

Employment and Unemployment in India

PART 1

Objective Questions

• Multiple Choice Questions

1. Percentage of population participating in production activity is called

(a) Labour force (b) Workforce
(c) Labour supply (d) Participation rate

Ans. (d) Participation rate

2. Worker who are on permanent payroll of their employer are called

(a) Self-employed workers (b) Casual workers
(c) Regular workers (d) None of these

Ans. (c) Regular workers

3. Agriculture labourers, farmers, owners of small enterprise which employ less than 10 workers fall in the category of

(a) formal sector (b) informal sector
(c) casual workers (d) regular workers

Ans. (b) informal sector

4. Data on unemployment in India can be obtained from which source?

(a) Reports of census of India
(b) National sample survey organisation
(c) Directorate general of unemployment
(d) All of the above

Ans. (d) All of the above

5. Which of the following correctly defines unemployment rate?

(a) $\frac{\text{Total Number of Employed}}{\text{Total Labour Force}} \times 100$
(b) $\frac{\text{Total Labour Force}}{\text{Total Number of Unemployed}} \times 1000$
(c) $\frac{\text{Total Labour Force}}{\text{Total Number of Employed}} \times 1000$
(d) None of the above

Ans. (a) $\frac{\text{Total Number of Employed}}{\text{Total Labour Force}} \times 100$

6. In which type of unemployment, the marginal productivity of an additional worker is zero?

(a) Disguised unemployment
(b) Involuntary unemployment
(c) Seasonal unemployment
(d) Structural unemployment

Ans. (a) Disguised unemployment

7. Unemployment which occurs for the time period when workers move from one job to another job is known as

(a) Cyclical unemployment
(b) Seasonal unemployment
(c) Technological unemployment
(d) Frictional unemployment

Ans. (d) Frictional unemployment

8. Two months ago, Shyam was working as part time salesman on commission basis in a company. Due to his excellent performance, company appointed him as a permanent sales manager on fixed monthly salary. From the point of view of employment currently he is a

(a) skilled worker
(b) regular salaried worker
(c) unskilled worker
(d) casual wage labour

Ans. (b) regular salaried worker

9. Hired workers are those

(a) who work for others
(b) who are not self-employed
(c) who are engaged in their own business
(d) Both (a) and (b)

Ans. (d) Both (a) and (b)

10. If a person is ready to work at the prevailing wage rate in the market but he is unable to find the work, then what type of unemployment would it be called?

(a) Voluntary unemployment
(b) Involuntary unemployment
(c) Seasonal unemployment
(d) None of the above

Ans. (b) Involuntary unemployment

11. A situation where percentage of work force in the formal sector tends to decline and that in the informal sector tends to rise as known as

- (a) Informalisation
- (b) Casualisation
- (c) Jobless growth
- (d) None of the above

Ans. (a) Informalisation

12. The ratio expressing percentage change in employment of labour in response to a percentage change in GDP growth is called

- (a) Employment elasticity of growth
- (b) Unemployment elasticity of growth
- (c) Workforce participation rate
- (d) Labour force participation rate

Ans. (a) Employment elasticity of growth

13. If new computers are being installed in a company and some employees are fired from the job due to lack of computer knowledge, then what kind of unemployment will it be called?

- (a) Disguised unemployment
- (b) Structural unemployment
- (c) Hidden unemployment
- (d) Frictional unemployment

Ans. (b) It is an unemployment that happens because of a mismatch between the skilled workers and the jobs that are actually available.

14. Which of the following is the main source of employment for majority of workers in India?

- (a) Primary sector
- (b) Secondary sector
- (c) Tertiary sector
- (d) All of the above

Ans. (a) Primary sector

15. Which of the given unemployment is predominant in context of Indian agriculture?

- (a) Structural unemployment
- (b) Frictional unemployment
- (c) Disguised unemployment
- (d) All of the above

Ans. (c) Disguised unemployment

16. Which of the following correctly defines disguised unemployment?

- (a) More number of workers are engaged in a particular work than required
- (b) Marginal productivity of an additional worker is close to zero
- (c) Additional workers act as a hindrance towards the productivity of other workers implying diminishing returns
- (d) All of the above

