CHAPTER I

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Economic, political and social importance of the problem:

Of all the corrosive problems in the modern life, unemployment is probably the most serious. Unemployed man-power has to be supported, today, by the rest of the community and it is, therefore, a factor depressing standards of living. Further, since the problem has spread over to the more vociferous section of our society, namely the educated, the social cost of the problem is greater than its economic cost. The modern "educated unemployed" does not consider his miseries as an outcome of the bad stars. He holds, and rightly so, the state and the society responsible for it. If the society pays no heed to him, he has every right to fight against the society and the state.

Unemployment among the educated has to be viewed as a part of general unemployment in the economy. The reason why a country like ours finds a sizable number of the unemployed and among them the educated, is lack of sufficient development over a number of years to absorb new entrants to the labour force. Educated unemployment, however, assumes a special significance.

The term educated unemployed has generally been taken to signify the person who has completed the school final stage or acquired higher education in the college or university but is without work, involuntarily, either because no economic work, mental or manual is provided for him or because the remuneration of the work given is deemed by the employee much too inadequate to ensure a decent
standard of life and full enjoyment of leisure, social and cultural opportunity. According to the definition, a host of educated persons are there to feed the channels of unemployment in India.

The unemployment of the educated is one of the most serious problems from the point of view of both the individual and the nation, which Indian planning is facing today. Proper utilisation of the educated persons is important because educated persons represent heavy investment by the State and the community in a poor country. Mr. D.P. Nayar, Chief of Education Division in the planning commission, writes that the Government on an average spends about Rs.2,000 on each graduate. Added to this the expenditure which the parents incur and the earnings which the student forgoes during his period of study.

Secondly, in a country where only 24 per cent of the people are literate, educated persons represent a scarce resource, the demand for which is rapidly growing in view of the rising tempo of development. Thirdly, lack of suitable employment leads to frustration among the most vocal section of society and hence endangers social stability.

"The social loss resulting from unemployment is an intolerable enervation of society's vital life-blood. The continued presence and increase in the number of the large body of the educated unemployed is clearly opposed to the Indian national objective of the

1. The Hitavada - Tuesday, August, 18, 1964.
socialistic pattern of society and reflects the inadequacy and failure of the social set-up to pull itself up." Sociologically speaking it is a challenge to the society from within. On the community's ability to solve it properly depends its own progress. In the second half of the twentieth century, the very survival of the democratic way of life and preservation of the parliamentary form of government may depend upon the proper absorption and utilization of its man-power. An important economic criterion of successful state policy is full utilization of human resources.

It is heartrending that many promising young men who have forced their way successfully up the educational ladder and have attained high educational degrees often inspite of many obstacles and handicaps, are yet unable to find means, either of maintaining themselves or of serving their fellow-men. From the point of view of the country it is disastrous that the labours and initiative of these young men should be running to waste, keen and unmerited disappointment, accentuated by irksome inactivity, are apt to lead high spirited young men into dangerous and unexpected channels.

It has to be realized that this problem has its social as well as political consequendes. Increase in unemployment, leading as it does to poverty and destitution, affects the society as a whole bringing about social degeneration. This manifests itself in vice, crime, squalor and disease - evils which no society can afford to ignore. Apart from this, unemployment gets at the very

2. Majumdar, D.N. and Anand, S.K. - Unemployment among the University Educated - page. 1.
root of the political stability of a country. In the present context of the Indian political and economic situation we can not ignore unemployment or its evil consequences. This is not only a humanitarian question, but a question in which both government and public should be seriously interested.

CONCEPT OF UNEMPLOYMENT AND FULL EMPLOYMENT:

It is essential pre-requisite of sound statistical analysis that all terms involved in interpretation are precisely defined and their scopes delimited. The lack of such precision and clarity has often led to vague and faulty generalizations, futile discussions, circular reasoning and considerable ambiguity, misunderstanding and confusion. Unfortunately, the word 'unemployment' is one of those words in economic terminology which could better be understood than defined. There is also some degree of vagueness, and lack of uniformity in conceptual and statistical aspect.

"Nobody seriously proposes to define unemployment in such a way as to make a man unemployed during the whole of the time (e.g., while he is asleep) that he is not employed. A man is only unemployed when he is both not employed and also desires to be employed." 1 In its etymological sense, unemployment cannotes the idea of involuntary idleness. It is a state of affairs where, despite his willingness and capacity to work a person is unable to do so for reasons inherent in the organization of commodity production. The Encyclopaedia Britannica, trying to be precise explains its as the difference between full employment and actual employment. If

this definition is correct, it obviously suggests that the meaning and the volume of unemployment is dependent upon our notion of full employment.

Full employment is in itself not an unambiguous concept. According to Keynes, who more than any other economist is responsible for popularising the concept, full employment is the absence of involuntary unemployment when the real wages is equal to the marginal disutility of employment than there is no involuntary unemployment, for by definition no one is then willing to offer himself for employment at a lower real wage and if some one does not work, it is because he does not want to do so. Mr. Keynes would describe this state of affairs as full employment, both 'frictional' and 'voluntary' unemployment being consistent with 'full' employment thus defined.¹ Keynes has no quarrel with the classical economists; his difference with them arises from his thesis that the appropriate way to bring about this decline in real wages is not through a decline in money wages. This point of view easily links up with his theory of employment, which connects its value with that of effective demand. According to him, effective demand is the volume of demand for output as a whole, the value of output being such that its aggregate supply price is equal to this aggregate demand price.² The volume of effective demand associated with full employment is regarded by him as a special case.

