

WHERE ARE MOST OF THE PEOPLE EMPLOYED?

- The graph in your text book shows the share of GDP and employment in the three sectors.
- The primary sector continues to be the largest employer even now.
- Even though industrial output or the production of goods went up by nine times during the period, employment in the industry went up by only three times , the same applies to tertiary as well.
- While production in the service sector rose by 14 times, employment in the service sector rose less than 3 times. As a result , more than half of the workers in the country are working in the primary sector, mainly in a agriculture, producing only a quarter of the GDPA.
- In the contrast to this, the secondary and tertiary sectors produce three-fourth of the produce where as they employ less than half the people.

WHERE ARE MOST OF THE PEOPLE EMPLOYED? (CONTD.)

- It means that there are more people in agriculture than what is necessary. This is a situation where people are apparently working but all of them are made to work less than their potential which is known disguised employment.
- This kind of underemployment is hidden in contrast to someone who does not have a job and is clearly visible as unemployed, for example there are thousands of casual workers in the service sector in the urban areas who search for daily employment. Many of them don't find work every day. They may spend whole day but earn very little. They are doing this work because they do not have better opportunities.

HOW TO CREATE MORE EMPLOYMENT?

- The factors that lead to more employment are:
- Provision of easy credit.
- Promotion of irrigation facilities.
- Provision of education , health and tourism etc.

AN INITIATIVE TO CREATE MORE EMPLOYEMENT

- National rural employment guarantee act 2005 (NREGA 2005),
- Central government in India recently made a law implementing the Right to work in 200 districts of India.
- Under NREGA 2005, all those who are able to , and are in need of , work have been guaranteed 100 days of employment in year by the government.
- If the government fails in its duty to provide employment, it will give unemployment allowances to the people.
- The types of work that would help in future to increase the production from land will be given preference under this act.

CLASSIFICATION OF ECONOMIC ACTIVITIES ON THE BASIS OF WORKING CONDITIONS

- Organised Sector
- Unorganised Sector

ORGANISED SECTOR

- This sector covers those enterprises or places of work where the terms of employment are regular and thus people have assured work.
- They are registered by the government and have to follow its rules and regulation which are given in various laws.
- It is called organised because it has some formal processes and procedures.
- People enjoy security of employment, work only a fixed number of hours, get overtime if they work extra and get paid leave etc. Under the law, the factory manager has to assure facilities like drinking water and a safe working environment. The workers also receive pension on retirement.

UNORGANISED SECTOR

- Characterised by small and scattered units which are largely outside the control of the government.
- There are rules and regulations but they are not followed. Jobs here are low paid and often not regular.
- There is no provision for overtime, paid leave, holidays, sick leave etc.
- Employment is not secure. People can be asked to leave without any reason.
- This sector includes a large number of people who are employed on their own doing small jobs such street vendors or doing repair works.

WHY SHOULD WE PROTECT WORKERS IN THE UNORGANISED SECTOR?

- In rural areas, the unorganised sector mostly comprises of landless agricultural laborers, small and marginal farmers and artisans such as weavers, blacksmiths, carpenters etc.
- Nearly 80 % of rural households in India are in the small and marginal farmer category.
- These farmers need to be supported through adequate facility for timely delivery of agricultural inputs like seeds, credit, storage facilities and marketing outlets.
- In the urban areas, unorganised sector comprises mainly of workers in small-scale industry, casual workers in construction, trade and transportation etc. and those who work as street vendors, head load workers, garment workers, rag pickers, etc.

WHY SHOULD WE PROTECT WORKERS IN THE UNORGANISED SECTOR? (CONTD.)

- Small-scale industry also needs government's support for procuring raw material and marketing of output. The casual workers in both rural and urban areas need to be protected.
- We also find that the majority of workers from scheduled castes, tribes and backward communities find themselves in the unorganised sector.
- Besides getting the irregular and low paid work, these workers also face social discrimination. Protection and support to the unorganised sector workers is thus necessary for both economic and social development.

CLASSIFICATION OF ECONOMIC ACTIVITIES ON THE BASIS OF OWNERSHIP

- Public
- Private

PRIVATE SECTOR

- In the private sector, ownership of assets and delivery of services is in the hands of private individuals or companies.
- Activities in the private sector are guided by the motive to earn profits.
- companies like Tata Steel, Reliance Industries Ltd. Etc. are privately owned.

