
Cyclical unemployment relates to the irregular ups and downs, or cyclical trends in growth and production that occur within the business cycle.
When economic output falls, the business cycle is low and cyclical unemployment will rise.
Example: Financial crisis in 2008

Technological Unemployment

It is a type of unemployment where people could not find jobs due to technical change.
World Bank predicated that 70% of the jobs in India are threatened due to technological advancement.
Economists, however, disagree with this type of predictions.
Economists believes that jobs may be lost for the short time but new jobs appear in other areas.

Structural Unemployment

Structural unemployment arises due to drastic changes in the economic structure of a country.
Structural employment is a natural outcome of economic development and technological advancement and innovation taking place all over the world.
This type of unemployment occurs due to a mismatch between the skills workers have, and the jobs that are actually available.

Reasons for Unemployment

In a country like India, there is much reason for a large section of the population for being unemployed. Some of these factors are population growth, slow economic growth, seasonal occupation, slow growth of the economic sector, and fall in the cottage industry.

Moreover, these are the major reason for unemployment in India. Also, the situation has become so drastic that highly educated people are ready to do the job of a sweeper. Besides, the government is not doing his work seriously.

Apart from all these, a large portion of the population is engaged in the agricultural sector and the sector only provides employment in harvest or plantation time.

An unemployed person is one who is an active member of the labour force and is seeking work but is unable to find any work for himself. There are multiple reasons behind the unemployment of a person. One of them is the slow economic growth due to which jobs in adequate numbers are not created. Excessive dependence on agriculture and slow growth of non-farm activities also limit employment generation. Unemployment in urban areas is mainly the result of substantial rural migration to urban areas. This has also resulted in a labour workforce in cities. The lack of technology and proper machinery has also contributed to unemployment.

The present educational system is based on theoretical knowledge instead of practical work. Thus, it lacks the development of aptitude and technical qualifications required for various types of work among job seekers. This has created a mismatch between the need and availability of relevant skills and training. This results in unemployment, especially among the youth and educated people with high degrees and qualifications. Apart from it, the lack of investment and infrastructure has led to inadequate employment opportunities in different sectors.

In addition, the biggest reason of unemployment in India is its vast population which demands a large number of jobs every year which the government and authorities are unable to provide.

Steps to Eliminate Unemployment

Various strategies and proposals have been implemented to generate employment. Many Employment programmes and policies have been introduced and undertaken to boost self-employment and help unemployed people engage in public works. The Government of India has taken several policy measures to fight the problem of unemployment. Some of the measures are the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), National Skill Development Mission, Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Regional Rural Banks (RRBs).

Despite the measures taken by the government, India remains a country experiencing severe unemployment problems. It can be resolved by imparting education in such a way that youth get the necessary skills, so as to get employment easily. Setting up various vocational training and vocational courses for undergraduate and postgraduate students will help in finding employment for youth. The government needs to emphasise these courses at the primary level and make them a compulsory part of the curriculum to make students proficient in their early stages of life. Career Counseling should be provided within schools and colleges so that students can choose a better career option based on their interests and ability. Government should create more job opportunities for the youth and graduates.

To solve the unemployment problem, a production technique focusing on the needs and means of the country should be adopted. Capital-intensive technology should be replaced by labour-intensive technology.

As agro-based and agriculture sectors provide only seasonal employment. Measures like multi-cropping, animal husbandry, horticulture, plantation, and horticulture should be adopted. Also, industries like the cotton industry should be promoted.
There is a need to change the present education system. It should emphasize vocational education rather than imparting static knowledge. Colleges and universities should be available to students who wish to pursue higher education.

Most people in India are self-employed, but unfortunately, due to a lack of professional knowledge, they are not able to get the desired results. Therefore, they should be helped by giving technical training and using the raw material properly.

The government should take the initiative to increase labour productivity and develop better employment opportunities for all.

Consequences of Unemployment

If things will go on like the current scenario then unemployment will become a major issue. Apart from this, the following things happen in an economy which is an increase in poverty, an increase in crime rate, exploitation of labor, political instability, mental health, and loss of skills. As a result, all this will eventually lead to the demise of the nation.

