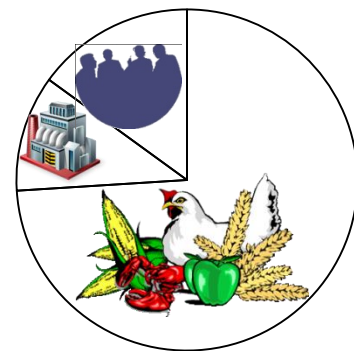




1. People engaged in various **economic activities**.
2. India's GDP grew only by **5 %** in 2012-13.
3. Peoples activities are broadly categorised into three
 - 1) **Agriculture and related activities.**
 - 2) **Manufacturing processes & industries,**
 - 3) **Services for people.**
4. Where nature has 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 $\frac{3}{4}$ 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**.



Peoples activities



Agriculture



Fishing



Service sector



Gross Domestic Product



Gross Domestic Product

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.



economic activity



economic activity



economic activity



dosa



cleaning



paddy



husk



Rice



idli,

Classify the following list of occupations under agriculture, industry and service sectors. Give reasons for your classification:

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

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.

Year	Agriculture	Industry	Services
1972-73	74%	11%	15%
2009-10	53%	22%	25%

(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.

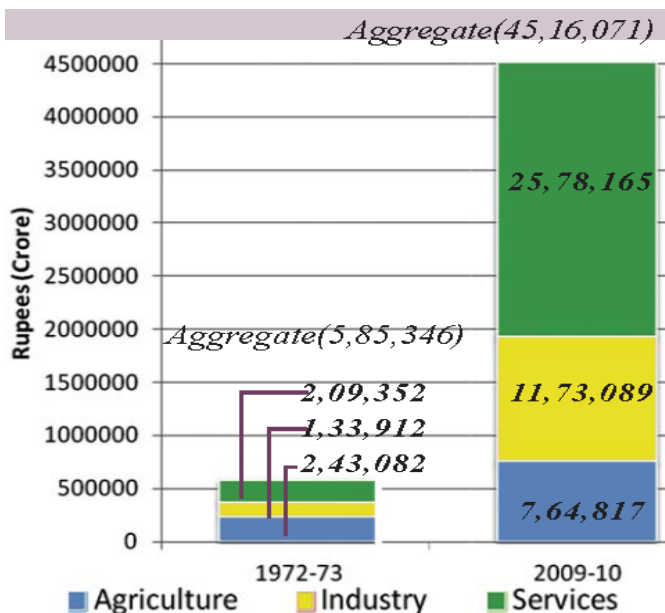
(ii) From what you have read before, discuss what could be some of the reasons for these changes.

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.



1. Agriculture
2. Mining (Agriculture)
3. Services
4. Industries

GRAPH 3.1 GDP BY AGRICULTURE, INDUSTRY AND SERVICE SECTORS



Answer the following questions by looking at the chart:

Q. Which was the largest producing sector in 1972-73?

A. Agriculture

Q. Which was the largest producing sector in 2009-2010?

A. Services.

Fill in the blank:

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

Text Book Questions page No. 31

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.

FINAL GOOD	INTERMEDIATE GOODS
Notebook	Softwood, pulp, Bleaching powder.
Car	Tyres, tubes, glasses, doors, Lights.
Computer	Processor, DVD ROM, USB ports, VGA cable.

Text Book Questions page No. 31

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.

Text Book Questions page No. 32

Q. The value of GDP is given the following table. Compute the growth rate of GDP as shown for 2010-11?

Ans.

Year	GDP (in rupees crores)	Percentage change in GDP over the previous year	= Growth Rate of GDP
2009-10	45,16,000	-	-
2010-11	49,37,000	$[(49,37,000 - 45,16,000) / 45,16,000] \times 100$	= 9.32 %
2011-12	52,44,000 =	$[(52,44,000 - 49,37,000) / 49,37,000] \times 100$	= 6.218%
2012-13	55,05,000	$[(55,05,000 - 52,44,000) / 52,44,000] \times 100$	= 4.977%

Text Book Questions page No. 34

Q. What do services comprises of?

Community, social and personal services:	Public Administration, Defence, Education, Health, Veterinary activities, Media, Library, archives, museums and other cultural activities, etc.
Finance, insurance and real estate	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.
Trade, hotels, transport and communication	?

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.

Text Book Questions page No. 35

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

Sector	Place of Residence		Sex		All workers
	Rural	Urban	Male	Female	
Agriculture Sector	68	8	47	69	53
Industry Sector	17	34	34	16	22
Services Sector	15	58	19	15	25
Total	100	100	100	100	100

Read the above table and fill in the blanks:

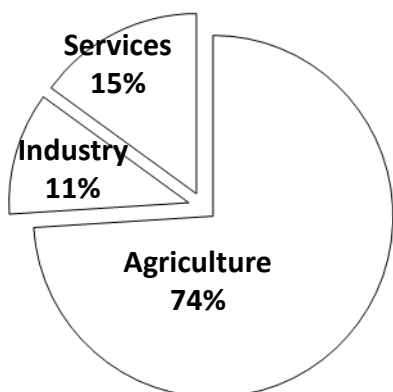
Majority of workers in agriculture are living in **Rural**.

