

SSC
SMIT SIR COMMERCE

GSEB | ENGLISH MEDIUM

ECONOMICS

STANDARD 12

CHAPTER 6

Unemployment

Complete Concept Notes | Textbook-Based | Board Exam Preparation

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Learn the Concept. Understand the Logic. Write Better Answers.

How These Notes Are Built

These notes are rebuilt from the official GSEB Class 12 Economics Chapter 6 - Unemployment, while your uploaded Chapter 6 notes are used to cross-check definitions, examples, schemes and board-focused facts.

- Meaning of unemployment is explained with willingness, ability and current wage rate.
- Raj Krishna Committee's four measures are explained separately.
- All five textbook types of unemployment are covered with easy examples.
- All ten causes of unemployment are explained in textbook sequence.
- All seven measures to reduce unemployment are linked with their economic logic.
- All state programmes listed in the textbook are covered.
- Old programme dates, ratios and planning-period figures are clearly marked as textbook-era data.

TEXTBOOK DATA NOTE

The chapter contains planning-era statistics, old employment programmes and source-period scheme details. These are preserved for exam accuracy and should not automatically be treated as current policy data.

Chapter at a Glance

Section	Topic	Core Idea
6.1	Meaning of Unemployment	Willing + able + ready to work, but work unavailable
6.2	Types of Unemployment	Open, Underemployment, Disguised, Cyclical, Frictional
6.3	Causes	Population, weak job growth, low investment, skills, mobility, infrastructure etc.
6.4	Measures	Population control, faster development, job-oriented planning and education
6.5	State Programmes	MGNREGA and other employment-oriented schemes

EXAM IMPORTANT

The central idea is: Unemployment is not simply 'not working'. The person must be willing and capable of working at the prevailing wage but unable to obtain suitable work.

Learning Objectives

- define unemployment correctly.
- explain voluntary and compulsory/involuntary unemployment.
- explain the active work-force age group used in the textbook.
- explain Raj Krishna Committee's four measures of unemployment.
- differentiate open, underemployment, disguised, cyclical and frictional unemployment.
- explain all ten textbook causes of unemployment.
- explain all seven measures to reduce unemployment.
- explain the employment programmes listed in the chapter.
- connect causes with appropriate remedies.
- answer MCQs, board questions and application cases.

Introduction - Why Unemployment is a Serious Problem

The chapter explains that both developed and developing economies can face unemployment. Economic growth alone does not guarantee full employment.

In India, the textbook links unemployment with a combination of rapid labour-force growth and insufficient creation of employment opportunities.

SMIT SIR'S NOTE

Unemployment is both an economic and a social problem because it affects income, dignity, dependency and social stability.

6.1 Meaning of Unemployment

Simple Meaning: A person is unemployed when he or she is ready, willing and capable of working at the current wage rate but does not get work.

KEY TERM - UNEMPLOYMENT

A condition in which a person is willing and able to work at the prevailing wage rate but cannot find employment.

Prof. Pigou - source idea: A person is unemployed only when willing to work but unable to find work.

REMEMBER THIS

Three conditions: Willing + Able + Work not available.

Voluntary vs Compulsory / Involuntary Unemployment

Type	Meaning	Is it the Main Economic Problem?
Voluntary / Unwilling to Work	Person chooses not to work despite possible opportunity	No, not in the textbook's core unemployment problem
Compulsory / Involuntary	Person wants work but cannot get it	Yes

Children, elderly people, persons who do not wish to work and others outside the active labour force are not treated as unemployed merely because they are not employed.

Active Work Force / Productive Age Group

The textbook discusses unemployment in relation to the active work force and gives the productive age group as 15 to 64 years.

KEY TERM - LABOUR SUPPLY

Total number of employed and unemployed people who are able and willing to work.

TEXTBOOK DATA NOTE

The 15-64 age band is the prescribed textbook framing for this chapter.

Raj Krishna Committee - Four Measures of Unemployment

The textbook uses four measuring rods to understand the nature/intensity of unemployment: Time, Income, Willingness and Productivity.

