

## CHAPTER - 31

# LABOUR AND EMPLOYMENT



**We learn about the following in this chapter,**

- Important role of labour and its types.
- Advantages and Disadvantages of Division of labour
- Productive and unproductive labour.
- Role of women and discrimination to men.
- Employment and its types.
- Abolition act of bonded labour and child labour system.

Labour is one of the most important and indispensable factors of production. Different types of jobs require different types of Labour. Along with Land and Capital.

**Meaning of Labour :** *By 'Labour' we mean the capacity to exert physical or mental effort for the purpose of producing goods or a service. It is only 'Human Labour' that is considered in this context. The exertion of non-human animals is not called Labour.*

Labour includes all manual and mental effort made in order to earn a living. It results in the production of either goods or services or both. It does not include any work undertaken for one's pleasure or out of charity. The services of a nurse who receives payment are regarded as Labour , but the services of a mother who cares for her sick child are not regarded as Labour.

*"Any exertion of mind and body undergone partly or wholly with a view to some good, other than the pleasure derived from the work is called Labour."*

— Alfred Marshall

**Features of Labour :**

1. Labour cannot be separated from the Labourer
2. Labour cannot be accumulated

3. Labour supply varies over time
4. Labour is less mobile
5. Labour differs in efficiency
6. Labour is an active factor.

**Importance of Labour :** Labour is a productive factor of production.

It is considered to be important not only because it is productive but also because it activates other factors and makes them useful for production purposes. Therefore the size of Labour force in a country is determined by the number of people in the age group of 15 to 60 years. Generally, the children below 15 years and aged people above 60 years do not participate in productive activity. In India 40% of population constituted the Labour force in 2011.

**Types of Labour :** Labour can be of many types. It can be categorized as-

1. Nature of work done :- Physical and mental Labour
2. Skill :- Skilled, semi-skilled and unskilled Labour
3. Training :- Professional and Administrative Labour
4. Income earned :- Productive and unproductive Labour.

### **Division of Labour**

Division of Labour is as old as mankind. Even in the life of Primitive man, we find an elementary division of Labour between man and woman. Man hunted and fished while the woman cooked, made clothes and looked after the children.

#### **You Know :**

**Adam smith's illustration :** Adam smith is the father of economics. In his famous book 'The wealth of Nations (1776) he gives an example of the advantage of division of labour. "One man draws out the wire, another straightens it, a third cuts it, a fourth points it, and a fifth grinds it at the top for receiving the head-the important business of making a pin. According to him, with the division of Labour 10 persons help to produce 48000 pins a day where as without specialization they can produce only 10 pins a day per person.

By division of Labour we mean the allocation of different parts of the production process to different workers or to different groups of workers. Any modern economy is characterized by the phenomenon of division Labour. In fact, in most cases, a person or a group is engaged in just one line of production. Specialization is the rule rather than the exception.

**Advantages of Division of Labour :** The important advantages of the division of labour are,

1. **Efficiency of Labour :** The basic advantage of division of Labour is that it increases the efficiency of Labour
2. **Quality of production :** The increase in the efficiency of Labour leads not only to an increase in the quantity of output but also to an improvement in the quality of the produced goods and services.
3. **Profit :** The increase in quantity and quality of output brings greater Profit.
4. **Average cost :** Since Division of Labour increases the total output the average cost of producing a commodity falls, then consumers get goods at cheap rate.
5. **Research and Development :** Division of Labour at a longer period helps in research and innovation which leads to produce variety of new products.

**Disadvantages of Division of Labour :** The important disadvantages of division of labour are,

1. **Monotony of work :-** Under division of Labour, a worker has to do the same job time and again for years together. Therefore; after some time, the worker feels bored.
2. **Lack of responsibility :-** If the quality of the product is not up to the expected level, none can be held responsible
3. **Increased dependence:-** When the production is divided up in to a number of process and each part is performed by different workers, it may lead to dependence among workers.
4. **Unemployment:-** Division of Labour leads to specialization. A worker instead of completing the whole article is specialized in making a small part of it. If he/she is removed from the job, he/she has to look for a job which is of the same type

5. **Class conflict** :- Division of Labour facilitates large scale production which helps the producers to earn huge profits. The producers thus become rich by paying less wages to the workers. This divides the society into haves and have nots (rich and poor).

