



DETERMINANTS OF VOLUNTARY AND INVOLUNTARY UNEMPLOYMENT AMONG UNEMPLOYED YOUTHS

DR.S.GANDHIMATHI

ASSISTANT PROFESSOR OF ECONOMICS(SG)
AVINASHILINGAM INSTITUTE FOR HOME SCIENCE
AND HIGHER EDUCATION FOR WOMEN
COIMBAOTORE

DR. P.AMBIGADEVI

PROFESSOR OF ECONOMICS
AVINASHILINGAM INSTITUTE FOR HOME SCIENCE
AND HIGHER EDUCATION FOR WOMEN
COIMBAOTORE

ABSTRACT

The key strategy for achieving inclusive growth in the Eleventh Plan has been generation of productive and gainful employment, with decent working conditions, on a sufficient scale to absorb the growing labour force. The Eleventh Plan (2007-12) aims at generation of 58 million work opportunities in twenty-one high growth sectors so that the unemployment rate falls to 4.83 per cent by the end of the Plan. The 64th round (2007-08) of NSSO survey on employment-unemployment indicates creation of

4 million work opportunities between 2004-05 and 2007-08. In the unemployment problem in India, the educated unemployment problem is more severe. In this backdrop, an attempt was made to analyse the determinants of voluntary and involuntary unemployment.

The findings of the study shows that low qualification and low salary were the main factors determining unemployment. Age, ownership of land and property and sex were the dominant factors discriminating voluntary and involuntary unemployment. Voluntarily unemployed were distinguishable from involuntarily unemployed by higher level of age, higher number of males and lower value of property and land. The males who were in the higher age group but unmarried were voluntarily unemployed. These males were voluntarily unemployed due to dependence of their family income and expecting self-employment opportunities.

INTRODUCTION

Indian economy continues to suffer from the problems of poverty, sectoral divergences in growth and employment opportunities and a poor progress of various socio-economic indicators, despite of higher economic growth in recent past. The speedy process of economic liberalization in India took place in 1991. The experiences of reform period and pre-reform periods indicate two different pictures in relation to unemployment. By 1991, the country workforce had grown to 401 million and was expected to be 519 million in 2010 (World Bank, 1998). World bank experts indicated to retrench 6 lack workers, national textile corporation (NIC) planned to retrench 65,000 workers and International Labour Organisation estimated that 8 million jobs were lost during first two or three years after reforms in 1991.

The key strategy for achieving inclusive growth in the Eleventh Plan has been generation of productive and gainful employment, with decent working conditions, on a sufficient scale to absorb the growing labour force. The Eleventh Plan (2007-12) aims at generation of 58 million work opportunities in twenty-one high growth sectors so that the unemployment rate falls to 4.83 per cent by the end of the Plan. The 64th round (2007-08) of NSSO survey on employment-unemployment indicates creation of 4 million work opportunities between 2004-05 and 2007-08. In the unemployment problem in India, the educated unemployment problem is more severe. In this backdrop, an attempt was made to analyse the determinants of voluntary and involuntary unemployment. The following are the specific objectives of the study.

OBJECTIVES

1. To analyse the reasons for unemployment among different level of educated unemployed youths.
2. To identify the factors determining voluntary and involuntary unemployment.

METHODOLOGY

Data for the study were collected from primary source. The study was carried out in Coimbatore of Tamilnadu. Two stage random sampling technique was adopted in selecting 100 sample respondents. Interview schedule was framed to collect the information on the socio-economic profile of the unemployed youths, duration of unemployment, previous employment search experiences, reasons for unemployment, etc. A pilot study was conducted to identify the gaps in the interview schedule. On the basis of the observations in the pilot study, the schedule was modified and the final survey was conducted with the restructured schedule.

Discriminant analysis was employed to fulfill the objective of the study along with simple percentages and averages

DISCRIMINANT ANALYSIS

Out of 100 youths 17 youths had registered in the employment exchange by forcing the family members, friends and relatives. Actually, these 17 youths were not willing to work. They did not want to attend any interviews even when they were called for interviews and these youths were voluntarily unemployed. Thus there were 17 voluntarily unemployed youths and 83 involuntarily unemployed youths.

