

- Employment
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- Unemployment
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## Employment

**Concept Explanation:** Employment refers to the situation where a worker is engaged in some productive activity to earn a living. It is a key indicator of market conditions.

### Key Definitions / Features:

- **Employment:** Engagement in productive work for earning livelihood.
- **Labour Supply:** The amount of labor willing to work at a given wage rate.
- **Participation Rate:** The ratio of total workforce to total population, expressed as a percentage.

**Examples:** The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) launched in 2006, first implemented in Uttar Pradesh providing employment.

### Practice Set:

- *Level 1:* Define employment and labour supply.
- *Level 2:* Explain the significance of participation rate in the labor market.
- *Level 3:* Discuss the impact of MGNREGA on rural employment.

### Answer Key:

- Employment is the engagement in productive work for earning livelihood.
- Labour supply is the amount of labor willing to work at a given wage rate.
- Participation rate indicates the active portion of the population engaged in work.
- MGNREGA provides guaranteed employment to rural households, reducing unemployment and poverty.

**Quick Reference:** Employment → Productive work; Labour Supply → Willingness to work; Participation Rate =  $(\text{Total Workforce} / \text{Total Population}) \times 100$

### Glossary:

- **MGNREGA:** Mahatma Gandhi National Rural Employment Guarantee Act.
- **Participation Rate:** Percentage of population engaged in work.

## Types of Workers

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**Concept Explanation:** Workers are classified based on their employment status and nature of work.

**Key Definitions / Features:**

- **Self-Employed Labour:** Workers who use their own resources to earn a living by operating their own enterprise.
- **Hired Workers:** Workers employed by others for wages or salaries, subdivided into:
  - **Casual Workers:** Employed on a non-permanent basis without social security benefits.
  - **Regular Workers:** Employed on a permanent basis with job security.

**Examples:** A farmer running his own farm is self-employed; a factory worker on a permanent contract is a regular worker.

**Practice Set:**

- *Level 1:* Differentiate between self-employed and hired workers.
- *Level 2:* Explain the difference between casual and regular workers.
- *Level 3:* Analyze the implications of casual employment on worker security.

**Answer Key:**

- Self-employed workers own and operate their enterprise; hired workers work for others.
- Casual workers lack job security and benefits; regular workers have permanent employment.
- Casual employment leads to income instability and lack of social security.

**Quick Reference:** Self-employed = Own enterprise; Hired = Employed by others; Casual = Temporary; Regular = Permanent.

**Glossary:**

- **Self-Employed:** Independent workers using own resources.
- **Casual Worker:** Temporary worker without job security.
- **Regular Worker:** Permanent employee with benefits.

## Size of Workforce in India

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**Concept Explanation:** The workforce size indicates the number of people engaged in economic activities, categorized by gender, area, and s

**Key Definitions / Features:**

- **Worker-Population Ratio:** Percentage of people working in a group.
- **Sector-wise Distribution:** Employment divided into primary (agriculture), secondary (manufacturing), and tertiary (services) sectors.
- **Participation Rate:** Aggregate participation rate in India is approximately 39%, with rural areas slightly higher than urban.

**Examples:** In 2011-2012, men had a worker-population ratio of about 52%, women about 16.5%. Rural areas had more workers in primary sector and tertiary sectors.

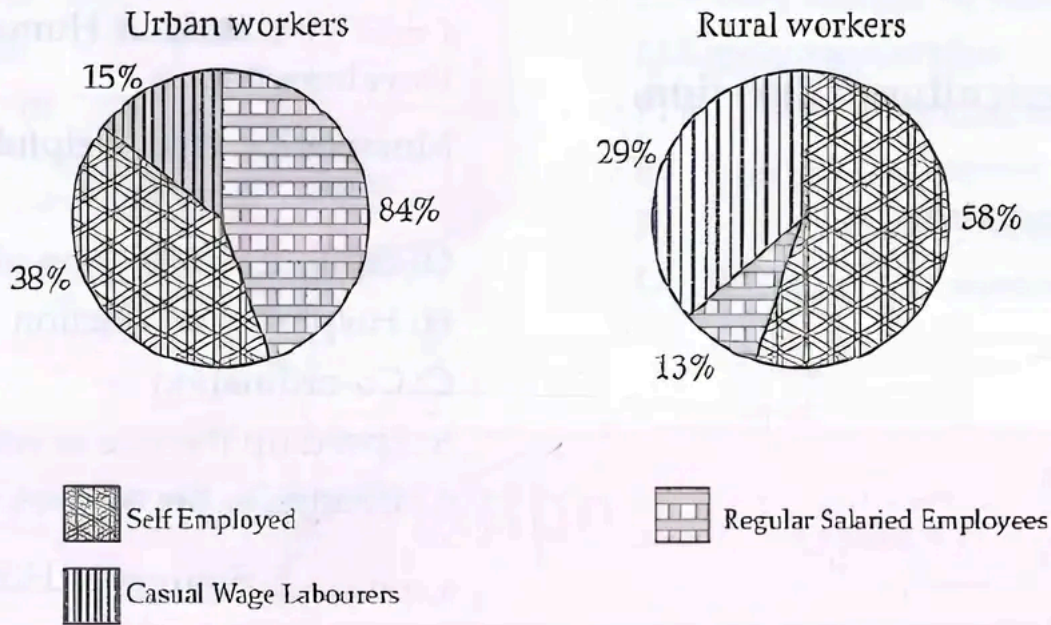
## Worker-Population Ratio in India, 2011-2012