2. Ibid - page. 25.
The general theory was intended to provide a more systematic and realistic explanation of the causes of unemployment than that given by the 'classical' economists. "Keynes maintained that especially by their acceptance of Say's Law, the 'classical' economists had assumed away the problems of unemployment and had discussed a world in which unemployment did not exist.

The Keynesian theory is conceived to be 'general' in the sense that it applies equally well to economies with less than full employment, in a way that the 'classical' theory would not." 1

Keynes placed the ideal of full employment as the objective which the economic system should try to achieve. "He held that it was physically impossible for each and every individual to be employed. Some 3 to 5% persons will always be without work, because they would either be moving from one job to another, or else be in training for a particular job or not inclined to take up any one of the jobs which are being offered to them. If 95 - 97% of people who would work were fully employed, it should be considered as the state of full employment." 2

Ohlin agrees with the Keynesian thesis that effective demand has to be at an appropriate level in order to secure full employment, defining full employment as "the degree of employment that exists when the demand for commodities is at the highest level that is compatible with the condition that demand at existing prices is balanced by current domestic supply." 3 That is, when the supply of

output ceases to be elastic in response to increase in demand. But he also points out that deficiency of aggregate demand is not the only factor responsible for involuntary unemployment.

Fellener agrees with the view of Keynes that "full employment means the absence of involuntary unemployment. But points out that "the crux of the conceptual difficulty is that the stock of unemployed persons usually includes individuals who might obtain employment if supply conditions are different on the labour market, i.e., if they sought a job on different terms." In other words, the level of full employment could be increased if there was a decline in the marginal disutility of employment though this is not clearly brought about by fact.

Beveridge gives a broader connotation to the concept of full employment than Keynes does. He defines full employment not only as a state of affairs where there are more vacant jobs than unemployed men, but also that the jobs are at fair wages, of such a kind, and so located that the unemployed men can reasonably be expected to take them." Those who lose jobs must be able to find new jobs at fair wages, within their capacity, without delay." This means that the demand for labour and the supply of labour are related qualitatively as well as quantitatively.

Mrs. Robinson also goes beyond Keynes in refusing to admit fractional unemployment as being consistent with the concept of full employment. Her definition of full employment coincides with

1. Fellener, W. - Monetary Policies and Full Employment - page. 3.
2. Lord Beveridge - Full employment in a free society - page 20.
Keynes' when she says that "the point of full employment is the point at which every impediment on the side of labour to a rise in money wages finally gives way," but she goes further when she says that "conditions of full employment obtain when no one employer can increase his staff without reducing the staff of some other employer." She attacks the thesis that it is possible to distinguish between one part of unemployment that can be cured by increasing effective demand while another part can be cured only by removing frictions.

The opposite view, however, is taken by Lerner in his latest work elaborating the Keynesian theory of employment. He draws a sharp distinction between "the employment that exists because there are not enough jobs available in the economy as a whole and the unemployment that exists because the unemployed and the skills and location do not match. This includes those workers who at any time are on their way from one job to another."

The unemployment which results from a general insufficiency of jobs may be called "deflationary unemployment" and the unemployment due to workers having the wrong skills or being located in the wrong places to get jobs is called "fractional unemployment" which the fractional unemployment is the unemployment which exists when there is" full employment.

"Unemployment, then, is a condition of involuntary, not voluntary, idleness. It means a state of affairs in which, for

2. Ibid - page. 10.
various reasons, men have to remain without jobs over many months or even several years. Full employment, on the other hand, means a condition of society in which such periods of enforced idleness are reduced to the minimum. In any case, the concept of full employment has caught the imagination of planners practically all over the world. It is no longer confined to the United Kingdom or Soviet Russia. Even in the United States of America, with its very strong traditions of individualism, "full employment" has become the cardinal objective of state policy.

In Soviet Russia, the means to achieve this objective has been compulsory regimentation of all the economic forces of the country. In the "free enterprise" countries, on the other hand, this objective is sought to be attained by coordination of the economic forces and by only a partial regimentation of the national economy. Full employment is now universally accepted as one of the most important objectives of our national economic policy too.

The constitution of India has, in unequivocal terms, guaranteed certain Fundamental Rights to the citizens of India and enunciated certain Directive Principles of State Policy, in particular that the state shall strive to promote the welfare of the people by securing and protecting as it may, a social order in which justice, social, economic and political, shall inform all the institutions of the national life. Article 39 of the constitution asks the state to direct its policy towards ensuring:

"that the citizens, men and women equally, have the right to an adequate means of livelihood and that the ownership and control of the material resources of the community are so distributed as best to subserve the common good."

Article 43 further enjoins the state: "to secure by suitable legislation or economic organisation or in any other way, to all workers - agricultural, industrial or otherwise, work a living wage, conditions of work, ensuring a decent standard of living and full enjoyment of leisure and social and cultural opportunities."

The Avadi Resolution of the Indian National Congress call for "a substantial advance on the economic and social plane with the definite objective of increasing production greatly, raising standards of living and having progressively fuller employment so as to lead to full employment within a period of ten years." It is a definite milestone on the road to the full employment policy.

