

Marks : 40	<b>FYJC</b> <b>Subject : Economics</b> <b>CHAPTER 7</b>	Time : 1.5 Hrs.
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**Q.1. A. Find the odd word out: (3)**

**1. Types of industrial unemployment:**

Structural unemployment, seasonal unemployment, cyclical unemployment, Technological unemployment.

**Ans.** seasonal unemployment

**2. States with low rates of unemployment:**

Karnataka, Gujarat, Sikkim, Chattisgarh.

**Ans.** Sikkim

**3. States with high rates of unemployment:**

Goa, Punjab, Maharashtra, Tripura.

**Ans.** Maharashtra

**B. Complete the correlation: (7)**

**1.** Employment Guarantee Scheme: 1972:: Pradhan Mantri Rozgar Yojana : **1993**

**2.** Seasonal unemployment: Seasonal nature of agriculture::**Disguised unemployment** : joint family system.

**3.** Seasonal unemployment: Tourist guides : : **Educated unemployment** : Graduates.

**4.** **Rural unemployment** : Disguised unemployment : : Urban unemployment : Industrial unemployment.

**5.** Frictional unemployment: shortage of raw materials : : **Cyclical** : Fluctuations in business activity.

**6.** MGNREGS: Guaranteed wage employment :: TRYSEM : **Enabling to become self employed.**

**7.** **Economic effect** Waste of resources: : Social effect : Loss of human dignity.

**Q.2. Identify and explain the concepts from the given illustrations. (Any 3) (6)**

**1.** Shailesh has completed his post graduation and is working on a part time basis.

**Ans. (A) Identified concept:** Underemployment.

**(B) Explanation of concept:** Underemployment is a situation where a Person's capacity to work is under utilised.

**2.** Satish has completed his post graduation and is desperately expecting a job.

**Ans. (A) Identified concept:** Educated unemployment.

**(B) Explanation of concept:** Educated unemployment is a type of urban unemployment in which educated people are willing to work but do not get jobs.

3. Prachi, a MBA degree holder girl, is not ready to work in a domestic company and so is jobless.

**Ans.(A) Identified concept:** Voluntary unemployment.

**(B) Explanation of concept:** Voluntary unemployment is a type of self-unemployment where a person is fit to work but not willing to work.

4. In certain agricultural areas of Maharashtra, only kharif crops are grown therefore employment is available till the month of October.

**Ans. (A) Identified concept:** Seasonal unemployment.

**(B) Explanation of concept:** Seasonal unemployment is a type of rural unemployment in which large number of people are employed in season but remain unemployed in the off season.

5. A situation in which all available resources are used fully.

**Ans. (A) Identified concept:** Full employment.

**(B) Explanation of concept:** full employment is a hypothetical situation in which all available resources are being used fully in the most efficient manner.

**Q.3. Distinguish between the following: (Any 3)**

**(6)**

1. **Voluntary Unemployment and Involuntary Unemployment.**

<b>Voluntary Unemployment</b>	<b>Involuntary Unemployment</b>
<b>(1) Meaning:</b>	
The state where a person is fit but unwilling to work is described as voluntary unemployment.	The state wherein a person is fit and willing to work but does not get work is described as involuntary unemployment.
<b>(2) Nature:</b>	
Unwillingness to work is described as idleness and is a psychological problem.	Forced to remain jobless is unemployment and it is an economic problem.

2. **Rural Unemployment and Urban Unemployment.**

<b>Rural Unemployment</b>	<b>Urban Unemployment</b>
<b>(1) Meaning:</b>	
The unemployment prevailing among the people living in the villages is described as the rural unemployment.	The unemployment prevailing among the people living in the towns and cities is described as urban unemployment.
<b>(2) Nature:</b>	
The unemployment in the rural area in agrarian sector is chronic due to the seasonal nature of agriculture and non-availability to employment in other economic activities. This results in seasonal and disguised unemployment.	The unemployment in the urban area is due to insufficient number of jobs available in the manufacturing and service sector for the educated class. It also arises due to the friction between the employer and employees, cyclical, technological and structural changes.

