

# Gujarat Board Textbook Solutions Class 12 Economics

## Chapter 6 Unemployment

### 1. Choose the correct option for the following questions :

**Question 1.** A person is capable, willing and ready to work at current wage rate is said to be

- (A) Unemployed
- (B) Poor
- (C) Surplus
- (D) Worker

Answer:

- (A) Unemployed

**Question 2.** Compulsory nature of unemployment is seen in which context of labour supply?

- (A) Active
- (B) Passive
- (C) Children
- (D) Elders

Answer:

- (A) Active

**Question 3.** Who presented four measuring roads of measuring types of unemployment?

- (A) Raj Krishna
- (B) Mahalnobis
- (C) Keynes
- (D) Rodan

Answer:

- (A) Raj Krishna

**Question 4.** Which type of unemployment arises due to lack of effective demand?

- (A) Frictional
- (B) Seasonal
- (C) Cyclical
- (D) Disguised

Answer:

- (A) Frictional

**Question 5.** Which type of production technique increase unemployment? ‘

- (A) Labour intensive
- (B) Capital intensive
- (C) Agriculture oriented
- (D) Education oriented

Answer:

(A) Labour intensive

## 2. Answer the following questions in one line :

### Question 1. Explain meaning of unemployment.

Answer:

Unemployment is a situation where in a person is ready and capable of working at current wage rate but does not get work.

### Question 2. Which type of unemployment is seen in developed nations?

Answer:

Cyclical and frictional unemployment

### Question 3. Define disguised unemployment.

Answer:

When more than necessary people are employed in a work and if even by removing few of them from work the total production does not change then there exists disguised unemployment in that area. Such people are said to be under disguised unemployment.

### Question 4. Which depression is called world's great depression?

Answer:

The depression experienced by America during 1929-30 is called world's great depression. It is known as The Great Depression because its effect was faced by many countries of the world.

### Question 5. From where is information regarding extent of unemployment in India is obtained?

Answer:

**In India, one can obtain information regarding unemployment from the following sources:**

1. Planning Commission
2. Central Statistical Organization
3. National Sample Survey
4. Journal published by employment exchange reports.
5. Bhagwati Committee Report

### Question 6. Which age group is called the productive age group?

Answer:

15-64 years



**Question 7. Which industries should develop to solve the problem of unemployment?**

Answer:

Cottage and small scale industries.

**Question 8. Which slogan is given by Prime Minister Agricultural Irrigation scheme?**

Answer:

“Water to every field”.

**Question 9. When was “Pandit Deendayal Upadhyay Shramev Jayate Yojana” started?**

Answer:

16th October, 2014

### **3. Answer the following questions in brief :**

**Question 1. Explain meaning of full unemployment.**

Answer:

**Open (Full) unemployment:**

- People who are ready to work at current wage rate and also possess necessary qualifications but do not get any job are said to be “fully unemployed or openly unemployed”.
- Generally, full unemployment is seen in countries where supply of labour and urbanization is quite fast.  
The countries in which both the labour supply and urbanization increase at a faster rate experience high rate of full unemployment.
- This type of unemployment is seen more in towns than in villages. Majority of openly unemployed people are those who migrate from villages to cities in search of job.
- People suffering from open unemployment can be either educated or less trained/skilled persons.
- Although people with open unemployment do not get work such people do consume goods and also spend money. Hence they become burden and reason for low productivity.
- Open unemployment can be seen more among people in the age group of 15 to 25 years.
- It is difficult to calculate exact number of openly unemployed people, however there are three methods to do so. They are:
  1. Obtaining number of people registered in employment exchange center,
  2. Through sample survey of labour supply and
  3. Through Census.

