Ch 1 : graphs in economics

* MEANING

Diagram: diagram is a represantatin of observable data through the way of pictures. It is presented in discrete frequency.

 Graph: it is also a representation of observable data through the way of pictures. It is represented in continuous frequency distribution.

* Importance of graphs and diagrams
1. The study of subject complicated is made easier by diagram and less confusing(clearer) by the way of graphs.
2. Trends of parameter of various years can be observerd easily
3. Changes in various sectors can be easily
4. Comparision can be easily drawn
5. Difficult principles of economicsare easily understood
* Aspects to be considered while drawing a diagram and graph
1. Choice of type of diagram or graph:right choice is to be made according to the data.
2. Clarity: it should be neat and clear. Diffrent colors and shdes must be used
3. Scales and measurement: picture should be in appropriate in size,scales must be acc. To the data
4. Represantation of data: both axes must be represented
5. Data table and source of data: data table are created by mentioning the source of data, the picture becomes more reliable and authentic.
6. Method of calculating the data: when picture is not self explainatory data it can be simplied with statistical formulae.
* Types of graphs
1. Pictogram
2. Scatter diagram
3. Circle diagram
4. Bar diagram (imp)
5. Pie diagram(imp)
* Bar diagram and types of bar diagram
1. Simple bar diagram:it represnts values of one variable over a base.
2. Clustered bar diagram:values of common varieble and over a common base are given for more than one section of related parameters.
3. Divided bar diagram : every single value of the variable hassub categories.
* Aspects to be considered while drawing a bar diagram
1. All bars should be of equal width.
2. Length of bars should be propotional to the value of the variable.
3. Distance b/w all bars should be equal
4. All bars rest on the same line called the base.
5. All bars should be arranged from left to right in order of the data series.
* Pie diagram: division of a circle in degrees represents a pie diagram.
* Formula for obtaining pie diagram: component value

 Total value x360

* Aspects to be considered while drawing a pie diagram:
1. 360 degrees make a circle.
2. Sub division are calculated in proportion to the value of variable for that division of sum total of the degrees of all sub division must be 360\*
3. Relevent data is to be compared across regions then two pie graphs can be drawn side by side.
* Types of graphs
1. Time series
2. Graphs for continuous frequency distribution
3. Histogram
4. Frquency polygon
5. Frquency curve
6. Cumilative frequency polygon
7. Logarithmic graphs
* Computer technology
1. Presentations: complicated economic informations can be made easy by expressing in ppt
2. Excel worksheet:reasearchers sometimes deal with thousands of observations.such data must be entered in excel sheet.
3. Diagrams and graphs: there are several programmes in a computer which help us to draw diagrams and graphs which we frequently use in economics.
4. Storage tools: we use plenty of data in economics and we have fear to loose them thus it helps via using hard disk and pendrive.
5. Other tools: statastical proggrammes like SPSS,SHAZAM,SAS,ETC.are developed to do almost all types data.reaserach institutions buy them at a expensive rate.
* Internet technology for learning
1. Tutorials
2. Active learning
3. Reading material
4. Information
5. Miscellaneous
6. Data
* Data CDS:

Some authorities and agencies involved in collection and publication of information & data pertaining to macroeconomics indicators put huge datas in CD.such data CDS are

1. CD of national income

Ch2 indicators of growth & development

* Meaning of Economic growth
1. Economic growth relates to the long run, increase in the total output of an economic.in this there is continuous incrrease in the national income and the real per capita income.
* Defination:

“economic growth refers to the growth rate of national income or rise in total quantum of goods and services”

* Limitations of economic growth
1. It takes into consederation only the quantative change
2. There is rise in national income & per capita income but institutional and psyological factors remains as same
3. The concept of economic growth is narrow
4. It is not of much use as it do not consider human welfare
* Meaning of economic development: economic development is a process which is continous ,to achieve economic well being .there is an increase in the real national income and real per capita income but it does not just take qualitative it takes both qualitstive and quantitative changes and it is a multidimensional process.
* Defination:

Acc. To micheal todaro “economic development is a multidimensional process”

