

Understanding the Causes, Consequences and Potential Solutions of Unemployment in Kashmir

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Abstract

Unemployment in the state of Jammu and Kashmir is escalating at an alarming rate. The economic stress causes thousands of educated and uneducated people to join the armies of the jobless. According to a recent poll conducted by the Labor Bureau of Union Ministry, Jammu & Kashmir now has the highest unemployment rate of any state in Northern India. Based on secondary sources, this study focuses on the causes, effects, and potential solutions to the problem of unemployment in Jammu & Kashmir. The study sheds light on the state's economic shortcomings creating an army of unemployed youth. In addition, this article examines the government's recent initiatives to restructure the economy to reduce the rate of unemployment.

Keywords: *Unemployment, Unemployment crisis, Unemployment rate*

Introduction

Unemployment is "the state of not having a job for which one is qualified." In other words, it refers to condition of a state when people, who are prepared to work

for the specific wage rate, are unable to find employment (Layard et al., 1994). Those who are currently jobless and looking for work are considered to be "unemployed." In technical terms, the unemployment rate denotes the number of jobless people as a share of the labor force in a society in a given period of time. It is often used an indicator of economic health and policy success of a country (Murphy & Topel, 1997).

Research studies depict that, a rapid rise in the population and an upsurge in the labor force, underdevelopment of the economy, slow growth in the agricultural industry, dysfunctional professional training, a dearth of workforce planning, the reduction of village industries because of antiquated technology, and sluggish growth in the industrial sector are all major contributors to India's high unemployment rate (Machin & Manning, 1999).

Like many other states in India, J&K is having the high rate of youth unemployment. The state, having the rate of job creation far behind that of the other states, the number of unemployed educated youth in both urban and rural areas has continued to rise, and the unemployment crisis has worsened over time (Wali & Manzoor, 2018). The creation of jobs is lagging behind the expansion of the labor force.

The effects of unemployment are far beyond the physiological and psychological to include a precipitous fall in moral standards (Kennedy, 2012). There is a delicate connection between unemployment and issues like mental illness, crime, and suicide. Unemployment also has knock-on effects such as increased rates of migration, divorce, delayed marriage, and maltreatment of children (Arya et al., 2018). The unemployed and their families are vulnerable to a wide range of problems (Nichols et al., 2013).

Millions of young people live in fear of unemployment and loose self-esteem and well-being. It affects individuals, families, and society (Wanberg, 2012). Both advanced and developing nations confront the terrifying dilemma of elevated unemployment rates. India ranks among the poor economies where underemployment and job insecurity persist despite ongoing efforts to eradicate the problem. The current rate of joblessness in our country, regardless of numerous efforts, is 5.8% (Bureau of Labor Statistics, 2019).

Unemployment Scenario of Kashmir

Since 2017–18, the Ministry of Statistics and Programme Implementation (MoSPI) has been collecting statistics on employment and unemployment through a survey called the Periodic Labor Force Survey (PLFS). This survey conducted in July month looks at the labor force as a whole. According to the most recent Annual PLFS reports, the estimated Unemployment Rate (UR) in Jammu and Kashmir was 6.7% during 2017-2018 demonstrating that the unemployment rate in Jammu and Kashmir is increasing tremendously (Ahmed, 2018).

Like many other parts of India, the former state of Jammu and Kashmir has long battled high unemployment rates. According to one of Oxfam's surveys, the high rate of youth unemployment in Kashmir is due to the region's poor infrastructure and the lack of government support for small businesses and self-employment. The unemployment rate in J&K is much higher than in any of its neighboring states. It's fascinating to see how widespread unemployment has worsened the people's economic situation. Between March 2016 and September 2019, the Jammu and Kashmir Services Selection Board (JKSSB) collected Rs 77 crore in examination fees from people hoping to get government jobs in the region. This exemplifies how widespread joblessness is in J&K.

The indicators of unemployment in Jammu and Kashmir are significantly higher than the national average. In addition to this, the unemployment rates for women are significantly higher than those for men. The data on unemployment further indicate a worsening situation in the case of educated unemployment, particularly in the case of educated females (NSSO, 68th Round).

Objectives

1. To identify factors causing persistent unemployment in Kashmir.
2. To examine individual and social ill-effects of unemployment in Kashmir.
3. To suggest a plan for unemployment reduction in Kashmir.

Methodology

The study is descriptive in nature and relies on authentic secondary sources relevant information. Moreover, conclusions and suggestions were made using careful observation and examination of trustworthy evidences obtained from a variety of sources.

