

Unemployment and Rural-Urban Migration

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Abstract – This paper constructs a general model of equilibrium that integrates particular features of developed countries: a broad informal sector and urban-rural migration. A calibrated variant of the model is used to research the impact of shifts in energy taxes and a decrease in energy incentives in the agriculture sector on labor market outcomes. The findings show that, by rural – urban migration, the incidence of energy taxes is transferred in part to rural market. The findings thus stress the value of modeling the characteristics unique to developed countries and the general effects of economic equilibrium while determining the influence of environmental taxation in developing countries.

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INTRODUCTION

In the analysis of economic growth, rural to urban migration has become a main question, but whether it should be encouraged or discouraged is a debatable subject. Rural-urban migration, as mentioned in the preceding paragraphs, has both a positive and negative influence on migrants, their place of origin and their destination. World Development Study 200956: Reshaping Urban Geography considers it important for global development of rising communities, increasingly mobile populations and increasingly specialized goods. Migration is a selective phenomenon that affects individuals or families with certain economic, social, educational and demographic features. It is an answer to economic growth and to social, legal, environmental and political factors

Unemployment originates from multiple factors. Could be manifested in five forms in general:

1. Frictional Unemployment: The interval between career transfers corresponds to frictional unemployment. When they are looking to pursue a new career, individuals are called unemployed.
2. Cyclical Unemployment: During global recessions, cyclical unemployment exists. Indeed, it's not shocking that demand for products and services declines during economic recessions. Employers may respond by cutting back on labor. When the labor supply is higher than the market, the consequence is unemployment. However, such unemployment is assumed to decrease when the economy improves.
3. Voluntary unemployment: According to analysts, individuals prefer to be interested in the workforce. Typically, unemployment is

considered involuntary. There are, though, situations when individuals prefer not to function. The phenomena of voluntary unemployment is defined here. It's another form of frictional unemployment, theoretically. This arises as individuals are unable to find work that meet their aspirations.

4. Structural Unemployment: Structural unemployment arises when employees' abilities, expertise, and qualifications do not lead to job opportunities (Goodwin 27). A type of frictional unemployment is systemic unemployment, but it typically lasts longer. Voluntary joblessness can be promoted.
5. Systemic joblessness: Systemic unemployment describes how labor market intervention will generate unemployment. The Government is the most popular bureaucratic unemployment instigator. Governments can set taxes, impose price levels or price ceilings, and fund other structural unemployment causes, such as trade unions, indirectly.

Global levels and rates of unemployment are projected to stay elevated in the near term, as global labor force continues to expand. In turn, in 2017, the global unemployment rate is projected to grow modestly to 5.8% (from 5.7% in 2016), adding 3.4 million additional unemployed people worldwide (bringing overall unemployment to just over 201 million in 2017). And although the global unemployment rate is projected to stay largely stable in 2018, the level of increase in the work force (i.e. career-seekers) could outstrip career production resulting in an extra 2.7 million unemployed worldwide. Growing levels and rates of unemployment in 2017 will be influenced by worsening labor market conditions in developing

countries (as impacts of many severe recessions in 2016 begin to influence labor markets in 2017). Indeed, the number of unemployed citizens in developing countries is projected to grow by around 3.6 million between 2016 and 2017 (when the unemployment rate in emerging countries is projected to rise to 5.7%, relative to 5.6% in 2016). Developments in Latin America and the Caribbean, where the unemployment rate is projected to raise by 0.3 percentage points in 2017, to hit 8.4 percent, are of significant interest, led primarily by increasing unemployment in Brazil. 4 In comparison, unemployment in developing countries is projected to drop in 2017 (by 670,000) taking the figure down to 6.2% (from 6.3% in 2016).

