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नोट : हमारे यहां नवोदय, सैनिक स्कूल एवं Olympiad की तैयारी अलग से कराई जाती है।

Head Office :- Near Bagicha School Barki Delha, Paraiya Road, Gaya

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SECTORS OF THE INDIAN ECONOMY

Class 10 Notes



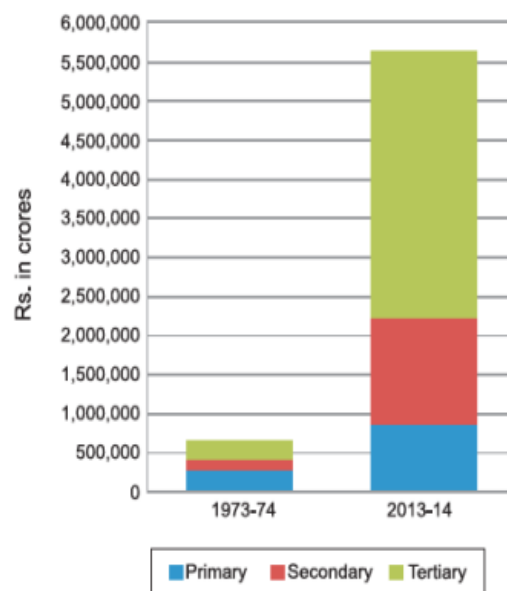
- ⇒ The activities which are conducted to earn money are called **Economic** activities. Some activities are conducted to produce goods and services while some are performed to provide service.
- ⇒ **Sector** defines a large segment of the economy in which businesses share the same or a related product or service.
- ⇒ On the basis of nature of activity there are three group of Economic activities:
 - 1. Primary sector:-**
 - ⇒ When we produce a good by extraction and collection of natural resources, it is known as the primary sector. Eg: Farming, forestry, hunting, fishing and mining.
 - 2. Secondary sector**
 - ⇒ The secondary sector covers activities in which natural products are changed into other forms through ways of manufacturing.
 - ⇒ It is the next step after primary. Some manufacturing processes are required here. It is also called the industrial sector. For example, using cotton fibre from the plant, we spin yarn and weave cloth. Using sugarcane as raw material, we make sugar or gur.
 - 3. Tertiary sector**
 - ⇒ Tertiary sector includes activities that help in the development of the primary and secondary sectors.
 - ⇒ These activities, by themselves, do not produce a good but they are an aid or support for the production process.
 - ⇒ It is also called the service sector.
 - ⇒ Example: Teachers, doctors, washermen, barbers, cobblers, lawyers, call centres, software companies, etc.

⇒ Comparing the three Sectors of the Indian Economy:-

⇒ In 2013-14, the tertiary sector surpassed the primary sector as India's largest producing sector. The tertiary sector has grown in importance in India for the following reasons:

1. Hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defence, transportation, banks, insurance firms, and so on are regarded essential services for all people.
2. The growth of agriculture and industry leads to the growth of services such as transportation, commerce, storage, and so on.
3. People's incomes grow, and they begin to demand additional amenities such as dining out, tourism, shopping, private hospitals, private schools, professional training, and so on.
4. Certain new services based on information and communication technology have grown significant and necessary during the last decade.

Graph 1 : GDP by Primary, Secondary and Tertiary Sectors



⇒ Where are Most People Employed?

Primary Sector	Secondary Sector	Tertiary Sector
More than half of the workers in India are working in the primary sector, mainly in agriculture.	These sectors employ less than half the people as compared to the primary sector.	
It contributes to only a quarter of the GDP.	These sectors produce four-fifths of the product.	

⇒ Gross Domestic Product (GDP):

⇒ The value of final goods and services produced in each sector during a particular year provides the total production of the sector for that year. And sum of production in three sectors give Gross Domestic Product—GDP of the country. It is the value of all final goods and services produced within the country during a particular year.

⇒ Historical changes in the three economic sectors:-

- ⇒ In all the countries, primary sector was the most important sector at the initial stages of the development.
- ⇒ After independence to 1972 primary sector was prominent in India GDP.
- ⇒ As farming method improves and surplus food was produced people channelized their energy towards manufacturing.
- ⇒ Very soon secondary sector gained prominence.
- ⇒ Because of development of primary and secondary sector, information and technology, trade, transport etc, tertiary sector gained prominence
- ⇒ Most of the people are employed in the tertiary sector.
- ⇒ In 2011-12 share of tertiary sector in Indian GDP was approximately 60%.
- ⇒ **Underemployment:**
- ⇒ This is the situation of where people are apparently working but all of them are made to work less than their potential. This kind of underemployment is hidden in contrast to someone who does not have a job. Hence, it is also called disguised unemployment.
- ⇒ Employment can be given to people by identifying, promoting and locating industries and services in semi-rural areas.
- ⇒ Every state or region has the potential for increasing the income and employment for people in that area. It can be done by tourism, or regional craft industry, or new services like IT.
- ⇒ A study conducted by the Planning Commission (known as NITI Aayog) estimates that nearly 20 lakh jobs can be created in the education sector alone.
- ⇒ **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005.**
- ⇒ The central government in India made a law implementing the Right to Work in about 625 districts of India, which is called Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005.
- ⇒ Under MGNREGA 2005, all those who are able to, and are in need of work in rural areas are guaranteed 100 days of employment in a year by the government.
- ⇒ If the government fails in its duty to provide employment, it will give unemployment allowances to the people.
- ⇒ **Division of Sectors As Organised and Unorganised**
- ⇒ **Organised sector:** - It covers those enterprises or places of work where the terms of employment are regular and therefore, people have assured work.
- ⇒ **Unorganized sector:** - It is characterized by small and scattered units which are largely outside the control of the government. There are rules and regulations but these are not followed.

