ISSN (Online): 2583-3340

2nd International Conference on Recent Trends in Multidisciplinary Research and Innovation (ICMRI)

An Explorative Study on Investigating the Root Causes of Unemployment and Underemployment in a Rural Settlement

Naseer Ahmad

Research Scholar, Department of Regional Economics M.J.P Rohilkhand University, Bareilly, Uttar Pradesh, INDIA.



www.sjmars.com || PP. 92-97 || https://doi.org/10.55544/sjmars.icmri.16

Date of Submission: 05-07-2025 Date of Publication: 27-07-2025

ABSTRACT

This paper examines the problems of unemployment and underemployment in Pachdaura Kalan Gram Panchayat in Bareilly District. about 10 years ago (2013), most residents of the Panchayat were engaged in seasonal and low-skilled work such as farming, truck driving, daily wage labor and house shuttering. Due to lack of information about employment opportunities and adequate skills, most people were unemployed or engaged in work that did not utilize their full potential. Education levels were also low, which slowed down the development of the Panchayat. Some positive changes have been observed in the Panchayat since 2013. Education levels have improved, and some people are now employed in the government and private sectors. However, most people are still unemployed or in underemployment. For example, people engaged in jobs such as tailoring, truck driving, house shuttering and AC repair are not able to take full advantage of their abilities. Government schemes, such as PM Kisan Samman Nidhi, MNREGA, PM Awas Yojana, Tubewell Subsidy and Ayushman Card, are providing economic and social support to the residents of the Panchayat. These schemes have improved the basic living standards, but it is not enough to reduce unemployment and underemployment. For this, special attention needs to be given to employment-based skill training and education in the Panchayat. This research emphasizes that through skill development and education, can be provided employment to the residents of the Panchayat. This will not only reduce unemployment, but the Rural development will also be rapid.

Keywords- Unemployment, Underemployment, Rural development, Skill, Economy, Government Schemes.

I. INTRODUCTION

This research analyses the problems of unemployment and underemployment in rural settlement and focuses on how the rural area can be developed by properly utilization of education, skill development and government schemes, this study based on Pachdeora Kala Gram Panchayat is located in Bareilly district. This Panchayat is known as a backward area, where there is a great lack of employment, education and health services. Currently, only one primary school, one upper primary school and one government high school are available for education in this Panchayat. However, there is no facility for higher education and vocational training. Talking about health services, there is no hospital or medical center of any kind available here. If someone needs treatment, they have to move to other villages or cities. This makes access to health services very difficult, which affects the quality of life of the people. There are also limited opportunities in the field of employment. There is neither any factory nor any big industry in the Panchayat where local people can work. Most of the people are still engaged in small jobs, such as farming, truck driving, shuttering work and daily wages. Despite this, these jobs are mostly seasonal and do not utilize the full potential of the people. Several government schemes in Pachdeora Kala, such as the PM Awas Yojana, MNREGA and PM Kisan Samman Nidhi, have provided some relief. But the impact of these schemes can only be enhanced if the people of the panchayat receive better education and skill development. A longitudinal study showed that unemployment affects all age groups equally, with each population seeing a consistent annual increase. (Vaisey, 2006). Individuals who experience underemployment, yet perceive themselves as competent and have greater autonomy and involvement in their work, report higher job satisfaction and stronger intentions to remain with the organization. (Erdogan & Bauer, 2009). College graduates beginning their careers during and after the Great Recession faced unprecedented unemployment and underutilization of human capital, with unemployment rates well below the national average. (Spreen

ISSN (Online): 2583-3340

2nd International Conference on Recent Trends in Multidisciplinary Research and Innovation (ICMRI)

2013). The globalization of the world economy and the shift in the US economy from manufacturing to services have divided the US labor force into high-quality jobs and low-quality jobs. (Nelson and Smith, 1999) Good jobs are considered stable, full-time, well-paid, jobs with advancement opportunities, typically held by highly skilled or well-educated individuals. In contrast, bad jobs are low-paying, unstable, often part-time, and offer limited benefits or opportunities for advancement.

