

Ch-1 Factors of Production (From Class 10th)

Good Morning Students

This lesson is of class 9th for the subject of Economics. The topic for today is 'Division of Labour' which is covered in chapter 1 titled 'Factors of Production' of your book Economics (Class 10th)

This lesson is being submitted to you on 15.04.2024 and the voice is of Mr. Lokesh Anare.

All the students now listen carefully.

Division of Labour:-

By Division of labour, we mean specialisation in work. Under it, the whole process to complete a work is divided into single sub-processes and each subprocess is assigned to one worker. The worker here would perform only that activity for which he is most suited. By doing same activity again and again, the worker becomes specialised in that work.

According to Prof. Adam Smith, "Division of labour is defined as a system whereby the operations necessary to make a finished product are so minutely divided that each worker performs one or at the most only a few operations."

Type of Division of Labour:-

(i) Product Based Division of Labour:-

When a person (or worker) specialises

In the production of a particular commodity or service, it is called product-based division of labour. It is also known as simple or occupational division of labour. This is division of labour by profession. Some are farmers, some are carpenters, others are blacksmiths, cobblers or washerman by profession. In skilled profession also, we find specialisation. One specialises as a doctor, another as a lawyer, another as teacher and so on.

(ii) Process Based Division of labour :-

In a modern economy, production of a good or service involves several processes and each worker specialises in one or two processes. This type of division of labour is termed as process-based division of labour or complex division of labour.

It requires the services of labour of varied abilities and skills.

Process based division of labour can be explained with the help of a simple example of a modern garment factory.

In it, one person takes the measurement, the other does the cutting, the third sews it and the fourth buttons it, the fifth irons it and so on. In the corporate sector or quasi-corporate sector, almost all producing units use process-based division of labour.

(iii) Horizontal Division of Labour:-

When the process of production is divided between different parts in such a way that the different parts of the process can run simultaneously, it is called horizontal division of labour between the stages of production. The different parts of an automobile can be manufactured simultaneously. The parts can be assembled together at the end.

Example:-

The division of work between the workers engaged in producing cars, is an example of horizontal division of labour.

(iv) Vertical Division of Labour:-

The successive stages of production of a commodity is called vertical division of labour. To produce cotton textile, raw cotton has to be transformed into yarn by spinning. Then, yarn can be woven into cloth. Spinning and weaving cannot be done simultaneously.

(v) International Division of Labour:-

No country can produce everything for its people. It produces only those goods and services which it finds advantageous to produce. It imports other goods and services from other countries. Therefore, different countries concentrate on the production of

different goods and services. This is called International Division of labour.

(vi) Division of labour within Country:-

Sometimes, due to some reasons, the production of certain goods takes place in a particular place or state. This particular type of division of labour is called Geographical Division of labour. For example, concentration of textiles in Bombay, jute industry in Bengal, and sugar industry in Uttar Pradesh are good examples of geographical division of labour.

Differences Between Product and Process Based Division of Labour

Basis	Product-Based Division of Labour	Process-Based Division of Labour
(i) Meaning	When a labourer does the entire process of production of a single good or service himself or collectively by the members of a family, it is called product-based division of labour.	When the process of production of a commodity is split up into different operations and each worker does one or a few operations, it is called process-based division of labour.
(ii) Specialisation	Here, the worker specialises in the production of a commodity or service.	Under it, the worker specialises in a particular process of the production of the commodity.
(iii) Nature	It is simple.	It is complex.
(iv) Basis	It is based on labour-intensive techniques of production.	It is based on capital-intensive techniques of production.
(v) Use	It is generally found in small enterprises.	It is generally found in large enterprises like corporate or quasi-corporate enterprises.
(vi) Example	Indian farmer doing all farm activities with the help of his family members collectively.	A modern garment factory where one person takes the measurement, another does the cutting, some sew the clothes, while a few workers button them and others iron them.

Advantages of Division of Labour:-

(i) Right Man at Right Job:-

Since work is divided into a number of parts or sub-parts, each worker can be given a job according to his taste and preference.

(ii) Increase in Efficiency of labour:-

When a worker does the same work again and again, he specialises in it. In this way, the division of labour leads to great increase in efficiency and hence production.

(iii) Saving of Time and Tools:-

Division of labour saves both time and tools. It reduces the time period required for completing the work. Likewise, there is better use of tools and equipments. For example, it is not necessary to provide each worker with a complete set of tools. He can be given only those tools that he requires.

(iv) Production of Superior Goods:-

The division of labour is beneficial in making goods of superior quality. When a worker is given a piece of work in which he is best suited, naturally he will produce superior quality goods.

