

EMPLOYMENT GROWTH INFORMALISATION ON AND OTHER ISSUES

Multiple Choice Type Questions

1. Which of the following statement is not true for a worker?
 - a. A worker contributes to the GDP.
 - b. Workers may temporarily abstain from work due to illness.
 - c. Self-employed are not workers.
 - d. Those who help the main workers are also workers.
2. What is the distribution of the workforce in rural and urban areas?
 - a. 75: 25
 - b. 60: 40
 - c. 50: 50
 - d. 40: 60
3. Which of the following is the correct definition of self-employed?
 - a. Not able to find jobs during some months of the year
 - b. Own and operate their own enterprises
 - c. Receive wages on a regular basis by the employer
 - d. Casually engaged in other individuals enterprises
4. What percent of urban workers are casual labourers?
 - a. 54 percent
 - b. 41 percent
 - c. 39 percent
 - d. 18 percent
5. Which of the following workers is a regular salaried employee?
 - a. Owner of a saloon
 - b. Rickshaw puller
 - c. Cashier in State Bank of India
 - d. Vegetable vendor

Answer

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

SHORT ANSWER QUESTIONS

1. Why is it important to study about working people?

Answer:

It is important to study about working people to:

- (i) understand the quality and nature of employment in our country;

- (ii) facilitate planning of our human resources; .
- (iii) Analyse the contribution of different industries and sectors towards national income
- (iv) Address social issues such as exploitation of backward sections of the society, child labour, etc.

2. Explain the employment of people in various industries and their status.

Answer:

(i) There has been substantial shift from agriculture to industries and service sector. Although primary sector continues to remain the main source of employment of workers over the last six decades, its share has decreased from 74 percent in 1951 to 49 percent in 2012. With the process of development in the country, the share of employment is increasing in secondary and tertiary sectors. The share of

Industries have increased from 11 to 24 percent and that of service sector has increased from 15 to 27 percent during 1950-2012.

(ii) The changes in the distribution of workforce in different status over the last four decades indicate that people have moved from self-employment and regular salaried employment to casual Workers are exploited in the unorganized sector.

3. Do you agree with this view? Give reasons in support of your answer.

Answer: Unorganised sector comprises of small and scattered units, which are largely outside the control of the government. Workers in the unorganized sector are often exploited because of the following reasons:

- No rules and regulations
- Irregular and low-paid jobs
- No provision for overtime, leaves, etc.
- No job security
- Social discrimination

4. What is meant by disguised unemployment? Explain giving an example.

Answer: In disguised unemployment, more than required persons are engaged in a job. People appear to be employed but they are actually unemployed. This type of unemployment usually happens among family members engaged in agricultural activity. Suppose there are 7 members in a family.

Although the work requires the service of only 4 people, all-the members of a family find work on that agricultural plot. The output of the field will not decline if 3 members are removed from the process. These 3 members are disguisedly unemployed.

5. What are the disadvantages of unemployment? Explain.

Answer: The main disadvantages of unemployment are:

(i) **Increase in Poverty:** The main cause of poverty is unemployment. People do not have enough money to support their family. This leads to the situation of poverty.

(ii) **Wastage of Resource:** Human capital is an important economic resource. Unemployment leads to wastage of manpower resource. People who are an asset for the economy turn into a liability. This creates a feeling of despair among the youth.

(iii) **Increase in Dependent Population:** Unemployment tends to increase the economic overload. The dependence of the unemployed on the working population increases.

6. What is unemployment? What are the most common types of unemployment found in India?

Answer:

Unemployment is a situation in which the people who are willing to work at the prevailing wages are unable to find jobs. The most common types of unemployment found in India are:

(i) **Seasonal Unemployment:** This type of unemployment takes place when people are not able to find jobs during some months of the year. The situation of seasonal unemployment arises mainly in agricultural sector people are busy during sowing, harvesting, weeding and threshing. However, there are certain months in which they do not get much work.

(ii) **Disguised Unemployment:** In disguised unemployment, more than required persons are engaged in a job. This type of unemployment usually happens among family members engaged in agricultural activity.

LONG ANSWER QUESTION

1. What are the causes of informalisation of work force in India?

Answer: The following are the causes of informalisation of work force in India:

(i) **Close Down of the Enterprises:** Many enterprises were incurring losses during 1980's and 90's and hence, were closed down. This had driven a large number of workers in informal sector. For example, in the early 1980's, textile mills all over the country began to close down.

