



# Topics<sup>clip</sup> to be covered

- 1 Sectors of Economy ✓
- 2 Comparison of Sectors ✓
- 3 Sectors-Nature of Work and Ownership ✓
- 4 Government Responsibilities ✓



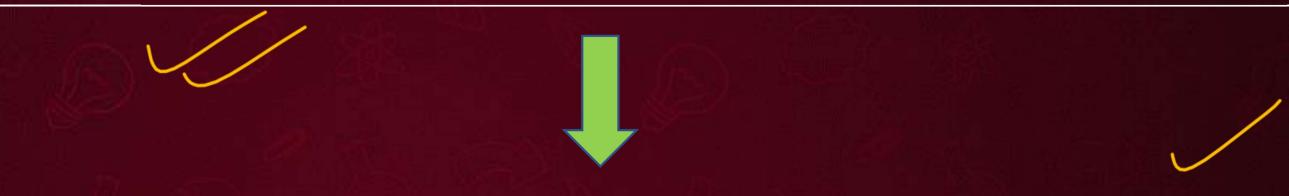




## Primary Sector



When we produce a good by exploiting natural resources, it is an activity of the primary sector.



- Example :Farming , forestry , fishing ,mining etc. It is also called **agriculture and related sector** as most of the natural products are obtained from agriculture.



## Secondary Sector



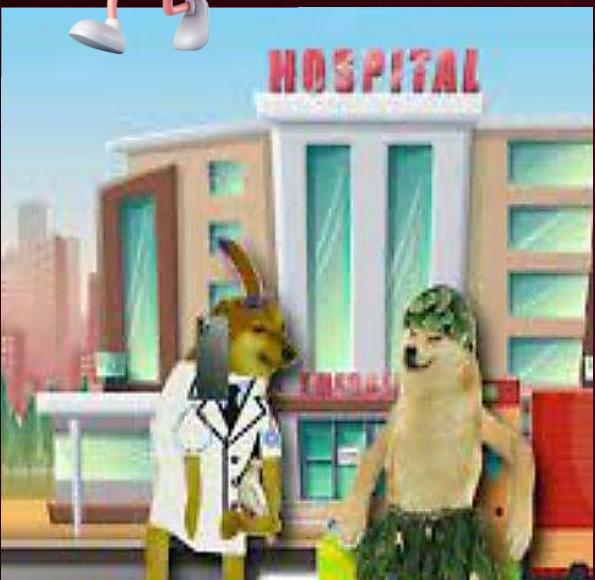
- The secondary sector covers activities in which natural products are changed into other forms through manufacturing process
- It is also called industrial sector



- For example, using cotton fibre from the plant , to spin yarn and weave cloth.
- Using sugarcane as a raw material, to make sugar or gur.



## Tertiary Sector



- These are activities that help in the development of the primary and secondary sectors. 
- These activities, by themselves, do not produce a good but they are a support for the production process. 
- It is also called service sector 

• Example: Teachers, doctors, washermen, barbers, cobblers, lawyers, call centres, software companies, etc. 

**02.****COMPARISON OF THREE SECTORS OF THE ECONOMY**

**1** Not every good (or service) that is produced and sold needs to be counted

**2** It makes sense only to include the final goods and services

**3** Intermediate goods are used up in producing final goods and services

**Gross Domestic Product (GDP)**

The value of final goods and services produced in all three sectors during a particular year provides the total production of the sector for that year→ is called the Gross Domestic Product (GDP) of a country.

More the GDP→bigger the economy of the country.

# Historical Changes in sectors

Initial stages of development → Primary sector was the most important of economic activity in a country.

With the innovation in farming methods → Agriculture sector began to produce much more food than before → resulted in the increase of craftpersons and traders → buying and selling activities increased many times

Over a long time & because of new methods of manufacturing → factories came up and started expanding → People started working in industries → some people also get involved in transportation.

In the past 100 years a further shift from secondary to tertiary sector in developed countries → The service sector has become the most important sector in terms of total production & started employing more people.