Unemployment levels and rates are also projected to begin to decline in Europe, especially Northern, Southern and Western Europe, however the speed of change is increasing and there are indications that systemic unemployment is rising. The same is true for Canada and the United States. Long-term unemployment in both Europe and North America, for example, appears strong relative to pre-crisis peaks and, in the case of Europe, has recently risen, amid decreases in the unemployment rate. In reality, in the EU-28, the share of unemployed people who had been searching for a job for 12 months or more in the second quarter of 2016 reached 47.8 per cent, up from 44.5 per cent in the same quarter of 2012. Moreover, more than two-thirds of this community had been unemployed for more than two years in the second quarter of 2016, a total of 6 million people.

The issues of youth unemployment worldwide are briefly listed below. Poor banking structures in both industrialized and emerging economies: banks have been under intensified strain to shore up balance sheets and restrict loans in the post-financial crisis period, which has cut off access to financing for small and medium-sized companies. Moreover, the ultra-low interest rate strategies followed in the United States, the European Union and Japan have primarily channeled money into asset markets (stocks and real estate) to the detriment of activity in job-creating real economy operations. Failure to invest in training and educational growth to fulfill labour sector needs: capability gap is one of the world's greatest problems confronting young people in labor markets, primarily a consequence of a weak education reform plan or a lack of ability to learn new abilities. For example, high youth unemployment in Spain has continued for many years, primarily due to the concentration of skills distribution in the construction industry, which in the years following

The global financial crisis, under which the construction sector was especially hard hit, stopped young people from finding jobs in other sectors.

Advanced countries fiscal consolidation: Developing nations have decreased government budgets to reduce their budget deficits and retain sovereign bond

scores. Spending changes have also decreased the amount of workers working by federal departments, decreased development programs producing jobs and reduced government spending on social facilities, such as schooling.

Lack of development that slows economic development in the developing world: despite having a strong capacity for growth, weak infrastructure, a lack of expenditure in education and unnecessary bureaucracy hinder many economies in the developed world. For example, countries in North Africa and the Middle East-the two regions with the highest youth unemployment rates-have some of the lowest rankings in the Ease of Doing Business Rankings from the World Bank. These reasons, and lack of effective changes and attempts by the government to address them, restrict both private investment and employment growth.

The effect of youth unemployment differs. Second, by raising the required rate of social security expenditure and by the number of taxpaying employees in the country, government budgets are under strain. Second, the option to acquire new skills and improve their employability is refused to disadvantaged young people.

Third, prolonged stretches of unemployment can deter people from searching for work which can lead to violence which antisocial behaviour, in some situations. Lastly, youth unemployment may lead to social issues, since studies indicate that the strain of youth unemployment frequently falls disproportionately on disadvantaged ethnic groups.

EDUCATED UNEMPLOYED IN INDIA

India is primed to increase demographic dividend and leapfrog to a higher income-employment condition using the comparatively greater proportion of young or working-age citizens in the overall population. The result, however, depends on the contribution of youth to the domestic product. India currently suffers from exceptionally high skilled unemployment, and concerns are also asked regarding young people's employability due to their insufficient schooling, preparation, and market-ready skills. Huge youth unemployment, especially educated unemployment, is the surest path to social conflict, strife and unlawful action that transforms the demographic boom into a demographic nightmare. In trained young people, many with a large number of years of formal schooling, we are more worried about unemployment. A grim image arises as we perceive young people with at least the high school standard of schooling (passed secondary test or above) as being educated. In these classes, unemployment is even more prevalent. Although the overall youth unemployment rate is 6.8 per cent, it is 12.1 per cent for school pass-outs. More than 11 percent of graduates and post-graduates from India are unemployed. Close to

two-thirds of school leavers are self-employed, although about half of learners and learners are informal employees. Skilled individuals, too, are formidable among the unemployed in terms of proportional number. Although fewer than seven-thirds of our young citizens are school leavers, almost two-thirds of our unemployed youth are in secondary or higher education. So India's skilled youth job condition is even lower than the others.

