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RESEARCH ARTICLE

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UNEMPLOYMENT IN INDIA: GOVERNMENT PROGRAMMES FOR INCLUSIVE GROWTH OF EMPLOYMENT

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ABSTRACT

The difficulties of the twenty-first century include poverty, economic growth, education, health, employment, population expansion, and the unemployment issue. Most developed and emerging nations still deal with these issues, but India's situation is extremely concerning. In the meantime, India, one of the most populous nations in the world, struggles to compete with other nations. In every area, there have been additional battles to maintain progress after a nation gains independence. Currently, we are ranked fifth among the world's greatest economies. On the other hand, employment, looking at sector-wise percentages, also varied from decade to decade and sector to sector. Compared over a period of time, the primary sector is one of the major employment sources of the Indian population, and it has also made a major contribution to India's GDP. But nowadays, employment opportunities are drastically declining in the primary sector as well as contribution to national income. The current employment positions and participation rate are not equal as compared to earlier. Currently, we are in the 21st century and a number of schemes and policies are being implemented for development, employment and empowerment. Its impact is some percentage of reducing traditional employment and shifting from the primary sector to modern growing employment with the influence of urbanization increasing, education, skill and employment opportunities in other sector. Since India's independence, reducing poverty and fostering wage employment have been two of the country's top development priorities. Rural development as an integrated concept of growth and poverty elimination has been of paramount concern in all subsequent five-year plans. However, India's unemployment problem involves skill gaps, job creation, lagging growth and underemployment is still present in every sector at different rates. In the meanwhile, government inclusive employment programmes and policy schemes have been active in rural as well as urban areas, aiming at widespread opportunities to enhance skills through programmes for reducing unemployment. Against this backdrop, we have made an effort to study the current position of the Indian economy and poverty with sectoral-wise contribution to national income, employment, unemployment rate and the government's latest majors for reducing the unemployment. And the inclusive programmes for sustainable development of livelihoods in rural as well as urban employment and development goals. In this study, it was used as per the availability of secondary level information.

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INTRODUCTION

The state of a nation's economy determines how it develops. For instance, development is connected to most things in some way. According to past studies, employment creation and economic growth go hand in hand (Das, 2007). In practically all Asian nations, the problems of unemployment and underemployment are chronic economic ailments. In India, where a growing number of people are living in poverty, the issue is increasingly serious and worrying (Bedabati, 1997). According to the Planning Commission's most recent evaluations of poverty, 278 million rural residents lived in poverty in 2009–10, subsisting on less than Rs 22.4 per day (Planning Commission, 2012). Since India's independence, reducing poverty and fostering wage employment have been two of the country's top development priorities. Rural development as an integrated concept of growth and poverty elimination has been of paramount concern in all

subsequent five-year plans. Today, India is the most populated country; it has the equivalent of 17.76 percent of the world population and also first place in world rank. We have crossed over China's population as of the present estimation of 2023. Currently, more than 64 percent of the Indian population lives in rural areas, compared to 36 percent in urban areas, and it differs from decade to decade. The distribution of workforce in three sectors as per the 2021 estimation is 43.96 percent from agriculture, 25.34 percent from industry, and 30.7 percent from the service sector. While the share of Indian agriculture declined after independence, it is still the main source of employment compared to the other two sectors. Today we are in the twenty-first century and have many challenges to overcome: poverty, economic growth, education, health, employment, a rising population, and the unemployment problem. These problems are still facing most developed and developing countries in the world. In the meanwhile, today, India is one of the most populated countries, having problems

competing with other countries in the world. After the independence of the country, there have been more struggles in every field to sustain development. Today, we have achieved fifth place among the largest economies in the world. Therefore, taking account of this statement, we have made an attempt to study the present situation of the unemployment rate as well as government's programs and policies to improve employment over a period of time in the country to using on the basis of secondary level information.

Objectives and Data Base: In this paper, we mainly concentration on poverty, unemployment and government measures. The study has examined the following main objectives of to study the India's economic status in emerging development countries and to examine the sectoral growth rate of GDP and share of employment in India. To analyse the poverty and unemployment over a period of time. To extend the government major programme for employment generation in the country and made suitable policy and implication for reducing unemployment in the country. In this study we have used secondary data and it has been collected from journals, documents, reports, and related websites etc.