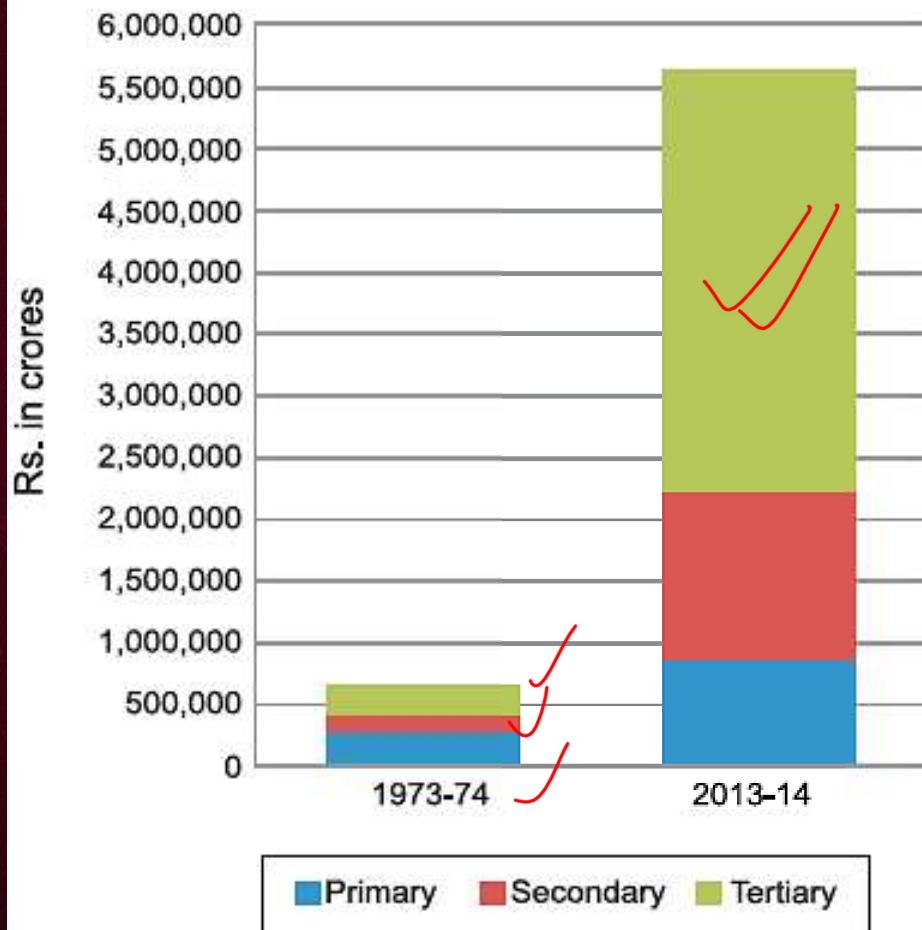


### 03. PRIMARY, SECONDARY AND TERTIARY SECTORS IN INDIA

1973-74 → the primary sector contributed maximum to the GDP

But in 2013-14 → tertiary sector has contributed maximum to the GDP.

Graph 1 : GDP by Primary, Secondary and Tertiary Sectors



## Rising Importance of the Tertiary Sector in Production

Why is the tertiary sector becoming so important in India?

V.9 m/s

### Several reasons

Requirement of several basic services → such as hospitals, educational institutions, post and telegraph services, police stations, courts, municipal corporations, defence, transport, banks, insurance companies, etc.

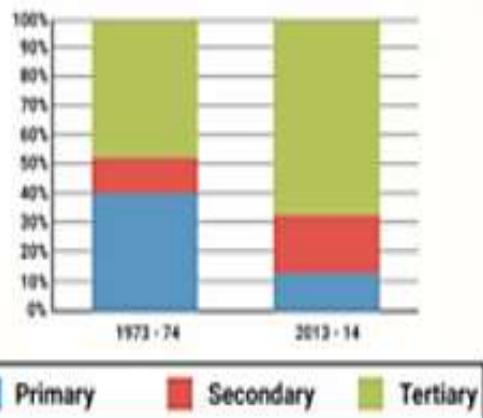
The development of agriculture & industry → leads to the development of services → transport, trade, storage, and banking.

Income levels rise → increase in demand for more services → like eating out, tourism, shopping, private hospitals, private schools, professional training etc.