UNEMPLOYMENT - ITS GROWING IMPORTANCE WITH INDUSTRIALISATION:

Unemployment is unthinkable in a primitive society having no division of labour and so no system of distribution of the national dividend among land, labour, capital and organisation. "Unemployment is a result of a particular phase in the development of the economic organisation of a catholic society, i.e., one based on exchange."¹

¹ Das, Nabagopal - Unemployment, Full Employment and India, page 9.
Unemployment and under employment have been the dominant characteristics of Indian economy for many decades. Though unemployment has continued to exist for many years, the problem has assumed importance recently with the increase in unemployment amongst educated classes.

"In India we have a case of under-development of industrial capitalism: here, industrial expansion is unable to keep pace with the growth of the general population. The net result is worse. Unemployment permeates all sections of the population and is not confined to any particular class or group. The various occupations find themselves unable to absorb the growing population, and poverty, misery and stagnation take their toll all round."  

The all-pervading character of unemployment in India is due basically to the fact that while the moorings of the old economic structure have disappeared, no new structure had been firmly developed, in the social life of the community, till our independence.

The First Five Year Plan was designated to create new opportunities for gainful employment. It was maintained that the policy of full employment could be implemented only after some progress has been made in removing the structural deficiencies in the economy which now stand in the way of its expansion. In the formulation of the Second Five Year Plan, much greater emphasis was given to the employment aspect. Now, provision of increased employment opportunities is one of the most important objectives of our national economic policy.

Dr. M.L. Gupta, Assistant Chief in the Labour and Employment Division, Planning Commission, writes that "the back-log of unemployment at the beginning of the Third Plan was estimated at about 9 million. The growth of labour force during the Third Plan period was reckoned to be of the order of 17 million. As against these requirements, the plan aimed at holding the unemployment line and placed the actual employment potential at 14 million - 10.5 million in non agricultural sector and 3.5 million in agriculture and allied activities."

The national emergency, caused by the Chinese aggression in October, 1962, has had its own impact on the development programmes under the third plan and consequently on the employment situation in the recent past. A recent assessment of the third plan contents showed that the bulk of the plan was essential from the defence angle also. However, a lowering of priority to social services (the employment content of which is relatively large) and the severe stringency in the wake of the emergency tend to have repercussions on the employment situation. On the other hand, the step-up of recruitment of personnel to the defence forces, acceleration of defence production and related factors have resulted in some additional employment.

Shri Shriman Narayan*, Member, Planning Commission, has also written, "During the Third Plan Period it was envisaged that additional employment of the order of 14 million would be provided

* According to the latest reports Shri Shriman Narayan has relinquished his office in the Planning Commission as he has been appointed our Ambassador to Nepal.
in agricultural and non-agricultural sectors. The target of 3.5 million in the agricultural sector will be fully achieved by 1965-66. There will be a shortfall of one million in the non-agricultural sector." He has further added, "the total backlog of unemployment at the beginning of the fourth plan will be of the order of 12 million. This, surely, is a matter of anxiety. According to latest population projections, it is estimated that during the fourth plan period the additional labour force requiring further employment opportunities will be of 23 million. The total number of persons for whom employment would be required by the end of 1970-71 will, therefore, be 35 million, a backlog of 12 million and an additional labour force of 23 million. Sectoral calculations, however, indicate that it will be possible to provide additional employment to about 25 million people during the fourth plan period. This only indicates that with the utmost efforts it will be possible to provide additional employment to about 23 million labour force of the fourth plan in addition to wiping out about 2 million from backlog. The fifth plan, therefore, must not only provide employment opportunities to about 30 millions, which will be the addition to the labour force, but also wipe out the remaining backlog of 10 million. In short, the fifth plan will have to think in terms of total employment opportunities of the order of 40 million. This is inescapable and the fourth and the fifth plan programmes must be formulated on this firm basis."¹

¹. The Hitawada - Saturday, September 29, 1964.
Dr. V.K.R.V. Rao, Member of the Planning Commission, addressing a Seminar on Employment Information and Manpower Utilization organized by the Employer's Federation of India, said, "After the Fifth Plan our attention will be directed more and more to rising the level of earning of the employed rather than to the problem of finding jobs for the unemployed." He stressed the need for proper manpower planning.

For the proper utilization of manpower in any country, industrialization is highly essential. In our country, the rapid pace of industrialization during the last ten years has been accompanied by significant changes in the occupational structure of industrial employment. Industry now recruits persons who would formerly have been absorbed in 'white collar' employment. Newer industries like iron and steel, chemicals, petroleum refining, general and electrical engineering, rubber tyres, aluminium etc., are being developed relatively faster than older industries such as cotton textiles, jute and tea. The older industries in turn, with an eye on meeting competition in the international market have introduced schemes of rationalisation.2

The realisation of the significance of industrialization has resulted in the establishment of heavy industries, which can feed thousand mouths. The progress of production and expansion of capacity can be considered to have been satisfactory in the case of Sindhri Fertilizer Factory, Chittaranjan Locomotive Factory, India.

1. The Hindustan Times - Tuesday, October, 6, 1964.
2. Planning Commission - Third Five Year Plan - page 165.
telephone industries, the Integral coach factory, the Cable factory, Penicillin factory and such other industries.

