

# TREND AND FEATURES OF UNEMPLOYMENT IN KERALA; ANALYTICAL STUDY

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## ABSTRACT

*Unemployment is one of the major economic problems faced by Kerala economy. Unemployment rate among male and female in Kerala in rural as well as urban areas were found to be generally three or four times greater than national average. Educated unemployment is the main feature of unemployment in Kerala. Though there happened high demand of manual labourers, the educated youth cannot find any job. The unemployment among educated women is very high and alarming. The unemployment rate among the young females is much higher than that of young males. The high rate of population growth during the early decades of 20<sup>th</sup> century, slow economic growth, zero growth rate of agriculture, stagnation in industrial sector, inappropriate educational development, industrial unrest are some of the reasons for unemployment in Kerala. The structural changes happened in Kerala from agriculture to service sector led to the preference of white collar jobs among Kerala youths. The existence of underemployment is also found in Kerala. Highly educated professionals and others are compelled to engage in less salaried and less attractive jobs due to non-availability of jobs suitable to their qualification. Though Kerala is facing unemployment, there is the problem of scarcity of manual labourers. This scarcity of manual labourers is solved by the immigrant labourers from other parts of the country.*

**Key words:** Unemployment, Daily status, Weekly Status, Usual status, Underemployment, Educated unemployment, Jobless growth, Labour Force Participation Rate, Worker Population Ratio

## 1 INTRODUCTION

Kerala is the state situated in south –west part of India with (38863 km<sup>2</sup>, 1.18% of land area of India). According to the 2011 census there were a total of 33,387,677 people living in the state. In 2019 it is estimated that a total number of 37.664 million. Unemployment is one of the economic problems faced by the state. The word “unemployment” means the situation in which the able bodied people who are seeking for a job cannot find a job. Unemployment in a country is expressed in terms of unemployment rate which is a measure of unemployment and is calculated as a percentage by dividing the number of unemployed individuals by the number of current labour force. Unemployment is the result of mismatch between demand and supply of labour. The Labour Force Participation Rate (LFPR) which is a measure of those employed within the age group of 18 to 60 is 50.7 per cent for Kerala, whereas the national average is 53.8 percent. Worker population Ratio (WPR) which is the number of persons employed per 1000 persons is 43.8 percent which is again lower than the national average of 47.8 percent (Fifth Annual Employment and Unemployment Survey of Labour Bureau, Ministry of Labour). The latest Annual Employment Survey conducted by Ministry of Labour and Employment shows that Kerala has the highest Unemployment Rate (UR) of 12.5 percent whereas the all –India average is 5 percent. The Economic Review of 2019 says that “the incidence of unemployment in the state is nearly two times the all –India average. This problem is more serious among the educated that are unable to utilise their skill and knowledge they have acquired for

effecting qualitative changes in the economy".In all the three approaches of unemployment namely Usual Status, Weekly Status and Daily Status the unemployment is found to be generally three or four times than the all India average. National Sample Survey Organisation(NSSO), Census Report and reports of Employment Exchanges, Reports Labour and Employment Surveys are the official sources of unemployment data in India.

The problem of unemployment in Kerala is primarily the problem of educated unemployment among both men and women. The NSSO survey results suggest that the rate of unemployment is very high among young people belonging to the age group of 15-29 years in Kerala. The educated unemployment is very serious economic and social problem to be addressed. The main causes of educated unemployment are defective educational system which may be termed as "educational inflation", lack of aptitude and technical qualification to various types of work among job seekers and the maladjustment between demand and supply of educated workers.

Another peculiar feature of Kerala's unemployment situation is that women outnumber men seeking employment through employment exchange, especially among educated women. As a result of Kerala Model of Development, high level of social development happened among women and children. Though the level of educated women has increased over the years, the inclusion of educated women into employment is limited. The trend of high standard of living and low per capita income have led Kerala women to play double role of home worker and supplementary income earner to the family. The decision of a woman to participate in the labour force depends upon her personal and family characteristics and other intervening influences. The correlation between education among women and unemployment should be analysed.

Underemployment is another peculiarity in Kerala labour market. Underemployment is commonly defined as under-utilisation of the capability of a labourer. Some of the persons categorised as usually employed do not have work throughout the year due to seasonality or otherwise and their labour time is not fully utilised. As a consequence of unemployment there is also underemployment in Kerala. Large number of high qualified persons are compelled to do less salaried and less attractive works.

