

Unit 7

I. Choose the correct answer (Each question carries one mark)

1. Those activities which contribute to the gross national product is called
 - a) Social activities
 - b) cultural activities
 - c) Political activities
 - d) Economic activities**
2. GDP stands for
 - a) Gross domestic product**
 - b) Gross domestic price
 - c) none of the above.
 - d) Gross dollar price
3. Which of the following activity is not considered as productive work
 - a) House hold activities**
 - b) Agricultural activities
 - c) Service sector
 - d) Industrial activities
4. Workers who own and operate an enterprise to earn their livelihood is called
 - a) Ministers
 - b) Public servant
 - c) Self-employees**
 - d) Government doctor.
5. Urban people are mainly engaged in the
 - a) Primary sector
 - b) Service sector**
 - c) Mining
 - d) Agriculture
6. India is an
 - a) Industrial country
 - b) Scientifically developed country
 - c) Agrarian nation**
 - d) Service developed country
7. Those who are working in the formal sector enjoy
 - a) Economic benefits**
 - b) Social security benefits
 - c) Educational advantages
 - d) Cultural benefits

8. Owing to the effort of the following organization Indian Govt initiated modernization and provision of social security measures to informal sector workers.

- a) GNP
- b) NSSO
- c) ILO**
- d) LPG

II. Fill in the blanks (Each question carries one mark)

1.Mahatma Gandhi..... insisted upon education and training through variety of works including craft.
2. The nature of employment in India is ...Multifaceted.....
3. Majority of workforce reside in ...Rural..... Area in our country
4. For every 100 Rural females about32.....participate in the employments market.
5. The construction workers are known as ...Casual wage Labourers...
6. When a worker is engaged by someone and paid his /her wages on regular basis is known as ...regular salaried..
7. ...Primary Sector..... is the main source of employment for majority of workers in India.
8. The Government protects the rights of workers through ...Labour laws...
9. In India disguised unemployment can be seen more inAgriculture... sector

III. Answer the following question in a word / sentence each. (Each question carries one mark)

1. Why do people work?

People work for 'earning' a living. Some people get, or have, money by inheriting it, not working for it.

2. Give the meaning of work force?

Workforce is the population proportion that can produce economic activities

3. Define worker population ratio.

Worker-population ratio is an indicator which is used for analysing the employment situation in the country.

4. What is informalisation of work force?

Workforce which is working in the informal sector of the country such as farming or agriculture

5. Define jobless growth?

Without generating employment, we have been able to produce more goods and services.

6. What is meant by Casualisation of work force?

Scholars call this process of moving from self-employment and regular salaried employment to casual wage work as casualisation of workforce.

7. Give the meaning of open unemployment.

Open unemployment is a condition in which people have no work to do. They can work and are also willing to work but there is no work for them

8. What is seasonal unemployment?

An elevated level of unemployment that is expected to occur at certain parts of the year.

9. Expand ILO.

International Labour Organization

10. What do you mean by formal sector establishment?

All the public sector establishments and those private sector establishments which employ 10 hired workers, or more are called formal sector

11. What do you mean by informal sector establishment?

Informal sector includes millions of farmers, agricultural labourers, owners of small enterprises and people working in those enterprises as also the self-employed who do not have any hired workers

12. Expand G D P

Gross Domestic Product

13. Expand G N P.

Gross National Product

IV. Answer the following question in four sentences each. (Each question carries two marks)

1. Who are all included in labour force?

The labour force, or currently active population, comprises all persons who fulfil the requirements for inclusion among the employed. These also include the people who can get a job but are unemployed.

2. What is the difference between labour force and worker force?

Labour force is the part of the population can work but may not be employed

Worker force is the part of the population that is working or is employed

3. Why are regular salaried employees more in urban areas than in rural areas?

The nature of work in urban areas is different. Obviously, everyone cannot run factories, shops and offices of various types. Moreover, enterprises in urban areas require workers on a regular basis.

4. Name any four kinds of unemployment.

Seasonal, Open, Disguised and structural

5. What are net earnings? How do you get GNP?

Net earnings are the sum of the total exports minus imports. When we add this earning (plus or minus) from foreign transactions, what we get is called the country's gross national product for that year.

6. Who are not included in labour force?

Persons who are neither employed nor unemployed are not in the labor force. This category includes retired persons, students, those taking care of children or other family members, and others who are neither working nor seeking work

7. Who are self-employed? Give two examples.

Workers who own and operate an enterprise to earn their livelihood are known as self-employed. More than half the workforce in India belongs to this category.