Conclusion

India is a fast-growing economy. There is an enormous scope for improvement in the unemployment sector. The various measures and steps taken by the government to increase the employment rate have succeeded to a great extent. The widespread skill development programmes have gained popularity across the nation. With better enforcement of the strategies, the employment level can be significantly improved. Although, we have to go a long way before we can say that all the people in India will get employment.

SUGARCANE PRODUCTION IN INDIA IN RECENT YEARS

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B.Sc. Economics Honours, 2nd Semester

In Sugar Season (Oct-Sep) 2021-22, a record of more than 5000 Lakh Metric Tons (LMT) sugarcane was produced in the country out of which about 3574 LMT of sugarcane was crushed by sugar mills to produce about 394 LMT of sugar (Sucrose). Out of this, 35 LMT sugar was diverted to ethanol production and 359 LMT sugar was produced by sugar mills. With this, India has emerged as the world's largest producer and consumer of sugar as well as the world's 2nd largest exporter of sugar.
The season has proven to be a watershed season for Indian Sugar Sector. All records of sugarcane production, sugar production, sugar exports, cane procured, cane dues paid and ethanol production were made during the season.
Another shining highlight of the season is the highest exports of about 109.8 LMT that too with no financial assistance which was being extended up to 2020-21. Supportive international prices and Indian Government Policy led to this feat of Indian Sugar Industry. These exports earned foreign currency of about Rs. 40,000 crores for the country.

PRODUCERS OF SUGARCANE IN INDIA

The largest sugarcane producing state in India is Uttar Pradesh. The State has an area of 2.27 million hectares that produces sugarcane. The average amount of annual production of sugarcane in Utter Pradesh is 135.64

million tons. Utter Pradesh and Maharashtra contribute to 80% of the total sugarcane production in India.
Meerut, Bareilly, Saharanpur, and Bulandshahr are the major districts producing sugarcane in UP.
About Sugarcane
 Sugarcane is a tropical and subtropical crop that requires a hot and humid climate to grow.
 A tall, perennial grass species known as sugarcane or sugar cane is utilized in the production of sugar.
 The 2–6 m tall plants have thick, jointed, fibrous stalks that are rich in sucrose and accumulate in the internodes of the stalks.
 Several other states grow sugarcane in addition to Uttar Pradesh, which is the largest producer of sugarcane in India.

Below is a list of the largest sugarcane-producing states in India in 2021:

s.no.	States/UT	2018-19	2019-20	2020-21*	Average (2015-16 to 2019-20)	% in total	rank
1	Uttar Pradesh	179.71	179.54	177.67	164.37	45.40	1st
2	Maharashtra	89.77	69.31	101.59	73.60	20.33	2nd
3	Karnataka	42.41	38.18	42.09	35.39	9.77	3rd
4	Tamil Nadu	17.14	14.12	12.80	18.58	5.13	4th
5	Bihar	20.12	13.58	10.71	14.64	4.04	5th
6	Gujrat	11.33	11.57	15.85	11.61	3.21	6th
7	Haryana	8.51	7.73	8.53	8.16	2.25	7th
8	Andhra Pradesh	8.09	6.72	4.12	7.96	2.20	8th

9	Punjab	7.77	7.30	7.49	7.37	2.04	9th
10	Uttarakhand	6.33	6.94	6.96	6.38	1.76	10th
11	Madhya Pradesh	5.28	7.43	5.88	5.63	1.56	11th
12	Telangana	3.18	2.01	1.36	2.45	0.68	12th
13	West Bengal	1.34	1.53	1.56	1.52	0.42	13th
14	Others	4.45	4.53	2.64	4.41	1.22	
	All india	405.42	370.50	399.25	362.07	100.00	

