

**NCERT SOLUTIONS CLASS-11 ECONOMICS
CHAPTER- 7**

NCERT Solutions for Class 11 Economics for chapter 7 Employment Growth Informalisation and other Issues

Question1. Who is worker?

Answer: A person engaged in any productive (economic) activity contributing to the flow of goods and services (i.e. Gross Domestic Product) in the economy is called worker. It includes person getting remuneration by an employer for their work as worker and self-employed.

Question2. Define worker-population ratio.

Answer: Worker population ratio refers to the proportion of labour force in total population. It is obtained by dividing the total number of worker of the economy by total population in the economy multiplied by 100. It is used as an indicator to analyse the employment situation in the country. The higher the ratio, the higher will be the engagement of people and the lower the ratio, the lower will be the engagement of people in economic activities.

Question3. Are the following workers - a beggar, a thief, a smuggler, a gambler? Why?

Answer: No, a beggar, a thief, a smuggler or a gambler cannot term as workers because they are not involved in any productive economic activity which contributes to the GDP in the economy. A person engaged in any productive (economic) activity contributing to the flow of goods and services (i.e. Gross Domestic Product) in the economy is called worker.

Question4. 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.

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Answer: In the given options, the odd men out are (iii) a cashier in mother dairy and (v) transport operator because they are working as regular salaried employee in the formal sector.

Question5. The newly emerging jobs are found mostly in the _____sector (service/manufacturing).

Answer: The newly emerging jobs are found mostly in the service sector.

Reason: Primary sector is already overcrowded and the growth rate of manufacturing sector is not satisfactory to generate employment whereas service sector is growing at faster pace. Thus, the newly emerging jobs are found in service sector.

Question6. An establishment with four hired workers is known as _____sector establishment. (formal/informal)

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

Reason: Informal sector consists of private sector enterprises which employ less than 10 workers on regular basis.

Question7. Raj is going to school. When he is not in school, you will find him working in his farm. Can you consider him as worker? Why?

Answer: Yes, Raj can be considered as worker because he is contributing to the total production of goods and services in the economy. A person engaged in any productive (economic) activity contributing to the flow of goods and services (i.e. Gross Domestic Product) in the economy is called worker.

Question8. Compared to urban women, more rural women are found working. Why?

Answer: Compared to urban women, more rural women are found working. In urban areas, for every 100 urban women, 15 women are engaged in economic activities whereas in rural areas, for every 100 rural women, 25 women are engaged in economic activities. It is because:

1. In urban areas, men are earning higher salary and owing to this reason families discourage women from doing job.

2. Women are mostly engaged in household chores and thereby their work is not recognised as productive work. This narrow definition of work leads to non- recognition of women's work and women participation rate turn out to be lower.
3. In rural areas poverty is widespread phenomenon. To support their family women engaged themselves in productive activities.
4. Most of the economic activities in rural areas are self-regulated and done on small levels which do not require much skill. In these types of activities women get employed easily in rural areas. In urban areas work commands professionalism in which still majority of women lack and thereby most of the urban women remain out of work.

Question9. 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 will be considered as worker because she is contributing to the total production of goods and services, in the economy. She works in her husband's cloth shop along with performing household chores. A person engaged in any productive (economic) activity contributing to the flow of goods and services (i.e. Gross Domestic Product) in the economy is called worker.

Question10. Find the odd man out (i) rickshaw puller who works under a rickshaw owner (ii) mason (iii) mechanic shop worker (iv) shoeshine boy.

Answer: In the given options, the odd man out is (iv) shoeshine boy. Except shoeshine boy others (i.e. rickshaw puller who works under a rickshaw owner, mason and mechanic shop worker) are hired employees. They are getting salary either in cash or in kind for their services rendered for their employees. The shoeshine boy is self-employed and earns profit.

Question11. The following table shows distribution of workforce in India for the year 1972-73. Analyse 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: Analysis of the given table is summarised below:

1. In 1972-73, out of total workforce of 234 million - 195 million workforce work in rural areas and 39 million workforce work in urban areas. It indicates that in the given period most of the workforce was engaged in agricultural and allied activities (around 83%) as compared to the workforce engaged in other activities (around 17 %).
2. In rural areas, out of total workforce, 125 million is comprised of male and only 69 million - is female. On the other hand, out of total workforce, 32 million is comprised of male and only 7 million - is female. We observed that female participation in workforce is low in rural as well as in urban areas due to historical reason, lack of job opportunities available to them, more involvement of women in household chores, etc.
3. From the table we observe that female participation in rural area is 35.38% and female participation in urban area is 17.9 ~ 18 %. Although female participation in workforce is higher in rural area, but they are employed in low skilled jobs, self-farm activities. In urban areas men are earning higher salary and owing to this reason urban families discourage women from doing job.

