1. People engaged in various economic activities.
2. India’s GDP grew only by 5% in 2012-13.
3. Peoples activities are broadly categorised into three
   1) Agriculture and related activities.
   2) Manufacturing processes & industries,
   3) Services for people.
4. Where nature has a dominant role in the production process is called Agriculture. Ex. Fishing, forestry, mining.
5. Where goods are produced by people using tools or machines is called Manufacturing process.
6. Activities that don’t directly produce a good but provide services are called service activities.
7. The total value of goods and services produced in the country is GDP.
8. GDP means Gross Domestic Product.
9. Agriculture was the largest producing sector in 1972-73.
10. Services was the largest producing sector in 2009-2010.
11. Industry was the smallest producing sector in 1972-73.
12. Agriculture was the smallest producing sector in 2009-2010.
13. The total value of production of goods and services in India increased approximately 8 times between 1972-73 and 2009-10.
14. Those are not being used by the final consumer is called intermediary goods. Ex. Paddy, rice and husk.
15. Example for final good is idli or dosa.
16. 1st April to 31st March is called financial year.
17. GDP records the market value of all final goods and services produced.
18. The importance of the agriculture sector both for employment and production declined.
19. In the past 50 years, there has been a further shift from industry to service sector for developed countries.
20. The service sector has become the most important in terms of total production.
21. Services are three types. They are 1. Community, social and personal services. 2. Finance, insurance and real estate. 3. Trade, hotels, transport and communication.
22. During the 37-year period, the output share of agriculture sector has fallen drastically.
23. The production of industrial goods went up by more than nine times, employment went up only by around three times.
24. The service sector production rose by more than 14 times, employment rose around five times.
25. Half of the workers are working in the agriculture sector, producing one-sixth of the GDP.
26. The industry and service sectors produce % of the GDP.
27. There are more people in agriculture but everyone may not be fully occupied.
28. Workers in agricultural sector are underemployed.
29. Underemployment is also called disguised unemployment.
30. Painters, plumbers, repair persons and others doing odd jobs are in **unorganised sector**.

31. Underemployment happen in **agriculture** in rural areas and casual workers in the service sector in **urban areas**.

32. **Agriculture** share of employment during 1972-73 was **74%**.

33. **Industry** share of employment during 1972-73 was **11%**.

34. **Services** share of employment during 1972-73 was **15%**.

35. **Agriculture** share of employment during 2009-2010 was **53%**.

36. **Industry** share of employment during 2009-2010 was **22%**.

37. **Services** share of employment during 2009-2010 was **25%**.

38. Share of **Agriculture** sector in GDP during 1972-73 **42%**.

39. Share of **Industry** sector in GDP during 1972-73 **22%**.

40. Share of **Services** sector in GDP during 1972-73 **34%**.

41. Share of **Agriculture** sector in GDP during 2009-2010 **17%**.

42. Share of **Industry** sector in GDP during 2009-2010 **26%**.

43. Share of **Services** sector in GDP during 2009-2010 **57%**.

44. **Service sector** in India employs many different kinds of people.

45. 92% of workers are found in unorganised sector and only 8% workers in the organised sector.

46. Workers in the **organised sector** enjoy security of employment.

47. People work in the government or with companies are all in the **organised sector**.

48. The **unorganised sector** is characterised by small and scattered units.

49. **Unorganised sector** includes a large number of people who are self employed.

50. Almost half the workers are **self employed**.

51. Landless agricultural labourers, small and marginal farmers, sharecroppers and artisans (such as weavers, blacksmiths, carpenters and goldsmiths) are the vulnerable people who need protection.

52. Nearly **80%** of rural households are in **small and marginal farmer** category.

53. The **casual workers** in both rural and urban areas need to be protected.

54. During 2004-05, the unorganised sector workers accounted for **92%** of all workers that contributed **50%** of the production.

