

Division of Sectors: On the basis of **employment conditions**, sectors are classified into

- 1) **Organised sector** and 2) **Unorganised sector**

1) Organised sector :

- a) The organized sector covers those enterprises or places of work where the terms of employment are regular and therefore, people have assured work.
- b) They are registered by the government and have to follow its rules and regulations. (Factories Act, Minimum Wages Act, Payment of Gratuity Act, Shops and Establishment Act etc.)
- c) Workers in this sector enjoy security of employment.
- d) They are expected to work only a fixed number of hours. If they work more they have to be paid overtime by the employer.
- e) The workers get other benefits like paid leave, payment during holidays, provident fund, gratuity etc.
- f) They get medical benefits, provision of drinking water and safe working environment. When they retire, these workers get pension as well.

2) Unorganised:

- a) The unorganised sector is characterised by small and scattered units which are largely outside the control of the government.
- b) There are rules and regulations but these are not followed.
- c) Jobs are low-paid and often not regular. There is no job security in this sector.
- d) There is no fixed working hours and no provision of overtime.
- e) Workers do not get benefits like paid leave, holidays, leave due to sickness etc.
- f) There are no other benefits like provident fund, gratuity and pension.

Note: The organized sector offers jobs that are the most sought-after. But the employment opportunities in the organised sector have been expanding very slowly. As a result, a large number of workers are forced to enter the unorganised sector jobs.

Unorganised sectors pay very low salary or wages. These jobs are not secured and have no other benefits. They often exploit the workers. Hence there is a need to protect and support the workers in this sector.

The vulnerable People in rural areas who need protection: In the rural areas, the unorganised sector mostly comprises of

- i) landless agriculture labourers,
- ii) small and marginal farmers,
- iii) sharecroppers and
- iv) artisans such as weavers, blacksmiths, carpenters, goldsmiths.

The vulnerable People in urban areas who need protection: In the urban areas, the unorganised sector mostly comprises of

- i) workers in small-scale industries
- ii) casual workers in construction, trade and transport.
- iii) street vendors
- iv) head load workers
- v) garment makers
- vi) rag pickers etc

How to Protect Workers in the Unorganised Sector?

- 1) These small and marginal farmers should be supported through adequate facility for timely delivery of seeds, agricultural inputs, credit, storage and marketing outlets.
- 2) Government's should support the small-scale industries for procuring raw materials and marketing of output.
- 3) The casual workers in both rural and urban areas should be protected through various laws such as Factories Act, Minimum Wages Act, Payment of Gratuity Act, Shops and Establishment Act etc.
- 4) The majority of workers from schedule castes, tribes and backward communities engaged in unorganised sectors face social discrimination. They should be protected through Prevention of Atrocities Act.
- 5) The government can fix minimum wages, enact new laws on overtime and salary range, can provide cheap loan to small farmers and unemployed youths to start their own business.

Classification of sectors on the basis of Ownership: On the basis of ownership sectors are classified into 1) **Public sector** and 2) **Private sector**

1) Public sector:

- i) In this sector all assets or factors of production are owned and managed by the government and its agencies.
- ii) This sector is responsible for the delivery of services.
- iii) India Railway, Postal service, Bharat Heavy Electricals Limited, IOCL, BSNL are the examples of public sector enterprises.

2) Private sector:

- i) In the sector all assets or factors of production are owned and managed by the private individuals or companies.
- ii) The main motive of this sector is profit making.
- iii) Tata Iron and Steel Company Ltd., Reliance Industries Ltd., Bajaj Auto Ltd. are the examples of private sector enterprises.

Role of Public Sector:

- i) The purpose of the public sector is not just to earn profits.
- ii) Governments raise money through taxes and other ways to meet expenses on the services rendered by it.
- iii) There are several things needed by the society as a whole but which the private sector will not provide at a reasonable cost. Even if they provide these things they would charge a high rate for their use.
- iv) Governments spend more on construction of roads, bridges, railways, generating electricity, providing irrigation through dams etc. to ensure that these facilities are available for everyone.
- v) There are some activities, which the government has to support. The private sector may not continue their production unless government ensures it.
- vi) There are a large number of activities which are the primary responsibility of the government. They are
 - a) Providing health facilities for all.
 - b) Running proper schools and providing quality education.
 - c) Providing food and nutrition.
 - d) Providing safe drinking water.
 - e) Providing housing facilities for the poor.
- vii) It is also the duty of the government to take care of the poorest and most ignored regions of the country through increased spending in such areas.

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Assignment: 7

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| 1. Why are a large number of people forced to enter the unorganised sector jobs? | 1 |
| 2. Which people are vulnerable in unorganised sector in rural areas? | 1 |
| 3. Name the sectors which are classified on the basis of employment conditions. | 1 |
| 4. Which people are vulnerable in unorganised sector in urban areas? | 1 |
| 5. Classify sectors on the basis of ownership. | 1 |
| 6. Distinguish between public and private sector enterprises. | 3 |
| 7. Compare the employment conditions prevailing in the organised and unorganised sector. | 5 |
| 8. Explain how public sector contributes to the economic development of a nation. | 5 |

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