The Job Crisis Undermines State Legitimacy

Why in News?

Recently Universal Basic Income is being proposed as a measure to address job crisis.

What are the socio political aspect of employment?

- **Employment** – It provides dignity, adequate compensation, an opportunity for learning, and advancement for those who strive.
- **Dignity and Purpose** – People have derived it traditionally, through a combination of community, work, and political engagement.
- **Increased Importance of Work** - Liberalism and capitalism have deprioritised traditional sources of community and increased the importance of work in conferring social standing and belonging.
- **Social Dominance of Employment** - Work has become the dominant entry point into a broader sense of community and political engagement.
- **Unemployment** - Large sections of unemployed population feel they lack both dignity and financial security.
- **Widening Disparity** - Technological advancements and capital concentration potentially displaces large numbers of workers.
- **Effect of Disparity** - Concentration of purpose and financial gain among the elites can erode faith in the system and lead to political instability.
- **Political Challenge** - How we structure our society, what we value, and how we include everyone is fundamentally political.

What are the issues with the job market?

- **Unemployment** - As per the Annual PLFS Reports, the estimated Unemployment Rate (UR) on usual status was 4.2%, 4.1% and 3.2% during 2020-21, 2021-22 and 2022-23, respectively.
- **Job Insecurity** - Many jobs are unpaid, informal, and does not provide for growth.
- **Defects in Unemployment Enumeration** - To count as employed, a person needs to have reported working for only one month in an entire year.
- **Inadequate Political Response** – Responses to job crisis is oscillating between deferring to market forces and resorting to short-term partisanship.
- **Market-oriented Approach** – It is the 'creative destruction,' suggesting that old jobs and industries will be seamlessly replaced by new and better ones.
- **Undermining** – Reducing the unemployment issue as a mere short-term issue instead of recognizing it as a structural issue.
- **Jeopardising Legitimacy** - Divesting societal issues to civil society or government in order to function solely as election-winning machines reduces their significance.

What are the impacts of Job Crisis?

- **State Instability** - The dearth of quality employment, particularly among the youth threatens not just our economy, but the very legitimacy of our state.
- **Political Impact** - Unemployment is not merely an economic issue, but a fundamental political challenge that strikes at the heart of how we organise our societies.
- **Dissatisfied Youth** - Failure to create avenues for social and economic participation for young people will breed frustration.
- **Loss of Dignity** – The feeling of not contributing meaningfully to society, due to unemployment affects the dignity of a person.
- **Risk to Democracy** - Unemployment affects trust in government and satisfaction with democracy.

Democracy is about more than elections and It is about creating a social contract that works for everyone.

- **Radicalization** - Lose of faith in democratic institutions will make people seek alternatives, rendering political parties irrelevant, rise of populism, authoritarianism, and civic disengagement.

What are the issues of UBI in addressing unemployment?

- **Universal Basic Income** - UBI is a minimum "income" received by all citizens of a given population as financial transfers from the government without having to work.
- Making UBI as a solution to employment is associated with socio political problems.
- **Inequality** – UBI premises that technology and capital will create outsized winners while the majority will merely survive on their largesse.
- **Indignity** - UBI implies that a significant portion of the population is no longer needed in the economy, with a smaller subset "paying" for the rest.
- **Emotional Failure** – The UBI approach fails to address people's need to feel relevant and capable.
- **Encourage Populism** - UBI might encourage more anger and populism and provides for just surviving on the sidelines not for contribute and thrive.
- **Short term measure** - UBI would shift focus from structural reforms to mere economic transfers.
- **Disincentivize Evolution** – UBI entrench elite power by insulating them from pressures to address fundamental inequities in the economy and labour markets.
- **Erodes State's Role** - It risks recasting the state as a mere distributor of funds rather than the architect and arbitrator of societal processes required to create a just and participatory social and economic system

What lies ahead?

- Parties and institutions must find ways to address structural issues, including unemployment, inequality, and dignity.
- Restore a broader sense of public purpose and economic participation to the centre of our national dialogue to protect democracy and political institutions.

Reference

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