II. NEED AND SIGNIFICANCE OF THE STUDY

The problem of unemployment and underemployment in Pachdeora Kala Gram Panchayat remains a major obstacle to the social and economic development of the area. The Panchayat's limited education facilities, lack of health services and lack of employment opportunities have made it a backward area. This research is needed to find ways to reduce unemployment and underemployment in the Panchayat and accelerate its development. The Gram Panchayat currently has only one primary, one upper primary, and one government high school, but there are no facilities for higher education and vocational training. Due to this, the youth of the Panchayat are unable to get skilled employment even after education. Along with this, there is also a lack of health services here, due to which people's attention often remains focused on their daily needs. In terms of employment, there is neither any factory nor any big industry here, which can provide employment opportunities to the villagers. The villagers are definitely getting the benefit of government schemes like MNREGA, PM Awas Yojana and PM Kisan Samman Nidhi, but it is providing only temporary relief. The main objective of this research is to understand how these schemes can be effectively used and how education and skill development can be promoted in the Panchayat. This research will be helpful in preparing a comprehensive development plan for Pachdeora Kala Gram Panchayat. It will help in understanding what kind of education and skill training programs are necessary for the youth of the Panchayat. Along with this, suggestions will also be given on how new means of employment like small scale industries, self-employment schemes, and agriculture-based enterprises can be established. This research is also relevant because it will set an example not only for Pachdeora Kala but also for other such backward Gram Panchayats, which are struggling with the problem of unemployment and underemployment.

Research Ouestions:

- 1. What is the level of education and skills development programs are necessary to enhance the employability of the residents of Pachdeura Kala?
- 2. How can new opportunities to create sustainable employment in Pachdeora Kala Gram Panchayat?
- 3. What are the main reasons for unemployment and underemployment in Pachdeora Kala Gram Panchayat, and what effective steps can be taken to address it?

Objectives of the study:

This study investigated unemployment and underemployment in a rural settlement, The following are the objectives of the research to guide a study on the unemployment and underemployment in a rural settlement:

- 1. Identifying the level of education and skill development programs needed to enhance the employability of residents of Pachdeora Kala Gram Panchayat,
- 2. Proposing strategies for developing new opportunities for sustainable employment generation in Pachdeora Kala Gram Panchayat.
- 3. Analyzing the major causes of unemployment and underemployment in Pachdeora Kala Gram Panchayat and suggesting effective measures to address it.

III. REVIEW OF RELATED LITERATURE

The literature review is crucial to research studies. It helps researchers identify gaps in existing research and guides them in structuring their study. Both national and international reviews have been done for this proposed study.

Jahoda, 1982, p. 43, There is no doubt that some jobs can be psychologically harmful under modern conditions, giving rise to debate as to whether current indicators of sociology are better correlated with employment status or unemployment rates.

Beck, 1992, p. 143 There is no doubt that some jobs can be psychologically harmful under modern conditions, giving rise to debate as to whether current indicators of sociology are better correlated with employment status or unemployment rates.

Katina W. Thompson a, Thomas H. Shea b, David M. Sikora c, Pamela L. Perrewe' a, Gerald R. Ferris 2013, In a January 2012 case study, the US Bureau of Labor Statistics estimated that more than 10 million people in the US urban labor force were affected by unemployment. This measure highlights underemployment as a serious problem for everyone. Based on academic research and practical insights from Right Management, an outplacement firm led by our second author, we outline five types of underemployment explore common perceptions of the problem, and suggest ways to address how organizations can take advantage of this widespread economic trend.

John M. Nunley, Adam Pugh, Nicholas Romero, and R. Alan Seals July 3, 2015 Using CV college data, we analyze the effects of employment, unemployment, and underemployment on the job performance of recent college

ISSN (Online): 2583-3340

2nd International Conference on Recent Trends in Multidisciplinary Research and Innovation (ICMRI)

graduates. Our results show no significant negative effects associated with periods of unemployment for these graduates. However, underemployed college graduates receive 30% fewer callbacks than musicians who are primarily tourists. The negative effects of unemployment are more pronounced in Asian cities with diverse labor markets. Experiencing an internship during one's degree significantly reduces these negative effects. Ultimately, we conclude that underemployment acts as a strong negative signal for potential bankers.

