



[Glossary]

LEWIS MODEL

Subject:	Business Economics
Course:	B. A. (Hons.), 6 th Semester, Undergraduate
Paper No. & Title:	Paper – 641 Elective PaperE2 – Economic Growth and Policy
Unit No. & Title:	Unit – 2 Growth Model
Lecture No. & Title:	Lecture – 3 LEWIS MODEL

Glossary

Capitalist Surplus: It is the profit (surplus) which is obtained when the total revenue productivity of the workers employed is greater than the total money wages paid to them.

Disguised Unemployment: Disguised unemployment is a situation in which from a working combination of factors if some labour is removed, there is no change of any consequence in the production process.

Dual Character of an Economy (Dual Economy): The dual character of an economy means the co-existence of the 'traditional' and the 'modern' sectors together.

Modern Sector: A sector which functions more dominantly on relatively more advanced technology and methods of production is called the modern sector.

Opportunity Cost: It is the benefit foregone from the next best alternative use of a factor when a factor is employed in a particular job.

Subsistence Wage Rate: The lowest level of wages at which a labourer's family can only subsist or survive.

Surplus Labour: The concept of surplus labour implies that if some labour is withdrawn from an activity, the total output from that activity remains unchanged.

Traditional Sector: A sector which relies for its production more dominantly upon labour intensive techniques of production, traditional methods and technology is called the traditional sector. **Unorganized Sector:** A sector encompassing activities which are conducted by small and unincorporated private enterprises and which are not covered by any Act or

policy owing to the highly vernacular methods of functioning and vast geographical spread.