

CHAPTER - 2

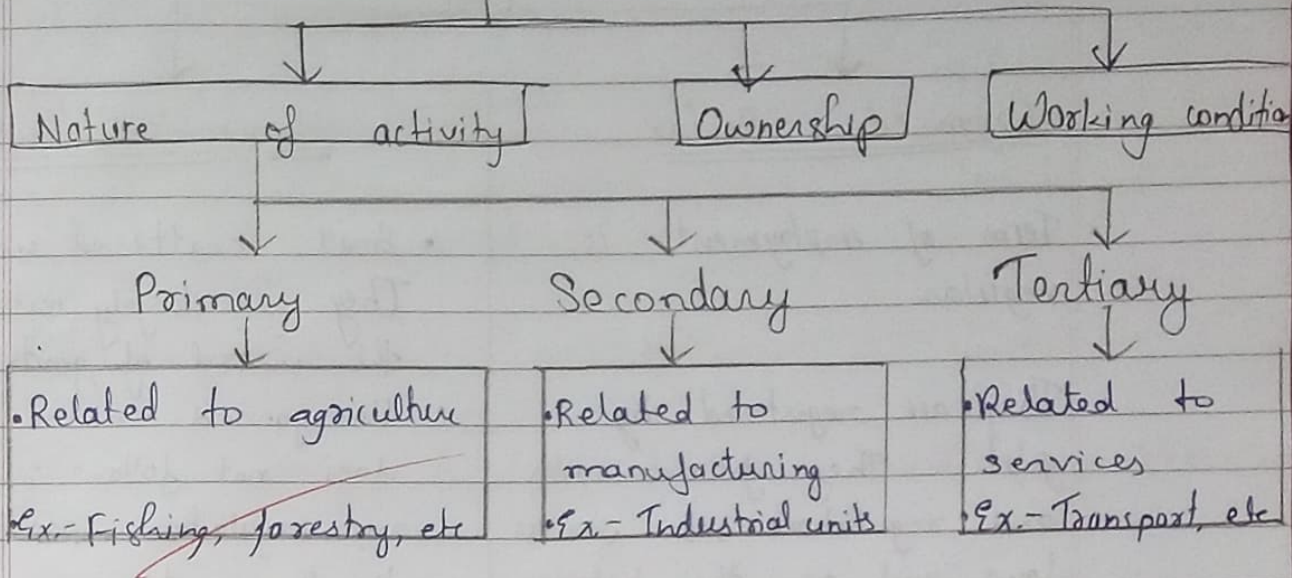
Sectors of the Indian Economy

NOTES:

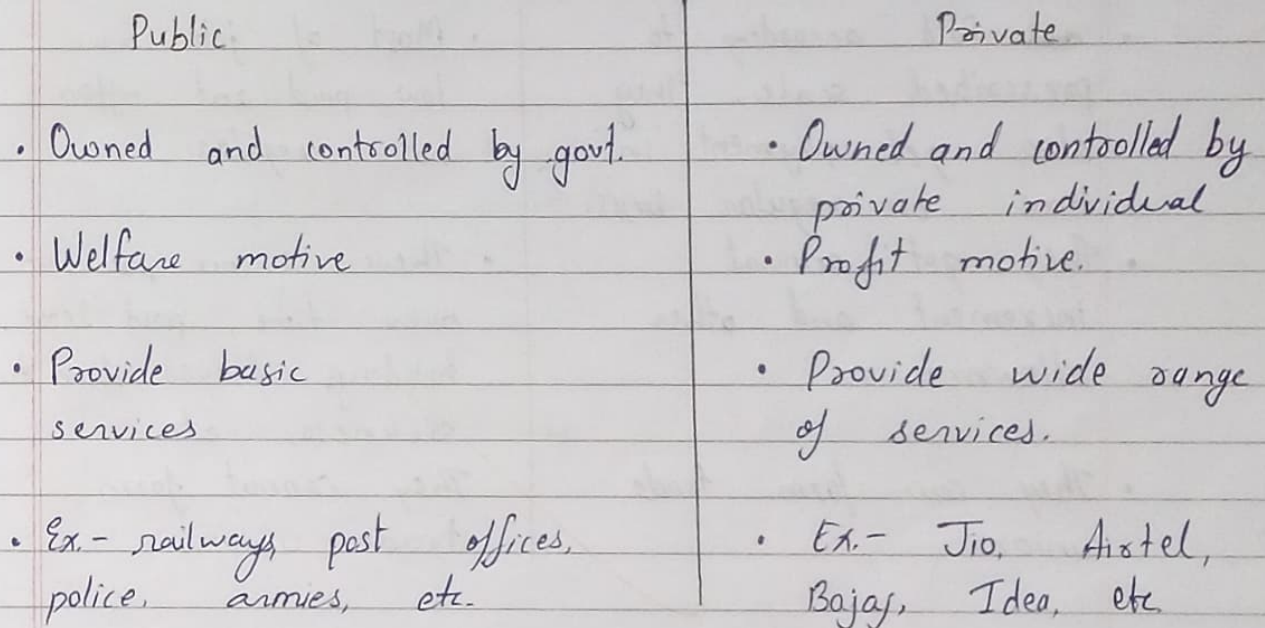
How to create more employment?