In Mumbai, the mills closed rapidly. But in Ahmedabad. The close-down process spread over 10 years due to strong trade unions. Approximately 80,000 permanent workers and over 50,000 non-permanent workers lost their jobs and were driven to the informal sector.

(ii) **Losses Making Public Sector:** Due to the losses incurred by public sector enterprise, the Government of India either disinvests or closes down these enterprises. This causes informalisation of the workforce. Increasing Population: Employment generation in the formal sector fail to match the needs of rapidly increasing population. As a result, people are forced to take up casual jobs to earn a living.

2. How are the activities in the economy classified on the basis of employment conditions?

Answer:

The activities in the economy on the basis of employment conditions are classified as organized sector and unorganized sector.

(i) **Organised Sector:** It covers those enterprises or places of work where the terms of employment are regular and therefore, people have assured work. Its features are:

- Formal processes and procedures
- Proper rules and regulations
- Job security
- Fixed number of job hours, paid overtime for working more
- Get paid leave, payment during holidays
- Get provident fund, gratuity and pensions on retirement

- Safe working environment

(ii) Unorganised Sector: Unorganised sector comprises of small and scattered units, which are largely outside the control of the government. Its features are:

- No rules and regulations
- Irregular and low-paid jobs
- No provision for overtime, leaves, etc.
- No job security
- Social discrimination

3. What are the causes of unemployment in India?

Answer: The following are major causes of unemployment in India:

(i) Increase in Population: There has been tremendous increase in the population in India since : 1951. Consequently the number of working population has also increased. Thus, increasing pressure of population has accentuated the problem of unemployment.

(ii) Failure of Planning: Planning could not create as many jobs as the number of jobs-seekers. Thus, faulty planning is also responsible for unemployment.

(iii) Neglect of Agriculture: Agriculture was not paid due attention during different plans. Comparatively less expenditure was made on this sector. As a result, agriculture could not develop fully.

(iv) Neglect of Small Scale and Cottage Industries: Small scale and cottage industries are labour intensive. But these industries could not develop in India appreciably. The plans laid more stress on capital intensive heavy, basic and large industries.

(v) Slow Industrial Growth: Industrial growth rate has been very slow in India due to vane reasons. It has increased urban unemployment.

(vi) Defective Education System: Our education system lays more emphasis on 'general' education rather than 'vocational' one. It is not job-oriented and this leads to rapid increase in white-collar unemployment.

4. Explain the various self-employment and wage generation programmes initiated by the government to solve the problem of unemployment.

Answer:

The various self-employment and wage generation programmes initiated by the government to solve the problem of unemployment are:

(i) Food for work Programme (FWP): FWP was launched in the 1970s for the upliftment of the poor. Under this programme, foodgrains are distributed against the wage work.

(ii) Prime Minister's RozgarYojana (PMRY): This programme has been implemented by the Khadi and Village Industries Commission, which aims at creating self-employment opportunities in rural areas and small towns. One can get financial assistance with bank loans to set up small enterprises under this programme.

Under PMRY, the educated unemployed from low-income families in both rural and urban areas can get financial help to set up any type of industry, which generates employment.

(iii) **Swarna Jayanti Shahari RozgarYojana (SJSRY)**: It aims at creating employment opportunities, both self-employment and wage employment in urban areas. Individuals were given financial assistance under self-employment programmes.

(iv) **Swarnajayanthi Gram Swarozgar Yojana**: Sawamajayanthi Gram Swarozgar Yojana was launched in April 1999 and is the only self-employment programme currently being implemented. It aims at promoting micro enterprises and to bring the assisted poor families (Swarozgcris) above the poverty line by organizing them into Self-Help Groups through the process of social mobilization, training and capacity building and provision of income generating assets through a mix of Bank Credit and Government subsidy.

(v) **Sampoorna Grameen RozgarYojana (SGRY)**: SGRY was launched in September 2001. The schemes Jawahar Gram Samridhi Yojana and Employment Assurance Scheme have been fully integrated with SGRY. The objective of the scheme is to provide additional wage employment along with food security, creation of durable community, social and economic assets and infrastructure development in the rural areas. The scheme envisages generation of 100 man-days of employment in a year.

(vi) **National Food for Work Programme (NFWP)**: National Food for Work Programme was launched on November 14, 2004 in 150 most backward districts of the India, It is implemented as a 100 percent centrally sponsored scheme and the food grains are provided to States free of cost. The objective of the programme was to intensify the generation of supplementary wage employment.