Ans. (d) All of the above

17. Write the correct pair.

Column I	Column II
A. Voluntary unemployment	(i) Worker is willing to work but is not getting work
B. Involuntary unemployment	(ii) Worker is not willing to work at existing wage rate
C. Frictional unemployment	(iii) A worker is not getting work in a particular season
D. Disguised unemployment	(iv) Marginal productivity of a worker is zero

Codes

- (a) A-(i)
- (b) B-(ii)
- (c) C-(iii)
- (d) D-(iv)

Ans. (d) D-(iv)

18. Which of the following statements is/are correct?

- (i) A worker is an individual who does some productive work to earn a living.
- (ii) Majority of population in India is finding employment in the service sector which is growing at a fast pace and growing continuously.

Alternatives

- (a) Both are true
- (b) Both are false
- (c) (i) is true, but (ii) is false
- (d) (i) is false, but (ii) is true

Ans. (a) Both are true

19. Which one is the cause of unemployment in India?

- (a) Rapid growth of population
- (b) Rising prices
- (c) Increasing public expenditure
- (d) Defective monetary policy

Ans. (a) The proportion of job-seekers is much higher than employment opportunities and the skill-gap in the existing labourforce makes labour market more competitive.

20. You are a factory owner and have given employment to 400 workers. If 10 workers are dismissed by you without loss of production then this situation will be described as

- (a) casual unemployment
- (b) disguised unemployment
- (c) structural unemployment
- (d) seasonal unemployment

Ans. (b) disguised unemployment

• Assertion-Reasoning MCQs

Directions (Q.Nos. 1 to 6) *There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below*

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true, but Reason (R) is false.
- (d) Assertion (A) is false, but Reason (R) is true.

- 1. Assertion (A)** Urban unemployment is a spillover of rural unemployment.

Reason (R) Owing to the lack of opportunities of employment, people in the rural areas are compelled to migrate to the urban areas in search of livelihood.

Ans. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

- 2. Assertion (A)** India is considered as favourite outsourcing destination leading to increase in foreign exchange reserve.

Reason (R) India's growth rate of population is one major concern which makes this country labour cost efficient.

Ans. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

- 3. Assertion (A)** Lack of training in farming activity leads to low productivity and growth of agriculture in India.

Reason (R) Reforms in India focused upon development of industries which was failed to generate enough employment.

Ans. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

- 4. Assertion (A)** Economic activity means production activity.

Reason (R) There is difference between production activity and economic activity. It is like this, economic activity relates to the use of scarce of resources.

Ans. (d) An economic activity is an activity of providing, making, buying or selling commodities or services by people. It includes any activity that deals with the manufacturing, distributing or utilising of products or services.

- 5. Assertion (A)** Entrepreneurial development has been considered necessary for generating self-employment opportunities.

Reason (R) It is therefore quintessential to enhance entrepreneurial ability of the people and aid them in preparation of financial, technical and professional reports.

Ans. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

- 6. Assertion (A)** Primary sector is an important source of labour supply to the secondary and tertiary sectors of the economy.

Reason (R) When productivity rises in agriculture (owing to the use of innovative technology), less labour is needed to produce a given level of output.

Ans. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

• Case Based MCQs

- 1. Direction** *Read the following text and answer the question no. (i) to (vi) on the basis of the same.*

This paragraph talks about economic inequalities in India that have been driven by employment patterns and changes in labour markets, which in turn have been affected by macroeconomic policies and processes as well as forms of social discrimination and exclusion. While many Asian economies have shown indications of rising inequality in recent decades, the Indian experience is particularly remarkable in the way inequalities have intertwined with the economic growth process.

Structural change (or the relative lack of it) and the persistence of low productivity employment in India are strongly related to falling wage shares of national income and growing wage inequalities and the close relationship between formal and informal sectors is the sharpest exemplar of this.

Patterns of social discrimination alongwith gender and caste lines have reinforced tendencies to create segmented labour markets that offer little incentive for employers to focus on productivity improvements.

- (i) Why did the government shift its strategy from long-term to short-term programmes to remove unemployment?