Measure	Meaning	Textbook-Style Example
Time	Insufficient hours of work	Less than the required weekly work intensity
Income	Income too low to solve poverty problem	Family needs much more than current earnings
Willingness / Suitability	Works below qualification or capability	CA working as clerk
Productivity	Actual work uses less than productive capacity	Can produce 20 metres but job allows only 10

Measure 1 - Time

The textbook classifies unemployment intensity by the number of work hours obtained in a week.

A willing worker receiving too few working hours is considered intensely or partially unemployed according to the source-period measurement.

TEXTBOOK DATA NOTE

The chapter gives 28-hour and 42-hour weekly cut-offs as textbook measurement rules. Treat them as prescribed-source facts.

Measure 2 - Income

A person may be employed but still earn too little to overcome poverty. From the income viewpoint, such work may be inadequate.

Example: If a household needs Rs. 30,000 per month to meet needs but the worker earns only Rs. 15,000, the income dimension shows serious underemployment/poverty pressure.

Measure 3 - Willingness / Job Suitability

A qualified person may accept a lower-grade job because a suitable job is unavailable.

Example: A chartered accountant working as a clerk or a computer engineer working in a garage.

REMEMBER THIS

Employment exists, but the person's capability is not fully used.

Measure 4 - Productivity

A worker may be employed but produce below his or her productive capacity because the available work does not fully use the worker's skills or time.

Example: A worker capable of producing 20 metres of cloth a day receives work that allows only 10 metres.

6.2 Types of Unemployment

Type	Core Meaning	Easy Memory
Open	No job at all	Ready + qualified, but no job
Underemployment	Work is below time/skill capacity	Job exists, but not enough/suitable
Disguised	Extra workers add zero output	Looks employed, contribution is zero
Cyclical	Caused by depression / low demand	Trade cycle unemployment
Frictional	Short-term due to change in technology/demand	Transition unemployment

6.2.1 Open Unemployment

Meaning: A person is willing, ready and qualified to work but does not obtain any job.

The textbook notes that open unemployment is seen particularly among educated youth and may be more visible in urban areas.

Methods mentioned for obtaining data: Employment Exchange registration, sample surveys and Census.

KEY TERM - OPEN UNEMPLOYMENT

Complete absence of work for a willing and able job seeker.

6.2.2 Underemployment

Meaning: A person has work, but his or her time, qualification, skill or productive capacity is not fully utilised.

- Works fewer hours than desired.
- Accepts a job below qualification.
- Seasonal agricultural work may leave labour idle for part of the year.
- A skilled person may perform a low-skill job because suitable work is unavailable.

Examples: Labourer gets only 5 hours instead of 8; computer engineer works in a garage.

6.2.3 Disguised Unemployment

Meaning: More workers are engaged than actually required. Removing some workers does not reduce total output.

KEY TERM - DISGUISED UNEMPLOYMENT

Hidden unemployment in which the marginal productivity of extra labour is zero.

EXAM IMPORTANT

Disguised Unemployment = Marginal Productivity of Labour = ZERO.

Example: A farm requires 5 workers but 8 family members work on it. If 3 leave and output remains unchanged, those 3 were disguisedly unemployed.

Why Disguised Unemployment is 'Hidden'

The extra workers appear to be employed because they are physically present at work, but they contribute no additional output.

Workers on Farm	Output	Interpretation
5	100 units	Efficient requirement
8	100 units	3 extra workers add zero output
5 after removing 3	100 units	Output unchanged -> disguised unemployment existed

6.2.4 Cyclical / Depressive Unemployment

Meaning: Unemployment caused by a fall in effective demand during the downward phase of the trade cycle.

During prosperity, investment, production, income and employment rise. During depression, demand falls, production is reduced and workers may be retrenched.

Historical example: The textbook refers to the Great Depression of 1929-30.

SMIT SIR'S NOTE

The chapter presents government productive/development expenditure as a way to increase effective demand and reduce cyclical unemployment.

6.2.5 Frictional Unemployment

Meaning: Short-term unemployment that occurs when demand, production methods, technology or consumer preferences change.

Example: When smartphones replaced old mobile-phone technologies, workers tied to the old production/service system needed time to learn and shift.

REMEMBER THIS

Frictional unemployment is typically temporary and transitional.