Daniel S. Friedland1,3 and Richard H. Price 2003 This study investigates how employment adequacy affects health, expanding the labor utilization framework to analyses forms of underemployment: hours, earnings, skills and status. Using a nationally representative sample of 1,429 working-age adults and a longitudinal design, it examines the effects of underemployment on physical health and psychological well-being while controlling for previous health levels. Findings indicate that underemployed workers experience lower health and well-being than adequately employed individuals, although this effect varies by type of underemployment and health indicators. The study highlights the subtle effects of underemployment and suggests future research to better understand its association with health outcomes

IV. RESEARCH GAP

Research conducted so far on unemployment and the effects of unemployment shows that they have a profound impact not only on the economy but also on mental health. Many studies have attempted to understand whether social problems are caused by employment conditions or unemployment rates. For example, in 2012, more than 10 million people in the United States were experiencing unemployment (US Bureau of Labor Statistics). Research has also shown that underemployment (such as issues related to hours, income, skills and position) affects the mental and physical well-being of working people. But these studies have mainly focused on urban areas and national level. In rural areas, especially in small villages and panchayats, this issue has received little attention. Various studies such as Vaisi (2006) have reported that unemployment is increasing in all age groups. Erdogan and Bauer (2009) also found that people who experience autonomy and participation in their work are more satisfied with their jobs. But even these studies have been unable to understand the problems of rural areas. Similarly, Spreen (2013) explained the employment struggles of the new generation of graduates, but did not take into account the unemployment and underemployment of both the educated and the uneducated in rural areas. Pachdevora Gram Panchayat is a unique and neglected area in this context. This panchayat, located in the rural part of Bareilly district, is moving away from traditional agriculture-based employment towards small-time non-agricultural jobs such as tailoring, truck driving, and AC electricians. However, even this change could not reduce the problem of unemployment and underemployment. Many people here are still engaged in low-skilled and low-paid jobs, reflecting the problem of mismatch between skills and employment.

No one in the field has yet systematically studied the social and economic impact of unemployment and underemployment. Our research will try to fill this gap. We will try to understand how these issues affect the income, education, skill development and mental health of the people of Pachadeora. Along with this, we will also examine whether the employment structure here is adequately supporting the shift from agriculture-based work to modern sectors. This research will provide policy suggestions to improve the employment situation in rural areas and solve the problems of areas like Pachdeora kalan.

V. METHODOLOGY

The selected study area to address the problems of unemployment and underemployment of Pachadeora Kalan Gram Panchayat, it would be appropriate to use a mixed research methodology, which includes qualitative and quantitative approaches. Under this process, stratified sampling will be used to represent the population of the panchayat, which will include farmers, laborers, self-employed persons, educated youth, women and unemployed persons. Questionnaires, interviews, and focus group discussions will be used to collect data. In addition, secondary data such as government schemes and panchayat records will also be analyzed.

VI. DATA ANALYSIS

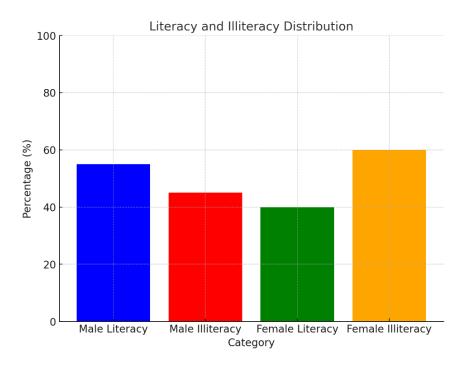
A total of 1000 people were sampled in our survey, which included 500 men and 500 women. In terms of education, the literacy rate of men is 55%, while 45% are illiterate. Among men, 60% have primary education, 30% have education up to 12th level, and only 8% have completed graduation. On the other hand, the literacy rate among women is 40% and the illiteracy rate is 60%. Among women, 30% have primary education, 8% have education up to 12th level, and only 2% have education up to graduation level. In terms of employment status, 25% of men have sustainable employment, 45% have temporary or seasonal employment, and 30% are unemployed. In the field of work of men, 40% are engaged in agriculture, 5% as AC electricians, 10% in tailoring work, 7% as truck drivers, 6% in house shuttering, and 4% in daily wage labor. Among those who have higher skills, 2% are in private sector and 1% in government jobs. In the employment status of

