

CHAPTER -2

Sectors Of The Indian Economy

1. Primary Sector

Definition: Involves The Extraction And Harvesting Of Natural Resources.

Examples:

- Agriculture (Farming, Horticulture)
- Fishing
- Forestry
- Mining

Characteristics:

- Relies On Natural Resources.
 - Common In Less Developed Or Rural Areas.
 - Labor-Intensive And Often Affected By Environmental Factors.
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2. Secondary Sector

Definition: Involves The Processing Of Raw Materials Into Finished Goods Or Manufacturing.

Examples:

- Textile Production
- Construction
- Food Processing
- Steel And Automobile Industries

Characteristics:

- Adds Value To Raw Materials.
 - Usually Involves Factories And Industrial Processes.
 - Common In Emerging And Developed Economies.
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3. Tertiary Sector

Definition: Involves Providing Services Rather Than Goods.

Examples:

- Retail And Wholesale
- Healthcare
- Education
- Banking And Finance
- Transport And Tourism

Characteristics:

- Focuses On Service Delivery.
 - Dominant In Developed Economies.
 - Often Reliant On Human Capital And Customer Interaction.
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4. Quaternary Sector

Definition: Involves Knowledge-Based Services And Intellectual Activities.

Examples:

- Information Technology
- Research And Development (R&D)
- Consulting
- Education (Higher And Specialized Training)

Characteristics:

- Based On Information And Expertise.

- Drives Innovation And Productivity.
- Crucial In Post-Industrial Or Knowledge Economies.

❖ **comparison of the three main economic sectors — Primary, Secondary, and Tertiary — based on key features:**

Feature	Primary Sector	Secondary Sector	Tertiary Sector
a) Main Activity	Extraction of natural resources	Manufacturing and processing	Providing services
b) Examples	Farming, fishing, mining, forestry	Factories, construction, food processing	Banking, teaching, healthcare, retail
c) Nature of Output	Raw materials (e.g., crops, minerals)	Finished or semi-finished goods	Intangible services
d) Use of Technology	Basic or traditional tools	Moderate to advanced machinery	Advanced tech (IT, communication)
e) Skill Level Required	Generally low to moderate	Moderate to high	Varies: low (retail) to high (doctors, IT)
f) Economic Development	Dominant in less developed countries	Prominent in developing/industrial nations	Dominant in developed economies
g) Employment Share	High in rural/poor economies	Balanced in growing economies	High in advanced, urban economies
h) Value Addition	Low (raw resources)	Moderate to high (processed goods)	High (services & knowledge-based work)
i) Environmental Impact	Often high (deforestation, depletion)	Pollution and resource use	Lower direct impact, but still significant

1. Promote Small and Medium Enterprises (SMEs)

- **Why?** SMEs are major job creators.
- **How?**
 - Provide low-interest loans and grants
 - Reduce business registration hurdles
 - Offer tax incentives to startups and small businesses

◆ 2. Invest in Education and Skills Training

- **Why?** A skilled workforce is more employable and innovative.
- **How?**
 - Expand vocational and technical training
 - Focus on digital literacy and trade skills
 - Partner with industries to align curriculum with job needs

◆ 3. Boost the Agricultural Sector

- **Why?** Agriculture supports many livelihoods, especially in developing regions.
- **How?**
 - Invest in irrigation, seeds, tools, and storage
 - Support agribusiness and food processing industries

- Promote agro-tourism and cooperative farming

◆ 4. Encourage Industrialization and Manufacturing

- **Why?** Manufacturing creates both direct and indirect jobs.
- **How?**
 - Develop industrial parks/zones
 - Support local production over imports
 - Invest in infrastructure (roads, energy, logistics)

◆ 5. Improve Infrastructure and Public Works

- **Why?** Construction and maintenance generate large-scale employment.
- **How?**
 - Build roads, bridges, railways, and housing
 - Launch public works programs (especially in rural areas)