- (a) Short-term policies are more effective
- (b) Long-term policies do not give appropriate response
- (c) Its easy to check the progress
- (d) All of the above

Ans. (d) All of the above

- (ii) Women participation in rural areas is found to be higher in rural areas as compared with areas in India, due to which of the following reason?

- (a) Widespread poverty
- (b) Male members do not earn sufficient income
- (c) Wages levels are low in rural areas
- (d) All of the above

Ans. (d) All of the above

- (iii) Increase in the proportion of casual workers as a proportion of total workforce is known as
- Casualisation
 - Informalisation
 - Employment elasticity of growth
 - None of the above

Ans. (a) Casualisation

- (iv) Due to introduction of new technology, workers may be replaced by machines leading to which type of unemployment?
- Disguised unemployment
 - Frictional unemployment
 - Seasonal unemployment
 - Structural unemployment

Ans. (d) Structural unemployment

- (v) Which of the following situation correctly explains the case of structural unemployment?
- Web-based advertising has drawn advertisers away from newspaper ads.
 - Online news media has drawn customers away from physical newspapers.
 - Ticket machines in train stations has reduced the need for ticket officers.
 - All of the above

Ans. (d) All of the above

- (vi) **Assertion (A)** There is a need to bridge the skill-gap and enhance labour productivity in India.

Reason (R) Structural unemployment is a major issue in India and thus there is a need to tackle with the same.

Alternatives

- Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- Assertion (A) is false, but Reason (R) is true
- Both the statements are false

Ans. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

2. Direction Read the following text and answer the question no. (i) to (vi) on the basis of the same.

Many developing countries are experiencing an unprecedented growth of urban population. Since the early 1970s, the trend has accelerated and it is expected that the less developed regions of the world will add about 1,000 million people to its urban population till the last quarter of this century as against 400 million people in the preceding quarter. The explosion of this magnitude cannot be without far-reaching economic, social and political consequences which will have to be countered through appropriate public policies.

Many observers have feared that rising urban unemployment, scanty housing, inadequate water and electricity supply, poor sanitation, transport and

other services, and an overall decline in the quality of urban life is in the main course due to the influx of migrants from the rural areas. Many developing countries have, therefore, initiated policies and programmes which aim at decelerating the growth of urban population through restricting the scale of rural-urban migration.

- (i) Migration of labour in search of employment has been a major concern for the government. This was also evident from the movement of labour during lockdown in India. Which of the reasons could be accounted for the migration?

- Lack of regular source of income
- Low level of development of agriculture
- Low level of skills
- All of the above

Ans. (d) All of the above

- (ii) Which of the following type of unemployment is prevalent in rural areas in India?

- Disguised unemployment
- Structural unemployment
- Seasonal unemployment
- Both (a) and (c)

Ans. (d) Both (a) and (c)

- (iii) What is the right formula to know the unemployment rate?

- $(\text{Total Number of Unemployed} / \text{Total Labour Force}) \times 100$
- $(\text{Total Labour Force} / \text{Total Number of Unemployed}) \times 100$
- $(\text{Total Number of Unemployed} / \text{Total Workforce}) \times 100$
- $(\text{Total Workforce} / \text{Total Number of Unemployed}) \times 100$

Ans. (a) $(\text{Total Number of Unemployed} / \text{Total Labour Force}) \times 100$

- (iv) Which of the following is the most preferred form of employment among women in India?

- Self-employment
- Technical employment
- Both (a) and (b)
- Wage employment

Ans. (a) Self-employment

- (v) Which of the following is the major initiative taken by the GoI which guarantees 100 days of assured employment to every rural household who asks for it?

- Swarnajayanti Gram Swarozgar Yojana
- Mahatma Gandhi National Rural Employment Guarantee Act
- Pradhan Mantri Gram Sadak Yojana
- Pradhan Mantri Jan Dhan Yojana

Ans. (b) Mahatma Gandhi National Rural Employment Guarantee Act

- (vi) **Assertion (A)** Raj owns a Kirana store and has hired four workers to handle day-to-day work. He comes under the purview of formal sector.

