

Chapter - 7

Unit - 7

Employment : Growth Informalisation and other Issues.

- * Work plays an important role in our lives, as individuals and as members of society.
- * A worker is an individual , who is involved in some productive activity, to earn a living,
- * An economic activity refers to the activity performed by people to earn the living. The main three types of economic activities are consumption, production and distribution.
- * Production activity refers to all those activities which are undertaken to produce goods and services for generation of income.

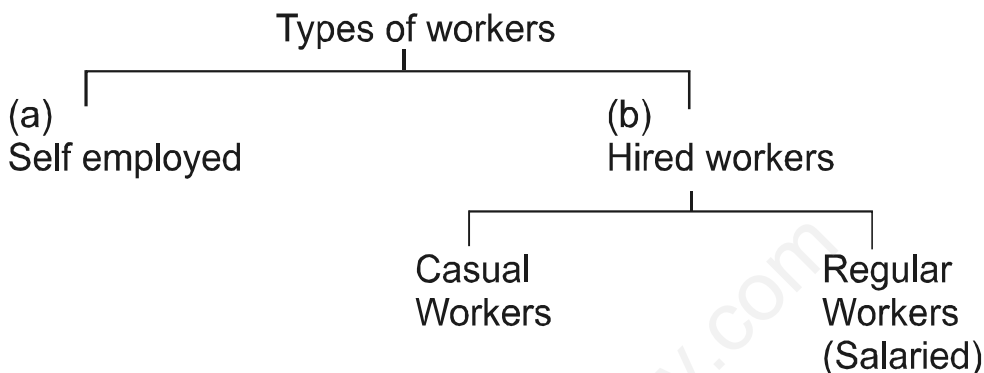
Labour force : All persons, who are working (have a job) and those are not working but able to work and willing to work at the existing wage rate constitute labour force.

Labour Force : Persons working + persons seeking and / or available for work.

Work force : The number of persons, who are actually employed at a particular time are known as workforce, It includes all those persons who are actually engaged in productive activities.

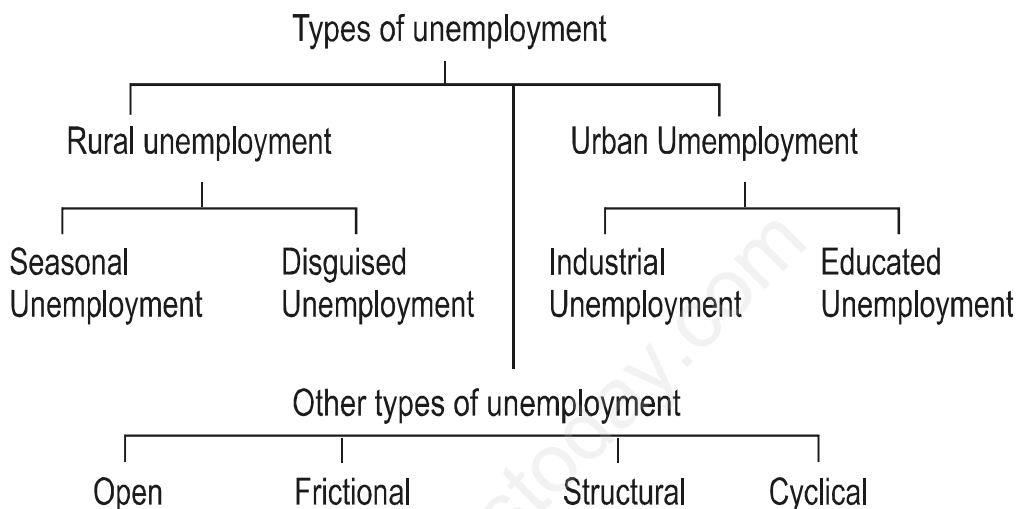
Labour supply - It refers to amount of labour that people are willing to offer corresponding to a particular wage rate.

$$\text{Participation Rate} = \frac{\text{Workforce}}{\text{Total Population}} \times 100$$



- * About two fifth of the total population in the country in engaged in various economic activities.
- * Men particularly rural men, form the major section of workforce in India.
- * Majority of workers in India are self employed casual wage labourers and regular salaried employees together account for less than half the proportion of India's workforce.
- * About three fifth of India's workforce depends on agriculture and other allied activities as the major source of livelihood.
- * Jobless Growth : It is defined as a situation where GDP grows faster than the employment opprotunities resulting in unemployment.
- * Casualisation and informalisation of employment.
Casualisatoin refers to a situation when the percentage of casually hired workers in the total workforce tends to rise over time.

Informalisation : refers to a situation when people tend to find employment more in informal sector of the economy, and less in formal sector of the economy.