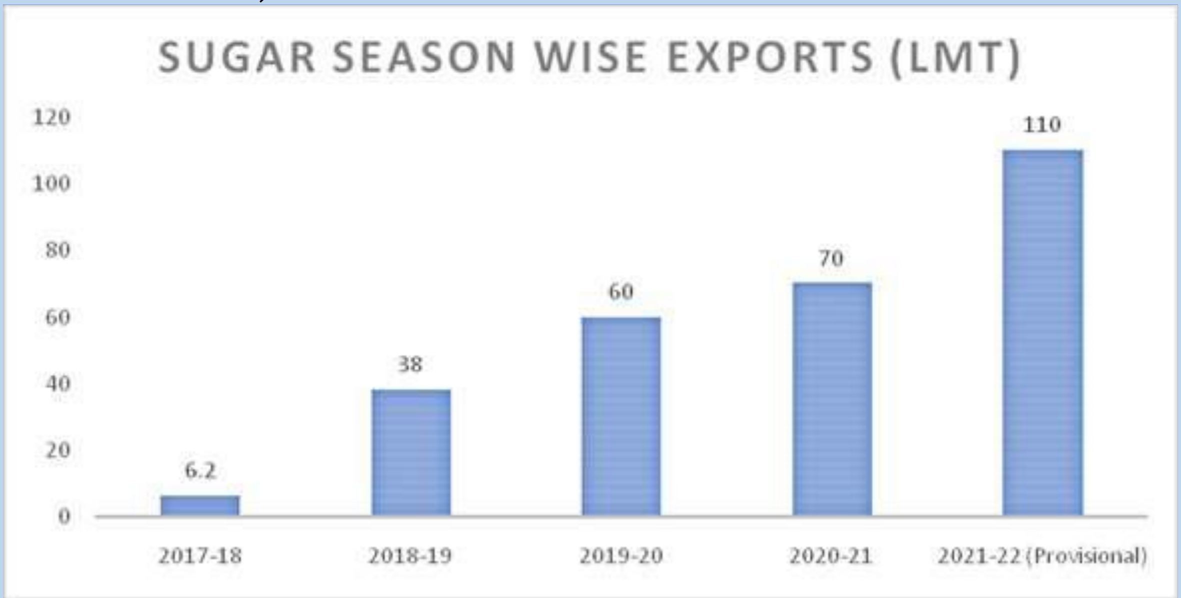
Reasons behind Impressive Production of Sugar

Impressive Sugar Season (Sep – Oct)

All records of sugarcane production, sugar production, sugar exports, cane procured, cane dues paid and ethanol productions made during the seasons.

High Exports

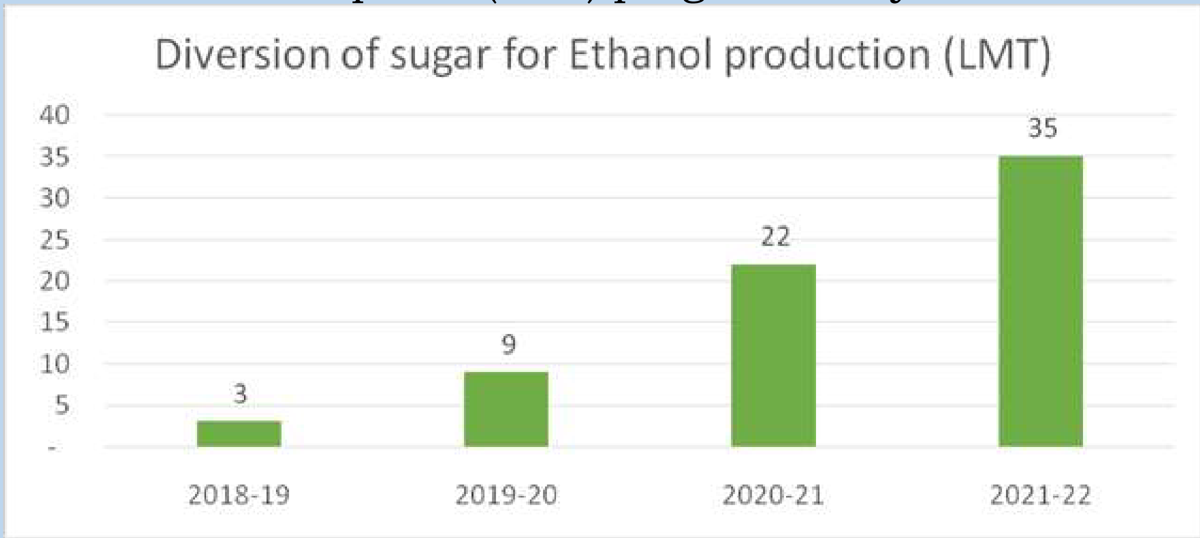
The exports were the highest at about 109.8 LMT without any financial assistance and earned foreign currency about Rs 40,000 crores.