"Expansion programmes in industries such as iron and steel, chemicals, etc., involve the application of the latest and most efficient production techniques and consequently require a more technically qualified group of operatives. Increasing a mechanisation in coal mines also requires personnel of a higher calibre than the older type of recruits in that industry. These developments may be expected to lead to larger employment opportunities for the educated."¹

"The sugar industry, for example which is only of recent growth, has during the short period of protection provided employment for 2,500 graduates, over 100,000 industrial labourers and 2,00,000 cultivators. Besides this, it has opened numerous avenues as subsidiary occupations, transport, industry and marketing organisation, including middlemen and contractors."²

In judging the future prospects for the educated the changing nature of industrial scene has to be constantly kept in mind, and also the fact that attitude to manual work are also undergoing marked change. The educational system will have to be geared to meet the rapidly changing pattern of personal requirements. Manpower studies have been undertaken in a number of selected fields and arrangements have been made to suitably expand the existing facilities for technical education and to open new institutions.

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¹ Planning Commission - Third Five Year Plan - page 166.
where necessary. " It is expected that adequate facilities for practical in plant training will be available in the wake of apprenticeship legislation, now under consideration. Programmes of vocational guidance have been developed during the last 5 years, as part of the National Employment Service. "

Along with the large and medium sized industries, there has been a considerable development in the field of cottage and small scale industries which are responsible for nearly 1/4th of total industrial output. Small industry service institutes have been set up in all states. In addition, 42 extension centres have been established in association with these industries. About 60 industrial estates comprising 700 small factories have been set up by the end of second plan.

" The scope for absorption of the educated in actual production in village industries is restricted mainly because of unemployment and under employment among artisans already engaged in this sector. Heavy industries on the one hand will demand technical personnel of a different kind. Between these two lies a large area of small industries for the purpose of providing employment opportunities for the educated. " Industries of this kind can be divided into three categories:

(1) manufacturing industries, namely, hand tools, small tools, sports goods, furniture &c.,

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1. Planning Commission - Third Five Year Plan - page. 166.
(ii) Feeder industries like foundries, forge shops, tool and gauge making shops, automobile shops, machinery parts, electroplating and galvanising shops and so on; 
(iii) Servicing industries like repair shops for automobiles, bicycles and other machinery.

"There is no reason why an underdeveloped, overpopulated country like India should pursue the same path as is being followed by U.S.A. or U.K. We should make experiments to evolve another type of economic system, which can prove equally efficient, though based mainly on small scale and medium sized industrial unit. Research on the evolution of suitable technique should be undertaken." 1

In the recent years, there has been a change in the attitudes towards manual work on the part of educated persons, and programmes for orienting them to the requirements of developing economy can be taken up on a larger scale than was hitherto feasible. A beginning in this direction was made during the second plan through the setting up of a number of orientation and training centres, and it is proposed to undertake a more broad based programme during the Third Plan.

EDUCATION AND ECONOMIC NEEDS OF THE COUNTRY:

The education system in our country was started by Lord Macaulay with the primary object of producing a body of English knowing Indians who could help the British in running the administration of the country. Thus Indians began to look upon the government

service as the chief aim of their education. This denationalising basis of our education is the root cause of the bulk of the educated unemployed in the country.

Spiritually, education exists for the good of citizen's own individuality - the prime consideration of democracy, politically, it exists or ought to exist in order to strengthen his sense of responsibility to the community - in a word, to make him a better member of a better society. Economically, education is of basic importance in the planned development of a nation. The educational machinery will have to be geared for the tasks which the nation sets for itself through the plan so as to make available in the various fields personnel of suitable quality at the required rate.

For the success of the plans the important need is to have manpower oriented economic planning. So far we have been accustomed to plan for a rate of development which we feel can be sustained by the capital we can muster. The human factors comes in as one of the many subsidiary factors. The problem of unemployment among the educated could not be solved by merely stepping up of the tempo of investment or having various development projects. Manpower planning must be undertaken at all levels in the country's economy.

It is important for us to see that right from the beginning education gets work oriented and is viewed from the point of view of the manpower required in every field. The education system,
specially at secondary and higher secondary levels, should be reoriented to give it a technical bias for meeting the needs of a developing economy.

Indian education system, however, lacks in these necessary characteristics. It is recognised by the educationists that it is too literary, too liberal and too academic. It does not confirm to the wave of dynamism surrounding free India. The education system needs a technical and vocational bias if educated unemployment is to be eradicated.

So far in India, no radical revision of the system of educational arrangements has been designed and affected. An undue emphasis on academic training has retarded the development of a practical and resourcefulness among many students. The production of the mass education are rendered useless for the manual jobs. Their tastes for white collard services adds to the poignancy of the problem of unemployment, especially when desire for education is spreading among rural people and also among poor in the urban areas.

"The academic problem has assumed new shapes: we have now a wider conception of the duties and responsibilities. They have to provide leadership in politics and administration, the profession, industries and commerce."¹

The specific problem for the country today, to create

employment for all, is the complete reorientation of our educational arrangements. We should remodel the system in such a way as to suit the social set up and meet the economic needs of the country.

The problem of middle class unemployment is mainly one of education. As has been well put by Dr. Soni, "when higher education is deplorably inefficient and cheap, it can not but attract a large number of scholars who are too incompetent to benefit from a higher standard of instruction, or are too poor to make their contribution towards the maintenance of that standard."¹

In our country rightly or wrongly, there is an impression among the public that investment in education should yield in terms of remunerative jobs. An educated person naturally looks for a job suited to the particular type of education he has received, with the result that there has been an abundance of supply with regard to certain occupation and professions and shortages in others. There is a popular choice for jobs needing least physical labour and bringing handsome salary. Thus there is a complete maladjustment between the types of workers required and the labour force available. The result is keen competition and large scale unemployment among new entrants.

