

EXPLORING THE EMPLOYMENT DISPARITY BETWEEN ODISHA AND HARYANA

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Abstract

This study examines unemployment trends from 2008 to 2024 using data provided by the Center for Monitoring the Indian Economy (CMIE) and compares state-specific unemployment rates as of December 2023, with a focus on Odisha and Haryana. It investigates why Odisha has a notably low unemployment rate of 0.9%, whereas Haryana's rate is remarkably higher at 37.4%. By analyzing case studies and various sources, including government reports, the research identifies the key factors contributing to this disparity. Odisha's low unemployment is attributed to effective agricultural policies, robust employment programs, and skill development efforts. Conversely, Haryana's high unemployment is due to skill mismatches, a government job-centric mindset, and socio-cultural issues. Additional factors include rising drug addiction and labor migration issues. The study highlights the need for targeted strategies to tackle employment issues and improve economic conditions. There is a need to understand the differences between Unemployment and Unemployability. It highlights the importance of understanding regional differences and implementing customized solutions to enhance job opportunities and economic stability across states.

Keywords: Unemployment rate, Unemployment, Unemployable, Unemployability, Odisha, Haryana

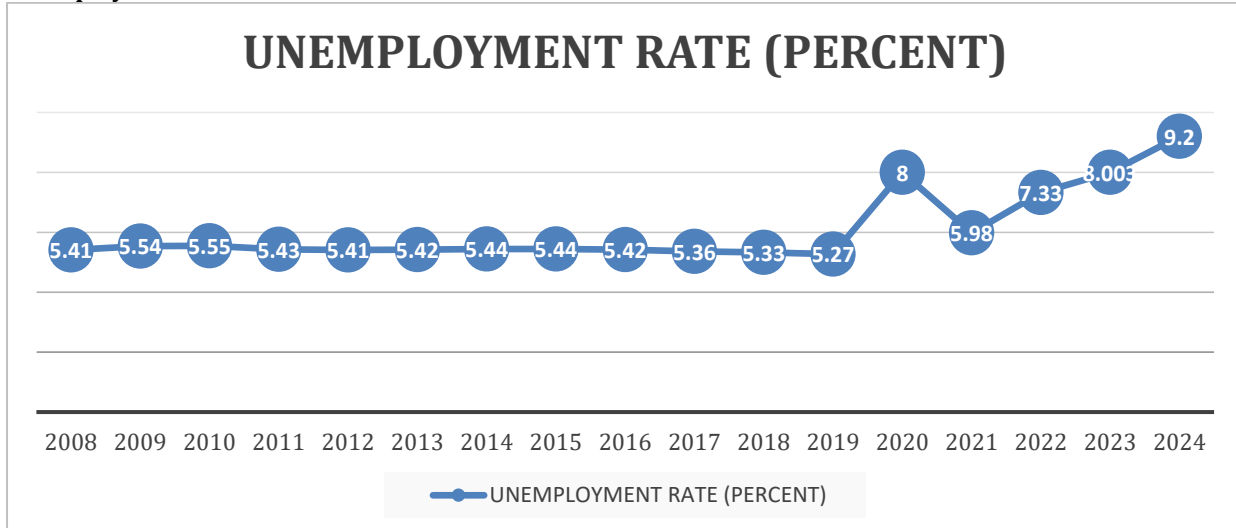
INTRODUCTION

Unemployment occurs when individuals are actively seeking jobs but are unable to secure employment. It is regarded as an important indicator of the overall economic health. The unemployment rate, the most common measure for assessing unemployment, is determined by dividing the number of unemployed individuals by the total labor force. Definition of the unemployment rate as per the OECD website "unemployment rate is the share of the labour force without work. Unemployed people are those who of a working age could not have a job, are available for work, and have taken specific steps to find the job in the previous four weeks".

