

Class 10 Economics – Chapter 2: Sectors of the Indian Economy

◆ Types of Economic Activities

All economic activities are grouped into **three sectors** based on their nature:

1 Primary Sector – *Agriculture and Related Activities*

- Uses **natural resources** directly.
- Examples: Farming, fishing, forestry, mining, dairy.
- Called *primary* because it forms the **base** for other activities.



♥ Add: (Fig. 1 – Diagram of three sectors with examples)

2 Secondary Sector – *Industrial/Manufacturing Activities*

- Involves **converting raw materials** into finished products.
- Examples: Spinning cotton into cloth, making bricks from clay, sugar from sugarcane.

Also called the **industrial sector**.

3 Tertiary Sector – *Service Activities*

- Supports production in primary and secondary sectors.
- Does **not produce goods**, but offers **services**.
- Examples: Transport, banking, teaching, medicine, law, IT.

Also called the **service sector**.

Interdependence Among Sectors

Sectors depend on each other:

- Farmers (Primary) need tools from factories (Secondary).

- Factories need electricity, transport (Tertiary).
- Services (Tertiary) depend on goods from other sectors.

📌 Add: (Fig. 3 – Example chain: Sugarcane → Sugar mill → Market)



Measuring Economic Activities

We compare sectors by calculating:

◆ Gross Domestic Product (GDP)

- **GDP** = Total value of all **final goods and services** produced in a year within a country.

⚠ Count only **final goods** (not intermediate goods like wheat or flour), to avoid **double counting**.



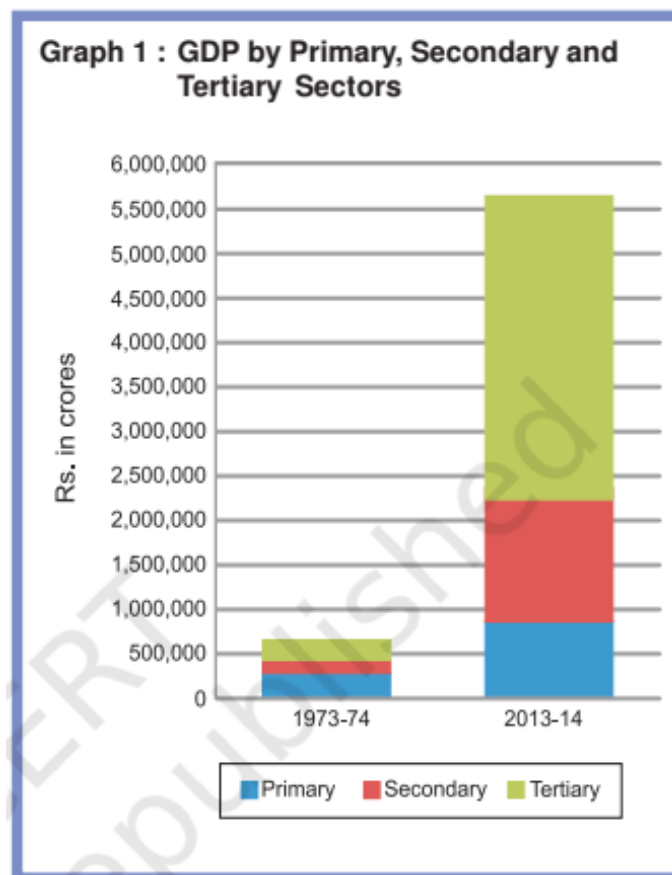
Historical Change in Sectors

Stage of Development	Dominant Sector
Early stage	Primary
After industrialisation	Secondary
Now (in developed countries)	Tertiary

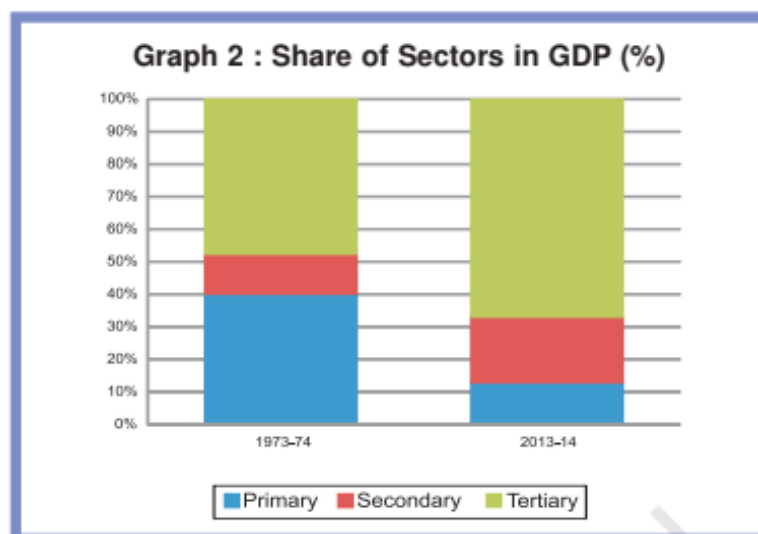


In India:

- **Tertiary sector** is now the **largest producer**.
- But **Primary sector still employs most people**.