Reason (R) An establishment with four hired workers is known as formal sector establishment.

Alternatives

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is false, but Reason (R) is true
- (d) Both the statements are false

Ans. (d) All the public sector establishments and those private sector establishments which employ 10 or more hired workers are called formal sector establishments. All other enterprises fall under informal sector.

• Short Answer (SA) Type Questions

1. Why is employment considered so important in the Indian development policy?

Ans. Employment is considered so important in the Indian development policy because of the following reasons

- (i) More employment will lead to higher level of national income since, production and employment are directly related.
- (ii) Employment is crucial for removal of poverty.

2. Give the meaning of labour supply, labour force and workforce.

Ans. **Labour supply** refers to the number of persons willing to work at different wage rates. It depends upon the existing wage rate and is measured in terms of man-days.

Labour force refers to the number of persons actually working or willing to work. It does not depend upon the wage rate and is measured in terms of number of days.

Workforce refers to the numbers of persons actually working. This measure does not include those persons who are willing to work but are not getting work.

3. (i) Victor is able to get work only for two hours in a day, rest of the day, he is looking for work. Is he unemployed? Why? What kind of jobs could persons like Victor be doing?
(ii) Children are not considered a part of workforce. Given reason for the same.

Ans. (i) No, Victor is employed because he works for two hours daily for which he is paid. He is a casual worker. Victor might be doing jobs on a casual basis, such as painting a house, plumbing work, working as an electrician, distributing newspaper, milk, etc.
(ii) Working population includes able-bodied persons and adults. Children are unable to perform productive activities. Also, use of children in work is equivalent to denying them their childhood, i.e. children right to playing.

4. “It is necessary to create employment in the formal sector rather than in the informal sector.” Defend or refute the given statement with valid arguments. (CBSE 2020)

Ans. “It is necessary to create employment in the formal sector rather than in the informal sector.” The statement is defended because workers of the formal sector enjoys social security benefits and job security which remain protected by the labour laws. On the other hand, people engaged in the informal sector do not enjoy any social security benefits and do not have job security. As a result, informal workers are generally very poor and live in slums.

5. The rate of women participation in workforce of rural areas is greater than urban areas. Do you agree? Justify.

Or Compared to urban women more rural woman are found working. Why? (NCERT)

Ans. Yes, I agree with the given statement. The difference in participation rates is very high between urban and rural women. In urban areas, for every 100 urban females, only about 14 are engaged in some economic activities. In rural areas, for every 100 rural women, about 26 participate in the employment market.

It is common to find that where men are able to earn high incomes, families discourage female members from taking up jobs. Earnings of urban male workers are generally higher than rural males and so urban families do not want females to work.

Apart from this, many activities of the households in which urban women are engaged, are not recognised as productive work, while women working on farms in the rural areas are considered a part of the workforce if they are being paid wages in cash or in the form of food grains.

6. “Women in rural areas are ready to work even at low wages.” Comment.

Ans. The given statement is correct because of the following reasons

- (i) There is widespread poverty in rural areas. Poverty compels the women in rural areas to accept low wage occupations.
- (ii) Women in rural areas are averse to migration. They are reluctant/unwilling to migrate to urban areas for jobs. Owing to the lack of education, they are not even capable of finding jobs outside rural areas. Accordingly, they prefer to be engaged in farm and non-farm activities but in the rural areas only.

7. “Unemployment is related to poverty.” Comment.

Ans. Poverty and unemployment usually go together. Those who fail to get employment become a burden on the limited family income and thus, depress already low levels of consumption. Therefore, many programmes which aim at removing poverty provide employment

opportunities to the poor like Prime Minister's Rozgar Yojana, Swarna Jayanti Shahri Rozgar Yojana, etc. Most of the urban poor are either unemployed or intermittently employed as casual labourers. Casual labourers are among the most vulnerable in society as they have no job security, no assets, limited skills, sparse opportunities and no surplus to sustain them. Poverty is therefore, closely related to unemployment.

- 8.** Low employment among women is a reflection of economic backwardness of a country. Suggest some measures for increased employment opportunities for women.