Source: https://www.pib.gov.in

Encouraging ethanol production

The Government has encouraged sugar mills to divert sugar to ethanol and also export surplus sugar so that mills may have better financial conditions to continue their operations. Ethanol blending with petrol (EBP) programme, the national policy on biofuels 2018, provides an indicative target of 20% ethanol blending under the ethanol blended petrol (EBP) programme by 2025.



Source: https://www.pib.gov.in

Fair and Remunerative Price

The FRP is the minimum price that sugar mills have to pay to sugarcane farmers for procurement of sugarcane. It is determined on the basis of recommendations of the commission for agricultural costs and prices (CACP) and after consultation with state governments and other stakeholders.

Rangarajan Committee (2012)

It was set up to give recommendations on regulation of the sugar industries. Its recommendations –

- Abolition of quantitive controls on export and import of sugar, these should be replaced by appropriate tariffs.
- States should also undertake policy reform to allow mills to harness power generated from bagasse.

Challenges Faced by Sugar Industry

The challenges which are faced by the sugar industry in India include:

Questionable Production Output

Sugarcane needs to contend with a few other food and money crops like cotton, oil seeds, rice, and so forth. This influences the stockpile of sugarcane to the plants and the development of sugar likewise changes from one year to another causing vacillations in costs and prompting misfortunes in the midst of abundance creation because of low costs.

Low Yield of Sugarcane

India's yield per hectare is very low when contrasted with a portion of the significant sugarcane-delivering nations of the world. For instance, India's yield is just 64.5 tons/hectare when contrasted with 90 tons in Java and 121 tons in Hawaii.

Short Smashing Season

Sugar creation is an occasional industry with a short smashing season-changing regularly from 4 to 7 months in a year. It causes monetary misfortune and occasional work for labourers and the absence of full use of sugar plants.

Low Sugar Recuperation Rate

The typical pace of recuperation of sugar from sugarcane in India is under 10% which is very low when contrasted with other significant sugar-creating nations.

High Production Cost

The significant expense of sugarcane, wasteful innovation, uneconomic course of creation, and weighty extract obligation bring about the significant expense of assembling. A large portion of the sugar plants in India are of little size with a limit of 1,000 to 1,500 tons each day consequently neglecting to exploit economies of scale.

Government Strategy and Control

The government has been controlling sugar costs through different arrangement mediations like commodity obligation, the burden of stock breaking point on sugar plants, changes in meteorology rule, and so forth, to adjust supply request crisscross. Be that as it may, these controls have brought about unremunerated sugar costs, expanding unpaid debts for sugar factories and duties to be paid to sugarcane ranchers.

Future Expectations

Sugar millers have urged the government to announce export policy for the next sugar season that begins from

October 1, allowing mills to sign forward contracts at a time when international future prices of raw sugar are firm. Industry Body Indian Sugar Mills Association (ISMA), in a letter to the good ministry, has requested to allow export of eight million tons of sugar in 2022-23. Right now, Thailand and Brazil are taking advantage of the firm international prices according to Aditya Jhunjhunwala, president of ISMA. All India Sugar Traders' Association (AISTA), too, said it has taken up the matter with food ministry. India can have a surplus of about only 6.7 million tons of sugar in the next season, the domestic consumption and diversion for ethanol is expected to be higher.