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**SECTORS IN INDIAN ECONOMY**

**SUPPORT MATERIAL**

**GRADE-X DATE-3/8/20**

**SUB- SOCIAL SCIENCE**

**1)Do you think the classification of economic activities into primary, tertiary and 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.

It 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.Less contribution needs to be investigated and high contribution needs to be maintained for the overall development of the economy.

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.

**2)How is the tertiary sector different from other sectors? Illustrate with few examples.**  
**Answer: The tertiary sector is also called the service sector.** This sector is different from other two sectors. This is because other two sectors produce goods but, this sector does not produce goods by itself. But the activities under this sector help in the development of the primary and secondary sectors. These activities are an aid or support for the production process. For example, transport, communication, storage, banking, insurance, trade activities etc. For this reason this sector is also known as service sector.

**3)What do you understand by disguised unemployment? Explain with an example each from the urban and rural areas.**

**or**

**Explain the meaning of distinguished employment.**  
**Answer:**Disguised Unemployment is a kind of unemployment in which there are people who are visibly employed but are actually unemployed. This situation is also known as Hidden Unemployment. In such a situation more people are engaged in a work than required.  
For example in rural areas, this type of unemployment is generally found in agricultural sector like – in a family of 9 people all are engaged in the same agricultural plot. But if 4 people are with drawn from it there will be no reduction in output. So, these 4 people are actually disguisedly employed.  
In urban areas, this type of unemployment can be seen mostly in service sectors such as in a family all members are engaged in one petty shop or a small business which can be managed by less number of persons. Sometimes the job they are involved does not suit their qualification and experience.

**4)Distinguish between open unemployment and disguised unemployment.**  
Open Unemployment – When a country’s labour force do not get opportunities for adequate employment, this situation is called open 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.

**5)Tertiary sector is not playing any significant role in the development of Indian economy. Do you agree/ Give reasons in support of your answer.(HOTS)**  
**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.

**6) 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:  
(a) 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..Furniture required for the office requirement of the service sector is made by the carpenter who is indirectly contributing to the service sector.  
(b) 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. They provide highly skilled services which can be helpful for the operation of the service industry.

**7) Workers are exploited in the unorganized sector. Do you agree with this view? Give reasons in support of your answer.**  
**Answer:**Yes, workers are exploited in the unorganized sector. This would be clear from the following points:  
1. There is no fixed number of working hours. The workers normally work 10 – 12 hours without paid overtime.  
2. They do not get other allowances apart fro the daily wages.  
3. Government rules and regulations to protect the labourers are not followed there.  
4. There is no job security.  
5. Jobs are low paid the workers in this sector are generally illiterate, ignorant and unorganized. So they are not in a position to bargain or secure good wages.  
6. Being very poor they are always heavily in debt. So, they can be easily made to accept lower wages.

7. They have less number of paid holidays and sick leaves.

8. Most of the factory workers in unorganized sectors have high risk of meeting with accident, bad working condition, for which they are not paid compensation.

**8) How are the activities in the economy classified on the basis of employment conditions?**  
**Answer:**On the basis of employment conditions, the activities in the economy are classified into organized and unorganized sectors.  
Organized Sector : This sector covers those enterprises which are registered by the government and have to follow its rules and regulations. For example, Reliance Industries Ltd., GAIL etc.  
Unorganized Sector It includes those small and scattered units which are largely outside the control of the government. Though there are rules and regulations but these are never followed here. For example, casual workers in construction, shops etc. In this sector there is no job security and the conditions of employment are also very tough.

**9)  Compare the employment conditions prevailing in the organised and unorganised sectors.**  
**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.

**10)xplain the objective of implementing the NREGA 2005.**  
**Answer: NREGA is National rural employment Guarantee act.**

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.

Work suggested in the act addresses causes of chronic poverty like drought, deforestation and soil erosion so that the process of employment generation is maintained on a sustainable basis.

**11) 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 –  
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.

**12) Explain how Public sector contributes to the economic development of a nation.**  
**Answer:** Public sector contributes to the economic development of a nation in the following ways:  
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.

8. It provides revenue to the government which can be used for the development of social infrastructure like health, education rural employment, subsidy to farmers, etc

**13)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.

**14)Differentiate between public sector and private sector.**

**Or**

**Classify the industries on the basis of employment**

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| **Points of distinction** | **Private sector** | **Public sector** |
| Meaning | Ownership of assets and delivery of services is in the hands of private individuals or companies | The government owns most of the assets and provides all the services. |
| Motive | To earn profit | Not just to earn profit but also to provide the services to the people at low cost. |
| Examples | Private hospitals, Public schools | Post office, Police station |

**15)Explain the difference between primary, secondary and tertiary sectors by giving suitable examples**

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| --- | --- | --- | --- |
| Points of distinction | Primary sector | Secondary sector | Tertiary sector |
| Meaning | Works on natural process | The process of manufacture takes place to convert the raw input into finished goods. | It is concerned with imparting services to both primary and secondary sectors. |
| Components/ examples | Agriculture, mining, poultry, fishing etc. | Manufacturing industries like automobiles, textiles, steel plants etc. | Services like transportation, banking, insurance, communication etc. |
| dominance | Underdeveloped economy | Developing economy | Developed economy |
| Technology | Generally less technologically advanced | Small scale are less technologically advanced.  Large scale are highly advanced | Highly influenced by information technology like internet banking etc. |

**16) What does the history of developed countries indicate about the shifts that have taken place between sectors?**

**Explain how a shift can take place between sectors in developed countries?**

It has been noted from the histories of many recently developed countries that in their initial stages of development , primary sector was the most important sector of economic activity.

As the methods of farming changed and agriculture sector began to prosper, it produced much more food than before. Many people could now take up other activities.

There were increasing number of craft persons and traders.

Over a long time and especially because new methods were introduced, factories came up and started expanding. Those people who had already worked in farms now began to work in factories in large numbers.

People began to use goods that were produced in factories at cheap rates.

Secondary sector gradually became more important in total production and employment.

Overtime a shift had taken place. This means that the importance of the sectors had changed.

In the past 100 years, there has been a further shift from secondary to tertiary sector in developed countries.

The service sector became the most important sector in terms of total production. Most of the working people are also employed in the service sector.

This is the general pattern observed in developed countries.

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