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Topic – Unemployment and its types.

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Unemployment is a situation when a person actively searches for a job and is unable to find work.

Furthermore, these are the people in the workforce or pool of people who are available for work but does not have an appropriate job.

Unemployment tells the health of the economy.

On the recommendation of the committee of Experts on Unemployment, the National Sample Survey Organisation (NSSO) has developed and Standardised concepts and definitions of Unemployment and Unemployment Rate.

Unemployment is measured by the unemployment rate, which is the number of people who are unemployed as a percentage of the labour force (the total number of people employed added to those unemployed).

The unemployment rate is the most frequent measure of unemployment. The unemployment rate is the number of people unemployed divided by the working population or people working under labour force.

Unemployment rate = (Unemployed Workers / Total labour force) × 100

According to the UN's International Labour Organization (ILO), there were 172 million people worldwide (or 5% of the reported global workforce) without work in 2018.

Types of Unemployment:

In India, there are basically seven types of unemployment. :

1. **Disguised Unemployment:** This is a type of unemployment where people employed are more than actually needed. Disguised

unemployment is generally traced in unorganised sectors or the agricultural sectors.

2. **Structural Unemployment**: This unemployment arises when there is a mismatch between the worker's skills and availability of jobs in the market. Many people in India do not get job matching to their skills or due to lack of required skills they do not get jobs and because of poor education level, it becomes to provide them related training.
3. **Seasonal Unemployment**: That situation of unemployment when people do not have during certain seasons of the year such as labourers in India rarely have occupation throughout the year.
4. **Vulnerable Unemployment**: People are deemed unemployed under this unemployment. People are employed but informally i.e. without proper job contracts and thus records of their work are never maintained. It is one of the main types of unemployment in India.
5. **Technological Unemployment**: The situation when people lose their jobs due to advancement in technologies. **In 2016, the data** of the World Bank predicted that the proportion of jobs threatened by automation in India is 69% year-on-year.
6. **Cyclical Unemployment**: unemployment caused due to the business cycle, where the number of unemployed heads rises during recessions and declines with the growth of the economy. Cyclical unemployment figures in India are negligible.

- 7 **Frictional Unemployment**: This is a situation when people are unemployed for a short span of time while searching for a new job or switching between the jobs. The Frictional Unemployment also called Search Unemployment, it is the time lag between the jobs. **Frictional unemployment is considered as voluntary unemployment** because the reason for unemployment is not a shortage of jobs, but in fact, the workers themselves quit their jobs in search of better opportunities.