

LETTER

UNEMPLOYMENT ENIGMA

Unemployment continues to be a grave problem for most developing countries. The recent street protests by the jobless in Europe clearly indicate the grim situation. In India, under-employment is more wide-spread than open unemployment. For the very poor, employment is the only source of income. Hence, employment opportunities need to be stepped up to ensure both higher growth and social justice.

According to the ILO, a reduction of youth unemployment rate by just half, may add at least \$2.2 trillion to the global economy. According to the OECD (Organisation for Economic Cooperation and Development) globally 1.8 billion people are working without a formal labour contract and social security.

In India, the share of agriculture in GDP declined to around 12 percent. But, agriculture, forestry, fishery together have the largest share of workforce—around 55 percent. While 51 percent of the workforce is self-employed in India, the proportion is much smaller in the developed world. Both the US and Indian economies are services-driven, the difference lies in the quality. According to experts, India needs at least 55 million additional jobs by 2015 to maintain the current ratio of employed people to total population at 39 percent.

I Satyasundaram, Hyderabad