- Diversification of agriculture
- Cheap credits by govt.
- Provision of basic facilities
- Promotion of local and cottage industry.
- Improvement in edu and health
- Launching of govt. programmes
- Encouragement to tourism and regional crafts.

CLASSIFICATION OF SECTOR:



OWNERSHIP



WORKING CONDITIONS:

Organised Sector

- Term of employment is regular
- They are registered by govt. They follow rules and regulations and various laws such as the factories, minimum wages act, payment of gratuity, shops and establishment act.
- ~~not~~ Paid according to prescribed scale. They also get payment in time on regular basis.
- They get annual increment and other allowances
- They can form trade unions.

Unorganised sector

- Small, scattered units. They are largely outside the control of govt.
- Unorganised sector does not follow rules and regulation passed by the govt.
- Most of jobs are low paid and often not regular.
- There is no provision over time, paid leave, holidays, leaves due to sickness, etc. They cannot form trade unions.

★ Organised sector:

- Regular employment
- Better wages
- Good working conditions
- Job security
- Fixed working hours — leaves, medical matters are paid.

★ Unorganised sector:

- Irregular employment
- Less wages
- Poor working conditions
- No job security
- Long working hours

Questions:

- Q.1 How are workers in the ~~un~~ unorganised sectors exploited?
- Q.2 What are the needs to protect workers in the unorganised sector?
- Q.3 How to protect the workers in the unorganised sector?
- Q.4 Mention the people who are more vulnerable in unorganised sector of different regions and need protection.

Ans-1 → There are many reasons:

- i) Workers are engaged in low-paid jobs, which are not often regular.
- ii) There is no employment security.
- iii) They have to work overtime, for which, they are not paid.

Ans-2 → Protecting workers in the unorganised sector is crucial because they are vulnerable to exploitation, poverty, and abuse.

- Also, it promotes social justice and equality, ensuring fair ~~of~~ treatment and opportunities.

- It will also decrease poverty.
- By protecting them, we can create a more equitable, just, and prosperous society for all.

Ans-3 Ways to protect workers in unorganised sector:

- i) Minimum working hours and wages should be fixed by the govt.
- ii) To help self-employed people, the govt. can provide loans.
- iii) Basic services like education, health and food should be provided by the govt.

Ans-4 People who are more vulnerable in the unorganised sector are:

- i) Construction workers often migrate from rural areas.
- ii) Domestic workers.
- iii) Street vendors.
- iv) Home-based workers.
- v) Waste pickers.
- vi) Fishermen, etc.

Public Sector

In the public sector, the govt. owns most of the assets and provide all services

- The purpose of the public sector is not just to earn profits. Govt. raise money through taxes and other ways to meet expenses of the services rendered by it.

The main way of thinking revenue is through public revenue like duty and penalty.

The benefit of working in public sector, i.e., it gives job security, allowance and retirement benefits.

Railway and post office are ex. of public sectors.

Private sector

In private sector, ownership assets and delivery of services are in hand of private individual or companies.

Activity in private sector guided by the motive to earn profit. To get such services we have to pay money to these individuals or companies.

Their main way of thinking making revenue is through issuing shares and debentures or by taking loans (profits earned).

The benefit of working in private sector, i.e., it gives exciting salary packages and perk.

Ex - Tata iron and Steel company or Reliance industries ~~and~~ limited.

