

- ⊗ Introduction :- The activities which contribute to the flow of goods & services in an economy are called economic activities. These include agricultural practices, production in factories, movement of goods through transportation etc.
- ⊗ Final Goods :- The goods which are ready for use are called final goods. eg - a pen, biscuits etc
- ⊗ Gross Domestic Product :- It is the total value of final goods & services produced in each sector during a particular year that provides the total production of the sector for that year.
- ⊗ Under Employment :- It is a situation under which people are apparently working but all of them are made to work less than their potential. eg - to cultivate a field, only two workers are required but the whole family of five people is working. This type of unemployment is also known as disguised unemployment.
- ⊗ Primary Sector :- When we produce a good by exploiting natural resources, it is an activity of the primary sector. This is also known as agriculture & related sector. eg - dairy, cultivation, forestry, fishing, Animal husbandry etc

⊗ Secondary Sector :- It covers activities in which natural products are changed into other forms through ways of manufacturing. In this sector, final goods are produced using raw materials. Manufacturing of cloth from cotton, sugar from sugarcane & steel from iron ore are important examples of activities of secondary sector.

⊗ Tertiary Sector :- Tertiary activities consist of all service occupations. This sector all the activities which help in the development of primary & secondary sector. These activities do not produce goods but they support the production. eg- transport, communication, trade, health, education etc. Tertiary sector is also called service sector.

⊗ Objectives of NREGA (National Rural Employment Guarantee Act, 2005) :-

- (i) This scheme targets the Scheduled Castes, Scheduled Tribes, & the poor women who suffer from poverty.
- (ii) To provide livelihood to the people below the poverty line, this scheme guarantees 100 days of wage employment in a year to every rural household in the country.
- (iii) Under this scheme, the Gram Panchayat after

proper verification, will register households & issue job cards to registered households.

⊗ Organised Sector :- An organised sector covers those enterprises or places of work where the terms of employment are regular & therefore people have assured work. They are registered by the govt & have to follow its rules & regulations which are given in the various laws such as factories act, Minimum wages Act, Payment of Gratuity Act etc. They are called organised because they have some processes & procedures.

⊗ Unorganised sectors :- An unorganised sector is a sector which is not registered by the govt. The unorganised sector is characterised by small & scattered units which are largely outside the control of the govt. There are rules & regulations but these are not followed.

⊗ Difference Between Organised sector & Unorganised Sector :-

<u>Organised sector</u>	<u>Unorganised sector</u>
1. This sector is registered by govt	1. This sector is not registered by govt
2. The terms of employment are regular	2. The terms of employment are not regular
3. This sector has to follow many laws like Factories Act, Minimum wages etc	3. This sector is not governed by any act.
4. This sector includes banks, hospitals, schools etc	4. This sector includes small factories, small restaurants, construction sites etc

⊗ Public Sector :- It is the sector which is controlled, managed & owned by the govt. eg- the Indian Railways

⊗ Private Sector :- A private sector is owned, controlled & managed by the individual or by a group of individuals. eg- the Reliance Industries Ltd

⊗ Difference Between Public & Private Sector :-

<u>Public Sector</u>	<u>Private Sector</u>
1. It is controlled & managed by the govt.	1. It is controlled & managed by an individual or a group of individuals.
2. The main aim of this sector is public welfare	2. The main aim of this sector is to earn maximum profits.
3. This sector provides basic facilities like education, health & security to the people.	3. This sector provides consumer goods to the people.
4. Examples: the Indian Railways, the post office, BSNL.	4. Examples: The Reliance, TISCO etc

⊗ Importance of Primary Sector in the Indian Economy :-

- (i) Primary sector contributes more than 20% to the GDP of India.
- (ii) Its employment share is more than 55%.
- (iii) It is the most labouring sector of Indian Economy.

⊗ Importance of Secondary Sector in the Indian Economy :-

- (i) The secondary sector contributes more than 20% to the GDP of India
- (ii) It provides employment to the people.
- (iii) It provides goods to the people like cloth, food, vehicles etc
- (iv) The secondary sector promotes the growth of primary sector as well as tertiary sector.