55. Only **8%** of organised sector workers contributed **50%** of the production of goods and services.
Classify the following list of occupations under agriculture, industry and service sectors. Give reasons for your classification:

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Classification</th>
<th>Reasons for classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailor</td>
<td>Industry</td>
<td>Tailor uses tools or machines to work.</td>
</tr>
<tr>
<td>Basket weaver</td>
<td>Industry</td>
<td>It is a household industry.</td>
</tr>
<tr>
<td>Flower cultivator</td>
<td>Agriculture</td>
<td>Come under agriculture activity.</td>
</tr>
<tr>
<td>Milk vendor</td>
<td>Agriculture</td>
<td>Cattle rearing comes under agriculture.</td>
</tr>
<tr>
<td>Fishermen</td>
<td>Agriculture</td>
<td>Fishing comes under Primary sector.</td>
</tr>
<tr>
<td>Priest</td>
<td>Services</td>
<td>A priest can serve the society.</td>
</tr>
<tr>
<td>Courier</td>
<td>Services</td>
<td>Courier can’t produce anything but do service.</td>
</tr>
<tr>
<td>Workers in match factory</td>
<td>Industry</td>
<td>They can produce matches in a factory.</td>
</tr>
<tr>
<td>Money lender</td>
<td>Services</td>
<td>Money lender comes under service activity.</td>
</tr>
<tr>
<td>Gardener</td>
<td>Agriculture</td>
<td>Gardening is an agricultural activity.</td>
</tr>
<tr>
<td>Potter</td>
<td>Industry</td>
<td>Pot making is a household industry.</td>
</tr>
<tr>
<td>Bee-keeper</td>
<td>Agriculture</td>
<td>Collecting honey is comes under agriculture.</td>
</tr>
<tr>
<td>Astronaut</td>
<td>Services</td>
<td>Astronaut works to know about the space.</td>
</tr>
<tr>
<td>Call centre employee</td>
<td>Services</td>
<td>He gives service to their customers.</td>
</tr>
</tbody>
</table>

The following table shows the percentage of workers employed in different sectors in India in 1972-73 and in 2009-2010, i.e. after 37 years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
<td>74%</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>2009-10</td>
<td>53%</td>
<td>22%</td>
<td>25%</td>
</tr>
</tbody>
</table>

(i) What are the major changes that you observe from the above table?
A. 1. In the year 1972 people depending upon agriculture was 74%.
   2. It is decreased to 53% during the year 2009-10.
   3. At the same time in the industrial sector it increased from 11% to 22%.
   4. In the service sector only 10% increased.
   5. Workers employed in the agriculture sector decreased 21%.
   6. Workers employed in the industrial sector increased twice.

(ii) From what you have read before, discuss what could be some of the reasons for these changes.
1. As the methods of farming changed.
2. Food requirements were met by other producers.
3. There were increasing number of craft-persons and traders.
4. Buying and selling activities increased many times.
5. Besides, rulers employed large number of people as administrators, army etc.
6. So, percentage of people in industrial and service sectors gradually increased.

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1. Agriculture
2. Mining (Agriculture)
3. Services
4. Industries
Q. In the above example, paddy or rice is the intermediate goods and idly is the final good. The following are a few goods we consume in our daily lives. List some of the intermediate goods against each one.

<table>
<thead>
<tr>
<th>FINAL GOOD</th>
<th>INTERMEDIATE GOODS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notebook</td>
<td>Softwood, pulp, Bleaching powder.</td>
</tr>
<tr>
<td>Car</td>
<td>Tyres, tubes, glasses, doors, Lights.</td>
</tr>
<tr>
<td>Computer</td>
<td>Processor, DVD ROM, USB ports, VGA cable.</td>
</tr>
</tbody>
</table>

The total value of production of goods and services in India increased approximately 7.7 times between 1972-3 and 2009-10.

**Total value of goods sold at each stage:**
- Stage 1 (sale of paddy by farmer to rice mill owner) Rs. 2500
- Stage 2 (sale of rice and husk by rice mill owner to hotelier) Rs. 3600
- Stage 3 (sale of idly, dosa) Rs. 5000

**Discuss: To find out the total value of goods produced should we add them up?**
- A. Value added at all stages = 2500+1100+1400 = Rs. 5000
- 1. To calculate the total value of goods we should not add them up.
- 2. Because the value of the final goods already included the value of all.
- 3. If we add it will become double counting.
- 4. The value of final goods and services are counted here in both the methods.
- 5. So both methods give the same results.
Q. The value of GDP is given the following table. Compute the growth rate of GDP as shown for 2010-11?