◆ 6. Support the Service Sector

- **Why?** Services (like tourism, healthcare, IT) are fast-growing job creators.
- **How?**
 - Promote eco-tourism and cultural tourism
 - Expand broadband and digital services
 - Develop outsourcing and customer service hubs

◆ 7. Encourage Innovation and Technology Startups

- **Why?** New industries create new types of jobs.
- **How?**
 - Provide tech incubators and innovation hubs
 - Support research and development (R&D)
 - Offer funding for entrepreneurs in tech and green sectors

◆ 8. Promote Gender Equality in Employment

- **Why?** Engaging more women boosts productivity and job numbers.
- **How?**
 - Provide childcare support and flexible hours
 - Enforce anti-discrimination laws in hiring
 - Encourage women's entrepreneurship

◆ 9. Develop the Informal Sector

- **Why?** Millions work informally without protection or support.
- **How?**
 - Legalize and register informal businesses
 - Offer microloans, training, and health insurance

◆ 10. Encourage Foreign Direct Investment (FDI)

- **Why?** FDI brings capital, technology, and jobs.
- **How?**
 - Create a stable and transparent business environment
 - Provide investment incentives and clear regulations

1. Organised Sector

✓ Characteristics:

- **Registered** with the government
- **Follows labor laws and regulations**
- **Provides job security**, fixed working hours, and benefits
- **Employees get:**
 - Regular salary
 - Provident fund (PF)
 - Paid leave and holidays
 - Health benefits

Examples:

- Government offices
- Registered factories
- Banks
- Schools and colleges
- Large companies like Tata, Infosys, etc.

Found In:

- **Secondary & Tertiary sectors mostly**
- **Some large-scale farms or agri-businesses** in the Primary sector

◆ 2. Unorganised Sector

Characteristics:

- **Not registered** with the government
- **No job security or social benefits**
- **Irregular wages**, long hours, often low pay
- **No formal contract**

🔧 Examples:

- Street vendors
- Daily-wage laborers in construction or farms
- Domestic workers
- Small workshops
- Rickshaw pullers, small shopkeepers

✦ Found In:

- **Primary sector:** small farmers, fishermen
- **Secondary sector:** informal workshops, local artisans
- **Tertiary sector:** hawkers, helpers, delivery agents

📋 Key Differences:

Feature	Organised Sector	Unorganised Sector
a) Registration	Registered with the government	Not registered
b) Job Security	High	Low or none
c) Benefits	PF, medical leave, insurance	No social security benefits
d) Working Conditions	Regulated (fixed hours, holidays)	Often exploitative
e) Wages	Regular and fixed	Irregular and low
f) Examples	Government jobs, MNCs, registered firms	Street vendors, daily laborers, helpers

◆ 1. Public Sector

✔ Definition:

The **government owns, controls, and manages** the business or enterprise.

Objective:

- Provide **essential services** to the public
- Ensure **welfare**, not just profit
- Create **employment** and support development

Examples:

- Indian Railways
- Bharat Heavy Electricals Limited (BHEL)
- State-run hospitals and schools
- ONGC (Oil and Natural Gas Corporation)
- BSNL (Bharat Sanchar Nigam Limited)

Characteristics:

- Funded by **taxes and government budgets**
- Aims for **social welfare**
- **Profits are reinvested** in public services

◆ 2. Private Sector

✔ Definition:

Owned, managed, and controlled by **individuals or private companies**.

Objective:

- **Maximize profit**
- Efficient production and competition

Examples:

- Tata Group
- Reliance Industries
- Infosys
- Private banks (like HDFC, ICICI)
- Private schools and hospitals

Characteristics:

- Funded by **private investment**
- Focuses on **efficiency and profit-making**
- Operates under **government laws and regulations**

Key Differences Between Public and Private Sectors:

Feature	Public Sector	Private Sector
1) Ownership	Government-owned	Privately owned
2) Main Objective	Welfare of people, public service	Profit-making
3) Funding	Taxes and government resources	Private capital and investments
4) Examples	Railways, Government schools, ONGC	Tata, Infosys, private banks and schools
5) Employment Type	More job security, fixed pay	Competitive, performance-based pay

Topic : Sectors of Indian Economy

1. Which sector is concerned with natural resources?

- A. Secondary
- B. Tertiary
- C. Primary
- D. Quaternary

✓ Answer: C. Primary

♦ 2. Which of the following is a Tertiary sector activity?