* Characteristics of economic development
1. Continuous process : it is slow but strong process and prdetermined.development is a easy to start but difficult to maintain
2. Quantitative and qualitative process:in this output increase which is quantitative and due to reaserch the quanlity of the product improves which is qualitative
3. Change in demand: there is rise in the income of people due to development which changes their taste . the demand for basic goods rise but also there is rise in the demand for comfort and luxury goods
4. Labour become more dynamic: it leads to increase in education of labour which makes him more dynamic.
5. Increases capital formation: it leads to increase in demand for different commodities .new enterprises come forward due to investment.
6. Change in technology: there is a shift dependence from fire to water based technology to coal.
7. Self dependence: after a stage ED becomes self dependent
* Limitations of ED
1. It indicates the progress of nation not of human
2. It is very difficult to measure
3. It is very difficult to derive a measurement for this
4. There is not much development in the standard of living

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| Economic development | Economic growth  |
| 1. It is a process
2. It takes both qualitative and quantitative changes
3. It this the question of utilisation of unutilised resources arises
4. It is related to developing countries
5. It is difficult to measure
6. This concept is broad
7. It is related to the distribution along with per capita income
8. It is a slow process
9. It is not possible without economic growth
 | 1. It is an occurence
2. It takes only quantitative changes
3. In this there is emphasis on the distribution available resorces
4. It is related to developed countries

 1. It is easy to measure
2. This concept is narrow
3. It is only related to increase in per capita income
4. It is a rapid process
5. It is possible without economic development
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* Indicators of development
1. Growth rate of national income
2. Rate of growth of per capita income
3. Physical quality of life(PQLI)
4. Human development index(HDI)
* Growth rate of national income: According to this indicator a country is said to have attained economic development if there is a continuous increase in the real national of the national income of the country for a long period of time.
* Limitation:
1. Difficulty in calculating the true national income
2. Population
3. Different methods of calculating national income
* Growth of per capita income: per capita income of a country is a average income pr head. Per capita income is the gross national income of a country divided by the population of that country. The experts of UNO (united nations organisations) have recommended per capita income as an indicator of economic development.
* limitation
1. only estimates
2. difficulty in calculation of national income and per capita income
3. per capita income shows only avg.
4. Difficulty in comparision
5. Deceptive indicator
* Physical quality of life(PQLI): the objective of economic development is to improve the standard of living of the people.MORRIS DAVIS MORRIS presented PQLI.
* Aspects included in PQLI:
1. Food
2. Health and medical services
3. Housing and clothing
4. Education and entertainment
5. Transport, communication
6. Energy
7. Pure drinking water
8. Avg life expectancy
9. Infant mortality rate
10. Drainage faciality
* 3 determinants of physical quality of life:

Literacy : the percentage of population educated out of the population determines the extent of education.

Life expectancy : no. Of years child is going to live at the time of birthis known as life expectancy at birth.

Infant mortality rate: during a year no. Of infants who die before completing 1 yr out of 1000 births is known as infant mortality rate.

* PQLI = Literacy level+life expectancy+Infant mortality rate
* Reasons for only 3 determinants
1. All factors can be acquired for all countries
2. All these factors depicts result not efforts
3. All these 3 factors are product based
* Formulation of physical quality of life:
1. Every indicator is given 100 weightage
2. A total of grades of 3 factors is summed up
3. This total is devided by 3 to derive an avg
* Important aspects
1. Closer of 100 better is the performance
2. Closer to 0 bad is the performance
3. It is always b/w 0 to 100
4. It is used to compare two states within the country
5. Higher the PQLI more is the economic development
6. Lower the PQLI lesser is the economic development
* Limitations
1. Other factors should be included in this
2. Only avg are depicted
3. If PQLI is high it cannot generalize that that economic development is high as other countries have
4. It is not right to give equal weightage to all indicators
* Human development index(HDI) : UNDP (united nation development programme)
* Determinants of HDI :
* Important aspects :
1. Maximum value is 1
2. Value ranges from 0 to 1
3. Closer to 1 is considered as more developed
4. Farther to 1 is considered as less developed
5. In 2014 NORWAY is ranked 1st with 0.944 HDI while INDIA with HDI of 0.609 ranked 130th out of 188
* Importance of HDI
1. It is complete as it takes economic factors.
2. True progress=economic progress + social progress
3. HDI is functional.
* Limitations
1. Only three factors is there
2. All three indicators given equal weightage.