Thus, it can be concluded from the given table that there is low productivity, most of the people are employed in rural areas especially in agricultural and allied activities which require low skill, low female participation in India in 1972-73.

Question 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. workers (in crores)
Rural	71.88	41.9	$71.88/100$ $\times 41.9 =$ 30.12
Urban	28.52	33.7	?
Total	100.40	39.5	?

Answer:

Region	Estimates of population (in crores)	Worker population ratio	Estimated No. workers (in crores)
Rural	71.88	41.9	$71.88/100 \times$ $41.9 = 30.12$
Urban	28.52	33.7	$28.52/100 \times$ $33.7 = 9.61124$
Total	100.40	39.5	$100.40/100 \times$ $39.5 = 39.65$

Estimated workforce in urban area for India = 9.61124 crores

Estimated total workforce for India = 39.65 crores

Question13. Why are regular salaried employees more in urban areas than rural areas?

Answer: The following are the reasons for higher regular salaried employees in urban areas than in rural areas:

After independence, Indian government adopted policies that favour the development especially of basic infrastructure in urban areas. Since the basic infrastructure is imperative for the establishment of any factory, industry, etc. this led to the development of industries, skilled based professional units in urban areas. Thus, it promoted higher regular salaried employees in urban areas.

Government has implemented various laws to regulate formal sectors that promote regular employment. These laws are prominently followed in urban areas. Thus, most of the industries in urban areas follow these rules and hire workers on regular basis which may not be the case in rural areas.

An enterprise in urban area engaged in work that requires workers on regular basis whereas rural areas predominated by agricultural sector which is heavily depended on monsoon.

Question14. Why are less women found in regular salaried employment?

Answer: The following are the reasons for less women employment on regular basis:

Due to historical reasons, majority of girls are not educated and equipped with professional skills. Regular salaried employment demands professionalism which is still very less in majority of Indian women.

In India generally, men are earning higher salaries and owing to this reason families discourage women from doing job.

Women are mostly engaged in household chores; responsibility to take care of children does not allow women to engage in regular job and thereby want to remain out of regular jobs.

Due to security concerns, women do not take up jobs at faraway places. Also jobs which require women to stay late or 24 X 7 hours in office are not preferred by women.

Question15. Analyse the recent trends in sectoral distribution of workforce in India.

Answer: Economists generally divide an economy into three broad sectors. They are; a) primary sector, b) secondary sector and c) tertiary sector. Primary sector includes agriculture and allied activities. Secondary sector consists of manufacturing and construction activities and in tertiary sector various types of services e.g. transport, communication, banking, insurance, trade etc. are included.

The following table shows the percentage distribution of working persons in different sectors during the year 2011-12.

Industrial Category	Place of residence		Sex		Total Working population (%)
	Rural	Urban	Male	Female	
Primary sector	66.6	9.0	43.6	62.8	48.9
Secondary sector	16.0	31.0	25.9	20.0	24.3
Tertiary sector	17.4	60.0	30.5	17.2	26.8
Total	100	100	100	100	100

The table clearly shows that primary sector is the main source of employment in India, which provides employment to about 50% of the workforce. Secondary sector provides employment to only 24.3% of workforce. 26.8% of the workers are employed in the service sector.

This table also shows that about two-thirds of the workforce in rural areas depend upon agriculture or allied activities. About 16% of rural workers are working in the secondary sector. Service sector provides employment to about 17% of rural workers.

Primary sector is not a major employment provider in urban areas. In urban areas people work mainly in the service sector. About 60% of urban workers are employed in the service sector. The secondary sector provides employment to about 31% of urban workforce.

Question16. Compared to the 1970s, there has hardly been any change in the distribution of workforce across various industries. Comment.

Answer: Compared to the 1970s, there has been subsequent change in the distribution of workforce across various industries. At the dawn of independence, Indian economy was considered as an agrarian economy because majority of Indian population was depended on agriculture for their livelihood.

	1972-73	2011-12
Primary sector	74.3%	48.9%
Secondary sector	10.9%	24.3%
Tertiary sector	14.8%	26.8%

India along with other developing countries is trying to reduce this dependence. There has been substantial shift from farm work to non-farm work in distribution of workforce. In 1972-73, around 74 % of workforce was engaged in primary i.e. agriculture and allied activities and in 2011-12, this proportion has declined to around 50 %.