While understanding the term Unemployment it is necessary to explain Unemployable or Unemployability, according to the Merriam-Webster dictionary, it is explained as "not acceptable for employment". The Britannica Dictionary defines "unemployable" as Lacking the skills, abilities, or qualities necessary to obtain or retain a job; not employable. In simple terms, Unemployment is a macroeconomic phenomenon where individuals, despite being able and willing to work, are unable to secure employment. Unemployability is a structural issue in the labor market where individuals are not capable of securing jobs due to insufficient or outdated skills, education, or qualifications.

In India, CMIE issues data related to the Unemployment rate. The Centre for Monitoring Indian Economy (CMIE) is a prominent business information provider, founded in 1976. Initially established as an independent think tank, CMIE has since become a key source of economic and business data in India. The present study analyzes unemployment trends from 2008 to 2024 using data from the Center for Monitoring the Indian Economy (CMIE). It also reviews state-specific unemployment rates as of December 2023 issued by (CMIE). The limitation of the study is that the only source of data used is from the CMIE reports, Experts have expressed distrust about the accuracy of CMIE's unemployment data. Concerns often stem from differences in data collection methods, sample sizes, and possible discrepancies between CMIE's findings and government statistics. Critics argue that these factors may lead to an overestimation or underestimation of unemployment figures, raising questions about the reliability of the data for policymaking and economic analysis. Despite these concerns, CMIE remains a widely referenced source for unemployment data in India.

Unemployment Trends: 2008-2024

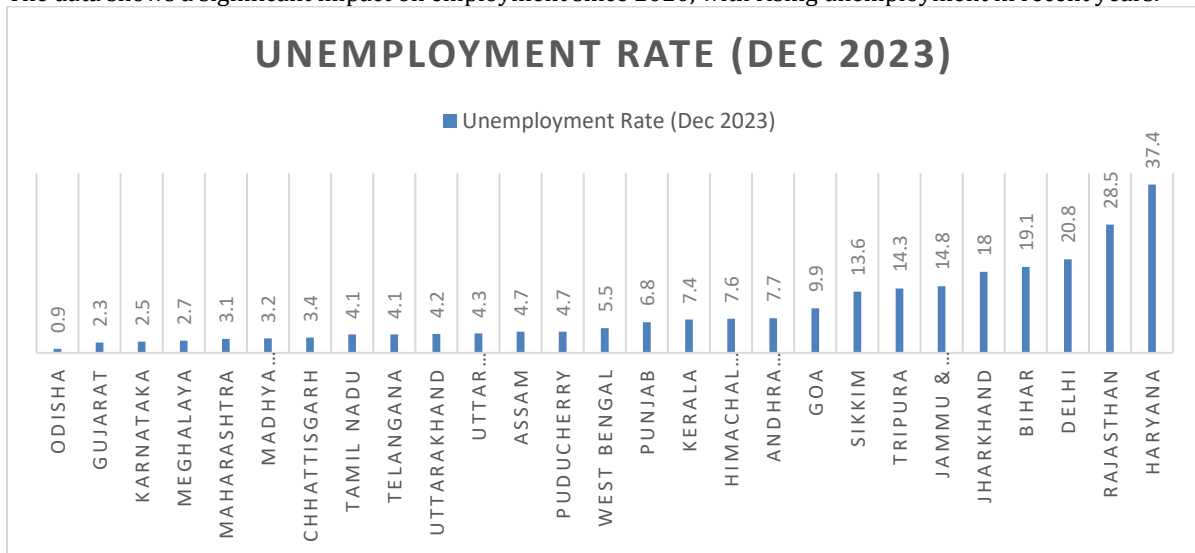


Source: CMIE

The above chart presents unemployment rates from 2008 to 2024, and explains that

- Steady Rates (2008-2019):** From 2008 to 2019, the unemployment rate was relatively stable, staying around 5.3% to 5.5%. The rate slightly dropped in 2019 to 5.27%.
- Sharp Increase in 2020:** In the year 2020, the unemployment rate jumped significantly to 8%, likely due to the COVID-19 pandemic's impact on jobs worldwide.
- Fluctuations After 2020:**
 - In 2021, unemployment improved slightly, dropping to 5.98%.
 - In 2022, it rose again to 7.33%.
 - 2023 saw a small increase to 8.003%.
- Continued Rise in 2024:** The unemployment rate is projected to increase to 9.2% in 2024, indicating ongoing challenges in the job market.