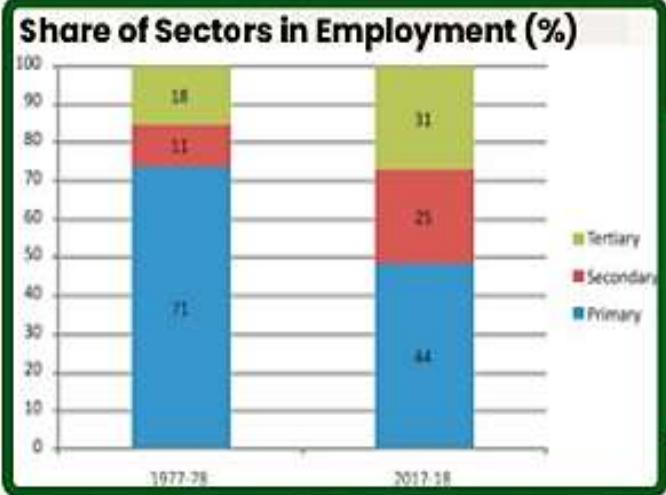
over the past decade → certain new services → rise in services based on information and communication technology have become important and essential

## Where are most of the people employed?

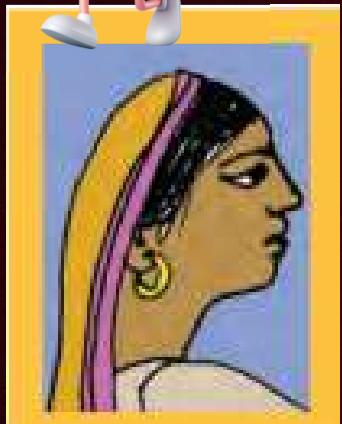
Graph 2 : Share of Sectors in GDP (%)



Year	Primary	Secondary	Tertiary
1973-74	40	12	48
2013-14	12	21	67



Year	Primary	Secondary	Tertiary
1977-78	71	11	18
2017-18	44	25	31



## Laxmi –Case Study



- Laxmi, owns about two hectares of unirrigated land dependent only on rain and grows crops, like jowar and arhar.
  - All five members of her family work in the plot throughout the year. They have nowhere else to go for work.
- 
- A decorative background pattern featuring various icons in a light beige color, including lightbulbs, pencils, checkmarks, and arrows, scattered across the dark red background.