(Formal or organised sector, informal of unorganised sector)

Causes of unemployment

- * Slow rate of economic growth
- * Population explosion
- * Underdeveloped agriculture
- * Defective educational system
- * Slow growth of Industry
- * Decline of collage and small industry.
- * Faulty planning
- * Inadequate employment planning.
- * Low capital formation.

Remedial measures for unemployment.

- * Accelerating growth rate of GDP
- * Control of population growth
- * Development to small scale enterprises.
- * Encouragement in infrastructure.
- * Special employment programmes.
- * Rapid industrialisation.

Special programmes to fight poverty and unemployment

- * National Rural Employment Guarantee (NREG)

ONE MARK QUESTION

1. Who is worker?
2. Define GDP
3. What is an economic activity?
4. Define self employed workers?
5. Define participation ratio.
6. Give three sources that collect data on unemployment.
7. Define job less growth.
8. Define casualisation.
9. Are the following workers - a beggar, a thief, a smuggler, a gambler? Why?
10. What is informalisation of workforce?
11. Why is self-employed workforce higher in rural areas?
12. Name the two kinds of urban unemployment.
13. Give the meaning of disguised unemployment.
14. Who are included in labour force?
15. Give the meaning of work force?
16. Define worker - population ratio.
17. Who is casual wage labourer?
18. How will you know whether a worker is worker in the informal sector?
19. Why are regular salaried employees more in urban areas than in rural areas.
20. Why do we differentiate between economic activity and production activity?

SHORT ANSWER QUESTIONS (03-04 MARKS)

1. What is the difference between labour force and work force?
2. Discuss the two main forms of wage employment.

3. Analyse the recent trends in sectoral distribution of workforce in India.
4. Discuss the two types of rural unemployment.
5. How does the government generate employment?
6. Explain classification of workforce.
7. Give a brief note on the national rural employment guarantee act 2005.
8. Suggest general measures to control unemployment.
9. What are the adverse effects of unemployment.
10. Write a short note on informal sector. What are the problems being faced by the workers of informal sector?
11. Discuss the three concepts of unemployment used by national sample survey, organisation.

LONG ANSWER QUESTIONS (06 MARKS)

1. What are the various types of unemployment?
2. What role does the government play in generating employment opportunities.
3. What are the causes of unemployment?
4. Explain information of workforce.
5. Explain occupational structure of workforce.
6. What do you mean by organised sector? Discuss the reasons for fall in employment in the organised sector.
7. Discuss the various remedial measures, which are needed to solve the problem of unemployment in India.
8. What do you mean by casualisation of workforce? Discuss the concept with relevant facts.
9. Discuss the distribution of employment in different sectors of economy.
10. Discuss the concept of frictional and structural unemployment.

ANSWER OF 01 MARK QUESTIONS

1. A worker is an individual who is doing some productive employment to earn a living.
2. Sum total of the goods and services produced in the economy during a year is called GDP.
3. All activities which contribute to gross national product through production of goods and services are called economic activities.
4. Self employed workers are those who work in their own business or profession and get profit as their reward.
5. Participation ratio is defined as the percentage of total population which is actually participating in productive activity. It is also called workers population ratio.
6.
 - (a) Reports of census of India.
 - (b) National sample survey organisation reports of employment and unemployment situation and.
 - (c) Directorate general of employment and training date of registration with employment exchange.
7. Jobless growth is defined as a situation in which there is an overall acceleration in the growth rate of GDP in the economy which is not accompanied by a commensurate expansion in employment opportunities.
8. Casualisation is defined as a situation in which percentage of casually hired workers in the workforce tends to grow overtime.
9. No, they are not workers, as they are not doing any productive work.

10. Informalisation of work force refers to a situation whereby the proportion of workforce in the informal sector to total workforce increases.
11. In case of rural areas, self employed workers are greater as majority of rural people are engaged in farming on their own plots of land.
12. (i) Industrial unemployment
(ii) Educated unemployment
13. Disguised unemployment refers to a state in which more people are engaged in work than are really needed.
14. All persons, who are working (have a job) and thought not working, are seeking and are available for work, are deemed to be in the labour force.
15. The number of persons, who are actually employed at a particular time are known as workforce.
16. Worker population ratio is the percentage of total population engaged in work.
17. Workers who are not hired by their employers on a regular or permanent basis (i.e. donot have job security) and do not get social security benefits, are formed as casual wage labour.
18. It is an unorganised sector of an economy which includes all those private sector enterprises which employ less than 10 workess.
19. Regular salaried employees are more in urban areas as considerable section of urban people are able to study in various education institutions and if enables them to look for an opproperiate job to suit their qualification and skill.
20. We differentiate to calculate the number of workers. People engaged only in production economic activities are to be included in the category of workness.