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (in rupees crores)</th>
<th>Percentage change in GDP over the previous year</th>
<th>= Growth Rate of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>45,16,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010-11</td>
<td>49,37,000</td>
<td>[\frac{(49,37,000 - 45,16,000)}{45,16,000}] X 100</td>
<td>9.32 %</td>
</tr>
<tr>
<td>2011-12</td>
<td>52,44,000</td>
<td>[\frac{(52,44,000 - 49,37,000)}{49,37,000}] X 100</td>
<td>6.218%</td>
</tr>
<tr>
<td>2012-13</td>
<td>55,05,000</td>
<td>[\frac{(55,05,000 - 52,44,000)}{52,44,000}] X 100</td>
<td>4.977%</td>
</tr>
</tbody>
</table>

Q. What do services comprises of?

<table>
<thead>
<tr>
<th>Community, social and personal services:</th>
<th>Public Administration, Defence, Education, Health, Veterinary activities, Media, Library, archives, museums and other cultural activities, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, insurance and real estate</td>
<td>services of banks, post-office savings accounts, non-bank financial companies, Life insurance and General Insurance corporation, services of brokers and real estate companies etc.</td>
</tr>
<tr>
<td>Trade, hotels, transport and communication</td>
<td>?</td>
</tr>
</tbody>
</table>

Can you find out some examples of trade, hotels, transport and communication?
A. Super markets, shopping malls, hotels, railways, airways, APSRTC, BSNL, Internet, fax, news papers, Televisions.

Table: 3.1 Distribution of Workers in India by Industry, 2009-2010 (%)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Place of Residence</th>
<th>Sex</th>
<th>All workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Male</td>
</tr>
<tr>
<td>Agriculture Sector</td>
<td>68</td>
<td>8</td>
<td>47</td>
</tr>
<tr>
<td>Industry Sector</td>
<td>17</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Services Sector</td>
<td>15</td>
<td>58</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Read the above table and fill in the blanks:
Majority of workers in agriculture are living in Rural.
Most Female workers are employed in agriculture sector. Only a small section of 22% is in industrial sector.
More than 90% of urban workers are getting employment in Industry and Services sectors.
Compared to males, female workers are getting employment in Industry and Service sectors only to a small extent.
Look at the above pie charts and fill in the following table.

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>EMPLOYMENT (%)</th>
<th>GROSS DOMESTIC PRODUCT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1972-73</td>
<td>2009-10</td>
</tr>
<tr>
<td>Agriculture</td>
<td>74%</td>
<td>53%</td>
</tr>
<tr>
<td>Industry</td>
<td>11%</td>
<td>22%</td>
</tr>
<tr>
<td>Services</td>
<td>15%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Improve your learning**

1. Fill in the blanks using the correct option given in the bracket:
2. (i) Employment in the service sector has not increased to the same extent as production. (has / has not)
   (ii) Workers in the service sector do not produce goods. (service / agricultural)
   (iii) Most of the workers in the organised sector enjoy job security. (organised / unorganised)
   (iv) A large proportion of labourers in India are working in the unorganised sector. (large / small)
   (v) Cotton is a natural product and cloth is a manufactured product. [natural / manufactured]
2. Choose the most appropriate answer.

(a) Production of a commodity, mostly through the natural process, is an activity in sector. (i)
(i) Primary (ii) secondary (iii) tertiary (iv) information technology

(b) GDP is the total value of produced during a particular year. (ii)
(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

(c) In terms of GDP the share of service sector in 2009-10 was (iii)
(i) between 20 to 30 per cent (ii) between 30 to 40 per cent (iii) between 50 to 60 per cent (iv) 70 per cent

3. Find the odd one out and say why.
(i) Teacher, doctor, vegetable vendor, lawyer
A. 1. The odd one is Vegetable vendor.
2. Reason: Vegetable vendor is in unorganised sector.

(ii) Postman, cobbler, soldier, police constable
A. 1. The odd one is cobbler.
2. Reason: Cobbler is in private sector. Remaining are in government sector.

4. Do you think the classification of economic activities into primary, secondary and tertiary is useful? Explain how.
A. Yes. I think the classification is useful. Because
1. To estimate the nature and state of the economy.
2. How many people are employed in each sector.
3. To know the produced goods are sufficient or not.
4. To plan which sector need development.
5. To reduce the disguised unemployment.
6. That’s why the classification of occupational structure is useful.

