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Role Of Bihar Government In Mitigating Unemployment Issue

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Abstract

Unemployment, according to International Labour Organization (ILO), is a state of not having a job but is available to work and actively looking for a work. One of the most socio-economic problems in Bihar, which has a large population, intense demographic pressure and a long-standing underdeveloped industrial base has been unemployment. Even after improvements in literacy, infrastructure and service-sector growth, Bihar still faces the challenge of providing adequate and sustainable job opportunities to growing youth population. To resolve this crisis, the state government over the last few years has started various policies such as initiatives to develop skills, policies to promote industries, special self-employment initiatives among others. This paper not only looks at the structural nature of unemployment in Bihar, but also analyzes the interventions by the government and their achievements and shortcomings.

Keywords: Unemployment, Types, Migration, Skill Development, Industrial Promotion, Entrepreneurship

Introduction

Unemployment is one of the most pressing socio-economic problems which is faced by every developing economy and India is no such exception. Although, India is the fastest-growing economy in the world in the past few years, the problem of unemployment continues to haunt policymakers, particularly in areas that lag behind in industrial and infrastructure development. Among the states in India, Bihar has a great potential but still faces grave unemployment issues. Bihar is the third most populous state in the country with a population of over 125 million people. However, despite its rich cultural heritage, fertile land and young labour force, the state faces persistent unemployment, underemployment and massive migration of workers to another state.

Unemployment can be defined as a state where individuals who are capable of working and willing to do work are unable to find suitable work. It not only includes those individuals who are not getting job but also those who are underemployed i.e. working in jobs that do not match their skills or are inadequately paid. In Bihar, unemployment has various faces: educated unemployment, disguised unemployment in the agriculture sector, seasonal unemployment, and structural unemployment due to lack of industries in the region. Unemployment in Bihar is not simply a state of joblessness; but it reflects a complex inter-relation between structural problems, demographic pressures, educational shortcomings and historical neglect. Every year lakhs of educated youth enter job market in Bihar, but only a few of them gets absorbed in the formal employment.

The majority of them either remains unemployed or migrates to other states in search of jobs. This pattern has persisted for decades, making unemployment the most pressing socio- economic problem in Bihar.

Objective

1. To highlight the various types of unemployment
2. To examine the causes of Unemployment in Bihar
3. To examine steps taken by Bihar Government to implement employment boosting schemes
4. To evaluate the achievements and shortcomings of Government policies
5. To offer policy recommendation for employment generation

Methodology

The methodology involved is the collection of secondary data, as it is quantitative in nature. The data is obtained from various sources like census report, Economic survey of Bihar, research paper, journals, e-books, newspaper, magazines, relevant websites available on the internet etc.

Types of Unemployment

1. **Disguised Unemployment:** In this form of unemployment, the number of employed persons exceeds the required number. It is usually found in unorganized sector or agriculture sector.
2. **Structural Unemployment:** This type of unemployment occurs when skills of the worker and availability of jobs in the market does not match.
3. **Seasonal Unemployment:** This is a stage of employment where people lack employment during certain seasons of the year such as labourers in India hardly have employment throughout the year.
4. **Vulnerable Unemployment:** Under this unemployment, employees work informally that is without a well-written job contract and hence their work is never registered.
5. **Technological Unemployment:** Under this unemployment, people lose their jobs due to advancement in technologies.
6. **Cyclical Unemployment:** This unemployment occurs due to irregular ups and downs in business cycle and result unemployment rises during recession and declines with the growth of economy.
7. **Frictional Unemployment:** This unemployment happens when individuals lose their jobs in the short term as they seek a new job or change their job.

Causes of Unemployment in Bihar

Colonial and Post-Colonial Legacies: Bihar's economic route is determined by colonial extraction and post-independence neglect. Sugar, textile and jute industries had previously prospered in the region. Many of them failed because of biases in policies, failure to invest, and bad infrastructure. The industrial foundation was further weakened when Jharkhand was carved out of Bihar in 2000 as mineral rich regions like Dhanbad and Bokaro became part of the new state. Bihar thus, became agrarian with little heavy industry.