To identify the factors discriminating the unemployed youths into voluntarily unemployed and involuntarily unemployed, a linear discriminant analysis was carried out. A linear discriminant function of the form

$$Z = L_0 + L_1X_1 + L_2X_2 + L_3X_3 + L_4X_4 + L_5X_5 + L_6X_6 + L_7X_7 + U$$

Z = total discriminant score for voluntarily unemployed and involuntarily unemployed

L_0 – discriminant co-efficients

X_1 – educational qualification

X_2 – sex of the respondents (dummy 0 for female and 1 for male)

X_3 – age of the respondents

X_4 – marital status (dummy 0 for unmarried and 1 for married)

X_5 – type of family (dummy 0 for joint family and 1 for nuclear family)

X_6 – family income

X_7 – ownership of land and property

RESULTS AND DISCUSSION
Reasons for not Selecting in the Previous Interviews - Respondents Views

The unemployed youths pointed out that the inadequate qualifications, low salary fixed by the employers, political influence and long hours of working were the reasons and factors for not selecting in the interviews. The opinion of the respondents in relation to reasons for not selecting in the interviews may vary across various educational levels. Thus the views of respondents across various educational levels were analysed.

Reasons for not Selecting in the Previous Interviews with Higher Secondary Qualifications

Out of 100 unemployed educated youths, eight completed higher secondary education. Out of 8 higher secondary unemployed youths, 6 were attended the interviews for various types of jobs such as clerk, technician and teacher. The opinion of unemployed about the employers expectations and the reason for not selecting are given in the table-1.

Table -1

Reasons for not Selecting in the Previous Interviews with Higher Secondary Qualification (in number)

Sex	Male	Female
Expectation		
Low qualification	3 (75)	1 (50)
Low salary	-	-
Political influence	1(25)	1(50)
Long working hours	-	-
Total	4(100)	2(100)

Note: figures in parentheses indicate percentages

From the table, it is inferred that 75 percent of the males and 50 of the females responded that the employers expected only qualifications from them. Only 33 percent of them viewed that the political influence was needed in the interviews. These unemployed attended interview for government jobs. For private jobs, the employers expected only the qualification, merit, experience and knowledge pertaining to the job. Thus low qualification and political influence were the factors caused for not selecting.

Reasons for not selecting in the Previous Interviews with Diploma Qualification

Seven unemployed who had completed diploma in industrial technique institute, electrics and electronics, fashion technology, automobiles, diploma in computer application etc. had viewed their opinion about the employers

expectation when they attended the interview and the reason for not selecting in the interviews. It is presented in table -2

Table-2 Reasons for not Selecting in the Previous Interviews with Diploma qualification (in number)

Expectation \ Sex	Male	Female
	Low qualification	1 (20)
Low salary	2(40)	1(50)
Political influence	2(40)	-
Long working hours	-	-
Total	5(100)	2(100)

Note: Figures in parentheses indicate percentages

From the table, it is observed that forty percent of the males felt that the employers fixed low salaries which were less than the market value. The salary expected by the respondents was slightly higher than the amount fixed by the employers. On the other side, fifty percent of the females opined that the employers expected higher qualification as well as they fixed low salary. Hence, they were not selected in the interviews.

Reasons for not selecting in the Previous Interviews with Degree Qualification

Of the total degree holders, 16 males and 28 females attended the interviews, for various jobs such as bank employee, teacher, administrators and clerks. They responded the expectation of the employers and the reason for not selecting when they attended the interview.

The opinion of them is presented in table - 3.

Table -3

Reasons for not Selecting in the Previous Interviews with Degree qualification (in number)

Expectation \ Sex	Male	Female
	Low qualification	5 (31.3)
Low salary	4(25)	12(42.9)
Political influence	6(37.5)	8(28.6)
Long working hours	1(6.3)	3(10.7)
Total	16(100.041)	28(100.01)

Note: Figures in parentheses indicate percentages

From the table, it is observed that majority of the males opined that they needed political influence to get job while majority of the females viewed that they did not accept the job because of low salary. These females expected a job and salary that would be suitable for their qualification. Thirty one percent of the males and eighteen percent of females did not have enough qualification. Thus they were not selected in the interviews. . For all types of jobs, computer knowledge was needed and they have to be updated their knowledge in their respective fields.

Reasons for not selecting in the Previous Interviews with Post Graduate Qualification

The views of the post graduate unemployed youths about the employers expectation and the reason for not selecting in the previous interviews has differed to some extent from others. The opinion of them is presented in table -4.