India's Position of in Large Economies Countries in the world: GDP or "Gross Domestic Product" refers to the monetary value of all goods and service produced in a nation during a given year. A higher GDP indicates that the country is financially strong and growing at a stable rate. India's economy boasts diversity and swift growth, fuelled by key sectors such as information technology, services, agriculture, and manufacturing. The nation capitalizes on its broad domestic market, a youthful and technologically adept labour force, and an expanding middle class. According to the world GDP Ranking 2023 list, India is the fifth largest economy in the world. Other prominent countries like the United States of America, China, Japan, Germany, etc. Have a significant presence in their GDP ranking. Each country has their own unique characteristics 'and regional strengths that contributes to its overall economic growth. According to the International Labour Organization (ILO) and IMF reports, it is clearly revealed in Table 1 that, India is placed in the top 10 largest economies in the world and is in fifth place.

Looking at the Indian population, the country has been ranked first in the world as in these top-ranked economies, China is just in second place in population as estimation on 2023. Overall comparing to the 10 top largest economic countries, Canada has very less population, constituting 3.87 crores and except India & China other countries were less. In the other hand, the total GDP is top in the United States (U.S.A), China in second rank Japan, Germany 3rd&4th and India in fifth rank. United Kingdom (UK), France, Italy, Canada and Brazil are in 6th and 10th respectively. In view of GDP per capita income, it is very low in India; it is 2.6 thousand US dollars. It reveals that India is still struggling to increase per capita income compared to the other top 9 countries. The country standard of living is very poor, as compared to other countries, due to problems of increasing population and unemployment and the lower GDP rate. The unemployment rate as per the 2023 ILO estimate is clear in the table 1 that, Brazil has a 9.7 unemployment rate within the range of the top 10 largest economies, whereas Japan is very less at 2.6. India was in 4th position 7.3 percent and USA, the UK rate is 3.6. The other countries Germany, China, Canada, France, and Italy had 3, 4.9, 5.2, 7.4, and 8.1 percent unemployment rates of respectively. Overall, it shows that India is one of the leading countries in economic development compared to others in the world.

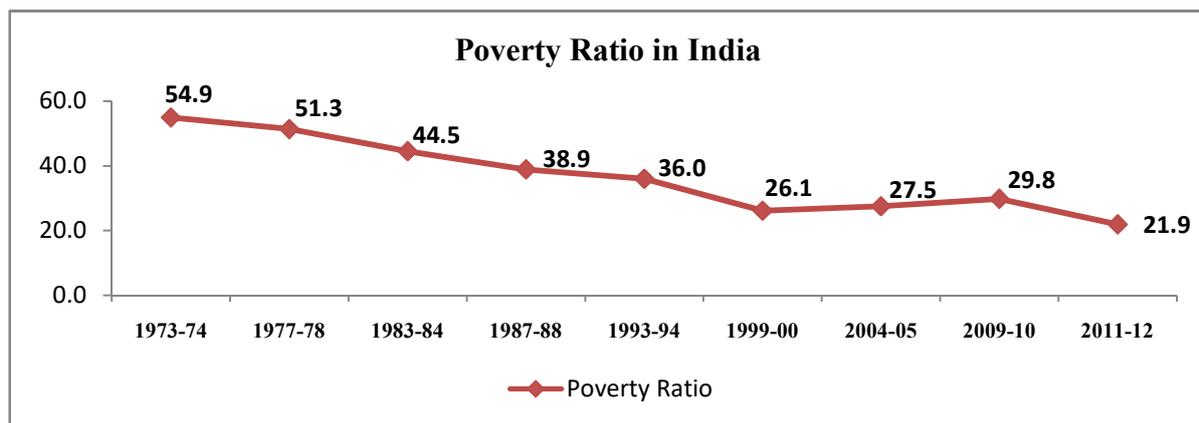
Poverty in India: Poverty is the old phenomenon in the world, but it is popular word in India. Several economists and organization have conducted studies on the extent of poverty in India and they were identified in deferent terms and measurements. It can be defined as a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life. It has various manifestations including lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition; ill health limited or lack of access to education and other basic services increased morbidity and mortality from illness; homelessness and inadequate housing unsafe environments; and social discrimination and exclusion. In the post-reform period, there has been a debate about the impact of reform policies on poverty. It has been argued that in spite of higher GDP growth, the rate of reduction in poverty has been slower.