- A. Farming
- B. Construction
- C. Teaching
- D. Mining

✓ Answer: C. Teaching

♦ 3. Which sector transforms raw materials into finished goods?

- A. Primary
- B. Tertiary
- C. Secondary
- D. Public

✓ Answer: C. Secondary

♦ 4. The service sector is also known as the:

- A. Primary sector
- B. Secondary sector
- C. Tertiary sector
- D. Public sector

✓ Answer: C. Tertiary sector

♦ 5. Indian Railways belongs to which sector?

- A. Private sector
- B. Unorganised sector
- C. Public sector
- D. Secondary sector

✓ Answer: C. Public sector

♦ 6. Which sector is the largest employer in India?

- A. Secondary
- B. Primary
- C. Tertiary
- D. Quaternary

✓ Answer: B. Primary

♦ 7. Which is an example of an unorganised sector worker?

- A. Teacher in a government school
- B. Factory worker in Tata Steel
- C. Street vendor

D. Bank clerk

✓ **Answer: C. Street vendor**

♦ **8. What is the main aim of private sector enterprises?**

A. Welfare

B. Employment

C. Profit

D. Tax collection

✓ **Answer: C. Profit**

♦ **9. A person working on a daily wage basis in construction is part of:**

A. Organised sector

B. Unorganised sector

C. Tertiary sector

D. Public sector

✓ **Answer: B. Unorganised sector**

♦ **10. Which sector does IT (Information Technology) belong to?**

A. Primary

B. Secondary

C. Tertiary

D. Quaternary

✓ **Answer: D. Quaternary**

♦ **11. A private hospital falls under which category?**

A. Public sector

B. Private sector

C. Primary sector

D. Organised sector

✓ **Answer: B. Private sector**

♦ **12. Public sector enterprises are run by:**

A. Private individuals

B. NGOs

C. Government

D. Cooperatives

✓ **Answer: C. Government**

♦ **13. The sector with high use of machines and technology is:**

A. Primary

B. Unorganised

C. Tertiary

D. Secondary

✓ **Answer: D. Secondary**

♦ **14. Which is not a characteristic of the organised sector?**

A. Fixed working hours

B. Job security

C. Irregular wages

D. Paid holidays

✓ Answer: C. Irregular wages

◆ 15. What type of sector is a government school?

A. Tertiary, Organised, Public

B. Secondary, Private

C. Primary, Unorganised

D. Tertiary, Unorganised, Private

✓ Answer: A. Tertiary, Organised, Public

◆ 16. An IT company like Infosys is part of:

A. Public sector

B. Private sector

C. Primary sector

D. Unorganised sector

✓ Answer: B. Private sector

◆ 17. Which of these is a feature of the unorganised sector?

A. Social security

B. Fixed salary

C. Job insecurity

D. Paid leave

✓ Answer: C. Job insecurity

◆ 18. A farmer growing crops on their land belongs to:

A. Secondary sector

B. Tertiary sector

C. Primary sector

D. Private sector only

✓ Answer: C. Primary sector

◆ 19. Which sector has grown the most in recent years in India?

A. Primary

B. Secondary

C. Tertiary

D. Public

✓ Answer: C. Tertiary

◆ 20. Which of the following is a quaternary sector activity?

A. Selling groceries

B. Doing construction

C. Conducting scientific research

D. Mining coal

✓ Answer: C. Conducting scientific research

Topic Organised sector and Unorganised sector

♦ 1. Which of the following is a feature of the organised sector?

