

Chapter 2

Sectors of the Indian Economy

Let's Work these Out-Pg-21

Q.1 Complete the given table to show how sectors are dependent on each other.

| Example | What does this show ? |
|--|--|
| Imagine what would happen if farmers refuse to sell sugarcane to a particular sugar mill. The mill will have to shut down. | This is an example of the secondary or industrial sector being dependent on the primary, |
| Imagine what would happen to cotton cultivation if companies decide not to buy from the Indian market and import all cotton they need from other countries. Indian cotton cultivation will become less profitable and the farmers may even go bankrupt, if they cannot quickly switch to other crops. Cotton prices will fall. | |
| Farmers buy many goods such as tractors, pump sets, electricity equipments, pesticides and fertilizers. Imagine what would happen if the price of fertilizers or pump sets go up. Cost of cultivation of the farmers will rise and their profits will be reduced. | |
| People working in industrial and service sector need food. Imagine what would happen if there is a | |

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| <p>strike by transporters and lorries refuse to take vegetables, milk, etc. from rural areas.</p> <p>Food will become scarce in urban areas whereas farmers will be unable to sell their products.</p> | |
|--|--|

Ans.:

| Example | What does this show ? |
|--|---|
| Imagine what would happen if farmers refuse to sell sugarcane to a particular sugar mill. The mill will have to shut down. | It shows that secondary sector is being dependent on the primary sector. Secondary sector is also known as industrial sector. |
| Imagine what would happen to cotton cultivation if companies decide not to buy from the Indian market and import all cotton they need from other countries. Indian cotton cultivation will become less profitable and the farmers may even go bankrupt, if they cannot quickly switch to other crops. Cotton prices will fall. | It shows that how the primary sector is dependent on the secondary or industrial sector. |
| Farmers buy many goods such as tractors, pump sets, electricity equipments, pesticides and fertilizers. Imagine what would happen if the price of fertilizers or pump sets go up. Cost of cultivation of the farmers will rise and their profits will be reduced. | It shows the examples of the primary sector as agriculture is categorized under this sector which is dependent on the secondary sector under which industry is categorized. |
| People working in industrial and service sector need food. Imagine | Here it shows that how the primary sector is being dependent on the |

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|--|--|
| <p>what would happen if there is a strike by transporters and lorries refuse to take vegetables, milk, etc. from rural areas.</p> <p>Food will become scarce in urban areas whereas farmers will be unable to sell their products.</p> | |
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Q.2 Explain the difference between primary, secondary and tertiary sectors using examples other than those mentioned in the text.

Ans.: The difference between different types of sectors is as follows:

| Primary Sector | Secondary Sector | Tertiary Sector |
|--|--|--|
| (i) This sector is concerned with the extraction and production of various types of natural resources. | This sector consists of the materials which are already being extracted at the primary stage and gets processed. | This sector deals with the various support services which are concerned to primary and secondary sector. |
| (ii) For example-Mining, poultry, agriculture. | For example-Making jewelry from Gold. | For example-insurance. |

Q.3 Classify the following list of occupations under primary, secondary and tertiary sectors:

- Tailor
- Workers in match factory
- Basket weaver
- Money lender
- Flower cultivator
- Gardener
- Milk vendor
- Potter

- Fishermen
- Bee-keeper
- Priest
- Astronaut
- Courier
- Call centre employee

Ans.: Above mentioned occupations are categorized as follows...

| Primary Sector | Secondary Sector | Tertiary Sector |
|-------------------|--------------------------|----------------------|
| Flower cultivator | Basket weaver | Tailor |
| Fishermen | Workers in match factory | Milk vendor |
| Gardener | Bee-keeper | Priest |
| Potter | | Courier |
| | | Money lender |
| | | Astronaut |
| | | Call centre employee |

Q.4 Students in a school are often classified into primary and secondary or junior and senior. What is the criterion that is used? Do you think this is a useful classification? Discuss.

Ans.: Students in a school are often classified into primary and secondary or junior and senior. This is the criteria which are used to easily identify the standard of a student, whether to identify the standard of a student or to know about his nature towards other students and teachers or to know the students' knowledge. So these are the few basics on which students are classified into different categories or classes. There is no any kind of Casteism it's just the way to know which student is senior or junior which is average, which is topper or which one is at the low level.

And yes, in my opinion this kind of classification is useful as it is not possible to classify them all on the basis of their age.

Let's Work these Out-Pg-23

Q.1 What does the history of developed countries indicate about the shifts that have taken place between sectors?