Ch3 money and inflation

* Meaning of barter system : barter system is a system of exchange where goods and service are directly exchanged for other goods or services without using a medium of exchange.
* Limitation of barter system :
1. Problem of mutual adjustment of wants
2. Difficulty in storing value
3. Problem of measurement of value
* Origin and development of money : there was large production of crops,of which the require stock stored rest of the crops were sold to buy animals.but this become a limitation as the animals becoming sick and died. Thus, there is use of coins started as a means of exchange of goods and services in the kingdom.limitation was that they were used in limited societies and regions. by the support of central govt the money became widely accepted as a means of exchange of goods and services. Money also succeded in in overcoming the limitation of storage of value of money.
* Meaning of money: acc to marshall “money is that medium which is used as means of exchange without any doubt or investigation regardless of time or place”.
* Functions of money :
1. Money is a medium of exchange
2. Money as a store value
3. Money as a measure value
* Types of money :
1. Commodity money
2. Animals money
3. Metal money
4. Paper money
5. Plastic money
6. Banking money
* meaning of inflation: inflation means a rise in general price level.
* Definition of inflation : acc to A.P LERNER “a situation of excess demand over supply of goods is called inflation”.
* Characteristics of inflation :
1. Rise in price level
2. Price rise in all sectors of economy
3. Purchasing power decreases
4. Rise in price after full employment is inflation

SUBPRESSED INFLATION : when govt has kept control over & suppresses increases in price level via rules and regulations and subsidies it is considered as inflation even if there is no price rise it is called as subpressed inflation.

* Causes of inflation
1. Increase in demand
2. Increase in supply of money
3. Increase in public expenditure
4. Over population
5. Increase in cost of production
6. Other reasons
7. Taxation policy
8. Increase in price of import
9. Scarcity

 Ch4 banking and monetary policy

* Evolution of bank : the bank of Barcelona set up in spain in 1401 is known to be first real bank
* Meaning of bank : a bank is an institutions authorised to collect peoples savings/deposits with the purpose of lending those; under the condition of returning the same when the depositer demands.
* Classification of banks :
* Commercial bank :
1. Primary functions
2. Accepting deposits : a)current a/c deposits, b)savings deposits c)fixed deposits
3. Providing credit facialities : when individuals need money for investment they will borrow from bank & bank provides credit by charging rate of intrest. They give money for various time period (like short term , long term).
4. Payment and withdrawal facialities: bank provides easy payment and withdrawal facialities , in the form of cheque ,drafts,atm,etc.
5. Credit creation: bank undertake this activity to ensure the supply of money. Bank creates money from the existing stock of money. When credit creation by banks increases the supply of money increases & when credit creation is by bank decreases the supply of money decreases. When a person takes loan from bank then there is some small amount of deposit is required by bank from this small amount the bank gives loan to another person. Thus from this the bank give money on credit and they create by charging intrest on that loan. From every deposits the bank has to keep aside some proportion of money in the form of cash reserve which is known as CASH RESERVE RATIO.
6. Inter-banking transaction : short time credit provided by bank to another through the central bank bank is called as ‘call money’. The intrest rate on call money is called as ‘call money rate’.
7. Secondary/other functions of bank:
8. Agency and utility services
9. Provide various facialities with changing times: like RTGS(real time gross settelment),NEFT(national electronic fund transfer), CORE(centralized online real time exchange).
* Types of commercial banks : there are 4 types of commercial banks
1. Public sector comm. Banks
2. Private sector comm. Banks
3. Foreign (multinational)banks in India
4. Regional rural banks
* Central bank : acc to R.P.Kent defines a central bank “the institutions charged with the responsibility of managing the expansion & contraction of the volume of money in the intrest of the general public welfare”.
* RESERVE BANK OF INDIA (RBI)

 Under the RBI act of 1934, the RBI was established on “APRIL 1 1935” with a private paid up capital of “5 CRORES”. RBI was nationalised on “JANUARY 1 1949”.