**3. Underemployment and Disguised Unemployment.**

<b>Underemployment</b>	<b>Disguised Unemployment</b>
<b>(1) Meaning:</b>	
Underemployment refers to a situation in which a worker works below his ability and capacity, as he is unable to get a suitable job according to his ability and capacity.	Disguised unemployment refers to a situation in which a person outwardly appear to be employed but in reality his contribution is zero.
<b>(2) Causes</b>	
Lack of capital formation, Underdevelopment and scarcity of employment opportunities are some of the causes of Underemployment.	The growing pressure of population on the land, non-availability of alternative job opportunities in rural areas and rapid growth of population, are some of the causes of disguised unemployment.

**4. Technological Unemployment and Cyclical Unemployment.**

<b>Technological Unemployment</b>	<b>Cyclical Unemployment</b>
<b>(1) Meaning:</b>	
Technological Unemployment refers to the Unemployment caused by changes in production technique.	Cyclical unemployment refers to the unemployment caused by changes in business cycle.
<b>(2) Occurrence</b>	
Technological Unemployment occurs when the application of advance and capital intensive production technique renders a section of labour unemployed.	Cyclical unemployment occurs when there is a downswing in the business cycle due to the decline in demand for goods and services in the market.

**5. Structural Unemployment and Frictional Unemployment.**

<b>Structural Unemployment</b>	<b>Frictional Unemployment</b>
<b>(1) Meaning:</b>	
Structural unemployment refers to the large scale unemployment caused by the changes in the structure of economy / enterprise which have far-reaching consequences on working class.	Frictional unemployment refers to the unemployment caused by personal decisions or organisational problems which have impact only for the time being.
<b>(2) Occurrence</b>	
Such on unemployment occurs when there is a major shift in the policy of the government or the employers. The new economic policy of the Government of India has threatened the very survival of some industries and their closure has resulted in rendering the workers jobless.	Such unemployment occurs when a worker changes job and is rendered jobless in the intervening period. There may occur a breakdown of machinery or power cut, shortage of raw materials and in extreme cases strikes and layoffs.

**Q.4. Short Notes (Any-1)****(5)****1. Types of unemployment.**

**A) Ans.** There are various types of unemployment. We can classify unemployment into various **Rural Unemployment**

The unemployment found in villages is called rural unemployment. Following are the types of rural unemployment:

**1) Seasonal Unemployment:** A large number of people remain unemployed during the slack season or in the off season. Agriculture being a seasonal occupation, farmers have to depend upon monsoon for cultivation. Majority of the labour force in the agricultural sector remain unemployed for nearly 5-7 months in a year. Seasonal unemployment is also found in tourism, marriage bands, sugar factories, ice factory, fisheries etc.

**2) Disguised Unemployment:** It is also known as invisible unemployment. Disguised unemployment is generally found in village in India. It is a situation in which more people are doing work than actually required. Even if some are withdrawn, production does not suffer. In other words it refers to a situation of employment with surplus manpower in which some workers have zero marginal productivity

The excessive pressure on land leads to disguised unemployment in rural areas. It is estimated that nearly 20% of the labour force is disguisedly unemployed in rural areas. Joint family system, lack of alternative job opportunities result in overcrowding in agriculture. These are the main reasons for disguised unemployment.

**B) Urban Unemployment:**

Urban unemployment refers to unemployment found in the urban areas i.e. towns and cities of the country. Following are the types of urban unemployment.

**1. Educated Unemployment:** when people are educated and willing to work but do not get jobs is known as educated unemployment. This type of unemployment is found among matriculates, undergraduates, graduates and post graduates. Casual approach to education, imbalance between job opportunities and number of educated youth, preference for white collar jobs, lack of employable skills, lack of awareness about available educational opportunities are the main reasons for unemployment among educated youth in India.

**2. Industrial Unemployment:** it refers to unemployment in the industrial sector. The unemployment workers may be skilled or unskilled. This is generally a form of open unemployment. Slow industrial growth, rapid growth of population, lack of training facilities, low adaptability to modern technology, inconvenient location of industries. Low mobility of labour etc. are the main reasons for industrial unemployment.

**Following are the types of industrial unemployment**

**(i) Technological Unemployment:** Technological Unemployment arises because of changes in technology. Modern technology is capital-intensive and requires less labourers. When new techniques are introduced in the industrial sector, existing workers are displaced from their jobs due to lack of proper training, e.g. computerization, introduction of robotic technology etc.