ISSN (Online): 2583-3340

2nd International Conference on Recent Trends in Multidisciplinary Research and Innovation (ICMRI)

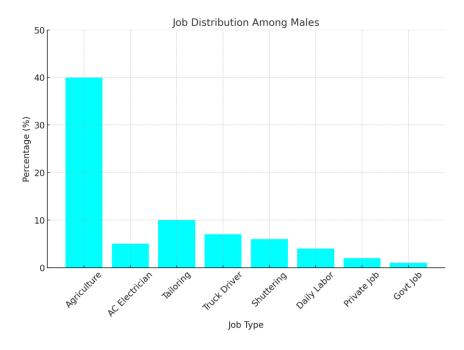
women, 60% women have employment and 40% are unemployed. Among employed women, 60% are engaged in zari work, 10% in tailoring work, 10% in agriculture, and 30% in domestic work or other temporary work.

It is evident from this data that sustainable employment opportunities are limited due to lack of education and skills and most of the work is temporary or seasonal, which is a major obstacle to development in rural settlement.



Literacy distribution:

Men have 55% literacy, while among women it is only 40%. The rate of illiteracy among women (60%) is higher than that among men (45%). Among males 60% have primary education, 30% up to 12th level, and only 8% are graduates Among females 30% have primary education, 8% up to 12th level, and only 2% are graduates.

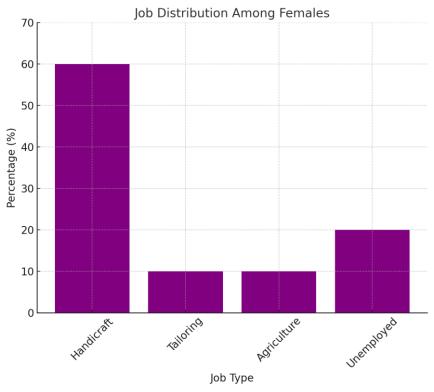


Employment distribution (male):

25% are in sustainable employment, 45% part-time employment, and 30% unemployed. 40% are engaged in agriculture, 5% AC electrician, 10% tailoring, 7% truck drivers, and 6% shuttering work

ISSN (Online): 2583-3340

2nd International Conference on Recent Trends in Multidisciplinary Research and Innovation (ICMRI)



Employment distribution (female):

60% of women have employment, of which 60% are in zari work, 10% in tailoring, 10% in agriculture, and 20% are unemployed.

VII. CONCLUSION AND SUGGESTION OF THE DATA

These analyses show that the panchayat has severe illiteracy, lack of skills, and sustainable employment opportunities. Skill development, self-employment schemes, and proper utilization of government assistance are essential to solve these problems. The survey clearly shows that lack of education and skills, lack of sustainable employment opportunities, and lack of literacy among women are the major problems in the Panchayat. To overcome these, better education facilities, skill development centres, and establishment of small industries in the Panchayat are necessary. Productivity can be increased by bringing innovation in agriculture. Awareness campaigns should be run to ensure maximum benefit of government schemes like MNREGA and Pradhan Mantri Kaushal Vikas Yojana. These measures will increase employment opportunities, reduce unemployment, and ensure overall development of the Panchayat

VIII. DISCUSSION AND CONCLUSION OF THE STUDY

This study reveals that lack of education and skills, unemployment, and underemployment are the main problems hindering development in Panchayat Pachdeura Kalan. The literacy rate among men is higher than that of women, but the level of higher education is very low among both. Employment opportunities are limited, with most people engaged in temporary or seasonal work such as agriculture, tailoring, truck driving, and daily wage labor. Women's employment is mainly limited to zari work and household industries. According to the findings of this study, initiation of education and skill development programs, establishment of small industries, and effective implementation of government schemes can be helpful in increasing employment opportunities in the Panchayat. It is necessary to motivate the youth of the Panchayat towards self-employment and sustainable employment, it can be concluded that a coordinated effort of education, skill development, and government assistance will improve the employment situation in Panchayat Pachdeura Kalan. This will not only improve the living standards of the people but will also ensure the overall development of the Panchayat.