Causes of Unemployment in Kashmir

The dilemma of high unemployment cannot be understood in a vacuum but rather can be attributed to a variety of factors (French & Vigne, 2019). The industrial development of Jammu and Kashmir, particularly in the Kashmir region, has been hampered by a number of factors, including a lack of educational and industrial infrastructure, as well as political instability and security concerns. Either the public or the private industrial structure in the region is inadequate or it is unable to successfully absorb the educated young people in the area (Clark & Lepinteur, 2019). The educated young people who are without jobs have almost entirely moved into the public sector as a result of the dearth of robust private sector employment opportunities. The public sector asserts that it has reached a point of saturation in terms of the absorption of educated personnel at this point in time. On the one hand, there is a large army of secondary school leavers, graduates, and post-graduates who have been unemployed for a considerable amount of time. On the other hand, the majority of educated young people are reluctant to move outside the state in search of opportunities and better jobs, which puts pressure on the state's already stalled economic activity (Khuhawar & Shah, 2019).

The state of the education system in Jammu and Kashmir is one of the primary factors that has contributed to the ongoing crisis of high unemployment. When it comes to education, Jammu and Kashmir is essentially the same as it was in India before the country gained its independence. Literates are produced in large numbers by the education system, but only a small percentage of those produced are educated and functionally literate. The industry is still plagued by a number of problems, such as discrimination, teacher-centered rote learning, and corporal punishments (Qadri & Kasab, 2017).

Sher-i-Kashmir Employment & Welfare Programme for Youth (SKEWRY), the Jammu and Kashmir State Self-Employment Scheme, and the Jammu and Kashmir Overseas Employment Scheme are just some of the programs that have been introduced by the government in an effort to combat the issue of unemployment on a regular basis. Unfortunately, these schemes received a poor response, particularly from rural educated unemployed youth of the state. This is likely due to the cumbersome procedure of getting finance for such schemes and the lack of orientation and entrepreneurship training among these individuals. Rural residents of J&K are similarly uninformed about these programs. There is a lack of faith in financial institutions, and many people in rural areas continue to hold the misconception that the primary objective of banks is to generate interest rather than to find jobs for people (Mir & Ahmad, 2018). The end result is that the programs are not utilized to their full potential, which means they fail to meet their primary objective of lowering unemployment rates. After seven years of operation, the Jammu and Kashmir State Overseas Employment Corporation Limited (JKSOECL) has not been able to deploy any of the unemployed young people from the state of Jammu and Kashmir overseas. This is a good case in point.

Ill-effects of Unemployment

After getting information from the consulted secondary sources, the investigator found that unemployment attacks both at individual and social level (Krug & Eberl, 2018). So, the ill-effects of unemployment have been categorized into two broad categories.

Effects at individual level

Physical Health problem: A person's physical health might also be negatively impacted to a substantial degree by unemployment (Norström et al., 2019). Being unemployed is an extremely stressful position, and as a result, it may create health problems that are associated to stress, such as headaches, high blood pressure, diabetes, heart disease, back pain, and sleeplessness (Linn et al., 1985).

Mental health problems: According to the findings of several studies, unemployment is linked not only to physical health problems but also to

psychosomatic symptoms, lower levels of subjective well-being, and lower levels of self-esteem (Thern et al., 2017). Following psychological problems are found related to the issue unemployment.

Psychological pressure: It was found that unemployment is linked to psychological distress, the perception of pressure from others to acquire employment, employment commitment, communication with other young people, and contact with other young people who are also unemployed (Mousteri et al., 2018).

Increased stress levels: unemployment and high levels of perceived stress have been found strongly associated. Perceived everyday life stress is nearly doubled as a result the risk of unemployment among youth (Bünnings et al., 2017).

Anxiety and Depression: A person who is without work often suffers from feelings of worthlessness and inadequacy, as well as sadness. Depression and anxiety were significantly greater in the unemployed than employed as revealed by ground level observations (Stauder, 2019).

Effects at collective level

Substance use and Suicide: Because of the enormous decline in employment that occurred during the beginning of the COVID-19 pandemic, a large body of research tried to come up with comprehensive examination of the complicated relationship between being unemployed and committing suicide (Sherba et al., 2018). It was found in most of the cases that unemployment rates, substance use and suicide were strongly associated (Konstantakopoulos et al., 2019).

Family breakdown: Financial hardship caused by unemployment has a direct impact on family relationships and domestic life. It leads to emotional distress which affects the family members (Jahoda et al., 2017).