**Question 2. Explain frictional unemployment with example.**

Answer:

**Frictional unemployment:**



- The unemployment that results from time spent between jobs when a worker is searching for a job or transitioning from one job to another is called frictional unemployment.
- The term 'frictional' is used to describe the fact that labour markets do not immediately match up the job demand with job supply and hence a friction is created between the two.
- Frictional unemployment is of short term in nature.
- When in production process, because of change in demand or production or due to change in taste and preference or arrival of new technology, new goods enter in the market and unemployment arises, then this unemployment is called frictional unemployment.
- In developed countries when old production system is replaced by new . production system then the units with old production system face economic loss and shut down. As a result the labourers working in those units remain unemployed till they do not learn the work according to the new technology.
- For example, when smart phone replaced old mobiles phones, then the laboures engaged in production, sales and service of mobile phones became unemployed temporarily.

**Question 3. "The problem of unemployment is because of low savings and investment in India." Explain in brief.**

Answer:

**Low rate of savings and investments:**

Although national income increased during the planning periods, population also grew at a fast rate. So, the per capita national income increased at a lower rate as compared to national income.

Owing to low per capita income and expenses to be incurred to provide the basic necessities to the large population India's savings and investment remained low.

Hence, India could not make adequate investment in industry, agriculture or other sectors and so could not create much employment opportunities.

**Question 4. "Labour-intensive technique is more applicable for India." Explain.**

Answer:

In India, land and capital is scarce whereas labour is abundant.

- The population grows at a fast rate and hence labour supply keeps on increasing. On the other hand the employment opportunities do not grow at the same rate. This keeps a large number of labour unemployed.
- In such a condition India should adopt labour intensive production techniques to provide employment at a large scale.
- When Bhagwati Committee and Venkataraman Committee were formed to study unemployment they also recommended using less of mechanization and using labour intensive techniques.

- Industries such as consumer goods, small and medium scale industries and business and trade, animal husbandry, dairy development, etc. have huge potential to employ a large of labourers as contrast to large mechanized industries.
- Hence, labour intensive technique is more applicable for India.

**Question 5. Which scheme was started to provide continuous electricity service in rural area? Explain it.**

Answer:

- Majority of Indians live in rural areas. Our population is constantly rising but the job opportunities are not rising at same rate. So, a very large number of people depend on agriculture for getting employed.
- The number i.e. the supply exceeds the demand. Even if some labourers are removed from agriculture the overall agricultural productivity will not be affected. Hence, rural areas experience disguised unemployment.
- Moreover, the labourers in agriculture sector gets work only during sowing and harvesting season and so they remain unemployed rest of the time.
- Also, monsoon is irregular and we lack proper irrigational facilities.
- As a result, India also faces seasonal unemployment.

**Question 6. When and with what objective Prime Minister Irrigation scheme was started?**

Answer:

Some of the schemes introduced by the government to solve the problem of unemployment are discussed below:

#### **1. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):**

- On February 2006, National Rural Employment Guarantee Act (NREGA) was started with the objective of providing employment to rural people residing in backward districts of country.
- On 2nd October, 2009, the scheme was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
- To make this programme successful, government declared 2nd February as "Employment Day".
- The objective of this program was to create assets through public construction activities and to provide employment to one person per family for minimum 100 days a year to rural and urban poor as well as lower middle class families.
- Under this scheme, out of total people to be employed, 1/3rd employment is reserved for females.
- As per this act the person who demands job would be provided job within 15 days within the range of 5 km. If few labourers are given employment beyond this distance then 10% extra wages are given to them as form of conveyance expenses.
- The labourer is provided at least minimum wages for physical labour he/she does.

- Labourers working under this scheme are provided job cards, which is valid for five years. After receiving job card if the labourers do not get employment then they are paid unemployment allowance.

## **2. Pandit Deendayal Upadhyay Shramev Jayate Yojna (PDUSJY):**

- This scheme was started on 16th October, 2014.
- The main objective of this scheme was to provide the labourers of unorganized sector, health and security along with good management, skill development and labour welfare.
- The scheme also aims at establishing suitable environment for industrial development.

## **3. Deendayal Upadhyay Gramjyoti Yojna (DUGJY):**

This programme is started with an objective of providing constant 24 × 7 electricity service in rural area. This programme was started against earlier Rural Electrification programme.

## **4. Deendayal Upadhyay Gramin Kaushalaya Yojna (DUGKY):**

- This scheme-was started on 25th September, 2014.
- The main objective of this programme was to provide employment to youth between age group of 18 to 35.