**Gender Dimension of Labour** : Women constitute nearly 30% of the labour force in rural area and 20% of in urban areas. The percentage of women labour force is low when it is compared to the male, but the share of women force in total labour force has been increasing gradually. Women are equally important, like men for the growth and development of a country. With economic progress, women are emerging as a force of empowering India. But it is unfortunate that the socio economic status of women labour in India is not increasing. In one way or the other women are exploited in the society.



**Women working in different fields.**

In India, as per the 2011 census, there are 587 million women. Gender concerns have gained prominence in gender bias and high gender inequality exists in the country. Government has also resolved for gender budgeting in the budget.

**Gender bias** : The term Gender bias is commonly used to describe how women is far behind and remained with absence of opportunities to improve their level.

Gender bias is exposed in the form of gender inequality. When women do not enjoy the same status and opportunities as men, it is called gender inequality.

There is a wide spread inequality between women and men in India. Women are treated as unequal gender in several ways. Viz unequal sex ratio, low level of female literacy rate, lower work participation rate for women, lower female economic activity rate,

representation of women in the higher rank of Government (IAS, IPS and IFS) as compared to male employees. The number of women in Assemblies and Loka sabha is also very low.

Violence against women, both domestic and at workplace is continuing. Early marriage of girls and early pregnancies though have reduced are still in existence.

Women carry a disproportionately greater burden of work than men. Since women are responsible for a greater share in the home-based work, they enter the Labour market overburdened. The dual work is neither recognized in the data nor considered in social policy making.

**Productive Labour :** Productive Labour is that which creates some utility or which has undergone for earning an income. The anti social activities are not considered productive Labour because they try to rob the wealth of others. According to Adam Smith 'productive Labour is only that Labour, which leads to the creation of material goods or assets'.

**Reproductive Labour :** Reproductive Labour is the work at domestic place, at house. It can also be called as Domestic Labour. It is unpaid work, performed by women in home. Child rearing and caring, cleaning, cooking etc. are the examples for Reproductive labour. Domestic labour is labeled with in a feminine gendered sphere and recognized as the basis for inequality between male and female. Exploitation of women by men which is supported by male dominance, illiteracy, ignorance and blind beliefs.

**Abolition of Bonded Labour :** Bonded labour is one who is bound to work in the house of the land lord for a fixed amount up to a fixed period or till the repayment of the borrowed money. He will be pledged himself to the land lord for the loan amount. The land lord will exploit the workers by paying low wages and extracting more work. It is the other form of slavery. The Government of India abolished bonded Labour system in 1976. This social evil though has declined, is alive in few pockets of the country.

**Abolition of child Labour :** The children working below the age of 14 years to work is called child Labour. It is a serious problem in India. About 90% of the working children in the rural areas are

employed in agriculture and allied activities. In urban areas they are working in small industries, match factories, workshops, hotels, business establishments etc. It deprives the children from education, it adversely affects on their health and spoil their future of children.

Child Labour prohibition act was passed in 1986 by the Government of India. It prohibits the children less than 14 years of age from hazardous jobs.

**Employment** : Employment is a situation where a person is engaged in the work at the prevailing wage rate in the market, to maintain his/ her livelihood as it brings regular income either in private or public sector. In other words employment is a situation where people are engaged in various productive activities to earn their normal income or livelihood.

**Un employment** :-An unemployed is one who is willing to work at the prevailing market rate, but still does not get the work. In other words it is a situation where able people who are capable of working both physically and mentally at the existing wage rate do not get job opportunities.

In India, of late, the number of unemployed and jobless persons is increasing. They include the educated, skilled, rural and urban people. The total number of unemployed persons increased from 5 million in 1951 to 40.47 million by 2007-08. At present about 9.79% of our working force is unemployed.

**NSSO classification:** National Sample Survey organization (NSSO) developed three concepts to measure unemployment. They are – usual status , weekly status and daily status of unemployment.

**1) Usual Status:-** If a worker is unable to work 183 days in a year then he is considered as unemployed. The workers remain unemployed for a major part of the year. This applies to educated people who will be searching regular or permanent job and they may not accept casual work. This concept is used to measure open unemployment and chronic unemployment.