(v) Inventions:-

There are more possibilities of inventions under division of labour. When a worker does the same work daily, he tries to simplify his process, and thereby, makes inventions possible. ⑤

(vi) Less Cost of Production:

Division of labour encourages production on a large-scale. As a result, many benefits of large scale production begin to emerge which thereby reduce cost of production. Thus, cheaper goods are made available to the consumers.

(vii) Increase in Mobility of labour:-

The division of labour facilitates greater mobility of labour. In it, production is divided into different parts and a worker becomes trained in that very specific task in the production of the commodity, which he performs again and again. He becomes professional which leads to occupational mobility.

(viii) Co-operation among workers:-

The work cannot be completed unless workers cooperate with each other. For example, a shirt cannot be buttoned until one worker stitches it. Division of labour thus develops a sense of cooperation among workers.

(ix) Advantages to the Society:-

Because of availability of a variety of goods at cheaper rates, the people of the society will have a better choice. Thus, it will improve the standard of living. Moreover more and more employment opportunities are generated as division of labour encourages production on a large scale. Even there is some work for the disabled. Disabled

Persons can find work according to their suitability. Division of labour causes rapid economic growth and the whole society is benefitted.

Advantages of Division of Labour — A Summary

To Producers	To Workers	To Consumers	To the Society
(i) Increases the size of production	Work according to choice	Availability of variety of goods at cheaper rates	More employment opportunities are generated
(ii) Increases quality of production	Efficiency of worker increases	Improvement in the standard of living	Less skilled and even disabled workers find some work
(iii) Reduces cost of production	Increase in employment opportunities		Increase in number of entrepreneurs
(iv) Greater possibilities of inventions	Increase in mobility of labour		Improved living standard
(v) Saving of time and tools	Formation of worker's union		Rapid economic development
(vi) Benefits in large-scale production			

Before going further, I will ask you few questions. Write the answers of following questions in your note-books

Ques 1. What is division of labour.

Ques 2. Give two difference between Product-based Division of labour and Process-based Division of labour.

Ques 3. Give two advantages of division of labour to the society.

Ques 4. What is Geographical Division of labour?

Disadvantages of Division of Labour:-

Division of labour has its adverse effects on workers as well as society as a whole. The main disadvantages are as follows:-

(i) Monotony of Work:-

Under Division of labour, a worker has to do the same job time and again for years together. Therefore, after sometime, the worker feels bored or the work becomes dull for him.

(ii) Lack of Responsibility:-

Division of labour means division of responsibility. One product is produced by many persons. If the quality of the product is not up to the mark, none can be held responsible.

(iii) Increased Dependence:-

When production is divided into a number of processes and each part is performed by different workers, it may lead to unnecessary dependence among workers. For example, in case of a readymade garment factory, if the cutter does not turn up to his work (cut the cloth), the work of stitching, buttoning, etc., will suffer.

(iv) One Sided Development:-

When the labourer is made to do only a part of the work, he does not possess complete knowledge of the work. Thus, the division of labour proves to be a

hurdle in the way of overall knowledge of production. If their services are not in demand, they may become unemployed.

(V) Lack of Mobility:

Under division of labour, a worker is trained only in a particular part of the total work. As a result, he cannot easily shift to other job and occupations. Thus, the worker finds difficulty in finding the same job in another factory when he is unemployed.

(vi) Fear of Overproduction:-

Under complex division of labour, production is undertaken on a large scale, thereby leading to the danger of overproduction in the market.

* Factors determining the extent of applicability of division of labour:-

Division of labour cannot be applied in every conditions. It can be adopted only when certain conditions are fulfilled. The main factors that determine the applicability of division of labour are discussed below:-

(i) Size of the Market:-

The extent to which division of labour can be adopted depends upon the size of the market for a particular product. If the product has limited market, it cannot be produced on large scale. Therefore only a few workers will be employed and hence the scope for division of labour will be limited.

(i) Attitude of Workers:-

If the workers involved in production are not cooperative and do not adjust for changes, division of labour will be limited.

(ii) Nature of the Product:-

Division of labour can only be adopted where the work can be split up into different parts and subparts. It cannot be useful for special type of works like art or fashion designing etc.

(iv) Availability of other factors of production:-

The availability of other factors of production also determines the extent to which division of labour is possible. If other factors of production (e.g. land and capital etc) are available only to a limited extent, the scale of output will be restricted. Under such circumstances division of labour becomes economically non-viable.

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.

Ques 1. Explain any two factors determining the extent of applicability of Division of labour.

Ques 2. Give two limitations of Division of labour.

Ques 3. Give two advantages of Division of labour to the workers.