## Laxmi –Case Study



- Each one is doing some work but no one is fully employed



- This is underemployment

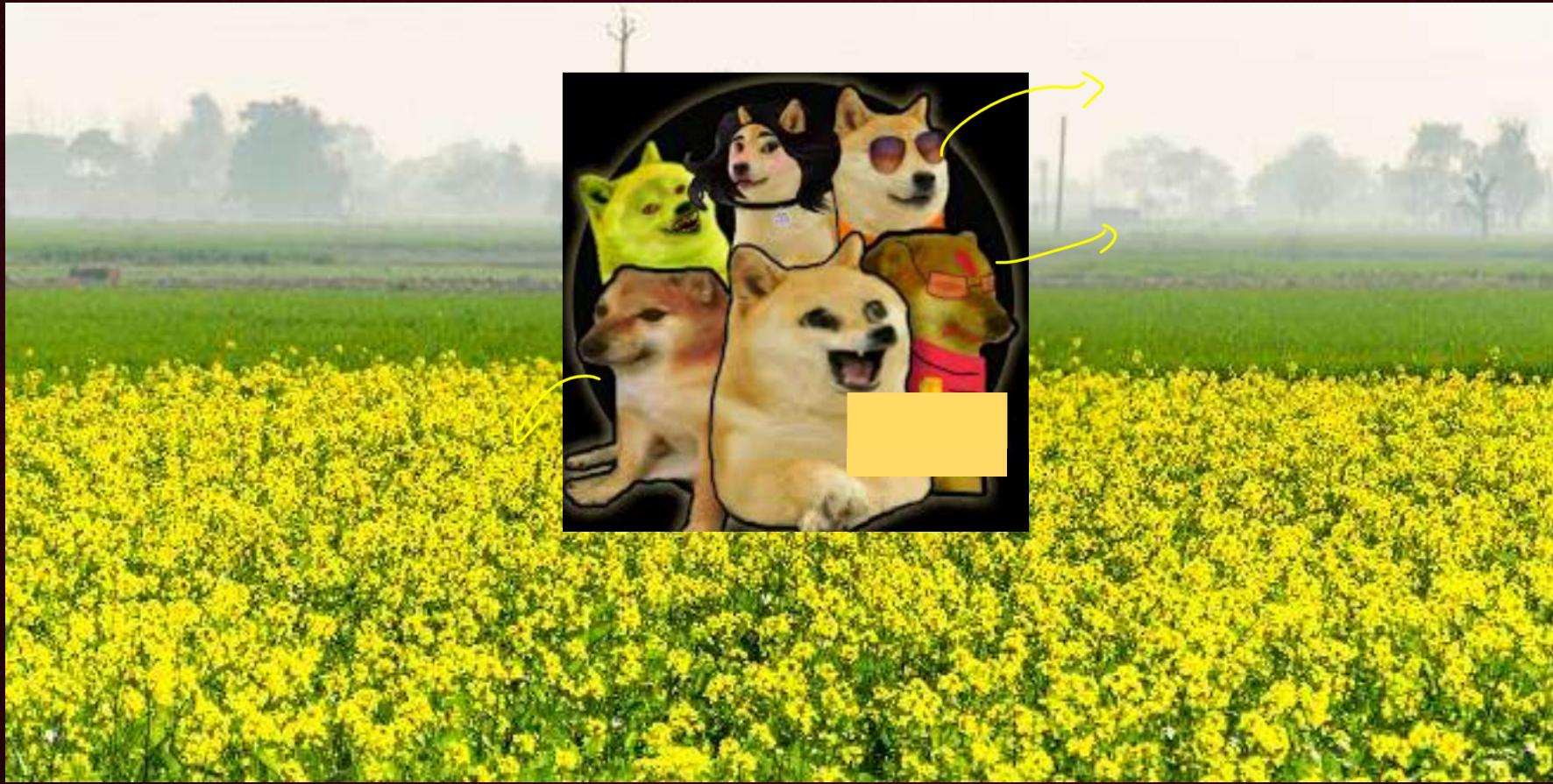




## Disguised Unemployment

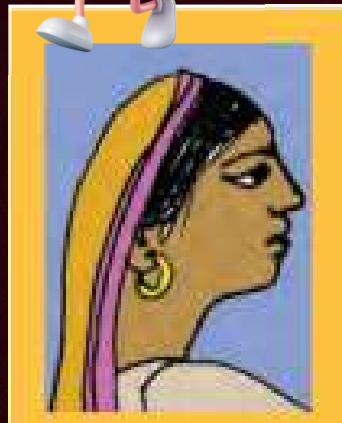


1. Disguised Unemployment is a kind of unemployment in which there are people who are visibly employed but are actually unemployed.
2. This situation is also known as Hidden Unemployment.
3. In such a situation more people are engaged in a work than required





## Laxmi –Case Study



- Suppose a landlord, Sukhram, comes and hires one or two members of the family to work on his land.  

- Laxmi's family is now able to earn some extra income through wages.  

- Since five people are not needed to look after that small plot, two people moving out does not affect production on their farm.  




## Laxmi –Case Study



- In the above example, two people may move to work in a factory.  

- Once again the earnings of the family would increase and they would also continue to produce as much from their land.  


# Conclusion



- There are lakhs of small farmers in India .  

- If some of them get work in other sectors then also agricultural production will not suffer.  

- The incomes of the people who take up other work would increase the total family income.  




## Underemployment-Urban Areas

- Thousands of casual workers in the service sector in urban areas search for daily employment.



- They are employed as painters, plumbers, repair persons and others doing odd jobs. Many of them don't find work everyday.





## Underemployment-Urban Areas

- Similarly, we see other people of the service sector on the street pushing a cart or selling something where they may spend the whole day but earn very little.



- They are doing this work because they do not have better opportunities





## How to create more employment?

01. Govt. can spend some money or bank can provide loans at lower interest
02. Investing in infrastructure such as building a dam at suitable place
03. Increasing efficiency of transportation & Storage.
04. Promoting small scale Industries such as mills, honey collection centres
05. Emphasis on Education and training centres
06. Identifying Potential of an area. For example, an area can be developed as tourist site
07. Government Welfare Schemes like making well or pump near farms, providing electricity, building hospitals.

## MGNREGA

The central government in India made a law → implementing the Right to Work in 625 districts → called ***Mahatma Gandhi National Rural Employment Guarantee Act 2005 known as MGNREGA 2005.***

### Under MGNREGA 2005

1

In rural areas, all those who are able to, and are in need of work are guaranteed 100 days of employment in a year by the government.

If the government fails in its duty to provide employment, it will give unemployment allowances to the people.