* Monetary functions of RBI
1. Currency issue
2. Banker to the govt.
3. Bankers bank and lender of last resort:
4. Credit control
5. Custodian of foriegn exchange reserve
* Non- monetary functions of RBI
1. regulatory and supervisory function:
2. promotional functions
3. financial inclusion and development
4. awarness regarding banking
5. jan dhan yojna
6. consumer rights
7. banking related information
* monetary policy
1. quantitative changes:
2. Bank rate : the rate at which RBI lends to the commercial banks for long term is called as bank rate . in this there is less creation of money,low demand for goods and lower circulation of money in the economy.when the economy is under the grip of inflation , bank rate is increased to control inflation. The policy of keeping the bank rate very low is called cheap money policy.
3. Repo rate and reverse repo rate : when the commercial banks need money for a short period(like 1day,7 days , 15 days) they sell some securities which are held by them to RBI with a repurchase agreement at a particular rate, this rate is called as REPO RATE.

REVERSE REPO RATE means the agreed upon rate at which RBI repurchases its securities fron the commercial bank in the event when the RBI has to borrow short term funds from the commercial banks.

1. Stabilization under emergency situation: there is a special window for banks to borrow from RBI against approved govt securities in an emergency situation.this rate is higher than repo rate.
2. Cash reserve ratio(CRR): under the RBI act 1934, all commercial banks have to keep certain minimum CR with the RBI.CRR fulfills the need of a comfortable amt of cash reserves with the banking system, in case many customers start withdrawing their deposits and banks have to provide cash against their deposits.
3. Statutory liquidity ratio:
4. Open market operations(OMO’S): it refers to sale or purchase of govt securities /bonds by the RBI in the open market. Such operations are undertaken to regulate inflation and depression.
5. Sterilization of RBI a/c agains shocks asrising from increase & decrease in amount of foriegn exchange:
* Qualitative measure:
1. Security requirement
2. Margin requirement 3)ceiling credit 4)discriminatory intrest rate

Ch5 Poverty

* Meaning of poverty : A situation where a major portion of population cannot even satisfy their minimum requirement are said to be poor. If a larger population is living below the minimum rquired standard of living there exists wide spread poverty.
* Nature of poverty
1. Absolute poverty : the minimum expenditure or income required to satidfy the minimum requirements is known as absolutely poor. It is also known as complete poverty.
2. Poverty line: indian council of medical reasearch has decided that for ‘rural areas per person per day 2400 & 2100 for urban areas’. According to dandekar and rath, on the basis of 1960-61 ‘15RS per month as poverty line & 22.50RS for urban areas’ according to D.T.Lakdawala for the year 1993 ‘49RS per capita per mth. & 57RS for urban.
* State wise poverty in India

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| % of population below poverty line  | States |
| Below 10% | Goa,kerala,himachal pradesh,sikkim,punjab, andhra pradesh |
| 10 to 20%  | J&K,haryana,tamil nadu,gujarat,rajasthan,maharastra,tripura,nagaland,meghalaya |
| 20 to 30% | West bengal,mizoram,karnatak,UP |
| 30 to 40% | MP,assam,odisha,bihar,Aruranchal pradesh,manipur,jharkhand,chattisgarh |

* Indicators of poverty
1. Per capita household consumption expenditure: it is the amt of income a family spends on an avg on consumption of good and services.it is calculated on the market prices of durable goods.to calculate this ‘nations total expenditure on this goods upon total population’
2. Level of malnutrition: malnutrition is such situation in which the food taken by individual lacks Calaries,proteins,vitamins,etc.in India due to inequality of income of people they dont get nutritive food. Acc to data in ‘1990-92 there is 23.2% malnourished people is there& in 2014-16 it decreased to 15.2%.
3. Life expectancy & infant mortality rate: life expectancy means how a new born baby is going to live on an avg. . IMF means no. Of death taking place per thousand children born before completing the age of one year. Acc. To the data of 2014 ‘norway LE is 81.6 and IMF is 02,india LE is 68.0 and IMF is 39’
4. Medical facialities: India as compared to other countries lacks medical services. In Developing countries every 6000 population 1 doctor is available. Whereas in developing countries every 350 people 1 doctor is available. In developing countries every year 1.7 CRORE people die from diarrhoea,malaria,T.B in the world. 2.3 CRORE suffering from AIDS.
5. Drinking water : Health of population is very much connected to drinking water. Acco to census report 2011, in INDIA 63.3% families get pure drinking water,8.67% families gets untreated tap water& 26% of popn gets water from other sources.
6. Provision of toilets: acc to report of 2011