Types of Unemployment - Detailed Comparison

Type	Work Available?	Main Cause	Example
Open	No	Insufficient jobs	Educated youth unable to find any job
Underemployment	Yes, but inadequate	Low hours / skill mismatch	CA working as clerk
Disguised	Appears yes	Too many workers	Extra farm workers with zero marginal product
Cyclical	Falls in depression	Lack of effective demand	Layoffs during recession
Frictional	Temporarily unavailable	Technology / structural transition	Old-technology workers retraining

6.3 Causes of Unemployment

The textbook gives 10 major causes. They explain why employment opportunities did not grow fast enough to absorb the expanding labour force.

No.	Cause
1	High Rate of Population Growth
2	Slow Rise in Employment Opportunities
3	Low Rate of Savings and Investments
4	Capital Intensive Production Technique
5	Lack of Vocational Education
6	Lack of Manpower Planning
7	Inefficiency of Public Sector
8	Negligence Towards Agriculture Sector
9	Low Mobility of Workers
10	Lack of Infrastructural Facilities

6.3.1 High Rate of Population Growth

A rapidly expanding population increases labour supply and the number of job seekers. If job creation grows more slowly, unemployment rises.

Economic Logic: Labour force grows faster than jobs.

6.3.2 Slow Rise in Employment Opportunities

The textbook describes India's growth as having periods of 'jobless growth' where output rose faster than employment opportunities.

Economic Logic: Economic growth without enough job creation leaves unemployment high.

6.3.3 Low Rate of Savings and Investments

Low per capita income limits savings. Low savings reduce investment in agriculture, industry and services, which restricts job creation.

Economic Logic: Low income -> low saving -> low investment -> fewer jobs.

6.3.4 Capital Intensive Production Technique

The textbook argues that in a labour-abundant economy, excessive use of capital-intensive production can limit employment creation.

Economic Logic: More machines relative to labour can mean fewer jobs per unit of capital.

6.3.5 Lack of Vocational Education

Bookish education without practical skills can create educated job seekers who are not ready for self-employment or industry needs.

Economic Logic: Degree without employable skill -> mismatch.

6.3.6 Lack of Manpower Planning

If education and training are not aligned with future labour demand, large numbers of graduates may possess qualifications that do not match available jobs.

Economic Logic: Wrong skill supply relative to labour-market demand.

6.3.7 Inefficiency of Public Sector

The textbook argues that expected employment creation from public-sector expansion was limited by low productivity and insufficient growth of other sectors.

Economic Logic: Investment did not generate enough sustainable employment.

6.3.8 Negligence Towards Agriculture Sector

Weak agricultural development, limited spread of the Green Revolution and poor rural finance/irrigation can restrict employment in agriculture and allied sectors.

Economic Logic: Agriculture remains low-productivity and job creation stays limited.

6.3.9 Low Mobility of Workers

Language, family ties, culture, information gaps, transport and housing problems may prevent workers from moving to places where jobs exist.

Economic Logic: Jobs and workers exist, but they do not meet geographically.

6.3.10 Lack of Infrastructural Facilities

Poor roads, electricity, education, health and transport discourage businesses from locating in rural areas and reduce employment creation.

Economic Logic: No infrastructure -> less investment -> fewer jobs.

Unemployment Trap - How the Causes Connect

Problem	Effect	Result
High Population Growth	More job seekers	Labour supply exceeds job creation
Low Savings	Low investment	Fewer new enterprises/jobs
Weak Skills	Skill mismatch	Educated unemployment
Capital Intensive Technique	Low labour absorption	Jobless growth
Weak Infrastructure	Low rural investment	Regional unemployment
Low Mobility	Workers cannot reach jobs	Vacancies and unemployment coexist

6.4 Measures to Reduce Unemployment

No.	Measure
1	Population Control
2	Increase in Rate of Economic Development
3	Employment Oriented Planning
4	Employment Oriented Education
5	Development of Cottage and Small Scale Industries
6	Extension of Infrastructural Facilities
7	Speed and Expansion of Green Revolution in Agricultural Sector

6.4.1 Population Control

Slower population growth can reduce the future growth of labour supply and the number of job seekers.