In 1972 - 73, the secondary and services sectors were in their budding stage. The shares of these sectors have increased from 11 to 24 % and 15 to 27 % respectively in 2011-12.

	1972-73	2011-12
Self-employed	61.4%	52.0%
Regular Salaried Employees	15.4%	18.0%
Casual Wage Labourers	23.2%	30.0%

Over the last four decades, 1972-2012, people have moved from self-employment and regular salaried employment to casual wage work. Though the percentage share of self-employed has decreased but it is still dominating the Indian employment status. It has also been observed that the percentage share of casual wage labor has increased. Economists propound this phenomenon as casualisation of workforce.

Question17. 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: After independence Indian planning was aimed at increasing employment and national output. Initially Gross Domestic product of India grew at positive rate (keeps on fluctuating) and was higher than employment growth rate (around 2 %). A good point was that these two rates remain close to each other.

But it is a dismal fact that in the late 1990s, employment rate started to decline. It has decline to very low level as it was in the early stage of planning. This led to widening of gap between the growth of GDP and employment. Economists propound this growth as 'jobless growth' because Indian economy was producing more goods and services without generating more employment.

Question18. Is it necessary to generate employment in the formal sector rather than in the informal sector? Why?

Answer: Yes, it is necessary to create employment in the formal sector rather than in the informal sector. The following could be the reasons:

1. Formal sectors employees are protected through various laws like minimum wage law, trade union powers etc.
2. Workers of formal sectors are covered under social security benefits, gratuity, pension, etc. which is not available in informal sectors.
3. Wages of informal sector employees are less compared to those available in the formal sector employees.

Owing to these reasons, employment in formal sector is more secure and certain. Thus creating employment in formal sector will not only absorb the surplus labour but will also safeguard the interest of employees. This will also help in reducing poverty and income inequalities.

Question19. 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 person like Victor be doing?

Answer: No, he is employed. Victor is able to get work only for two hours in a day and rest of the day he is looking for work. Economists defines unemployed person as one who is not able to get employment of even one hour in half day. It implies that he is underemployed worker. Underemployment is a situation in which a person gets work for lesser time than the time the person actually able or willing to work.

Victor is employed for the half day. According to current daily status approach if a person works for more than 1 hour but less than 4 hours he/she classified as working for half day and seeking/available for work or neither seeking nor available for work for other half of the day depending on whether he was seeking/available for work or not. The person like Victor may be dropping news papers, selling milk in the morning, selling flowers and garland in front of temple, sweeping road, etc.

Question20. 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: I would like to give following advices to the village panchayat that can improve our village along with generating employment:

1. Promote education and health: for the development of rural area, it is imperative to develop health and education facilities. It is important to increase productivity, life expectancy, standard of living, etc. Panchayat should establish primary, secondary, schools along with night schools and primary health care centres.
2. Easy credit and finance: Due to lack credit and finance, rural people are not able to invest in agriculture, establish any productive units, acquire good education and health care facilities, etc. Credit on easy terms (low interest rate, collateral, etc.) would help farmers in increasing their productivity.
3. Develop non-farm activities: Agricultural activities are characterised with seasonal work. To support farmers in getting regular work and earnings, it is very crucial to develop non-farm activities like pottery making, handcrafts, artesian work and small and cottage industries.
4. Implement government policies: Panchayat should implement government policies which are framed for the rural upliftment. They should be implemented by taking proper responsibility and accountability. Employment generating programmes like MGNREGA, Swarn Jayanti Gram Swarajgar Yojna, other programme/schemes public distribution system, Janani Suraksha Yojana, etc. are important to implement for rural development.

Question21. Who is a casual wage labourer?

Answer: Casual wage labourer is a person who is casually engaged in other's farm or non-farm enterprises and in return receives wages according to the terms of the daily or periodic work contract. For example: worker employed in construction site.

Question22. How will you know whether a worker is working in the informal sector?

Answer: The following features in help us in knowing whether a worker is working in the informal sector or formal sector:

1. All enterprises except those who are hiring more than 10 labourers comprise informal sector.
2. Informal sector includes millions of farmers, agricultural labourers, owners of small enterprises and people working in these enterprises, self- employed, etc.
3. Workers of informal sectors do not have social security benefits, gratuity, pension, etc.
4. Workers of informal sector earn less compared to those in formal sector.