## **2.STATEMENT OF THE PROBLEM**

The unemployment problem in Kerala is very crucial. It is three times higher than the national average. Through this article an attempt has been made to analyse the trend in the unemployment rate from the origin of the state to the present. Its magnitude and peculiarities are discussed. One of the important natures of Unemployment in Kerala is educated unemployment. There are large numbers of qualified job seekers both from general education and professional education. The preference of Kerala youths towards white collar job and their attitude towards employment should be discussed.

## **3.SIGNIFICANCE OF THE STUDY**

The present labour market condition in Kerala shows a mismatch between demand and supply of labourers'. On the one side Kerala faces acute unemployment at the alarming rate. The unemployment rate is two or three times more than the national average. It seems as a paradox that in this state where unemployment is large more than three million migrant labourers are getting job and they are satisfied with the wage rate prevailing in the market. So it is very important to analyse the nature of unemployment in Kerala. The unemployment in Kerala is highly different from that of national level in its trend, nature and reasons. Structural changes in the economy towards service sector from agriculture and stagnation in the industrial sector influenced the labour market of Kerala.

## **4.OBJECTIVES OF THE STUDY**

- a.To understand trends in unemployment of Kerala.
- b.To analyse features of unemployment Kerala.

c. To analyse reasons of unemployment in Kerala

## 5.METHODOLOGY

To conduct the study secondary data is used. The secondary data is collected from official published sources such as NSSO(National Sample Survey Organisation), Census Reports of various years,data from Employment Exchanges, Reports of Labour and Employment surveys and Economic Reviews published by the government of Kerala. Moreover the existing various government reports,national &international books and journals have been also referred

## 6.REVIEW OF LITERATURE

### 6.1Theoretical ReviewLiterature

The Bureau of labour Statistics defined unemployment as people who do not have a job ,have actively looked for work in the past four weeks ,it is also noted that people who were temporarily laid off and were waiting to be called back to the job are included in the unemployed statistics(BLS). Will Kenton opined that unemployment occurs when a person who is actively searching for employment is unable to find work.The most frequent measure of unemployment is the unemployment rate,which is the unemployed people divided by the number of people in the labour force.

The classical economists believed in full employment as a result of normal situation. According to J B Say there will be always the sufficient rate of total spending so as to keep all resources fully employed .He viewed that every supply of output creates an equivalent demand for output so that there can never be a problem of general over production and hence of unemployment(J B Say).To classical economists unemployment is due to the government interference and monopolistic practices. Natural wave Theories of Unemployment opined that unemployment is due to the complex of causes generating the trade cycle and emphasis that ups and downs of business activity are natural fluctuations in businessactivities are partly controllable.

According to JM Keynes the volume of employment is determined bythe level of aggregate effective demand which may adversely be affected by the reduction in wages ,wage cut,fall in demand, and ultimately to unemployment .He contends that employment is a function of income ,the greater the national income level the greater the volume of employment . Keynes concluded that lack of effective demand is the basic reason for unemployment.(J M Keynes 1936).

The Philips curve is an inverse relationship between the rate unemployment and the rate of increase in money wages. The higher the rate of unemployment,the lower is the rate of wage inflation.In otherwords,there is atrade-off between wage inflation and unemployment(A W Phillips 1958).

There are different types of unemployment such as voluntary unemployment t, open unemployment,seasonal unemployment,structural unemployment,frictional unemployment,technological unemployment,cyclical unemployment,chronic unemployment,disguised unemployment and educated unemployment.Voluntary unemployment is defined as a situation where the unemployed choose not to accept a job at the going wage rate (Davar E D 2016, unemployment ;Walrass voluntary and Keynes Involuntary, Equilibrium ).Open unemployment is a condition in which people have no work to do, it can be seen and counted in terms of numbers.

The adoption of inferior occupation by dismissedworkers is the disguised unemployment(Mrs.Joan Robinson).In other words the shift in employment from a higher to a lower occupation ,involves the lower productivity on the part of worker(B Datla).Unemployment condition of one who is able to work but unable to find work, unemployment often arises from the factors beyond the control of the individual worker ( C H Summers

1989).The concept of disguised unemployment was developed by T.W.Shultz which means engagement of more workers than needed in agriculture sector.(T.W Shultz 1964 Transforming traditional agriculture ,Yale University Press).It is a situation in which more people are doing work than actually required.Cyclical unemployment is caused by trade cycles at regular intervals.Under employment is a situation in which people employed contribute less than their capacity to production.