Why It Helps: Job creation can catch up more easily with labour-force growth.

6.4.2 Increase in Rate of Economic Development

Faster and sustained development can raise investment, production and employment across sectors.

Why It Helps: Growth should be broad enough to generate jobs, not only output.

6.4.3 Employment Oriented Planning

Planning should encourage consumer-goods industries, labour-intensive production, small/medium enterprises, trade, dairy and animal husbandry.

Why It Helps: Prefer activities that create more employment for a given amount of capital.

6.4.4 Employment Oriented Education

Education should include vocational training in trade, commerce, business, agriculture and technical fields.

Why It Helps: Skills should match labour-market and self-employment opportunities.

6.4.5 Development of Cottage and Small Scale Industries

Small industries can create large numbers of jobs with relatively low capital investment.

Why It Helps: Useful for a capital-scarce and labour-abundant economy.

6.4.6 Extension of Infrastructural Facilities

Roads, electricity, health, education, housing and training facilities attract investment and create local jobs.

Why It Helps: Better infrastructure reduces regional imbalance in employment.

6.4.7 Speed and Expansion of Green Revolution in Agriculture

Agricultural development, irrigation, soil conservation, mixed farming, agro-processing and allied activities can absorb more labour.

Why It Helps: A diversified rural economy reduces seasonal and disguised unemployment.

Agriculture vs Big Industry - Textbook Employment Example

TEXTBOOK DATA NOTE

The textbook cites P. C. Mahalanobis with a historical comparison: Rs. 1 crore investment in agriculture is shown as creating 40,000 jobs and 5.7% production increase, while the same amount in big industry is shown as 500 jobs and 1.4% production increase. Treat these figures as source-era textbook data.

Concept: The textbook uses this comparison to argue that labour-intensive agriculture and rural activities can generate more employment in a labour-abundant economy.

It also associates Dr. M. S. Swaminathan with the view that stronger agricultural development can create many more employment opportunities.

6.5 State Programmes to Solve Unemployment

The chapter notes that employment-oriented programmes expanded from the Fifth Five Year Plan onward.

- Integrated Rural Development Programme
- Food Against Work
- Jawahar Rojgar Yojana
- Nehru Rojgar Yojana
- Suvarna Jayanti Gram Swarojgar Yojana
- Suvarna Jayanti Sheher Rojgar Yojana
- Training to Rural Youth for Self Employment

TEXTBOOK DATA NOTE

These are historical programme references from the textbook's planning-period discussion.

1. MGNREGA - Textbook Features

The textbook states that the National Rural Employment Guarantee programme began in February 2006 and was renamed MGNREGA on 2 October 2009.

- At least one person from each family is guaranteed 100 days of employment in a year.
- One-third employment is reserved for women.
- Minimum wages for physical labour are prescribed.
- Employment should be provided within 5 km of residence; extra wage is mentioned beyond that distance.
- Workers receive job cards valid for five years in the textbook description.
- Unemployment allowance is payable if employment is not provided under the scheme conditions.

REMEMBER THIS

Board memory: 100 days + 1/3 women + job card + unemployment allowance.

TEXTBOOK DATA NOTE

Programme details are reproduced from the prescribed chapter and may differ from current operational rules.

2. Pandit Deendayal Upadhyay Shramev Jayate Yojana

The textbook states that this scheme started on 16 October 2014.

Objectives: health and security, better management, skill development and welfare of workers in the unorganised sector, along with a supportive environment for industrial development.

3. Deendayal Upadhyay Gramjyoti Yojana

The textbook presents this programme as a rural electrification initiative aimed at providing continuous electricity services in rural areas.

Employment link: Reliable electricity supports agriculture, small business and rural industry, thereby improving employment possibilities.

4. Deendayal Upadhyay Gramin Kaushalya Yojana

The textbook states that this scheme started on 25 September 2014 with the objective of providing employment-oriented skill opportunities to youth in the 18-35 age group.

SMIT SIR'S NOTE

This programme directly connects with the chapter's remedy of employment-oriented education.

5. Prime Minister Agricultural Irrigation Programme

The textbook states that the programme started on 1 July 2015 with the slogan 'Water to every field'.