⊗ Tertiary Sector is Becoming Very Important in India :-

- ① Basic Services :- In any country, several services like education, health, banking etc are required. These can be considered as basic services. In a developing country, the govt has to take the responsibility for the promotion of these services. As more & more people are being employed to provide the basic services to the people, the share of tertiary sector in GDP is increasing.
- ② Development in Transport & Communication :- The development of agriculture & industry leads to the development of services such as transport, communication, trade etc. All these are under the tertiary sector.
- ③ More Income More Services :- The per capita income in our country is rising. As the income level rises, people demand more services like tourism,

Shopping centres, schools, professional training centres, banks etc.

④ New services :- With modernisation & globalisation, some new services based on information & communication technology have become important & essential. The production of these services has been rising rapidly.

⊕ Causes of Rural Unemployment in India :- There are various reasons due to which rural people are unemployed in India.

① Lack of Skill & Education :- The most important factor responsible for rural unemployment is lack of education & skill.

② Lack of Industrialisation :- Even after more than 70 years of independence, more than 80% of the people are dependent on agriculture for their livelihood. Chances of disguised unemployment are very high in agriculture.

③ Domination of Primary sector :- Most of the people of rural areas are involved in primary activities. The possibility of unemployment in primary sector is more.

⊗ How to Create More Employment in Rural Areas :-

- ① Diversification of Agriculture :- More than 60% of our workers are employed in agriculture. But our farmers are producing only limited crops. There is need to diversify agriculture. Farmers should be encouraged to adopt pisciculture, horticulture, animal rearing etc along with cultivation of crops.
- ② Cheap Credit :- Most of the farmers depend on informal sources of credit i.e. moneylenders, relatives, traders etc. who charge a very high rate of interest. Govt should encourage the commercial banks to provide loans to the farmers at cheaper rates.
- ③ Provision of Basic Facilities :- Our rural areas lack the basic facilities like roads, transportation, banking warehouses, markets etc. The govt should invest some money in these sectors so that the Indian villages can be linked to other markets. These activities can provide productive employment to not just farmers, but also to others. as
- ④ Promotion of Local Industries & Other Industries :- Another way to tackle this problem is to identify, promote & locate industries, especially the cottage & small scale industries in semi-rural areas, where a large number of people may be employed. It also includes setting up of a flour or rice mill to procure & process these & sell in the cities.

⊕ Employment Opportunities in Tourism & Information Technology :- 8.

- (i) Govt should encourage tourism by providing more facilities to the tourists.
- (ii) Medical treatment in India is very cheap as compared to developed nations.
- (iii) Vocational training should be merged in mainstream education system.
- (iv) Research & development work should be promoted
- (v) Govt should set up more technology parks.

⊕ Agriculture as An Activity of Unorganised sector :-

- (i) Most of the workers working in agriculture are ill paid.
- (ii) Agriculture sector faces the problem of underemployment.
- (iii) Most of the workers working in agriculture are employed only during harvesting & sowing season.
- (iv) Most of the farmers are dependent on moneylenders & relatives for their loan requirement.

⊕ Adverse Effects of Unemployment :- (i) When people are willing to work at the going wages, but they do not get jobs, this situation is called unemployment. It leads to the wastage of manpower resource.

- (ii) People who are an asset for economy turn into a liability.

- (iii) There is a feeling of hopelessness & despair among the youth.
- (iv) People do not have enough money to support their family.

⊗ How can the workers in Unorganised sector be protected :- (i) Govt can fix the minimum wages rate & working hours.

- (ii) Govt can provide cheap loans to the self employed people.
- (iii) Govt can provide cheap & affordable basic services like health, education, food etc
- (iv) Govt can frame new laws which can provide provision for overtime, paid leave, leave due to sickness etc

⊗ Role of Government in the public sector :-

① Development of Infrastructure :- The pace of industrial development cannot be accelerated without the establishment of infrastructure. Its development requires huge capital investment, which cannot be mobilised by the private sector. Moreover, these do not promise high profits.

② Development of Backward Areas :- If industries are set up in the backward areas, there can be reduction in economic inequality between regions.

The govt should start industrial production in backward areas.

③ Basic Facilities :- There are a large number of activities which are the primary responsibility of the govt. The govt must spend on these. Providing health, quality education, particularly elementary education, is the duty of the govt.

④ Other Problems :- There are many other problems like malnourishment, high infant mortality rate, unsafe drinking water, lack of housing facilities etc. These problems can be solved only with the help of the government.