The data shows a significant impact on employment since 2020, with rising unemployment in recent years.



Source: CMIE

- States with Very High Unemployment:** Haryana (37.4%) and Rajasthan (28.5%) have the highest unemployment rates, showing severe job challenges. Delhi (20.8%) and Bihar (19.1%) also face significant unemployment issues.
- Moderate to High Unemployment:** States like Jharkhand (18.0%), Jammu & Kashmir (14.8%), and Tripura (14.3%) have moderately high unemployment, indicating job market problems. Sikkim (13.6%) also struggles with higher unemployment.
- Middle Range Unemployment:** States like Goa (9.9%), Himachal Pradesh (7.6%), Kerala (7.4%), and Andhra Pradesh (7.7%) have unemployment rates in the mid-range, indicating moderate job challenges.

4. **States with Low Unemployment:** Gujarat (2.3%), Karnataka (2.5%), and Odisha (0.9%) have very low unemployment rates, suggesting relatively better job availability. Meghalaya (2.7%), Maharashtra (3.1%), and Madhya Pradesh (3.2%) also have low rates.

Overall, the data highlights significant regional differences, with some states suffering from extremely high unemployment while others have relatively stable job markets.

The question arises as to why there is such a significant variation in unemployment rates between the states of Odisha and Haryana, despite both being part of the same country. The comparison between Odisha and Haryana highlights that Odisha has a much lower unemployment rate, while Haryana faces one of the highest. To explore the causes of these differences, a comprehensive analysis is needed. Odisha's economy, which relies on agriculture and effective employment programs, may contribute to its lower unemployment. On the other hand, Haryana's challenges include mismatches in job preferences, a lack of necessary skills, and recurring issues in government job recruitment. More research is required to explore these factors in detail.

DEMOGRAPHICS OF ODISHA AND HARYANA

Odisha is a coastal state while Haryana is a landlocked state in northern India. According to the Statistics Times website, the estimated population of Odisha is approximately 46,276,000, while Haryana's estimated population is around 30,209,000, as of the year 2023. According to the 2011 census, Haryana had a sex ratio of 879 females per 1,000 males, which was below the national average of 940. In contrast, Odisha had a sex ratio of 979 females per 1,000 males, which was above the national average. For the year 2021-22, the state GDP figures in rupees as reported by the Handbook of Statistics on Indian States by the Reserve Bank of India are as follows: Haryana's GDP was approximately ₹8,706,645.3 million, while Odisha's GDP was around ₹6,708,812.3 million.

According to the 2011 census, Haryana does not have a Scheduled Tribe population, as no communities in the state are designated as Scheduled Tribes. In contrast, Odisha has a significant tribal population, with 9,590,756 individuals, accounting for 22.85% of the state's total population. This makes Odisha the state with the third highest percentage of tribal population in India.

Case study of Odisha:

1. The Kalahandi-Balangir-Koraput (KBK) region in Odisha, once known as one of India's poorest areas, has significantly transformed. This largely rural and tribal-dominated region, which had a history of severe problems like starvation and extreme poverty, is now experiencing positive change. A 2020 state government report highlighted that the region has become a food surplus. Kalahandi has emerged as the second-largest rice producer in Odisha, while Balangir has become the state's top cotton grower.

2. Several factors have contributed to this turnaround. Improved irrigation from the nearby Indravati dam has boosted agricultural productivity. The use of higher-quality fertilizers and modern farming equipment has also played a role.

3. The Biju KBK Yojana, a development program aimed at this region, has provided additional support. Farmers have shifted from water-intensive rice cultivation to more cost-effective alternatives like fish farming and cash crops such as bananas, ragi, and tomatoes. Dairy farmers have been given interest-free loans to help grow their businesses. In areas prone to migration, the government has introduced a scheme offering 300 days of guaranteed employment under MGNREGA, helping to curb migration.