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| Total families | Toilets within house | House without toilet facialities |
| 100% | 66% | 34% |

1. Housing :one of the indicator of povertyis also housing facialities & its nature. Developing countries lacks housing facialities. People live in dirty hutments and slums. This is called as measurment of housing faciality. In INDIA ‘60CRORES’ people have dwellings which are dangerous for their health and risky for their lives.
2. Electricity consumption : it is the major factor in the development of any country. India is the main producer and consumer of electricity. Then also because of high population and low per capita income ,per person electricity consumption is less.
3. Education: Accorfing to world bank, people in the age of 15 those who can read and write are literate, and rest of all are illetrate and they are mostly poor. In 2011, ‘brazil had 91%’ where ‘india was 74.04%’, ‘pakistan was 55%’.
4. Unequal distribution of income and property: after 1991, economic reforms, economic growth and per capita income have increased sharply in india but due to unequal distribution of income, larger reduction in poverty.
5. High rate of unemployement: when people with working capacity & capacity to work at existing wage rate but did not get job is called as unemployed. Due to unemployemnt poverty increases. In INDIA till 2011 9% of unemployement is found.
* Causes of poverty
1. Historical reason’s:

* Causes of rural poverty :
1. Natural causes : in India major portion of population lives in village and is dependent on agriculture.
2. Demographic factors:
* Economic factors:
1. Low agriculture productivity per labour : One of the important reasons of high poverty in rural india is low agricultural productivity per labourer.
2. Unequal distribution of land and property : land is very important for cultivation. From british period of India, because of system like zamindari,land ownership was with the handful of zamindari.
3. Minimal development of small and cottage industry: the second five year plan importance.
4. Rapid increase in prices : price rise seriosely affects Poverty. Because of war,draught,low national production,etc.
5. High rate of unemployement: in India, major portioon of population is dependent on agriculture. Hence therr exists seasonal employement. In rural india , lack of development of allied industries are high responsible for high illetracy, low mobility of labour.
* Social reasons:
1. low level of education: it is one of the major reasons of poverty in INDIA is education, training and skills. Low level of education ,specially in rural areas, prevents them from gaining from the use of new technologies in agriculture,reasearrches,etc.
2. Gender inequalities : Society cares less about health of females, in INDIA. As a result, women face higher level of malnourishment, low weight & weakness. Apart from this, at workplace, females are paaid less than males.
* Other reasons:
1. War : due to war economic development slows down. If economic development remains low & problem of price rise takes place.
2. Increase in defense expenditure : several wars made the issue of security very tight. The expenditure on security is non-developmental in nature and it increases expenditure on defence.
3. Defective policies :
* Measures to reduce poverty:
1. To increase agricultural productivity: in india one of the basic reasons of povert is low agricultural productivity. With increase in agricultural productivity and income of agriculture labourer, poverty can be reduced.
2. Development of small scall industies : if small and cottage industries can be developed and encouraged then poverty can be reduced on a larger scale.
3. Dveloppment of unorganised sector : it includes vegetable vendors, masons,etc. To improve the condition of these workers National Commission has recommended to decide working condition .
4. Use of appropriate tax policy: govt uses tax policy to reduce inequalities of income and poverty by redistributing income.
5. Rise of human capital investment: developd nations can invest money on a larger scale on Education,skill development have very low level of unemployement. As a result poverty is less.
6. Goods and services at reasonable rates : to provide nutritivwe food and food security to poor people it should be made at reasonable rates which will reduce poverty.
* Emploement Programmes:
1. Self employent programme: during 6th five year plan, various agencies started different programmes for rural poor. All these programmes were merged with IRDP on 2nd october, 1980. The main objective of IRDP to encourage poor people for self employement so that they get more income. On 1st April ,1999 IRDP and other programmes had joined with it were merged and named as Suvarna Jayanti gram swarojgar yojna.
2. Wage employement scheme: these programmes are a part of strategy of poverty eradication and has multiple objectives. Under these schemes, infrastructural services developed in rural areas. It tries that labour should get proper salaries.
3. Prime Minister Rojgar yojana (PMRY): it is started for self employement with the objective of starting ventures to provide employement to educated unemployed.
4. National Rural Employement Gurantee Act,2005(NREGA) : its main objective is of creating assets through public construction activities and to provide employement to one person per family of minimum 100 days to rural and urban poor as well. In 2009, NREGA was reformed as ‘Mahatma Gandhi National Rural Employement Gurantee Act (MGNREGA).
* Housing schemes: in INDIA majiority of poor people dwell. In the year 1985-86, Indira Awas Yojna (IAY). Was started for poor people to improve their housing facialities. Due to increase in Dwelling in urban areas from 25th june, 2015 for urban Areas,Prime Minister Awas Yojna was started.
* Social security schemes: in INDIA for workers of unorganised sector from 9th may, 2015, Atal pension scheme was started it is paid to people above 60yrs.
* Jandhan yojna : to hit the root of poverty, Jan Dhan Yojna was introduced. This scheme was bean from 28th august, 2014 and on the very first day of this scheme, 1.5 CRORE A/C was opened. Till 8th january, the number increased to 12.58 CRORES where investment of 10,590 CRORE RS was generated.