Social unrest: Unemployed people are more likely to participate in antisocial behavior, such as robbery, extortion, kidnapping, and other crimes, which contributes to societal unrest. Terrorism is another option he has available to him in the direst of circumstances (Kassem et al., 2019).

Suggestive Measures

Improving young job prospects requires a holistic view of the unemployment problem. Following suggestions should be taken into consideration.

1. It's important to set aside resources for both teaching new skills and improving on previous ones.
2. State-wide efforts to raise awareness of and appreciation for traditional skills can boost production and efficiency.
3. It is important to recognize and support those who are experts in traditional arts like as carpet weaving, paper machine, embroidery, etc. on both a national and international scale.
4. Given the meteoric rise of the tourist industry in the state over the past several years, it is imperative that the state's skill development programs prioritize hospitality and other tourism-related courses.
5. Several initiatives, such as those that make it easier for young people to obtain loans, can help foster an entrepreneurial spirit among the youth population. Lenders see young people as a high risk since they lack both collateral and business expertise, making it hard for them to obtain credit. Indeed, the much-touted "Sher-e- Kashmir Employment Welfare Programme for the youth (SKWEPY)" in the state, which emphasizes self-employment through entrepreneurship, has considerable room for development.
6. The state should enact stringent regulations to protect the employment rights of its private sector and informal sector workforce, particularly with respect to the amount of pay and salaries they are entitled to receive and the number of hours they are required to work each week. Particular attention needs to be paid to the for-profit and non-profit private schools in the state, where the majority of employees are paid wages so low that they can't afford even the most basic essentials. This has increased anxiety among the qualified young people who work in these organizations. Strict employment standards to this effect should be enforced by state administration to ensure that wages paid and working conditions are comparable to the public sector.

To sum up, the state's unemployment problem cannot be solved until the four priority areas recommended by the expert committee of the Youth Employment Network launched jointly by the United Nations, International Labor Organization (ILO), and the World Bank are given adequate attention:

1. Employability - ensuring investments in education and vocational training for young people and enhancing the impact of those investments;
2. Equal opportunities - ensuring that people of all backgrounds have access to the same educational and employment opportunities;
3. Entrepreneurship –encouraging talented and capable youth to start and run their own business in order to become job-providers rather than job seekers; and
4. Employment creation-providing the primary focus to creation of new jobs every year.

Conclusion

As can be seen from the information presented above regarding the ground realities, the preexisting problem of high unemployment rates in Jammu and Kashmir has become significantly worse over the course of the past few years. The government has shown commendable leadership by taking decisive action in response to the impending emergency. Having said that, there is a great deal more work to be done. The government cannot solve the issue of unemployment on its own; however, the Union Territory's private sector needs to be encouraged to become more robust and entrepreneurial if it is to play a significant role in the solution. It is the responsibility of the government to create a climate in Jammu and Kashmir that is attractive to potential investors and to ensure the safety and security of any such projects. The revitalization of local small and medium-sized businesses ought to be the government's top priority. Encouragement and facilitation of self-help groups as a viable alternative employment model ought to be accompanied by a broadening of the public's scope of participation.

It is essential to bring unemployment under control and to make all three areas of the economy more stable in order to facilitate economic growth. Nevertheless, out of the three different sectors, the industrial sector is the most important one in

terms of the generation of income and employment opportunities. When compared to other states, Jammu and Kashmir's industrial landscape is far behind the others and ranks near the bottom. Only micro, small, and medium-sized businesses can be found in the industrial sector of the UT. Large-scale and heavy industries may seem like a pipe dream, but the government of J&K needs to make them a reality in order to reduce unemployment. In addition to the manufacturing sector, the tourism sector is a significant contributor to both the revenue of the state treasury and the employment opportunities of the local population. This needs to be given new life in order to boost employment both directly and indirectly. Horticulture, agro-based industries, handloom and handicrafts, and sericulture are all examples of industries in the state that have the potential to contribute to the creation of new jobs.

It is imperative that a primary focus be placed on biotechnology and information technology because these are two developing knowledge-based industries that offer a significant opportunity for employment. It is necessary to quicken the pace of skill development programs in order to raise the level of potential employability. It is essential to increase the educational youth population's capacity for learning by enrolling them in training, vocational programs, degree and certificate programs in order for them to acquire the knowledge and skills necessary for employment in various industries. Literacy in economics and finance ought to be a required component throughout each and every stage of the educational process in J&K. In order to address the issue of widespread unemployment in Jammu and Kashmir and to ensure a brighter and more prosperous future for the UT as a whole, the government on all levels—federal, state, and local—as well as civil society should work together to find a solution to the problem.

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