Table -4

Reasons for not Selecting in the Previous Interviews with
Post Graduate qualification (in number)

Expectation	Sex	
	Male	Female
Low qualification	2 (50)	2 (16.7)
Low salary	1(25)	4(33.3)
Political influence	1(2.5)	6(50)
Long working hours	-	-
Total	4(100)	12(100)

Note: Figures in parentheses indicate percentages

There was difference of opinion among males and females. Majority of the males felt that if they had good qualification and knowledge, they may had been availed jobs.

Majority of the females felt that political influence was expected by the employers.

The job at higher cadre had greater competition particularly in government institutions and organizations, where higher level of political influence and money were needed to compete.

Those who had completed graduation, they seek employment and if they did not get a job, they entered in to post graduation. It created greater competition in the employment; Hence, additional and added qualification such as computer knowledge, diploma in the respective fields etc. were also needed.

Reasons for not selecting in the Previous Interviews with Professional Qualification

All the unemployed professional degree holders were engineers, out of 14 professional degree holders 6 males and 4 females attended the interviews in the field of mechanical, civil, software and chemical engineering. The opinion of them about employer's expectation and the reasons for not selecting in the interviews are given in table - 5.

Table -5

Reasons for not Selecting in the Previous Interviews with Professional qualification (in number)

Expectation	Sex	
	Male	Female
Low qualification	1 (16.7)	1 (25)
Low salary	4(66.7)	2(50)
Political influence	1(16.7)	6(25)
Long working hours	-	-
Total	6(100.1)	4(100)

Note: Figures in parentheses indicate percentages

Majority of the males and females opined that the employers fixed very low salary and wanted them to work in a very lower cadre which would not be suitable to their qualification. Thus they were not selected in the interviews. Due to presence of many number of self-financing engineering colleges, there were growing number of engineering graduates, creating competition in the employment market; it makes availability of engineers at low salary.

Seventeen percent of the males and twenty five percent of the females viewed that political influence was a significant factor for not selecting. None of them complained about the working hours. It was also observed that the employers did not want the employees to work over time, but they preferred those who had good qualifications. It was opined by 17 percent of the males and 25 percent of the females.

Factors Determining Voluntary and Involuntary of Unemployment-Discriminant Analysis

The unemployed youths were classified into voluntarily unemployed and involuntarily unemployed. Though the unemployed youths were registered with employment exchanges, some of them were not willing to renew and also not willing to attend any interviews due to the fact of unwillingness to work. They were classified as voluntarily unemployed. Out of the hundred sample, 17 youths were voluntarily unemployed and 83 were involuntarily unemployed.

To identify the socio-economic factors to discriminate the unemployed youths in to voluntarily and involuntarily unemployed, a linear discriminant analysis was carried out. Before discriminant analysis was carried out, as an initial attempt to know the

difference between the two groups in terms of socio-economic status, the mean and standard deviation were calculated for both groups separately which is presented in table- 6.

Table-6

Mean and Standard Deviation of Selected Socio-Economic Variables

Variables	Voluntary		Involuntary	
	Mean	Standard Deviation	Mean	Standard Deviation
Education	2.11765	1.21873	2.20482	1.00921
Sex	.58824	.50730	.42169	.49683
Age	25.52941	2.37481	24.22892	2.49059
Marital status	.47059	.51450	.57831	.49683
Type of Family	1.82353	.39295	1.79518	.40602
Family Income	9.41.17647	7521.47416	9430.12048	6040.85148
Ownership of land and property	76764.70588	96451.75569	131313.25301	178271.43785

Table -6 shows that there were slight differences in the mean values of all the variables between the two groups. It was observed that the youths belonging to voluntary unemployed group had less educational status, majority of them were males, they were comparatively aged persons, unmarried, belonging to nuclear family, they had less level of income and less value of property than the youths in the involuntary unemployed group.

Next to test the above mean difference between the selected groups, the percentage of cases correctly classified was undertaken. The table -7 shows the classification results obtained from the discriminant analysis

Table-7

Classification Results

Groups	Actual Group	Predicted Group	
	No of Cases	Voluntary Unemployed	Involuntary Unemployed
Voluntarily Unemployed	17	0 .0%	17 100.0%
Involuntarily Unemployed	83	1 1.2%	82 98.8%

Table-7 indicates that all the cases of 17 voluntarily unemployed group were predicted correctly. In the involuntarily unemployed group, 82 out of 83 cases were predicted correctly. The overall percentage of cases classified correctly was 82 percent.