Ch6 Unemployement

* Meaning of unemployement : Unemployement is a situation were a situation were a person is willing to work but doesnt get work.

According to prof. Pigou, “a person is said to be unemployed only when he is willing to work but it is not able to find work”.

* Nature of unemployement : it is given by Shri raj committe report in 2011-12
1. Time : if a person is willing to work but does not get the work more than 28 hours a week he is said to be intensievely unemployed.
2. Income : when a person gets very low income which cannot solve the problem of his povert then from incomr point of view he is poor.
3. Willingness : when a person is eligible of getting good job but he/she does not get job as per his/her eligibility and accepts lower cader job and gets less income.
4. Productivity : when a labourer is working with less than his actual productivity then production is less than his productivity capacity.
* Types of unemployement
1. Open unemployement: those individual who are ready to work at current wage rate rate and posses qualifications too , but do not get any job are said to be fully unemployed or openly unemployed. Open unemployement can be seen more among the age group of 15 to 25 years.
2. Under-employement: when labors cannot utilize their capabilities fully and for certain period accept less capable job is said to be unemployed. Ex. A labour working in industry gets work only for 5hours instead of 8 years.
3. Disguised unemployement: it also means ‘HIDDEN UNEMPLOYEMENT’. In any activity if too many persons are employed at the given level of technology, and when few persons are removed from the work , the total production does not change, then there exist disguised unemployement.
4. Cyclical unemployment : when an cycle is followed in the economy then there exist cyclical unemployement. Ex. Boom, depression in the economy.
5. Frictional unemployement: when in production process, because of changes in demand or production or new technology,new goods enter in the the market and unemployement arises, then this unemployement is frictional unemployement.
* Causes of unemployement: at the end of FIRST FIVE YEAR PLAN, 53 lac people were unemployed which incresed to 304 lac at the end of FIFTH FIVE YEAR PLAN & 348.5 lacs at the end of NINTH FIVE YEAR PLAN. The reasons for high unemployement ar3e high rate of increase in labour supply, slow rise in employement opportunities, low savings and investment and limitations of education system.
1. High rate of population growth: because of high rate of population, there is tremendous increase in size of population. According to an estimate, in India each year there is an increase in population by 1.70 crores which is more than total population of australia.
2. Slow rise in employement opportunities: Increase in employement and economic growth rate has strong relationship. In first three decades, India attained 3.5% of economic growth. This groth rate increased to 7.6% inn 10th five year plan & 7.8% in 11th five year plan but still number of unemployed kept increasing.
3. Low Rate Of Savings & Investment: Indian planning has incrased national income but simultanuously population growth is increased at a lower rate than national income. Due to this satisfying basic needs of burdensome population kept savings and investment at low rate. Because of low investment industries are not able to generate employement.
4. Capital intensive production technique:
5. Lack of vocational education : In India , One reason for a hogh educational unemployement is ineffective educational system. Those who wprk according to the changing working atmosphere in every sector, such type of workers are not created. With the objective of increasing economic growth rate, technology & mechanisation has been adopted by industries and agriculture. Hence, skilled laboures are few because of lack of vocational education.
6. Lack of manpower planning : In india during planning period manpower is not planned rightly. As they lack knowledge and training required in present economic development, they are unemployed even after being educated. This is direct result of lack of planning of human resource. In many cases, due to lack of employement opportunities the doctors and engineers with high degree,go to fpriegn countries bcoz of not getting suitable work in our country.