**Do you know**

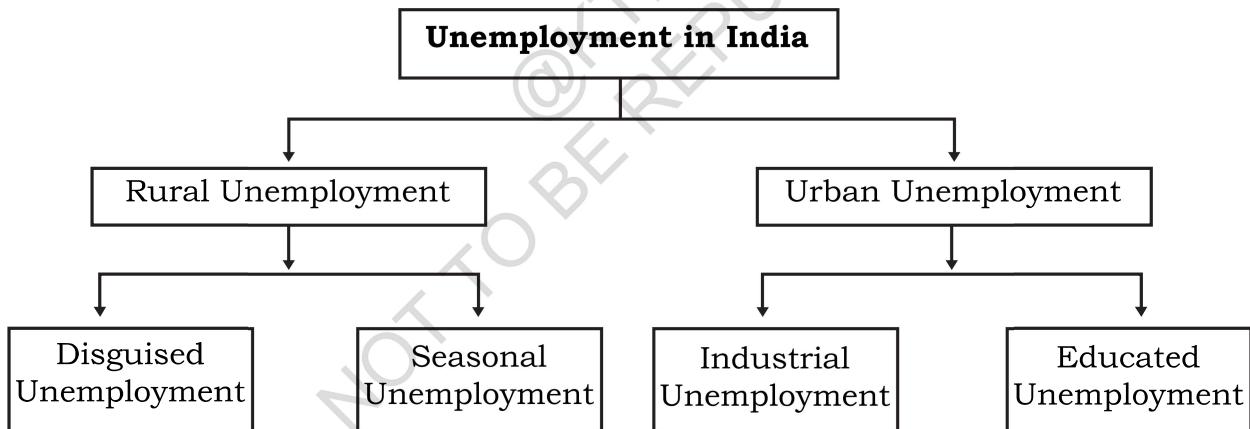
*Labour force-work  
force=unemployment*

**2) Weekly Status:-** On current weekly status basis a person is considered as unemployed if he or she has not worked even for one hour during the survey week. It is a measure of seasonal unemployment.

**3) Daily status :-** Daily Status of unemployment is measured if a person is unable to work even at least one hour in a day he will be treated as unemployed. If he/she works one hour and less than 4 hours he will be treated as under employed or half a day employed. If he/she works for more than 4 hours in a day, he will be considered as employed for the whole day i.e., one man day's of work. It helps to measure casual unemployment.

**Youth unemployment :** Unemployment among the people between the age group of 15-30 years is called youth unemployment. It is found in rural and urban areas and more among educated who are waiting for white-collar job

#### **Types of Unemployment :**



#### **Other types of unemployment :-**

1. Frictional unemployment
2. Casual unemployment
3. Structural unemployment
4. Technical unemployment
5. Cyclical unemployment
6. Chronicle unemployment

**Disguised unemployment :** It is a situation of unemployment with surplus manpower than actual requirement and in which the marginal productivity of some workers are zero. So even removal of them will not affect the volume of total production. It is also called under

employment of Labour. For eg:- suppose four persons are working in a family farm which is properly organized and if two more workers are employed on the same farm and if there is no change in output, we may say that these two workers are disguisedly unemployed. This type of unemployment is a common feature in rural sector of under developed countries like India. In short, overcrowding in an occupation leads to disguised unemployment. It is common in an over populated country.

**Seasonal unemployment** :- Some occupations of agriculture and industries are seasonal in nature. They, offer employment for only a certain period of time in a year. People engaged in such a type of work or activities may remain unemployed during the off season. This is called Seasonal unemployment.

**Voluntary Unemployment** :- It is the unemployment of once own choice. It refers to the unemployment of the leisured classes. The classes, those who have vast properties and who can afford comfortable living without any Labour is called leisured class. In every society there are some people who are unwilling to work at the prevailing wage rate and there are some people who get a continuous flow of income from their property or other sources and need not work. All such people are voluntarily unemployed.

### **EXERCISES**

**I. Fill in the blanks with suitable words.**

- 1) The famous book of Admsmith is \_\_\_\_\_ .
- 2) Abolition of bonded labour act was passed in the year \_\_\_\_\_ .
- 3) When the marginal productivits of a labour is Zero is know as \_\_\_\_\_ .
- 4) Division of labour increases \_\_\_\_\_ .
- 5) Abolition of child labour act was passed in the year \_\_\_\_\_ .

**II. Discuss in groups and answer the following.**

- 1) What is meant by division of labour ?
- 2) What is meant by child labour ?

- 3) Define unemployment.
- 4) Explain the advantages of division of labour.
- 5) List the disadvantages of division of labour.
- 6) State the meaning of productive and unproductive labour.
- 7) What are the types of unemployment ?
- 8) Identify the differences between disguised unemployment and seasonal unemployment.

### **III. Activity :**

- 1) Visit a firm and observe the real work with division of labour then prepare a report of your practical experience.

### **IV. Projects :**

- 1) Prepare a project on different types of unemployment and state its position in todays India.
- 2) Write a report on gender dimentions laboring

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