

Sustainable Development Goals

Structural change in employment and unemployment in India

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Abstract

There is acceleration in the unemployment rate in recent years along with the convergence of unemployment rate across states. The stagnation in job creation and decline in the total employment in the manufacturing sector and the structural changes in the economy appear to be pushing the unemployment level up. Though per capita income as such is not seen to be related to unemployment rate across states and over time, the structural change and educational attainments do unravel a strong effect. The changes in the rural sector with a declining dependence on the farm sector are associated with a rising unemployment rate. Though water scarcity and low crop diversification are prevalent, new processes of contractor-led single-member migration from rural households and remittance flow, emergence of new non-farm activities and consumption support schemes are instrumental to the new transformations occurring in the rural areas and their transition to urban space. Besides, the association of the unemployment rate with educational attainments and the urbanisation–unemployment nexus observed from the recently released periodic labour force survey data are testimony to the brighter side of the development story of India.

Keywords

Urbanisation-unemployment nexus, Migration, Job creation, Crop Diversification, Water scarcity, Employment, Unemployment rate, Non-farm activities, Remittance flow

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