## **5. Prime Minister Agricultural litigation Programme:**

- This programme was started on 1st July, 2015 with an objective of “Water to every filed”.
- The programme aims at increasing field productivity, making optimum use of available resources and planning of irrigational facilities at agricultural areas.

## **4. Give to the point answers for the following questions :**

**Question 1. Explain the measures given by Raj Krishna to understand the nature of unemployment.**

Answer:

To understand the nature and types of unemployment, Shri Raj Krishna committee in 2011-12 gave four measures. These measures explain the ways a person can be called unemployed.

**The measures are:**

### **1. Time:**

- If a person has willingness and capacity to work but does not get work of more than 28 hours a week, he is considered to be ‘intensively unemployed’.



- A person who is employed for more than 28 hours but less than 48 hours a week then he is considered 'less intensively unemployed'.

## **2. Income:**

When a person earns only that much money which cannot alleviate his poverty than from income point of view he is poor. This type of poverty is seen widely in rural India.

For example, a person needs to earn Rs. 30,000/- per month to cover his monthly expenses but earns only Rs. 15,000/-.

## **Willingness:**

When a person is capable of getting a good job but does not get a job as per his capability and so he accepts job of a lower level compared to his capability which then earns him very less income then he is underemployed. For example, a person with C.A. degree works as a clerk.

## **Productivity:**

If a worker who has a higher productivity gets less work then he will be able to produce less in spite of the fact that he is more productive.

For example, a person can make 20 meter clothes in a day but gets a job where he can make only 10 meter clothes.

**By considering the above measures, unemployment can be of following types:**

1. Open unemployment
2. Under-employment
3. Disguised unemployment

## **Question 2. Explain the concept of under-employment in detail.**

Answer:

- In simple language we can say that unemployment means condition of those people who can work but do not get work.
- Unemployment does not only mean unemployment of labour. It can also refer to unemployment of other factors of production such as land, machinery, etc.
- Unutilized machinery, land, etc. are also called unemployment.

## **Definition:**

- According to Pigou, "A person willing to work does not find work" is called unemployment.
- Another definition of unemployment is "When a person is ready and capable of working at current wage rate but does not get work".





### Explanation:

- As per this definition, 'at current wage rate', if 'a person is eager and ready to do the work but is deprived of work' then it is said to be 'unwilling unemployment' or 'compulsory unemployment'.
- Against this, if a person is 'not willing and ready to work and hence not getting work' then he is not said to be unemployed. This type of person is said to be 'voluntary unemployed'.
- According to this definition, children, elderly people, weak people and people who do not want to work, are not considered part of active work force but still cannot be said unemployed. This voluntary unemployment is not a problem.
- We study unemployment in terms of supply of active work force only. Active work force supply includes people in age group of 15 to 64 years.

An unemployed person is economically dependent on others. Hence, he cannot live in society with dignity. Hence, the problem of unemployment may not only restrict to an economic problem but may also lead to social, ethical and political problems.

### Question 3. Explain the concept of disguised unemployment with example.

Answer:

#### Disguised unemployment:

- When more than necessary people are employed in a work and if even by removing few of them from work the total production does not change then there exists disguised unemployment in that area.
- As can be seen here the unemployment is hidden i.e. disguised. Even though people are employed they are employed unnecessarily. This type of unemployment is very common in developing economies like India. According to Ragnar Nurkes, "Given the resources and technique of production if the agriculture sector of over populated developing economies has zero marginal productivity then such countries have disguised unemployment". From this definition it can be said that disguised unemployment has zero marginal productivity.
- In India, population is constantly rising. Hence people who demand employment is also increasing at a higher rate. On the other hand, sectors other than agriculture are not quite well developed.
- So, a very large number of people depend on agriculture for getting employed. The number i.e. the supply exceeds the demand and hence disguised unemployment takes place in agriculture.
- Even if few labourers are removed from agriculture there is no change in production. This means that the marginal productivity of these labourers is zero. Since the marginal productivity of these labourers is zero they are said to be disguised unemployed.
- Disguised unemployment can be seen even in urban areas in businesses and trades.





