

Sectors of the Indian Economy

1. 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) has not
- (ii) tertiary
- (iii) organised
- (iv) large
- (v) natural
- (vi) interdependent

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

Answer: (iii) ownership of enterprises

(b) Production of a commodity, mostly through the natural process, is an activity in _____ sector.

- (i) primary
- (ii) secondary

- (iii) tertiary
- (iv) information technology

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Answer: (i) primary

(c) GDP is the total value of _____ produced during a particular year.

- (i) all goods and services
- (ii) all final goods and services
- (iii) all intermediate goods and services
- (iv) all intermediate and final goods and services

Answer: (ii) all final goods and services

(d) In terms of GDP the share of tertiary sector in 2013-14 is between _____ per cent.

- (i) 20 to 30
- (ii) 30 to 40
- (iii) 50 to 60
- (iv) 60 to 70

Answer: 50 to 60

3. Match the following:

Problems faced by farming sector	Some possible measures
1. Unirrigated land	(a) Setting up agro-based mills
2. Low prices for crops	(b) Cooperative marketing societies

3. Debt burden	(c) Procurement of food grains by government
4. No job in the off season	(d) Construction of canals by the government
5. Compelled to sell their grains to the local	(e) Banks to provide credit with low

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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) Tourist guide

He is appointed by the government, while the other three belong to the private sector.

(ii) Vegetable vendor

He is the only profession that does not require a formal education while the rest are professionally qualified.

(iii) Cobbler

He works in the private sector while the other three work for the public sector.

(iv) SAHARA Airlines

It is a private enterprise, while the rest are owned by the Government of India.

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

Place of work	Nature of employment	Percentage of working people
In offices and factories registered with the government	Organised	15
Own shops, office, clinics in marketplaces with formal license	-	15
People working on the street, construction workers, domestic workers	-	20
Working in small workshops usually not registered with the government	-	-

Complete the table. What is the percentage of workers in the unorganised sector in this city?

Answer:

Place of work	Nature of employment	Percentage of working people
In offices and factories registered with the government	Organised	15
Own shops, office, clinics in marketplaces with formal license	Organised	15
People working on the street, construction workers, domestic workers	Unorganised	20
Working in small workshops usually not registered with the government	Unorganised	50

The percentage of workers in the unorganised sector in this city is 70%.

6. Do you think the classification of economic activities into primary, secondary and tertiary is useful? Explain how.

Answer:

The classification of economic activities into primary, tertiary and secondary is useful as it helps to classify the different occupations that are taken up by the people in the country and gives information on the contribution of different sectors to the growth of the country. It also helps in ascertaining as to which

sector of economic activity contributes more or less to the country's GDP and per capita income.

7. For each of the 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 that we came across in this chapter, one should focus on employment and GDP because these determine the development of a country in terms of its economic growth. A focus on employment and GDP helps determine two important things- per capita income and productivity. Hence, in each of the three sectors, employment rate and status, as well as its contribution to the GDP, help us understand how that particular sector is functioning and what needs to be done for its further growth.

Other issues which should be examined are as follows:

- Poverty
- Health-care facilities
- Education
- Food production
- Advancement of technology

9. How is the tertiary sector different from other sectors? Illustrate with a few examples.

Answer:

The tertiary sector is different from the primary and secondary sectors. This sector does not produce goods by itself but the other two sectors produce goods. This sector helps in the development of the primary and secondary sectors. The activities under the tertiary sector are an aid or support for the production process. For example, transport, communication, storage, banking, insurance, trade activities etc. Similarly, doctors, teachers, lawyers, tailor, etc., come under the tertiary sector as they provide services rather than material goods. This is why this sector is also termed as the service sector.

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

Answer:

Disguised unemployment is a kind of unemployment in which people seem to be employed but are actually unemployed. This is the situation of underemployment, where people are apparently working but all of them are

made to work less than their potential. This situation is also known as Hidden Unemployment. Such a situation arises when more people are engaged in a work than required.

For example:

- In rural areas, this type of unemployment is often seen in the agricultural sector. Here, if in a family five members are working on the same piece of land and that land only requires three workers then the extra two workers are said to be in a situation of disguised unemployment.
- In urban areas, this type of unemployment can be seen mostly in service sectors where workers like painters, plumbers, electricians are unable to find work on a daily basis and work less than their potential.

11. Distinguish between open unemployment and disguised unemployment.

Answer:

Open unemployment is when a person has no job in hand and does not earn anything at all. This kind of unemployment is visible. On the other hand, disguised unemployment is a situation when a person is apparently working but is made to work less than his or her potential. This type of unemployment is generally found in unorganized sector where either work is not constantly available or more people are employed for the same work than required.