Table 1. Top 10 Largest Economies Countries in the world 2023

Rank	Country	Population (in Cr)	Total world Population %	GDP (USD billion)	GDP Per Capita (USD thousand)	Unemployment rate (2022)
1	United States (U.S.A)	33.59	4.23	26,854	80.03	3.6
2	China	142.57	17.72	19,374	13.72	4.9
3	Japan	12.32	1.53	4,410	35.39	2.6
4	Germany	8.32	1.04	4,309	51.38	3
5	India	142.86	17.76	3,750	2.6	7.3
6	United Kingdom (U.K.)	6.77	0.84	3,159	46.31	3.6
7	France	6.47	0.8	2,924	44.41	7.4
8	Italy	5.88	0.73	2,170	36.81	8.1
9	Canada	3.87	0.48	2,090	52.72	5.2
10	Brazil	21.63	2.69	2,080	9.67	9.7

Sources: ILO (International Labour Organization & IMF (International Monetary Fund Reports, 2023).

Figure 1. Poverty Ratio in India 1973-74 to 2011-12

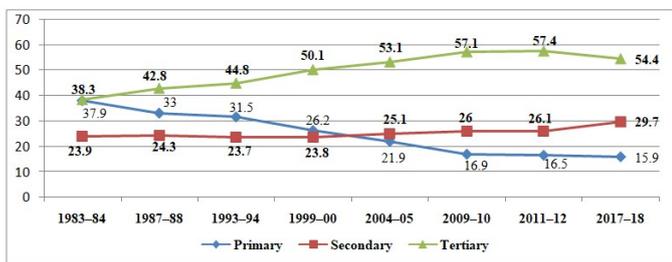


Source: Planning commission of India and census report

However, this was true till the early 2000s. Poverty declined only 0.74 percentage points per annum during the period 1993-94 to 2004-05. But, as shown in figure 1, poverty declined by 2.2 percentage points per annum during the period 2004-05 to 2011-12. It is the fastest decline of poverty compared to earlier periods. It shows that after the economic reforms, in terms, the poverty rate has declined sharply in India.

Sectoral Share of GDP Growth and Employment rate in India: India is an example of a completely traditional nation. Based on historical evidence, the country is currently a global community. India's primary occupation prior to independence was the traditional agricultural system. Only the primary sector was offering more than 80% of employment opportunities; the secondary and service sectors came in second and third, respectively. However, the sectoral standings have completely changed. The following figure shows how it is completely altering as global villages and GDP share percentages have dominated various sectors.

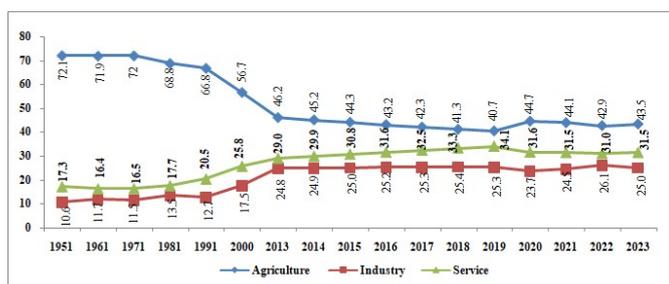
Figure 2. Sectoral Share of GDP Growth rate in India



Sources: www.planningcommission.gov.in

Figure 2 makes it abundantly clear that, between 1983 and 2018, the primary sector's sectoral proportion of India's GDP growth rate fell sharply, from 37.9 to 15.9 percent, respectively. However, during the same period, secondary sector growth increased slightly, rising from 23.9 percent to 29.7 percent. Simultaneously, the third tertiary sector had significant growth, rising from 38.3 percent to 57.4 percent between 1983 and 2012, with a minor decrease in 2018. This represents a 3 percent decrease from the previous year, or 54.4 percent.