Population Pressure: Bihar is the third most populous state of India with a population of 10.41 crores and has the highest density among Indian states, with a density of 1,106 sq. km as per 2011 Census. Millions of young people join the labour market every year and this puts more pressure on available jobs. The sheer magnitude of the demographic pressure is that even when the government creates job opportunities, the figures are usually inadequate to meet demand.

Migration: Migration is one characteristic of Bihar economy. Labourers move to other states to work in the construction, agricultural work or menial service industry. Although remittances boost the economy of a family, migration is the indication that state economy is not absorbing its labour force. It also leads to brain drain, since educated young people tend to establish themselves outside Bihar.

Government Policies to Mitigate Unemployment

The Bihar Government has taken multi-pronged approach in order to contain unemployment. In general, it can be grouped in four categories:

- a) Public Employment Drives
- b) Skill Development
- c) Industrial Promotion
- d) Entrepreneurship/ Self-employment schemes

a) Public Employment Drives

Organization of large-scale Rojgar Melas (employment fair) is one of the most visible strategies. These melas unite job seekers with employers to have face to face interaction and gain instant recruitment. The Rojgar Melas specifically targets youth between the age of 18 and 35, who have a range of academic qualifications ranging from 8th, 10th, 12th, ITI, Diploma, Graduate Degree and Post Graduate Degree. The government initiates the process by registering candidates, inviting private companies, and issuing appointment letters.

In addition, the Bihar government periodically publishes mass recruitment drives within government departments- teachers, health workers, police, officers etc. which reflects government commitment to address the issue of unemployment.

b) Skill Development: Bihar Skill Development Mission (BSDM)

Bihar Skill Development Mission (BSDM) was constituted in the year 2010 with a vision to provide quality skill training and professional knowledge to the youth so that they can enhance their employability and thus bridge the skill gap with an aim to meet the increasing demand of skilled manpower. Its key programs include:

Kushal Yuva Program: It focuses on the development of soft skills, computer literacy and communication skills among the youth between the age of 15-28 years (beyond for disadvantaged groups). The program provides skill to the youths which enhance their opportunities in the local and national job market. Till August 2024, the program has been able to train 25, 64,803 youths and there are 1,875 approved training centers in order to provide skill to the youth.

Domain Skilling: It provides skill training in individual sectors such as healthcare, IT, retail, construction and hospitality. Recruit-Train-Deploy (RTD) model has been introduced that will help to meet the requirements of the industry and also help youth of Bihar get employment.

Employer involvement: BSDM has made efforts to involve private firms in order to ensure that training is demand-driven and connected to real employment opportunities.

c) Industrial Promotion Policies

Bihar's Industrial Promotion Policy (IIP), 2016, with amendments in 2020 provides financial incentives in order to attract industries. The policy offers:

- Capital Subsidies
- Interest subsidies on loan
- Electricity concession
- SGST reimbursement
- Employment generation subsidies for companies creating jobs

Bihar Cabinet on 26 August, 2025 approved Bihar Industrial Investment Promotion Package which will be effective till 31st March, 2026. The package is a part of Bihar's initiative to create 1 crore employment opportunities over the next five years.

The aim is to encourage investments in sectors like food processing, textiles, leather, ITs, renewable energy. Industrialization is seen as a long-term solution to unemployment, creating both direct and indirect jobs.

d) Women-focused self -employment scheme

In 2025, the Bihar government announced **Mukhyamantri Mahila Rojgar Yojana** under which one woman from every household would receive a grant of ₹10,000 in order to start a small business or self-employment ventures. The scheme acknowledges the gender dimension of unemployment. Bihar through the scheme is trying to boost household income by encouraging women to be more active in economic activity and thus reduce dependence on male migration.

e) Integration with national schemes

Bihar has also implemented central government schemes such as:

- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** It aims to provide rural employment guarantees, by providing at least 100 days of unskilled manual labour in a financial year.
- **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):** It is an outcome-based skill training scheme which enables youth to get certification of the skills learned and hence become employable and earn their livelihood.