4. The Mission Shakti movement encourages women's self-help groups to enhance their livelihoods. The state government engages them in Aahar center management, solid waste management, hospital diets, etc. All state departments have been asked to engage the women SHGs in more such activities.

5. Local irrigation projects managed by districts, along with cluster borewell projects, farm ponds, and solar water pumps, have further improved water access.

6. The Odisha Skill Development Authority (OSDA) is crucial in coordinating skill development across various departments and addressing the skill requirements of disadvantaged and marginalized groups. Additionally, the State Agriculture Policy 2013 has been designed to involve agriculture and related sectors in creating sufficient employment opportunities while boosting productivity.

7. Health interventions, such as providing iron tablets for anaemia and deworming tablets for children, have also improved the well-being of the population. Despite these advancements, a significant portion of the population in various districts of Odisha continues to live in poverty, indicating that there is still much progress to be made in the region.

Case study of Haryana:

1. Unemployment in Haryana has risen due to several factors. Many young people prefer higher-paying jobs or are unwilling to work in agriculture, and many lack the necessary skills for employment. There is also a cultural attitude favouring leisure activities over work, with some individuals, who have inherited land, being less financially concerned.

2. Unemployability, rather than unemployment, is a major concern among Haryana's youth. The young generation is not skilled according to industry demands, and much of their time is wasted searching for jobs.

Additionally, government exams that offer job opportunities are not conducted regularly. The Haryana Staff Selection Commission has faced issues with paper leaks and cheating in exams, involving a paper leak mafia.

3. Landowners have built homes and shops on their properties and began renting them out as a source of income. This has led to reliance on passive income sources such as rental properties.

4. The macroeconomic reality of India's jobless growth can be effectively examined through the case of Haryana. Despite being a relatively prosperous and progressive state, Haryana has the highest unemployment rate in the country. Analyzing Haryana's situation provides valuable insights into the complexities of this issue, highlighting how even economically advanced regions can struggle with significant employment challenges.

5. Drug addiction among youth in Haryana is a growing concern. Since the 1990s, alcohol consumption and drug misuse have surged, leading to a troubling rise in related problems, especially among young people. A preliminary study by the Haryana Health Department revealed that over 45 percent of individuals aged 15-25 are addicts. The issue is worsened by limited access to rehabilitation services and a lack of awareness. Addressing this requires better education, increased support services, and community involvement.

6. Research indicates that labor migration from Uttar Pradesh, Bihar, and Rajasthan to Haryana is significant. These workers often move to Haryana in search of employment opportunities in industries and agriculture, driven by the state's relatively better job prospects. This migration addresses labor shortages in various sectors but also affects local employment dynamics and economic conditions. The Government of Haryana also introduced 75% reservation in private sector jobs for the local people of Haryana to mitigate this problem.

7. In Haryana, both parents and youth exhibit a strong government job-centric mindset. This preference often leads to voluntary unemployment, as individuals may remain unemployed rather than accept private-sector jobs. The allure of government positions, which are perceived as more stable and beneficial, drives this behavior. Consequently, this mindset contributes to higher unemployment rates among the youth, as they prioritize waiting for government job opportunities over pursuing available private sector positions.

8. People in Haryana often have a shallow attitude towards workers from UP and Bihar. They believe working with these workers or taking jobs in factories like shoemaking or cloth sewing would harm their dignity, partly because they take pride in owning land.

CONCLUSION

The analysis of employment and socio-economic factors in Odisha and Haryana reveals significant contrasts between the two states. Odisha has managed to achieve a relatively low unemployment rate, thanks to effective agricultural policies, development programs, and skill development initiatives. In contrast, Haryana faces substantial unemployment challenges due to factors like skill mismatches, a government job-centric mindset, and socio-cultural attitudes. The rise in unemployment coupled with issues such as drug addiction and cultural factors, highlights the complexities in Haryana's job market. Addressing these challenges requires a multi-dimensional approach, including enhancing skill development, broadening employment opportunities, and addressing cultural attitudes toward different types of work. Overall, the case studies of both states highlight the need for targeted strategies to improve employment outcomes and economic conditions in diverse regional contexts.

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