Figure 3. Sector wise distribution of employment rate in India 1951-2023



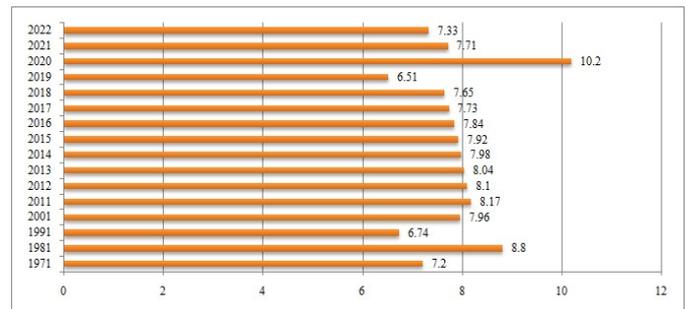
Sources: www.planningcommission.gov.in

It demonstrates clearly that throughout time, the tertiary growth rate ranks first and second as the secondary sector in the country. In the other hand sector-wise distribution of employment in India present in the above figure 3 reveals that, over a period of time, agriculture employment in 1951 was 72.1 percent of the total population has been drastically comedown in the period from 1951 to 2013 is 46.2 percent than slightly decreased 45.2 percent to 43.5 percent in 2014 to 2023. In the other side industry sector is significantly increased share in employment 17.3 percent to 31.5 percent in 1951 to 2023 except two decades of 1961 to 1971. And in the service sector it has been tremendously increased from 1951 to 2023 is 17.3 percent to 31.5 percent respectively. Viewing at overall data reveals that agriculture's share of employment is high, and it has lost around 30 percent of employment, and secondly, the service sector as well as industry sector has gained employment each 15 percent extra employment

compare to 1951. Therefore, we it may conclude that, over period of time modern growing sector and urbanization has significantly attracting population, shifting from the traditional agriculture sector to the growing industry and service sector in the country.

Unemployment in India: Unemployment and underemployment is very serious problem in India and at present situation, the unemployment problem is not only disturbing the country's economy, but also has a greater impact on rural to urban migration. After the independence, several policies and programs were implemented by the Indian government since 1951, but even today, the unemployment problem is very seriously alarming in the country.

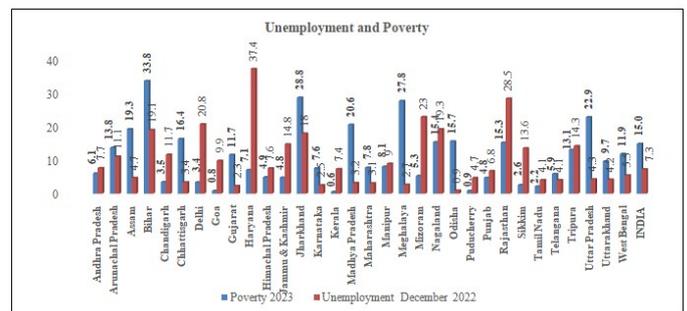
Figure 4. Historical data of Indian Unemployment Rate 1971-2022



Sources: <https://www.studyiq.com/articles/unemployment-rate-in-india/>

According to several studies and reports, the unemployment rate has been very different from decade to decade in all three sector. It has been made clear in Figure 4, which reveals that from 1971 to 2021, the unemployment rate balanced between 6.51 and 10.2 percent. And it has variation between rural and urban areas especially in COVID-19 time; it was very high in the middle of the years, up to 14 percent in the country.

Figure 5. State wise Poverty and Unemployment Rate in India – 2022-23



Sources: <https://www.studyiq.com/articles/unemployment-rate-in-india/>

Unemployment Rate of India 2023, Complete State-wise List (studyiq.com): Before independence, India was divided into 565 princely states. These indigenous princely states believed in independent governance, which was the biggest obstacle to building a strong India. After Indian independence, 562 princely states nodded to join the Indian Confederation, except Hyderabad, Junagadh, Bhopal, and Kashmir. Since Indian independence, the boundaries of the Indian states have kept changing year by year. From 565 princely states and 17 provinces before partition, to 14 states and 6 union territories following the reorganization of states in 1956, to 29 states and 7 union territories in 2014, now after the bifurcation of Jammu and Kashmir, to 28 states and 9 union territories after it. Moreover, the state-wise poverty line as per the multidimensional poverty index 2023 is clear in figure 5. It shows that Bihar still has the highest poverty rate in the country at 33.76 and less Kerala at 0.55. The states with the highest poverty rate after Bihar were Jharkhand, Meghalaya, Uttar Pradesh, and Madhya Pradesh, with 28.81, 27.79, 22.93, and 20.63 percent, respectively. And the Goa have not crossed one percent, the Tamil Nadu, Sikkim, Delhi, Chandigarh, Punjab, Jammu

and Kashmir and Himachal Pradesh have not crossed five percent. The state-wise unemployment rate shows that, over period of time unemployment rate has drastically declined in the country. After COVID-19, it has differed from state to state and area to area. The state-wise unemployment data reveals that Haryana, Rajasthan, Mizoram, Delhi, Nagaland, and Bihar states have high in unemployment rates of 37.4, 28.5, 23, 20.8, 19.3, and 19.1, respectively. And it was very less Odessa, Gujarat, Karnataka and Meghalaya state were recorded 0.9, 2.3, 2.5, & 2.7 percent. Madhya Pradesh, Chhattisgarh, Tamil Nadu, Telangana, Uttarakhand, Uttar Pradesh, Assam, and Pondicherry have not crossed even 5 percent. Other states are in between the lowest and highest in the country.