Ans. I shall suggest the following measures to increase the employment opportunities for women

- (i) Education and training opportunities for women should be further expanded, diversified and made easily accessible.
- (ii) Residential accommodation for working mothers should be increased.
- (iii) There should be much more facilities of creches and child care during the working hours of mothers.
- (iv) There should be large scale publicity and building of public opinion in favour of employment of women.

- 9.** What role does government play in generating employment opportunities?

Ans. The government generates employment through direct and indirect efforts. The government makes direct efforts at employing people in various departments for administrative purposes. It runs various enterprises and when the output of goods and services of these enterprises increase, it leads to further increase in employment.

The various private enterprises that are linked to the government enterprises might also benefit from increased output of these enterprises and thus, increase their output and employment also. This way government indirectly generates employment also.

- 10.** Why is unemployment in India considered to be a chronic problem?

Ans. Unemployment in India is considered to be a chronic problem because it has been a long-term phenomenon. India is facing this problem ever since independence and has not yet been able to solve this problem. The absolute number of unemployed is increasing year by year. India has not been able to generate enough jobs due to lack of capital and low rate of growth in the industrial sector.

- 11.** You are residing in a village. If you are asked to advise the village panchayat, what kinds of activities would you suggest for the improvement of your village which would also generate employment? (NCERT)

Ans. I would suggest the following activities to generate employment in village

- (i) There should be multiple cropping in the village.
- (ii) Other activities related to agriculture such as plantation, etc. horticulture, dairying, animal husbandry, etc. should be encouraged.

- (iii) Cottage industry should be encouraged.
- (iv) More and more facilities of education, health services, roads, etc should be created in the village.

- 12.** Mention the salient features of the unemployment situation in India.

Ans. Following are some of the salient features of the unemployment situation in India

- (i) The incidence of unemployment is much higher in urban areas than in rural areas.
- (ii) Unemployment rates for women are higher than those for men.
- (iii) Under employment is higher in case of women.
- (iv) Incidence of unemployment among the educated is much higher.

- 13.** How is unemployment an economic as well as a social problem?

Ans. Unemployment is both an economic and a social problem. Unemployment is an economic problem in the sense that unemployed persons will be consumers only without being a producer. Non utilisation of human resources due to unemployment involves double cost of maintenance and loss of output.

Unemployment is a social problem in the sense that it causes enormous sufferings to unemployed workers due to their reduced or nil income. Many social evils like dishonesty, immorality, drinking, gambling, robbery, etc are the outcome of unemployment. It causes social disruption in the society and the government has to incur a heavy unproductive expenditure on law and order.

- 14.** Why do people prefer to be voluntarily unemployed?

Ans. People prefer to be voluntarily unemployed for the below mentioned reasons

- (i) They do not want to work at the wages that are being offered.
- (ii) They are not willing to migrate to the place at which job is being offered.
- (iii) They think that the job offered is below their calibre.

While computing the level of unemployment in the country, people who prefer to be voluntary unemployed are not taken into consideration. This in turn would not inflate the unemployment statistic.

- 15.** "Unemployment in India is stubborn (almost permanent in nature) while in developed countries (like USA) it is critical." Comment.

Ans. Unemployment in India is stubborn because it is related to the lack of production capacity which is lacking because of the lack of capital. The problem of lack of capital is a long period problem, and therefore stubborn in nature.

In developed countries like USA, unemployment is largely related to the lack of demand. Lack of demand is not stubborn, but cyclical in nature. This is why, the problem of unemployment in these countries is cyclical in nature.

• Long Answer (LA) Type Questions

1. (i) Why are less women found in regular salaried employment?
- (ii) Analyse the recent trends in sectoral distribution of workforce in India

Trends in employment pattern (sector-wise),
1993 – 2012 (in %)

Sector	1993-94	1999-2000	2011-2012
Primary	64	60.4	48.9
Secondary	16	15.8	24.3
Service	20	23.8	26.8

(CBSE 2020)

- Ans.** (i) Less woman are found in regular salaried employment due to the following reasons
- (a) **Lack of Education Facilities** Female education is not given due importance in India and hence, majority of the woman in India do not have the educational qualification and professional skills required.
 - (b) **Discouragement from Family** In India, families do not want the female member to step out from the house for work especially if it is for long hours, as in regular salaried employment.
 - (c) **Family Responsibilities** Women are expected to look after household chores including food, taking care of children. This poses a restriction for women to be engaged in regular employment.
- (ii) The given data indicates that over the given period, the proportion of workforce in primary sector has gone down significantly. Whereas, the employment share of both secondary sector and the service sector has increased gradually.