For adolescents with any form of vocational training the condition is worse. Although certain professional training credentials are very sought-after in the country and are expected to provide the candidates with ready-to-market relevant skills, unemployment among professional degree holders is close to 13%, whereas that among diploma holders is about 26%. As a result, more than one-fourth of young people with vocational qualifications are, contrary to standards, lacking any gainful jobs. We may also categorize young people according to their degree of talent, a mix of their general, vocational, and technical education. On an aggregate over one-fourth of the young are jobless. There is a higher prevalence of qualified unemployment in women relative to men and in rural areas relative to urban areas. In the other side, unemployment among non-qualified youth – those with less than 10 years of schooling or without any vocational / technical training is just around 6%. Therefore it is clear that unemployment among educated youth in India is a serious issue. With states such as Kerala, Orissa, Jharkhand, Assam, Bengal and Jammu & Kashmir consistently having higher rate of trained youth unemployment compared to the national average, this also has a regional climate. On the other side, in the states of Gujarat, Madhya Pradesh, Maharashtra, Chhattisgarh, and Karnataka, unemployment among trained young people is comparatively lower than the national average.

REVIEW LITERATURE:

Gupta (2012) reveals that the tendency to move differs inversely with the position of the kin. According to his research, migration rate among educated family members having limited to no agricultural land is higher. He further states that the higher a family's rank, the lower the inclination of its members to move from the area.

Herrick (2013) indicates that the judgment on educational policies affects the essence of migration. If trained youth do not have work opportunities in the city, they would feel the need to move, whereas giving vocational education skills in rural areas and small towns will have the opposite impact.

Lee (2015) observes that a collection of variables at origin and destination, a collection of challenges involved and a sequence of personal concerns are continuously revealed to each human. According to him, the choice to migrate or not to migrate derives

from all these variables being assessed. At the point of origin and destination, these variables may be positive or negative as well as neutral.

Greenwood (2014) explores Egypt's push-pull theories by using factors such as population scale, gap between region of origin and destination, urbanization level, level of schooling, etc. His study found that educational facilities available at the origin serve as a deterrent to out-migration, whereas in-migration is drawn by such facilities at the destination.

Todaro (2013) formulates a model of rural-urban migration which represents a practical modification and extension of the commonly found simple wage differential method in the literature. He argues that when evaluating the determinants of urban labor supplies one does not look at the predominant income differential as such, but rather at the projected rural-urban income differential, i.e., the modified income differential for the possibility of seeking urban jobs.

In his analysis of rural-urban migration, *Shaw (2013)* shows that in countries where the system of land ownership is characterized by a large portion of rural-urban populations belonging to small landowners and landless working groups, and where a large portion of agricultural land is held by major landlords, the presence of a high degree of reasons for population development and a high rate of industrial or marginal development rises.

The factors influencing rural urban migration are investigated by *Majumdar and Majumdar (1978)*⁷. They note that the key driving factors in rural-urban migration are the growth of job prospects in a increasing community, the support of near relatives in the region, the promise of jobs by labor contractors in the community, social inequality faced by disadvantaged communities in rural areas, the anticipation of better life in urban areas.

Pande (2014) finds that the pull and drive factors in rural-urban migration are the expanding work opportunities and higher salaries in urban areas and decreasing jobs opportunities and relatively low salaries in the villages. In the operating economic climate, the income differential between towns and villages is essentially the most important factor which provides continuous stimulus for potential rural migrants.

Prabhakara's research (2013) indicates that migration from rural to urban areas in those areas where more work prospects and educational facilities are accessible is higher among males compared to females. His research also shows that people migrate mostly for family and other social factors, rather than for work. Economic influences in rural-urban migration are considered to be more prevalent.

The determinants of migration in three states in India-Bihar, Kerala, and Uttar Pradesh was investigated by Oberai, et al. (2012). Their results are compatible with the notion that migrants frequently have a background of persistent underemployment until they move just as a sign of urgency and, even in the long run, with the intention of engaging in the informal urban market. Remittances have been shown to be considerable and important levels of return-migration have also been recorded, providing proof of ongoing strong relations of migrants to their home villages.