Sex	Worker-Population Ratio (2011-2012)		
	Total	Rural	Urban
Men	52.1	51.7	53.0
Women	16.5	17.5	14.2
Total	34.7	35.0	33.9

## Distribution of Workforce by Industry, 2011-2012

Industrial Category	Place of Residence		Sex		Total
	Rural	Urban	Men	Women	
Primary Sector	59.8	6.6	40.7	57.1	44.6
Secondary Sector	20.4	34.3	26.5	17.7	24.4
Tertiary/ Service Sector	19.8	59.1	32.8	25.2	31.0
Total	100.0	100.0	100.0	100.0	100.0

## Distribution of Employment by Region



Item	1972-73	1983	1993-94	2011-20
<b>Sector</b>				
Primary	74.3	68.6	64	48.9
Secondary	10.9	11.5	16	24.3
Services	14.8	16.9	20	26.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Status</b>				
Self-employed	61.4	57.3	54.6	52.0
Regular Salaried Employees	15.4	13.8	13.6	18.0
Casual Wage Labourers	23.2	28.9	31.8	30.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Practice Set:

- *Level 1:* Define worker-population ratio.
- *Level 2:* Describe sector-wise employment distribution in India.
- *Level 3:* Analyze trends in workforce distribution from 1972 to 2018.

### Answer Key:

- Worker–population ratio is the percentage of working people in a group.
- Primary sector employs more rural workers; secondary and tertiary sectors employ more urban workers.
- Over time, employment shifted from primary to secondary and tertiary sectors; self-employment decreased, regular salaried jobs incre

**Quick Reference:** Workforce = Primary + Secondary + Tertiary sectors; Participation Rate  $\approx$  39%.

**Glossary:**

- **Primary Sector:** Agriculture and allied activities.
- **Secondary Sector:** Manufacturing and industry.
- **Tertiary Sector:** Services.

## Jobless Growth

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**Concept Explanation:** Jobless growth occurs when economic growth is driven by technology improvements but does not increase employm

**Key Definitions / Features:**

- Economic growth without corresponding increase in employment.
- Often due to automation and capital-intensive technologies.

**Examples:** A factory increasing output through machines but reducing the number of workers.

**Practice Set:**

- *Level 1:* Define jobless growth.
- *Level 2:* Explain causes of jobless growth.
- *Level 3:* Discuss the social implications of jobless growth.

**Answer Key:**

- Jobless growth is growth without employment increase.
- Caused by technology replacing labor.
- Leads to unemployment and social inequality.

**Quick Reference:** Growth  $\neq$  Employment increase = Jobless growth.

**Glossary:**

- **Jobless Growth:** Economic growth without employment growth.

## Unemployment

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**Concept Explanation:** Unemployment is the condition where a person willing and able to work does not get employment at the prevailing wage rate.

#### Key Definitions / Features:

- **Wage Rate:** Payment rate to workers.
- **Types of Unemployment in India:** Rural – open and disguised unemployment; Urban – industrial, educated, and technological unemployment.
- **Adverse Effects:** Economic (waste of human power, poverty), social (inequality, political instability).

#### Causes:

- General: Rapid population growth, slow development, inadequate planning.
- Specific: Seasonal agriculture, shortage of capital and education, social status.

#### Measures to Reduce Unemployment:

- General: Population control, investment increase, manpower planning, social reforms.
- Specific: Rural industrialization, agricultural reforms, small industries, practical education.
- Government Schemes: MGNREGA, Skill India Mission, Start-up India.

#### Practice Set:

- *Level 1:* Define unemployment and wage rate.
- *Level 2:* List causes of unemployment in India.
- *Level 3:* Evaluate government measures to reduce unemployment.

#### Answer Key:

- Unemployment is lack of work despite willingness and ability.
- Causes include population growth, slow development, seasonal agriculture.
- Measures include population control, investment, rural industrialization, and employment schemes.

**Quick Reference:** Unemployment = Willingness to work without job; Causes = Population, development; Measures = Planning, schemes.

#### Glossary:

- **Unemployment:** Lack of employment despite willingness.
- **MGNREGA:** Employment guarantee scheme.

## Example: Underemployment

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**Concept Explanation:** Underemployment occurs when a person works less than desired or capable hours.

**Example:** Henry works only 3 hours a day but seeks work for the rest of the day, making him underemployed.

### Solution Steps:

1. Henry is unemployed for the majority of the day, thus underemployed.
2. Underemployment means working less than desired hours.
3. According to National Sample Survey, working less than 28 hours a week is underemployment.
4. Henry could do part-time jobs like courier delivery or bank teller work.

### Practice Set:

- *Level 1:* Define underemployment.
- *Level 2:* Explain Henry's employment status.
- *Level 3:* Suggest suitable jobs for underemployed workers.

### Answer Key:

- Underemployment is working fewer hours than desired.
- Henry is underemployed as he works only 3 hours daily.
- Suitable jobs include part-time or casual work.

**Quick Reference:** Underemployment = Insufficient work hours.

### Glossary:

- **Underemployment:** Working less than desired hours.