The National Sample Survey Organisation (NSSO) had developed some concepts related to unemployment .They are a. Usual Status Unemployment ,b .Weekly Status Unemployment and c.Daily Status Unemployment.The Usual Status Unemployment rate is a person rate and indicates chronic unemployment because all those who are found “usually” unemployed in the reference year are counted as unemployed. The weekly status concept determine the activity status of a person with reference to a period of proceeding seven days .The Daily status unemployment rate is the ratio of labour days per week reported as unemployed to the total labour force day per week( Misra/Puri Indian Economy 1996).

## 6.2 Unemployment in the World.

According to the World Employment and Social Outlook ,the global unemployment rate has been stabilizing after the rise in 2016.It has reached 192million in 2018.The ILO’ S report on unemployment shows that while the global unemployment rate is stabilizing ,unemployment and decent work deficits will stay at persistently high levels in many parts of the world(ILO’s World Employment and social outlook –Trends 2018).The World Economic Forum warns the world that as technological breakthroughs rapidly shift the frontier between the work tasks performed by humans ,machines ,algorithms ,global labour market is undergoing major transformations.These transformations ,if managed wisely ,could need to a new age of good work, good jobs and improved quality of life for all ,but if managed poorly ,pose the risk widening skill gaps greater inequality and broader polarization(The Future of Job Report 2018.World economic Forum)

## 6.3.Unemployment in India

Unemployment in India is major social issue and unemployment records in India are kept by the Ministry of Labour and Employment(Papola T S 2014 .An assessment of labour statistics system in India) .According to Government of India, there were 31 million unemployed people in India in September 2018( Unemployment Statistics,www.labour.gov.in ,Nov 2018).International Labour organisation says the rate of unemployment in India is about 3.6 percent in 2017 and 3.8 percent in 2018.According to CMIE it is estimated that 11 million jobs lost in 2018, India’s unemployment rate shot up to 7.4%in December 2018,the rate had increased sharply from the 6.6 % in November 2018.(Mahesh Vyas 2018 ,Centre for Monitoring Indian Economy).According to the fifth Annual Employment-Unemployment survey conducted by Ministry of Labour and Employment ,,Labour force Participation Rate (LFPR) all India level is estimated at 50.3% under Usual Principle Status Approach . Female LFPR is significantly lower compared to males.Similarly the worker population ratio (WPR) at all India level is estimated at 47.8% comprising 27.7% females( Fifth Annual Employment and Unemployment Survey 2015-16,Ministry of Labour and Employment ,Government of India).

As far as the causes of unemployment in India are concerned ,Misra /Puri argue that,slow growth process and rapid decline in employment,increase in labour force,,and inappropriate educational system are the main reason for unemployment in India( Misra/Puri,Indian Economy, Himalaya Publishing House).According to T.S Papola the decline in employment elasticity in agriculture is found to be due primarily to the sharply declining and even negative elasticity’s in a few regions where the green revolution has resulted in significant yield and output growth .After the source of green revolution was exhausted ,output growth became more input and technology- intensive and less labour –intensive(T S Papola 1992,The Indian Economy –Problems and Prospects,New Delhi).The accelerated growth in the industrial sector ,particularly in consumer durable industries has failed to generate

corresponding employment due to increasing reliance on imported technologies which are of labour saving nature (N J Kurian ,1990 Employment Potential in Rural India –An analysis ,EPW ,Dec 1990).National Rural Employment Programme(NREP),Rural Landless Employment Guarantee Programme(RLEGP),The Integrated Rural Development Programme(IRDP),The Scheme of Training Rural Youths for self – Employment(TRYSEM),JawaharRozgarYojana(JRY),Nehru RorgarYojana (NRY), Prime Ministers RosgarYojana(PMRY),National Rural Employment Guarantee Programme(NREGP) are some of the programmes adopted by the Government of India to address unemployment ( Misra/Puri, Indian Economy).After the economic reforms of 1991 India is experiencing “jobless growth”.With the higher growth rates not having translated into more jobs and increases in productivity failing ,the 10% growth in GDP growth results 1% increase in employment.The study conducted by AmitBasole concluded that total employment actually shrank by seven million between 2013-15(The Hindu 25 September 2018)

#### 6.4 Unemployment in Kerala

The latest Annual Employment & Unemployment survey conducted by Ministry Labour and Employment shows that Kerala has the highest unemployment rate of 12.5% ( Survey Report ,Ministry of Labour and Employment ,Government of India). In all the approaches unemployment in Kerala is found to be generally three to four times greater than that of India.The unemployment rate in Kerala under UPS approach is 9.8 % ,female unemployment particularly in rural area is a matter of concern,female LFPR in Kerala is estimated at 30.8% higher than that of all India level(NSSO report).The unemployment rate of the youth is 21.7% in rural areas and 18.0% in urban areas .Youth unemployment is prevalent in Kerala because young people lack of adequate skills,work experience in emerging areas ,in order to face these challenges ,the on-going programmes for skill development and employment generation may be restructured to the youths for finding better employment opportunities(Economic Review 2018 Government of Kerala).