"It is not only graduates and matriculates who compete for these posts, but even non-matriculates who are not qualified for these posts, try for these jobs, rather than accept manual jobs.

¹ Das, N. - Unemployment, Full employment and India, page-52.
On the other hand there is bound to be a big demand for manual work of a skilled or specialised kind.¹

"Universities have been turning out graduates of all descriptions on mass scales and the value of graduates degree has rapidly declined. Instead of bringing enlightenment to the benighted millions of Indians, the so called "cheap education" policy has perpetuated a fraud and an imposter in as much as it raised hopes which could not possibly have been fulfilled."²

The absence of adequate facilities for technical and vocational education results in a much larger number of students going in for general education than is justified by the requirements of the country, or the tastes and aptitudes of the pupils. The undue emphasis on the academic and theoretical aspects of education retards the development of practical sense, initiative and resourcefulness among large number of students. From the point of view of the country, it causes unemployment, great loss of young energy and retards the economic development of the country.

Education should, therefore, be given a more practical base from the very beginning and at the post secondary stage there should be a greater adjustment between the needs of the country and the output of educational institutions. This may to some extent, stop waste.

¹. Planning Commission - First Five Year Plan, page -657.
². Das, N.- 'Unemployment, Full employment and India'. - page-52.
"To enable students to enter an occupation at the end of the secondary course as semi skilled workers or for setting up small business of their own the second five year plan provides for the setting up of 90 junior technical schools and their equipments. In these institutions general and technical education and workshop training will be provided for a period of three years to boys of the age group 14-17 years."\(^1\)

Admission to the colleges and universities particularly in the technical and professional courses, should be properly planned in accordance with the requirement of the third and subsequent plans. The existing system of unplanned and haphazard admissions to the colleges leads to considerable waste of energy and deep frustration among our young men."\(^2\)

The curricular of lower classes should be redrafted in a manner likely to inculcate a labour bias in the students. Improvement of the educational standards may also lead to a change in the general outlook of the people. Instead of looking down upon manual or hard handed occupations, middle class youths may discover that their talents and energies are better suited to these, rather than to soft jobs in the offices.

The theoretical knowledge imparted in the colleges should be supplemented by practical training. Vocational counselling and guidance services should be developed to advise young men to choose

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vocations according to employment possibilities. The new educational institutions should be in the nature of occupational institutes or polytechniques which prepare our boys and girls for specific vocations in life. There should be co-ordination between our educational and industrial programmes. The government or the planning commission must indicate from time to time the types of courses for which there is likely to be a growing demand for the fulfilment of the five year plans.

"The system of education has a determining influence on the rate at which economic progress is achieved and the benefits which can be derived from it. Economic development naturally makes growing demands on human resources and in a democratic set up it calls for values and attitudes in the building up of which the quality of education is an important element."\(^1\)

"The reform of the educational system should remove the present lop sided characteristic of the employment market, where a large number of students come out every year for jobs with particularly no special qualifications except a mere smattering of some general information. It should aim at providing increasing facilities for the training up of those type of skilled personnel of which there is now considerable shortage - a shortage which is often hampering development in many directions."\(^2\)

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India is passing through the construction period hence we must try to evolve an economic system guaranteeing jobs for every body seriously seeking employment. We must at the same time adopt measures for rising the standard of living of every individual and establish a close coordination between the education system and the economic needs so as to make a sound economy of the country.

"It is one of the major aims of the third plan to expand and intensify the educational effort and to bring every home within its fold, so that from now on, in all branches of National life, education becomes the focal point of planned development."

**Past Work Done:**

The problem of unemployment has assumed alarming proportions during the recent years. The problem has become so serious that among the educated classes, for one vacancy one finds thousands of applications - some from highly qualified persons. There are unfortunately no reliable statistics to assess the volume of unemployment in the country. A number of studies have been made to secure reliable informations on the subject, but this little done pales into insignificance before the vast undone. The data collected yet are very few and insufficient to reach to definite conclusions. The work needs be taken in a much larger scale.

No extensive statistics of unemployment are at present being collected. The only data available are those of registrations and

1. Planning Commission - Third Five Year Plan- page 574.
placements by the employment exchanges. The Planning Commission, however, discussed the subject in July, 1953 and it was decided that some surveys should be taken immediately by the National Sample Survey. Accordingly, the National Sample Survey started its work in this direction and a preliminary survey of unemployment in 23 sample towns of India was undertaken. A sample survey based on the 'live register' of the employment exchange at Delhi was also undertaken to bring out the significance of the employment exchange data. The report of this survey has already been published. Unemployment surveys were undertaken in several states by state statistical bureaus. The states where such surveys have been conducted are West Bengal, Uttar Pradesh, Travancore-Cochin, Bihar and Assam.

The Central Statistical Organisation also took up the question of employment and unemployment statistics and the subject was discussed at the Third Joint Conference of Central and State Statisticians held at New Delhi in November - December, 1954.