- (ii) **Frictional Unemployment:** Frictional Unemployment is caused due to breakdown of machinery, power failure, shortage of raw materials, strikes by workers etc. Frictional Unemployment is temporary by nature.
- (iii) **Cyclical Unemployment:** Cyclical Unemployment is the result of cyclical fluctuations in the level of business activity. The economy passes through phases of prosperity and depression. During the period of depression, effective demand falls which leads to a fall in the prices and profits earned by the producers. As a result there is a corresponding decline in investment and production of commodities. A fall in production leads to a fall in employment. As a result, workers are thrown out of jobs during the period of depression.
- (iv) **Structural Unemployment:** this type of unemployment arises due to drastic changes in the economic structure of a country. These changes may affect either the supply of or demand for a factor of production. Structural changes in the economy are caused by changes in government policies, shortage of capital, shifting of industry from one region to another etc. structural unemployment is a long term phenomenon. Structural unemployment takes place because of a mismatch between the skills of workers and the jobs that are actually available, e.g. i) horse carts had been replaced by auto rickshaws. ii) Introduction of computerized typing has caused unemployment among manual typists.

## **2. Effects of General Measures of unemployment.**

### **Ans.Effects of Unemployment:**

#### **A) Economic effects**

- 1) Waste of human resources
- 2) Difficult to implement welfare schemes
- 3) Poverty and income inequality
- 4) Growth of informal sector
- 5) High dependency ratio

#### **B) Social effects**

- 1) Social tension and unrest
- 2) Loss of human dignity
- 3) Helplessness

#### **General Measures to reduce Unemployment:**

- 1) Development of agricultural sector
- 2) Provision for alternative occupation.
- 3) Development of infrastructure
- 4) Reforms in the educational system
- 5) Development of tourism
- 6) Use of labour-intensive techniques
- 7) Development of information technology and communication
- 8) Provision for vocational training and skill development facilities
- 9) Rural industrialization
- 10) Motivation for self-employment.

**Q.5. Long answers (Any-1)****(8)**

1. Define Unemployment and Explain Causes of unemployment.

**Ans.** 'Unemployment is a situation in which people in the age group of 15 to 59 years are able and willing to work at the prevailing wage but unable to get a job'.

**Causes of Unemployment:**

Following are the major causes of unemployment:

- 1) **Jobless growth:** Since independence, the rate of growth of employment in India has been considerably less than the rate of economic growth. Moreover, the rate of economic growth has not been adequate enough to absorb the increasing labour force. As a result, there is widespread unemployment.
- 2) **Increase in labour force:** Death rate has rapidly declined without a corresponding fall in birth rate, therefore the country has registered an unprecedented population growth. This was naturally followed by an equally large expansion in labour force leading to unemployment.
- 3) **Excessive use of machinery:** In India, manpower is available in large quantities. Under these circumstances, the country would have labour-intensive technique of production. However, not only in industries, but also in agriculture, producers are increasingly substituting capital for labour. Where capital is in abundant supply, use of automatic machines and other sophisticated equipment is both rational and justified. But in India, this policy results in large scale unemployment.
- 4) **Lack of skill development programmes:** Vocational skill development courses which are compatible to Indian Industry are comparatively less in number. So, there is a dearth of skilled man power needed by the industry.
- 5) **Expectations towards employment:** Educated youth in India aspire for white collar job. There is a lack of innovative and entrepreneurial spirit to organize economic activities where they can be self-employed. Graduate prefer to remain unemployed till they get a job which is upto their expectations in terms of salary and nature of work.
- 6) **Seasonal nature of agriculture:** Agricultural in India is seasonal by nature. It depends on monsoon. Lack of irrigation facilities, poor soil fertility, outdated production techniques, non-availability of certified seeds and fertilizers are the factors that reduce the capacity of agriculture for other gainful employment throughout the year. The labourers are employed only for a few months in a year. For the rest of the year, the labour force remains jobless.
- 7) **Slow rate of economic development:** the overall economic development of India is very slow. Inadequate irrigation facilities, fertilizers, unsatisfactory growth of infrastructure are all due to inadequate industrial expansion. As a result, employment opportunities have not increased enough in the rural sector to absorb the growing labour force.
- 8) **Migration of rural population:** There has been a continuous migration of people from rural to urban areas in search of jobs. This has increased the problem of unemployment in urban areas.