- **StartUp India / Stand- Up India:** It aims to create a strong environment for nurturing innovation and startups in the country. It also aims to promote entrepreneurship among SCs/STs and women.

Evaluation of Government Efforts

Achievements

1. **Improved exposure to Unemployment Issue:** Public job fairs and announcements by the cabinet have made the issue come to forefront of political discourse.
2. **Skill Training Infrastructure:** The Bihar Skill Development Skill (BSDM) has developed a network of training facilities which has been accessed by a thousand of youths.
3. **Industry Promotion:** The incentives that are given to companies in order to establish their companies are attracting investments in some sectors.
4. **Focus on women and disadvantaged groups:** Policies like Mahila Rojgar Yojana highlights government's approach for inclusive development.

Limitations

1. **Mismatch between training and jobs:** Training often does not match with actual employment needs of the industry due to poor linkages between training provided and requirement for jobs in an industry.
2. **Low uptake by industries:** Despite incentives provided by Bihar government for setting of industries, big industrial giants are still hesitant to invest due to lack of infrastructure, poor law and order situation and lack of skilled labour.

Informal placements: Many jobs gained through Rojgar Melas are contractual and often low-paying and thus does not provide much job security to the youths.

3. **High Migration:** Out-Migration has grown rapidly which indicates that there is still lack of sufficient jobs locally.
4. **Administrative Capacity:** Ensuring transparent and efficient delivery of grants and subsidies still remain a challenge for the government.

Lessons to be learnt from other States

Gujarat: It focused on traditional industries such as agro-processing and build industrial corridors for pharmaceuticals, IT sector, petrochemicals etc., and integrating skill development with industrial clusters.

Tamil Nadu: It focused on manufacturing sectors such as automobile and electronics and combined it with skill-based technical education.

Kerala: It focused on social and human development. Migrant-returnee entrepreneurship schemes have helped in absorbing labour in the local markets.

These models are a lesson for Bihar and can motivate it to build industrial corridors, impart technical education to the youths and provide business incubation support.

Challenges Ahead

1. **Infrastructure Shortage:** Bihar still faces problem of power supply, transport connectivity and industrial land availability which is creating an obstacle in employment generation.
2. **Skill-Job alignment:** There is a need to ensure that skill development is demand-driven and this requires more engagement with industries.
3. **Migration Trap:** In order to break the cycle of youths moving out of the state for works, there has to be a sustainable employment creation in the region.
4. **Social Barriers:** Caste, gender and regional disparities plays a heinous role in creating gaps between access to education and equitable access to jobs and training.

Policy Recommendations

1. **Promote labour-intensive industries:** Bihar being an agrarian economy, the government needs to prioritize labour-intensive industries like agro-processing, handicrafts and textiles.
2. **Strengthen apprentice system:** The government should partner with local industries in order to provide on-the-job training to the youths which would help them in gaining the required skills and thus seek employment.
3. **Support entrepreneurship ecosystems:** The government apart from giving entrepreneurs cash grants should also offer them mentorship, incubation and market access.
4. **Build infrastructure:** The government needs to enhance transport facilities, power supply and digital connectivity which will help in attracting industries.
5. **Gender-sensitive policies:** The government should make policies that address the barriers to women employment through safety, child care and flexible training.
6. **Monitoring and Evaluation:** The government should appoint a third party in order to analyze the impact of employment schemes.

Conclusion

According to Jane Addams, “Of all aspects of social misery nothing is as heartbreaking as unemployment.” The Bihar government has acknowledged the issue of unemployment in the region and thus has reacted with various programs ranging from Rojgar Melas to industrial incentives and self-employment schemes. Such programs indicate government’s intent to deal with unemployment issue but they only provide immediate relief. In order to conceptualize long-term success structural transformation is necessary. The pillars of sustainable employment are industrialization, skill-job match, infrastructure investment and inclusive development. For Bihar, the path ahead is very challenging but with proper planning, political will and effective implementation, the state can turn its demographic burden into demographic dividend.

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