- For example, the business where more than required family members work and the ones who are either less paid or not paid salaries suffer from disguised unemployment.

#### **Example:**

- To make optimum use of 10 hectare land a maximum of 5 labourers can be employed. But due to unavailability of work, anywhere else additionally 3 members of family also join the same work. Now, even after they join, if the total production does not increase then, the three additional labourers that joined are called disguised unemployed.
- Although these labourers visibly seem to be unemployed but because their marginal productivity is zero they are part of disguised unemployment.

#### **Question 4. Explain the concept of cyclical unemployment.**

Answer:

##### **Cyclical unemployment:**

1. Unemployment which is related to the cyclical trends in the industry or the business cycle is called the cyclical unemployment.
  2. In a capitalist economy people who invest and those who save are two different individuals. This creates disequilibrium between investor and saver.
  3. Due to this difference sometime the economy faces prosperity and at times depression.
  4. During prosperity there is more investment, production, income and employment in economy. On the other hand when economy faces depression then there is reduction in the demand of goods and services.
  5. Due to reduction in effective demand industries have to reduce production or shut down the production and many labourers are removed from work. Here depression is the reason for unemployment.
  6. Owing to such cyclic nature this unemployment is called cyclical or depressive unemployment or trade cycle unemployment.
  7. America experienced severe depression during 1929-30 and its effect was faced by many countries of the world. For this reason this depression was known as The Great Depression.
  8. Even today, sometimes developed countries like America and England face this type of unemployment.
- Cyclical unemployment is quite frequent in India due to India's capitalist market mechanism. Indian diamond industry is one such example.

**Solution:**

- In order to solve the problem of cyclical unemployment, the state should invest in productive and developmental activities and provide employment to maximum people.
- Government should try to increase income level of people. With increase in income, effective demand will increase which in turn will increase production. When production will increase it will increase employment. This will then solve the problem of cyclical unemployment.

**Question 5. “Defective education system is responsible for unemployment.” Explain.**

Answer:

**Employment oriented education:**

- Present education system is responsible for unemployment. Present education system provides only bookish knowledge and produce clerks.
- As a result, even after being a commerce and management graduate the person does not become capable enough for self-employment.
- Such individuals remain unemployed for a longer period of time.

**Solution:**

- Trade oriented education in the field of trade, commerce, business, agriculture and other fields should be given to students.
- Introducing such method needs drastic change in the present education system. Although some changes have been introduced in education system but they are not enough.
- It is necessary to start and increase such topics in the curriculum that comprises of providing training and business oriented education in the field of trade commerce, agriculture and industry. So that after getting such education it is easy to get employment.
- The government in its education policy of 2015 has decided to collaborate with industries to provide ‘productive education’ to students.
- Moreover, which sectors will require employment in the future should be studied and the curriculum should be updated accordingly on a continuous basis.

**Question 6. “Negligence towards agriculture has increased the problem of unemployment in India.” Explain.**

Answer:

**Negligence towards agriculture sector:**

- India is an agricultural country and most of its population resides in villages. Naturally this population is dependent on agriculture for employment.



- During the planning period, India neglected agriculture and focused more on other sectors. Agriculture remained underdeveloped and gave rise to large scale unemployment.
- Although India achieved Green Revolution in agriculture but its benefit could be enjoyed by only a handful of states like Punjab and Haryana.
- On the top of this, burden of population, lack of irrigation facilities, lack Of agricultural finance, uncertainty of monsoon and few other uncertainties that led to poor development of agriculture.

**Question 7. “Speed and expansion of green revolution can solve the problem of unemployment.” Explain.**

Answer:

**Speed and expansion of green revolution in agricultural sector:**

- Due to high population growth in India a very large number of people are dependent on agriculture for employment even when many of them can be employed in other sectors without disturbing the agricultural productivity.
- This means that there exists disguised unemployment in agricultural sector of India.
- On the other hand uncertain monsoon and insufficient irrigational facilities creates seasonal unemployment too.