- A. No job security
- B. Regular working hours
- C. Irregular income
- D. No paid leave

✓ Answer: B. Regular working hours

♦ 2. Who provides benefits like pension, leave, and insurance?

- A. Organised sector employers
- B. Unorganised sector workers
- C. Street vendors
- D. Self-employed people

✓ Answer: A. Organised sector employers

♦ 3. An example of a worker in the unorganised sector is:

- A. School teacher in a government school
- B. Manager in a bank
- C. Construction laborer on daily wages
- D. Doctor in a government hospital

✓ Answer: C. Construction laborer on daily wages

♦ 4. The unorganised sector does NOT provide:

- A. Health benefits
- B. Irregular wages
- C. Long working hours
- D. Job insecurity

✓ Answer: A. Health benefits

♦ 5. Organised sector workers receive salary on:

- A. Whenever the employer decides
- B. No fixed time
- C. Regular basis (monthly or weekly)
- D. Yearly only

✓ Answer: C. Regular basis (monthly or weekly)

♦ 6. Which one is an example of the organised sector?

- A. Vegetable vendor
- B. Government bank employee
- C. Daily wage worker
- D. Domestic helper

✓ Answer: B. Government bank employee

♦ 7. Which of the following is true about the unorganised sector?

- A. It provides stable employment
- B. It is regulated by labour laws
- C. It is not monitored by the government

D. Workers get retirement benefits

✓ **Answer: C. It is not monitored by the government**

♦ **8. Unorganised sector workers mostly work in:**

A. Multinational companies

B. Government jobs

C. Informal jobs like small shops and farms

D. Registered factories

✓ **Answer: C. Informal jobs like small shops and farms**

♦ **9. What is the biggest problem in the unorganised sector?**

A. Less working hours

B. Job security

C. Lack of regular income and safety

D. Excessive holidays

✓ **Answer: C. Lack of regular income and safety**

♦ **10. Which benefit is exclusive to the organised sector?**

A. Extra working hours

B. Irregular payments

C. Paid leave and PF

D. No holidays

✓ **Answer: C. Paid leave and PF**

♦ **11. A tailor working in a local shop is part of the:**

A. Organised sector

B. Unorganised sector

C. Public sector

D. None of the above

✓ **Answer: B. Unorganised sector**

♦ **12. Who decides working conditions in the unorganised sector?**

A. Government

B. Employer

C. Labour Union

D. Labour Court

✓ **Answer: B. Employer**

♦ **13. Which of the following sectors is mostly unorganised in India?**

A. IT sector

B. Primary sector (like farming)

C. Banking sector

D. Government offices

✓ **Answer: B. Primary sector (like farming)**

♦ **14. Street vendors fall under which sector?**

A. Organised

B. Private

C. Unorganised

D. Public

✓ Answer: C. Unorganised

◆ 15. Which sector is more secure for workers?

A. Unorganised

B. Organised

C. Private sector

D. Primary sector

✓ Answer: B. Organised

◆ 16. Which of the following is regulated by government rules and laws?

A. Unorganised sector

B. Organised sector

C. Informal jobs

D. Private tuition classes

✓ Answer: B. Organised sector

◆ 17. Workers in the unorganised sector are often:

A. Skilled and certified

B. Covered by health insurance

C. Without written contracts

D. Paid through bank transfer

✓ Answer: C. Without written contracts

◆ 18. Government teachers are employed in:

A. Organised and public sector

B. Unorganised and private sector

C. Organised and private sector

D. None of the above

✓ Answer: A. Organised and public sector

◆ 19. What can improve conditions in the unorganised sector?

A. Removing regulations

B. Government protection and support

C. Longer work hours

D. Reducing minimum wage

✓ Answer: B. Government protection and support

◆ 20. What does PF stand for, often available in the organised sector?

A. Pay Fund

B. Public Fund

C. Provident Fund

D. Pension Fund

✓ Answer: C. Provident Fund