### 7. ANALYSIS OF DATA

#### 7.1 Trends in Unemployment of Kerala

The earliest systematic survey which estimated rural and urban unemployment for the whole state of Kerala was NSSO's 14<sup>th</sup> Round (1958-59) on employment and unemployment since the formation of the state .According to the survey 3.6% of population in rural areas and 2.2% of population in urban areas were unemployed .The NSS 16<sup>th</sup> Round (1960-61) estimated unemployed as 3.2% of the population in rural areas and 2.4% of population in urban areas. The following table shows percentage of unemployment in Kerala in different periods.

#### Percentage of unemployed to total persons of age 5 and above

(NSSO 27<sup>th</sup> ,32<sup>th</sup> and 38<sup>th</sup> Rounds)

NSS Rounds	Rural		Urban	
	Male	Female	Male	Female
27 <sup>th</sup> Round (1972-73)				
1 Usual status	3.13	1.32	5.90	3.59
2 Current Weekly Status	6.22	4.48	7.46	3.68
3 Current Day Status	12.84	7.28	12.53	5.37
32 <sup>th</sup> Round (1977-78)				
1 Usual status	2.83	3.40	5.20	6.43
2 Current Weekly Status	7.48	4.13	8.52	3.10
3 Current Day Status	13.70	6.61	13.76	4.74
38 <sup>th</sup> Round(1983)				
1 Usual status	4.58	2.80	6.04	4.68
2 Current Weekly Status	8.60	4.85	8.21	4.91

3 Current Day Status	13.39	6.56	12.76	5.29
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Source; SarvekshanaVoi.IX No4 April 1986

The Bureau of Economics and Statistics (Department of Economics and Statistics) has conducted a survey in 1965-66 and estimated unemployed as 5.47 lakh i.e. 9% of the labour force. The survey found that the intensity of unemployment among women was greater than men and unemployment among youth is chronic in urban areas. It was found that total unemployed nearly 65% of the persons belonged to the age group of 15 -24., it also found that by 1965 educated unemployed had emerged as a serious problem accounting for about 26% of total unemployed, the rate of unemployment was found highest in Trivandrum district followed by Trichur, Allepey and Quilon districts. The following table shows classification of population by activity status

### Classification Of population by activity status

(B E S Survey 1965-66)

Activity status	No:of persons (lakh)			Per cent		
	Male	Female	Persons	Male	Female	Persons
Employed	39.74	14.94	54.68	42.70	15.70	29.10
Unemployed	3.04	2.43	5.47	3.3	2.6	2.9
Labour Force (1+2)	42.78	17.34	60.15	40.0	18.3	32.0
Person not in labour force	50.28	77.38	127.66	54.0	81.7	68.0
Total	93.06	94.75	187.81	100.0	100.0	100.0
Unemployed as % of labour force	7.10	13.98	9.09			

Source: B E S 1976 Planning for Employment in Kerala

The Department of Economics and Statistics (DES) conducted Housing and Employment Survey in 1980 and had estimated that there are 14 lakh unemployed in the state constituting 18% of the labour force. The employment seekers are defined as those persons between the age of 15 and 60 who are not able to secure jobs even for a day during the previous year and are searching for a job. The study found that the rate of unemployment was higher in urban areas than in rural areas. A district wise distribution of unemployed shows that the four districts namely Trivandrum, Quilon, Alleppey and Ernakulam accounts 51 percent of the total unemployed. The D E S Survey 1987 categorised the unemployed into two such as chronically unemployed and underemployed persons. The survey estimates that the open unemployed as 27.81 percent of the labour force. Compared to men, the rate of unemployment was found very high among women. The following table explains details of the survey.

