

Tender Heart High School

Class: 10th
Economics
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Topic:- Labour

classmate
Date: 8/4/2024
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Ch-1 Factors of Production (from class 10th)

Good Morning Students, This lesson is of class 10th for the subject of Economics. The topic for today is 'labour' which is covered in Chapter 1 titled 'Factors of Production' of your book 'Economics' of class 10th.

This lesson is being submitted to you on 8.4.2024 and the voice is of Mr. Lokesh Arora.

All the students now pay attention.

Labour:-

In ordinary language, labour stands for the work done by manual workers i.e. those who work with their hands. It stands for the tasks performed by persons working in factories, workshops, mines, farms etc. In common language, labour stands for only 'unskilled labour', it excludes the work of clerks, officers, doctors, accountants etc. But in Economics

"labour consists of all human efforts of body or of mind which are undertaken in the expectation of reward".

2. Economists use the term 'labour' in a wider sense. In wider sense, labour includes all human efforts either physical or mental done with a view to earn income.

Essentials of labour:-

- (a) Only human effort is labour.
- (b) Labour may be both physical or mental.
- (c) Labour is undertaken in the expectation of a reward.

Classification of labour:-

On the basis of skill formation, labour can be grouped into three main categories.

- (i) Skilled labour:- Skilled labourers are those who have specialised training for a particular profession and also have long practical experience of the job. These workers are highly paid. Doctors, engineers, lawyers etc. fall under this category.
- (ii) Semi-skilled labour:- Semi skilled labourers are those who have only a part of professional training of their trade but have sufficient training of their trade. Carpenters, weavers, goldsmith etc. fall under this category. The semi-skilled workers are paid comparatively less than the skilled workers.
- (iii) Unskilled labour:- Unskilled workers are those who neither have any professional training nor having any practical experience. Labourers who are employed for construction of houses, roads etc. are some examples of unskilled workers. They are poorly paid as their number

is quite large in less developed countries like India.

Characteristics of Labour:-

Labour has some special characteristics which are not found in other factors of production. These are as follows:-

(i) Labour is Perishable:-

If a worker does not work on a particular day, his labour for that day is wasted. Labour is thus, perishable. Labour cannot be stored.

(ii) Labour is an active factor of production:- Land and capital are passive factors of production, but labour is an active factor of production. Without labour, other factors of production like land and capital, cannot produce anything.

(iii) Labour cannot be separated from labourer:- Land and capital can be separated from their owners but labour can not be separated from a labourer. The labourer will have to present himself at a place where work is going on. For example, it is not possible for a carpenter to make furniture while staying away from work.

(iv) Labourer sells his labour, not himself:- The labourer does not sell himself, he sells his labour only.

(v) Labour is Mobile:-

Labour is a mobile factor of production.

It can move from one place to another and also from one occupation to another.

(vi) Labour differs in Efficiency:-

All labourers are not equally efficient. Some labourers are more efficient due to their ability training and skill, whereas, others are less efficient on account of their illiteracy, ignorance etc.

(vii) Inelastic Supply of labour:-

The supply of labour is inelastic in a country at a particular time. It means its supply can neither be increased nor decreased.

(viii) Labour is both a means and an end:-

A labourer is both a means of production as well as the end of it. He produces goods and also consumes them.

(ix) Demand for labour is Derived:-

Labour is not directly demanded like goods and services for consumption. The demand for labour is derived. Labourers are demanded only when there is demand for the goods and services produced by them.

(x) Labour has less bargaining power:-

The bargaining power of the worker is low. This is so because of the following reasons

(a) Labour is perishable.

(b) Labourers are generally poor. Therefore,

worker considers it better to accept the low wage offered by the employer rather than go without work.

(c) There is lack of organisation among workers due to illiteracy and other reasons.

Difference between land and labour

- (i) Land is immobile while labour is mobile.
- (ii) Land is a passive factor of production while labour is an active factor of production.
- (iii) Supply of land is fixed while supply of labour is variable.

Importance of labour:

Labour plays a very important role in production. This becomes clear from the following facts:-

- (i) It is an active factor of production without whose cooperation land and capital cannot produce anything.
- (ii) Effective utilisation of natural resources also depends upon the quality of labour force of an economy.
- (iii) Labour is a main source of consumption. Consumption encourages investment and investment increases production.
- (iv) According to socialist economists, labour is the only source of wealth.

The entire wealth in a country is created by labour force.

In short, all fields of production i.e. agriculture, industries, trade, transport etc., requires sufficient, efficient and healthy workers. Labour is a living and active factor of production. Hence, it is the most important factor of production.