Canonical co-efficient of standardized co-efficient in the discriminant function were calculated to indicate the order of the variable in the contribution to the discriminant function is shown in table-8.

Table-8

The Canonical Co-efficients

Variables	Co-efficient	Ranking
Education	-.29254	7
Sex	.42898	5
Age	.71481	1
Marital status	-.32267	6
Type of Family	.44787	3
Family Income	.44960	4
Ownership of land and property	-.59329	2

Table-8 shows the standardized co-efficient of the variables in the analysis and their ranking which is based on the magnitude of the co-efficients after excluding the sign. The magnitude of the co-efficients indicates the relative contribution of the variables to the discriminant function. The age of the unemployed youths had the highest contribution in the discriminant function with 0.71481, while the educational qualification had the lowest contribution with the co-efficient of 0.29254 in the function.

The other test used to find out the relative contribution of each variable was correlation between discriminating variables and canonical discriminant function and the results are shown in table-9.

Table-9

Correlation between Discriminating Variables and Canonical Discriminant Function

Variables	Co-efficient	Ranking
Education	-.10284	5
Sex	.41236	2
Age	.64938	1
Marital status	-.26607	4
Type of Family	.08663	6
Family Income	-.07613	7
Ownership of land and property	-.40160	3

The table-9 exhibits the pooled within group correlation between the discriminating variables and canonical discriminant function. The correlation co-efficients were ranked according to their contribution in the discriminant function. It is apparent from

the figure that age of the respondent had the highest contribution in the function with the co-efficient of 0.64938, while family income had the lowest contribution with the co-efficient of 0.07613 in the function.

The final step in the discriminant analysis was the calculation of the relative discriminating power of each variables to test the relative contribution of each variables and to identify the dominant factor which discriminate the groups. The results are given in the table-10

Table-10

Relative Discriminating power of Variables

Variables	Discriminant Power	Group I mean- Group II mean x Discriminant co- efficient	Relative Discriminant Power
Education	0.0244	0.0244	2.82
Sex	0.860449	0.1433	16.56
Age	0.289155	0.3760	43.46
Marital status	-0.645645	0.0695	8.04
Type of Family	1.108807	0.0314	3.63
Family Income	0.000071	0.0276	3.19
Ownership of land and property	-0.00004	0.1930	22.31

The table -10 shows that among seven selected variables, age, ownership of land and property and sex were the dominant factors discriminating the two groups. Age of the respondent alone contributed 43.46 percent to discriminate the unemployed in to voluntarily unemployed and involuntarily unemployed.

The discriminant function which is based on un-standardised co-efficients is

$$Z = -8.711774 - 0.279597 X_1 + 0.860449 X_2 + 0.289155 X_3 - 0.645645 X_4 + 10108807 X_5 - 0.000071 X_6 - 0.000004 X_7$$

The above function indicates that voluntarily unemployed were distinguishable from involuntarily unemployed by higher level of age, higher number of males and lower value of property and land. The males who were in the higher age group but unmarried were voluntarily unemployed. To conclude if there were more number of males in the higher age group, greater would be the voluntary unemployment. These males were voluntarily unemployed due to dependence of their family income and expecting self-employment opportunities.

CONCLUSION

Low qualification and low salary were the main factors determining unemployment. Age, ownership of land and property and sex were the dominant factors discriminating voluntary and involuntary unemployment. Voluntarily unemployed were distinguishable from involuntarily unemployed by higher level of age, higher number of males and lower value of property and land. The males who were in the higher age group but unmarried were voluntarily unemployed. These males were voluntarily unemployed due to dependence of their family income and expecting self-employment opportunities.

REFERENCES

1. Eleventh Plan document, Planning commission, Government of India, New Delhi.
2. Employment and unemployment and household consumer expenditure, 2009 - 2010 (2010), NSS 66th Round, Ministry of statistics and programme implementation, Government Of India, New Delhi.
3. Esmail Noori (1992), The impact of inflation uncertainty on unemployment, industrial production and employment growth, American Economic Review, Vol.41, No.1, PP 82-89.
4. Highlights of the report(2012), "The youth employment crisis: Time for Action", International Labour Organisation, Geneva.
5. ILO Global employment trends for youth (2005), International labour organisation, Geneva.
6. Kalpana, V. (2000), Gender dimensions of youth unemployment in India, The Indian journal of labour economics, Vol. 43, No.4, PP 673 -684.
7. Report on Youth employment (2005), International labour organisation, Geneva.