As no statistics of employment and unemployment except those of the employment exchanges were available in Madhya Pradesh till 1954, the Directorate of Economics and Statistics took up as a first step a survey of Educated Unemployment in Nagpur City. The survey was limited in scope, and only those who had passed their matriculation from the various examination centres of the Board of Secondary Education, Madhya Pradesh in Nagpur, during the year 1950 to 1954 were covered.
A study group was set up by the Planning Commission in September, 1955 to examine the problem of unemployment among the educated persons in its various aspects. According to the estimate made by the study group, 5.5 lakhs of educated persons were unemployed in the country in the year 1955 having an educational qualification of matriculation or above. Of these above 1.2 lakhs were graduates. The study group had not only recommended certain schemes designed to absorb the educated unemployed into gainful employment, but had also focussed attention on the need for a constant review of the extent and nature of the problem.

One of the few sources of information regarding unemployment is the employment service which maintains a series of unemployment statistics at each Exchange. Broadly speaking, Exchange statistics refer to the number of persons who seek work at exchanges at the end of every month while similar information with regard to the educated unemployed is available at the end of every quarter. Detailed statistics are collected once a quarter about the number of matriculates, intermediates and graduates. In fact, the registration particulars of every applicant recorded at Exchanges are so exhaustive that they are capable of throwing up valuable data about the characteristics of the unemployed.

The Directorate General of Employment and Training of the Ministry of Labour and Employment, Government of India, took upon All India survey of the Pattern of Graduate Employment in the year 1957. All Employment Exchanges were required to render an ad hoc
return giving the particulars of every graduate who was registered with them for employment assistance on the 15th May, 1957. Returns were received from 151 out of 153 Exchanges which were functioning all over the country as on the date of the return. These returns were tabulated and an analysis made of the pattern of unemployment based on the particulars so obtained. There were of course many unemployed graduates who had not sought employment assistance through the employment service and did not, therefore, come within the scope of this study.

During the years 1958-59 the University of Delhi, in conjunction with the Directorate General of Resettlement and Employment and the Labour division of the planning commission, conducted a survey of the conditions of some of its alumni, its graduates of 1950 and 1954 having been selected for this purpose. The information about the academic background, employment status, earning and occupation of the graduates were collected and many important conclusions drawn. It has been published as the University Education and Employment by Dr. V.K.R.V. Rao in the year 1961.

Statistics on the extent of graduate unemployment in U.P. have been investigated by Prof. D.N. Majumdar, with the assistance of Mr. S.K. Anand, both of Lucknow University, in their work 'Unemployment among the educated: A pilot inquiry in India in 1956'. Unfortunately, in Madhya Pradesh no such study has
yet been undertaken. The Nagpur Survey of Educated Unemployment, in 1956, does not represent Madhya Pradesh after November 1956, when Nagpur City was cut off from the Central Provinces and Berar (Madhya Pradesh) and joined in the Maharashtra State. The present state of Madhya Pradesh includes Mahakoshal, Madhya Bharat, Bhopal and Vindhya Pradesh. It has now become a very large state with a large number of educated persons from urban and rural areas. The state has its own problem of educated unemployed and so needs special attention.

NEED FOR A THOROUGH REGIONAL STUDY:

In its outline report on educated employment, the 'Menon' study group observes: "In its essential characteristics the problem (of unemployment) remains what it was two decades ago; the remedies are also, the same. The difference lies in the desire and ability of government now both in the centre and the states, to accord to such vital matters priority of action which was not possible twenty years ago."¹

To achieve the aim of full utilization of human resources, attention to the fast increasing number of educated unemployed is very important. At the present moment the people of independent India have become conscious of the existence of the problem. The public mind has become agitated over the fast growing unemployment in this country. The democratic government can not afford to

overlook the popular grievance. Hence a number of state governments have appointed committees to assess the magnitude of the problem and to suggest proper remedies.

"The problem of unemployment is generally analysed in terms of the country as a whole or in relation to large territories such as individual states. Sufficient attention has not been given to the possibilities of making a closer impact on the district and block level." This hinders mobility of labour.

The regional and occupational aspects associated in the problem of educated unemployed have to be considered separately. Regional immobility among the educated, except at fairly high levels comes in the way of fuller utilization of such personnel. Instances are many where surplus in certain categories of educated and trained personnel are reported at some employment exchanges while these very categories are in short supply in others. Thus for instance the problem of educated unemployed exists in a more acute form in areas like West Bengal and Kerala while it is less in other states.

Adjustment of supply of labour and demand for it depends on the mobility of labour. Mobility of labour is obstructed by such factors as lack of sufficient and reliable information regarding job opportunities and working conditions in other areas. These

1. Planning Commission - Second Five Year Plan - page. 84.
are concerns in one part of the country suffering from a dearth of a particular type of labour, and in another part the same type of labourers are suffering from unemployment. The information facilities to the unemployed can bring ease in the situation.

It is not infact necessary that there should be perfect mobility between Cape Comorin and Almora and between Bombay and Gauhati. India is a vast country and its various developmental problems can best be solved only at the State level. Broad policies and some major projects affecting more than one state should be decided at the national level. Detailed planning of our needs and supply of manpower can be done only at the local level.

To relieve future unemployment among the educated group, the investigation of the kind undertaken can help in much wider scale. It will be quite easy for such surveys to carry on an exhaustive investigation in their spheres of action. They can collect all relevant facts and intimate the same to the Employment Exchanges. These surveys will thus work as a link between the educational institutions and the employment exchanges. Since the surveys will be intimately connected with the institutions the data supplied by them can be expected to be without flaws. Thus the figures furnished by the exchanges will be more reliable and useful for the educated unemployed in the country.