2

**04.****DIVISION OF SECTORS AS ORGANISED AND UNORGANISED****Organised Sectors**

- registered by the government
- follow its rules and regulations of Govt.
- enjoy security of employment
- work only a fixed number of hours
- get paid leave, payment during holidays, provident fund, gratuity, medical benefits etc.

Examples: government employees, banks

**Unorganised Sectors**

- largely outside the control of the government
- no job security
- No pay for overtime working.
- no such benefits are given
- home tutors, person working in small general stores

05.

## How to Protect Workers in the Unorganised Sector?

Since the 1990s → large number of workers losing their jobs in the organised sector → forced to take up jobs in the unorganised sector with low earnings → so there is also a need for protection and support of the workers in the unorganised sector

*Who are these vulnerable people who need protection?*

### Vulnerable People in Rural Area

- Landless agricultural labourers
- Small and marginal farmers Sharecroppers and artisans (such as weavers, blacksmiths, carpenters and goldsmiths)
- These farmers need to be supported for timely delivery of seeds, agricultural inputs, credit, storage facilities and marketing outlets

### Vulnerable People in Urban Area

- Workers in small-scale industry, casual workers in construction, trade and transport etc., and those who work as street vendors, head load workers, garment makers, rag pickers etc.
- Small-scale industry also needs government's support for procuring raw material and marketing of output



## How To Protect Workers In Unorganised Sector



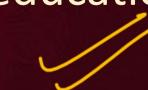
1. The government can fix the minimum wage rate and working hours.



2. The government can provide cheap loans to self-employed people.



3. Government can provide cheap and affordable basic services like education, health, and food to these workers.



4. The government can frame new laws which can provide provisions for overtime, paid leave, leave due to sickness, etc.





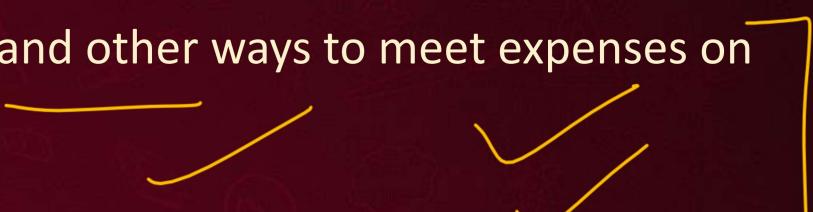
## Ownership

Public Sector	Private Sector
In the public sector, the government owns most of the assets and provides all the services. 	In the private sector, ownership of assets and delivery of services is in the hands of private individuals or companies. 
Railways or post office is an example of the public sector. 	Companies like Tata Iron and Steel Company Limited (TISCO) or Reliance Industries Limited (RIL) are privately owned companies. 
The purpose of the public sector is not just to earn profits. Its main aim is public welfare. 	Activities in the private sector are guided by the motive to earn profits. 



## Responsibilities of Government

1. Government raises money through taxes and other ways to meet expenses on the services given by it.



2. Governments have to undertake heavy spending such as the construction of roads, bridges, railways, harbours, generating electricity, providing irrigation through dams, etc. Also, it has to ensure that these facilities are available for everyone.

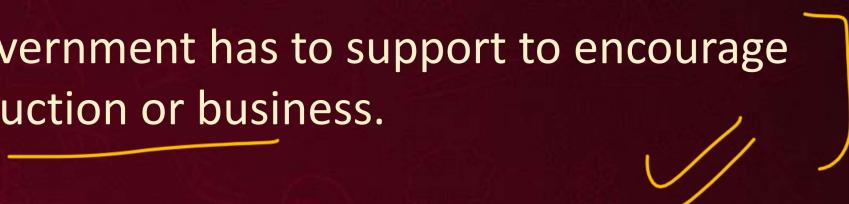




## Responsibilities of Government



3. There are some activities which the government has to support to encourage the private sector to continue their production or business.





## Responsibilities of Government



4.The government in India buys wheat and rice from farmers at a ‘fair price’ and sells them at a lower price to consumers through ration shops. In this way, it supports both farmers and consumers.



5.Running proper schools and providing quality education, health and education facilities for all are some of the duties of the government.





## Responsibilities of Government



6. The government also needs to pay attention to aspects of human development such as the availability of safe drinking water, housing facilities for the poor, food and nutrition, and taking care of the poorest and most ignored regions of the country.