**Solution:**

- To solve this problem of unemployment in rural areas, green evolution should speed up and effort should be made to extend it to all the rural areas.
- For bringing green revolution in all the rural areas important complementary activities such as minor and major irrigation, soil conservation, mix farming, forest development, planning for more harvest, etc. should be done.
- Moreover, effort should be made to obtain more than one crop a year from the land, modernization of agriculture, stressing on agro based rural industries to increase employment.
- If planned properly than agriculture has more ability to provide employment than any other sector.
- This theory has been supported by Statistician P.C. Mahalanobis as well.
- As per Mahalanobis, in India by investing Rs. 1 crore in agriculture sector 40,000 people can be employed and production can be increased by 5.7%. On the other hand, by investing Rs. 1 crore in big industries only 500 people can be employed and production can be increased by 1.4%. From the estimate it is clear, agriculture sector can create more employment than industry.
- Similar views were held by Dr. M.S. Swaminathan. As per him, if development is encouraged towards agriculture sector than many times more employment can be created.



**Question 8. Give the information about Mahatma Gandhi National Rural Employment Guarantee Programme.**

Answer:

**Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):**

- On February 2006, National Rural Employment Guarantee Act (NREGA) was started with the objective of providing employment to rural people residing in backward districts of country.
- On 2nd October, 2009, the scheme was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
- To make this programme successful, government declared 2nd February as "Employment Day".
- The objective of this program was to create assets through public construction activities and to provide employment to one person per family for minimum 100 days a year to rural and urban poor as well as lower middle class families.
- Under this scheme, out of total people to be employed, 1/3rd employment is reserved for females.
- As per this act the person who demands job would be provided job within 15 days within the range of 5 km. If few labourers are given employment beyond this distance then 10% extra wages are given to them as form of conveyance expenses.
- The labourer is provided at least minimum wages for physical labour he/she does.
- Labourers working under this scheme are provided job cards, which is valid for five years. After receiving job card if the labourers do not get employment then they are paid unemployment allowance.

**5. Answer the following questions in detail :**

**Question 1. What are the reasons of unemployment? Describe any five in detail.**

Answer:

**Reasons and unemployment:**

**1. High rate of population growth:**

- India is a highly populated country that too with a high rate of population growth which further increases the population.
- The rising population keeps on rapidly supplying the labourers who are then in continuous search of employment. On the other hand, employment opportunities do not increase at the same rate.
- According to one estimate, in India each year there is increase in population by 1.70 crores which is more than total population of Australia.

**2. Slow rise in employment opportunities:**

- Increase in employment and economic growth are strongly related.



- During planning periods, economic growth increased continuously but we failed in creating equal number of employment opportunities. As a result, economic growth remained jobless growth.
- In first decade of planning India attained 3.5 percent of economic growth. This growth rate increased to 7.6% in 10th five year plan and 7.8% in 11th five year plan. We could not increase employment to meet this growth.
- Moreover, green revolution in agriculture sector remained limited to certain areas. The sectors other than agriculture observed slow growth. So unemployment increased in other sectors.

### **3. Low rate of savings and investments:**

Although national income increased during the planning periods, population also grew at a fast rate. So, the per capita national income increased at a lower rate as compared to national income.

Owing to low per capita income and expenses to be incurred to provide the basic necessities to the large population India's savings and investment remained low.

Hence, India could not make adequate investment in industry, agriculture or other sectors and so could not create much employment opportunities.

### **4. Capital intensive production technique:**

- In India, land is scarce whereas labour is abundant.
- In such a condition India should have adopted labour intensive production techniques to provide employment at a large scale. But, from second five year plan, India focused on developing of heavy and basic industries which are capital intensive and not labour intensive.
- Even while preparing plans, India gave more importance to capital intensive production techniques rather than labour intensive techniques.
- Mechanization was given more importance in industries as well as in agriculture
- Thus, even though India's economy grew, a large population remain unemployed.

### **5. Lack of vocational training:**

- One of the reasons for rise in unemployment is the deficient educational system.
- Indian education system is unable to produce the labour which can cater the ever changing needs and methods of job market.
- India in order to achieve high economic growth rate adopted modernization of industries and agriculture but failed to produce labour equipped with necessary knowledge and skills that can match up the modernization.
- India did not provide any vocational training to the labourers to adapt to modernization and hence unemployment increased.



