

## Chapter - 2

### Sectors of the Indian Economy

Ques 1) What are the different sectors of Indian economy?

→ Primary sector:

All those activities which involves production of goods by exploiting natural resources come under primary sector. It is also known as agriculture and related sector. It includes agriculture, dairy, fishing, mining etc.

→ Secondary sector:

Activities in which natural products are changed into other forms by ways of manufacturing that we associate with the industrial activity comes under secondary sector. This sector is also known as industrial sector. It includes conversion of cotton into textile.

→ Tertiary sector:

Those activities that help in development of primary and secondary sector. These activities do not produce a good but aid or support for the production process. Eg → Transportation, Banking, wholesalers and retail shop, storage, communication etc. This sector is also known as service sector.

2) What are recent emerging services?

Internet cafe, ATM booths, call centres, software services etc.

the GDP [Gross Domestic Product]. ~~Imp~~  
The value of final goods and services produced in  
a sector during a particular year provides the  
production of the sector. Add the sum of  
production in the three sectors gives gross domestic  
product. GDP is a measure of how big economy is.

What are the reasons for rising importance of  
any sector in India?

In developing countries like India the government  
takes the responsibility of basic services like  
health, education, police, court, banks, insurance &  
development of agriculture and industry has  
increased the demand for services such as transport,  
storage etc.

As incomes of people rise they start demanding more  
services like tourism, shopping, hotels, professional  
services etc.

In the past decades certain new services based on  
information technology have become more important and  
valuable.

The service sector in India employs unskilled, semi-skilled,  
as well as educated workers.

What do you understand by underemployment (or  
disemployment)?

a situation where people <sup>are</sup> generally apparently work but they are made to work less than the potential.

to create more employment?

Infrastructure development: This includes development of facilities that help in self employment. These facilities include development of dams, canals, better, rural roads etc. by the government.

Providing loans at lower rate of interest: This help farmers and other small businesses to provide buy cheap inputs to run farming & and other related businesses.

Attract and locate industry and services in their semi-urban areas where a large number of people may be employed. Opening a cold storage area or honey collection centres.

How has Indian government provided right to work to its citizens?

The central govt of India recently made a law implementing the right to work in 200 districts in India through National Rural Employment Guarantee Act (NREGA), 2005.

Under NREGA all those who are able to work and in need of work have been guaranteed 100 days of employment in a year by the government. If the government fails to provide employment it should give unemployment allowances to the people.

differentiate between organised and unorganised sectors in India.

Organised sector -

Organised sector covers those enterprises or places or work where terms of employment are regular.

They are registered by the government and are bound by the rules such as factories act, minimum wages act etc. Workers of organised sector enjoy security of employment, have fixed hours of work.

Organised sector workers are paid extra for overtime work, work places have facilities like drinking water, good working environment etc.

Organised sector workers get other benefits such as paid leaves, provident funds, pension etc.

Unorganised sector -

In urban areas unorganised sector comprises of casual workers in construction, traders and transport, street vendors, head load workers, garment makers, rag pickers.

Unorganised sector is characterised by small and scattered units outside the government controls.

The rules and regulations are not allowed.

Workers are low paid and irregular.

There is no provision for overtime, paid leaves etc.

Which section of the society is more vulnerable to exploitation in unorganised sector?



less agricultural labourers, small and marginal farmers, share croppers and artisans such as weavers, smith, carpenter etc.

How do we protect workers in unorganised sector?

farmers in rural areas need to be supported through adequate facility for timely delivery of seed, agricultural inputs, credit, storage facilities and marketing outlets. In urban areas small scale industry need government procuring raw materials and marketing of outputs.

How would you classify sectors in terms of ownership?

Public sector...	Private sector...
Here the government owns most of the assets and provide all the services	The ownership of assets and delivery of services is in the hands of private individuals or companies
The activities of public sector are guided by motive of public welfare	The activities of private sector are guided by motive of making profits
usually undertakes projects that require heavy spending and are unprofitable to the private sector	It takes up only those projects that are profitable and economically feasible