2. Explain any ten specific Measures taken by government to generate employment opportunities.

- Ans. 1) Employment guarantee scheme (EGS):** Employment Guarantee scheme was first introduced by the Government of Maharashtra on 28<sup>th</sup> March 1972. This scheme was intended to provide productive employment to the rural population and thereby solve the problem of rural unemployment and poverty. Under this scheme, government assures to provide minimum employment opportunities. Due to its success in Maharashtra, EGS was implemented in other states as well.
- 2) **Swarnjayanti Gram Swarozgar Yojana(SGSY):**This scheme was launched in April, 1999 after restructuring the integrated Rural Development programme (IRDP) and allied schemes. It is the only self-employment scheme for the rural poor in India.
- 3) **Swarna Jayanti Shahari Rozgar Yojana(SJSRY):** This scheme was launched in December, 1997. It provides gainful employment to the urban unemployed and underemployed. It included self-employment, women self-employment programme, skill training for employment promotion and urban wage employment programme. For this scheme, Central Government shares 75% of the cost and state Government shares 25% of the cost.
- 4) **Pradhan Mantri Rozgar Yojana(PMRY):** This scheme is being implemented since 1993 to create and provide sustainable self-employment opportunities to more than one million educated unemployed youth.
- 5) **Training Rural Youth for Self-employment (TRYSEM):** It was initiated in 1979 with the objective of tackling unemployment problem among the rural youth. It aimed at training about 2 lakh rural youth every year to enable them to become self-employed. TRYSEM was merged into Swarnajayanti Gram Swarozgar Yojana in April 1999.
- 6) **Jawahar Rozgar Yojana (JRY):** On 1<sup>st</sup> April 1989, the Government announced a new wage employment scheme, the Jawahar Rozgar Yojana for intensive employment creation in 120 backward districts. It was restricted to rural area. With effect from April 1999, it was renamed as Jawahar Gram Samrudhi Yojana (JGSY).
- 7) **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):** Since 2<sup>nd</sup> October 2009, National Rural Employment Guarantee scheme has been renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme. This scheme provides at least 100 days of guaranteed wage employment in a financial year to at least one member of every rural household whose adult member volunteers to do unskilled manual work.
- 8) **Deen Dayal Upadhyaya Grameen Kaushalya Yojana 2014:** It is the most important placement linked skill training programme under the Ministry of Rural Development announced on September 23, 2014. The mission of this scheme is to reduce poverty as well as provide gainful and sustainable employment through regular wages. The focus of this programme is on the rural youth from poor families, in the age group of 15-35 years.

- 9) **National Policy for skill Development and Entrepreneurship – 2015:** the first National policy on skill development was notified in 2009 to promote private sector participation via innovative funding models. The objective of this scheme is to co-ordinate and strengthen factors essential for growth of entrepreneurship across the country. This would include:
- i) Promote entrepreneurship culture.
  - ii) Encourage entrepreneurship as a viable career option through advocacy.
  - iii) Promote entrepreneurship among women.
- 10) **Start up India Initiative:** It was introduced in January 2016 with an aspiration to impart more “strength and inspiration to the talented young generation of India to do something new for India and humanity”.
- 11) **Pradhan Mantri Kaushal Vikas Yojana-(2016-20):** The objective of this scheme is to encourage skill development among youth by providing monetary rewards for successful completion of approved training programmes. The government has allocated a budget of ₹ 12,000 crores till 2020 for implementation of the scheme.

**Q.6. Give full forms.**

**(5)**

**1. MGNREGS**

**Ans.** Mahatma Gandhi National Rural Employment Guarantee Scheme.

**2. JGSY**

**Ans.** Jawahar Gram Samrudhi Yojana.

**3. IRDP**

**Ans.** Integrated Rural Development Programme.

**4. TRYSEM**

**Ans.** Training Rural Youth for Self-employment.

**5. SJSRY**

**Ans.** Swarna Jayanti Shahari Rozgar Yojana