In his research, Mehta (2013) shows that the migration of citizens from rural to urban areas is primarily dictated by factors such as household socio-economic circumstances, facilities for transport and communication, population level of education and many other geographical and physical circumstances. His research further explores that while the trend of migration between various income classes is almost equal, the percentage of migration within low-income groups is high. The study emphasizes that the weak economic conditions of rural households, the high reliance of the population on agricultural activities and the lack of jobs in the rural non-agricultural field are forcing rural workers to move to urban areas.

Singh (2012) observes that small farmers find it difficult to sustain their families during the year owing to the large concentration of agricultural land in few hands and mechanization of agriculture, and thus move to urban areas for part of the year or for the whole year to gain extra income. He further observes that in most of the countries, the rural areas have been starved of investment and there is urban bias in public investment that compels the rural youths to move to the cities where they have better access to education and employment opportunities.

Portes (2013) views migration as a matter of economic adaptation in the long term. Migrants are seen not only as people with personal skills but also as representatives of communities and actors in larger social systems that influence their economic mobility in many ways. Migrant networks are sets of interpersonal ties that connect migrants, former migrants and non-migrants in origin and destination areas through ties of kinship, friendship, and shared community origin.

OBJECTIVES:

To analyse the context of rural - urban migration.

HYPOTHESIS:

To be evaluated in the analysis, the following theories are envisaged:

The key push factor in rural-urban migration is the shortage and poor productivity of the cultivated land with less irrigation facility in rural areas.

Below the subsistence stage of the districts, the rural youth of the villages are motivated to move to urban areas.

The key pull factors for the migration of citizens from rural areas to urban areas are the high degree of urbanization and the 'Place bright light effect.' 48

Shortage of proper public services in rural areas is the key push factor for the evacuation. In economically backward regions of the state, the rate of rural-urban migration is strong.

RESEARCH METHODOLOGY:

Also this chapter gives an account of how the thesis was formulated. The emphasis was on the theory of the different measurement instruments and the selection of the specific data collection instrument for study, questionnaire design, population and data collection analysis. The study's legal challenges and drawbacks are also addressed in depth.

RESEARCH DESIGN

The qualitative approach is the methodological technique which was used in this analysis. Qualitative studies are more worried with concerns of the complexity, shape and feeling of raw data, according to Neuman (2003: 137), since their inductive methods prioritize generating observations and generalizations from the collected data. This implies the researcher gives the idea that he was at the scope of the analysis in question; analyzes the related data collected and draws certain generalizations regarding the collected data. Qualitative analysts may have only a general understanding of what is being pursued. Qualitative methods allow the researcher to examine topics with the participants in the study in greater detail and to hear them explain concepts in their own terms.

DATA ANALYSIS

According to Kitchin and Tate (2000: 40), gathering qualitative data is more than simply holding interviews or examining individuals. Primary evidence gathering involves two primary observational techniques; they are interviews and observation. Because of the scope of this research it was found more fitting to use interviews rather than evaluation as a qualitative tool. According to Neuman (2003: 146), qualitative researchers consider most fields and social life practices to be primarily qualitative, qualitative results are not unreliable or incomplete to them; they are extremely significant. Qualitative scholars derive concepts from the individuals they observe instead of attempting to turn everyday activity into factors or figures and position them within the context of a

natural ecosystem. Performance evidence is observational.

Respondents Profile

No. of interviews	Respondents	Percentage
32	32	100

The researcher administered interviews with the respondents based on a face-to - face questionnaire. This made it possible for the respondents to receive 100 per cent of the questionnaires. In Chapter 3 , the researcher stated that face-to - face interviews were performed because the rate of illiteracy in the field of study was strong, which is why she chose to gather data that way. That has intensified the process. The researcher has stated the knowledge collecting difficulties faced.