### Distribution of Labour force by activity status to total population

(D.E.S. Survey 1987)

Category	Rural (In thousand)			Urban (In thousand)			Total (In thousand)		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
1 Employed	4472	1153	5625	658	161	819	5130	1314	6444
2 Under Employed	813	534	1347	134	47	181	947	581	1528
3 Open unemployed	1161	1168	2284	202	295	497	1318	1463	2781
4 Total unemployed	1929	1702	3631	336	342	678	2265	2044	4306
5 Total labour force	6401	2855	9256	994	503	1497	7395	3358	10753
6 Under employed	12.7	18.7	14.5	13.6	9.03	12.1	12.8	17.3	14.2

as % of labour force									
7 Open unemployed as % of labour force	17.4	40.9	24.7	20.3	58.6	33.2	17.8	48.9	25.8
8 Total unemployed % of labour force	30.1	59.6	39.2	33.8	68.0	45.3	30.6	60.9	40.1

Source ; D.E.S 1988 .Report of the survey on Unemployment in Kerala in 1987

The employment exchange data on the job seekers give us an idea about the growing number of job seekers in the educated category. The total job seekers in the general category had increased from 1.51 lakhs in 1960 to 29.51 lakhs in 1987, denoting an increase of 19 times. Besides the general category another 82323 professional and technical category job seekers are also there in the live register on December 1987. There has been a study growth in all categories of job seekers between 1970 and 1987.

The following table shows work participation rate in Kerala from 1987-88 to 1999-2000 collected by NSSO in its different rounds.

**Work participating rates in Kerala  
(Per cent)**

	1987-88	1993-94	1999-2000
Male	51.2	54.3	55.4
Female	26.5	22.9	22.9
Total	38.6	38.3	38.7

Source; NSSO Rounds on Employment and Unemployment

The total Unemployment rate as Usual status in Kerala (per 1000) in rural area 94 in the year of 1993-94 and it increased to 108 in the year of 1999-2000. The rural unemployment among male (per 1000) was 72 and it was 158 for female in the year of 1993-94 and it changed to 76 and 197 in the year of 1999-2000 respectively, as far as urban areas are concerned the figures were 76 and 69, 244 and 264 respectively. The 60<sup>th</sup> round survey of NSS on employment and unemployment indicate that the rural continue to employ more labour force than the urban sector. In urban area 37 percent of the population constitute the labour force whereas the rural it comes to 44 percent.

The unemployment rate in Kerala increased from 15.51 per cent in 1993-94 to 20.97 per cent in 1999-2000. The following table shows details work seekers in Kerala

**Work Seekers in the live register of Employment Exchanges (Lakhs)**

Sl No:	Year(at the end of December)	Below SSLC persons	Growth rate	SSLC & above Persons	Growth rate	Total work seekers Persons	Growth rate
Sl.No							
	1	2	3	4	5	6	7
1	2000	9.52	5.3	32.63	8.9	42.15	8.1
2	2001	9.67	1.6	34.64	6.2	44.31	5.1
3	2002	7.12	-26.4	29.68	-14.3	36.80	-16.9

4	2003	7.46	4.8	32.58	9.8	40.04	8.8
5	2004	6.73	-9.8	30.83	-5.4	37.56	-6.2
6	June 2005	6.54	-2.8	31.32	1.6	37.86	0.8

Source; Directorate of Employment, Economic Review Kerala 2005.

The share work seekers below SSLC had decreased and the share of work seekers having higher qualification had increased. The share of work seekers having educational qualification 10 and above to total work seekers increased from 75 per cent in 1996 to 83 per cent in 2004. The worldwide economic depression adversely effected in employment in Kerala also. The pace of employment growth rate had been very low over the years, unemployment increased due to several factors such as low rate of economic growth and the slow growth of organised sector. According to Employment Directorate 43.28 lakhs of employment seekers were in the Live Register of Employment Exchange, out of which 25.474 lakhs are female. The following table gives details of job seekers in Employment Exchange (2010 June)

#### Registered job seekers in Employment Exchange (June 2010)

Sl .No.	Category	Numbers
1	Illiterate	90
2	Below SSLC	600811
3	SSLC	2728950
4	Pre-degree	707265
5	Degree	246784
6	Post Graduate	44976
	Total	4328876

Source; Employment Directorate 2010

In Kerala, the total number of work seekers in 2007 was 39.88 lakh, and it increased to 41.44 in 2008, again to 43 lakh in 2009 and upto 43.287 lakh in June 2010. The number of general work seekers slightly increased from 41.34 lakh in 2009 to 41.67 lakhs in June 2010, whereas the registered number of professional and technical workers decreased from 1.65 lakhs to 1.61 lakh in 2010. The total number work seekers who possess SSLC and above increased from 36.76 lakhs in 2009 to 37.28 lakhs in June 2010.