Ans.: The history of developed countries indicate about the shifts that have taken place between sectors that from then to now there has been a major shift from the secondary sector which means manufacturing industries to the tertiary sector or service sector, which has become the most important sector of the country's economy and most number of people are employed in this sector in the developed countries which means a lot of changes can be noticed if we look up at history once.

Q.2 Correct and arrange the important aspects for calculating GDP from this jumble.

To count goods and services we add the numbers that are produced.

We count all those that were produced in the last five years.

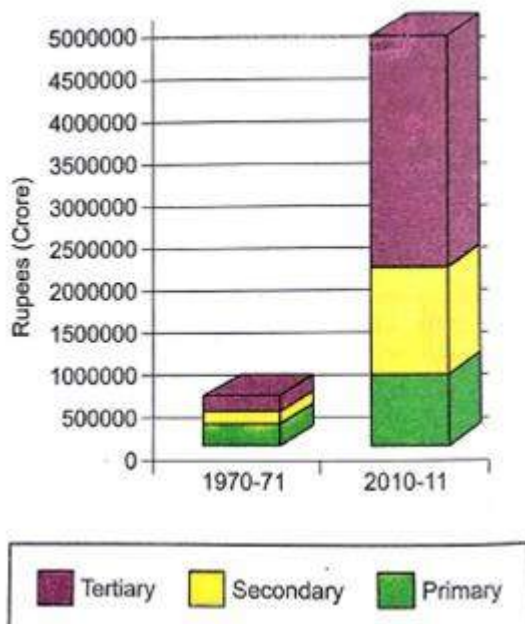
Since we shouldn't leave out anything we add up all these goods and services.

Ans.: We count the value of all the final goods and services that were produced in a particular year. Gross domestic product itself shows that what is the flow of goods and services in a financial year in an economy. And to calculate GDP it's necessary to count all the final goods and services which are produced in a particular year.

Let's Work these Out-Pg-24

Q.1 Answer the following questions by looking at the graph

Graph 1 : GDP by Primary, Secondary and Tertiary Sectors



- (i) Which was the largest producing sector in 1971-72?
- (ii) Which is the largest producing sector in 2011-12?
- (iii) Can you say which sector has grown the most over, forty years?
- (iv) What was the GDP of India in 2011-12?

Ans.:

- (i) In 1971-72 the largest producing sector was primary sector.
- (ii) In 2011-12 the largest producing sector is tertiary sector.
- (iii) The tertiary sector has grown the most over forty years.
- (iv) The total GDP of India in 2011-12 was 2,10,000 crore rupees.

Let's Work these Out-Pg-27

Q.1 Complete the table using the data given in Graphs 2 and 3 answer the question that follows.

| TABLE 2.2 SHARE OF PRIMARY SECTOR IN GDP AND EMPLOYMENT | | | |
|---|---------|---------|---------|
| | 1971-72 | 1972-73 | 2011-12 |
| Share in GDP | | | |
| Share in employment | | | |

What are the changes that you observe in the primary sector over a span of thirty years?

Answer :

Graph 2: Share of Sectors in GDP (%)

| TABLE 2.2 SHARE OF PRIMARY SECTOR IN GDP AND EMPLOYMENT | | | |
|---|---------|---------|---------|
| | 1971-72 | 1972-73 | 2011-12 |
| Share in GDP | 40% | 49% | 12% |
| Share in employment | 0% | 74% | 49% |

From the table it can be noticed that the share in GDP has reduced drastically from 40% to 12%, as it was 40% in 1971-72 then it increased 9% in 1972-73 and in 2011-12 it has become 12% only. And the share in employment was 0% in 1971-72 and in 1972-73 it has increased upto 74% after that in 2011-12 again it reduced and came down as it remained 49% only.

Q.2 Choose the correct answer:

Underemployment occurs when people:

- A. Do not want to work
- B. Are working in a lazy manner
- C. Are working less than what they are capable of doing
- D. Are not paid for their work

Ans.: It is very clear that underemployment occurs when various people are working less than what they are capable of doing. It is also known as hidden unemployment because of no job opportunities people are unable to find the other job and the place where they are working is already full of employees so there is no need of other employees still these people who don't have any other works are engaged in this.

Q.3 Compare and contrast the changes in India with the pattern that was observed for developed countries. What kinds of changes between sectors were desired but did not happen in India?

Ans.: Secondary and tertiary sectors are increasing at a rapid speed and especially tertiary sector is increasing and its contribution in developing the economy of our country has been more always. It renders many job opportunities so that people are able to earn their livelihood. If India wants to become a strong industrialized nation then not the growth of only tertiary sector but all sectors must be grown at equal rate so that it can work properly for a better and bright economy.