## **6. Lack of manpower planning:**

- Human resource or manpower planning has not been right in India.
- India failed to plan the type of labour, quantity which India would need and the type of education and training that should be provided to match the need.
- As a result even though every year lakhs of educated youth obtain degrees but they lack industry-specific knowledge and training required in present economic scenario. Hence, they remain educated unemployed.
- In many cases, due to lack of employment opportunities the doctors and engineers with high degree migrate to foreign countries because they are unable to get suitable work in India.

## **7. Inefficiency of public sector:**

- After independence, public sector was given more importance than private sector. As a result, tremendous rise in investment was made in increasing the number of public sector enterprises.
- The public sector proved quite unproductive. So, they could not generate necessary employment.
- In order to grow public sector several controls were put on the private sectors that were quite capable of generating large scale employment. Over and above this, the government even neglected the development of private sector which badly affected employment rate.

## **8. Negligence towards agriculture sector:**

- India is an agricultural country and most of its population resides in villages. Naturally this population is dependent on agriculture for employment.
- During the planning period, India neglected agriculture and focused more on other sectors. Agriculture remained underdeveloped and gave rise to large scale unemployment.
- Although India achieved Green Revolution in agriculture but its benefit could be enjoyed by only a handful of states like Punjab and Haryana.
- On the top of this, burden of population, lack of irrigation facilities, lack Of agricultural finance, uncertainty of monsoon and few other uncertainties that led to poor development of agriculture.

## **9. Low mobility of labourers:**

- Lack of mobilization among labourers is also one of the reasons for unemployment.
- Many a times labourers do not move from one place to another for work but due to reasons like social matters, family bonding, language barrier, religion and cultural constraints, casteism, lack of awareness, lack of transportation facilities, easy



availability of suitable housing, etc. Such people then either remain under-employed or unemployed.

- People with higher education are not interested in going to rural and backward areas for work. These people expect to get employment in urban area, which if not satisfied makes them unemployed.
- Attraction towards urban lifestyle, infrastructure and facilities stop people from going to rural areas for work.

#### **10. Lack of infrastructural facilities:**

- Rural areas lack in proper facilities of transportation, roads, education, health and electricity.
- On the other hand in rural areas one can easily avail labourers at low wages, land at cheaper rate and raw material for agro-based industries. But due to lack of proper infrastructure industrialists do not wish to establish industries in rural areas. Hence, there exists problem of unemployment in rural areas.

#### **11. Other reasons:**

Lack of strong national employment policy, suitable work environment, suitable environment for developing industries and trade and under-utilization of natural resources are among the other reasons responsible for the increase in unemployment.

**Question 2. What are the measures to solve the problem of unemployment? Explain any five in detail.**

Answer:

Measures to reduce unemployment:

**Following steps should be taken to solve the problem of unemployment:**

##### **1. Population control:**

- The high population growth rate of India has increased the problem of unemployment and made it more serious.
- The fast growing population keeps on supplying labour in the market. These labourers then demand work from the economy.

**Solution:**

- Effective steps should be taken to control population growth.
- This will reduce the supply of labour on a long term and hence solve the problem of unemployment.

##### **2. Increase in rate of economic development:**

- In Initial years of planning the rate of economic development use to be as 3 to 3.5%. This rate later increased.





- Increasing the economic development is one of the solutions to manage unemployment. Solution:
- In order to achieve high rate of economic development, there should be a tight and systematic co-ordination between various economic sectors.
- Efforts should be made to increase capital investment in public, private and cooperative sector.

### **3. Employment oriented planning:**

During the initial years of planning the government gave more importance to economic development. This was done by giving more importance in developing key industries in public sector. Now the need is different.

#### **Solution:**

- In the present situation special emphasis should be given on 'employment-oriented planning'.
- In this regard, India is already encouraging employment-oriented industries such as consumer goods and labour intensive industries, small and medium scale industries and business and trade, animal husbandry, dairy development, etc.
- Doing so will increase the production of consumer goods, employment and bring economic stability.

