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Topic – Causes of Unemployment

Unemployment is caused due to various factors, many push and pull factors gives rise to unemployment .

Some of the important causes of unemployment are:

1. Slow Economic Growth:

Indian economy is underdeveloped and role of economic growth is very slow. This slow growth fails to provide enough unemployment opportunities to the increasing population.

2. Increase in Population:

Constant increase in population has been a big problem in India. It is one of the main causes of unemployment. The rate of unemployment is 11.1% in 10th Plan.

3. Agriculture is a Seasonal Occupation:

Agriculture is underdeveloped in India. It provides seasonal employment. Large part of population is dependent on agriculture. But agriculture being seasonal provides work for a few months. So this gives rise to unemployment.

4. Fall of Cottage and Small industries:

The industrial development had adverse effect on cottage and small industries. The production of cottage industries began to fall and many artisans became unemployed.

5. Slow Growth of Industrialisation:

The rate of industrial growth is slow. Though emphasis is laid on industrialisation yet the avenues of employment created by industrialisation are very few.

6. Less Savings and Investment:

There is inadequate capital in India. Above all, this capital has been judiciously invested. Investment depends on savings. Savings are inadequate. Due to shortage of savings and investment, opportunities of employment have not been created.

7. Defective Planning:

Defective planning is the one of the cause of unemployment. There is wide gap between supply and demand for labour. No Plan had formulated any long term scheme for removal of unemployment.

Although **Niti Aayog** has formulated many plans to reduce unemployment rate but still unemployment rate is persisting at high rate.

8. Immobility of labour:

Mobility of labour in India is low. Due to attachment to the family, people do not go to far off areas for jobs. Factors like language, religion, and climate are also responsible for low mobility. Immobility of labour adds to unemployment.

9. Caste System:

In India caste system is prevalent. The work is prohibited for specific castes in some areas. In many cases, the work is not given to the deserving candidates but given to the person belonging to a particular community. So this gives rise to unemployment.

10. Causes of Under Employment:

Inadequate availability of means of production is the main cause of under employment. People do not get employment for the whole year due to shortage of electricity, coal and raw materials.