Q.4 Why should we be worried about underemployment?

Ans.: We should be worried about unemployment because if there is no job then how will people survive. Our nation will become poorer and will

never be grown at any cost. It is said that if we want a strong and bright future then base must be strong and hard so that no can harm it any cost. So, if there is no employment then how will people be able to get the education and how will they serve their economy and besides this there are many more reasons that we must be worried about unemployment. Only because of employment a person is able to serve and survive without this nothing will be possible.

Let's Work these Out-Pg-29

Q.1 Why do you think NREGA 2005 is referred to as 'Right to Work'?

Ans.: National Rural Employment Guarantee Act 2005 was launched by the government to provide job opportunities so that people might be able to earn their livelihood. It guarantees at least 100 days work for one member of each family. This program fulfills one of the fundamental rights as per the Constitution and the right is 'Right to work'.

Every citizen of a country has the right to work and if government is unable to provide more and more job opportunities then it will have to pay daily wages especially to those sections of society who are impoverished. This is why this programme is called 'Right to Work'.

Q.2 Imagine that you are the village head. In that capacity suggest some activities that you think should be taken up under this Act that would also increase the income of people? Discuss.

Ans.: Activities are as follows..

(i) Water conservation and water harvesting is the most important things that must be included under this Act.

(ii) To stop the problem of drought tube wells must be dug.

- (iii) To irrigate the canals for crops irrigation panels must be set up.
- (iv) To make provision of irrigation facility on the lands of SCs and STs and others.
- (v) Renovation of traditional water bodies like tanks.
- (vi) Land must be developed for agriculture and horticulture.
- (vii) To control flood and to protect from any such disasters check dams must be constructed.
- (viii) To improve rural connectivity and to provide all weather access to the villages roads must be constructed.

Q.3 How would income and employment increase of farmers were provided with irrigation and marketing facilities?

Ans.: (i) All the farmers require transporting their products to a nearby town for sales and if the government invests money in transportation and storage of crops or for the betterment of rural roads so that mini trucks and other vehicles can reach everywhere.

(ii) If any dam is constructed and canals are dug to solve the issue of irrigation then the agricultural land could lead to a lot of employment generation within the agricultural sector itself.

Q.4 In what ways can employment be increased in urban areas?

Ans.: To increase the employment opportunities in urban areas:

(i) It is necessary to invest in the basic industries so that more and more people should be employed.

(ii) To improve the local and inter city transportation which will increase the number of people working in the transportation industry.

(iii) Increasing of vocational education courses which will increase the job opportunities in other ways also due to which people can easily educate themselves for the vocation jobs.

(iv) By giving incentives the capacity of industry in the urban areas employment opportunities can be increased.

Let's Work these Out-Pg-31

Q.1 Look at the following examples. Which of these are unorganized sector activities?

(i) A teacher taking classes in a school.

(ii) A head load worker carrying a bag of cement on his back in a market.

(iii) A farmer irrigating her field.

(iv) A doctor in a hospital treating a patient.

(v) A daily wage labourer working under a contractor.

(vi) A factory worker going to work in a big factory.

(vii) A handloom weaver working in her house.

Ans.: Unorganized Sector's example is as follows..

(ii) A head load worker carrying a bag of cement on his back in a market.

(iii) A farmer irrigating her field.

(v) A daily wage labourer working under a contractor.

(vii) A handloom weaver working in her house.

Q.2 Talk to someone who has a regular job in the organized sector and another who works in the unorganized sector. Compare and contrast their working conditions in all aspects.

Answer :

The comparison of Working Conditions in the Organized and Unorganized Sectors is as follows:

| Organized Sector | Unorganized Sector |
|---|---|
| a) In organized sector workers work for fixed hours every day. In case of extra hours they are paid extra as per their work. | In unorganized sector workers have no fixed working hours but comparatively they work more than the workers of organized sector. |
| b) Salary is distributed on the monthly basis, usually on a fixed day of every month and there is no any kind of deduction for taking weekly leave. | Salary is paid on daily basis and sometimes not paid as they don't follow any rules and there is no any kind of weekly leave provided. |
| c) An appointment letter is given at the time of joining which states all the terms and conditions of work and company. | There is no any such kind of appointment letter and that is the reason they lose their employment without being given any advance notice. |
| d) Provident fund, gratuity, medical benefits and many more facilities are provided | No facilities are provided even all the workers work at risk. |

Q.3 How would you distinguish between organized and unorganized sectors? Explain in your own words.