Most **Female** workers are employed in agriculture sector. Only a small section of **22%** is in industrial sector.

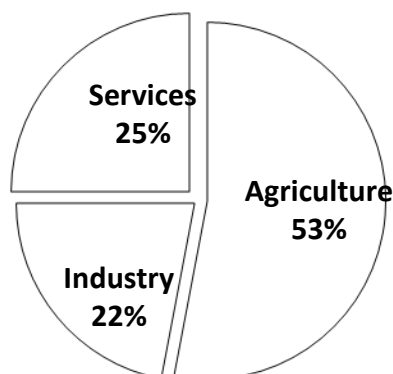
More than 90% of urban workers are getting employment in **Industry** and **Services** sectors.

Compared to males, female workers are getting employment in **Industry** and **Service** sectors only to a small extent.

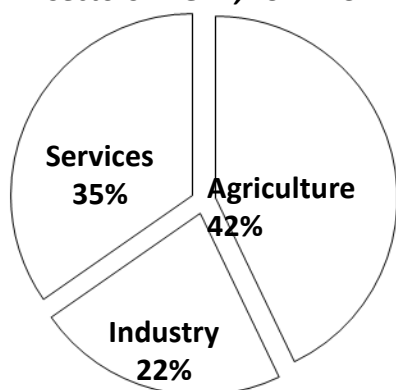
Graph 3.3 Sectoral shares of employment in 1972-73



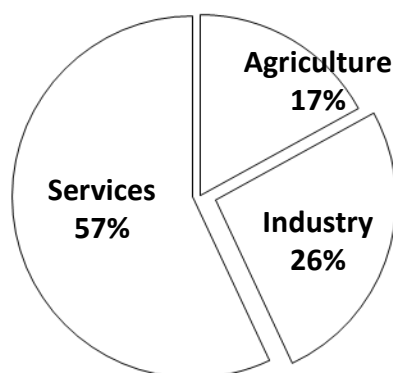
Graph 3.3 Sectoral shares of employment in 2009-2010



Graph 3.4 Shares of three sectors in GDP, 1972-73



Shares of three sectors in GDP, 2009-2010



Look at the above pie charts and fill in the following table.

SECTOR	EMPLOYMENT (%)		GROSS DOMESTIC PRODUCT (%)	
	1972-73	2009-10	1972-73	2009-10
Agriculture	74%	53%	42%	17%
Industry	11%	22%	22%	26%
Services	15%	25%	35%	57%

Improve your learning

- Fill in the blanks using the correct option given in the bracket:
- Employment in the service sector has not increased to the same extent as production. (has / has not)
 - Workers in the service sector do not produce goods. (service / agricultural)
 - Most of the workers in the organised sector enjoy job security. (organised / unorganised)
 - A large proportion of labourers in India are working in the unorganised sector. (large / small)
 - 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.
7. 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?

SECTOR	WORKERS	%	INCOME (IN CRORES)	%
Organised	04,00,000	27	3200	53
Unorganised	11,00,000	73	2800	47
Total	15,00,000	100	6000	100

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:-

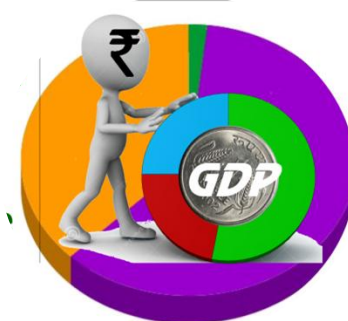
Change of employment from agriculture sector to industrial and service sectors.

5. Organised sector:-

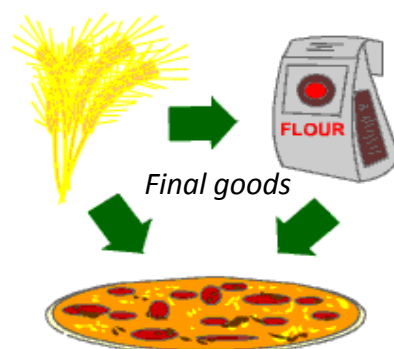
The enterprises or places of work where the terms of employment are regular and therefore, people have assured work.

6. Unorganised sector:-

The unorganised sector is characterised by small and scattered units which have remained largely outside the control of the government.



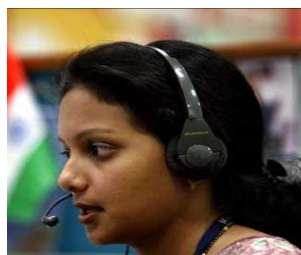
Groass Domestic Product



Sectoral goods



Employment shifts



Organised sector



Unorganised sector