### **4. Employment Oriented Education:**

- Present education system is responsible for unemployment. Present education system provides only bookish knowledge and produce clerks.
- Such individuals remain unemployed for a longer period of time.

#### **Solution:**

- Trade oriented education in the field of trade, commerce, business, agriculture and other fields should be given to students.
- It is necessary to start and increase such topics in the curriculum that comprises of providing training and business oriented education in the field of trade commerce, agriculture and industry. So that after getting such education it is easy to get employment.
- The government in its education policy of 2015 has decided to collaborate with industries to provide 'productive education' to students.

### **5. Development of cottage and small scale industries:**

Cottage and small scale sector have capacity to create employment that too with minimal skills and low investment.



**Solution:**

- Enough encouragement and support should be given to develop cottage and small scale industries.  
India is a capital scarce and labour intense country. So, development of cottage and small scale industries should be accepted as a best alternative and special initiative should be taken for its development.
- Steps like reserving production of certain goods for small scale industries, providing monetary, technical and managerial assistance by the state are few of the steps taken to develop and encourage these industries.

**6. Extending infrastructural facilities:**

It is a known fact that Indian rural areas have less employment opportunities than urban areas. One of the major reasons responsible for this is poor infrastructural facilities in rural area.

**Solution:**

- Government should make effort to extend infrastructural services like education, health, housing, electricity, roads, technical training center at rural areas. By doing so, people residing in rural areas can get employment near their residence itself.
- Development of infrastructural facilities will give rise to new employment opportunities. Moreover, this will also help in generating employment in agriculture and allied sector.

**7. Speed and expansion of green revolution in agricultural sector:**

- Due to high population growth in India a very large number of people are dependent on agriculture for employment even when many of them can be employed in other sectors without disturbing the agricultural productivity. This means that there exists disguised unemployment in agricultural sector of India.
- On the other hand uncertain monsoon and insufficient irrigational facilities creates seasonal unemployment too.

**Solution:**

- To solve this problem of unemployment in rural areas, green evolution should speed up and effort should be made to extend it to all the rural areas.
- If planned properly than agriculture has more ability to provide employment than any other sector.
- For bringing green revolution in all the rural areas important complimentary activities such as minor and major irrigation, soil conservation, mix farming, forest development, planning for more harvest, etc. should be done.



- Moreover, effort should be made to obtain more than one crop a year from the land, modernization of agriculture, stressing on agro based rural industries to increase employment.

### **Question 3. Explain any three schemes introduced to solve the problem of unemployment.**

Answer:

Some of the schemes introduced by the government to solve the problem of unemployment are discussed below:

#### **1. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): ,**

- On February 2006, National Rural Employment Guarantee Act (NREGA) was started with the objective of providing employment to rural people residing in backward districts of country.
- On 2nd October, 2009, the scheme was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
- To make this programme successful, government declared 2nd February as “Employment Day”.
- The objective of this program was to create assets through public construction activities and to provide employment to one person per family for minimum 100 days a year to rural and urban poor as well as lower middle class families.
- Under this scheme, out of total people to be employed, 1/3rd employment is reserved for females.
- As per this act the person who demands job would be provided job within 15 days within the range of 5 km. If few labourers are given employment beyond this distance then 10% extra wages are given to them as form of conveyance expenses.
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- This scheme was started on 16th October, 2014.
- The main objective of this scheme was to provide the labourers of unorganized sector, health and security along with good management, skill development and labour welfare.
- The scheme also aims at establishing suitable environment for industrial development.

#### **3. Deendayal Upadhyay Gramjyoti Yojna (DUGJY):**

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- This scheme-was started on 25th September, 2014.
- The main objective of this programme was to provide employment to youth between age group of 18 to 35.

#### **5. Prime Minister Agricultural litigation Programme:**

- This programme was started on 1st July, 2015 with an objective of “Water to every filed”.
- The programme aims at increasing field productivity, making optimum use of available resources and planning of irrigational facilities at agricultural areas.

