

Employment Growth, Informalisation and Other Issues

1. Read the following statements carefully : (2024)

Statement 1 : As per the National Sample Survey Organization (NSSO), unemployment is a situation in which all those who, owing to lack of work, are not working, but are seeking work from prospective employers. They express their willingness/availability to work under the prevailing conditions of work and remuneration.

Statement 2 : Disguised Unemployment is generally a massive problem in a highly populated country like India.

In the light of the given statements, choose the correct alternative from the following :

- (A) Statement 1 is true and Statement 2 is false.
- (B) Statement 1 is false and Statement 2 is true.
- (C) Both Statements 1 and 2 are true.
- (D) Both Statements 1 and 2 are false.

Ans. (C) Both Statements 1 and 2 are true.

2. Worker – population ratio is an indicator, used for analyzing the employment situation in a nation. (2024)

Ans. True, Worker-population ratio is useful in knowing the proportion of population that is actively contributing to the production of goods and services of a country. If the ratio is higher, it means that a greater number of people are employed and vice versa.



Previous Years' CBSE Board Questions

6.1 Workers and Employment

MCQ

1. Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative given below:

Assertion (A) : The nature of unemployment problem in India is multi-faceted.

Reason (R) : Worker-Population ratio is an indicator used for analysing the employment situation in a country.

- (a) Both Assertion A and are true and Reason R is the correct explanation of Assertion A.
 (b) Both and are true, but is not the correct explanation of A.
 (c) is true but is false.
 (d) is false but is true. (2023) **Ap**

2. Identify, which of the following is the correct formula for calculating 'Worker-Population Ratio'?

(a) $\frac{\text{Total Labour Force}}{\text{Total Population}} \times 100$

(b) $\frac{\text{Total Workers}}{\text{Total Population}} \times 100$

(c) $\frac{\text{Total Population}}{\text{Total Labour Force}} \times 100$

(d) $\frac{\text{Total Population}}{\text{Total Workers}} \times 100$ (2023)

VSA (1/2 mark)

3. Ram is an owner of a salon. He is temporarily absent from work due to injury. Can he be considered as worker? Explain. (Term-II, 2021-22)
4. Define the worker-population ratio. (Term-II, 2021-22 C, 2020) **R**

6.2 Participation of People in Employment

VSA (1/2 mark)

5. "In India women participation rate is lower in urban areas than in the rural areas" Explain with valid arguments. (Term-II, 2021-22)
6. Briefly discuss the problems associated with informal sector. (Term-II, 2021-22)
7. If a construction site manager hires two workers on daily wages basis, such a situation is covered under _____ (formal/informal) sector. (2020)

8. Greater proportion of women workers are found in _____ (urban/rural) areas as a component of Indian work force. (2020)

9. "Google in India has hired 4000 graduate students." The given statement deals with formal sector/informal sector employment. (2020) **U**

10. In the past few decades _____ (primary/secondary /tertiary), sector has created maximum job opportunities in India. (2020)

SA I (3 marks)

11. Analyse and compare the nature of the workforce distribution in India as depicted in the diagram given below:



(2023)

12. Discuss briefly the concept of 'Informalisation of workforce' in India. (2020)
13. "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 (2020)
14. (a) Why are less women found in regular salaried employment?
 (b) 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	24.3
Secondary	16	15.8	24.3
Services	20	23.8	26.8

(Term-II, 2021-22) **An**

6.3 Unemployment

VSA (1/2 mark)

- Distinguish between Full employment and Involuntary unemployment. (Term-II, 2021-22 C)
- Define disguised unemployment. (2020) (R)

SAI (3 marks)

- "In rural areas of India, more members of the family are engaged in work, yet the gross income of the family is generally low." Identify the type of unemployment indicated in the above statement and explain the paradox associated with it. (2023)

CBSE Sample Questions

6.2 Participation of People in Employment

VSA (2 marks)

- Compare and analyse the 'Women Worker Population Ratio' in Rural and Urban areas based on following information.

Worker population Ratio in India 2017-2018

Sex	Worker population ratio		
	Total	Rural	Urban
Men	52.1	51.7	53.0
Women	16.5	17.5	14.2
Total	34.7	35.0	33.9

(Term-II, 2021-22)

SAI (3 marks)

- 'In recent times, the Indian Economy has experienced the problem of Casualisation of the work force. This problem has only been aggravated by the outbreak of COVID-19'. Do you agree with the given statement? Discuss any

two disadvantages of casualisation of the work force in the light of the above statement.

(Term-II, 2021-22)

- Discuss briefly the concept of 'informalisation of workforce', in the context of Indian economy.

(2020-21) (U)

6.3 Unemployment

MCQ

- Read the following statements -Assertion (A) and Reason (R). Choose one of the correct alternatives given below.

Assertion (A) : Unemployment and poverty are inseparable twins.

Reason (R) : Unemployment is the root cause of all socio-economic evils.