✦ Add: (Fig. 5 – Graph of GDP by sectors: 1973-74 vs 2013-14)



✦ Add: (Fig. 6 – Graph of Employment by sectors: 1977-78 vs 2017-18)

⚠ Underemployment and Unemployment

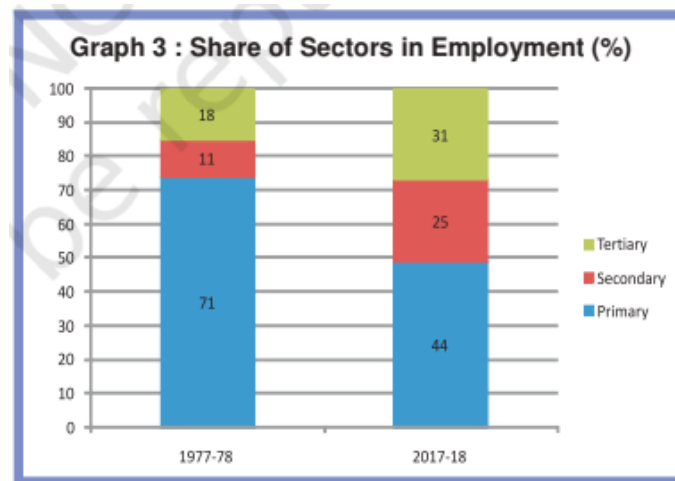
◆ Open Unemployment:

- Person **doesn't have any job**, even if willing to work.

◆ Disguised (Under) Employment:

- **More people working than needed.**
- Common in agriculture: People work, but their removal won't reduce output.

✚ Example: 5 family members working on a 2-hectare farm when only 3 are needed.



✚ Add: (Fig. 7 – Diagram showing underemployment)

✓ How to Create More Employment

Ways to increase jobs:

1. **Irrigation & second cropping** – Increases farm productivity.
2. **Transport & storage** – Enables selling of surplus crops.
3. **Loans and cheap credit** – Helps buy seeds, tools.
4. **Promote rural industries** – e.g., dal mills, cold storages, honey centres.
5. **Public investment** – Schools, hospitals, tourism.
6. **Government schemes** – e.g., **MGNREGA 2005**: Guarantees **100 days of work** in rural areas.

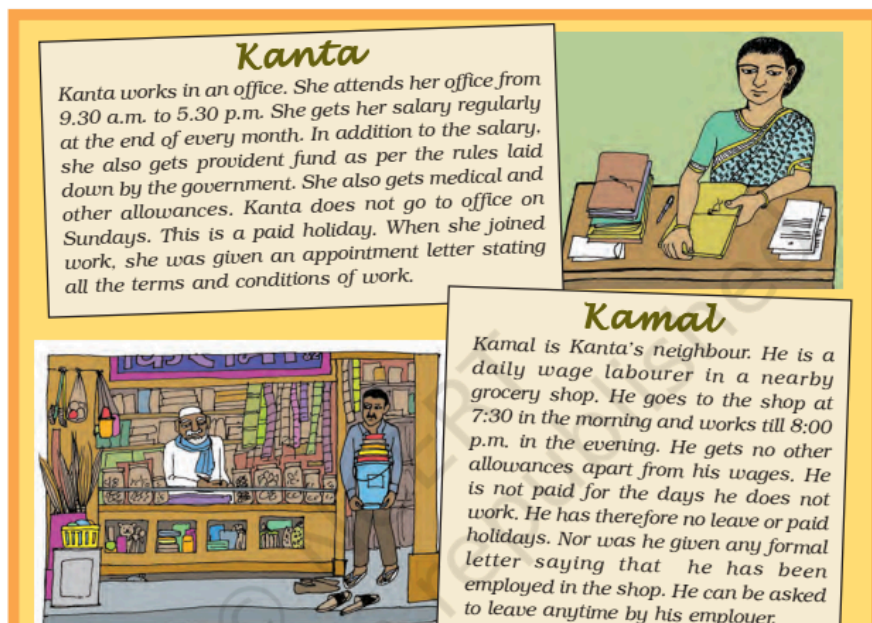


✚ Add: (Fig. 8 – Poster or chart on MGNREGA)



Organised vs Unorganised Sectors

Feature	Organised Sector	Unorganised Sector
Job security	Yes	No
Work hours & laws	Fixed by govt	Not followed strictly
Benefits	Paid leave, PF, pension	None
Examples	Bank employee, factory	Tailor, vegetable vendor



♥ Add: (Fig. 9 – Comparison of Kanta vs Kamal)



Public vs Private Sector

Sector	Who Owns It?	Objective	Examples
Public	Government	Welfare & Development	Railways, Post Office
Private	Individuals/Companies	Profit	TISCO, Reliance, hospitals

Why Public Sector is Important:

- Builds big projects (roads, dams)
- Provides cheap electricity, credit, ration
- Offers health and education to all
- Supports poor, backward regions



CBSE Question Trends

Type	Topics Asked Frequently
1 mark	Define GDP / underemployment
3 marks	Difference between sectors / organised vs unorganised
5 marks	How to create employment / importance of public sector
Data-based	GDP comparison by sectors, disguised unemployment