Objective: improve field productivity, use available resources efficiently and expand irrigation planning/facilities.

SMIT SIR'S NOTE

This scheme connects to the chapter's emphasis on agriculture as a major employment-generating sector.

Cause -> Measure Mapping

Cause	Best-Matched Remedy
High Population Growth	Population control
Slow Job Creation	Faster economic development + job-oriented planning
Low Savings / Investment	Promote investment and broad economic development
Capital-Intensive Technique	Labour-intensive and small-scale production
Lack of Vocational Education	Employment-oriented education
Poor Manpower Planning	Align education and skills with labour demand
Agriculture Neglect	Green Revolution expansion + allied rural activities
Low Worker Mobility	Transport, housing and information infrastructure
Weak Rural Infrastructure	Roads, electricity, health, education and training facilities

Common Mistakes Students Make

COMMON MISTAKE

Wrong idea: Anyone without a job is unemployed.

Correct idea: The person must be willing and capable of working and unable to obtain work.

COMMON MISTAKE

Wrong idea: Underemployment means no work at all.

Correct idea: Underemployment means work exists but time, skill or capability is underused.

COMMON MISTAKE

Wrong idea: Disguised unemployment is visible unemployment.

Correct idea: It is hidden; extra workers appear employed but have zero marginal productivity.

COMMON MISTAKE

Wrong idea: Cyclical unemployment is caused by technology change.

Correct idea: Cyclical unemployment is linked with depression and lack of effective demand.

COMMON MISTAKE

Wrong idea: Frictional unemployment is always long-term.

Correct idea: The textbook presents it as short-term transitional unemployment.

COMMON MISTAKE

Wrong idea: Capital-intensive methods always create more jobs.

Correct idea: The chapter argues that they can reduce labour absorption in a labour-abundant economy.

COMMON MISTAKE

Wrong idea: Employment-oriented education means only more degrees.
Correct idea: It means vocational and practical skills aligned with jobs/self-employment.

COMMON MISTAKE

Wrong idea: Old scheme dates and numerical ratios are current policy facts.
Correct idea: They are textbook-era facts and should be presented as source-period information.

How to Write Major Answers in the Exam

Q1. Explain the Meaning and Types of Unemployment

Best structure: Meaning -> active work force -> 5 types with examples.

Q2. Explain Raj Krishna Committee's Measures

Best structure: Time -> Income -> Willingness -> Productivity.

Q3. Explain Causes of Unemployment

Best structure: Write all 10 causes in textbook order, with 2-3 lines each.

Q4. Explain Measures to Reduce Unemployment

Best structure: Population -> Development -> Planning -> Education -> Small Industry -> Infrastructure -> Agriculture.

Q5. Explain Disguised Unemployment

Best structure: Meaning -> zero marginal productivity -> farm example -> why it is hidden.

Q6. Explain State Employment Programmes

Best structure: historical list -> MGNREGA -> PDUSJY -> Gramjyoti -> Gramin Kaushalya -> Irrigation Programme.

Practice Set A - MCQs

1. A person willing and able to work at current wage but unable to find work is:

- A. Unemployed
- B. Retired
- C. Voluntary non-worker
- D. Employer

2. Productive age group in the textbook is:

- A. 15-64 years
- B. 0-14
- C. 65+ only
- D. 5-10

3. Who is associated with the four measures of unemployment?

- A. Raj Krishna
- B. Keynes
- C. Marshall
- D. Tendulkar

4. Which measure asks whether the person gets enough working hours?

- A. Time
- B. Income
- C. Willingness
- D. Productivity

5. CA working as clerk is an example of:

- A. Underemployment
- B. Open unemployment
- C. Cyclical unemployment
- D. Inflation

6. Marginal productivity of labour equals zero in:

- A. Disguised unemployment
- B. Open unemployment
- C. Frictional unemployment
- D. Cyclical unemployment

7. Unemployment due to depression/lack of demand is:

- A. Cyclical
- B. Frictional
- C. Disguised
- D. Seasonal only

8. Unemployment due to technology change is:

- A. Frictional
- B. Cyclical
- C. Open
- D. Hidden

9. Which is a cause of unemployment?

- A. High population growth
- B. Better infrastructure
- C. Vocational education
- D. High mobility