8. Name the types of rural unemployment.

Disguised unemployment and seasonal unemployment

9. Why does rural work force migrate to urban areas during some part of the year?

When there is no work to do on farms, men go to urban areas and look for jobs. This kind of unemployment is known as seasonal unemployment. This is also a common form of unemployment prevailing in India.

10. Name the Three sectors of the economy.

Primary sector, secondary sector and service sector

11. Distinguish between formal and Informal sector labourers.

Formal sector is organized. Those employed in formal sector get regular wages

Informal sector is unorganized. Those employed in informal sector get irregular wages

12. What is unemployment according to NSSO?

NSSO defines unemployment as a situation in which all those who, owing to lack of work, are not working but either seek work through employment exchanges, intermediaries, friends or relatives or by making applications to prospective employers or express their willingness or availability for work under the prevailing condition of work and remunerations.

13. Name the three sources of data regarding unemployment in India.

There are three sources of data on unemployment:

- a) Reports of Census of India,
- b) National Sample Survey Organisation's Reports of Employment and Unemployment Situation and
- c) Directorate General of Employment and Training Data of Registration with Employment Exchanges.

V. Answer the following question in twelve sentences each. (Each question carries four marks)

1. Write the importance of employment.

People work for 'earning' a living. Some people get, or have, money by inheriting it, not working for it. This does not completely satisfy anybody. Being employed in work gives us a sense of self-worth and enables us to relate ourselves meaningfully with others.

Every working person is actively contributing to national income and hence, the development of the country by engaging in various economic activities — that is the real meaning of 'earning' a living. We do not work only for ourselves; we also have a sense of accomplishment when we work to meet the requirements of those who are dependent on us.

Having recognised the importance of work, Mahatma Gandhi insisted upon education and training through a variety of works including craft.

2. Analyse the recent trend in sectoral distribution union of work force in India.

Trends in Employment Pattern (Sector-wise and Status-wise), 1972-2000 (in %)

Item	1972-73	1983	1993-94	1999-2000
Sector				
Primary	74.3	68.6	64	60.4
Secondary	10.9	11.5	16	15.8
Services	14.8	16.9	20	23.8
Total	100.0	100.0	100.0	100.0
Status				
Self-employed	61.4	57.3	54.6	52.6
Regular Salaried Employees	15.4	13.8	13.6	14.6
Casual Wage Labourers	23.2	28.9	31.8	32.8
Total	100.0	100.0	100.0	100.0

Distribution of workforce by industrial sectors shows substantial shift from farm work to non-farm work. In 1972-73, about 74 per cent of workforce was engaged in primary sector and in 1999-2000, this proportion has declined to 60 per cent.

Secondary and service sectors are showing promising future for the Indian workforce. The shares of these sectors have increased from 11 to 16 per cent and 15 to 24 per cent respectively. The distribution of workforce in different status indicates that over the last three decades (1972-2000), people have moved from self-employment and regular salaried employment to casual wage work. Yet self-employment continues to be the major employment provider.

3. Discuss the two type of rural unemployment.

How do Suppose a farmer has four acres of land and he needs only two workers and himself to carry out various operations on his farm in a year, but if he employs five workers and his family members such as his wife and children, this situation is known as disguised unemployment. When there is no work to do on farms, men go to urban areas and look for jobs. This kind of unemployment is known as seasonal unemployment. This is also a common form of unemployment prevailing in India.

4. Write a note on Informal sector.

Informal sector includes millions of farmers, agricultural labourers, owners of small enterprises and people working in those enterprises as also the self-employed who do not have any hired workers.

93 per cent are in the informal sector. In the informal sector, male workers account for 69 per cent of the workforce. Since the late 1970s, many developing countries, including India, started paying attention to enterprises and workers in the informal sector as employment in the formal sector is not growing. Workers and enterprises in the informal sector do not get regular income; they do not have any protection or regulation from the government

5. Name the different types of economic activities.

Generally, we divide all economic activities into eight different industrial divisions. They are (i) Agriculture (ii) Mining and Quarrying (iii) Manufacturing (iv) Electricity, Gas and Water Supply (v) Construction (vi) Trade (vii) Transport and Storage and (viii) Services

6. What is the problem being faced by the workers of informal sector?

Workers and enterprises in the informal sector do not get regular income; they do not have any protection or regulation from the government. Workers are dismissed without any compensation.

Technology used in the informal sector enterprises is outdated; they also do not maintain any accounts. Workers of this sector live in slums and are squatters. Of late, owing to the efforts of the International Labour Organisation (ILO) the Indian government has initiated the modernisation of informal sector enterprises and provision of social security measures to informal sector workers.