Ans.: Difference between organized sector and unorganized sector is as follows:

| Distinction | Organized Sector | Unorganized Sector |
|--------------------------------|--|--|
| What it means | Regular working hours and weekly off. | It has generally small units and businesses and shops etc. |
| Rules and Regulations Followed | All the rules are followed set up by the government. | No any rules are followed although these are set up by government for them as well as for organized sector. |
| Nature of Work and Employment | Work is normal and assured for long time and employees can't be expelled without any genuine reason. | No any reason is necessary for expelling the employee from the work. They can be expelled at any point of time without any notice. |
| Examples | A worker in a large factory and a clerk in an office. | Daily wage labourer or worker in a shop and a handloom weaver. |

Q.4 The table below shows the estimated number of workers in India in the organized and unorganized sectors. Read the table carefully. Fill in the missing data and answer the questions that follow.

| Sector | Organised | Unorganised | Total |
|-----------|-----------|-------------|-------|
| Primary | 1 | | 232 |
| Secondary | 41 | 74 | 115 |
| Tertiary | 40 | 88 | 172 |
| Total | 82 | | |

| | | | |
|------------------------|--|--|------|
| total in percentage | | | 100% |
|------------------------|--|--|------|

- What is the percentage of people in the unorganized sector in agriculture?
- Do you agree that agriculture is an unorganized sector activity? Why?
- If we look at the country as a whole, we find that.....of the workers in India are in the unorganized sector. Organized sector employment is available to only about.....of the workers in India.

Ans.: (i) The percentage of people in unorganized sector in agriculture is zero because as the proportion of agriculture sector people out of total number of people in unorganized sector is not mentioned over there so it means that the percentage is considered zero. Also we can consider that people were not engaged in agriculture at that time.

(ii) Yes, it can be said that agriculture in our country is an activity of the unorganized sector and the reasons are:

(a) People engaged in agriculture are not paid properly and not even on regular basis which is the first negative point.

(b) In the agriculture sector there is the issue of underemployment. More than required people are engaged in this sector.

(c) Farmers are dependent on moneylenders and relatives for their loan requirements.

(iii) If we look at the country as a whole, we find that 93% of the workers in India are in the unorganized sector. Organized sector employment is available to only about 7% of the workers in India.

Exercises

Q.1 Fill in the blanks using the correct option given in the bracket:

- (i) Employment in the service sector _____ increased to the same extent as production. (Has/has not)
- (ii) Workers in the _____ sector do not produce goods. (Tertiary/agricultural)
- (iii) Most of the workers in the _____ sector enjoy job security. (Organized/unorganized)
- (iv) A _____ proportion of laborers in India are working in the unorganized sector. (Large/small)
- (v) Cotton is a _____ product and cloth is a _____ product. (Natural/manufactured)
- (vi) The activities in Primary, secondary and tertiary sectors are _____ (Independent/Interdependent)

Ans.:

- (i) Has not
- (ii) Tertiary
- (iii) Organized
- (iv) large
- (v) Natural; manufactured
- (vi) Interdependent

Q.2A Choose the most appropriate answer:

The sectors are classified into public and private sectors on the basis of:

- A. Employment conditions
- B. The nature of economic activity
- C. Ownership of enterprises
- D. Number of workers employed in the enterprise

Ans.: The sectors are classified into two types which are named as private and public sectors. This classification is made on the basis of ownership of enterprises. Private sectors are those sectors which is the part of the economy, and sometimes known as the citizen sector also, which is run by private individuals or groups, usually as a means of enterprise for profit, the private sector is run by private individuals or groups specially for the means of profit and is not controlled by the state and on the other hand public sector works for social welfare keeping profit at a side it serves the people in many ways.

Q.2B Choose the most appropriate answer:

Production of a commodity, mostly through the natural process, is an activity in _____ sector.

A. Primary

B. Secondary

C. Tertiary

D. Information technology

Ans.: Production of a commodity, mostly through the natural process is an activity in primary sector. As we all know there are three sectors in an economy named as primary, secondary and tertiary. Basically primary sector belongs to the sector where agriculture is the very first activity we notice always. Products which are used here are milk, minerals and ores which are natural. These products become the cause of production of any commodity.

Q.2C Choose the most appropriate answer:

GDP is the total value of _____ produced during a particular year.

- A. All goods and services
- B. All final goods and services
- C. All intermediate goods and services
- D. All intermediate and final goods and services.

Answer: GDP or Gross Domestic Product is the total value of goods produced and services provided in a country during one year and is used to measure a country's economy. The data is collected by the Central Statistics Office (CSO) that falls under the leadership of the Ministry of Statistics and Program Implementation.