As per the 5<sup>th</sup> Annual Employment and Unemployment survey (2015-2016) of Labour bureau, Ministry of Labour, is 50.3 per cent a marginal increase by 0.3 per cent over the year 2013-2014. The worker Population Ratio in Kerala is 43.8 percent as against the national average 47.8 per cent. The survey estimated that the unemployment rate in Kerala was 12.5 per cent against all India level of 5 per cent. As per the survey report the unemployment among the youth in Kerala was much higher as compared to that in the overall population and it revealed the severity of unemployment problem among the youths of Kerala. The following table gives details of job seekers from 2005 to June 2017

#### Total work seekers in Kerala(Lakh persons)

Year(at the end of December)	General work seekers	Professional /Technical work seekers	Total work seekers
2005	34.93	1.77	36.70
2006	36.93	1.64	38.57
2007	38.39	1.49	39.88
2008	40.01	1.43	41.44
2009	41.24	1.46	43.00
2010	41.60	1.50	43.10



2011	41.98	1.64	43.62
2012	43.29	1.70	44.99
2013	34.83	1.68	36.51
2014	36.21	1.51	37.72
2015	34.93	1.63	36.56
2016	33.83	1.40	35.23
2017(up to 31/10/07)	35.39	1.44	36.83

Directorate of Employment, Government of Kerala 2017

As per the survey conducted by the NSSO, the unemployment was 21.7 per cent for rural areas and 18.0 per cent in urban areas, Likewise the unemployment among female youth was much higher than the male. As far as the employment in organised sector was concerned it had remained more or less stagnant from 11.15 lakh in 2010 to 11.73 lakh in 2017, this was because due to the movement of labour force to the informal sector like construction, real estate, textiles, communication etc ..... which provides more employment. The latest Annual Employment & Unemployment Survey conducted by Ministry of Labour and Employment shows that Kerala has the highest Unemployment rate of 12.5 percent, the all India average is five per cent. Another crucial marker of employment situation is Worker Population Ratio (WPR), is too lower in Kerala. As per the report of Annual Employment and Unemployment of Labour Bureau, WPR in Kerala is 43.8 percent, which is lower than the national average of 47.8 per cent. When comparing the neighbouring states, WPR in Andhra Pradesh is 60.1 per cent, in Tamil Nadu it is 54.8 percent, whereas in Karnataka it is 54.8 per cent. It is worth mentioning that the unemployment rate among the female youth is much higher than that of male youth.

## 7.2 EDUCATED UNEMPLOYMENT IN KERALA

Educated unemployment is a worldwide phenomenon and it is one of the economic problems faced by the country. The worldwide studies reveal the gravity of the problem of educated unemployment among youths. The United Nations Educational, Scientific and Cultural Organisation (UNESCO) has conducted a series of regional studies on the problem. The educated employment was found in developed countries like Sweden, Switzerland, Japan and Australia at less than 5 per cent. The problem of unemployment especially educated unemployment is very serious in developing countries also.

The problem of educated unemployment in India has a long history. It dates back to the middle of the 19<sup>th</sup> century, when the graduates of Sanskrit and Persian submitted a memorandum to the East India Company, and which led to the introduction of present education system in India. During both the World Wars the problem of unemployment as well as educated unemployment grew in quantity and quality. An attempt was made in 1931 census to count the number of the educated unemployed through a separate schedule, and concluded that the problem of educated, middle-class unemployment was all India phenomenon and was more dangerous than other types of unemployment. The First Five Year Plan of India stressed the need to help the educated unemployed through a package of assistance including training. According to Bhagavati Committee, the number of educated job seekers had increased at the rate of 20 per cent from 1966 to 1972. In other estimate it was 175 lakh in 1989 it rose up to 271 lakh in 1993. The Planning Commission's estimate shows that every year 3 million educated persons are added to the labour market. Among the educated the matriculates including higher secondary education constitute 75 per cent of unemployed. J.P. Saxena (1979) conducted a study on the problem of educated unemployment in India. The explanation of growing number of educated unemployed in the country lies partly in the erroneous system of education which is book centred. According to T. N. Dhar (1979) the failure of manpower planning is the reason for unemployment among educated youths.

