Chapter 7

Employment: Growth, Informalisation and Other Issues

Q. 1 Who is a worker?

Answer:

A worker is an individual who does some productive work or employment to earn his living. He is engaged in any economic activity and contributes to the national product.

Worker includes a person doing both mental and physical work. The term workers also include those persons who are temporary abstain from work due to any illness injury or otherwise

Q. 2 Define worker-population ratio.

Answer:

Work population ratio is also called workforce participation rate. It is defined as the percentage of the total population which is engaged in productive activity. It is that proportion of the population of any country which is actively contributing towards the production of goods and services. It indicates the employment situation of the country. High work population ratio means that major part of a population of the country is actively contributing towards the GDP of the country.

It is calculated as below –

Worker-population ratio = (Workforce / Total population) x 100

Q. 3 Are the following workers — a beggar, a thief, a smuggler, a gambler? Why?

Answer:

No, a beggar, a thief, a smuggler, a gambler cannot be called worker because a worker is someone who is involved in a productive activity, which contributes to the GDP of a country. None of the given persons

are engaged in any productive activity and not even they are contributing to the national income of the country so they cannot be treated or defined as workers.

Q. 4 Find the odd man out

(i) owner of a saloon

(ii) a cobbler

(iii) a cashier in Mother Dairy

(iv) a tuition master

(v) transport operator

(vi) construction worker.

Answer:

Among all the given member's construction worker and a cashier in Mother Dairy are odd because all others are self-employed and only these two are salaried persons.

Q. 5 The newly emerging jobs are found mostly in the sector (service/manufacturing).

Answer:

The newly emerging jobs are found mostly in the service sector. Majority of Indian population is finding employment in service sector because the service sector is growing at a fast pace and is quite innovative.

Q. 6 An establishment with four hired workers is known as (formal/informal) sector establishment.

Answer:

An establishment with four hired workers is known as informal sector establishment.

There are two sectors – formal and informal.

The establishments whether public or private, which employ 10 or more workers are called formal sector and the one who employ less than 10 workers are called informal sector.

Q. 7 Raj is going to school. When he is not in school, you will find him working in his farm. Can you consider him as a worker? Why?

Answer:

Yes, Raj is a worker because he is contributing towards the GDP of the country. Worker means anyone who does a productive work and contributes to the GDP of the country. Here, Raj works in farm after his school so he is engaged in some type of productive work. So he is a worker.

Q. 8 Compared to urban women, more rural women are found working. Why?

Answer:

The percentage of female work force is more in rural areas as compared to urban areas because –

1) Rural woman is more unsecure than the urban women because the family size in rural areas are bigger than urban areas and the source of earning is limited.

2) Rural women mostly work in fields and other activities related to agriculture and such activities do not require high degree of specialization as the jobs in urban sector do.

3) The poverty rate of rural sector is higher than the urban sector

Q. 9 Meena is a housewife. Besides taking care of household chores, she works in the cloth shop which is owned and operated by her husband. Can she be considered as a worker? Why?

Answer:

Yes, Meena can be considered as a worker if she is receiving any salary from her husband for working in his shop. Doing household chores is not covered under economic activity, as well as if she is working in her husband's shop without any remuneration then even this activity of her will not be termed as economic activity and thus she will not be a worker.

Q. 10 Find the odd man out

(i) rickshaw puller who works under a rickshaw owner

(ii) mason

(iii) mechanic shop worker

(iv) Shoe shine boy.

Answer:

Shoe shine boy because he is self-employed and all others are rendering their services to someone else.

Q. 11 The following table shows distribution of workforce in India for the year 1972-73. Analyze it and give reasons for the nature of workforce distribution. You will notice that the data is pertaining to the situation in India 30 years ago!

Place of Residence	Workforce (in millions)		
	Male	Female	Total
Rural	125	69	195
Urban	32	7	39

Answer:

From the data given above regarding the year 1972-73, we can conclude the following –

1. Out of the total workforce of 234 million, 195 million were from rural area and only 39 million were from urban area. This indicates that the rural workforce comprised of 83% of the total workforce as compared to 17% of the urban workforce. The reason behind this was that the majority of rural population was engaged in agriculture and other allied sectors.

2. The rural workforce comprises of 65% of male workforce and 35% of female workforce whereas among urban workforce comprises of 82% of male workforce and 18% of female workforce. In both the sectors the participation of female workforce was lower that the male workforce because of the lack of opportunities available to women for acquiring education and the females were discouraged to take up job or any work other than the household works.

3. When we compare the contribution of female workforce in rural sector with that of urban sector we find that in rural sector the contribution of women workforce is more than that in urban sector because most of the females were engaged in farming and other related activities and the agricultural sector had low productivity.

Q. 12 The following table shows the population and worker population ratio for India in 1999-2000. Can you estimate the workforce (urban and total) for India?

Region	Estimates of population (in crores)	Worker population ratio	Estimated No. of workers (in crores)
Rural Urban Total	71.88 28.52 100.40	41.9 33.7 39.5	$\frac{71.88}{100} \times 41.9$ $= 30.12$

			?