Q.2D Choose the most appropriate answer:

In terms of GDP the share of tertiary sector in 2003 is _____

- A. Between 20 per cent to 30 per cent
- B. Between 30 per cent to 40 per cent
- C. Between 50 per cent to 60 per cent
- D. 70 per cent

Ans.: In terms of GDP the share of tertiary sector in 2003 is 50% to 60%. Tertiary sector is also known as service sector as it provides services to population. It employs many different kinds of people. At one hand it limited number of services that employ highly skilled and educated workers and at the other hand large number of workers are engaged in services such as small shopkeepers, repair persons, transport persons, etc. In the year 2003, the tertiary sector has emerged as the largest producing sector in India replacing the primary sector.

Q.3 Match the following:

| Problems faced by farming sector | Some possible measures |
|---|---|
| 1. Unirrigated land | (a) Setting up Agro-based mills. |
| 2. Low prices for crops | (b) Cooperative marketing societies |
| 3. Debt burden | (c) Procurement of food grains by government |
| 4. No job in the off season | (d) Construction of canals by the government |
| 5. Compelled to sell their grains to the local traders soon after harvest | (e) Banks to provide credit with low interest |

Ans.:

The correct match of the above is as follows:

| | |
|---|---|
| 1. Unirrigated land | d) Construction of canals by the government |
| 2. Low prices for crop | (c) Procurement of food grains by government |
| 3. Debt burden | (e) Banks to provide credit with low interest |
| 4. No job in the off season | (a) Setting up Agro-based mills |
| 5. Compelled to sell their grains to the local traders soon after harvest | b) Cooperative marketing societies |

Q. 4 Find the odd one out and say why.

(i) Tourist guide, dhobi, tailor, potter

(ii) Teacher, doctor, vegetable vendor, lawyer

(iii) Postman, cobbler, soldier, police constable

(iv) MTNL, Indian Railways, Air India, SAHARA Airlines, All India Radio

Ans.: (i) Among these four occupations tourist guide is the odd one because dhobi, tailor, potter all these three belong to private sector they do their work for profit only and can start working at any point of time and anywhere even at small scale but for a tourist guide these things are not that easy and first of all a tourist guide is appointed by the government and he serves the foreigners and but do not work just for profit.

(ii) Among these persons teacher, doctor, vegetable vendor, lawyer vegetable vendor is the odd one because to be a teacher, doctor, lawyer you must have skills and education which will be helpful in your in establishing your career as these occupations but for vegetable selling education does not matter that much because an uneducated person can also sell vegetables and all what it needs just good communication and calculation which depends on environment and not that big deal.

(iii) Among postman, cobbler, soldier, police constable, the cobbler is odd one because the profession of a cobbler belongs to public sector and at the same time it belongs to illiterate community and impoverished people. But on the other side postman, soldier, police constable these are the people who belong to literate community and basically they are from good family background not that much poor and bad.

(iv) Among these companies named as MTNL, Indian Railways, Air India, SAHARA Airlines, ALL India Radio, the odd one is SAHARA Airlines. Because it is a private enterprise while others are owned by the government.

Q.5 A research scholar looked at the working people in the city of Surat and found the following:

| Place of work | Nature of employment | Percentage of working people |
|---|----------------------|------------------------------|
| In offices and factories registered with the government | - | 15 |
| Own shops, office, clinics in market places with formal license | - | 15 |
| People working on the street, construction workers, domestic workers | - | 20 |
| Working in small workshops usually not registered with the government | - | - |

Ans.:

In unorganized sector in the city the percentage of workers is 70%. And unorganized sectors are those under which people working on the street, construction workers, domestic workers, people working in small workshops usually not registered come .

The complete table is as follows:

| | | |
|--|-------------|----|
| Own shops, office, clinics in market places with formal license | Organized | 15 |
| People working on the street, construction workers, domestic workers | Unorganized | 20 |

| | | |
|---|-------------|----|
| Working in small workshops usually not registered with the government | Unorganized | 50 |
|---|-------------|----|

Q.6 Do you think the classification of economic activities into primary, secondary and tertiary is useful? Explain how?

Ans.: Yes in my opinion the classification of economic activities into primary, secondary and tertiary sectors is very useful because classification will help us in identifying which activity is related to which sector. And besides this there are several reasons as follows:

- a) The very first point which will be known that how many people and where are they employed in any country.
- b) If development will be seen only in tertiary sector then it means that agriculture which is related to primary sector is deducting day by day and by noticing the rise and fall in both sectors government will be able to take strong action towards the improvement wherever it is required.