Kerala is a small state in India, and is ahead of other states in respect of literacy. It is the first state which achieved 'total literacy' in the country. In all the periods literacy rate in the state was high compared to national average. For

instance, in 1991 the literacy rate in Kerala was 11.4 per cent compared to only 5.35 per cent at all India level, which increased to 40.47 per cent as against 16.67 per cent for India in 1951

Indigenous system of education which prevailed in Kerala in the 18<sup>th</sup> century and earlier had contributed significantly to the literacy level and social transformation of the people of Kerala. The Christian missionaries contributed for the modern education in the state. Local rulers of the state also made positive contribution for the educational progress of the state. In all plans except first five year plan the share of education in Kerala was high compared to all-India level. As a result, there happened remarkable progress in the field of education. In the case of employment, education department is the biggest employer of the state where teachers constitute nearly 18 per cent of the total employment in the organised sector.

Higher education, above the level of secondary and higher secondary education occupies a strategic position in the field of education.

The effective utilisation of human resources is inevitable for economic and social development. The waste of human resource (unemployment) is a serious problem having social, economic and political implications. It is very relevant in a state like Kerala which has the largest number of unemployed, both the educated and uneducated. The educated unemployed youth in rural area separated from their traditional agricultural job leading to an explosive unemployment situation.

The Employment Exchange data on job seekers in the live register gives us an idea about the growing number of educated job seekers. The following table shows details of registered job seekers (General Category) in the Employment Exchanges in Kerala from 1960 to 1987.

**Number of General Education Category Work Seekers (Live Register)**

Period	SSLC	PDC	GRADUATE	P.G	SSLC&ABOVE	TOTAL
30.12.1960	62930	1568	3489	NA	74287	151469
31.12.1966	79261	2923	3581	445	86210	157156
31.12.1970	151279	7469	17707	1994	178450	293754
31.12.1975	281989	28329	44456	4840	359614	691242
31.12.1980	658652	79310	67841	8220	814023	1579164
31.12.1985	1116495	148464	90329	10062	1365350	2574074
31.12.1987	1408007	156522	106567	12210	1683306	2951897

Source; B.E.S 1966, Fact Book on Manpower, B.E.S 1977, Economic Review 1987

Besides the general category there were professional and technical category job seekers also. The following table gives an idea about growth of such type of job seekers.

**Number of Professional and Technical job seekers (Live Register)**

Period	Medical graduates	Engineering graduates	Diploma (Engineering)	I.T.I	Agriculture graduates	Veterinary graduates	Total
31.12.1970	281	1852	3547	8380	133	70	14263
31.12.1975	809	1850	3990	20113	32	117	26911
31.12.1980	871	1503	6833	29973	106	17	39305
31.12.1985	1143	2917	11257	53237	149	25	68728
31.12.1987	1532	4443	15764	60262	297	25	82323

Source same as above table

As explained by Kerala Economic Survey 2017, in Kerala rate of unemployment was noticeably higher for persons with universally education than the rest .One fourth of post graduates in labour force were unemployed while one sixth of persons with technical degree and one sixth of persons with vocational training are unemployed. The following table gives more idea.

#### Rate of Unemployment by skill(Age 15 years and above) in Kerala,Percent

General Education	Rate of Unemployment	Vocational Training	Rate of Unemployment
Not Literate	4.6	Formal	14.9
Just Literate	4.1	Informal	3.5
Primary	2.4	No training	9.7
Middle	4.1	Graduate	16.2
Secondary	10.2	Diploma	20.3
Higher Secondary	18.8	Post Graduate Diploma	25.7
Graduate	20.0	No qualification	7.7
Post Graduate	23.3		

Source ;Computed from unit records of NSS 68<sup>th</sup> Round .Kerala Economic Review 2017.

Latest surveys and studies reveal the alarming and dangerous situation of unemployment among educated youths in Kerala.It is also noted the situation of underemployment in the state .A large number of highly educated persons are compelled to work at low level of wages. There are large number of post graduates and professional degree holders working as police constable, lower divisional clerks and last grade servants in government sector.Economically this leads to low level of income and socially it leads to distress among the youths and anti-social activities.

#### 7.4 REASONS FOR UNEMPLOYMENT IN KERALA

Following things are the reasons for unemployment in Kerala.