PUBLIC SECTOR

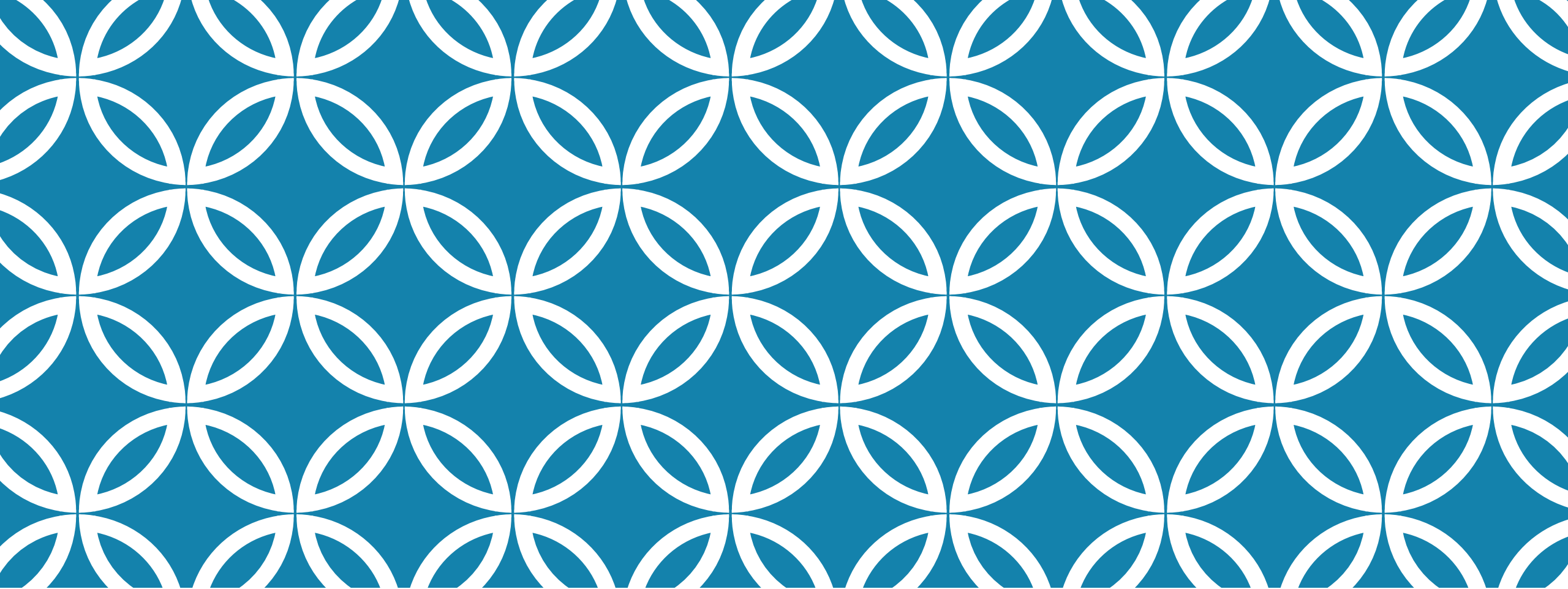
- In the public sector, the government owns most of the assets and provides all the services.
- The purpose is not just to earn profits.
- Railways or post office is an example of the public sector.

CONTRIBUTION OF THE PUBLIC SECTOR TO THE DEVELOPMENT OF A NATION

- There are several things needed by the society as a whole but which the private sector will not be able to provide at a reasonable cost.
- Some of these need spending large sums of money, which is beyond the capacity of the private sector. Construction of roads, bridges, railways, harbours, generating electricity, providing irrigation through dams etc. are some examples. These are done by the government.
- There are some activities that the government has to support.
- Selling electricity at cost of generation may push up the costs of production of industries.

CONTRIBUTION OF THE PUBLIC SECTOR TO THE DEVELOPMENT OF A NATION (CONTD.)

- Many units, especially small scale units might have to shut down due to this. Government here steps in by producing and supplying electricity at rates which these industries can afford.
- There are a large number of activities which are the primary responsibility of the government.
- The government must spend on these. Running proper schools and providing quality education, particularly elementary education is the duty of the government.



THANK YOU |