REFERENCES

[1] Carly Vince, Jo Williams, David Banister, Youth Unemployment in Rural areas-What can be done? Working paper written for project Trantel.

ISSN (Online): 2583-3340

2nd International Conference on Recent Trends in Multidisciplinary Research and Innovation (ICMRI)

- [2] Sabyasachi Tripathi (2016), Determinants of employment and unemployment situation in India with Special reference to North Eastern states of India, Online at https://mpra.ub.uni-muenchen.de/71469/ MPRA Paper No. 71469, posted 20 May 2016 09:20 UTC.
- [3] Salah abdirahman Farah, Hussein Abdi Ali (2018), A Study on the Causes of Unemployment among University Graduates in Kenya: A Case of Garissa County, Kenya, Open Journal of Economics and Commerce Volume 1, Issue 1, 2018, PP 55-60.
- [4] Sushmita Biswas (2016), Unemployment in India, Proceedings of National Conf. on Recent Innovations in Science Engineering & Technology, 10th January 2016, Pune, India, ISBN: 978-93-85465-94-9.
- [5] Diener, E. (1984). Subjective well-being. Psychological Bulletin, 85, 542–575.
- [6] Dooley, D., Catalano, R., & Hough, R. (1992). Unemployment and alcohol disorder in 1910 and 1990: Drift versus social causation. Journal of Occupational and Organizational Psychology, 65, 277–290.
- [7] Dooley, D., Fielding, J., & Levi, L. (1996). Health and unemployment. Annual Review of Public Health, 17, 449-465.
- [8] Dooley, D., Levi, L., & Fielding, J. (1994). Health and the employment continuum. Paper presented at the California Wellness Foundation Conference on Unemployment and Health, Santa Monica, CA.
- [9] Ezzy, D. Unemployment and mental health: A critical review. Soc. Sci. Med. 1993, 37, 41–52. [CrossRef]
- [10] Warr, P.B. Work, Unemployment, and Mental Health; Oxford University Press: New York, NY, USA, 1987.
- [11] Friedland, D.S.; Price, R.H. Underemployment: Consequences for the Health and Well-Being of Workers. Am. J. Commun. Psychol. 2003, 32, 33–45. [CrossRef] [PubMed]
- [12] Cali, M., & Meon, C. (2013). Does urbanization affect rural poverty? Evidence from Indian districts. World Bank Economic Review, 27(2), 171–201.
- [13] Dey, A. (2011). Transforming India: Big ideas for a developed nation. Chennai. Oxygen Books.
- [14] Jaap H Abbring, Gerard J Van Den Berg, and Jan C Van Ours. Business cycles and compositional variation in u.s. unemployment. Journal of Business and Economic Statistics, 19(4):436–448, 2001.
- [15] Ching Albert Ma and Andrew M Weiss. A signaling theory of unemployment. European Economic Review, 37(1):135–157, 1993.
- [16] Wiji Arulampalam. Is unemployment really scarring? effects of unemployment experiences on wages. The Economic Journal, 111(475):585–606, 2001.
- [17] Wiji Arulampalam, Alison L Booth, and Mark P Taylor. Unemployment persistence. Oxford Economic Papers, 52(1):24–50, 2000.
- [18] Blenkinsopp, J., & Scurry, T. (2007). "Hey GRINGO!": The HR challenge of graduates in non-graduate occupations. Personnel Review, 36(4), 623—637.
- [19] Bolino, M. C., & Feldman, D. C. (2000). The antecedents and consequences of underemployment among expatriates. Journal of Organizational Behavior, 21(8), 889—911.
- [20] De Jong, G. F., & Madamba, A. B. (2001). A double disadvantage? Minority group, immigrant status, and underemployment in the United States. Social Science Quarterly, 82(1), 117—130.
- [21] Erdogan, B., & Bauer, T. N. (2009). Perceived overqualification and its outcomes: The moderating role of empowerment. Journal of Applied Psychology, 94(2), 557—565.
- [22] Feldman, D. C. (1996). The nature, antecedents, and consequences of underemployment. Journal of Management, 22(3), 385—407.