VI. Answer the following question in twenty sentences each. (Each question carries six marks)

1. What are the types of unemployment in Indian? Discuss any two.

Economists call unemployment prevailing in Indian farms as disguised unemployment. Suppose a farmer has four acres of land and he actually needs only two workers and himself to carry out various operations on his farm in a year, but if he employs five workers and his family members such as his wife and children, this situation is known as disguised unemployment.

Work in agriculture is seasonal; there are no employment opportunities in the village for all months in the year. When there is no work to do on farms, men go to urban areas and look for jobs. This kind of unemployment is known as seasonal unemployment. This is also a common form of unemployment prevailing in India.

2. What are the main causes of unemployment in India?

- a) Increase in population: Population in India is increasing at an average rate of 1.9% per annum. It is creating an army of unemployed persons every year. Due to this reason, the back log of unemployment is continuously increasing.
- b) Slow rate of economic growth: India being an underdeveloped country, could not grow more than 4% to 5% per annum during planning, period. It could not absorb the growing labour force in industries, agriculture and services.
- c) Low rate of capital formation: The main reason for unemployment in India is the deficiency of capital. Rate of capital formation is not matching with increasing rate of labour force. It is mainly due to low rates of saving and investment.
- d) Backwardness of Indian agriculture: Agriculture occupies a dominant place in our economy. Being backward, it cannot provide employment to the farmers throughout the year. It has created seasonal unemployment in the country.

3. What do you mean by organized sector? Discuss the reasons for fall in employment in the organized sector.

All the public sector establishments and those private sector establishments which employ 10 hired workers or more are called formal sector establishments and those who work in such establishments are formal sector workers or organized sector.

In 2001, out of about 28 million formal sector workers, about 20 million workers were employed by the public sector. Here also men form the majority, as women constitute only about one-sixth of the formal sector workforce. Economists point out that the reform process initiated in the early 1990s resulted in a decline in the number of workers employed in the formal sector

4. What role does the government play in generating employment opportunities in India?

Recently the government passed an Act in Parliament known as the National Rural Employment Guarantee Act 2005. It promises 100 days of guaranteed wage employment to all adult members of rural households who volunteer to do unskilled manual work.

Since independence, the Union and state governments have played an important role in generating employment or creating opportunities for employment generation. Their efforts can be broadly categorised into two — direct and indirect. In the first category, as you have seen in the preceding section, government employs people in various departments for administrative purposes. It also runs industries, hotels and transport companies and hence provides employment directly to workers.

In the indirect form, there are numerous poverty alleviation programmes aim at providing not only employment but also services in areas such as primary health, primary education, rural shelter, rural drinking water, nutrition, assistance for people to buy income and employment generating assets, development of community assets by generating wage employment, construction of houses and sanitation, assistance for constructing houses, laying of rural roads, development of wastelands/degraded lands.

5. Explain occupational structure of work force.

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In 1972-73, about 74 per cent of workforce was engaged in primary sector and in 1999-2000, this proportion has declined to 60 per cent. Secondary and service sectors are showing promising future for the Indian workforce. The shares

of these sectors have increased from 11 to 16 per cent and 15 to 24 per cent respectively.

The distribution of workforce in different status indicates that over the last three decades (1972-2000), people have moved from self-employment and regular salaried employment to casual wage work. Yet self-employment continues to be the major employment provider. Scholars call this process of moving from self-employment and regular salaried employment to casual wage work as casualisation of workforce.

6. Discuss the informalisation of Indian work force

All the public sector establishments and those private sector establishments which employ 10 hired workers or more are called formal sector establishments and those who work in such establishments are formal sector workers. All other enterprises and workers working in those enterprises form the informal sector. Thus, informal sector includes millions of farmers, agricultural labourers, owners of small enterprises and people working in those enterprises as also the self-employed who do not have any hired workers.

Developmental planning envisaged that as the economy grows, more and more workers would become formal sector workers and the proportion of workers engaged in the informal sector would dwindle.

Since the late 1970s, many developing countries, including India, started paying attention to enterprises and workers in the informal sector as employment in the formal sector is not growing. Workers and enterprises in the informal sector do not get regular income; they do not have any protection or regulation from the government. Workers are dismissed without any compensation. Technology used in the informal sector enterprises is outdated; they also do not maintain any accounts. Workers of this sector live in slums and are squatters.

Of late, owing to the efforts of the International Labour Organisation (ILO), the Indian government has initiated the modernisation of informal sector enterprises and provision of social security measures to informal sector workers.