Recently the employment exchange service have been extended with its new branches known as the University Employment Bureaux.
These are the branches of the employment exchanges which are situated in each university of the province. These bureaus provide all informations to those who want to take up service and such other informations to the candidates. If the services of these bureaus is enlarged they may prove to be of much use for the employers and the employees.

Investigations in the university towns to gauge the extent and nature of unemployment among the educated men and women could provide a good basis for any other programme. To feel the real pulse of the problem such investigations or surveys would be more than merely statistical in nature. It is their social and qualitative contents that would throw light on the precise nature of the problem. The findings could, it is hoped be of help to the country's planners in chalking out coordinated policies in the fields of education and development in particular.

OBJECTIVES OF THE INVESTIGATION:

Unemployment among the educated is little different from the general unemployment in the economy. It needs special study. The question of the educated unemployment can not be viewed in purely quantitative terms. It is perhaps enough to say that a certain number of jobs are required for unskilled or uneducated categories, but when it comes to making a similar statement with regard to the existing educated unemployed, it is necessary to be
more specific about the kind of education for which job opportunities are required to be created. Moreover the educated people are conscious about the salary, status and liking or disliking of a job. To make any statement about the educated unemployed of any province it require an all round study of their condition. It is with the view to make a study of the employed and unemployed graduates of Madhya Pradesh that the present investigation has been undertaken.

The main objectives of the present study are the following:
1. To obtain statistics on the extent of employment and unemployment among the graduates of Madhya Pradesh.
2. To find out the nature of jobs held and the nature of jobs sought by the graduates having different divisions or ranks.
3. To know the type of jobs which most of the graduates are doing.
4. To review the trends in the unemployed graduates of Madhya Pradesh.
5. To find out the economic condition of the graduates.
6. To know the suitability of the present jobs which the graduates are doing.
7. To find out the type of work which most of the graduates are willing to undertake and the minimum salary acceptable by them.
8. To review pre war, war and post war educational trends of Madhya Pradesh.
9. To note the changing pattern of education at the primary, secondary and university stages and to find out its relation with the employment pattern of Madhya Pradesh.

10. To know the extent of satisfaction and frustration in their present jobs.

11. To collect such other informations which mayn be useful in knowing the position of graduates of Madhya Pradesh in the employment market.

**SCOPE OF ANALYSIS:**

The present investigation is limited in scope and restricted to persons who have at least graduated from any of the following three universities of Madhya Pradesh. The teaching departments and all the affiliated colleges have been included in the study. The number of years taken, respectively for the three universities are as follows:

- Saugar University -- 1950-60
- Vikram University -- 1958-60
- Jabalpur University -- 1958-60

Both Vikram and Jabalpur universities started functioning only after 1957, hence their study have been started from 1958.
THE METHODOLOGY AND ITS JUSTIFICATION:

In view of the fact that the universe of investigation, consisting of thousands of students, spread all over India, interview methods, used even for a smaller sample, had to be ruled out. Its adoption would have involved heavy expenditure of time, money and energy. Because of the type of the field of inquiry, its widely distributed and spread out constituents, their mobile character, it was thought that a questionnaire could better elicit the required information.

We are well aware of the drawbacks of the technique of mailed questionnaires in social research. It is said that those who return questionnaires are apt to be typical, the selective factors involved in mailed samples and their return are apt to be highly significant. However, in the absence of a more plausible technique of investigation for a social universe like that of the present study, geographically so wide spread and with all its traits aforementioned, it was thought worth while making an use of the mailed questionnaire.

For taking out samples out of the entire universe of inquiry the method of 'stratified sampling' was adopted. This method is considered to be the best for such investigations. The use of census method is not at all possible. Because the universe of inquiry was very big, all the addresses were not available and
it was very difficult to contact each and every person.

In the method of stratified sampling the whole of the heterogeneous universe or group is divided into various homogenous sub-groups or stratas and then the procedure of random sampling is applied in case of each of the individual sub-groups. In essence the whole process can be said to be a combination of the purposive and random sampling.

In the present investigation the list of successful candidates in the B.A., B.Sc., and B.Com. final examinations, of the years under investigation, was made available from the offices of the three universities. The list of each university was divided year-wise. The candidates of each year were further grouped in four parts on the basis of divisions obtained, i.e., first, second, third and pass division. The method of purposive sampling was adopted in the division of these sub-groups. Every fifth item in the sub-groups was taken as a sample unit.

The addresses of the candidates were collected from the offices of the universities and colleges and then recasted on a state basis. For the collection of data a questionnaire elicitng necessary information was prepared. A printed copy of the same was sent to each candidate (sample unit) at his present address along with a self-addressed stamped envelop for reply. A request was placed in the post-script to direct the letter to the addressees
in case he was not present at his residence. In the enclosed letter the candidate had been asked to fill the form and send them back within a fortnight.

In the enquiry the questions were few and simple, so as to avoid any type of suspicion and prejudices in the mind of the informant. Most of the answers were to be given by placing a ( ) before 'Yes' or 'NO '. The purpose of the enquiry had been clearly explained to the informant and a definite assurance was given that the informations supplied would be kept strictly confidential. The final form of the questionnaire adopted in the survey has been reproduced in the appendix.

Just after fifteen days of the despatch of the questionnaire, a reminder was sent to all who had not replied. Again after fifteen days a second reminder with a fresh copy of the questionnaire was sent to the candidates who had still not replied.