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, it is not correct to say that the tertiary sector is not playing any significant role in the development of Indian economy. The tertiary sector has emerged as the largest producing sector in India replacing the primary sector. This sector has a big contribution to the growth of Indian economy. The GDP share of the tertiary sector has grown from around 40% in 1973 to more than 50% in 2003.

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:

(i) Highly skilled and educated workers like teachers, bankers, IT officials, etc., who are engaged into the high paying services.

(ii) Less skilled workers like vendors, electricians, plumber, etc., who are engaged into the low paying services.

14. Workers are exploited in the unorganised sector. Do you agree with this view? Give reasons in support of your answer.

Answer:

Yes, workers are exploited in the unorganized sector. A few reasons in support of this view are:

- The unorganised sector does not offer any job security.
- People are made to work for long hours.
- They are paid less than they deserve.
- Government rules and regulations to protect the labourers are not followed there.

15. 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: It includes the enterprises registered under the Government of India, who have an employee-friendly environment and are provided with various facilities including high wages.

Unorganized Sector: It includes the small and scattered units which largely outside the control of the government. There are rules and regulations but these are not followed in this sector. Jobs here are low-paid and often not regular.

16. Compare the employment conditions prevailing in the organised and unorganised sectors.

Answer:

In the organised sector, workers enjoy security of employment. They are expected to work only a fixed number of hours. If they work more, they have to be paid overtime by the employer. They also get several other benefits from the employers like paid leave, payment during holidays, provident fund, gratuity, medical insurance, etc.

In the unorganised sector, there is no provision for overtime, paid leave, holidays, leave due to sickness, medical facilities, etc. They do get any other

allowances apart from daily wages. Employment is not secure. When there is less work, such as during some seasons, some people may be asked to leave.

17. Explain the objective of implementing the NREGA 2005.

Answer:

The objective of implementing the NREGA 2005 was to ensure 100 days of employment in a year to all those who are in need of work in the rural areas. It also introduced a scheme of providing unemployment allowances to the people if the government fails to provide employment under this act. The types of work that would help to increase the production from land will be given preference under the Act.

18. Using examples from your area compare and contrast that activities and functions of private and public sectors.

Answer:

In the private sector, the assets and industries are owned by the individuals whereas in the public sectors, industries are owned by the Government. Private sector gives emphasis on earning profits rather than considering the benefits and interests of its employees. The public sector, on the other hand, works to provide facilities to the public and to earn profits at the same time. Some common examples of the public sector include banks, hospitals and railways undertaken the government. The common examples of the private sector include IT companies, malls, showrooms, etc.

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

Well-managed organisation	Badly-managed organisation
Public sector	
Private sector	

Answer:

	Well-managed organisation	Badly-managed organisation
Public sector	Delhi Metro Rail Corporation	Air India
Private sector	Reliance Mobile	Satyam

20. Give a few examples of public sector activities and explain why the government has taken them up.

Answer:

A few examples of public sector activities are provision of water, electricity, transport, banks, etc. The government has taken them up to make it sure that all the people of the country can enjoy these facilities at affordable prices. These public sector activities are set for the betterment of the public itself. Providing these facilities to its citizens is the responsibility of the Government.

21. Explain how public sector contributes to the economic development of a nation.

Answer:

The public sector contributes to the economic development of a nation in the following ways:

- It promotes rapid economic development through creation and expansion of infrastructure.
- It creates employment opportunities.
- It contributes to the Human Development Index via health and educational services.
- It ensures equality of income, wealth and thus, a balanced regional development.
- It encourages small and large industries to flourish and provides employment under this section.
- It ensures easy availability of goods at affordable prices.

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:

Wages: Labourers who are employed in the unorganised sector do not get fixed income. They nearly manage to earn their living. They are not employed all through the year. For example, vendors, cobbler, plumber, etc. Proper and fixed wages should be given to these workers so that they can grow and contribute to the growth of the country.

Safety: Workers in the unorganized sector are not provided a safe and healthy working environment. For example, people working in the mining and chemical industries. There is no job security in this sector. Rules and laws should be there to provide such workers with a safe and secure working life.

Health: Workers in the unorganised sector are given no medical security and leaves for sickness. For example, there are no health facilities for the construction workers.

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:

-	Organised Sector	Unorganised Sector	Total
No. of workers	4,00,000	11,00,000	15,00,000
Income (Rs)	32,000 million	28,000 million	60,000 million

It is clear from the above data that though a larger portion of workers are involved in the unorganized sector, the per capita earning is more in the organized sector. Thus the government should encourage the entrepreneurs in the unorganized sector to change them into the organized sector. For this, the government must provide loans and aid to companies transferring from unorganised to organised sectors.