This is why to improve the sectors and to run the economy smoothly and for best administration and development, classification of economic activities is necessary.

Q.7 For each of the sectors that we came across in this chapter why one should focus on employment and GDP? Could there be other issues which should be examined? Discuss.

Answer: There are different reasons to support that one should focus on employment and GDP:-

(a) If we focus on employment and GDP then size of a country's economy can be determined easily.

(b) To easily determine the other issues about economy Per Capita Income and Productivity are very important things to know about in detail, which can be calculated by focusing on employment and GDP.

Q.8 Make a long list of all kinds of all kinds of work that you find adults around you doing for a living. In what way can you classify them? Explain your choice.

Ans.: There are several kinds of work in which people are engaged living in our society. Their jobs can be classified as follows:

| Jobs | Sectors |
|------------------|------------------|
| Teacher | Organized sector |
| Doctor | Organized sector |
| Vegetable Vendor | Public Sector |
| Lawyer | Organized sector |
| Postman | Organized sector |
| Soldier | Public Sector |
| Police Constable | Public Sector |
| Tourist guide | Organized sector |
| Dhobi | Public Sector |
| Tailor | Public Sector |

Q.9 How is Tertiary sector different from other sectors? Illustrate with a few examples.

Ans.: The main thing is that tertiary sector is also known as service sector. The difference is that tertiary sector is different from other sectors because

it supports the process of production but does not produce goods. Also it covers the many more area which comes under unemployment.

All activities generate employment rather than goods which is the reason that tertiary sector is called service sector and it helps in the development of primary and secondary sector.

For example- Transportation, Storage, Communication, banking etc. are the examples of this sector because instead of producing products it produces employment which helps in the development of other sectors also.

Q.10 What do you understand by disguised unemployment? Explain with an example each from the urban and rural areas.

Ans.: Disguised unemployment refers to a kind of employment where people engaged in a work more than requirement. It is also known as hidden unemployment because we can't see the people employed here are more than required. The situation of disguised unemployment basically arises when more and more people start working at the place where there is less need of more workers.

For example: It can be observed in the rural areas where all the members of a family of a farmer are working in a farm where only 3 members are required but 6 members are working in that field which means the other 3 person working in that farm are unemployed which will be categorized under disguised unemployment. The reason behind their working in the same farm is lack of jobs in urban areas as well as in rural areas. In urban areas also disguised unemployment can be seen in the service sectors.

Q.11 Distinguish between open unemployment and disguised unemployment.

Ans.:

| Open unemployment | Disguised unemployment |
|--|---|
| Open employment refers to the situation in which an individual has no job and unable to earn his livelihood. | (i) Disguised unemployment refers to the situation in which people work at a place where there is no more people are required. The situation in which people are apparently working but all of them are made to work less than their potential. |
| This Open unemployment is Clearly visible. | This unemployment is hidden. |
| People's unemployment will affect the production of goods and services in an economy. | People's unemployment won't affect the production of good and services because here already more than requirement of people are working so if they leave that's not a big deal. |

Q.12 “Tertiary sector is not playing any significant role in the development of Indian economy.” Do you agree? Give reasons in support of your answer.

Ans.: We do not agree with this statement because the tertiary sector has become the most critical sector of our economy concerning both employment and GDP. This sector contributes around 60% off our GDP and more than 25% of our population is engaged in this sector. The tertiary sector will further grow because of the rise in income and demands of the people.

Q.13 Service sector in India employs two different kinds of people. Who are these?

Ans.: As we all know that service sector is also known as tertiary sector. And tertiary sector employs more and more people. It employs two different kinds of people and one of them is the workers that are well educated and highly skilled. And the other is the workers who are engaged in services such as small shopkeepers, mechanics, transport, persons, etc. And these poor people barely get the time to manage their own livelihood.

Q.14 Workers are exploited in the unorganized sector. Do you agree with this view? Give reasons in support of your answer.

Ans.: Yes, we do agree with this view that workers are exploited in the unorganized sector. The following reasons support the answer:

- 1) In this sector, there are small and scattered units which are out of control of the government. Certain rules and regulations are set up by the government, but none follow the rules. People are compelled to work and not even paid on time.
- 2) Workers generally have fixed working hours of 10-12 hours. But, they are given fewer wages and are also not paid for the overtime hours.
- 3) There is no job security and people can be asked to leave their jobs anytime.
- 4) Workers do not get any allowances apart from the fixed wages.
- 5) Usually, they are in heavy debts, and there are no such provisions in their support.