10. Which technique may reduce labour absorption in the textbook?

- A. Capital intensive
- B. Labour intensive
- C. Cottage production
- D. Agriculture oriented

11. Which is a measure to reduce unemployment?

- A. Employment-oriented education
- B. Less infrastructure
- C. More job mismatch
- D. Lower mobility

12. Which sector is emphasised for labour absorption?

- A. Cottage and small scale industries
- B. Only capital intensive mega industry
- C. None
- D. Imports only

13. MGNREGA textbook employment guarantee is:

- A. 100 days
- B. 10 days
- C. 365 days
- D. 20 days

14. Textbook says one-third employment under MGNREGA is reserved for:

- A. Women
- B. Retired persons
- C. Children
- D. Exporters

15. 'Water to every field' is linked with:

- A. Agricultural Irrigation Programme
- B. MGNREGA
- C. Repo Policy
- D. PQLI

Practice Set B - Conceptual MCQs

16. A graduate wants work but finds no job at all. Type?

- A. Open unemployment
- B. Disguised
- C. Frictional
- D. Inflation

17. A farm needs 4 workers but 7 family members work; output is unchanged if 3 leave. Type?

- A. Disguised
- B. Open
- C. Frictional
- D. Cyclical

18. A worker is employed only 4 hours although willing to work 8. Type?

- A. Underemployment
- B. Open
- C. Cyclical
- D. Voluntary unemployment

19. A factory lays off workers because demand collapses in recession. Type?

- A. Cyclical
- B. Disguised
- C. Open
- D. Voluntary

20. Workers lose old-tech jobs while learning a new technology. Type?

- A. Frictional
- B. Cyclical
- C. Disguised
- D. Open

21. A country has fast GDP growth but few new jobs. Which cause?

- A. Slow rise in employment / jobless growth
- B. High mobility
- C. Better infrastructure
- D. Vocational success

22. A company replaces many workers with machines in a labour-abundant economy. Which cause?

- A. Capital-intensive technique
- B. Population control
- C. Cottage industry development
- D. Vocational education

23. Workers cannot move because of language, housing and transport problems. Which cause?

- A. Low mobility
- B. High savings
- C. Full infrastructure
- D. Fast growth

24. Government promotes vocational skills aligned with industry. Which measure?

- A. Employment-oriented education
- B. Capital-intensive technique
- C. Low mobility
- D. Population growth

25. Government expands rural electricity, roads and training centres. Which measure?

- A. Infrastructure development
- B. Low investment
- C. Frictional unemployment
- D. Disguised unemployment

MCQ Answer Key

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	A	2	A	3	A	4	A	5	A
6	A	7	A	8	A	9	A	10	A
11	A	12	A	13	A	14	A	15	A
16	A	17	A	18	A	19	A	20	A
21	A	22	A	23	A	24	A	25	A

Board-Style One-Line Questions

- What is unemployment?
- What is active labour force?
- Which age group is productive age group in the textbook?
- Who gave the four measures of unemployment?
- What is open unemployment?
- What is underemployment?
- What is disguised unemployment?
- What is cyclical unemployment?
- What is frictional unemployment?
- What is meant by labour mobility?
- What is capital-intensive production technique?
- Which depression is called the Great Depression?

Board-Style Short / Brief Questions

- Explain full/open unemployment.
- Explain frictional unemployment with example.
- Explain why low savings and investment cause unemployment.
- Explain why capital-intensive techniques may increase unemployment.
- Explain why seasonal unemployment is common in rural India.
- Explain the problem of low worker mobility.
- Explain lack of infrastructure as a cause of unemployment.
- Explain employment-oriented education.
- Explain the importance of cottage and small-scale industries.
- Explain extension of the Green Revolution as an employment measure.

Board-Style Detailed Questions

- Explain the measures given by Raj Krishna to understand the nature of unemployment.
- Explain the concept of underemployment in detail.
- Explain disguised unemployment with example.
- Explain cyclical unemployment.
- Explain any five causes of unemployment in detail.
- Explain any five measures to solve the problem of unemployment.
- Explain state schemes introduced to solve unemployment.
- Explain MGNREGA and its textbook features.