5. 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.
A. For each of the sectors that we came across in this chapter should focus on employment and GDP. Because,
1. All the three sectors are base to the economy.
2. Growth in GDP and employment are the common goals.
3. If we focus on GDP and employment, per capita income, standard of living and productivity will raise.

Other issues which should be examined.
1. Infrastructure facilities
2. Modernisation
3. Literacy rate
4. Science and Technology
5. Exports and imports
6. How is the service sector different from other sectors? Illustrate with few examples.
A. The service sector is different from other sectors. Because
1. Service sector is one of the three main sectors.
2. There has been a great hike in the service sector.
3. It is the revenue earner in Indian economy.
4. More work opportunities are there in the service sector.
5. If service sector grows they result in global growth for Indian economy.
6. The service sector employs about 30% of Indian workforce.
7. The service sector is a supporting arm for the other sectors to make them flourish.
8. The service sector also witnessed a remarkable rise in the global market apart from the Indian market.

7. What do you understand by underemployment? Explain with an example each from the urban and rural areas.
A. 1. The people in a labor force are employed at less than their potential.
   2. It is also called disguised unemployment.

Example from the urban area:
1. Rajesh is working as a daily labour in a town.
2. He gets work only for 10 to 12 days a month.
3. In the remaining days he has no work.
4. He gets Rs. 175 per day as wages.
5. He gets more work from February to June.
6. July to January is unseasonal.

Example from the rural area:
1. A farmer, Ravi, owning about one hectare, dependent only on rain and growing crops.
2. All four members of his family work in the plot throughout the year.
3. Each one is doing some work but no one is fully employed.
4. This is the situation of underemployment in rural areas.
5. Here people are apparently working but all of them are made to work less than their potential.

8. The workers in the unorganised sector need protection on the following issues: wages, safety and health. Explain with examples.
A. The workers in the unorganised sector need protection on wages, safety and health.

i. WAGES:
1. Painters, plumbers, repair persons, shopkeepers, transport persons, hawkers, street vendors, head load workers, garment makers are in unorganised sector.
2. The unorganised sector is remained outside the control of the government.
3. There are rules and regulations but these are not followed.
4. Jobs here are low-paid and not regular.
5. They have no pension benefits.
6. Government should provide minimum wage levels.

ii. SAFETY:
1. Workers in the unorganised sector have no security of employment.
2. They have no fixed working hours.
3. They have no safe working environment.
4. They have no help for the treatment in accidents while working.
iii. HEALTH:
1. They have no medical benefits like organised sector.
2. They have no facilities like drinking water, sanitation, pucca houses.
3. Most companies do not provide health insurance to their workers.
4. The Government should provide all the facilities to the labours in unorganised sector.

9. 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 6000 crores. Out of this Rs 3200 crores was generated in the organised sector. Present this data as a table. What are the ways for generating more employment in the city?

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>WORKERS</th>
<th>%</th>
<th>INCOME (IN CRORES)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organised</td>
<td>04,00,000</td>
<td>27</td>
<td>3200</td>
<td>53</td>
</tr>
<tr>
<td>Unorganised</td>
<td>11,00,000</td>
<td>73</td>
<td>2800</td>
<td>47</td>
</tr>
<tr>
<td>Total</td>
<td>15,00,000</td>
<td>100</td>
<td>6000</td>
<td>100</td>
</tr>
</tbody>
</table>

There are so many ways for generating more employment in Ahmedabad.
1. More Industries need to be established.
2. Science hubs, Universities, colleges, research & call centers should be established.
3. Banking, Roads and buildings, universities, outsourcing, need to be improved.
4. Then employment will generate in the city.

Key words:
1. **Groass Domestic Product:** - The total value of finished goods and services produced in the country is *GDP*.
2. **Final goods:** - Goods, such as food and clothing, that satisfy human wants through their direct consumption or use.
3. **Sectoral goods:** - Goods belonging to different sectors like food, clothing, beverages, automobiles.
4. **Employment shifts:** - Change of employment from agriculture sector to industrial and service sectors.
5. **Organised sector:** - The enterprises or places of work where the terms of employment are regular and therefore, people have assured work.
6. **Unorganised sector:** - The unorganised sector is characterised by small and scattered units which have remained largely outside the control of the government.