Q.15 How are the activities in the economy classified on the basis of employment conditions?

Ans.: In the economy, activities are classified on the basis of employment in following way:

a) Organized sector: This sector refers to the sector where the terms of employment are regular and people have assured work. In this sector all the occupations are registered by the government and followed the rules set up by them. Workers of organized sectors enjoy security of employment.

b) Unorganized sector: This sector refers to the small and scattered units which are largely outside the control of the government. Rules in this sector are set up by the government as in organized sectors but these rules are not followed by any of workers in this sector.

Q.16 Compare the employment conditions prevailing in the organized and unorganized sectors.

Ans.:

| Organized sector | Unorganized sector |
|---|--|
| (i) In this sector the terms of employment are regular and people | (i) In this sector the terms of employment are regular but people are never sure for their work, they can be expelled from the job at any point of time. |
| (ii) These sectors are officially registered by the government and they have to follow these official rules which are provided in various laws such as the factories act, minimum wages act, etc. | (ii) In this sector registration of any is mandatory. They don't have to follow any rules and regulations which are set up by the government. |
| (iii) This sector has formal procedures to follow. | (iii) This sector has no formal procedures to follow. |

| | |
|---|---|
| (iv) The workers work only for the fixed time, and if they work more they are paid more. | (iv) No time is fixed and even they don't get the payment of their labour on time. |
| (v) Besides their earning various kinds of bonus from the employers like paid leave, payment during holidays, provident fund, pensions, gratuity, medical benefits etc. | (v) No provisions for overtime, no paid leave, holidays, leave due to sickness etc. |

Q.17 Explain the objective of implementing the NREGA 2005.

Answer: NREGA is National Rural Employment Guarantee Act which is an Indian labour law and social security measure that aims to guarantee the right to work. And the main objective of implementing the NREGA is that all the people who are capable of and in need of work will get guaranteed 100 days' work and in case if the government fails to do so, then the government will give unemployment allowances to them. Such kind of work would greatly help in future to enhance the production from land will be given preference under this act. The act was implemented in 330 districts of India's as the Right to Work.

Q.18 Using examples from your area compare and contrast the activities and functions of private and public sectors.

Ans.: If we talk about public sector then in this the government owns most of the assets and gives all the services to public for example there is a government school in our locality and the activities of that school like children go for tours whether it is domestic or international all the expenses are done by government and students are honored by scholarships and many more things. But at the same time I noticed a hospital in the same locality and that hospital is private, there is no role of government in that hospital everything is a private asset of that hospital's owner. And the charges are very high sometimes patients can't afford. So,

private sector's ownership, assets and delivery of services are in the hands of the private individuals or companies.

Q.19 Discuss and fill the following table giving one example each from your area.

Ans.:

| | Well-managed organisation | Badly-managed organisation |
|----------------|---------------------------|----------------------------|
| Public sector | MTNL | Air India |
| Private sector | Reliance Mobile | Satyam |

Q.20 Give a few examples of public sector activities and explain why the government has taken them up.

Ans.: Public sector activities include provision of water, electricity and some modes of transport. Government has taken up them as if we look the most important needs of human then water and electricity are the basic ones. If these works like providing electricity and water is left to private enterprises, the later might exploit this opportunity and these at rates which the masses cannot afford. So, to fulfill the basic needs of humans including water and electricity the government of our country supplies these things at very low and affordable prices.

Q.21 Explain how public sector contributes to the economic development of a nation.

Ans.: Public sector contributes to the economic development in various ways:

- a) This sector creates more and more employment opportunity.
- b) It ensures easy availability of goods and services at moderate rates.

- c) It contributes to the development of community also.
- d) Development of financial resources is also generated by this sector.
- e) It encourages the development of small, medium and cottage industries which contribute in the development of a nation.

Q.22 The workers in the unorganized sector need protection on the following issues: wages, safety and health. Explain with examples.

Ans.: In unorganized sector there are small and scattered units which are largely out of the control of the government. This provides no kind of provision for overtime, paid leave, holidays, and no leave due to sickness as well.

a) Wages: Workers are exploited and not paid a fair wage for their labour. They need protection because of their low wages. Therefore fair wages should be paid to them so that their livelihood can be put on ease at some point.

b) Safety: There is no kind of safety provided to the workers working in the mines or fireworks factories. They face great risk of their life. Therefore security and attention must be rendered to them.

c) Health: The workers that work at unhygienic places and specially for infinite hours are found in the unorganized sectors and their health is at risk which must be the matter of deep consideration.

