



Q20. Give three examples of Public Sector activities and explain why the government has taken up them.

Answer: The examples are:

Railways: The government has taken up it for the following reasons

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1. Only the government can invest large sums of money on the public project with long gestation period.

2. To ensure and provide transportation at cheap rate.

NTPC: The government has taken up it to provide electricity at a lower rate than the actual cost of production. The aim is to protect and encourage the private sector especially small scale industries.

AIIMS: To provide quality health services at reasonably cheap rate was the main purpose of the government to start this.

Q21. Explain how Public sector contributes to the economic development of a nation.

Answer: In the following ways Public sector contributes to the economic development of a nation:

1. It promotes rapid economic development through creation and expansion of infrastructure.

2. It creates employment opportunities.

3. It generates financial resources for development.

4. It is ensuring equality of income, wealth and thus, a balanced regional development.

5. It encourages development of small, medium and cottage industries.

6. It ensures easy availability of goods at moderate rates.

7. Contributes to community development i.e. to the Human Development Index (HDI) via health and educational services.

Q22. The workers in the unorganised sector need protection on the following issues: wages, safety and health. Explain with examples?

Answer: The workers in the unorganised sector need protection on the following issues: wages, safety and health. In the construction sector, labourers are employed on a daily basis. Hence, they have no job security. Here, wages too differ from time to time.

Consequently, the government has set up a minimum wages act to protect such workers from economic exploitation.

The same problem exists for miners working in private mining companies. Their safety is secondary to the company's profits, and as a result, many miners suffer grievous injuries (and many a times, even die) due to inadequate safety gear and norms. Governments of most nations have now laid down strict rules for private enterprises to ensure workers' safety.

Most companies in the unorganised sector do not provide health insurance to their employees. Some of these might be involved in dangerous factory production that may harm a worker's health in the long term. These workers need to be protected against the tyranny of the employer, and it is here that the government steps in.

Q23. A study in Ahmedabad found that out of 15,00,000 workers in the city, 11,00,000 worked in the unorganised 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 organised sector. Present this data as a table. What kind of ways should be thought

of for generating more employment in the city?

Answer: Ways to generate more employment in the city of Ahmedabad have to be provided by the government, especially in the unorganised sector. As the table shows, the organised sector's earnings are much higher than that of the unorganised sector even though the latter employs almost 80% of the city workers. More companies need to be brought under the roof of the organised sector so that workers from the unorganised sector are attracted to jobs there, with higher and more secure wages. For this, the government must provide loans and aid to companies transferring from unorganised to organised sectors.

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