24. The following table gives the GDP in Rupees (Crores) by the three sectors:

Year	Primary	Secondary	Tertiary
2000	52,000	48,500	1,33,500
2013	8,00,500	10,74,000	38,68,000

- Calculate the share of the three sectors in GDP for 2000 and 2013.
- Show the data as a bar diagram similar to Graph 2 in the chapter.
- What conclusions can we draw from the bar graph?

Answer:

(i) In 2000,

Share of primary sector = 22.22%

Share of secondary sector = 20.73%

Share of tertiary sector = 57.04%

In 2013,

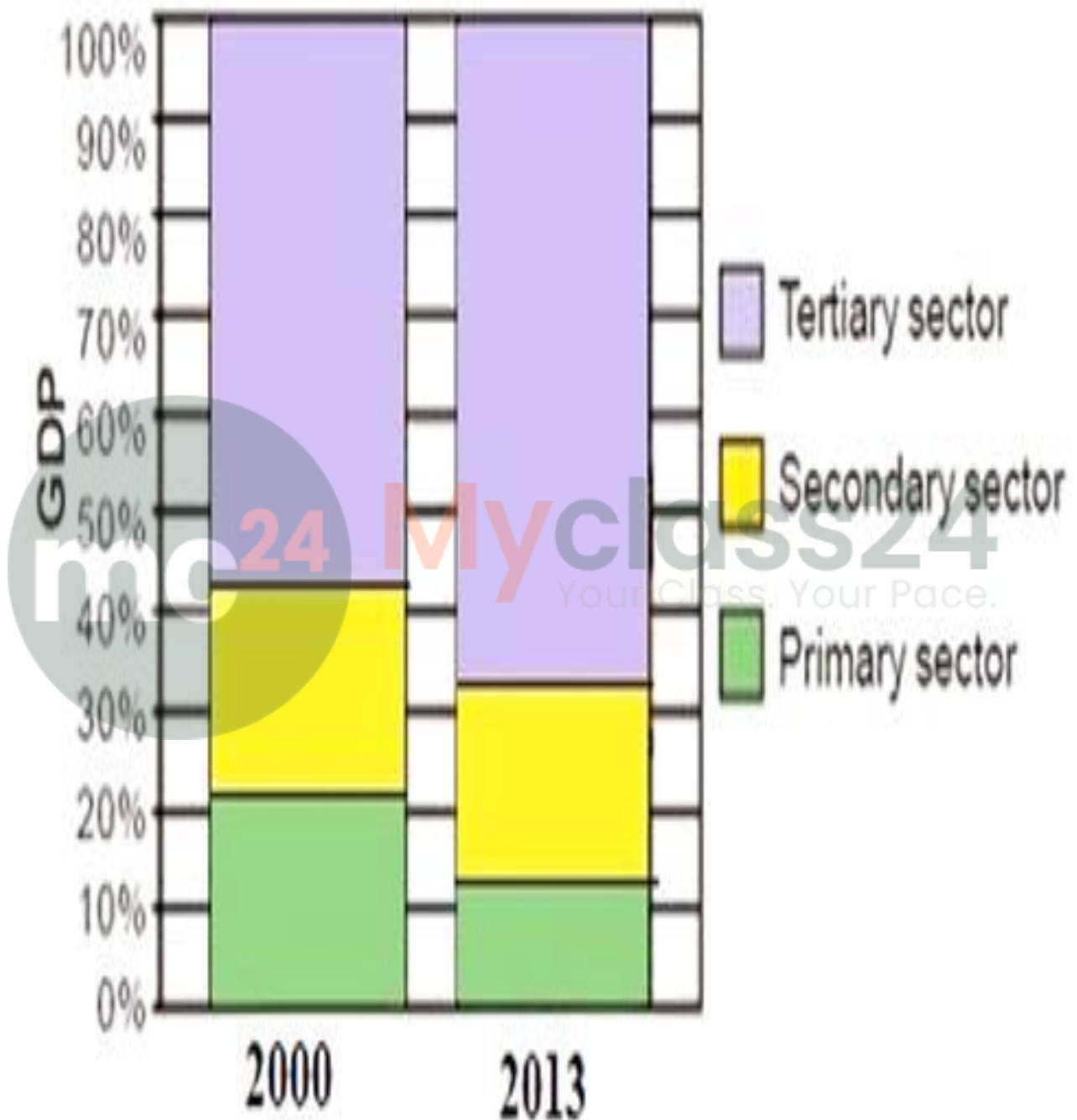
Share of primary sector = 13.94%

Share of secondary sector = 18.70%

Share of tertiary sector = 67.36%

(ii)

Share of Sectors in GDP (%)



(iii) We can draw the conclusion that the share of the tertiary sector in the GDP has increased by 10%, while that of the primary sector has almost halved. The secondary sector has grown by about 2% in the last 13 years.

