

CBSE Test Paper-01

Chapter 12 Employment Growth Informalisation and other Issues

1. The unemployment rate for _____ are found to be higher than for _____ (1)
 - a. Males, Females
 - b. None
 - c. Females, Males
 - d. Both

2. You are a factory owner and have given employment to 400 workers. If 10 workers are dismissed by you without loss of production then this situation will be described as (1)
 - a. structural unemployment
 - b. disguised unemployment
 - c. seasonal unemployment
 - d. casual unemployment

3. Over the 7 years period from 2004-2005 to 2010-2011 inflation rate has been _____ percent per annum (1)
 - a. 6
 - b. 7
 - c. 5
 - d. 4

4. Why did the government shift its strategy from long term to short term programmes to remove unemployment? (1)
 - a. Large Scale Corruption
 - b. Long term programmes takes a long time to implement
 - c. Lack of funds
 - d. Lukewarm response from the state governments

5. Children below 15 years of age and the old people beyond 60 years are not considered

- while counting the number of unemployed. Do you agree? **(1)**
6. Differentiate between worker, non-worker and unemployed. **(1)**
 7. Define Jobless Growth. **(1)**
 8. What are various measures of employment and unemployment? **(1)**
 9. Define worker population ratio. **(3)**
 10. What is the difference between labour force and work force? **(3)**
 11. Compared to urban women more rural women are found working. Why? **(4)**
 12. Mention the salient features of the unemployment situation in India. **(4)**
 13. How is unemployment measured in India? Also give trends by these measures. **(4)**
 14. What are different aspects of quality of employment? **(6)**
 15. What steps have been taken by the government to solve the problem of unemployment in rural areas? **(6)**



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Answers

1. c. Females, Males

Explanation: Hardly 22 percent of women are employed in the country. Roughly 78 percent of women are busy with domestic chores.

2. b. disguised unemployment

Explanation: Disguised Unemployment: It exists when marginal physical productivity of labour is zero or sometimes it becomes negative. Important features of disguised unemployment are as under:

- Marginal physical productivity of labour is zero.
- There is disguised unemployment among wage earners.
- Disguised unemployment is invisible.

Hence the above case is of Disguised Unemployment

3. a. 6

Explanation: Inflation is a significant economic indicator for a country. The inflation rate is the rate at which the general rise in the level of prices, goods and services in an economy occurs and how it affects the cost of living of those living in a particular country. It influences the interest rates paid on savings and mortgage rates but also has a bearing on levels of state pensions and benefits received.

4. b. Long term programmes takes a long time to implement

Explanation: Long term programmes takes a long time to implement and results are also affected. So in order to reduce unemployment at a faster rate short term programmes are better as they will take a short time to implement.

5. Yes, I agree that children below 15 years of age and the old people beyond 60 years are not considered while counting the number of unemployed because these persons cannot become part of labour force even when they are able and willing to work.

6. A person who is actually engaged in some economic activity is a worker; a person who is neither looking for a work nor working is a non worker. A person who is looking

for a suitable job as per his abilities but is not finding one is unemployed.

7. Jobless growth is defined as an economic phenomenon in which an economy experiences growth while maintaining or decreasing its level of employment.
8. There are four criteria to measure employment and unemployment: Usual Principal Status (UPS), Usual Principal and Subsidiary Status (UPSS), Current Weekly Status (CWS) and Current Daily Status (CDS).
9. Worker population ratio is defined as the ratio between the total number of workers in a country and the population in the country. It is also termed as Workforce Participation Rate (Ratio).

Symbolically, it can be represented as:

$$\text{Worker Population Ratio} = \frac{\text{Total Number of Workers}}{\text{Total Population}} \times 100$$

10. Labour Force

- i. It refers to the number of persons actually working or willing to work. It is not related to wage rate.
- ii. Because it is measured in terms of the number of persons (not in terms of person-days), size of labour force increases or decreases only when the number of persons actually working or willing to work increases or decreases.

Work force

- i. It refers to the number of persons actually working and does not account for those who are willing to work.
- ii. It is a measurement of actual labour force.

The difference between workforce and labour force is called unemployment.

$$\text{Unemployment} = \text{Labour Force} - \text{Work Force}$$

11. 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. In rural areas, for every 100 rural women, about 26 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 male workers are generally higher than rural males and so urban families do not want females to work.

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

It is because of poverty that women in rural areas are forced to seek employment. On the other hand, women belonging to affluent families in urban areas generally do not work.

In agriculture and allied activities, high skill and expertise are not required, hence women work to support their families. Also in the rural area, the size of the families is large so the women work to feed their large families.

12. Some of the salient features of the unemployment situation in India are mentioned below:

- i. The incidence of unemployment is much higher in urban areas than in rural areas.
- ii. Underemployment is higher in case of women.
- iii. Unemployment rates for women are higher than those for men.
- iv. Incidence of unemployment among the educated is much higher.

13. Measurement of Unemployment:

a. **Usual Status (UPS):**

The Usual Status approach to measuring unemployment uses a reference period of 365 days i.e. one year preceding the date of the survey of NSSO for measuring unemployment.

