

Chapter-2 Sectors of Indian Economy

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. (organised / unorganised)
- (iv) A _____ proportion of labourers in India are working in the unorganised 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)

Answer

- (i) Employment in the service sector has not increased to the same extent as production.
- (ii) Workers in the tertiary sector do not produce goods.
- (iii) Most of the workers in the organised sector enjoy job security.
- (iv) A large proportion of labourers in India are working in the unorganised sector.
- (v) Cotton is a natural product and cloth is a manufactured product.
- (vi) The activities in primary, secondary and tertiary sectors are interdependent .

Q: 2

Choose the most appropriate answer.

- (a) The sectors are classified into public and private sector on the basis of:
- (i) employment conditions
- (ii) the nature of economic activity
- (iii) ownership of enterprises
- (iv) number of workers employed in the enterprise
- (b) Production of a commodity, mostly through the natural process, is an activity in _____ sector.
- (i) primary
- (ii) secondary
- (iii) tertiary

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

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.

Answer

(i) Potter, because only the potter relates to secondary sector.

(ii) Vegetable vendor, since only this directly help in the production of goods.

(iii) Cobbler because, only cobbler falls in private sector.

(iv) Sahara Airlines, as this is only a private sector company in the group.

Q: 5

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

secondary is useful? Explain how.

Answer

The classification of economic activities into primary, tertiary and secondary is useful on account of the information it provides on how and where the people of a country are employed. also this helps in ascertaining as to which sector of economic activity contributes more or less to the country's GDP and per capita income.

If the tertiary sector is developing much faster than the primary sector, then it implies that agriculture is depleting, and the government must take measures to rectify this. The knowledge that the agricultural profession is becoming unpopular or regressive can only come if we know which sector it belongs to. Hence it is necessary to classify economic activities into these three sectors for smooth economic administration and development.

Q: 7

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

Answer

For each of the sectors mentioned in this chapter our focus should definitely be on employment and GDP. This is because growth in GDP and full employment are common goals of Five Year Plans and they also determine the size of a country's economy. A focus on employment and GDP helps us to calculate and monitor the most important factors like: per capita income, productivity, changes in employment rate and contribution to GDP by the three sectors of economy and thus, takes necessary steps required for the upliftment of the country's economy as a whole.

Yes, the other issues which should be examined are -

1. balanced regional development
2. equality in income and wealth among the people of the country.
3. how to eradicate poverty
4. modernization of technology
5. self-reliance of the country
6. how to achieve surplus food production in the country.

Q: 8

Make a long list of all kinds of work that you find adults around you doing

unemployment. This type of unemployment is generally found in the industrial sector of our country. This is also found among the landless agricultural labourers in rural areas.

Disguised Unemployment - This is a kind of unemployment in which there are people who are visibly employed but actually they don't have full employment. In such a situation more people are engaged in a work than required. This type of unemployment is generally found in unorganized sector where either work is not constantly available or too many people are employed for the same work that does not require so many hands.

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.

Answer

No, I do not agree with the statement that tertiary sector is not playing any significant role in the development of Indian economy. The reasons are as follows:

1. In terms of GDP this sector emerged as the largest producing sector in India surpassing the primary and secondary sectors. In 1973, the share of the tertiary sector in GDP was about 35% which increased to more than 50% in 2003. Over the thirty years between 1973 and 2003, while production in all three sectors increased, it has been the most in tertiary sector.

2. In terms of employment also the rate of growth of employment in tertiary sector between the same period was nearly 250%. This was negligible in primary sector.

: 13

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

Answer

The service sector in India employs the following two different kinds of people. They are:

i) The people involved in the services that may directly help in the production of goods. For example, people involved in the transportation, storage, communication, finance etc.

ii) The people involved in such services that may not directly help in the production of goods e.g. teachers, doctors, barbers, cobblers lawyers etc. They may be termed as ancillary workers means those who give services to the primary service providers.

Answer

The employment conditions prevailing in the organised and unorganised sectors are vastly different. The organised sector has companies registered with the government and hence, it offers job security, paid holidays, pensions, health and other benefits, fixed working hours and extra pay for overtime work. On the other hand, the unorganised sector is a host of opposites. There is no job security, no paid holidays or pensions on retirement, no benefits of provident fund or health insurance, unfixed working hours and no guarantee of safe work environment.

Q: 17

Explain the objective of implementing the NREGA 2005.

Answer

The objective of implementing the NREGA 2005 was to provide 100 days of guaranteed employment to those people in rural India who can work, and are in need of work. This Right to Work has been implemented in 200 districts. If the government is unable to provide this employment, then it has to give unemployment allowances to the people.

: 18

Give examples from your area compare and contrast the activities and functions of private and public sectors.

Answer

Attempt this question on your own.

Q: 19

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

	<u>Well-managed organisation</u>	<u>Badly-managed organisation</u>
Public sector		
Private sector		

Answer

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.

: 22

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.

Q: 23

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