

Sectors of Indian economy

→ Based on nature of work
 primary secondary tertiary

Based on employment
 organised unorganised

Based on ownership
 private public

economic activities - job that generate income

Classification based on work

- Primary - extraction of production of natural source
 Eg agriculture
- Secondary - manufacture process,
 Eg steel factory
- Tertiary - provide service, Eg Banking
- All 3 are interdependent
- industrial

GDP - Gross Domestic Product - Value of final goods and services produced in each sector during a particular year provides the total production of the society for that year - sum of production in 3 sectors gives GDP

Gross - includes all economic activities

Domestic - done only in India

Budget - Value of products and services in financial year
→ Central govt. ministry along with various departments calculate GDP

One way of calculating GDP

Technically

Qualified

Unskilled

Skilled

not much contribution to GDP

more contribution to GDP

Share of Sectors in Employment

	Primary	Secondary	Tertiary
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1971-72	71%	11%	18%
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2011-12	44%	25%	31%
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Primarily skill labour

- ↳ Though large employment → least contribution primary sector
- disguised unemployment
- labour & effort hasn't been fully used
- ↳ reasons in decline in contribution to GDP by primary
- division of land holdings
 - ↳ Small land less holding
 - no modern technique can be used
 - most farmers in debt - unable to cultivate more
 - Land degradation
 - may have moved out to seek work
 - globalisation - made farmers lose market

- ② How do reduce disguised unemployment
- improve irrigation → jobs will be there for whole year
- needn't leave the land fallow
- building irrigation canal also new job
- Railways - creating roads, transportation problem creates jobs

loading goods for transport - job

- Setting banks - get timely loans to be able to cultivate throughout the year - bank job also make
- Setting up storage centres - people need to manage
- Processing activities

- clearing of crops - creates job
- material or machinery
- setting up schools in rural areas creates employment, primary health care centers
- needs helping staff increase
- rural tourism

Mahatma Gandhi National Rural Employment Act
(NREGA 2005)

- 100 days of assured employment
- if not given employment in 15 days they are provided with unemployment allowances
- Reserved 1/3rd for women

Classification based on Condition of Employment

- a) Organised - people have assured work and terms of employment are regular; entitled for insurance, safety, pension etc, registered with govt.
 - b) Unorganised - consists of small and scattered; not in control of govt; under rules of employer, low pay, unsecured job, Eg - Agriculture, Construction
- Out of total workforce 17% organised and 83% unorganised in 2011

Organised

- regular salary
- job security
- factory rules
- registered with govt
- fixed working hrs
- extra benefits
- payed leave

Unorganised

- daily wage
- no job security
- no rules
- not registered
- no fixed working hrs
- no extra benefit
- no payed leave

How to protect workers in unorganised sector

- Govt to spend ₹ 5000 crores on skill development among unorganised sector workers
- Timely delivery of seeds } agriculture
- storage, loan facilities
- setting up markets
- timely raw materials - Urban
- better transport, road, market
- subsidies

Based on ownership

- Public sector - Activities owned by govt.
- Private sector - Activities owned by one or more individuals

Public
 → welfare of mass
 → owned by govt
 Eg Railway banks, BHIL

Private
 Profit oriented
 owned by individuals
 Private transport.

Q10 what do you understand by disguised unemployment?
 Explain with rural and urban examples

- Ans (i) Disguised unemployment is a situation wherein more than the needed number of people are employed in work
- (i) If a few workers are removed it won't affect production
 - (ii) Here, per labour effort is reduced, hence also underemployment
- b) (i) Rural example is when 10 farmers are doing work of 5 farmers
- (ii) Urban example is when more than required waiters are being employed

Q11 Distinguish

Ans Open unemployment

- a) case where people willing to work are not finding work
- b) not doing any work
- c) don't fit any ways
- d) Eg engine vehicles do find work

Disguised unemployment

- where more than required people are employed
- working less not a max effort
 - paid low wages
 - 10 people doing work of 5 people

a 12 Tertiary sector not playing any significant role in development of Indian economy - Do you agree

Ans a) No, I don't recall the contribution to GDP is very high from tertiary sector

b) Though employment isn't as much, the income is much higher; implying per person productivity is high

c) Reasons for this are

(i) demand for service gone up because increase in population

(ii) Development of primary/secondary - led to increase in

(iii) income rises, demand for more better services increase

(iv) coming up of new services has contributed to GDP

(v) Globalisation needs more transportation communication and other tertiary sector

Q 16 Compare employment conditions in organised and unorganised sector.

Ans

Organised

Unorganised

a) Organised is registered Unorganised is not registered with govt.

b) An employee has job security There is no job security as can be find at any time

c) Workers are paid regularly workers are paid daily without

d) Employees receive labour benefits Employees don't get labour benefit

Q17 Explain Objectives of NREGA at 2005

Ans The main objects are

- providing hundred days of employment
- If they are not given job within 15 days they are entitled to unemployment allowance
- 1/3 of job are reserved for women

Q18 Give 5 examples of public sector activities and explain why the Govt has taken them up

- Ans a) Govt. produces and supplies election cities at low rates because if private sector was to produce it the prices will be unaffordable to the industries
- b) The Govt. buys rice and wheat from farmers at a fair price and sells it at lower price at ration shop so that even the poor can afford them
- c) Govt. own the railways so that everyone can use it at normal price and poor also can afford it
- d) The Govt. also run public schools for free so that even the poor can afford education
- e) The public sector institutions also provide free health care so that everyone can be treated