Besides these issues a large number of people are employed on their own. For example- sellers on the street or repair workers. Cobblers, vendors etc.

Q.23 A study in Ahmedabad found that out of 15, 00, 000 workers in the city, 11, 00, 000 worked in the unorganized sector. The total income of the city in this year (1997-1998) was Rs.60, 000 million. Out of this, Rs.32, 000 million was generated in the organized sector. Present this data as a table. What kind of ways should be thought of for generating more employment in the city?

Ans.:

| | Organized sector | Unorganized sector | Total |
|----------------|-------------------------|---------------------------|-----------------|
| No. of workers | 4, 00, 000 | 11, 00, 000 | 15, 00, 000 |
| Income | 32, 000 million | 28, 000 million | 60, 000 million |

Education must be at the top in the to do list of government if it wants to improve or increase the job opportunities in any area of any city. Without education no one will hire any illiterate person for work. If a person wants to work then he will have to generate skills and open up the mind to grab more and more things. More and more companies need to be brought under organised sector in order to generate more employment in the city. Basically if a person is educated having great skills then nothing is impossible for him. The more companies are brought the more jobs will be provided to the workers with higher and more secure wages. The government must provide loans and aid to companies transferring from unorganized to organized sectors.

Q.24 The following gives the GDP I rupees (Crore) by the three sectors:

| Year | Primary | Secondary | Tertiary |
|------|----------|-----------|-----------|
| 1950 | 80,000 | 19,000 | 39,000 |
| 2011 | 8,18,000 | 12,49,000 | 28,18,000 |

- (i) Calculate the share of the three sectors in GDP for 1950 and 2011.
- (ii) Show the data as a bar diagram similar to Graph 2 in the chapter.
- (iii) What conclusion can we draw from the bar graph?

Ans.:

(i) In the year 1950

$$\text{Total GDP (In 1950)} = 80,000 + 19,000 + 39,000$$

$$= 1,38,000 \text{ crore}$$

$$\text{Share (Primary sector)} = \frac{80,000}{1,38,000} \times 100\% = 57.97\%$$

$$\text{Share (Secondary sector)} = \frac{19,000}{1,38,000} \times 100\% = 13.76\%$$

$$\text{Share (Tertiary sector)} = \frac{39,000}{1,38,000} \times 100\% = 28.26\%$$

In the year 2011

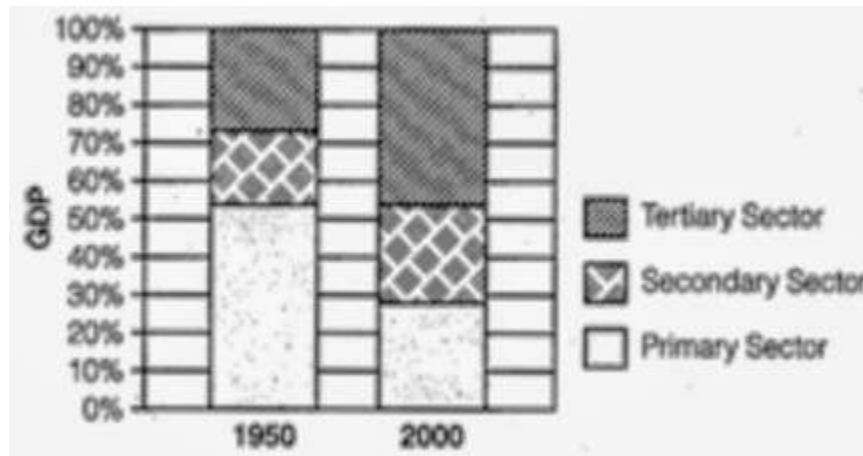
$$\text{Total GDP (In 2011)} = 8,18,000 + 12,49,000 + 28,18,000$$

$$= 4,885,000 \text{ crore}$$

$$\text{Share (Primary sector)} = \frac{8,18,000}{4,885,000} \times 100 = 16.75\%$$

$$\text{Share (Secondary sector)} = \frac{12,49,000}{4,885,000} \times 100 = 25.56\%$$

$$\text{Share (Tertiary sector)} = \frac{28,18,000}{4,885,000} \times 100 = 57.68\%$$



(iii) The conclusion can be drawn on behalf of results that the share of the tertiary sector in the GDP has almost doubled, while the GDP of the primary sector has been halved almost and the same situation is with the secondary sector which has grown up by about 10 % in the last five years. So, we saw that how the GDP of all the three sectors is changing and specially the much more change have been seen in the GDP of tertiary sector.