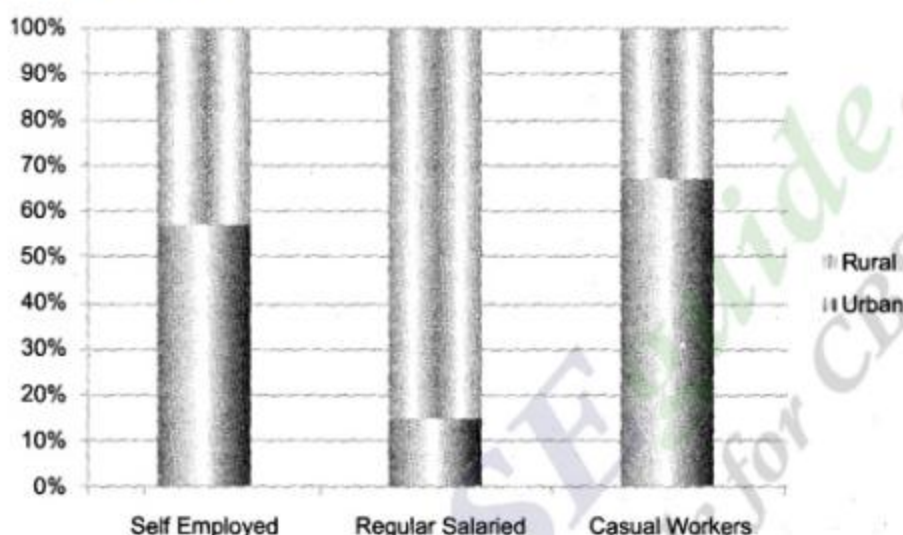
The Usual Status approach of measuring unemployment also looks at the principal activity and subsidiary activity status of the worker.

b. **Current Weekly Status:**

The Current Weekly Status (CWS) approach to measuring unemployment uses seven days preceding the date of survey as the reference period.

A person is considered to be employed if he or she pursues any one or more of the gainful activities for at least one-hour on any day of the reference week. On the other hand, if a person does not pursue any gainful activity, but has been seeking or available for work, the person is considered as unemployed.

- c. **Current Daily Status (CDS):** The current daily status approach to measuring unemployment seeks to ascertain the activity status of an individual for each day of the reference week. It reports time disposition of an individual on each day of the reference week. This means that in addition to recording the activity being pursued, time intensity is also recorded in quantitative terms for each day of the reference week.



Unemployment Rates (2004 per 1000)

	Rural Males	Rural Females	Urban MAles	Urban Females
UPS	24	22	46	89
CWS	47	45	57	10
CDS	90	93	81	117

14. There are certain criteria on the basis of which we can check quality of employment such as productivity of employment; proportion of workers engaged in regular and casual labour; and proportion of workers in organized and unorganized sectors.

- i. **Productivity of employment:** Only the status of being employed does not itself necessarily ensure a decent level of living in India. In 1999-2000, of the total employed persons about 23.87% are the working poor. This means that the major problem relates to that of the working poor as the productivity of employment is very low. Low educational and skill levels of the workers are main causes of the

low productivity of employment.

ii. **Proportion of workers in organized and unorganized sector:** If the share of unorganized employment increases it means an overall deterioration in the quality of employment. The quality of employment can be considered low if the size of unorganized sector is larger than the organized sector. It was only about 7% of the total employment in 1999-2000 and over the years the share of the organized sector employment has been shrinking. We may note that manufacturing construction, trade and transport are sectors where there is large concentration of unorganized workers. The share of the unorganized sector employment which was estimated to be around 93% before 1997 should have gone up and may further increase over the coming years as there was an increase in the absolute numbers. Many studies at micro level show that flexibility in the labour market increased after the introduction of economic reforms in the country. Despite the existence of restrictive labour laws, the firms have been able to retrench a large number of permanent workers while many units were closed leading to unemployment of thousands of workers during the reform period.

iii. **Proportion of workers engaged as regular and casual labour :** At present , low earning ,poor condition of work , lack of social protection vulnerability to the risks, hazards, irregularity and uncertainty of work availability .Such problems in the economy has been felt due to the increase in the casualisation of the workforce . This is also a dimension of deterioration in the quality of employment. Those in regular wage paid or salaried jobs continue to constitute around 14% of all workers for over two decades from 1977-78 to 1999-2000. The category of casual employment has steadily increased from 27% in 1977-78 to 32% in 19993 -1994 and rose further to 33% in 1999-2000.

15. Apart from the programmes which are mainly aimed at the development of infrastructure, such as construction of small and large dams, canals and roads, the government strategies to generate employment are closely associated with poverty-alleviation programmes. Nevertheless, the government has undertaken many special programmes to generate employment opportunities. The major ones among them are:

i. **MGNREGA:** NREGA was launched in 2005 which has been renamed as MGNREGA

(Mahatama Gandhi National Rural Employment Guarantee Act, 2005) which ensures 150 days of employment guarantee to all rural people willing to do unskilled manual work.

- ii. **Rural Works Programme:** This programme aims at construction of civil works of permanent nature in rural areas.
- iii. **Integrated Dry Land Agricultural Development:** Under this scheme, permanent works like soil conservation, development of land and water harnessing are undertaken.
- iv. **National Rural Employment Programme:** This programme aims to create community assets for strengthening rural infrastructure, like drinking water wells, community irrigation wells, village tanks, minor irrigation works, rural roads and schools.
- v. **The Rural Landless Employment Guarantee Programme:** It aims at generating gainful employment, creating productive assets in rural areas and improving the overall quality of rural life.
- vi. **Skill Development:** One of the major issues relating to unemployment is skill development. Change in the production methods has led to increase in demand for skilled labor. A skilled laborer is one who has proper training and education to work in a particular field. Training and education increase the productivity of workers.