Answer:

Estimated No. Of Workers in Urban Sector

$\frac{28.52}{100} \times 33.7 = 9.61$ crores

Total work force

$\frac{100.40}{100} \times 39.5 = 39.66$ crores

Q. 13 Why are regular salaried employees more in urban areas than in rural areas?

Answer:

Regular salaried employees are more in urban areas as compared to rural areas because –

1. The regular salaried employees are those who have proper professional skills and a particular level of educational qualification, these skills are required through training and education process which are not available in rural areas.

2. The MNCs are concentrated only in the urban areas due to the various supportive facilities like infrastructure development, transportation and communication facilities, etc. This provides more job facilities in urban areas.

3. The rural population is primarily engaged in agricultural sector and they are not willing to take the risk of becoming regular salaried employees.

Q. 14 Why are less women found in regular salaried employment?

Answer:

Less women are found in regular salaried employment because –

1. The literacy level in females is quite low and women do not possess the sufficient professional skills required for the regular salaried employment.

2. Indian families discourage females to go out and work in structured organizations, where they could work as regular salaried employees.

3. Female workers prefer to be self-employed than to be a regular salaried employee.

Q. 15 Analyze the recent trends in sectoral distribution of workforce in India.

Answer:

The economy is divided into three major sectors –

- Primary Sector
- Secondary Sector and
- Tertiary (Service) Sector

1. Primary sector is the major source of employment for majority of workers in India

2. Secondary sector provides employment to about 24% of workforce

3. Service sector covers 27% of the workforce

In urban areas service sector is the more major source of livelihood where as in rural areas agriculture is the major source of livelihood.

The table given below will compare the engagement of work force in the three sectors in rural and urban areas

	Primary sector	Secondary sector	Service sector
Rural sector:	77%	11%	12%
Urban area:	10%	31%	59%

Q. 16 Compared to the 1970s, there has hardly been any change in the distribution of workforce across various industries. Comment.

Answer:

As compared to 1970s there has been significant change in the distribution of workforce across various industries.

Ø During 1970 about 74% of the workforce was engaged in primary sector where as now-a-days this ration has declined to 50% and secondary and service sectors are having major proportion of Indian workforce.

Ø People prefer to be regular salaried employment than being self-employed or casual wage worker. Still self-employment continues to be major employment provider.

Q. 17 Do you think that in the last 50 years, employment generated in the country is commensurate with the growth of GDP in India? How?

Answer:

In last 50 years the employment generated in the country is not commensurate with the growth of GDP in India so we can call it jobless growth.

Jobless growth is defined as a situation in which the overall growth rate of GDP in the economy is accelerated but it is not accompanied by commensurate expansion in employment opportunities.

It means that the economy is able to produce more goods and services without generating additional employment.

Since the starting of economic reforms in 1991 our economy is facing a gap between GDP growth rate and employment growth rate so we call it jobless growth.

Q. 18 Is it necessary to generate employment in the formal sector rather than in the informal sector? Why?

Answer:

Yes, it is necessary to generate employment in formal sector rather than in the informal sector because –

Ø The formal sector provides social security benefits like pension, provident fund, gratuity, etc.

Ø The workers and enterprises in the formal sector have regular income as compared to the informal sector.

Ø Income earned in formal sector is more than that in the informal sector.

Ø The formal sector enterprises use updated and better technologies than the informal sector.

Ø Generating employment in formal sector will help in reduction of poverty and income inequalities.

Q. 19 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?

Answer:

No, Victor is not unemployed but is under employed because his full capacity is not being utilized in the two hours work that he does per day. He falls under the category of casual worker.

The persons like Victor can engage themselves in part time jobs like delivery boys, courier boys, waiter in restaurant, etc. until they find a regular wage employment.

Q. 20 You are residing in a village. If you are asked to advice the village panchayat, what kinds of activities would you suggest for the improvement of your village which would also generate employment.

Answer:

The activities that I will suggest for employment generation are –

1. I will advise the village panchayat to consider the poverty alleviation programmes of government, which helps in employment generation opportunities.

2. To provide technical knowledge and modern know-how to the rural workers so that their productivity could be increased and they could accept the modernization.

3. To make finance and credit available at cheap rates and in simple way so that the rural people can start small scale industries.

4. To develop community assets by generating wage employment through various activities like construction of houses, financial assistance for constructing houses, etc.

Q. 21 Who is a casual wage labourer?

Answer:

Casual worker is a worker who does not work throughout the year. The casual workers work for few months and get remuneration for the work done they are not hired by the employers on regular basis. They are generally the unskilled workers.

Q. 22 How will you know whether a worker is working in the informal sector?

Answer:

The basic characteristics of informal sector are –

1. The enterprises in informal sector work with 10 or less than 10 workers.

2. It does not include hired workers but includes farmers, agricultural labourers, owner of small enterprises, and self-employed persons.

3. The workers of informal sector do not enjoy any social security benefits.

4. The provisions of Labour Laws other than Minimum Wages Act are not applicable in the informal sector.

5. The workers of informal sector are not allowed to form trade unions.