While the share of secondary sector has gone up by approximately 9% recently, the corresponding figure for service sector has gone up by approximately 7.1%. This also shows that dependency on agriculture remained high as secondary and service sector wasn't created enough employment.

2. The following table shows distribution of workforce in India for the year 1972-73. Analyse it and give reasons for the nature of workforce distribution. (NCERT)

Place of Residence	Workforce (in millions)		
	Male	Female	Total
Rural	125	69	194
Urban	32	7	39

Ans. From the given table, following points can be noticed about the nature of workforce distribution

- (i) Majority of the workforce was residing in the rural areas in India in the year 1972-73. The total workforce was 233 million out of which 194 million workers were from rural areas and 39 million from the urban areas. Thus, 83% of the total workforce was rural as compared to 17% of the urban work- force. The reason for this was that a majority of population was living in rural areas during that period.
- (ii) The rural workforce comprises of 64% of the male workforce and 36% of female workforce. On the other hand, the urban workforce comprises of about 82% of male workforce and 18% of female workforce. This shows that participation of males in both rural as well as urban areas is higher than that of the females because of lack of opportunities available to women for acquiring education and also the social structure and family norms which did not encourage women to work.
- (iii) Another feature of workforce distribution is the difference between urban female workforce and rural female workforce. Females in the rural areas formed 36 % of the workforce, whereas, the females in the urban areas formed only 18% of the workforce. This may be attributed to the fact that where men are able to earn high incomes, families discourage female members from taking up jobs. Earnings of urban male workers are generally higher than rural males and so the urban families do not want females to work.

Thus, it can be concluded by analysing the above table that majority of the workforce was from the rural areas and there was low female participation rate in the workforce during that period.

3. (i) Comment upon the informalisation of labour force in India.
- (ii) Define the worker population ratio. (CBSE 2020)

Ans. (i) Informalisation of labour force in India implies that there is a continuous rise in the percentage of workforce in informal sector as a percentage of total work force and a corresponding decline in the percentage of workforce in formal sector. These sectors can be understood as follows

- (a) **Formal Sector** All the public sector establishments and those private sector establishments which employ 10 or more hired workers, are known as formal sector establishments. Those who are working in this sector, enjoy social security benefits and they earn more than the informal sector employees.
- (b) **Informal Sector** This sector includes all those private sector enterprises which employ less than 10 workers. This sector includes farmers, agricultural labourers, owner of small enterprises etc. They are not entitled to any social security benefits.

- (ii) Worker population ratio is an indicator which is used to analyse the employment situation in the country. It is measured as a ratio of workforce to total population of the country.

$$\text{Worker Population} = \frac{\text{Total Number of Workers}}{\text{Total Population}} \times 100$$

4. The following table shows the population and worker population ratio for India in 1999-2000. Can you estimate the workforce (rural and urban) for India? (NCERT)

Region	Estimates of Population (in crore)	Worker Population Ratio	Estimated Number of Workers (in crore)
Rural	71.88	41.9	$\frac{71.88}{100} \times 41.9 = 30.12$
Urban	28.52	33.7	?
Total	100.40	75.6	?