Questions and Answers

- ① Tertiary sector activities help in the development of primary and secondary sector. Evaluate the statement.
- ② Why is the existence of public sector is imp necessary in any economy?
- ③ How can more employment opportunities be created in rural areas?
- ④ How does public sector contribute to development of a nation?
- ⑤ Why are only final goods and services counted in estimating the GDP? Explain with the help of an example.
- ⑥ Distinguish between final goods and intermediate goods.
- ⑦ Compare the service conditions of organised sector with unorganised sector.
- ⑧ How can the workers in unorganised sector be protected?

Case Study question

Q. Pg 20 - 1st para:

- ① Classify economic activity on the basis of

nature of sector:

- ② Name any activity done in primary sector.
- ③ Why is primary sector ~~is~~ called agricultural and related sector.

Q. ① Pg-22: 1st para

- ① What was most important sector of economic activities at the earlier stages of development?
- ② Which sector has contributed the most to the employment
- ③ Which sector has grown considerably in the recent years.

Answers

- Ans-1) Tertiary sector activities support primary and secondary sectors by:
- Providing infrastructure (transportation, storage)
 - Facilitating trade.
 - Enhancing productivity.
 - Supporting innovation (R&D, education)

- Improving quality of life (healthcare, tourism)

Ans-2) The public sector is necessary in economy in any economy because it:

- Provides essential services
- Regulates market to prevent monopolies and exploitation.
- Correct market failures
- Promotes social welfare and equity.
- Stabilizes the economy during crises.
- Encourages private sector growth through subsidies and incentives.
- This ensures a balanced and equitable economy addressing needs that the private sector may not meet (like dam making).

Ans-3) ~~The~~ Employment opportunities in rural areas can be created by:

- i) Investing in agriculture and allied industries.
- ii) Promoting rural tourism.
- iii) Developing cottage industries and handicrafts.

- iv) Improving infra-structure (roads, internet.)
- v) Supporting entrepreneurship and small businesses
- vi) Providing vocational training and skills development
- vii) Encouraging public-private partnerships.
- viii) Fostering rural-urban connections and market access.

. This can help reduce migration to urban areas ~~for~~ and improve rural livelihoods.

Ans-4) The Public sector contributes to a nation's development by:

- i) Providing essential services.
- ii) Regulating markets and industries.
- iii) Creating jobs and stimulating economic growth.
- iv) Reducing poverty and inequality.
- v) Investing in human capital and skills development.
- vi) Promoting social welfare and security.

- vii) Encouraging innovation and R&D (Research and Development)
- viii) Protecting the environment and natural resources

Ans-5a) Only final goods and services are counted in a ^{GDP} estimation to avoid double counting. This is because intermediate goods and services are already included in value of final goods and services.

- For example - A farmer sells wheat to a baker at \$10 (intermediate good). The baker uses the wheat to make bread and sell it at \$20 (final good).

Ans-6a) <u>Local goods</u>	<u>Intermediate goods</u>
<ul style="list-style-type: none"> Consumed within the same geographical area, where they are produced. 	<ul style="list-style-type: none"> Used as inputs in the production of other goods.
<ul style="list-style-type: none"> Do not enter into the production of another goods. 	<ul style="list-style-type: none"> They are are not final consumer goods.
<ul style="list-style-type: none"> Example - food at local restaurant, services from local barber, etc. 	<ul style="list-style-type: none"> Ex. - Flour for baking bread, cotton for making clothes, etc.

Ans-7)

OrganisedUnorganised

Regular employment

Irregular employment

Better wages

Less wages

Good working condition

Poor working condition

Job security

No job security

~~Fixed~~ Paid for extra
Working hoursNot paid for extra
Working hours.

Ans-8) Ways to protect them:-

- i) Minimum working hours and wages should be fixed by the govt.
- ii) To ^{help} ~~protect~~ self-employed people, the govt. can provide loans.
- iii) Basic services should be provided by govt.

Case study answers

Q. ①

Ans-1) On basis of nature - primary, secondary and tertiary sector.

Ans-2) Agriculture

Ans-3) This is because it forms the base for all other products that we make subsequently make

This is also called primary sector

Q. 2

Ans-1) Primary sector

Ans-2) Tertiary sector

Ans-3) Tertiary sector

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