7. Inefficiency of public sector : after independence public sector was given more importance than private sector.as there is increase shown in the no. Of public sector and investment there of. Public sector was not able to genrate more employement bcoz of low productivity. Moreover, private sector development was neglected & so there was less employement generation.
8. Negligence towards agriculture sector: India is an agriculture country & most of the population. This population is dependent on agricultural for employement. But in India for economic development, more emphais is given to other sector. As agriculture was given less impotance, it could not develop.
9. Low mobility of workers : in many circumstances lack of mobilisation among labours, is also a reason for unemployement. But, people with higher education are not intrested in going to rural areas,backward areas even if they get employement.
10. Lack of infrastructural facialities: in rural areas because of infrastructural facialities, unemployement has become has became a major problem.
* Measures to reduce unemployement:
1. Population control : the high population growth rate of india has increased the problem of unemployement and made it more serious. Because of fast population growth labourers demanding job is increasing. If india, problem of unemployement is ti be solved then effective steps for population control must be taken. Because of population control resources will become surplus.
2. Increase in the rate economic development : one of the constructive solutions of reducing unemployement is by increasing the rate of development . in the intial years planning, rate of ED use to be as low as 3 to 3.5%.
3. Employent oriented planning : It is seen that during 2nd five year plan special importance was given to the development of public sector & as a key basic industries, capital intensive industries were developed . For that state has encourage consumer goods and labour intensive industries , small and medium scale industries and business trade, animal husbandary, dairy development . because of all these industries require less capital and generate more employement.
4. Employement oriented education : present education system only provides bookish knowledge and produce clerks. Thus they are not able to capable enough to get self employed. In order to change this situation , it is necessary to give vocal education in the field of trade,commerce,business& other fields.
5. Development of small and cottage industries : cottage and small scale sector have capacity to create employement with low capital investment.with similar to big industries if capital is invested then small industries can create 7.5 times more empoleyment than big industries. India is a capital scarce and labour intense country.
6. Extension of infrastructural activities : due to less infrastructural facialities in rural areas there is lee employment. If govt extend the services like education,health,housing,electricity,etc. Then with the help of local resources , employement can be made.
* State programme to solve unemployment:
1. MGNREGA (mahatma Gandhi national rural employment guarantee act) : on fabruary 2006, MGNREGA was started with the objective of providing employement to rural people residing in backward areas of country. Thus govt declared 2nd feb as “employement day” in this programme at least one person form the family will get employment for 100 days in a year. Whereas, 1/3 employement is reserved for women. Labour should given employement within 5KM from their residence. If it is more than that KM then govt should provide 10% of extra wage to the workers.
2. Pandit deendayal upadhyay shramatev jayate yojna : it is started on 16th October, 2014 with the objective to provide good health and medical services along with good management, skill development welfare to the labourers of unorganised sector.
3. Deendayal Upadhyay gramjyoti Yojna : it is started with an objective of providing 24x7 electricity services in rural areas.
4. Deendayal upadhayay gramin kaushal yojna : it is started on 25th September, 2014 with an objective of providing employement to youth b/w age 18 to 35.
5. Prime minister agricultural irrigation programme: it is started on 1st july, 2015 with an objective of “water to every field” to increase the productivity, optimum use of available resource.