

# Chapter 16: Employment growth, Information and Other issues



## Learning Objectives:-

1. Introduction
2. Basic Concepts
  - a. Meaning of worker
  - b. Labour force and work force
  - c. Meaning of employment
  - d. Wage employment
  - e. Regular workers(Regular Salaried employees)
  - f. Casual Workers
3. Participation of people in employment
  - a. Worker-population ration on the basis of region
  - b. Distribution of employment by gender
  - c. Distributions of employment by region
  - d. Distributions of employment in different sectors
  - e. Distributions of rural-urban employment in different sectors
4. Growth of employment and Gross Domestic Product(GDP)
5. Changing structure of employment
  - a. Casualization of work force.
6. Informalisation of Indian workforce
  - a. Formal or Organized sector.
  - b. Informal or unorganized sector.

**Worker:** A worker is an individual who is involved in some productive activities to earn a living.

### Who and all included in workers?

It is not only people those who are paid workers also includes self-employed people like shopkeepers, barbers, cobblers etc.. Workers include all those people who are engaged in work whether for others (paid workers or self-employed)

### Difference between labour force and work force?

**Labour Force:** All persons, who are working (who have a job) and though not working, are seeking and are available for work, are dram to be in the labour force.

### 1 Mark Questions:-

Q 1) Who is worker?

A 1) A worker is an individual, who is involved in some productive activity, to earn a living.

Q 2) Why do people work?

A 2) People work for earning a living which helps them and their families to survive.

Q 3) Who all are included in labour force?

A 3) All persons, who are working (have job) and though not working, are seeking and are available for work, are deemed to be in the labour force.

Q 4) Give the meaning of work force.

A 4) The number of persons, who are actually employed at a particular time are known as work force.

Q 5) Define worker – population ratio.

A 5) Worker- population ration is the percentage of total population engaged in work.

Q 6) what is meant by labour force participation rate?

A 6) The ratio of labour force to total participation is called labour force participation rate.

Q 7) What is information of workforce?

A 7) Informalisation of workforce refers to a situation whereby the proportion of workforce in the informal sector to total workforce increases.

Q 8) Are the following workers- a beggar, a thief, a smuggler, a gambler? Why?

A 8) No, They are not workers because they are not doing any productive activity.

Q 9) Compared to urban women, more rural women are found working. Why?

A 9) More rural women are found working because of their poor economic condition as compared to urban women.

Q 10) Why does rural work force migrate to urban areas during some part of the year?

A 10) people in rural areas are engaged mostly in agriculture, which is a seasonal activity. So, rural workforce migrates to urban areas during some part of the year.

Q 11) why are regular salaried employees more in urban areas than in rural areas?

A 11) Regular salaried employees are more in urban areas as considerable section of urban people are able to study in various educational institution and it enables them to look for an appropriate job to suit their qualifications and skills. However, in rural areas, most of the people are illiterate and lack skills, which are needed for regular Employment.

Q 12) What is meant by Employment?

A 12) Employment is an activity which enables a person to earn means of living.

Q 13) Who is a Casual Wage Labourer?

A 13) Workers who are not hired by their Employers on a regular or permanent basis (i.e. do not have job security) and do not get social security benefits, are termed as casual wage labour.

Q 14) Define jobless growth?

A 14) Jobless growth refers to a situation when the Economy is able to produce more goods and service without a proportionate increase in Employment opportunities.

Q 15) Who are regular workers?

A 15) Workers who are hired by their employers on a permanent basis and also get social security benefits (like pension, provident fund, etc.) are higher in regular workers.

Q 16) Why is the Self – Employed work force higher in rural areas?

A 16) 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.

Q 17) What is meant by Casualisation of work force?

A 17) The process of moving from Self- Employment and regular salaried employment to casual wage work is known as Casualisation of Workforce.

Q 18) Name the two kinds of urban unemployment.

A 18) 1. Industrial unemployment  
2. Educated unemployment.

19) What do you mean by industrial unemployment?

A 19) It refers to the unemployment among the illiterates who wish to work in industrial establishment

Q 20) Give the meaning of educated unemployment.

A 20) Educated unemployment refers to the unemployment among the Educated people.