Application / Case-Based Practice

Case 1

A young graduate is ready to work at current wage but gets no job.

Answer: Open unemployment.

Case 2

A qualified accountant accepts a low-level clerical job.

Answer: Underemployment based on job suitability.

Case 3

Eight family members work on a farm that needs only five; output does not fall when three leave.

Answer: Disguised unemployment.

Case 4

A recession causes factories to cut production and dismiss workers.

Answer: Cyclical unemployment.

Case 5

Workers lose jobs after an old technology is replaced and need time to retrain.

Answer: Frictional unemployment.

Case 6

Jobs exist in another region, but workers cannot move because of housing/language problems.

Answer: Low mobility of labour.

Case 7

Government funds vocational training linked directly with industry.

Answer: Employment-oriented education.

Case 8

Government expands irrigation, agro-processing and rural electricity.

Answer: Agriculture/infrastructure-oriented employment strategy.

Chapter Glossary

Term	Simple Meaning
Unemployment	Willing and able person cannot obtain work at prevailing wage.
Active Work Force	People in productive working age who are able and willing to work.
Open Unemployment	Complete absence of work.
Underemployment	Work exists but time/skill/productive capacity is underused.
Disguised Unemployment	Extra workers have zero marginal productivity.
Cyclical Unemployment	Unemployment caused by depression and lack of effective demand.
Frictional Unemployment	Short-term unemployment during technology/demand transition.
Labour Supply	Employed plus unemployed persons able and willing to work.
Capital Intensive Technique	Production using relatively more capital than labour.
Labour Intensive Technique	Production using relatively more labour than capital.
Mobility of Labour	Movement of workers across places or occupations.
Manpower Planning	Planning future skill and labour requirements.
Jobless Growth	Economic growth without proportionate employment creation.
MGNREGA	Employment-guarantee programme described in the textbook.
Vocational Education	Practical job-oriented education and skills.

5-Minute Chapter Revision

Meaning: Willing + capable + ready to work, but no suitable work.

Productive Age: 15-64 years in the textbook.

Raj Krishna: Time, Income, Willingness, Productivity.

5 Types: Open, Underemployment, Disguised, Cyclical, Frictional.

Disguised: Marginal Productivity = 0.

Cyclical: Depression / lack of effective demand.

Frictional: Technology/demand change, short term.

10 Causes: Population, Job Growth, Saving, Capital-Intensity, Skills, Manpower, Public Sector, Agriculture, Mobility, Infrastructure.

7 Measures: Population, Development, Planning, Education, Small Industry, Infrastructure, Agriculture.

EXAM IMPORTANT

Ultra-short memory: Unemployment = labour available, but suitable productive work unavailable.

One-Page Master Revision Sheet

Topic	Must Remember
Meaning	Willing + capable + no work
Productive Age Group	15-64
Raj Krishna Measures	4
Types	5
Disguised	Marginal productivity = zero
Cyclical	Lack of effective demand
Frictional	Technology / transition
Causes	10
Measures	7
Small Industry	High employment with low capital
Agriculture	Textbook emphasises high employment potential
MGNREGA	100 days; 1/3 women in textbook description
PDUSJY	16 Oct 2014
DUGKY	25 Sep 2014; youth 18-35
Irrigation Programme	1 Jul 2015; 'Water to every field'

Have You Mastered This Chapter?

- [] I can define unemployment correctly.
- [] I can explain the four Raj Krishna measures.
- [] I can differentiate all five types.
- [] I can explain disguised unemployment with zero marginal productivity.
- [] I can explain all ten causes.
- [] I can explain all seven measures.
- [] I can explain the state programmes.
- [] I can identify which dates and figures are textbook-era facts.

CHAPTER 6 COMPLETE

Unemployment

SMIT SIR'S FINAL MESSAGE

This chapter becomes easy when you separate three questions: What kind of unemployment is it? Why has it happened? Which policy can solve that specific cause? If you can connect type -> cause -> remedy, the chapter becomes logical instead of memorised.

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