The filled-up questionnaires were received quite in time. Some of the schedules came back incompletely filled or with ambiguous and erroneous replies. All such schedules were sent back to the informants with a request to clear up the doubts. In most of such cases the corrected replies were received.

**DIFFICULTIES MET IN THE ENQUIRY**

In the investigation of the type undertaken the main difficulty is of its limited source of informations. It was a
problem to get the list of successful candidates who have graduated
ten or twelve years ago and still more difficult was to get their
addresses. For collecting the addresses I had to go to every
university centre and offices of the colleges. It took much time
to take out the old records from the busy offices.

Another difficulty was to contact every sample unit in a
limited period. Many candidates who have passed their examinations
in the year 1950-51 and so on had shifted from their original
addresses to the places where they are serving. In such cases their
parents had to be contacted and they were requested to redirect
letters to the correct addresses.

All the respondents did not reply after getting the
questionnaire. Many replies were received only after the first
and second reminders. All these involved much expenses and took
some time.

Fortunately the sympathetic behaviour of the officials and
cooperative attitude of the respondents helped me to overcome the
difficulties and in collecting the data in time.

**SIZE OF THE PRESENT SURVEY:**

The distribution of the successful graduates of the three
universities and the method of taking out the samples, detailed
above, can be viewed in a tabulated form. The table below shows
the number of successful candidates of each university, the size of the samples drawn and the percentage.

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Name of the Universities</th>
<th>Years</th>
<th>No. of candidates</th>
<th>Sample taken</th>
<th>percentage of universe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Saugar University</td>
<td>1950-60</td>
<td>4000</td>
<td>800</td>
<td>20</td>
</tr>
<tr>
<td>2.</td>
<td>Vikram University</td>
<td>1958-60</td>
<td>1600</td>
<td>320</td>
<td>20</td>
</tr>
<tr>
<td>3.</td>
<td>Jabalpur University</td>
<td>1958-60</td>
<td>1950</td>
<td>390</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>7550</td>
<td>1510</td>
<td>20</td>
</tr>
</tbody>
</table>

Out of the total 7550 candidates of the three universities 20 percent samples were taken from each and thus the total samples taken were 20 per cent of the universe. The number of samples taken were 800, 320 and 390 for the Saugar, Vikram and Jabalpur universities respectively. The total number of candidates, under investigation, thus being 1510.

Informations could not be received from each and every individual contacted, in some cases the questionnaires remained unresponded. The following table shows the number of replies received and of the non response.
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Universities</th>
<th>No. of samples taken</th>
<th>Replies received</th>
<th>Per cent response</th>
<th>Non-response Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Saugar University</td>
<td>800</td>
<td>360</td>
<td>45</td>
<td>440</td>
</tr>
<tr>
<td>2.</td>
<td>Vikram University</td>
<td>320</td>
<td>154</td>
<td>48.12</td>
<td>166</td>
</tr>
<tr>
<td>3.</td>
<td>Jabalpur University</td>
<td>390</td>
<td>142</td>
<td>36.41</td>
<td>248</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1510</td>
<td>656</td>
<td>43.53</td>
<td>854</td>
</tr>
</tbody>
</table>

Information could be received only from 656 samples units -- 43.53 per cent of the total samples. The remaining 854 could not be contacted for various reasons, 42 candidates had completely shifted from their original addresses. The correct addresses were not available in the office. 772 candidates did not care to reply. Some of them have sent letters, without the questionnaire, showing the cause of their not replying. The causes include unemployment, dissatisfaction and other difficulties. The number of non-response is highest among the candidates who have passed the examinations in the year 1950-51 and near about. The number of replies received is highest among the candidates who have graduated in the recent years. This may be due to the fact that the university office record of the addresses of graduates who have passed recently, are correct whereas some mistakes and confusions might have crept in the addresses of those who have passed the examination long before.

Out of the three universities, highest percentage of replies have been received from the Vikram University graduates where as the
percentage of replies from Jabalpur University is the lowest. Considering the bigger size of investigation, the percentage of response from Saugar University can be considered satisfactory. 

**PROBABLE ERROR:**

In the present investigation all precautions have been taken while tabulating the collected material and in their final results. It is hoped that no errors will be found in the tables prepared from the filled up questionnaires. Of course in such investigations a little margin for the probable errors are to be left which may remain due to the differences in calculations or some other differences. The probable error in this investigation is calculated as follows:

<table>
<thead>
<tr>
<th>University</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Saugar University</td>
<td>45%</td>
</tr>
<tr>
<td>2. Vikram University</td>
<td>37%</td>
</tr>
<tr>
<td>3. Jabalpur University</td>
<td>36%</td>
</tr>
</tbody>
</table>

Total: 118

Average percentage of response = 39.3

Square of deviation from mean (average):

<table>
<thead>
<tr>
<th>University</th>
<th>Square of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Saugar University</td>
<td>32.49</td>
</tr>
<tr>
<td>2. Vikram University</td>
<td>5.29</td>
</tr>
<tr>
<td>3. Jabalpur University</td>
<td>10.89</td>
</tr>
</tbody>
</table>

Sum of squares of deviation from mean = 48.67

Number of universities = 3

Standard error \( \sqrt{\frac{48.67}{3}} = 4.027 \)

Probable error \( (0.6745) \times (4.027) = 2.7162115 \)

The probable error in the calculation of the present study is 2.7162115.