Ans. Worker Population Ratio = $\frac{\text{Total Number of Workers}}{\text{Total Population}} \times 100$

∴ Number of Workers

$$= \frac{\text{Total Population}}{100} \times \text{Worker Population Ratio}$$

Region	Estimates of Population (in crore)	Worker Population Ratio	Estimated Number of Workers (in crore)
Rural	71.88	41.9	$\frac{71.88}{100} \times 41.9 = 30.12$
Urban	28.52	33.7	$\frac{28.52}{100} \times 33.7 = 9.61124$
Total	100.40	75.6	$\frac{100.40}{100} \times 75.6 = 75.9024$

5. What should be the main elements of 'employment policy' in India in the present context?

Ans. Following should be the main elements of employment policy in India in the present context

- The employment policy should emphasise on both complete and more productive employment.
- Employment policy must have the objective of higher rate of capital formation.
- Employment should be generated in the normal process of development.
- Employment policy should give more emphasis to self-employment.
- Measures should be taken to increase employment opportunities for women.
- Emergence of destabilising factors in the economy should be avoided through greater efficiency in planning.

6. What is seasonal unemployment? Suggest measures for reducing this kind of unemployment in India.

Ans. It refers to a situation where a number of persons are not able to find job in a particular season. It occurs in case of agriculture, ice-cream factories, woollen factories, etc. Following measures may be suggested to reduce seasonal unemployment

- Promotion of multiple cropping, i.e., raising more than one crop on the same piece of land in a year.
- Development of activities allied to agriculture such as animal husbandry, dairy farming, horticulture, etc to provide extra employment throughout the year.
- Public investment in rural areas in such fields as irrigation, drainage, flood control, land and environment, improvement of rural roads, schools, hospitals, etc.
- Promotion of on-farm investment. Overhaul of machinery, training of farm labour and programmes for eradication of illiteracy during slack seasons.
- Mechanisation of peak season activities so that a proportion of the labour force is permanently shifted from agriculture to non-seasonal activities and surplus labour in the slack season is reduced.
- Establishment of a variety of industries which operate at different times of the year so that labour may be kept employed almost throughout the year by shifting from one seasonal industry to another.

7. How is unemployment different from underemployment? How is unemployment measured in India?

Ans. Unemployment is a situation in which people are willing to work and capable to work, but still they are not getting work. Underemployment, on the other hand, is a situation in which an individual is working much below his potential. As per 27th round of NSSO, three types of estimates are available

- Usual Status Unemployment** It is measured in number of persons who remained unemployed for a major part of the year.
 - Weekly Status Unemployment** It is measured in number of persons who did not find any work even for an hour during the week proceeding the survey week.
 - Daily Status Unemployment** Daily status unemployment is measured in terms of number of man days a person was not getting work on a day during the week proceeding the survey week.
- Out of these three, the daily status unemployment concept is most appropriate because it takes into consideration both open and under employment. Unemployment Rate by Daily Status

$$= \frac{\text{Daily Status Unemployment}}{\text{Number of Man Days Available}} \times 100$$

Chapter Test

Multiple Choice Questions

1. A worker who owns and operates his own enterprise is said to be a
(a) casual wage worker
(b) self-employed worker
(c) regularly employed worker
(d) None of the above
2. Workers enjoy job security in
(a) private sector
(b) unorganised sector
(c) organised sector
(d) agricultural sector
3. Female worker participation is
(a) higher in urban areas
(b) lower in rural areas
(c) higher in rural areas
(d) None of these
4. Unemployment is defined as
(a) a section of the population is not capable of being employed
(b) a section of population willing to work but unable to find employed
(c) the section of population that is waiting to be employed
(d) the section of population that are without the skill needed by employers
5. The problem of unemployment in India is largely
(a) seasonal
(b) frictional
(c) structural
(d) cyclical

Short Answer (SA) Type Questions

1. Briefly define casual wage labourers.
2. Explain briefly the different categories of hired workers.
3. A modest transformation in occupational structure of India only points to its modest achievement in the area of growth and development. Do you agree?
4. There are several examples in the rural areas of India where there are more workers in the family but gross income of the family is low. How do you explain this paradox?
5. How can the problem of educated unemployment be solved?

Long Answer (LA) Type Questions

1. (i) Empowerment of women is related to employment of women. Comment.
(ii) Government has initiated many unemployment reduction programmes. Describe any two such programmes.
2. There is a mismatch between 'GDP growth' and 'employment growth' in India. How do you justify this statement?

Answers

Multiple Choice Questions

1. (b) 2. (c) 3. (c) 4. (b) 5. (c)