This is represented in the graph below:

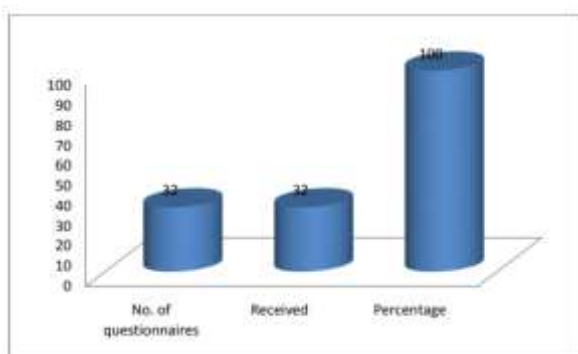


Figure 1 No. of families in one shack

Families	No. of respondents	Percentage
1-5	17	54
6-10	15	46

In the literature review, the researcher stated that one of the rural-urban migration problems was overcrowding in urban areas. The researcher was able to obtain data on the ages of individuals residing in such a setting from respondents that were over five participants. Some of the respondents stated that adults with their children still remained, which indicated that such persons might have their own homes. The difficulty they faced in these households was that even if they were adults, these individuals were not employed and they were dependent too.

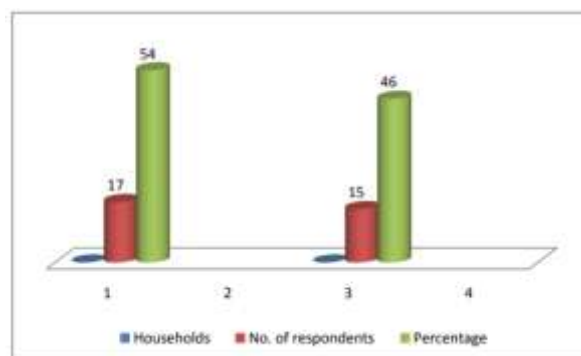


Figure 2 Employment Details:

Employed/ unemployed	No. of respondents	Percentage
No. of employed	15	47
No. of unemployed	17	53

In the literature review , the researcher reported that overcrowding in urban areas was one of the rural-urban migration issues. The researcher was able to get details from respondents who were over five participants regarding the ages of individuals living in such an environment. Some of the respondents reported that adults still stayed with their offspring, suggesting that these individuals might have their own households. The challenge they encountered in these households was that these persons were not working and they were therefore dependent, even though they were adults

The bar graph below shows the number of respondents in percentages:

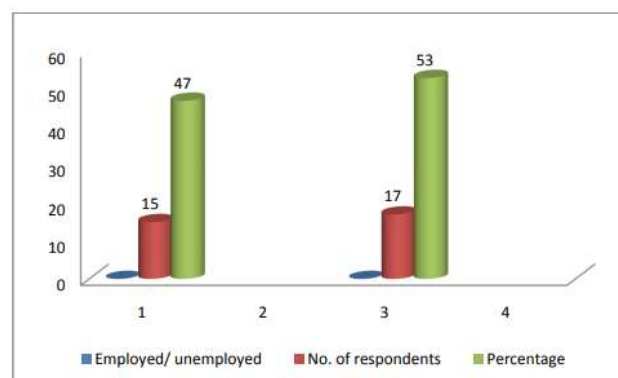


Figure 3. Number Of Respondents In Percentages

CONCLUSION

Rural out-migration has arisen as a significant area of inquiry and analysis in the sense of economic growth. Rural migration factors and effects both have immense and often profound economic meaning.

'Migration is the oldest intervention against suffering' in John Kenneth Galbraith's words. The present study shows that from rural migration to cardamom estates, Theni District has benefited more. The large trends of migration have something to do with the migrant's own decision making method. In essence, this decision-making mechanism is impacted by 'push' and 'pull' variables, which are actually economic phenomena. It was also reported that the socio-economic conditions of the household of origin decided the impact of 'push' and 'pull' variables on the migrants.

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