Government Employment Programmes: The wage employment programs started as pilot projects in the form of Rural Manpower (RMP) [1960-61], Crash Scheme for Rural Employment (CRSE) [1971-72], Pilot Intensive Rural Employment Programme (PIREP) [1972], Small Farmers Development Agency (SFDA), Marginal Farmers, and Agricultural Labour Scheme (MFAL) to benefit the poorest of the poor. These experiments were translated into a full-fledged wage and employment program in 1977 in the form of the Food for Work Program (FWP). At presently the Ministry of Rural Development, Government of India, runs a number of schemes and programs with the principal objective of enabling rural people to improve the quality of their lives. It was realized that a sustainable strategy for poverty alleviation has to be based on increasing productive employment opportunities in the process of growth itself. The sixth five-year plan largely put emphasis on the issues of employment generation and poverty alleviation. To generate additional gainful employment in rural areas, the Ministry of Rural Development, Government of India, launched the National Rural Employment Program (NREP) in October 1980. Under this program, an outlay of Rs. 1620 crore was provided, which was to be shared equally between the Centre and the States. The creation of durable assets was an important objective of this program. On August 15, 1983, the Rural Landless Employment Guarantee Programme (RLEGP), a program to supplement NREP, was introduced by the Ministry of Rural Development, Government of India, with the objective of improving and expanding employment opportunities for the rural landless. The prime objective of this program was to provide guaranteed employment to at least one member of every landless household for up to 100 days in a year and create durable assets for strengthening infrastructure in the rural economy. An outlay of 500 crores to be fully financed by the Central Government was provided under this program during the Sixth Five-Year Plan.

The programs of NREP and RLEGP were merged as Jawahar Rozgar Yojana (JRY-1993-94) in the 7th Five Year Plan. JRY was launched with a total allocation of Rs. 2600 crore to generate 931 million man-days of employment in rural areas. The primary objective of the program was the generation of additional employment on productive works that would either be of sustained benefit to the poor or contribute to the creation of rural infrastructure. Under this program, the centre's contribution was 80 percent, while the states' share was 20 percent. The JRY was implemented in all villages in the country. The program was to be executed by the government ministries and agencies without the employment of contractors so that the full benefit of wages should go to the workers. The payments to contractors constituted at least 10 percent of the cost of the project. Clear-cut guidelines were absent regarding the criteria to be used by the panchayat in selecting the rural poor. It was not enough to indicate that the JRY was targeted at the poor. In practice, the executing agencies did not follow any list of workers belonging to poor families needing employment (Kumar, 2011). The Employment Assurance Scheme (EAS) was launched on October 2, 1993, in 1775 identified backward blocks in drought-prone, desert, tribal, and hill areas in which the revamped public distribution system was in operation by the District Rural Development Agency (DRDA). Subsequently, the scheme was extended to additional blocks, which included the newly identified Drought Prone Area Programme (DPAP) and Desert Development Programme (DDP), Modified Area Development Approach (MADA), and blocks having a larger

concentration of tribal and flood-prone areas in Uttar Pradesh, Bihar, Assam, and Jammu & Kashmir. In addition, 722 non-EAS blocks previously covered under the second stream of the Jawahar Rozgar Yojana (JRY) were also brought under the EAS. The EAS has since been universalized to cover all the rural blocks in the country, with effect from 1.4.1997.

The main objective of the EAS was to provide about 100 days of assured casual manual employment during the lean agricultural season at statutory minimum wages to all persons above the age of 18 years and below 60 years who needed and sought employment on economically productive and labour-intensive social and community works. Though the creation of community assets had important spin-offs for rural poverty and development, the impact of these programs on employment and income was limited. The universalization of the scheme severely eroded its basic objective of providing assured employment in areas of extreme poverty and chronic unemployment. Allocations (financial) were based on a fixed criterion that did not specifically provide for regionally differentiated needs. This led to a very thin spread of resources across the country. As a result, even in the poorer regions, employment was provided for only 31 days (Panning Commission, 2001). In many states, the work taken up was not labour-intensive. Cases of bogus reporting and fudged muster rolls were reported. The efficacy of the program was also affected by faulty project selection and the absence of a coherent plan that integrated EAS projects into a long-term development strategy.