Organised Sector	Unorganised Sector
It is a sector where the employment terms are fixed and regular, and the employees get assured work.	The unorganised sector is characterised by small and scattered units, which are largely outside the control of the government.
They are registered by the government and have to follow its rules and regulations, which are given in various laws such as the Factories Act, Minimum Wages Act, Payment of Gratuity Act, Shops and Establishments Act, etc.	There are rules and regulations but these are not followed since they are not registered with the government.
The job is regular and has fixed working hours. If people work more, they get paid for the overtime by the employer.	Jobs are low-paid and often not regular.
Workers enjoy the security of employment.	Employment is not secure. People can be asked to leave without any reason.
People working in the organised sector get several other benefits from the employers such as paid leave, payment during holidays, provident fund, gratuity, etc.	There is no provision for overtime, paid leave, holidays, leave due to sickness, etc.
People get medical benefits. The factory manager has to ensure facilities like drinking water and a safe working environment. When they retire, these workers get pensions as well.	There are no such facilities in the unorganised sector.
Examples of the organised sectors are Government employees, registered industrial workers, Anganwadi workers, village health workers, etc.	Examples of the unorganised sectors are Shopkeeping, Farming, Domestic works, Labouring, Rickshaw pulling, etc.

⇒ **There is a need for protection and support of the workers in the unorganised sector.**

⇒ Here are a few points which will help in doing so.

1. The government can fix the minimum wages rate and working hours.
2. The government can provide cheap loans to self-employed people.
3. Government can provide cheap and affordable basic services like education, health, food to these workers.
4. The government can frame new laws which can provide provision for overtime, paid leave, leave due to sickness, etc.

⇒ **Sectors in Term of Ownership: Public and Private Sectors**

Public Sector	Private Sector
In the public sector, the government owns most of the assets and provides all the services.	In the private sector, ownership of assets and delivery of services is in the hands of private individuals or companies.
Railways or post office is an example of the public sector.	Companies like Tata Iron and Steel Company Limited (TISCO) or Reliance Industries Limited (RIL) are privately owned companies.
The purpose of the public sector is not just to earn profits. Its main aim is public welfare.	Activities in the private sector are guided by the motive to earn profits.

⇒ **Responsibilities of Government:-**

1. Government raises money through taxes and other ways to meet expenses on the services rendered by it.
2. Governments have to undertake heavy spending such as the construction of roads, bridges, railways, harbours, generating electricity, providing irrigation through dams, etc. Also, it has to ensure that these facilities are available for everyone.
3. There are some activities, which the government has to support to encourage the private sector to continue their production or business.
4. The government in India buys wheat and rice from farmers at a 'fair price' and sells at a lower price to consumers through ration shops. In this way, it supports both farmers and consumers.
5. Running proper schools and providing quality education, health and education facilities for all are some of the duties of the government.

6. Government also needs to pay attention to aspects of human development such as availability of safe drinking water, housing facilities for the poor and food and nutrition, taking care of the poorest and most ignored regions of the country.

⇒ **Growing importance of Tertiary sector:**

1. In any country several services such as hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defense, transport, banks, insurance companies etc. are required.
2. The development of the agriculture and industrial leads to the development of services such as transport, trade, storage and the like. Greater the development of primary and secondary sectors more will be demand of such services.
3. As the income level rise, certain sections of people start demanding many more services like eating out, tourism, shopping , private hospitals, professional training etc. This is found especially in the big cities.
4. Over the past decade or so certain new services such as those based on the information and communication technology have become important & essential.

⇒ **Important Question**

⇒ **Short Answer Type Questions (3 Marks)**

1. Explain the difference between primary, secondary and tertiary sectors using examples.
2. What is under employment? Explain with an example.
3. What is GDP? Who is responsible for collecting data for the GDP in India?
4. What is disguised unemployment? Explain.

Or

How far is it correct to say that disguised unemployment can also be called underemployment? Explain.

5. What are the objectives of NREGA 2005?
6. Describe any four points of importance of primary sector in the Indian economy.
7. How can employment opportunities be generated in the tourism and information and technology centres?
8. How can we create more employment in secondary and tertiary sectors in rural India?
9. How can employment be increased in both rural and urban areas? Explain.

10. Workers are exploited in the unorganised sector. Do you agree with this view? Give reasons in support of your answer.
11. Explain how public sector contributes to the economic development of a nation.
⇒ Long Answer Type Questions (5 Marks)
12. Describe any five conditions or aspects that you would consider before accepting a job?
13. "There are several things needed by the society as a whole". In the light of this statement explain as to who can provide them at a reasonable cost, the private or the public sector and why?
14. Compare the employment conditions prevailing in the Organized and Unorganized sectors.
15. State any five features each of public sector and private sector.
16. Explain the role of public sector. Suggest any two ways to improve the working of public sector or government.
- Or
- Why is public sector required to provide certain things at reasonable cost?
- Or
- Identify any five activities where the government must spend for the welfare of the people and why.
- Or
- How far is it correct to say that several services which cannot be provided by private sector can be provided by the public sector? Explain.
17. Do you agree that agriculture is an activity of the unorganised sector in India. Give any four points.
18. Explain the role of government in the public sector.
19. What are the advantages of working in an organised sector?
- Or
- What is an organised sector? Describe its working conditions.
20. Why is NREGA also called the Right to work? Explain the objectives of National Rural Employment Guarantee Act 2005.



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