- Population Growth; The rate of population growth was very high in Kerala during early decades of 20<sup>th</sup> century compared to other parts of the country. The population of Kerala increased by 354 per cent during the period 1901-1991 while it was only 254 per cent in the country as a whole. The population explosion in the state certainly contributed to the growth of unemployment in the state.
- Low Economic Growth; The period 1960-1990 was a period of comparative economic stagnation in Kerala.While the economic growth rate in the state was about 3.7 per cent per year during 1960s, it declined to 2.3 per cent during 1970s and to less than 1 per cent during 1980s. Though the recent period growth rates in the State Domestic Product has improved the rate population growth has declined ,the high population growth in the earlier period and low economic growth created a heavy backlog of unemployment in the State of Kerala.
- Agriculture stagnation; the agriculture sector in the state has been characterized by almost zero growth rate. Due to prevailing high wage rate in the state ,paddy cultivation is being rendered unprofitable and farmers are increasingly diverting towards cash crops .Shift from labour intensive paddy cultivation to less labour intensive cash crops is also responsible for high unemployment rate in the state.
- Industrial Backwardness; Kerala is very backward in industrial sector. Shortage of energy, militant labour unionism, and high wage rate is some of the reasons for industrial backwardness. Due to above reasons entrepreneurs in the state forced to set up manufacturing units in bordering districts of Tamil Nadu.
- Inappropriate Educational Development; the pattern of progress made by Kerala in the field of education has also contributed to growing unemployment.The supply of educated manpower in the state is not matched by equivalent demand for their service.Educational development in the state has progressed mainly in the non-vocational streams.

- f. Flight of Capital;The credit deposit ratio(cdr) of nationalised banks in the state has been consistently lower compared to the national average. The banking sector acts as a medium for transfer of capital to other states creating jobs outside the state.
- g. Misuse of Remittances ;The massive inflow of remittances from the migrants from the middle-east constituted about 20 per cent of the state domestic product ,unfortunately the remittances were utilized for purchase of land and gold ,meeting matrimonial expenses ,conspicuous consumption and construction of buildings. Very little of it was utilized for productive investment and employment generation. Conspicuousconsumption paved way for boost in retail trade .but most of the manufactured goods sold were produced outside Kerala.While consumption was within the state, production, employment generation had taken place outside Kerala.Thus Kerala missed opportunity to solve unemployment problem in the state.
- h. Job Preference of the Unemployed; High literacy in the state has resulted into a situation where the educated refuses to accept humble jobs. The educated youths in the state are waiting for government jobs or white collar jobs. It is estimated that there are about 3 to 4 million migrant labourers working in Kerala from other parts of the country and earn around 10000 to 20000 thousand per month. Though the malayalies are not ready to work in Kerala ,they are ready to work in other countries.

## 10.CONCLUSION

Unemployment is a worldwide socio –economic problem .All most all nations in the world face the problem .In some countries it is frictional but in some nations it is permanent for a number of years. Unemployment problem exists in India for a number of years .The rate of unemployment varies in different states; the nature of the problem is also different. The rate of unemployment is very high in Kerala, which is three times higher than national average. There are some unique features in Kerala’s socio-economic scenario, which are very different from the national level .It isworth mentioning unemployment among female and educated youths in Kerala. As a result of the activities religious and social reform movements anduniversalizationof education Kerala ranks high in education .But unfortunately the educated youths of the state cannot find employment. One of the main features of the unemployment in Kerala is educated unemployment .Educated youths are searching for jobs suitable to their qualification, but are compelled to accept jobs with lower salary and attraction. Underemployment is the other feature of unemployment in Kerala. Causes of educated unemployment and underemployment lie in the existing education system in the state.

## 9.SUGGESTIONS

This article reveals the alarming situation of unemployment in Kerala.The trends revealthe fact that unemployment in the state is one of the socio-economic problems faced by the state. The unemployment in the state leads to the wastage of human capital and decline of state domestic product.Moreover the economic consequences, unemployment leads to anti-social activities among the youths. So deliberate actions should be taken to make more employment opportunities to eradicate the problem of unemployment. The measures to control unemployment can be divided into short- term measures and long –term measures. Short-term measures include training unemployment youths and make them fit for modern jobs. The Local Self Governments can form ‘Labourers Group’ comprising different types of youths. If the members of the groups are given benefits of the labourers in Organised Sector more youths may be attracted. Different types of job related benefits can be attributed to the members of labour groups. As a short –term measure encouragement should be given to migration by giving them training for foreign jobs. Global job fair may be conducted by inviting domestic and foreign companies. Self –employment schemes should be introduced by enhancing Self- Helping Groups(SHG).The performance of Employment Exchanges should be critically analysed. The relevance of Employment Exchanges fell down because they are not giving job. Measures should be taken to strengthen the functions of Employment Exchanges. As far as long term-measures are concerned,there must be drastic changes in education system. In order to control educated unemployment job oriented education system should be introduced. Industrial sector development is a solution for

unemployment among technical graduates, diploma holders and ITI certificate holders. Being most of the educated youths are ready to work in service sector measures should be taken for the progress of service sector like banking , education, hospital , tourism .

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