The program, Jawahar Gram Samridhi Yojana (JGSY from 1999-2000), was implemented with effect from April 1, 1999. The primary objective of JGSY was to create demand-driven community village infrastructure, including durable assets at the village level and assets to enable the rural poor to increase their opportunities for sustained employment. The secondary objective was the generation of wage employment for the unemployed poor in rural areas. JGSY was least understood by the target groups and was seldom goal-oriented in its implementation, and JGSY lasted only for a short time before being merged into a new scheme, the Sampoorna Grameen Rozgar Yojana (SGRY). In September 2001, EAS and JGSY were merged into a new scheme, the Sampoorna Grameen Rozgar Yojana (SGRY). The objectives of SGRY were to provide additional wage employment in rural areas and also food security, alongside the creation of durable community, social, and economic assets and infrastructure development. The SGRY also encompasses all food-for-work programs in the country since it includes a special component for augmenting food security through additional wage employment in calamity-affected rural areas.

The National Food for Work Programme (NFFWP), started in January 2000-01 by the Ministry of Rural Development, Government of India, was such an attempt. Substantial resources in the form of cash and food grains were being provided under the program to generate additional supplementary wage employment and to create productive assets in 150 identified districts. Through the program, an attempt was made to coordinate among different on-going schemes that had wage employment potential so that the focused approach provided a solid base for the districts to take off on their own. The major objective was to provide additional resources apart from the ones available under the Sampoorna Grameen Rozgar Yojana (SGRY) to the 150 most backward districts of the country so that the generation of supplementary wage employment and the provision of food security through the creation of need-based economic, social, and community assets in these districts were further intensified. Wages under the SGRY and NFFWP programs were paid partly in cash and partly in the form of food grains valued at BPL rates. It was felt that there was an excess flow of food grains for the poor through the wage employment schemes.

MGNREGA Programme: The National Rural Employment Guarantee Act (NREGA), now renamed the Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) Program, is today entered its operation, which involves and covered the entire country. Beginning with the poorest 200 districts, the MGNREGS

became a nationwide program in April 2008 (Jha. 2012). The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been flagged as India's most ambitious anti-poverty intervention. The legislation for the job guarantee scheme was enacted on August 25, 2005, and it was launched on February 2, 2006. It guarantees 100 days of employment a year to at least one member of any rural household who is willing to perform unskilled labour activity for the minimum wage. By combining rural development with livelihood protection, the work is designed to develop infrastructure such as roads, irrigation, and flood protection measures in rural areas. At the beginning, the program was popular in very few districts, but over the years, it has failed to fulfil its objectives with 100 percent success. Based on the data widely available in the public domain and analyzed, it is delineated that the program has not achieved its goal of providing 100 days of employment to every household and job card. Even the number of days of work fails in asset creation for rural development in general. In successive years, the wage rate growth in rural areas was not as adequate as in urban areas. Over the period of years from 2005 to 2023 the wage rate considerably increased in the initial years but it varies in state to state. But it can't be ignored that the program has benefited rural households across the country and needs to be strengthened for the faster advancement of rural as well as India.

CONCLUSION

Observing the overall, over a period of time, the Indian government has taken drastic measures to improve the standard of economic growth, securing fifth place of among the world's largest economic countries in the world. On the other hand, government efforts have made significantly reducing poverty and unemployment problems by introducing programmes, policies and schemes in the country. But still, we are lagging behind the expected percentages. These programs failed to fulfil their major objectives and targeted percentages, implementation. Those are real beneficiaries who are not getting benefits, and only a male-dominated caste, well educated, economically forward group of members are receiving full benefits. In the other side real beneficiaries are only a countable number in the country. Earlier studies have noticed that, the implemented programs and fund utilization have not reached to the last member of the beneficiary family. Even though some programs are well published in the beginning stages, they are not continued up to the end.

Secondary data says that program websites and other government reports have 100 percent fund utilization and performance, but the real picture is different in the country. Therefore, it is very urgent to solve the identified problems which are still in unsettled, and also need further improvement. The government inclusive employment programmes, policies and schemes are still needed to be more active in rural as well as urban areas, with aiming at widespread opportunities to enhance skills through programmes on impartiality at identifying real beneficiaries and families, targeting a hundred percent of the results to reduce unemployment in the country. Then only we can overcome the problems of poverty, unemployment and the standard of living conditions and maintain inclusive growth to achieve the economic balance in all sectors development goals.

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