Q 21) What is meant by wage employment?

A 21) An arrangement in which a worker sells his labour and earns wages in return.

Q 22) Men are found in greater proportion than women in regular salaried employment. Why?

A 22) Rural unemployment is of two types:-

1. Disguised unemployment
2. Seasonal unemployment

Q 23) What is meant by seasonal unemployment?

A 23) Unemployment that occurs at certain seasons of the year is known as Seasonal unemployment.

Q 24) Give the meaning of disguised unemployment.

A 24) Disguised unemployment refers to a state in which more people are engaged in work than are really needed.

Q 25) What do you mean by full employment?

A 25) Full employment refers to a situation in which all the workers who are capable of working and willing to work get an Employment in prevailing wage rates.

Q 26) Why do we differentiate between Economic activity and production activity?

A 26) We differentiate between Economic activity and production activity to calculate the number of workers. People engaged only in production Economic activities are to be included in the category of workers.

Q 27) Give the meaning of self-employment.

A 27) An arrangement in which a worker used his own resources, to make a living is known as self-employment.

Q 28) What do you mean by formal sector establishment?

A 28) All the public enterprises and private establishments, which Employ 10 or more hired workers are called formal sector establishments.

Q 29) What do you mean by Informal sector Establishment?

A 29) All those private enterprises which hire less than 10 workers are called Informal sectors.

Eg: Workers who work in farms, owners of Small Enterprises, Agriculture labourers. Here they do not get regular income. No protection or regulation by government can be dismissed at any time. Live in slums, use outdated technology, do not maintain accounts.

Q 30) What is meant by frictional unemployment?

A 30) Temporary unemployment, which exists during the period, wherein. Workers leave one role and join some other, are called frictional unemployment.

People those who are not working and are neither seeking nor available for work are consider to be outside the labour force.

Labour force = Person's working + Persons seeking & available for work.

After 66 years & below 15 years not included labour force. A handicapped person not included. People those who are not interested not included. People are not available not included.

**Work forces:** The number persons who are actually employed at a particular time are known as work force.

- What is the labour force participation rate?

The ratio of labour force to total population is called labour force participation rate.

- How can we calculate number of unemployed people?

Unemployed people = labour force – Work force.

### **Meaning of Employment**

Employment is an activity which enables a person to earn his means of living.

### **Full employment**

Full employment is a situation in which all the workers who are capable of working and willing to work get an employment at a prevailing wage rate.

### **Self-employment**

When the worker uses his own resources to work and make a living then we call it as Self Employment.

Q.31) What is worker population ratio? How do we calculate Worker population ratio? What is its use?

Ans: WPR refers to participation of people in the employment. It is measured by calculating

$$\text{WPR} = \frac{\text{Total number of workers in India}}{\text{No. of work population In India}} \times 100$$

It helps in knowing the proportion of population that is actively contributing to the production of goods and services of a country.

## **Causes of Inflation**

1. Increase in Money Supply
2. Deficit Financing
3. Rise in Population
4. Fall in Production
5. Increase in Wages
6. Administrated Prices
7. Inflation Across the Border's
8. Indirect Tax
9. Credit Expansion
10. Black Money

## **Effect of Inflation or Problems related to inflation**

1. Inflation Hinders the process of growth
2. Adverse effect on the people with fixed Income
3. Increase in the cost of Projects
4. Adverse Impact on Balance of Payments
5. Wage-Price spiral
6. Inequality
7. Economic Stagnation
8. Impact on FDI
9. Speculation and Hoarding

## **Government Policies to check Inflation**

### **Price Policy**

1. Price Control of Essential Goods.
2. Procurement Price and Support Price

### **Monetary Policy**

1. A Check on the supply of Money
2. Increase in rate of Interest
3. Decrease in the supply of Credit

### **Fiscal Policy**

1. A check on public Expenditure
2. Public Debt
3. Increase in Taxes
4. Surplus Budget Policy

## **Some General Suggestions to Control Inflation**

1. Check on Supply of Money
2. Check on Deficit Financing
3. Increase in agricultural Output
4. Tax on Agricultural Income
5. Distribution through fair Price Shops
6. Check on Hoarding