Alternatives:

- Both A and R are true and R is the correct explanation of A.
 - Both A and R are true and R is not the correct explanation of A.
 - A is true but R is false.
 - A is false but R is true.
- (2022-23)

Detailed SOLUTIONS

Previous Years' CBSE Board Questions

- (b) : Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (a) : $\frac{\text{Total Labour Force}}{\text{Total Population}} \times 100$
- Ram is a self-employed worker. Since he is involved in productive activity, he would be considered as a worker in spite of his temporary absence from the work.
- Worker-Population Ratio refers to the ratio of total number of workers to the total population. It is generally expressed in percentage.

$$\text{Worker Population Ratio} = \frac{\text{Total number of workers}}{\text{Total population}} \times 100$$

Commonly Made Mistake ⚠

⇒ Students should keep in mind that unemployment rate is calculated as a percentage of labour force, not of the total population.

- (i) 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.
(ii) In rural areas, for every 100 rural women about 18 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 workers are generally higher than rural males and so urban families do not want females to work.

(iii) Apart from this, many activities of the household in which urban women are engaged, are not recognised as productive work.

(iv) 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.

The informal sector comprises of all those private enterprises that employ less than 10 hired workers. There are several problems associated with this sector:

1. The enterprises and the workers there generally do not get regular income as well as regulation and protection for from the government.
 2. The labour laws generally do not apply to this sector, leading to exploitation of the workers and lack of social security programmes.
 3. The enterprises in this sector generally do not maintain any financial accounts and the technology used here is also outdated one.
 4. The workers of this sector have no job security and are dismissed without any compensation. Moreover, the workers of this sector generally live in slums and are squatters.
- So, we may say that the informal sector suffers from hefty problems which needs to be addressed at the earliest.

[Topper's Answer, 2022]

7. informal

8. rural

9. formal sector

10. tertiary

11. As per the given figure following important observations are arrived at:

i. Self-employment is the major source of livelihood in both rural areas (58%) and urban areas (38%). It is because rural people work on their own fields and cultivate independently. In urban areas both self-employment and regular wage salaried jobs are greater.

ii. Casual wage workers are the second major source of employment in rural areas with 29% as compared to 15% in urban areas. It is due to lack of availability of regular jobs in rural areas.

iii. Regular salaried workers are a major source of employment in urban areas with 47% as compared to just 13% in rural areas. It is because there are more organised job opportunities in urban areas.

12. In the recent years, India has witnessed an unprecedented shift of the workforce from the formal sector to the informal sector. This process whereby, the

proportion of informal worker in the total work force increases is known as informalisation of workforce. The government has initiated the modernisation of the informal sector and provision of social security of measure to the worker in the informal sector.

13. The given statement is true and can be defended on the following arguments:

- (i) Formal sector of employment provides greater job security as compared to informal sector of employment.
- (ii) Under the formal sector of employment, people are entitled to better social security benefits.

14. (a) (i) Lesser women are found in regular salaried employment in India, as such jobs require skills and high level of literacy.

(ii) Lack of mobility among women in India due to social constraints.

(b) The given data indicates that over the given period, the proportion of work force in primary sector has gone down rapidly. Whereas, the employment share of both secondary sector and the service sector has increased.



While the share of secondary sector has gone up by approximately 9% recently, the corresponding figure for services has gone up by approximately 7%.

15. Full employment refers to a situation where all the resources are fully and efficiently employed; i.e., there is an absence of involuntary unemployment. Whereas; Involuntary unemployment refers to a situation where an able-bodied person who is willing to work at the prevailing wage rate, is not getting work.

16. Disguised unemployment is a situation wherein the number of workers engaged in a work is more than actually/optimally required.

17. This is a type of disguised unemployment situation. The paradox associated with disguised unemployment in rural areas of India is that while there are more members of a family engaged in work, the gross income of the family is generally low. This is because the surplus labour force does not contribute to any additional output or productivity, which means that the family's income is not proportional to the number of labourers.

In fact, the extra labourers often add to the cost of production, as they need to be provided with food and other resources and this leads to lower net income.

This paradox highlights the needs for policies that can help create more productive employment opportunities in rural area of India.

Related Theory

⇒ Disguised unemployment is not confined to only agriculture sector. People employed in public sector enterprises also considered in disguised unemployment.

CBSE Sample Questions

1. The data in the given table reveals that:
(a) Women constitute 16.5% of the total worker population in the economy.

(b) The number of women workers in rural areas (17.5%) are relatively higher than the women workers in urban areas (14.2%). Due to the abject poverty in rural areas, rural women are compelled to work more than their urban counterparts. (1 × 2)

2. The given statement is quite appropriate with reference to the 'casualisation of labour' in India.

(i) For casual workers, the rights of the labour are not properly protected by labour laws. Particularly, during pandemic times, as demand for goods and services fell the casual workers were left jobless, without any compensation or support.

(ii) During the COVID-19 lockdown, millions of casual workers lost their jobs, raising the question of their survival. Also, additional health expenditure added to their troubles. Had such workers been working under the formal sector, it would have given them some respite in their difficult times. (1.5 × 2)

3. In the recent years, India has witnessed an unprecedented shift of the workforce from the formal sector to informal sector. This process whereby, the proportion of informal worker in the total workforce increases is known as informalisation of workforce.

Demerit of informalisation of workforce. Informal workers lack proper wages. Lower wages lead to increasing inequality, which is detrimental to development.

Low wages lead to a low savings rate, which is detrimental for the credit cycle and further lending, hampering development.

Informal workers lack welfare benefits such as healthcare, insurance, and education facilities. This leads to increased out of pocket expenditures and increases poverty and inequality and so it is detrimental to development. (3)

4. (c) : (A) is true but (R) is false (1)