Students, before going further. I will ask you some questions. You may pause the audio for few minutes and write the answers in your note books.

Ques 1 What is semi-skilled labour?

Ques 2 Give two difference between land and labour.

Ques 3 Explain any two characteristics of labour.

Efficiency of labour:-

By efficiency of labour, we mean productive capacity of a worker. It indicates the capacity of a labourer to do more work as better worker or both during a given time period.

Factors Affecting Efficiency of Labour

(1) Racial and Hereditary Qualities:-

The efficiency of a worker to some extent depends upon the racial and hereditary qualities. If the parents are intelligent, hard-working, their children will normally inherit these qualities. For example, Kashmiri workers are traditionally trained in embroidery work.

(ii) Climate :- Climate conditions also affect the efficiency of labour. Hot climate as in India reduces the working capacity of a worker. On the other hand, in the countries having cold climate, labour can work for longer duration and hence, efficiency of labour will be more.

(iii) Standard of living :-

Better standard of living makes the labour mentally and physically sound, and therefore his efficiency increases.

(iv) Education and Training :-

Education is generally classified in two parts: (a) General Education (b) Technical Education. General education broadens the knowledge or outlook of labour. Technical education trains the labourer to do specialised jobs.

(v) Experience :-

Besides education, the experience of a worker makes him more efficient. His efficiency also goes on increasing as his practical experience increases.

(vi) Working Conditions :-

Better working conditions improve the efficiency of labour. If the labourer works at a place where he can have fresh air, safe drinking water, adequate light, his efficiency will be definitely more.

(vii) Level of wages :-

Level of wages is determined by efficiency of a worker. A higher wage increases the worker's standard of living.

and his efficiency.

(viii) Duration of Work:-

Long duration of work usually reduces a worker's efficiency. Workers get tired if they have to work for long hours.

(ix) Machinery and Equipment:-

The type of machines and tools used in a factory, also influences the efficiency of a worker. With the modern and advanced equipments, the working efficiency is more and the productive capacity increases.

(x) Moral Qualities:-

A worker's efficiency also depends upon his moral values. If he is dependable, responsible, honest and dutiful, his efficiency will be more.

(xi) Employer-Employee Relations:-

Efficiency of labour also depends upon the employer-employee relations. If the relations between the two are friendly and sympathetic, efficiency of labour will be high and vice-versa.

Causes of Low Efficiency of labour in India:-

It has been observed that the working efficiency of Indian labourers is much lower in comparison to those in developed countries like the USA, UK, Japan, Canada etc. The various causes behind low efficiency of Indian labour are as follows:-

(i) Hot Climate:- India is a subtropical

country and its climate is hot. This is the most important natural cause of low efficiency of Indian labour.

(ii) Low Wages:-

The wages of labour in general are low and so is the standard of living. Indian workers are poorly fed and ill-clothed. As such, the workers are not in a position to keep themselves physically and mentally fit. This in turn affects their efficiency.

(iii) Unhealthy Working Conditions:-

Indian workers have to work under very unhygienic conditions. Many factories in India have unhygienic conditions. The facilities of canteen, recreation and relaxation are also not provided. All these have adversely affected the efficiency of Indian workers.

(iv) Poor Technology:-

The machines are either outdated or of poor standard. Besides, frequent breakdown of machines and electricity, causes the downfall in the efficiency of Indian workers.

(v) Migratory Character:-

Indian workers are migratory in character. A very high proportion of workers usually come to work in factories from villages to urban areas when their agricultural activities are minimum. But when the agricultural activities start again, these

workers take leave or remain absent from work. This type of migratory character lowers the efficiency of workers to a large extent.

(vi) Education and Training:-

It is found that the Indian workers do not have proper education and training about the work. This lowers their efficiency.

Suggestions to Improve the Efficiency of Indian Labour:-

- (i) The payment of wages should be fair and prompt.
- (ii) Working conditions in the factories/work place should be improved.
- (iii) Social security measures such as insurance schemes, provident fund contributions, pensions, etc. should be introduced.
- (iv) Hours of work should not be more than 8 hours. Other facilities like holidays, leaves, etc, should also be provided.
- (v) Technical education facilities should be expanded to all categories of workers.

With this, I am ending my topic here. I will give you few questions. You are requested to write the answers in your note-books.

Que 1. Explain various factors affecting Efficiency of labour.

Que 2. Give some suggestions to improve the Efficiency of labour in India.